Congressional Record

PROCEEDINGS AND DEBATES

OF THE

SECOND SESSION OF THE SEVENTY-FOURTH CONGRESS

OF

THE UNITED STATES
OF AMERICA

VOLUME 80—PART 6

APRIL 22, 1936, TO MAY 8, 1936

(Pages 5829 to 7016)





UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1936

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

Congressional Record

SEVENTY-FOURTH CONGRESS, SECOND SESSION

SENATE

WEDNESDAY, APRIL 22, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, April 21, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Johnson	Overton
Ashurst	Connally	Keyes	Pittman
Austin	Coolidge	King	Radcliffe
Bachman	Copeland	La Follette	Reynolds
Bailey	Couzens	Logan	Robinson
Barbour	Davis	Lonergan	Russell
Barkley	Dickinson	Long	Schwellenbach
Benson	Dieterich	McAdoo	Sheppard
Bilbo	Donahey	McGill	Shipstead
Black	Duffy	McKellar	Steiwer
Borah	Fletcher	McNary	Thomas, Okla.
Brown	Frazier	Maloney	Thomas, Utah
Bulkley	George	Metcalf	Townsend
Bulow	Gibson	Minton	Truman
Burke	Glass	Moore	Tydings
Byrd	Guffey	Murphy	Vandenberg
Byrnes	Hale	Murray	Van Nuys
Capper	Harrison	Neely	Wagner
Caraway	Hatch	Norris	Walsh
Carey	Hayden	Nye	White
Chavez	Holt	O'Mahoney	

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Florida [Mr. TRAMMELL] are absent from the Senate because of illness; and that the Senator from Washington [Mr. BONE], the Senator from South Carolina [Mr. SMITH], the Senator from Montana [Mr. WHEELER], the Senator from Oklahoma [Mr. GORE], the Senator from Rhode Island [Mr. GERRY], and the Senator from Idaho [Mr. POPE] are unavoidably detained.

Mr. REYNOLDS. I announce that the Senator from Illinois [Mr. LEWIS], having accepted an invitation to deliver an address before the North Carolina State Bar Association, is absent on that mission.

Mr. AUSTIN. I announce that the Senator from Delaware [Mr. HASTINGS] is necessarily absent from the Senate.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Chief Examiner of the United States Civil Service Commission, reporting, pursuant to law, that there are on the files of the Commission in Washington and in the field an accumulation of papers which are not needed in the transaction of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying schedule, was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BULOW and Mr. WHITE members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by a mass meeting held at Los Angeles, Calif., of officers and workers representing about 300,000 members of the Townsend old-age revolving pension plan movement in southern California, protesting against the enactment of the bill (H. R. 11663) to require reports of receipts and disbursements of certain contributions, to require the registration of persons engaged in attempting to influence legislation, to prescribe punishments for violation of this act, and for other purposes, which was ordered to lie on the table.

Mr. CAPPER presented a petition of sundry citizens of Wichita, Kans., praying for the enactment of the bill (S. 4174) to foster and protect interstate commerce by authorizing the Interstate Commerce Commission to approve or disapprove of the consolidation or abandonment of carrier facilities of public service, which was referred to the Committee on Interstate Commerce.

He also presented letters in the nature of petitions from Wichita Lodge No. 571, Brotherhood of Railway and Steamship Clerks, by Thomas P. Page, secretary-treasurer, of Wichita; Osawatomie Lodge No. 64, International Association of Machinists, by A. W. Farley, recording secretary, of Osawatomie; and Wilson Lodge No. 628, Brotherhood of Railway Clerks, by Fred M. Cathell, legislative representative, of Topeka, all in the State of Kansas, praying for the enactment of the bill (S. 4174) to foster and protect interstate commerce by authorizing the Interstate Commerce Commission to approve or disapprove of the consolidation or abandonment of carrier facilities of public service, which were referred to the Committee on Interstate Commerce.

Mr. TYDINGS presented a petition of sundry citizens of Baltimore, Md., praying for the enactment of the bill (S. 3475) to provide for the establishment of a Nation-wide system of social insurance, which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by Branch No. 169 of the Workmen's Sick and Death Benefit Fund, of Baltimore, Md., favoring the enactment of the bill (S. 3475) to provide for the establishment of a Nation-wide system of social insurance, which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by Lodge No. 294, International Brotherhood of Boiler Makers, Iron Ship Builders, and Helpers of America, of Baltimore, Md., favoring the enactment of the bill (S. 4174) to foster and protect interstate commerce by authorizing the Interstate Commerce Commission to approve or disapprove of the consolidation or abandonment of carrier facilities of public service, which was referred to the Committee on Interstate Commerce.

Mr. BYRNES presented the following resolution of the House of Representatives of the State of South Carolina, which was ordered to lie on the table:

Resolution endorsing a bill in the Congress of the United States making it a felony to transport in interstate or foreign commerce persons to be employed to obstruct or interfere with the right of peaceful picketing during labor controversies

Whereas there has been introduced in the Congress of the United States by Senator JAMES F. BYRNES, of South Carolina, and known as Senate bill no. 2039 entitled, "A bill making it a felony to transport in interstate or foreign commerce persons to be

employed to obstruct or interfere with the right of peaceful picketing during labor controversies", and the same is now pending; and

Whereas we believe it an inalienable right of labor for peaceful picketing without foreign interference; and

Whereas in the past there have been those who have capitalized and make a commercial proposition out of disputes between labor and capital; and

Whereas we believe that Senate bill no. 2039 will do much to eliminate such conditions and is in the interest of labor: Now, therefore, be it

Resolved by the house of representatives, That we commend Senator BYRNES for introducing and attempting to secure the passage of and respectfully urge upon the South Carolina delegation their support of said bill; be it further

Resolved, That a copy of this resolution be sent to the clerk of the United States Senate, a copy also to be sent to Senator JAMES F. BYRNES and the other Members of the South Carolina delegation.

LOW-COST HOUSING

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred three resolutions, all approving the pending so-called housing bill, one adopted by the Board of Estimate and Apportionment of the City of New York, another adopted by the Lower East Side Public Housing Conference of New York City, and the third by the State Board of Housing of the State of New York.

There being no objection, the resolutions were referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

Be it resolved, That the Board of Estimate and Apportionment of the City of New York does strongly and earnestly request the Congress of the United States to enact at the earliest possible date the United States Housing Act of 1936, known as the Wagner housing bill (S. 4424); and be it

Resolved further, That a copy of this resolution be sent to the Vice President of the United States, the Speaker of the House of Representatives, Senator WAGNER, and the chairmen of the House and Senate committees having jurisdiction thereof.

A true copy of resolution adopted by the Board of Estimate and Apportionment, April 17, 1936.

PEARL BERNSTEIN, *Secretary.*

Whereas it has been proven that bad housing is detrimental to the health of the people in a community and that slums constitute an economic waste; and

Whereas it is an acknowledged fact that good housing for persons of low incomes cannot be provided through the ordinary channels of private enterprise; and

Whereas city, State, and National Governments have accepted the principles and acknowledged the obligation of governmental responsibility for the housing of persons who cannot be reached through private enterprise; and

Whereas private enterprise finds it unprofitable to provide housing accommodations of modern standard at rents sufficiently low to meet the needs of low-income wage workers, and therefore it becomes the responsibility of Government to do so: And, therefore, be it

Resolved, That the Lower East Side Public Housing Conference endorses a bill introduced in the Senate by the Honorable ROBERT F. WAGNER, United States Senator from New York, and in the House of Representatives by the Honorable HENRY ELLENBOGEN, Congressman from Pennsylvania; be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States, Hon. ROBERT F. WAGNER and ROYAL S. COPELAND, Senators from New York, and the Honorable DAVID I. WALSH, chairman of the Senate Committee on Education and Labor, and the following Representatives: Hon. HENRY ELLENBOGEN, Hon. JAMES A. O'LEARY, Hon. SAMUEL DICKSTEIN, Hon. CHRISTOPHER D. SULLIVAN, Hon. WILLIAM I. SIROVICH, Hon. JOHN O'CONNOR, Hon. MARTIN J. KENNEDY, Hon. HENRY B. STEAGALL; and be it further

Resolved, That the Lower East Side Public Housing Conference requests of the chairman of the Committee on Banking and Currency of the House of Representatives that public hearings be held to enable the proponents of the bill to set forth publicly their reasons for their support.

This is a true copy of resolution of the Lower East Side Public Housing Conference, dated April 20, 1936.

MAC GOLDSMITH, *President.*

RESOLUTION OF THE STATE BOARD OF HOUSING ADOPTED APRIL 17, 1936

Whereas the Legislature of the State of New York, by chapter 823 of the Laws of 1926, declared that congested and unsanitary housing conditions which exist in certain areas of the State in low-priced dwellings are a menace to the health, safety, morals, and welfare, and the reasonable comfort of the citizens of the State; that correction of these conditions in such areas being otherwise impossible, it is essential that provision be made for the investment of private funds at low interest rates, the acquisition at fair prices of adequate parcels of land, the gradual demolition of existing unsanitary and unsafe housing, and the construction of new housing facilities under public supervision in accord with proper standards of sanitation and safety at a cost which will permit monthly rentals which wage earners can afford to pay; and

Whereas by further legislative declaration in 1934 the Legislature of the State of New York having further found that the clearance, replanning, and reconstruction of the areas in which unsanitary or substandard housing conditions exist and the providing of decent, safe, and sanitary dwelling accommodations in said areas and elsewhere for persons of low income are public uses and purposes for which public money may be spent and private property acquired; and

Whereas the legislature having created the State board of housing and authorized the organization of limited dividend housing corporations and the establishment of municipal housing authorities, which are declared to be agencies and instrumentalities of the State for the purpose of promoting the public health and safety by providing for the elimination of unsanitary and dangerous housing conditions, for the relief of congested areas and the construction and supervision of dwellings, and for the letting of apartments at reasonable rentals; and

Whereas mortgage funds are not available in amount sufficient to finance large-scale limited dividend corporation projects, or public funds available in amounts sufficient to finance projects of municipal housing authorities without the aid of the Federal Government in the manner substantially as set forth under the terms of the proposed United States Housing Act, being S. 4424, by WAGNER, and H. R. 12164, by ELLENBOGEN; and

Whereas it is desirable that the benefits of a continuing Federal housing policy be extended throughout the United States by providing for a permanent housing agency in the Federal Government: Be it

Resolved, That the New York State Board of Housing respectfully urges upon the United States Senate the enactment at the earliest date possible of the United States Housing Act of 1936, being Senate bill 4424, introduced by Senator ROBERT F. WAGNER, of New York, and urges upon the House of Representatives the enactment at the earliest possible date of the identical measure introduced by Congressman HENRY ELLENBOGEN, of Pennsylvania, being H. R. 12164; and be it further

Resolved, That a copy of this resolution be sent to the President and to the Vice President of the United States, the Speaker of the House of Representatives, and to the members of the Senate Committee on Education and Labor and the House Committee on Banking and Currency.

REPORT OF THE COMMITTEE ON BANKING AND CURRENCY

Mr. ADAMS, from the Committee on Banking and Currency, to which was referred the bill (S. 4443) to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the issuance of the charter to the city of Lynchburg, Va., reported it without amendment and submitted a report (No. 1918) thereon.

DISTRICT OF COLUMBIA APPROPRIATIONS

Mr. THOMAS of Oklahoma. From the Committee on Appropriations I report back favorably, with amendments, the bill (H. R. 11581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes, and I submit a report (No. 1919) thereon.

The VICE PRESIDENT. Without objection, the report will be received and the bill will be placed on the calendar.

Mr. THOMAS of Oklahoma. Mr. President, the Committee on Appropriations authorized the offering of six several amendments on the floor of the Senate. Inasmuch as these amendments are legislative, I file at this time notices of motions to suspend paragraph 4 of rule XVI, so that the several amendments may be considered by the Senate.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and permission to file the notices is granted.

NOTICES OF MOTIONS TO SUSPEND PARAGRAPH 4 OF RULE XVI

The notices filed by Mr. THOMAS of Oklahoma are as follows:

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 11581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes, the following amendment, viz: At the end of the bill insert the following new section:

"SEC. —. Paragraph (7) of section 1 (b) of the District of Columbia Unemployment Compensation Act, as amended, is amended to read as follows:

"'(7) Service performed in the employ of a corporation, community chest, fund, or foundation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual.'"

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 11581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes, the following amendment, viz: Add as a new section the following:

"SEC. 7. The Commissioners of the District of Columbia are hereby authorized and empowered, in their discretion, to secure and to install, at no expense to the said District, mechanical parking meters or devices on the streets, avenues, roads, highways, and other public spaces in the District of Columbia under the jurisdiction and control of said Commissioners; and said Commissioners are authorized and empowered to make and enforce rules and regulations for the control of the parking of vehicles on such streets, avenues, roads, highways, and other public spaces, and as an aid to such regulation and control of the parking of vehicles the Commissioners may prescribe fees for the privilege of parking vehicles where said meters or devices are installed.

"The Commissioners are further authorized and empowered to pay the purchase price and cost of installation of the said meters or devices from the fees collected, and thereafter such meters or devices shall become the property of said District and all fees collected shall be paid to the collector of taxes for deposit in the Treasury of the United States to the credit of the revenues of said District."

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 11581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes, the following amendment, viz: Add as a new section the following:

"SEC. 8. The Commissioners of the District of Columbia are hereby authorized and empowered to make and enforce regulations to require any person in charge or control of any lot of land, improved or unimproved, within the District of Columbia, fronting or abutting on a paved sidewalk, whether as owner, tenant, occupant, agent, lessee, receiver, trustee, executor, administrator, or otherwise, to remove and clear away or cause to be removed and cleared away any snow, ice, and sleet from any said sidewalk in front of or abutting on said lot of land; and, in case the snow, ice, and sleet on such sidewalk shall be frozen so hard that it cannot be removed without injury to the pavement, to require such person in charge or control of any such lot of land to cause said sidewalk to be made safe by strewing the same with such suitable material as the Commissioners may prescribe and to require such person in charge or control of any such lot of land to thoroughly clean said sidewalks of snow, ice, sleet, and such material as soon thereafter as the weather shall permit, and to provide penalties for the violation of such regulations not to exceed $25 for each such violation.

"The act entitled 'An act providing for the removal of snow and ice from the paved sidewalks of the District of Columbia', approved September 16, 1922, is hereby repealed."

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 11581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes, the following amendment, viz: On page 65, line 18, after the figures "$85,000", to insert: "*Provided*, That pay patients may hereafter be admitted to the Children's Tuberculosis Sanatorium for care and treatment at such rates and under such regulations as may be established by the Commissioners of the District of Columbia, insofar as such admissions will not interfere with admission of indigent patients."

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 11581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes, the following amendment, viz: On page 56, in line 2, after the word "justices", insert "marshal, $3,600, whose appointment is hereby authorized"; and in line 6, to strike out "$111,800" and insert in lieu thereof "$115,400."

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 11581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes, the following amendment, viz: On page 32, line 25, after the sum "$7,113,640", to insert: ", of which not exceeding $5,000 may be expended for compensation to be fixed by the Board of Education and traveling expenses of educational consultants employed on special educational projects."

AMENDMENTS TO DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. THOMAS of Oklahoma submitted six amendments intended to be proposed by him on behalf of the Committee on Appropriations to House bill 11581, the District of Columbia appropriation bill, which were ordered to lie on the table and to be printed. (See amendments printed in full above.)

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBINSON:

A bill (S. 4518) for the relief of the dependents of W. R. Dyess; to the Committee on Claims.

By Mr. ASHURST:

A bill (S. 4519) to dispense with unnecessary renewals of oaths of office by civilian employees of the executive departments and independent establishments, and for other purposes; to the Committee on the Judiciary.

By Mr. BLACK (for Mr. BANKHEAD):

A bill (S. 4520) to amend the act approved June 29, 1935 (49 Stat. 436–439), entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges"; to the Committee on Agriculture and Forestry.

ENFORCEMENT OF TWENTY-FIRST AMENDMENT TO CONSTITUTION—AMENDMENTS

Mr. KING submitted amendments intended to be proposed by him to the bill (H. R. 8368) to enforce the twenty-first amendment, which were ordered to lie on the table and to be printed.

TAXATION OF INTOXICATING LIQUOR—AMENDMENTS

Mr. McNARY submitted amendments intended to be proposed by him to the bill (H. R. 9185) to insure the collection of the revenue on intoxicating liquor, to provide for the more efficient and economical administration and enforcement of the laws relating to the taxation of intoxicating liquor, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

MINNEAPOLIS & ST. LOUIS RAILROAD

Mr. BENSON submitted the following resolution (S. Res. 287), which was referred to the Committee on Interstate Commerce:

Whereas hearings are now being conducted by the Interstate Commerce Commission with a view to approval or disapproval of the dismemberment of the Minneapolis & St. Louis Railroad and its piecemeal sale to seven other railroads now organized, for purposes of this transaction, into the Associated Railways Co.; and

Whereas the Reconstruction Finance Corporation has appeared at said hearings through its representative, John W. Barriger, 3d, and has actively advocated and encouraged the proposed dismemberment; and

Whereas the said John W. Barriger, 3d, as representative of the Reconstruction Finance Corporation, has admitted having held conferences with officials of the railroads seeking to participate in the piecemeal purchase of the Minneapolis & St. Louis Railroad, but has declined in his testimony to disclose the origin of the dismemberment proposal; and

Whereas the railroads comprising the Associated Railways Co. are now indebted to the Reconstruction Finance Corporation for about $90,000,000 and propose to borrow $7,200,000 more to carry out the purchase of the Minneapolis & St. Louis Railroad; and

Whereas the Minneapolis & St. Louis Railroad has in the past year shown a decided improvement in its operating finances, is reported to be valued by the Interstate Commerce Commission at more than $35,000,000, and its sale to Associated Railways Co., including its 1,600 miles of track, is proposed at a price of only about $8,300,000; and

Whereas the management of the Minneapolis & St. Louis Railroad expects its operations to gross from $9,000,000 to $10,000,000 this year, with a net profit of $750,000, and such earnings would justify a capitalization of at least $17,000,000, or $10,000,000 more than Associated Railways offers to pay; and

Whereas under the Interstate Commerce Commission's own method of computation supplies and equipment of the Minneapolis & St. Louis Railroad have been found to be worth $5,609,000, and its Minneapolis terminal has been valued by the Interstate

Commerce Commission at more than $4,000,000, and these values are in addition to the value of right-of-way, rails, ties, shops, factories, and stations; and

Whereas the sale and dismemberment of the Minneapolis & St. Louis Railroad proposes abandonment of some 550 miles of its trackage; and

Whereas such abandonment would deprive more than 100 communities in Minnesota, South Dakota, Iowa, and Illinois of services and facilities and would tend to convert these northwest communities into ghost towns and deserted villages; and

Whereas the effects of such sale and dismemberment are so obviously disastrous to the four-State area affected that the Great Western Railroad through its president, P. H. Joyce, has withdrawn from the application of Associated Railways for dismemberment, and publicly stated, "We do not care to be a party to depriving more than 100 communities of the services and facilities they now enjoy"; and

Whereas more than 3,000 Minneapolis & St. Louis Railroad employees would be deprived of employment and their families deprived of their normal means of support, and the city of Minneapolis would be deprived of its second largest pay roll in excess of $1,750,000; and

Whereas the business interests of Minneapolis and the business and agricultural interests of the four States, Minnesota, South Dakota, Iowa, and Illinois, and the vast membership of the entire 21 organizations of railroad labor, have united in unanimous protest against the break up of the Minneapolis & St. Louis Railroad, with its resultant demoralizing effect upon employment, destructive results to Northwest transportation facilities, and vast loss of property values for taxation purposes; and

Whereas the Reconstruction Finance Corporation, despite the attitude of its representative, John W. Barriger, III, is presumably and avowedly an agency of government set up for purposes of economic reconstruction rather than demoralization: Therefore be it

Resolved, That a special committee consisting of five Senators, with adequate representation from the districts to be affected by the proposed dismemberment, be appointed by the President of the Senate to investigate the social and economic effects, and the financial advisability or inadvisability of the proposed sale of the Minneapolis & St. Louis Railroad to the Associated Railways Co., and further to investigate the origin of the dismemberment proposal, and to determine and pass upon the propriety of the activity of agents of the Reconstruction Finance Corporation in appearing as proponents of the dismemberment and sale; and be it further

Resolved, That the Interstate Commerce Commission be, and hereby is, requested to withhold approval of such dismemberment and sale until such time as the investigation, herewith authorized, shall have been completed, and the committee shall have reported to the Senate in the Seventy-fifth Congress its findings and recommendations.

SMALL MANUFACTURING INDUSTRIES

Mr. SHEPPARD submitted the following resolution (S. Res. 288), which was referred to the Committee on Manufactures:

Resolved, That the Committee on Manufactures be, and it is hereby, requested to report to the Senate as to the advisability of requiring the Secretary of Commerce to investigate and determine for the information of individuals or organizations asking such information, as to the smallest capital, labor, and machine units with which, and the smallest distribution and population areas in which articles of common use, to be specified by the parties seeking to be informed, may be profitably manufactured for sale, and to embody the result in replies to said parties and in bulletins for general circulation.

SEC. 2. That the Committee on Manufactures be, and it is hereby, requested to report to the Senate as to the advisability of requiring the Secretary of Agriculture to investigate and determine as to the extent to which small factories may be operated in connection with farms of average size on the farm itself, in farm communities, in villages or elsewhere, and to embody the result in bulletins for general circulation.

MR. HEARST AND THE LOBBY COMMITTEE

Mr. MINTON. Mr. President, on April 19, 1936, there appeared in the Emporia Daily Gazette, of Emporia, Kans., an editorial entitled "Hearst Loses." I call this editorial to the attention of the Senate, first, because no one is better qualified to speak for the decent press of the country than is the grand old editor of Emporia, Kans., William Allen White; second, because I agree heartily with what he says; and, third, because the last line of this editorial seems to forecast a coming event. It reads:

Whoever ties up with him—

Meaning Mr. Hearst—

begins to smell lilies and attract the undertaker.

I take it from that that it forecasts one of two things, either that Governor Landon is going to give the "hook" to Mr. Hearst, or he will wake up with some political lilies in his hand.

I ask unanimous consent that the editorial may be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Emporia (Kans.) Daily Gazette of Apr. 9, 1936]

HEARST LOSES

It was probably Hearst who lost the injunction suit to keep the Senate Lobby Committee and the Federal Trade Commission from examining or using his telegrams. It may not have been the merits of the case, but Hearst who lost. For, after all, the man in a lawsuit has something to do with the way a lawsuit goes.

Hearst came into this lawsuit with dirty hands. No man living is so entirely responsible for journalistic violating of private life, for purloining and printing private correspondence, as Hearst.

It is odd to see Hearst meek and put-upon as he assumes to be in this lawsuit. The Uriah Heep attitude ill befits a man who is the Fagan of the newspaper business.

There was something in the contention of Hearst's lawsuit. It is just as well that it has gone to the Supreme Court. But there was precious little in Hearst to justify a decision in his favor.

Professionally, Hearst is a form of poison. Politically, he has degenerated into a method of suicide. Whoever ties up with him begins to smell lilies and attract the undertaker.

THE LOBBY INVESTIGATING COMMITTEE AND ITS CRITICS—ADDRESS BY SENATOR MINTON

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting address delivered over the radio on the 15th instant by the distinguished Senator from Indiana [Mr. MINTON] on the subject of the activities of the special lobby investigating committee of the Senate and some of its critics.

There being no objection, the address was ordered to be printed in the RECORD as follows:

The Liberty League has spoken again through its $54,000-a-year mouthpiece—Mr. Shouse. The Liberty League is as misrepresentative of the masses of the people as its mouthpiece, Mr. Shouse, is of the facts concerning the Lobby Committee.

It is well to bear in mind who it is that rises to defend your sacred liberties. First, it is the Liberty League, whose pockets are lined with the blood money of the munitions manufacturers, the Du Ponts, Raskobs, and their business associates. And, let it never be forgotten that their mouthpiece is the same Jouett Shouse who, with Raskob of the Liberty League, sought to sell the Democratic Party down the river at Chicago in 1932, and, when repudiated by the party at Chicago, organized the Liberty League and have been engaged ever since in trying to discredit, harass, and defeat President Roosevelt and his administration. Nothing constructive has come from the Liberty League—only carping criticism. What have they had to offer that would have helped this administration in the performance of its gigantic task in the most threatening peacetime emergency in the country's history? Nothing, absolutely nothing. They have attempted only to destroy the confidence of the people in their Government.

In every speech Mr. Shouse has made over the radio concerning the Lobby Committee, he has wound up his speech with the usual attack upon the New Deal and an appeal for more joiners for the Liberty League.

Second to rush to the aid of the Liberty League in defense of your liberties was Mr. Hearst and his unspeakable yellow journals. Mr. Hearst filed a lawsuit to enjoin the activities of the Black lobby committee and was rather promptly thrown out of court, with this reminder by the court as to what is meant by the freedom of the press he prates about so much and prostitutes to propaganda and sensationalism in the hope of increasing his revenues. This is what the court said as it denied Mr. Hearst's injunction and dismissed his suit against the lobby committee: "I cannot see how the freedom of the press is involved in any way. You cannot say that the proprietor of a newspaper is not amenable to ordinary judicial process, or that his communications with his subordinates are sacred. Freedom of the press, as the term originated, meant the right to criticize the Government. No such question is involved here at all."

When Mr. Hearst filed his suit against the lobby committee, this fact was heralded to all the newspapers of the country, with Mr. Hearst in the heroic role of defending the constitutional right of freedom of the press, and with the assurance that this powerful publisher would—by means of the courts, represented as the only remaining citadel of those who fight for liberty—place the Senate committee in its proper place. But when that court summarily dismissed Mr. Hearst and refused his injunction against the committee because, as the court said, it couldn't see how the question of the freedom of the press was involved, I venture the assertion that you, who had heard so much about Mr. Hearst's gallant defense of the freedom of the press, never heard about it when he was thrown out of court.

As I said in the beginning, the Liberty League has as its main objective the defeat of the New Deal, because President Roosevelt would not let Mr. Shouse, Raskob, Du Pont, and the other "money bags" run the country. It has been the purpose of the Liberty League to lay down a smoke screen of loose and false charges about the Lobby Committee in order to prevent the Lobby Committee from exposing the activities of the Liberty League, its satellites, and spurious offspring.

Here is one of the things these defenders of the Constitution, the Liberty League, wanted to conceal from you. This is of especial interest to the farmers of the country. Did you know, farmers, that the Liberty League had supported the formation of an alleged farmers' organization for the protection of the farmers? Of course, Mr. Shouse said he knew nothing about it, but here are the facts developed on yesterday by the Lobby Committee: In April 1935 there was formed in Washington, D. C., under the guidance of Stanley F. Morse, who was then on the pay roll of the Liberty League, with the high-sounding title of agricultural engineer for the Liberty League, a spurious farm organization called the Farmers Independence Council. For several months after its formation this organization had no other office in Washington than the office of the Liberty League in the National Press Building. When they branched out in Chicago, the Farmers Independence Council had no other office than the office of the Liberty League in Chicago. In Washington and Chicago this alleged farmers' organization used the office force of the Liberty League and sent and received telegrams paid for by the Liberty League. The chief contributors to its coffers were Mr. Du Pont and several of his business associates, members of the board of directors of the Bankers Trust Co., the National City Bank, the Chase National Bank of New York, the packers, and the Packers Institute of Chicago, all of whom were contributors to the Liberty League.

The Farmers Independence Council had as its objective, as revealed by its correspondence produced before the Lobby Committee, the same objective as the Liberty League, namely, the defeat of the New Deal. As evidence that they had more interest in the defeat of the New Deal than in the welfare of the farmer, in my home State of Indiana they joined hands with the Republican Victory League of Indiana, and after holding one meeting of the so-called Farmers Independence Council in Indianapolis, attended by about 25 people, most of them Republican politicians, the organization got one $500 contribution out of Indiana, and that was from that well-known dirt farmer, George A. Ball, the millionaire manufacturer of Muncie, Ind., and the Republican national committeeman. So this is the spurious offspring of the Liberty League, nurtured by the Liberty League, supported by its supporters, and the only farm organization in the country wrapped in cellophane and using the Liberty League's money to farm the farmers.

The connection of this Farmers' Independence Council with the Liberty League and the Republican Party was carefully concealed from the farmers. Of course, we expect the Republican Party to try and defeat the New Deal. That is perfectly all right. We expect the Liberty League to try and defeat the New Deal. We welcome their opposition. But if the Liberty League and the farmers of Wall Street, Wilmington, Del., and Chicago are going to run a farm organization and play politics with the Republican Party, they ought to tell the real farmers they are doing it.

Now, with reference to the telegrams of Mr. Silas Strawn's law firm, mentioned by Mr. Shouse, Mr. Strawn's suit was not against the lobby committee, but against the Western Union Telegraph Co. The lobby committee wanted to see Mr. Strawn's telegrams because the Liberty League had paid for $117 worth of them that had come in and gone out of Washington. The lobby committee wanted to see Mr. Strawn's telegrams to see what his activities, if any, were with reference to influencing the R. F. C. to loan the Dawes bank in Chicago $90,000,000 before the New Deal came into existence, and what, if anything, Mr. Strawn had to do in attempting to influence the actions of public officials in Washington with reference to this loan. In due time we expect to get around to these telegrams and find out what, if anything, the hand of Silas Strawn was doing in Washington while his law firm battled in Chicago to make the little stockholders of the defunct Dawes bank pay the debt saddled on this bank, while the large stockholders got out from under by the organization of another bank.

Senator SCHWELLENBACH said, in his speech of April 2, over the radio: "Neither the committee nor its agents examined a single, solitary telegram to or by any person, association, or corporation that was not engaged in the business of lobbying."

I reassure you that that is the fact, Mr. Shouse to the contrary notwithstanding. In his speech of March 6, Mr. Shouse said: "I mean that if you, wherever you live, sent any telegram, however private, to anyone in Washington, or if you sent any telegram, however private, out of Washington to anyone in the world upon any subject during the period in question, your telegram has come under the prying eyes of the new inquisition."

I denounce that as a falsehood out of the whole cloth.

Senator BLACK pointed out in his reply to Mr. Shouse that this would have taken the committee about 10 years, since there were about 14,000,000 such telegrams. I assure you the committee wasn't even interested.

Mr. Shouse, in his next speech, as pointed out by Senator SCHWELLENBACH, had revised his figures to 22,000—a mere difference of 13,778,000 telegrams. To show you how Mr. Shouse garbles the record, he reiterates in his last speech the statement made in his first speech: "Your telegram has come under the prying eyes of the new inquisition." And then he proceeds in this same last speech of his to give the lie to that statement by saying: "I repeat that every one of them was made subject to prying eyes through the unlawful maneuvers of the new inquisition." I submit there is a vast difference between saying "your telegrams have come under prying eyes" and saying "they are made subject to prying eyes." It is just the difference between saying "your telegrams have been looked at" and saying "they may be looked at."

Now, with reference to the activities of the Federal Communications Commission, referred to by Mr. Shouse. The Federal Communications Commission has nothing whatever to do with the Lobby Committee in initiating its investigation or determining the policy of its inquiry. The Federal Communications Commission started its own inquiry on its own motion, without any request or suggestion from the Lobby Committee, prompted, however, to do so by revelations made by the Lobby Committee, that names of senders of telegrams had been forged by the thousands and the records of lobbyists and of the telegraph company, in one instance, had been burned, in violation of the law, in order to conceal the forgeries and fraud, and, when the Federal Communications Commission had completed its examination of the telegrams, using one, and sometimes two, of its employees for a few weeks, it copied and took away only 65 copies of typical telegrams. The Lobby Committee did not use the Federal Communications Commission to obtain telegrams, because the Lobby Committee had more power than the Federal Communications Commission. We, therefore, did not need the Commission. Any law student ought to know that.

So much hullabaloo had been raised by the Liberty League and the lobbyists about the Lobby Committee and the Federal Communications Commission that Senator BORAH introduced a resolution in the Senate calling upon the Federal Communications Commission to report the facts. In response to that resolution the Commission promptly made a written report to the Senate on March 16, and on March 17 the report was printed and laid upon the desk of each Senator, where it lay for 9 days, when I called it to the Senate's attention and discussed it on the floor of the Senate. That report has never been questioned by the Senate. Senator BORAH read it, and apparently he was satisfied. If you want a copy of it, write me and I will send it to you, and see for yourself whether I am right or the Liberty League's spokesman.

That the activities and action of the Lobby Committee have met with the approval of the Senate is evidenced by the fact that while all this misrepresentation of the Senate Lobby Committee through the press and over the radio by the Liberty League was going on, the Senate, by unanimous consent, without a voice being raised against it by Democrat or Republican, voted $12,500 more money for the use of the Lobby Committee to pursue its work. As further evidence of the fact that the United States Senate does not share the view of the Liberty League that the Lobby Committee is violating anybody's constitutional right, on March 30, 1936, I made a speech on the floor of the Senate, in which I asked the Senate if we were doing wrong to advise us so, and to this good day no Senator has raised his voice to say the committee was wrong. Why was this? Because the Senate knows the facts to be as I have related them, and not as Mr. Shouse has stated. Furthermore, the Senate knows that the subpenas used by the Lobby Committee and its activities are following precedents of the Senate and House that have been established for over 125 years. We are using the same kind of subpenas and tactics used by Senator Walsh, of Montana, when he unearthed Teapot Dome, while the reactionary press of the country denounced him. We are using the same subpenas and tactics Senator WHEELER used when he drove Harry Daugherty out of public life in the face of court injunctions that stayed his hands until Daugherty's friends could burn the records. We are using the same subpenas and tactics employed by Senator FLETCHER and Mr. Pecora when they exposed the tax-dodging skinflints of Wall Street. We are using the same subpenas and tactics that Senator Reed, of Missouri, used when he unearthed the rotten Vare machine in Pennsylvania.

If you want to know what the precedents are, write me, and I will send you an extract of the CONGRESSIONAL RECORD that contains them. You do not have to take my word, or the word of Mr. Shouse; you can read them yourself.

In conclusion, be not deceived by Mr. Shouse and the Liberty League.

Truly, the voice is the voice of Jacob but the hand is the hand of Esau.

DECISION SUSTAINING NEW YORK STATE JOB INSURANCE LAW

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD the decision of the Court of Appeals of the State of New York upholding the job insurance law of that State. The opinion, which was written by Chief Judge Crane, is a very able one, and I think it is of peculiar interest at this time.

There being no objection, the decision was ordered to be printed in the RECORD, as follows:

[From the New York Times of Apr. 16, 1936]

COURT OF APPEALS DECISION UPHOLDING THE STATE JOB INSURANCE LAW

W. H. H. Chamberlin, Inc., appellant respondent, v. *Elmer F. Andrews, industrial commissioner, defendants, respondents, appellants. E. C. Stearns & Co., plaintiff, appellant, respondent,* v. *Elmer F. Andrews, industrial commissioner, defendants, respondents, appellants. Associated Industries of New York State, Inc., plaintiff respondent,* v. *The Department of Labor of the State of New York and Elmer F. Andrews, defendants appellants.* Cross appeals in the first two cases from a judgment of the special term, Onondaga County, declaring unconstitutional in part chapter 468 of the Laws of 1935. Appeal in the third case by the State of New York from a judgment of the special term, Albany County, which declared chapter 468 of the Laws of 1935 unconstitutional.

Crane, chief judge:

The complaint in each of the actions herein asks for a declaratory judgment that the New York unemployment insurance law

(Laws of 1935, ch. 468, art. 18 of the labor law) is unconstitutional under both the Federal and the State Constitutions.

QUESTION IS HELD ACUTE

The plaintiffs moved for judgment on the pleadings under rule 112 of the Rules of Civil Practice, and the court granted the motions to the extent of holding that subdivision 2 of section 506 of the statute violates section 6 of article I of the New York Constitution, and section 1 of the fourteenth amendment to the Federal Constitution. The court upheld the statute otherwise and granted judgment in favor of the defendants to that extent.

In a companion case, Associated Industries of New York State, Inc., the Department of Labor of the State of New York et al., the special term, after issue joined, adjudged the said act to be unconstitutional and void in its entirety as depriving the plaintiff of its property without due process of law, and denying to it the equal protection of the law. Both these cases come directly to this court, pursuant to subdivision 3 of section 588 of the Civil Practice Act, a constitutional question being solely presented for review. We do not share the doubts expressed by these special terms.

The courts can take judicial notice of the fact that unemployment for the last 5 or 6 years has been a very acute problem for State and Federal Government. There have always been from earliest times the poor and the unfortunate whom the State has had to support by means of money raised by taxation. We have had our homes for the poor and the infirm, hospitals, infirmaries, and many and various means for taking care of those who could not take care of themselves. The institutions housing our insane have grown to be an enormous expense, illustrating that the legality of the expenditure of public moneys for vast numbers of those who were without means of support or help has never been questioned.

HOLDS PUBLIC MUST PAY

Another problem has faced society which has been a source of study, discussion, agitation, and planning. Unemployment, from whatever cause, has increased enormously in every part of the country, if not throughout the world. Is there any means possible to provide against unemployment, the loss of work, with its serious consequences to the family, to the children, and to the public at large?

When such a matter becomes general and affects the whole body politic, a situation has arisen which requires the exercise of the reserve power of the State, if there be a practical solution.

Some have suggested that for the periodical recurrence of panics and hard times the actuary might be able to work out a scheme of insurance. We need not pause to determine whether this can be done or not.

The fact is that in the past few years enormous sums of State and Federal moneys have been spent to keep housed and alive the families of those out of work who could not get employment. Such help was absolutely necessary, and it would be a strange sort of government—in fact, no government at all—that could not give help in such trouble.

The legislature of the State, acting after investigation and study upon the report of experts, has proposed what seems to it a better plan. Instead of solely taxing all the people directly, it has passed a law whereby employers are taxed for the help of the unemployed, the sums thus paid being cast upon the public generally through the natural increase in the prices of commodities. Whether relief be under this new law of the legislature or under the dole system the public at large pays the bill.

ACT'S OBJECTIVE IS UPHELD

We may concede that much of unemployment is due to other factors than business depression. Just what does cause slumps in business, panics, and unemployment has never been satisfactorily explained, but a very large percentage of those who are out of work have lost their jobs or positions by reason of poor business conditions and hard times. I can see, therefore, nothing unreasonable or unconstitutional in the legislative act which seeks to meet the evils and dangers of unemployment in the future by raising a fund through taxation of employers generally.

This act in brief taxes a certain class of employers 3 percent on their pay rolls. This class of employer includes those who have employed at least four persons within each of 13 or more calendar weeks in the year 1935 or any subsequent calendar year. The employment of farm labor, of one's spouse or minor child, or employment in certain charities are excluded.

Unequal protection of the laws and unfair classification are charged against this act because employers who have had no unemployment are obliged to contribute to a fund to help those who have lost positions in failing or bankrupt businesses; also because the line is drawn at four employees instead of including all and any employers.

FINDS ALL EMPLOYERS AFFECTED

We do not think that this narrow view is required by any constitutional provision. People have to live and when they cannot support themselves someone has to look after them.

When able-bodied, willing men cannot find work they may be treated as a class, irrespective of their particular calling or trade. The peril to the State arises from unemployment generally, not from any particular class of workers. So, likewise, employers generally are not so unrelated to the unemployment problem as to make a moderate tax upon their pay rolls unreasonable or arbitrary. As stated before, unemployment and business conditions generally are to a large extent linked together.

Reasonable classification has been explained in *Truux* v. *Corrigan* (257 U. S. 312, p. 337). Quoting from *Southern Ry Co.* v. *Green* (216 U. S. 400–417), the court said: "While reasonable classification is permitted, without doing violence to the equal protection of the laws, such classification must be based upon some real and substantial distinction, bearing a reasonable and just relation to the things in respect to which such classification is imposed; and classification cannot be arbitrarily made without any substantial basis."

That the purpose of this law is to help those who have worked when they could get work—the working class at present out of work—is apparent from the limitation to the benefits.

ACT'S LIMITATIONS ARE CITED

Section 503 of the act reads as follows:

"Liability for payment of benefits.

"1. Benefits shall be paid from the fund to each unemployed employee entitled thereto.

"2. Benefits shall become payable 2 years from the date on which contributions by employers become payable under this article.

"3. No employee shall be entitled to any benefits unless he—

"(A) Is suffering total unemployment as defined in the article.

"(B) Has, as provided in this article, registered as totally unemployed and reported for work or otherwise given notice of the continuance of his unemployment; and

"(C) Has had not less than 90 days of employment as defined in this article within the 12 months preceding the day on which benefits are to commence, or (in the alternative) unless he has had not less than 130 days of employment during the 24 months preceding the day on which benefits are to commence; and

"(D) In no case shall the fund be liable to pay benefits to an employee for any unemployment occurring more than 12 months after the date on which such employee was in employment and in no case in which the claim for benefit has not been filed in the local State employment office as provided in section 510, subdivision 3, within 2 years of the last day of employment preceding the period for which such claim is made.

"(E) The fund shall pay benefits to employees in the ratio of 1 week of benefits for each 15 days of employment within the 52 weeks preceding the beginning of the payment of benefits."

WAITING PERIODS DEFINED

Further limitations are found in the sections following:

"Section 504. Waiting period: 1. An employee shall be entitled to benefits on account of unemployment which continues subsequent to a waiting period of 3 weeks after notification of unemployment; provided that not more than 5 weeks of unemployment for which no benefit is paid shall be required as a waiting period within any calendar year (except as otherwise provided under subdivision 2 of this section). No week of unemployment shall count as a waiting period in any case except weeks of unemployment as to which notification of unemployment has been given.

"2. An employee shall not be entitled to benefits except for unemployment which continues subsequent to a waiting period of 10 weeks:

"(a) If he has lost his employment through misconduct in connection with his employment; or

"(b) If he has lost his employment because of a strike, lock-out, or other industrial controversy in the establishment in which he was employed.

"SEC. 505. Amount of benefits.—1. Benefits shall be payable on account of total unemployment after the specified waiting period at the rate of 50 percent of the employee's full-time weekly wages, but not to exceed a maximum of $15 per week, nor to be less than a minimum of $5 per week.

QUOTES DISQUALIFICATIONS

"SEC. 506. Disqualification for benefits:

"1. No benefits shall be payable to any employee who refuses to accept an offer of employment for which he is reasonably fitted by training and experience, including employments not subject to this article: *Provided, however,* That no employee otherwise qualified to receive benefits shall lose the right to benefits by reason of a refusal to accept employment if—

"(a) Acceptance of such employment would either require the employee to join a company union or would interfere with his joining or retaining membership in any labor organization; or

"(b) There is a strike, lock-out, or other industrial controversy in the establishment in which the employment is offered; or

"(c) The employment is either not within the State or at an unreasonable distance from his residence, or travel to and from the place of employment at expense substantially greater than that required in his former employment, unless the expenses be provided for; or

"(d) The wages, hours, and conditions offered are substantially less favorable to the employee than those prevailing for similar work in the locality, or are such as tends to depress wages or working conditions.

"SEC. 507. Limitation of amount of benefits: The total amount of benefits to which an employee shall be entitled in any consecutive 52 weeks shall not exceed 16 times his benefit for 1 week of total unemployment, seasonal occupations are to be provided for by rules and regulations after further investigation."

OTHER EMERGENCIES RECALLED

What shall we say about this act? At least it is an attempt to solve a great and pressing problem in government. We have had such problems thrust upon our attention arising out of emergencies, such as the rent laws (*People ex rel. Durham Realty Corporation* v. *La Eftra*, 230 N. Y. 429); the housing laws (*Adler* v.

Deegan, 251 N. Y. 467); and the milk laws (*People* v. *Nebbia*, 262 N. Y. 259).

"The legislature seems to meet the future now without waiting for the emergency to arise. Can it do so? Unless there is something radically wrong, striking at the very fundamentals of constitutional government, courts should not interfere with these attempts in the exercise of the reserve power of the State to meet dangers which threaten the entire commonweal and affect every home. No large body of men and women can be without work and the body politic be healthy.

The fund, known as the unemployment insurance fund, created under this law, is to be deposited in or invested in the obligations of the unemployment trust fund of the United States Government. This is merely a form of security, the moneys never leaving the power or control of the State authorities.

Whether we consider such legislation as we have here a tax measure or an exercise of the police power seems to me to be immaterial. Power in the State must exist to meet such situations, and it can only be met by raising funds to tide over the unemployment period. Money must be obtained and it does not seem at all arbitrary to confine the tax to a business and unemployment out of which the difficulty principally arises.

SAYS COURT CANNOT SIFT DATA

It is said that this is taxation for the benefit of a special class, not the public at large, and thus the purpose is essentially private. The legislature, after investigating, has found the facts to be that those who are to receive benefits under the act are the ones most likely to be out of employment in times of depression.

The courts cannot investigate these facts and should not attempt to do so. The briefs submitted show that the classification or selection made by the legislature has followed investigation and has sought to reach the weakest spot.

Experience may show this to be a mistake. No law can act with certainty; it measures reasonable probabilities.

"Judicial inquiry does not concern itself with the accuracy of the legislative finding but only with the question whether it so lacks any reasonable basis as to be arbitrary." (Mr. Justice Roberts in *Standard Oil Co.* v. *Marysville*, 279 U. S. 582, 586–587.)

Fault is also found, perhaps with some justification, with the benefit allowed, after a period of 10 weeks' idleness, to those who have been discharged or left because of strikes. Here again the legislature may exercise its judgment, and a full scheme or plan cannot be condemned because the courts may not approve of certain details.

So too, the right to refuse other work of a certain kind when offered has come in for criticism. There may be a diversity of views as to the wisdom of these provisions, but again, these are not matters for the courts to consider unless they become so extreme as to become arbitrary.

Whether or not the legislature should pass such a law or whether it will afford the remedy or the relief predicted for it, is a matter for fair argument, but not for argument in a court of law. Here we are dealing simply with the power of the legislature to meet a growing danger and peril to a large number of our fellow citizens, and we can find nothing in the act itself which is so arbitrary or unreasonable as to show that it deprives any employer of his property without due process of law or denies to him the equal protection of the laws.

I am of the opinion that the decision in *Railroad Retirement Board* v. *Alton R. Co.* (295 U. S. 330), is not applicable here. The Railroad Retirement Act of June 27, 1934, held to be unconstitutional, related to the pensioning of a certain class of employees. It could not be sustained as a police regulation or within the police power, as no such power exists in the Federal Government, and the act failed to come within the field of interstate commerce as stated in the opinion. Even the police power of the State might fall far short of enabling the legislatures of the States to provide for pensioning employees in favored industries or employment.

It therefore follows that the judgments below in plaintiff's favor must be reversed and the motions for judgment on the pleadings denied, without costs.

ECONOMIC RECOVERY AND MONETARY STABILIZATION

Mr. McADOO. Mr. President, I ask unanimous consent to have printed in the RECORD an able address delivered by Russell C. Leffingwell, formerly Assistant Secretary of the Treasury, during my term as Secretary of the Treasury, before the Academy of Political Science of New York, April 2, 1936, on Economic Recovery and Monetary Stabilization.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is well to recall that all plans for reconstruction after the war in every nation were based upon monetary stabilization and the return to the gold standard or a gold exchange standard. The first to return to gold after the war was the United States. We lifted the gold embargo in the summer of 1919. The early post-war period of frantic paper money inflation in Germany, Austria, and the succession States was followed in the mid-1920's by plans of reconstruction and monetary stabilization for those countries. England, France, Belgium, Italy, and Japan returned to gold. Even India took steps in that direction. But monetary stabilization proceeded more rapidly than appeasement. While finance ministers and central bankers, aided by other banks and bankers, formulated plans to facilitate trade and recovery through monetary stabilization, politicians and statesmen and soldiers and the people of each country only intensified their nationalism, political and economic.

How we in America came to be forced off gold, how necessary and grimly inevitable that action was, how cruel and devastating had been the consequences of monetary deflation, and how life-giving and revitalizing and essential to recovery the policy of insuring low interest rates, I need not repeat.

Sound and stable money is the handmaid of recovery, not the master. If we are to have sound and stable money we must have peace in the world—between nations and within nations. We must have freer trade in the world—between nations and within nations. And we must have budgetary equilibrium.

BUDGET BALANCE DEFEATED BY DEFLATION

As long as unemployment here at home continues to be great, and Government aid on a vast scale continues to be necessary, and capital issues are largely limited to refunding purposes and Government issues, recovery must be conceded to be incomplete. It cannot be necessary to say to so intelligent and chosen an audience as this that there ought not to be any reversion to deflationary policies while recovery is incomplete. The great paradox of Government finance is that fiscal and monetary policies must be such as to increase and not reduce the income of the people if the Budget is to be balanced. A government cannot balance its budget by increasing the tax rates to be imposed upon declining incomes; no more than can a railroad balance its budget by increasing the rates it charges for transportation against a declining volume of business.

Deflationary fiscal and monetary policies reduce incomes and increase the burdens thrown upon the State for relief and public welfare. Thus the State that seeks to balance its budget by deflationary policies defeats its objects, burns the candle at both ends, increases its expenditures, and reduces its income. If there be any among us inclined to oversimplify the problem, to find a happy solution by simply saying "balance the Budget", let him bear in mind this paradox. A government cannot balance its budget by edict. It cannot extract blood from a stone nor gain revenues by deflating the national economy.

DANGER OF DEAR-MONEY POLICY

Low rates of interest must be maintained by Treasury policy and Federal Reserve policy if there is to be recovery and a balanced Budget. Any premature effort to make money dear, in apprehension and in anticipation of an inflation which does not exist, will defeat its own purpose by retarding recovery, increasing unemployment, reducing income, and increasing the need of Government relief. A private businessman may, if unrestrained by motives of kindliness and good will and social obligation, hire and fire as he pleases, raise prices and reduce expenses, curtail his business, or wind it up if it runs at a loss. Government cannot do that. Government is the residuary legatee of all the successes and all the failures of all of us. Government must keep itself going and keep its people going too. Government can balance its Budget only by enriching its people, not by impoverishing them.

RELIEF NECESSARY

Government must intervene to relieve the sufferings of the people. It is intolerable in the modern world with its elaborate mechanism of trade and finance, its highly industrialized and mechanized economy, that our people should be left to starve or to endure privation almost worse than starvation. It is intolerable that the monetary mechanism evolved for the sole purpose of achieving stability and human welfare should be permitted ever again to run amuck as it did from 1929 to 1933. It is an archaic superstition that money is stable if its value remains fixed in gold only, while prices collapse more or less generally to the point of bankruptcy, as they did in that tragic period. During the last 3 years Government policy put an end to deflation, brought about some measure of recovery, achieved monetary stabilization and provided necessary relief. Let us not be unmindful of the depth of economic despair from which in 3 years we have emerged, nor the vital necessity of Government action along these lines, however critical we may be of the extent and manner in which public expenditures have been made, or of this and that phase of monetary policy.

DANGERS AHEAD

But while we must be grateful for the immense progress achieved and recognize the validity of the emergency which called for the emergency use of Government credit and for emergency monetary policies, we must not close our eyes to the perils ahead.

One reason why America financed her part in the war well was that she had no debt to speak of when the war began, a little more than a billion and a quarter dollars. That debt she increased to nearly $27,000,000,000 in less than 2½ years. Thereafter promptly she began debt reduction and continued it for over a decade. From a peak of nearly $27,000,000,000 in August 1919 the debt was reduced to the post-war low point of $16,000,000,000 at the end of 1930.

It is partly because the United States Government debt had been so greatly reduced in the post-war decade that the Government's credit was readily available to meet the emergency of the great depression. What do we have credit for? To use when the need arises. How do we have credit to use then? By not abusing it ever. The great peril which confronts us today as a people is that we may learn to abuse the Government credit after the emergency need has passed.

MOUNTING PUBLIC DEBT

In a little more than 2 war years the public debt rose $25,000,000,000. In 11 years it was reduced by ten and one-half billion dollars. But now for 5 years and more it has been rising steadily and without intermission, until today it has reached an all-time peak of over $30,000,000,000, having almost doubled itself in the period since the depression began.

These figures do not include four and one-half billion dollars of debt guaranteed by the United States Government incurred since the depression began nor the rapidly mounting debt of the States and municipalities.

I have said that the use of the public credit for relief in the emergency, and going off gold to stop the deflation, were necessary emergency measures. But these were major operations justified and only justified by the magnitude of the calamity that had befallen the American people. We must not drift into the notion that these emergency powers can be availed of as a habit.

EMERGENCY MEASURES NOT FOR EVERY-DAY USE

The credit of the United States and the resources of the American people are so great that the financial risks involved seem even now after 5 years of mounting public debt quite remote. And the easy-money policy, which is still so necessary for economic recovery, gives an artificial facility to public borrowing. But cheap money and a mounting public debt are habit-forming drugs to be used sparingly and in an emergency only. The use of them must be discontinued as promptly as possible or, first, they lose their stimulating effect and then become severely depressant. Emergency use of the public debt in a crisis is to be applauded. Its abuse becomes a menace. Once let the impression arise that a government has become addicted to these drugs and its credit goes, and along with it the value of its money. Then inflation sets in. And there is no deflation so complete and devastating as that which comes when government credit is vanishing, and with it the buying power of money. That is another paradox—that the most deflationary thing that can happen to a people is a paper-money inflation.

MORAL AND POLITICAL RISKS

And what of the moral and political risks? The habit of turning to the Public Treasury for relief and aid and subsidy is deeply ingrained in the American people. This is not a vice of any man or any party or any period. From the foundation of the Republic, Congress has been besieged by appeals for grants in aid and subsidies and doles, for tariffs and pensions, for rivers and harbors, for public buildings and public works, for roads and canals, in aid of this and that organized national or local group of voters. The pork barrel and logrolling are not new or even recent discoveries. The deterioration of our public life I attribute in large measure to the irksomeness to the public man of the pressure for placating his constituents by grants and favors from the public purse, if he is to attain, or to retain, public office.

Some of us are all too prone to concern ourselves with the mote in another's eye and ignore the beam in our own. Some are apt to be self-righteous in criticism of a soldiers' bonus or unemployment relief, though we rightly approve necessary aid to banks and railroads; to complain of paying money to farmers for what they don't grow, and yet be complacent about the infinitely more costly tariff favors habitually showered by Congress upon our manufacturing interests.

EVILS TO BE AVOIDED

Today the problem of monetary stabilization and recovery appears to have progressed in this country as far as it can while recovery is so largely dependent upon emergency aid from the Government, and restricted by the disastrous effect upon our exports and foreign trade of tariffs, embargoes, quotas, disturbed foreign exchanges, wars, and the fear of war. The great peril which confronts the Republic aside from the disturbance of world affairs and the curtailment of world trade, is the threat that the long-established and ever-growing habit of treating Uncle Sam as a "sugar daddy" will undermine the independence and self-respect of the American people and will corrupt the electorate and their chosen representatives.

THE NEED OF A CIVIL SERVICE

The growing importance of government in our affairs, whether we like it or not, gives added importance to the efficiency and incorruptibility of the public servant. Next after corruption of the electorate through grants and favors to special groups and communities, the Government of the Republic is imperiled by the failure to establish a first-rate civil service by offering a permanent career to first-rate men. The American is too often a jack of all trades and master of none. We are too prone to think of the public service as an honor or a reward for the individual, too little as an opportunity to serve the public. The American people are entitled to something better in the field of public service than the spoils system or the laboratory system. Public service ought not any longer to be regarded as a reward for political service, for campaign contributions, as a field to teach ignoramuses the public business, nor for theorists to experiment in. We do not wish to be guinea pigs for laboratory experiments by freshmen students of government and political science.

The increasing power of government and its enlarged functions call out above everything else for the abolition of the spoils system and the laboratory system and the substitution of a trained permanent civil service of men immune from political attack, immune from political removal, devoting their lives to the public welfare. The upper levels of the civil service of the United States should be made to appeal to the very best of the graduates of our colleges and law schools and business schools. Our Government is political, and should be. That is the nature of democratic institutions. The President and his Cabinet and one political undersecretary should rule each department. The remaining officers and employees should be permanent civil servants trained to their tasks from the highest to the lowest and honored in accordance with their competence.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 3258. An act to amend section 304 of the Revised Statutes, as amended;

S. 3395. An act to authorize the acquisition of the railroad tracks, trestle, and right-of-way of the Gulf Power Co. at the Naval Air Station, Pensacola, Fla.;

S. 3413. An act to give effect to the convention between the United States and certain other countries for the regulation of whaling, concluded at Geneva, September 24, 1931, signed on the part of the United States, March 31, 1932, and for other purposes;

S. 3669. An act providing for the suspension of annual assessment work on mining claims held by location in the United States;

S. 3720. An act to authorize the Secretary of the Navy to accept on behalf of the United States the bequest of the late Henry H. Rogers, and for other purposes; and

S. J. Res. 233. Joint resolution providing for the participation of the United States in the Great Lakes Exposition to be held in the State of Ohio during the year 1936, and authorizing the President to invite the Dominion of Canada to participate therein, and for other purposes.

DEPORTATION OF ALIEN CRIMINALS

The Senate resumed the consideration of the bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes.

The VICE PRESIDENT. The pending question is on agreeing to the amendment in the nature of a substitute reported from the Committee on Immigration. The Senator from North Carolina [Mr. REYNOLDS] had the floor when the Senate recessed yesterday evening and is now recognized.

Mr. REYNOLDS. Mr. President, it is my understanding from the clerk, in particular reference to my agreement to limit myself to a period and duration of 3 hours in which to discuss the pending question, I now have available 1 hour and 25 minutes.

The VICE PRESIDENT. The Chair will state to the Senator that, so far as the parliamentary situation is concerned, the Chair knows nothing about any agreement. That is a matter in the keeping of the Senator from North Carolina.

Mr. REYNOLDS. Yes, sir. It was a private agreement into which I entered yesterday, but the clerk is keeping the time, and I understand from him this morning that I have remaining an hour and 25 minutes.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. REYNOLDS. Yes; I am glad to yield to the Senator from West Virginia.

Mr. NEELY. I inquire of the Senator who were the other parties to the agreement by which the Senator's time was limited in discussing this subject?

Mr. REYNOLDS. Well, a very peculiar situation arose, and under the circumstances I would really prefer not to make any mention of it. I may state that I was exceedingly regretful to be forced to limit my remarks in regard to this all-important question, but I have made a personal compact to that effect, and I am going to keep my word.

Mr. NEELY. Mr. President, I was merely curious to know who was representing the Senate in such negotiations.

Mr. REYNOLDS. The agreement affected only myself and, of course, has no effect whatsoever upon any other Members of the Senate who may be desirous of expressing their opinions on this all-important subject.

Mr. President, I desire this morning to bring to the attention of the Senate, and particularly to the attention of the Senators from the State of Colorado, a dispatch published in a morning newspaper, headlined:

Colorado martial law at border bars aliens; 316-mile stretch patroled against indigents, too.

The dispatch continues:

DENVER, April 18.—Gov. Ed C. Johnson declared martial law today in a strip 316 miles long and a mile wide along the southern border of the State to keep out aliens and indigents.

The Governor said he had learned that railroads were shipping in track laborers and that representatives of sugar-beet companies were importing field workers from New Mexico and Texas. He also asserted that alien sheep herders were being imported.

The Governor ordered Neil W. Kimball, adjutant general of the Colorado National Guard, to mobilize all guardsmen needed to patrol the strip 316 miles along the New Mexico border. Kimball planned to use 50 men. State highway patrolmen, port of entry officers, and local officers will be stationed along other boundaries for the same purpose.

At this time I wish to extend publicly my heartfelt congratulations to the Governor of the State of Colorado. I do not know whether he is a Republican or whether he is a Democrat or whether he is an independent; but, whoever he is, I commend him for his endeavor to protect the workingmen of his State of Colorado against the influx of foreign labor and the resulting complications.

I was not at all surprised to learn of the fact through the columns of the press that the Governor of that great State had taken action to protect the laboring men and the American citizens of his Commonwealth from conditions which are being felt in every State of the Union because of the presence of aliens from shores beyond the seas whom we claim are in this country in numbers anywhere from 1,000,000 to 7,000,000. I am rather inclined to believe, unless we of the National Legislature of this country, take some action to protect the American people, that every State in the Union will be forced to enact drastic legislation for the protection of the people of the respective States. I say in all humility that, in my opinion, it is the duty of the National Congress to protect the American people. If we do not do so, the various States of the Union are themselves going to take action.

Mr. President, I desire to read the headlines from an article which appeared in the Washington Herald of this morning:

W. P. A. payments to "reds" bared by DICKSTEIN. Amendment to relief bill for Government enemies planned as bar to aid.

All of us who have been reading the press, all of us who have been sufficiently interested in this great country to ascertain what is going on, know that the presence of thousands upon thousands of aliens is seriously affecting our labor situation. By "aliens" I mean those who have come into the country both legally and illegally, but who have not attempted to become naturalized citizens, who have not been interested in securing the protection of our flag, who have not been interested in placing themselves in a position to uphold the honor of the flag and the fundamental principles upon which this country is builded. In speaking of aliens, I am referring to people who have entered our borders legally and illegally, but have no interest in the continued progress of our great country, who come here only for the purpose of usurping the jobs which rightly belong to the American workingman. Of all times that we should give attention to the interests of the American workingman, now is the time, because the last report of the American Federation of Labor disclosed, according to their statistical information, that today there are 12,625,000 men out of employment in the United States.

Let me read the headlines of this article again:

W. P. A. payments to "reds", bared by DICKSTEIN; amendment to relief bill for Government enemies planned as bar to aid.

At the present time we have no idea how many aliens there are in this country. It has been estimated that the number is anywhere from 1,000,000 to 7,000,000. We have no registration laws in our land. We have no way of ascertaining those who are here, legally or illegally, who have not taken out citizenship papers. I am glad indeed that Mr. DICKSTEIN, of the Immigration Committee of the House of Representatives, has brought to the attention of the American people the condition that is existing.

We are troubled in this country by advocates of communism, and those who have given the subject some thought consider that the situation is, perhaps, a great deal more serious than is generally realized. The Communists in this country who are stirring up the trouble, thousands upon thousands of them, have jumped ships, have waded across the Rio Grande River on the south, have found their way across the Canadian border to the north of us, and yet we sit here and, from all that I can learn, we have not had disclosed to us that which will follow unless action be taken now to bar undesirables from setting foot upon the shores of our land.

A correspondent by the name of Lydia Mendum sums up the situation in delightful terms for those desirous of protecting America for Americans. In a communication published in the Boston Transcript this writer said:

There are in this country 7,000,000 aliens, of whom 100,000 are undesirables. If these people had stayed in their own country we would have had very little unemployment discontent.

We have given them positions of trust and importance, and our native born have been pushed aside.

Minutemen were needed in '76; they are needed now.

No truer or stronger statement was ever made.

Paul Revere gave the "cry of alarm to every Middlesex village and farm."

The radio, the telephone, and the newspapers do that for us now.

I am told that no country but ours gives full citizenship to aliens. This privilege should be given only to the native born.

You can easily see that the aliens are getting control of our Government. They care nothing for our institutions and our laws. This country is now the happy hunting ground for the rascals and criminals of other countries. Look at the list of wrongdoers. You will see very few English or American names.

That speaks for itself.

Our annual bill for crime is estimated at $140,000,000. In my opinion it would be two-thirds less if the immigration laws were rigidly enforced. One-half of the remainder would be reduced if there were no parole and wrongdoers were punished as the offense deserved.

How long are we going to stand by and let the country be taken from our control?

The united efforts of many organizations would have a great influence.

Let us insist that every candidate for office pledge himself to do his utmost for the strict enforcement of the immigration laws.

And as surely as the sun is to rise tomorrow, unless we take some action, the people in their wrath and in their might will take matters into their own hands initially by demanding that every man in public life shall say where he stands, whether he stands for Americans or whether he stands for criminal aliens.

Do not rest in the feeling that all will come out right. It will be right if we make it right, not otherwise.

As sure as there is a sun above us, the control of the Government will be taken from us if things are not changed.

And mark my words: Unless at this hour we have the courage and the backbone to stand up for the people of America, we shall have a communistic government, not in 25 years but in 10 years. We are now proceeding toward dictatorship, toward communism, toward czarism, and how!

In Russia there is Stalin. In Italy there is Mussolini. In Germany there is the world's greatest dictator. In the face of all that, in the face of all the unemployment, in the face of all that the patriotic men and women of this country through their legislators have done to build a great wall around the United States, to stop the influx and the inflow of millions of aliens, we in this body are asked to open up the floodgates and to break down all the immigration laws we have made. Will we do it? So far as I am concerned, I will not do it. I shall vote against the Kerr-Coolidge bill. Insofar as my colleagues in the Senate are concerned, I

know not what their votes will be; but in reference to dictatorship and communism, Stalin, Hitler, and Mussolini, I desire to say that we are asked in this bill to designate a dictator in the form of Colonel MacCormack to pass upon the judgment of the judges who try the cases of aliens who violate our laws and become mandatorily deportable under our laws.

Let us see, Mr. President. The proponents of the Kerr-Coolidge bill ask us by our votes to change the present immigration law of this country. There is today a list of 2,862 aliens, not citizens, persons who have never made application to become citizens, 98 percent of whom slipped into this country, stole into this country, and remain here in violation of our law. The proponents of this bill ask us to do what? To change our immigration law. Why? So that these 2,862 aliens who are now subject to deportation may stay here amongst us; but that is not all. If the Members of the Senate will read the bill carefully, they will find that it is proposed under the bill to create an interdepartmental committee, to be composed of a representative from the Department of Labor, one from the Department of State, and one from the Department of Justice. The advocates of the bill ask us to break down our present laws and give the interdepartmental committee the power of a czar, the power of a reviewing board, the power to say whether or not an alien who has slipped into this country in violation of our laws shall now be deported, as he is now deportable, or whether he shall be allowed to stay here.

Some of the cases in the Department of Labor have been classified into classes 1, 2, 3, and 4. I have read some of them—2,862 of them. I think this body ought to assume, and not hesitate to assume, the responsibility of saying whether or not these persons have violated the law. The Immigration and Naturalization Service admit that these persons have violated the law and that under the present law they are subject to deportation; but Colonel MacCormack wishes to keep them here!

Inquiry has been made of me as to whether I would not be willing to let Colonel MacCormack pass upon these cases. Why, certainly not, because I have brought to the attention of the Senate a number of the cases, and I have a hundred more here to bring to the attention of this body, and gladly would I do it were not my time limited; but today I proclaim to the tobacco farmers of North Carolina, thousands of them, that their bill would not have gotten through the Senate on yesterday if I had not made the supreme sacrifice by agreeing to limit to 3 hours my argument on this un-American bill. I had to stand behind the home folks, however, the growers of that tobacco which the Senator from Missouri [Mr. CLARK] necessarily admitted, in a colloquy with me yesterday, is the best tobacco on the face of the earth.

I will say to my good friend the Senator from Virginia [Mr. BYRD] that I am always delighted to proclaim the wonders and the greatness of my State of North Carolina, and I know he is not at all surprised, because we are bedfellows insofar as States are concerned.

Mr. President, I wish now to read a letter from a true American. I should like to read it all. I have received thousands of letters from persons all over the country, but here is one that I picked out to read. It came just this morning:

PHILLIPSBURG, N. J.

MY DEAR SENATOR REYNOLDS—

The first paragraph praises me. I am going to eliminate that paragraph for fear somebody will think I am heaping upon my own shoulders praise which I do not deserve. It is my duty here to protect the interests of American citizens first, after which I shall give my sympathies to the aliens who have slipped into this country, who have violated our laws since they have been here, who have been fed by the taxpayers, and who are usurping the jobs of the American unemployed.

MY DEAR SENATOR REYNOLDS—

* * * * * * *

I hope and pray that no representative of our people would ever vote "yes" to such a bill as the Kerr-Coolidge bill.

I wish to say to the Senators who honor me with their presence at this time that we are expecting to vote upon the bill in a few minutes. I have a motion to recommit the bill to the Committee on Immigration for further consideration.

This bill is unsuitable to all Americans, both native-born and naturalized. The Kerr-Coolidge bill takes the precious jewel of American citizenship and changes it to the status of a 10-cent-store diamond.

I have talked to many citizens in my town. These people were of all races and religions. They all agree that the Kerr-Coolidge bill would cheapen citizenship by making illegal aliens citizens of our country, and protecting from deportation those who have sneaked into the country.

That is what the honorable foreign-born citizens of this country are protesting against, the persons who have come in here legally, the foreign-born persons who have contributed to the upbuilding of America.

Mr. ADAMS. Mr. President, it seems to me the Senator is entitled to have the first paragraph of the letter read. I ask that the Senator read it.

Mr. REYNOLDS. I appreciate that suggestion immensely, Mr. President; and I should be glad to read the first paragraph of the letter but for the fact that it would take too much of my time. It is in praise of me, and I should rather take the time in speaking against the passage of the bill. I wish to have the Senator from Colorado know, however, that I appreciate what he has said. I know that he is for me, and I am for him, because just a moment ago I read for his information a dispatch from his great State of Colorado, with its lovely Garden of the Gods, its Pike's Peak, its Rocky Mountain National Park, and its great civic center. I read a dispatch in regard to the Governor of the Senator's great State calling out the militia to patrol the borders of the State, and to keep from the confines of the Senator's Commonwealth aliens who are usurping the jobs to which Americans are entitled.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield only for a brief question.

Mr. DAVIS. I suggest to the Senator from Colorado that after the time of the Senator from North Carolina shall have expired, he ask the Senator from North Carolina to read the letter.

Mr. REYNOLDS. Yes; I shall be glad to do so; and I also should like to read again, after my time shall have expired, the dispatch to which I have referred.

Mr. President, the writer of this letter is still speaking of the Kerr-Coolidge importation bill:

This bill is unfair to our naturalized citizens who have come by honorable means into our country. These people worked hard for their American citizenship. They do not wish—

To whom does she refer when she says "they"? She is talking about the foreign born who have come into this country legally and obtained citizenship and are contributing to the upbuilding of our country:

They do not wish to see it (the citizenship) cheapened by conferring citizenship upon people who did not earn it—

By entering the country legally.

The Reynolds-Starnes bill will solve the immigration problem.

That is what she says.

Mr. President, I should like to ask the clerk how long I have spoken this morning.

The PRESIDENT pro tempore. The Senator has 24 minutes remaining.

Mr. REYNOLDS. I desire to read a letter which I have received only this morning, dated Mayflower Hotel, Washington, D. C., April 17, 1936, addressed to me, and reading:

Enclosed herewith is copy of resolution adopted by the National Society, Daughters of the Founders and Patriots of America, at their thirty-eighth general court held in Washington April 15 and 16.

I hand to the Official Reporter a copy of resolution entitled "Resolution No. 10" and termed "Alien registration", copies of which have been sent to Colonel MacCormack, the Senator from Massachusetts, Mr. Coolidge, Representative Dickstein,

and Representative Starnes, and I ask that the resolution be published in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

ALIEN REGISTRATION

Whereas it is reliably estimated that there are 7,000,000 aliens in the United States, at least half of them illegally; and

Whereas lack of knowledge of such aliens makes it almost impossible to deport alien criminals; and

Whereas it is in the interest of the foreign-born in this country, as well as the native citizens, to have aliens identified: Now, therefore, be it

Resolved, That the Thirty-eighth General Court of the National Society of Daughters of Founders and Patriots of America urges Congress to establish an alien-registration bureau, whose duty it shall be to register and fingerprint all aliens in the United States; be it further

Resolved, That copies of these resolutions be sent to Col. Daniel W. MacCormack, Commissioner of Immigration and Naturalization; Hon. Marcus Coolidge; Hon. Robert R. Reynolds; Hon. Samuel Dickstein; Hon. Joe Starnes.

Mr. REYNOLDS. Mr. President, let me refer at this time, but briefly, to the patriotic organizations which are opposed to the passage of the Kerr-Coolidge bill. I wish now to read a letter from the President of the American Federation of Labor, dated April 21, 1936, signed by William Green, addressed to me. It reads:

The American Federation of Labor is opposed to section 3 of the Kerr-Coolidge bill.

That is the section which creates an interdepartmental committee and gives them the power to make the laws of our country, taking the mandatory power from this body. That is the section around which the whole bill has been builded. The elimination of section 3 would automatically destroy all of the Kerr-Coolidge bill, which consummation is desired by the American Federation of Labor.

The letter continues:

I wish to emphasize very strongly our unyielding opposition to section 3 in its present form. We hope and trust that this section of the Kerr-Coolidge bill will be decisively rejected.

Mr. President, let us see what the American Federation of Labor has to say about its immigration policy. I cite Senators respectfully to page 140 of the report of the executive council of the American Federation of Labor. Upon the folder containing it there are printed the words, "Held at Atlantic City, N. J., October 7 to 19, inclusive, 1935." The title of the paragraph to which I refer is "Immigration", starting on page 140 and running through the second paragraph on page 141. I ask that that be embodied in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Immigration: The policy of the American Federation of Labor regarding immigration legislation has been vigorously upheld. We have jealously guarded the immigration statutes which were passed at previous sessions of Congress. All attempts to weaken or modify these immigration statutes have been opposed and resisted by the officers and representatives of the American Federation of Labor. Measures dealing with immigration and immigration restriction were introduced at the recent session of Congress.

One of these measures of special importance was H. R. 8163, introduced by Congressman KERR, at the request of the Commissioner of Immigration. There were sections and features of this immigration bill which were objectionable to the American Federation of Labor. For this reason, objections to consideration of the bill were interposed by representatives of the American Federation of Labor. Conferences were held between a committee representing the executive council, the Commissioner of Immigration, and his representatives in an endeavor to redraft the objectionable sections of this bill. No agreement was reached; consequently, the American Federation of Labor has remained firm in its opposition to the enactment of this bill.

The Kerr bill has been characterized as a "deportation" bill. It is the opinion of the executive council that it is designed to liberalize the deportation sections of existing immigration statutes. The measure was given support by those we have always known to be opposed to restrictive immigration statutes.

A companion measure to the Kerr bill was introduced in the Senate by Senator COOLIDGE. The measure has simply remained on the Senate calendar without any action whatsoever. Strong opposition to the measure was manifested by a very large number of Members of the United States Senate.

In conformity with the traditional policy of the American Federation of Labor, it is the purpose of the executive council to do all that lies within its power to strengthen and perfect restricted immigration legislation rather than to modify or weaken existing statutes.

Mr. REYNOLDS. Mr. President, I take pleasure in calling to the attention of this honorable body page 851 of the same report in reference to the Kerr-Coolidge bill, where it is stated:

Because the Kerr bill contained provisions which, in the opinion of the officers of the American Federation of Labor, weakened the immigration laws already enacted through the efforts of the American Federation of Labor, it was opposed in the form and character in which it was presented. The American Federation of Labor deserves to be commended for preventing the enactment of the Kerr bill, as proposed, into law and for zealously guarding the immigration statutes which this bill sought to modify. A subcommittee of the executive council conferred with the Commissioner of Immigration and Naturalization, who drafted this measure, and proposed amendment which if accepted would serve as a remedy for the features of the act which were highly objectionable. It is the unalterable purpose of the American Federation of Labor to oppose the enactment of this measure until it is amended and made acceptable to the representatives of labor.

Mr. President, I bring to the attention of the Members of this honorable body a letter addressed to me under date of March 31, 1936, by Theodore G. Holcombe, executive secretary of the Immigration Restriction League, of Boston, Mass., together with remarks with regard to the position of his league upon this all-important subject. The letter is as follows:

IMMIGRATION RESTRICTION LEAGUE,
Boston, Mass., March 31, 1936.

Hon. ROBERT R. REYNOLDS,
United States Senate, Washington, D. C.

MY DEAR SENATOR REYNOLDS: We understand the Kerr-Coolidge bill (S. 2969) has been reported with amendments, but from the sketchy reports that have appeared in the press it does not seem that the amendments are satisfactory.

I hope that you will be able to secure substitution of your bill for the Kerr bill when it comes up in the Senate. We need some adequate and comprehensive legislation such as that in the Reynolds-Starnes bill (S. 4011) that will really strengthen our immigration and deportation policies, while at the same time making provision for really legitimate "hardship cases", if they exist, instead of legislation that snipes at the present policies and undermines them by indirection.

The basic objection to the Kerr bill is, of course, the discretionary features. We feel very definitely that if there are any cases in which discretion appears to be justified, that discretion to deport or not to deport should be vested solely in Congress, acting through special remedial legislation. Deportation of criminals should be mandatory, with any possible exceptional cases handled by Congress in the same manner as a hardship case.

Sincerely,

THEODORE G. HOLCOMBE,
Executive Secretary.

I am also glad to bring to the attention of the Members of the Senate a letter directed to me under date of March 31, 1936, by the president of the American Coalition, in which that organization, representative of 110 different patriotic American organizations in this country, has gone on record as being against the passage of the pending bill. In this letter the president of the organization sets forth specifically the opposition of the Coalition to each and every paragraph of the Kerr-Coolidge bill. I ask that the letter be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN COALITION,
New York City, March 31, 1936.

Hon. ROBERT R. REYNOLDS,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: The latest revision of the Kerr-Coolidge bill is wholly unsatisfactory to the American Coalition, and I submit for your consideration the following specific comments on its most objectionable features:

Section 1, subsection 2, grants an amnesty to all alien habitual criminals in the United States who have escaped conviction for an offense involving moral turpitude in the last 5 years, although the civic authorities are aware that a multitude of such aliens continue to prey on the communities in which they live. This fact is conclusively proved by the criminal records of 235 alien habitual criminals arrested within a period of 15 days in 2 of our large cities. (See Memorandum of the Commissioner of Immigration, published 1934.) Under the provisions of this subsection of section 1 an alien habitual criminal can escape deportation for an

indefinite period by having cases against him nol prossed, pleading guilty to a lesser offense, by pardon, or release on bail which can be jumped. Furthermore, if political influence fails to secure escape from deportation by any one of these methods, a suspended sentence or imposition of a fine will subject the alien to deportation only if the Commissioner of Immigration believes his expulsion to be in the public interest. By the retention of time limitations and the discretionary power to stay deportations where a sentence to imprisonment is not imposed, every possible inducement is offered for the exercise of political influence against the interests of justice by corrupt or supersentimental individuals in or out of public office. In our judgment every alien criminal who is allowed to remain in the United States is not only an ever-present menace to the community in which he lives but he also constitutes a potential contributor of untold generations of social defectives to public institutions supported by the taxpayers. May we conclude comment on this subsection by stating that the Commissioner of Immigration has on many occasions pointed out the vice of time limitations in our existing statutes, but, to our knowledge, he has never mentioned the fact that this pernicious limitation on the power to deport was embodied in the Kerr-Coolidge bill. (See H. Doc. 392, 74th Cong., 2d sess., p. 4.)

Section 1, subsection 3 still requires the Government to prove that the inducement of gain impelled an alien to aid or assist another alien to enter the United States in violation of the immigration laws. An alien habitual smuggler detected for the first time may easily frame a successful defense against deportation under this section. However, in our opinion, the worst feature of this section lies in the fact that it would obviously be impossible to secure a conviction for a conspiracy to commit an offense of this character against the United States, if Congress establishes the principle that an alien smuggler may escape deportation following conviction of the alien charged with illegal entry. The obvious purpose of this subsection is to exempt an alien relative from punishment as an accessory to the crime of illegal entry by a member of his or her family. It has never been established as a principle of law, so far as we are aware, that a citizen accessory before or after the fact may be accorded exemption from the usual penalties imposed for a conspiracy to commit a crime because the Government cannot prove that an offense was committed for gain. We hold that it is against the public interest that aliens should be placed in a favored category in respect to the commission of crime.

Section 1, subsection 4: We object to the 5-year limitation on the grounds set forth under subsection (2) of this section and the accord of complete discretionary power to the Commissioner of Immigration.

Section 2. The amendment to section 2 we do not find acceptable. We do not see any reason why an alien convicted of crime should be accorded 90 days for the mobilization of political influence whereby deportation proceedings may be stayed. It is now 30 days.

Section 3 is the blanket amnesty clause accorded aliens who violate our immigration laws. This section differs from S. 2969 chiefly in the limitation of its effect to 3 years after the date of passage of the bill. It would probably be difficult to find an illegal entrant who might not be brought within the scope of the possible exemption from deportation afforded by the provisions of this section. The adoption of a child would appear to cover any doubtful case which might arise. The American coalition holds that the theory on which this section is based tends to bring all our laws and law-enforcing agencies into contempt, here and abroad. Illegal entry is a crime. Restriction upon immigration into the United States can only be maintained if our laws are enforced with vigor, certainty, and without favor. To condone the offense of illegal entry is not merely to breach the immigration laws; it is to tear them up.

Section 4, subsections (a) and (b), in our opinion, are wholly contrary to the public interest and extremely unjust to aliens who seek to enter the United States for permanent residence, in accordance with the regular procedure set forth in the immigration statutes for the examination of aliens abroad.

Section 5. The American Coalition objects to the provisions of this section not only on the ground that it grants amnesty to an unknown number of aliens who illegally entered the United States, but also because through the legalization of their entry, it will materially expand the migration of relatives who may enter nonquota upon a grant of citizenship to the alien who illegally entered. While it is recognized that the records of entry prior to the passage of the Immigration Act of 1924 are in some cases not complete, there is no justification for a grant of this exemption in the absence of knowledge as to the number of aliens now in the United States. There is, furthermore, the objection to this section that illegal entrants since 1924 may readily, by collusion and perjury, claim admission prior to 1924 and thereby secure legalization of their status, which would otherwise be contrary to the public interest. The provisions of this section unquestionably, if adopted, will increase immigration into the United States, notwithstanding the apparent limitations set forth in section 6. Any estimate of the number of persons who would be charged to the quotas under the provisions of section 6, as a result of the legalization of entries under the provisions of this section, would be a pure guess, and as a logical sequence any estimate of the number of nonquota immigrants who would come into the United States, as a result of the legalization of the entry of illegal entrants under this section, would be wholly imaginative. The only possible justification for the adoption of the principles embodied in this section would be as a result of a comprehensive registration of all the aliens in the United States.

SUMMARY

To sum up, the American Coalition holds that the deportation bill, as reported last Saturday, is wholly in the interest of thousands of alien habitual criminals convicted of crime in the United States and also for the benefit of alien criminals who have violated our immigration laws through the commission of perjury, counterfeiting, impersonation, or who by other illegal means or devices entered the United States.

In conclusion, allow me to express the hope that the Reynolds-Starnes bill, which has been endorsed without qualification or reservation by the American Coalition, may be substituted for the bill reported out by the Immigration Committee of the Senate.

Respectfully yours,

JOHN B. TREVOR.

Mr. REYNOLDS. Now, Mr. President, I desire to call attention to a letter written by Hon. Ray Murphy, national commander of the American Legion. This letter is dated March 30, 1936, and reads:

In re Kerr-Coolidge bill.

MY DEAR SENATOR: On March 16, 1936, I addressed a letter to you setting forth the objections of the American Legion to the Kerr-Coolidge bill. I have had called to my attention S. 2969, which, it is my understanding, will be brought before the Senate for its consideration on Wednesday, April 1.

This proposed substitute is in practically the same language as the original Kerr-Coolidge bill and, in my judgment, does not strengthen it in any particular whatsoever so far as the alien problem is concerned.

Ray Murphy, the national commander of the American Legion, continues:

Section 3—

The one objected to by the American Federation of Labor—

is the clause which accords aliens blanket amnesty who violate our immigration laws, and is practically the same as that contained in the original bill except that its effect is limited to 3 years after the date of passage. Such a provision (as set out in section 3) could be easily extended by Congress indefinitely.

Listen to this:

There is, however, before the Senate for its consideration the Reynolds-Starnes bill (S. 4011), which carries out in detail the recommendations of the American Legion upon this very subject. I hope, therefore, Senator, that you will oppose vigorously the proposed amendment in the nature of a substitute; and that the Senate will not pass the Kerr-Coolidge bill or this substitute for it, but that the Senate will take up for consideration and enact into law the Reynolds-Starnes bill.

Mr. President, I have here also an insert which I occasioned to be put into the CONGRESSIONAL RECORD some days ago, showing that the American Legion in their annual convention went on record as recommending:

1. Halting all immigration for 10 years.

My bill calls for cutting it down from 153,000 annually to 15,000.

2. Immediate deportation of all alien-born persons who are members of any society, group, or organization that proposes to overthrow the Government by force or violence.

3. Immediate deportation of all destitute aliens.

4. Immediate deportation of all aliens who have entered this country illegally.

The American Legion demands that aliens who are in this country illegally, and who are usurping the jobs of poor, unemployed American citizens, be deported. But what do we find? We find Colonel MacCormack, of the Immigration Department of this Government, throwing his fist in the face of the thousands of the sons of America who saved our country for Christianity and democracy, saying, "No; we will not listen to you. What have you done for this country? What have you to do for this country?"

I say it is an insult by Colonel MacCormack to the American Legion, I say it is an insult by Colonel MacCormack to the Veterans of Foreign Wars, to the Disabled Veterans of the World War, an insult to the thousands of mothers constituting the list of delegates to the Daughters of the American Revolution who are assembled in this city today, an insult to American motherhood, an insult to American womanhood, an insult to every soldier who defended his flag, an insult to

the 12,625,000 people who are out of employment in this country today.

I proceed with the reading:

5. Compulsory fingerprinting of all persons residing in the United States.

My bill calls for compulsory fingerprinting of all in the United States.

I next bring to the attention of the Senate a letter directed to me by the national secretary of the Sons and Daughters of Liberty, of Philadelphia, Pa., together with a resolution adopted by that order in opposition to the passage of the Kerr-Coolidge bill. I ask that the letter and resolution be printed in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter and resolution are as follows:

NATIONAL COUNCIL, SONS AND DAUGHTERS OF LIBERTY,
Philadelphia, Pa., March 14, 1936.

Hon. ROBERT R. REYNOLDS,
Senator, Washington, D. C.

DEAR SIR: As national secretary of the National Council, Sons and Daughters of Liberty, I desire to say to you that our organization of 85,000 Americans desire to go on record as being opposed to the Kerr-Coolidge bill in every particular.

We as an organization believe that this bill makes it easier for aliens to come into this country and remain. It further exempts deportation of many aliens that should be deported.

At our last national council session, held September 1935, they adopted the enclosed resolution. No doubt you, as one of our United States Senators, received a copy of it before, but we take pleasure in enclosing another copy.

Wishing you success in your fight to keep America a fit place for Americans to live, I remain,

Yours sincerely,

MATTHEW KENNEY,
National Secretary.

PHILADELPHIA, PA., *January 20, 1936.*

Members of the United States Senate and House of Representatives, Washington, D. C.:

The National Council, Sons and Daughters of Liberty, in annual session, adopted the following resolution, and instructed the writer, as national secretary, to send copy to you:

Resolution

Whereas the session of Congress which recently closed failed to take any action upon the several important bills presented which had for their object the enactment of laws providing for more stringent enforcement regarding restriction of immigration and the deportation of aliens, many of whom, although they have been living here for years, have never made any effort to become citizens by adoption, are today being supported by our taxpayers, while many native-born American men and women are in want through such a condition; and

Whereas much of this laxity has been caused through the seemingly indifference of Secretary of Labor Frances Perkins and her associates, whose records pertaining to enforcement of the present deportation laws show a decrease of more than 40 percent of these undesirable aliens being deported as compared with the record of her predecessor, and even at this present time she is harboring, in defiance of the laws, several thousand of these deportable aliens: Therefore be it

Resolved, The National Council, Sons and Daughters of Liberty, representing a membership of upward of 100,000, located in 23 States, in annual session at Atlantic City, N. J., this 11th day of September 1935, wish to protest against this persistent violation of the laws now in force for the protection of the land of our birth by Secretary Perkins and assistants, and that steps be taken at the session of next Congress to enact laws which will remedy conditions now existing and protect our country from the many evils now threatening our liberties and our American ideals and institutions; and be it further

Resolved, That the national secretary send to President Roosevelt a certified copy of this resolution and a copy given to the press, and next January 1936 a copy mailed to every Member of the United States Senate and House of Representatives at Washington, D. C.

Yours very truly,

MATTHEW KENNEY,
National Secretary.

Mr. REYNOLDS. I now bring to the attention of the Senate a letter written by the National Society, Daughters of the American Revolution, the Daughters of the Patriots of 1776, the letter being dated March 16, 1936, and signed by Mrs. Paul Scharf, committee secretary. I ask that the letter, which is in opposition to the Kerr-Coolidge bill, be printed in the RECORD at this point.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter is as follows:

NATIONAL SOCIETY, DAUGHTERS OF THE AMERICAN REVOLUTION,
March 16, 1936.

Senator REYNOLDS,
United States Senate, Washington, D. C.

MY DEAR SENATOR REYNOLDS: The president general has referred to this committee your request for information regarding our objections to the Kerr-Coolidge bill.

The expressed purposes, to deport criminals not now deportable and to provide leniency for certain hardship cases, have a strong appeal. We, however, are convinced that the passage of this bill would put a premium on illegal entry into the United States to the disadvantage of the law-abiding alien awaiting his turn on the quota of his country, that it would substitute rule by political appointees for law and thereby further break down respect for law.

We want a law that persons know is going to be enforced. Hardship cases involving pure technicalities should be brought by the Bureau of Immigration to the Congress of the United States for special legislation.

We object to section 3 in its entirety because of its provision for discretionary power in the hands of three appointees to set aside the law of the land. It is time for persons to know that the law is going to be enforced in whatever field it pertains.

That phase of this bill which is called a strengthening of the law by permitting the deportation of persons not now deportable is also discretionary and so is not a strengthener at all. In its present form this bill's only promise for the future is confusion, wire pulling, and further disrespect for law. Why should public officials be subjected to this performance? Let's have a law that is law.

It would appear that this bill might be amended so as to remove its discretionary phase, make provision for changing the status of certain nonquota aliens while extending the present law to include certain aliens not now deportable.

The National Society, Daughters of the American Revolution has for a period of years endorsed legislation to restrict quotas to 10 percent of those provided by the present law (only temporarily held to this figure by Executive order for the period of the depression), to provide extension of restriction to the countries of the Western Hemisphere and to provide registration of aliens.

We have sent you a copy of our National Defense News for January and expect to have a representative at the hearing of the Starnes bill before the House committee on Wednesday.

Sincerely yours,

MADELEINE SCHARF,
(Mrs. Paul Scharf),
Committee Secretary.

Mr. REYNOLDS. Mr. President, I now bring to the attention of this honorable body a letter, dated March 12, 1936, directed to me by Col. George E. Ijams, commander in chief of Military Order of the World War. That order is in opposition to the Kerr-Coolidge bill, and says it is a vicious bill. In connection with the letter, which I ask to have printed in the RECORD at this point, I also ask that several resolutions be printed, and also a second letter from Colonel Ijams, dated April 1, 1936, and resolutions of the Military Order of the World War dealing with aliens and resident identification.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letters and resolutions are as follows:

MILITARY ORDER OF THE WORLD WAR,
Washington, D. C., March 12, 1936.

Hon. ROBERT R. REYNOLDS,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR REYNOLDS: The Military Order of the World War is unalterably opposed to the Kerr-Coolidge bill, as it is in direct conflict with the resolutions adopted on this very specific subject by national conventions of our order over a period of years. Our legislative committee has so expressed these views at a hearing, not only this year but in previous years, before congressional committees. We have urged that our representatives in Congress defeat such measures when they come before them for consideration and vote.

We repeat now what we have previously testified, namely, that we feel that the whole basis of immigration restriction, which we have been so diligently fighting for these many years, either stands or falls upon the action on the Kerr-Coolidge bill. We feel that if the Kerr bill is passed deportation laws are nullified. We feel that we should either have a restrictive law, or, if we do not mean what we say by such laws, then we should relegate them to discretionary powers, which is really nullification, and invites favoritism, political influence, lobbyism, intrigue as a basis of our national immigration policy rather than a law of the land.

We are taking the liberty of enclosing herewith resolutions adopted at our last two annual national conventions on this particular subject. You will note that they specificaly urge the following:

(1) Restrict immigration by 90 percent.

(2) Registration and finger-printing of immigrants and resident aliens.

(3) Immediate deportation of those illegally in this country and those convicted of crime.

(4) Immediate survey of relief rolls to ascertain the above information.

(5) There is no compromise by discretionary powers or otherwise.

Very sincerely yours,

GEORGE E. IJAMS,
Commander in Chief.

1934 CONVENTION

ALIEN ACTIVITIES

Be it resolved, That the Military Order of the World War in fourteenth annual convention assembled in Miami, Fla., October 14–17, 1934, urge the following:

1. Restrictive immigration policy reducing our quota by 90 percent and to include in quotas all countries whose citizens are now permitted to acquire citizenship in the United States.

2. Registration, finger-printing, and other physical identification of all immigrants and resident aliens.

3. Early naturalization of those intending to make the United States their domicile for any appreciable time, but that no one be naturalized who refuses to take the oath of allegiance and service to the United States of America in time of emergency and without reservation.

4. Immediate deportation of all aliens illegally in this country and also any who have been found guilty of seditious or riotous propaganda or who have been convicted of any crime.

5. Exclusion and expulsion from the United States of America of all alien Communists. Be it further

6. *Resolved,* That Congress be urged to pass an act making the Communist Party or any other party, organization, or association advocating the overthrow of the United States Government by force and violence, or any other unconstitutional means, a criminal organization and provide adequate penalties for those convicted of belonging to any such organization, or who individually advocate such activities; be it further

Resolved, by the Military Order of the World War in fourteenth annual convention assembled at Miami, Fla., October 14–17, 1934, That this organization will lend its active support toward the enactment of legislation which will authorize the Department of Justice to investigate revolutionary propaganda and communistic activity in the United States.

DEPORTATION OF ILLEGALLY ENTERED ALIENS

Whereas the Government of the United States of America is spending large sums of money to provide employment, to care for transients, and for other purposes; and

Whereas the money expended therefor must be made available through taxation; and

Whereas it is reliably reported that there are vast numbers of aliens in our country who have had no legal right of entry into the United States; and

Whereas many of these illegally entered aliens are receiving aid and assistance from the Federal Government: Now, therefore, be it

Resolved, by the Military Order of the World War in national convention assembled in Miami, Fla., October 14–17, 1934, inclusive, That it urges the Federal Government to immediately cause a survey to be made of all persons receiving aid or assistance through public funds and to ascertain whether all of these persons are citizens of the United States of America; and be it further

Resolved, That we urge all those found to be illegally entered aliens be immediately deprived of aid or assistance from public funds and that they be deported at once, thus relieving the taxpayers of the United States of the necessity for supporting these aliens.

We further urge that a similar survey be made in the cases of all persons charged with crimes and misdemeanors and that any such persons found to be illegally in this country be immediately deported.

1935 CONVENTION

RESIDENT IDENTIFICATION

Whereas all residents of the United States, native born or naturalized, are obliged to register before voting: Therefore be it

Resolved, That it shall be obligatory for all aliens to so record themselves, and such identification to include fingerprinting and other necessary physical identifications; be it

Resolved, by the Military Order of the World War, in national convention assembled at Atlantic City, N. J., September 15 to 18, 1935, That it demands a carrying out of the purport of this resolution.

ALIENS

Be it resolved by the Military Order of the World War in fifteenth annual convention assembled at Atlantic City, N. J., September 15 to 18, 1935, That it stands firmly for the following objectives:

1. Deportation of aliens found guilty of preaching, urging, or otherwise abetting the overthrow of the United States Government by force or otherwise.

2. Early naturalization of those intending to make the United States a domicile for any appreciable time.

3. Immediate deportation of all aliens illegally in this country and any aliens who have been found guilty of seditious or riotous propaganda or who have been convicted of any crime, and the expulsion and exclusion from the United States of all alien Communists or those whose questionable activities or tendencies are not in accord with our constitutional background, and a policy that will include all Americans in employment to the exclusion of others.

MILITARY ORDER OF THE WORLD WAR,
Washington, D. C., April 1, 1936.

Senator ROBERT R. REYNOLDS,
Senate Office Building, Washington, D. C.

DEAR SENATOR REYNOLDS: I hasten to respond to your letter of March 31 and to say that the King amendment, known as S. 2969, submitted in the nature of a substitute to the Kerr-Coolidge bill, has not changed the attitude of the Military Order of the World War toward the entire proposition. May we take the liberty of referring to you the two resolutions adopted at our last national convention, which calls for the immediate deportation of all aliens from this country.

Very sincerely yours,

GEORGE E. IJAMS,
Commander in Chief.

ALIENS

Be it resolved by the Military Order of the World War in fifteenth annual convention assembled at Atlantic City, N. J., September 15 to 18, 1935, that it stands firmly for the following objectives:

1. Deportation of aliens found guilty of preaching, urging, or otherwise abetting the overthrow of the United States Government by force or otherwise.

2. Early naturalization of those intending to make the United States a domicile for any appreciable time.

3. Immediate deportation of all aliens illegally in this country and any aliens who have been found guilty of seditious or riotous propaganda or who have been convicted of any crime, and the expulsion and exclusion from the United States of all alien Communists or those whose questionable activities or tendencies are not in accord with our constitutional background, and a policy that will include all Americans in employment to the exclusion of others.

RESIDENT IDENTIFICATION

Whereas all residents of the United States, native born or naturalized, are obliged to register before voting: Therefore be it

Resolved, That it shall be obligatory for all aliens to so record themselves; and such identification to include fingerprinting and other necessary physical identifications; be it

Resolved, by the Military Order of the World War in national convention assembled at Atlantic City, N. J., September 15 to 18, 1935, That it demands a carrying out of the purport of this resolution.

Mr. REYNOLDS. I further bring to the attention of the Senate a letter signed by Edwin S. Bettelheim, Jr., legislative chairman, Military Order of Foreign Wars of the United States, in which he states that he is in accord with everything in the Reynolds-Starnes bill and is in opposition to everything in the Kerr-Coolidge bill. I ask that the letter be printed in the RECORD at this point.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter is as follows:

MILITARY ORDER OF FOREIGN WARS OF THE UNITED STATES,
NATIONAL COMMANDERY,
March 17, 1936.

Hon. ROBERT R. REYNOLDS,
Senate Office Building, Washington, D. C.

DEAR SENATOR: I am pleased to advise you that the national commandery and all local commanderies throughout the United States are heartily in favor of any bill which will include any or all of the following mandates of our order:

1. Registration of all aliens and immigrants, including fingerprinting and photographing and other recording.

2. Deportation of all aliens illegally in this country.

3. Deportation of all aliens convicted of crime or felony.

4. Reduction of immigration quotas.

5. Deportation of indigent aliens until such time as our own citizens are in employment and off relief rolls.

6. Deportation of those aliens who seek or advocate the overthrow of the Government of the United States by force or violence.

EDWIN S. BETTELHEIM, Jr.,
Legislative Chairman.

Mr. REYNOLDS. I now ask to have printed in the RECORD at this point a resolution adopted unanimously by the Thirty-sixth Annual State Conference of the Daughters of the American Revolution of the State of Michigan. Between twenty and thirty thousand aliens cross the border annually into the State of Michigan, which is so ably represented by its two distinguished Senators [Mr. COUZENS and Mr. VANDENBERG], for whom I have the greatest affection by reason of their ability and their interest in everything pertaining to the welfare of the country. I ask that this resolution be printed in the RECORD at this point to show where the Daugh-

ters of the American Revolution of the State of Michigan stand.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The resolution is as follows:

Resolution passed unanimously by the Thirty-sixth Annual State Conference of the Daughters of the American Revolution of the State of Michigan

Whereas the Kerr-Coolidge bill now before the United States Congress permits the naturalization after 10 years of aliens who have entered the country illegally and places the power of deportation in the hands of one person or commission instead of in Congress; and

Whereas it is difficult to apprehend and convict alien criminals without knowledge of their movements and proof of their identity; and

Whereas the Starnes-Reynolds bill will protect the rights of citizens of the United States by restricting immigration and for providing penalties for law violations: Therefore

1. *Resolved*, That the Michigan Daughters of the American Revolution give their support to the Starnes-Reynolds bill and oppose the Kerr-Coolidge bill; and

2. *Resolved*, That this society favor the registration and fingerprinting of all aliens now in the United States and of any who enter in the future.

Mr. REYNOLDS. I also ask to have printed in the RECORD a letter from B. Porter, acting secretary of the Maryland State Society, Daughters of Founders and Patriots of America, in which they go on record as supporting the Reynolds-Starnes bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter is as follows:

MARYLAND STATE SOCIETY,
DAUGHTERS OF FOUNDERS AND PATRIOTS OF AMERICA,
March 13, 1936.

Senator ROBERT R. REYNOLDS,
Senate Office Building, Washington, D. C.:

The Maryland State Society, Daughters of Founders and Patriots of America, wishes to go on record as endorsing in every particular the Reynolds-Starnes immigration restriction, alien deportation, and registration bills, S. 4011 and H. R. 11172.

Sincerely,

B. PORTER,
Acting Secretary, Greenway Apartments, Baltimore, Md.

Mr. REYNOLDS. I have here a letter directed to me by the New York chapter of Colonial Order of the Acorn, signed by C. Wickliffe Throckmorton, chancelor, New York City, dated March 16, 1936, in which that order places itself in opposition to the passage of the Kerr-Coolidge bill. I ask that the letter be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter is as follows:

NEW YORK CHAPTER OF COLONIAL ORDER OF THE ACORN,
New York City, N. Y., March 16, 1936.

Hon. ROBERT R. REYNOLDS,
United States Senate,
Senate Building, Washington, D. C.

DEAR SENATOR REYNOLDS: Mr. John B. Trevor, president of the American Coalition, has advised me under date of the 14th instant that you were anxious to hear from this order an expression of its views on the proposed Kerr-Coolidge bill; as chancelor of the New York Chapter of the Colonial Order of the Acorn it gives me pleasure to have the opportunity to express the objections of this order to this most objectionable bill:

1. It grants discretionary power to a proposed interdepartmental committee, to allow convicted alien criminals of the most dangerous classes to remain in the United States for purely sentimental reasons. We have had enough of this under Miss Perkins, who has for 3 years disregarded the mandatory laws directing the deportation of certain aliens. It should be stopped.

2. It grants to this committee power to allow an alien who is in the United States in violation of the law to escape deportation, if he has a relative, even by marriage or adoption, in this country. In fact, the bill aids the importation of aliens rather than the deportation. We have far too many aliens in this country already without aiding them to enter on flimsy excuses.

3. It grants broad discretionary power to the Commissioner of Immigration to permit an alien, admitted for a temporary stay, to remain in the country permanently, thus avoiding the usual strict examination required abroad, by law, for aliens seeking to enter the United States for permanent residence.

4. In my opinion the Kerr-Coolidge bill nullifies the penal provisions of the present law which was drafted to protect our country from an influx of aliens.

5. In general we are opposed to the Kerr-Coolidge bill because it is supported by Secretary Perkins, who by her actions has shown her desire to retain undesirable aliens in this country, and by her admission of Emma Goldman, Henri Barbusse, and other well-known Communists to lecture throughout the United States and to spread the doctrine of communism freely among our citizens, has plainly indicated her radical opinions.

In closing I want to again assure you that the membership of the Colonial Order of the Acorn is unanimously against the Kerr-Coolidge bill.

Yours sincerely,

C. WICKLIFFE THROCKMORTON,
Chancelor.

Mr. REYNOLDS. I ask to have printed in the RECORD two letters from the Military Order of the Loyal Legion of the United States, signed by the commander in chief, William Innes Forbes, in which is stated the support of that organization for the Reynolds-Starnes bill and opposition to the Kerr-Coolidge bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letters are as follows:

MILITARY ORDER OF THE LOYAL LEGION
OF THE UNITED STATES.
COMMANDERY IN CHIEF,
Philadelphia, March 23, 1936.

Hon. ROBERT R. REYNOLDS,
United States Senate, Washington, D. C.

DEAR SIR: Consideration has been given by this order to the Reynolds-Starnes deportation bill, S. 4011, which is at this time before the Congress of the United States for its consideration and action.

The provisions of this bill bearing upon the question of emigration and deportation have, in our opinion, long been needed.

The bill fills in many inadequacies of the present law, and in periods such as the world is facing today we believe that it is highly essential that our Government have a complete and comprehensive check-up available concerning citizens of other countries, not only of those within our borders at the present time but also of those who may come in in the future.

We urge that you use your best efforts as our representative to lend your active support in having this proposed bill become a law of the land.

Respectfully submitted.

WM. INNES FORBES,
Commander in Chief.

MILITARY ORDER OF THE LOYAL LEGION
OF THE UNITED STATES,
COMMANDERY OF THE STATE OF PENNSYLVANIA,
Philadelphia, March 23, 1936.

Hon. ROBERT R. REYNOLDS,
United States Senate, Washington, D. C.

DEAR SIR: The Military Order of the Loyal Legion of the United States, Commandery of the State of Pennsylvania, has given its careful consideration to the Kerr-Coolidge bill, H. R. 8163 and S. 2969, which interests itself in the subject of immigration and deportation. This bill, we understand, is before the Congress of the United States at the present time.

1. It is the consensus of this organization that this bill, instead of being of ultimate benefit to the welfare of the citizens of the United States, permits many exceptions to the inadequate penal provisions of the present law, which was drafted to protect our country from the influx of aliens.

2. It grants broad discretionary power to an appointive interdepartmental committee, thus this committee may, in its discretion, greatly nullify all laws governing immigration and deportation.

3. It is our opinion that the Kerr-Coolidge bill is inadequate. Strictly speaking, it would not be a law governing immigration and deportation, but a law which would create an appointive committee who would become a law unto themselves insofar as the individual question of immigration and deportation is concerned. It would permit an undesirable increase of aliens.

For the above reasons, we wish to go on record as requesting that you use your good offices to prevent this proposed legislation from becoming a law.

Respectfully submitted.

WM. INNES FORBES, *Commander.*

Mr. REYNOLDS. I have here a letter from the National Association of Letters Carriers, Asheville, N. C., dated March 31, 1936, in which they take their stand in support of the Reynolds-Starnes bill. I ask that the letter be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

NATIONAL ASSOCIATION OF LETTER CARRIERS,
BRANCH NO. 248,
Asheville, N. C., March 31, 1936.

Hon. ROBERT R. REYNOLDS,
Senate Building, Washington, D. C.

DEAR SENATOR REYNOLDS: We the members of the Asheville Branch, No. 248, National Association of Letter Carriers, having a membership of 46 and 100 percent organized, wish to express to

you our sincere appreciation and commend you upon your stand concerning foreign immigration.

We believe this bit of legislation to be a corrective of many evils and of great importance to the American laboring public. It should have the undivided support of every true American citizen.

Please keep up the good work, for we are for you 100 percent.

Very sincerely yours,

COMMITTEE ON LEGISLATION,
CHAS. M. GARDNER, *Chairman*,
JOHN A. REEVES, *Committeeman*,
HARLIE FOSTER, *Committeeman*.

Mr. REYNOLDS. Letter carriers, railway engineers, conductors, firemen, brakemen, the Daughters of Patriots, the soldiers, every branch of the military in America, have gone on record as being opposed to the Kerr-Coolidge bill and in favor of the Reynolds-Starnes bill.

I bring to the attention of the Senate a letter dated April 1, 1936, from W. C. Hushing, national legislative representative, American Federation of Labor, and I ask that it be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

AMERICAN FEDERATION OF LABOR,
Washington, D. C., April 1, 1936.

Hon. ROBERT R. REYNOLDS,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: Through systematic misrepresentation the Coolidge bill, S. 2969, has been placed before the people of the country as a deportation bill. The fact is that the idea behind the measure is to permit immigrants who have or will enter the country illegally to remain here. It puts a premium on illegal entry and will bar immigrants who are willing to observe the laws by securing visas abroad and coming here through legal channels.

While the advocates of the bill contend that its purpose is to permit the remaining in this country of 2,862 immigrants who entered the country illegally, the fact is it will be a permanent law and give to an interdepartmental committee and the Commissioner of Immigration and Naturalization the power to permit practically every illegal entrant to remain in the country or who enters at any time in the future. It also permits the Commissioner of Immigration and Naturalization to approve or disapprove recommendations of judges of courts regarding deportations of alien criminals. It is designated a deportation bill in order to hide its real purpose and so secure support it does not deserve.

The American Federation of Labor is very much opposed to section 3, which is the heart of the measure, and many conferences were held without avail with officials of the Labor Department in an endeavor to reach agreement on this and other features of the bill. In fact, to strike out section 3 would destroy the real purpose behind the measure. The discretionary features of the bill are very objectionable.

For complete objections of the American Federation of Labor against this bill and preceding bills of a similar nature in the House and Senate, you are respectfully referred to my testimony on pages 126 and 123 of the hearings on H. R. 9518, 9364, 9365, 9366, and 9367, which were held before the House Committee on Immigration and Naturalization on May 8, 9, and 10, 1934; also to my testimony on page 114 before the same committee on H. R. 6795 on April 9, 10, and 11, 1934; also to my testimony on page 6 before the Senate Immigration Committee on S. 2969, February 24, 1936, and my testimony on March 3 before the same committee on the same bill on page 149 of the hearings.

The objections mentioned above lie against the substitute measure offered by Senator KING on March 30.

Sincerely yours,

W. C. HUSHING,
National Legislative Representative,
American Federation of Labor.

Mr. REYNOLDS. Mr. President, in connection with the letter from Mr. Hushing, I also ask to have printed another letter dated April 2, 1936, from W. C. Roberts and S. P. Meadows.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 2, 1936.

Hon. ROBERT REYNOLDS,
United States Senate.

DEAR SENATOR: The undersigned, with Mr. W. C. Hushing, constitute the legislative committee of the American Federation of Labor.

We wish you to know that we concur fully in the letter he wrote you April 1, 1936, objecting to the Coolidge bill, S. 2969.

W. C. ROBERTS.
S. P. MEADOWS.

Mr. REYNOLDS. I also ask that a letter from the Flushing Women's Republican Club be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

The undersigned hereby certifies that she is chairman of legislation of the Flushing Women's Republican Club and that the following is a true and correct copy of a certain resolution of the Flushing Women's Republican Club duly adopted in accordance with the bylaws and recorded in the minutes of a meeting of said Flushing Women's Republican Club held on the 11th day of March 1936 and not subsequently rescinded or modified: Be it

Resolved, That we unanimously endorse the Reynolds-Starnes immigration restriction and alien deportation regulation bill, S. 4011.

In witness whereof I have hereunto subscribed my name this 11th day of March 1936.

LAVINIA F. GUNDREY,
Chairman of Legislation.

Mr. REYNOLDS. I also ask that a letter from M. A. Harlan, national commander of the Disabled American Veterans of the World War, be printed in the RECORD at this point. That organization states its opposition to the Kerr-Coolidge bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows

DISABLED AMERICAN VETERANS OF THE WORLD WAR,
Washington, D. C., April 6, 1936.

Hon. ROBERT R. REYNOLDS,
United States Senator, Washington, D. C.

MY DEAR SENATOR REYNOLDS: The Disabled American Veterans is determinedly in favor of the deportation of alien criminals from this country. When these foreigners sought haven on our shores, it was with the distinct understanding that they would strive to become worthy citizens. Failing in this agreement, they forfeit any right to our protection.

At any time the presence of these thousands of undesirables would be serious enough, but to have them in this country either living on crime or on the relief rolls or occupying jobs to which real Americans are entitled presents a situation that Congress should not hesitate to meet in the most aggressive manner possible.

Those really seeking to remedy this situation by affirmative action should have no hesitance in having enacted a law so unequivocal as to meet the crisis.

It is, therefore, for that reason that I am again writing you to put the D. A. V. squarely on record behind your bill for mandatory deportation rather than leaving deportation to the decision of some subordinate committee handling the individual case.

With a sincere hope that you will be successful in your present fight, I have the honor to be,

Most respectfully,

M. A. HARLAN,
National Commander.

Mr. REYNOLDS. I bring to the attention of the Senate a telegram from several organizations in Ohio endorsing the Starnes-Reynolds bill, which I ask to have printed in the RECORD at this point:

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

CINCINNATI, OHIO, *March 30, 1936.*

Senator ROBERT R. REYNOLDS:

State Council, Ohio, Junior Order United American Mechanics; National Council, Daughters of America; State Council, Ohio, Daughters of America, endorse the Starnes-Reynolds bill and request it be given favorable consideration promptly.

John J. Weitzel, chairman, R. F. Fox, John Rolf, State Legislative Committee of Ohio Junior Order United American Mechanics; Sallie W. Lake, Virginia Stuckey, National Legislative Committee, Daughters of America; Catherine Cypher, Mary Sanson, State Legislative Committee of Ohio Daughters of America.

Mr. REYNOLDS. I have here a letter and two telegrams, as well as a memorandum, from the National Council, Junior Order United American Mechanics, Philadelphia, Pa., an organization with a membership of 500,000, stating its vigorous opposition to the Kerr-Coolidge bill. That organization is vigorously opposed to every single section in the Kerr-Coolidge bill which would open up the floodgates for immigrants to come into this country or to slip across our borders and be permitted to remain here. I ask that the letter and telegrams be printed in the RECORD.

There being no objection, the telegrams and letters are printed in the RECORD, as follows:

PHILADELPHIA, PA., *March 31, 1936.*

Hon. ROBERT R. REYNOLDS,
United States Senator:

Please vote against the modified Kerr-Coolidge bill. It is still unsatisfactory. The Junior Order is for the Reynolds-Starnes bill.

NATIONAL BOARD OF OFFICERS,
JUNIOR ORDER UNITED AMERICAN MECHANICS,
JAMES L. WILMETH, *National Secretary.*

PHILADELPHIA, PA., *April 1, 1936.*

HON. ROBERT R. REYNOLDS,
United States Senate:

Your letter received this morning. Substitute bill, S. 2969, too liberal in conferring power on Commissioner General of Immigration to stay deportation in subsections 2 and 4 of section 1 on grounds of public interest. Section 3 entirely too liberal in treatment of illegally entered aliens. We oppose section 4, and especially subsection 3 thereof. Section 5 does not go far enough. Compulsory registration of all aliens in the United States should be made as provided in Starnes-Reynolds bill. We oppose creation of interdepartmental committee and the delegation of so much power to the same. Please use your best efforts to defeat the original or the amended substitute, S. 2969.

JUNIOR ORDER UNITED AMERICAN MECHANICS,
JAMES L. WILMETH, *National Secretary.*

NATIONAL COUNCIL,
JUNIOR ORDER UNITED AMERICAN MECHANICS,
Philadelphia, April 2, 1936.

HON. ROBERT R. REYNOLDS,
United States Senate, Washington, D. C.

DEAR SENATOR REYNOLDS: The Junior Order United American Mechanics, a patriotic, fraternal, beneficial society, with headquarters in the city of Philadelphia, and organized councils or lodges in 42 States of the Union, with a combined and affiliated membership of approximately a half million native-born citizens, respectfully submits the following views on S. 2969, as amended and substituted, and submitted to the Senate by Senator KING, on behalf of the Senate Committee on Immigration:

SECTION 1

Section 1, subsection 2 should be amended by striking out all of the paragraph following the word "turpitude" in line 3 of said subsection. The amended subsection 2 will then read as follows:

(2) "has been convicted in the United States within 5 years of the institution of deportation proceedings against him of a crime involving moral turpitude."

We submit that this change should be made for two reasons:

1. The remainder of this subsection 2 places a premium to an alien convicted of crime involving moral turpitude, whose sentence of imprisonment was arrested.

2. It leaves the deportation of such a convicted alien subject to the findings of the Commissioner of Immigration and Naturalization and then such deportation must, in the judgment of the Commissioner General, be in the public interest.

We do not believe it to be sound administrative law to permit an executive officer, such as the Commissioner General of Immigration and Naturalization to stay deportation of an alien convicted of crime involving moral turpitude, regardless of whether the sentence was imposed or not. It is his duty to enforce the law, and it seems to us that the authority to be conferred by this section should be eliminated.

Aliens convicted of such crimes should be deported without authority reposing in any executive officer to set the conviction aside, on the grounds of public interest.

We submit that subsection 3 of section 1 of the substituted bill is faulty in its provisions and should be amended as follows:

(3) "knowingly and for gain, at any time, either before or after the passage of this act, encouraged, induced, assisted, or aided anyone to enter the United States in violation of law."

We do not understand why an alien who is encouraging another alien to violate the law should be allowed or permitted to commit more than one deportable offense before being deported. The second part of this subsection 3 certainly extends to an alien, aiding or abetting another person to enter the United States, in violation of law, opportunity to commit more than one offense after the date of the passage of the act. In our judgment an alien who assists another to come into this country and to break the laws should be immediately deported, and there should be no clemency whatever extended after the passage of the act. We submit that the above amendment will make subsection 3 really worth while.

We object to subsection 4 of section 1, and especially the latter part thereof, in which the Commissioner of Immigration and Naturalization is given discretion, so far as public interest is concerned. The natural inference is that if the Commissioner of Immigration and Naturalization should find that the deportation is not in the public interest, he could then stay or stop the same. This particular part of section 4 is vague and it certainly vests in the Commissioner of Immigration and Naturalization an implied authority which could easily be abused. We suggest that all after the word "imprisonment" in the fifth line of subsection 4 be eliminated.

SECTION 2

We do not like that part of section 2 which immunizes pardoned aliens who have been convicted of crime. We think this is too broad. If it should be found that an alien was pardoned because of false imprisonment or for other good causes we should not object, but as it now stands all pardoned aliens who were convicted of crime would be permitted to remain in this country. We think this is entirely too broad.

We submit that section 2 is faulty, wherein it requires the Commissioner of Immigration and Naturalization to approve the recommendation of a judge of a court who has recommended clemency for a convicted alien. It seems a strange procedure that the head of a bureau, such as that of the Immigration and Naturalization, should be permitted to pass judgment on the recommendations of courts of justice for leniency. The very least authority that should be authorized to pass upon such recommendation of the courts should be the head of the department, but certainly not a bureau officer.

We do not particularly like that part of section 2 which requires that an alien sentenced to imprisonment shall not be deported until he has served out his term. We suggest a change in this particular feature of the bill on the ground of relief to our American taxpayers. The taxpayers of the Nation are already burdened with many aliens who are in confinement in our prisons and penitentiaries for violation of the laws of this Nation.

The President made the right kind of gesture not long ago when he called out from the prisons of the Nations something like 156 convicted aliens and ordered their speedy deportation. We submit that the quicker an alien who has violated the laws of this country can be sent out the better, and if he has to forego serving term in jail or in penitentiary it will be in the interest of the taxpayers to deport him rather than to keep him here and feed him through his term of penal servitude.

SECTION 3

Power is conferred in section 3 upon the interdepartmental committee to permit any alien to remain in the United States who entered the United States prior to the date of the enactment of this act, and is found subject to deportation, with certain deportable exceptions, under acts of Congress cited, if the alien is of good, moral character and has not been convicted of crime involving moral turpitude. Among the specific requirements enumerated in this section are:

1. That the alien must have lived in the United States for at least 10 years.

2. Must have lived in the United States 1 year, and has living in the United States, parent, spouse, legally recognized child, or, if minor, a brother or sister who has been lawfully admitted for permanent residence or is a citizen of United States.

We are opposed to the conferring of any such power in the interdepartmental committee, because we believe it will be largely administered by the Department of Labor, and we are fearful of its abuse. Then, again, we are opposed to any alien being permitted to remain in the United States indefinitely, and especially if he has lived here 10 years and has not sought American citizenship. It is high time for such one to be deported on the ground of lack of interest or laches in taking out his papers and becoming an American citizen.

We submit that it is people like this who are taking jobs of our own Americans that belong to our own unemployed citizens. We know of no other nation on the face of the earth which would permit or allow an alien to remain unmolested for a period of 10 years without giving some account of themselves or making some show or taking some steps toward citizenship. We insist that a law should be drafted which will hereafter require permanent aliens who are here to apply for citizenship within the first 3 or 5 years of their residence in the United States.

We are opposed to this relative section, as written, because we believe it is being made an excuse for many unauthorized people to come into the United States and to remain here, thus to avoid being deported. We like the relative provision of the Reynolds-Starnes bill, but we insist that it would be conferring too much power upon the interdepartmental committee, and that this relative proposition would continue to fill our country with people who are seeking lucrative jobs rather than citizenship.

Section 3 limits the authority of the interdepartmental committee to 3 years from the passage of this substituted act. We would hail this provision with pleasure if we thought it advisable to create an interdepartmental committee. As it is, we are opposed to the interdepartmental committee because we feel it would be unwise to confer discretionary power upon such a committee to set aside sentences of courts and to pass upon cases which would practically involve the abrogation or setting aside of acts of Congress. We believe that such an executive administration would not be conducive to the public interest or the public welfare.

Section 3 (b) provides for permanent residence of any alien who is eligible to citizenship, and for whom there is no record of admission, and who has been allowed to remain in the United States by the interdepartmental committee, that he shall be recorded as admitted to the United States for permanent residence as of the date of the order permitting him to remain. Our views on this particular section are set forth hereinbefore. Instead of devising ways and means, which this act manifestly does, by which aliens may escape the plain provision of the immigration laws as to citizenship, we insist that it would be much better if the provisions of the Reynolds-Starnes bill could be enacted into law and applied in such cases as this. Let such an alien comply with the law as to citizenship and not to delegate the authority to an interdepartmental committee.

SECTION 4

We are opposed to the provisions of section 4, because it is not in keeping with the present immigration-quota laws. There is no good reason why a person admitted in a nonquota status should be given the preference. We contend that the present immigration laws are ample in their provision to take care of such cases, and there is no need for modification of the law by which immigration will be increased. We consider that section 4 is not necessary, and it is designed in its provisions and implications to benefit

certain classes who may or may not otherwise ever be admitted to the United States.

We object to the provisions of subsections 1 and 3 of section 4, and we are certainly opposed to the Commissioner of Immigration and Naturalization changing the status of applicants without requiring the alien to obtain an immigration visa. We make these observations as to this particular subsection 3, for the reason that it is plainly evident that this section will be made an excuse for the admission of many people, under the discretion of the Commissioner, who could not otherwise enter the United States under the present laws. No good reason or excuse has been given as to why these certain classes should be allowed or permitted easy access into the United States, unless it be that the immigration authorities are interested in seeing how many aliens they can bring into the United States with just as little trouble to the alien as possible. It seems to us there should be some premium on citizenship to aliens, but, unfortunately, such is not the case, otherwise we would not have so many unnaturalized aliens in America today.

SECTION 5

With reference to section 5, dealing with the registry of aliens at ports of entry, as required by existing statutes, we are opposed to the provisions in which it is proposed to extend registry to any eligible alien to citizenship where there is no record of admission for permanent residence, provided he entered the United States before July 1, 1924, and has resided here continuously since such entry, is a person of good moral character, and is not subject to deportation.

We submit that this is another attempt to railroad aliens into citizenship, and to give them privileges and immunities to which they are not entitled. The whole tenor of this section is to make it easy for an alien to cover up the defects of his admission. In our observations on this, we go back to the fundamental thought of the conflict of aliens of this class with our own American workingmen. It is obvious that aliens of this class are either working or else they are on relief. If they have been in this country for a period of 12 years, and have not attempted to become citizens, it is high time for a limit to be placed upon them and for them to leave the country. The passage of this act legalizes their entry, no matter how they came.

SECTION 6

We do not oppose the administrative provisions carried in section 6, if this substituted act is to become a law. We do, however, object to the wholesale allowance of aliens remaining in the United States under section 3, or for aliens to be given the status of permanent residence, under section 4, or those who are registered, under section 5; we are also fearful of subsection 2 of section 6, where the Secretary of Labor is called upon to report at the end of the fiscal year, aliens who entered the United States on or after June 1, 1921, who were not charged to any quota at the time of their last entry. As we understand it, there were quota regulations in effect in June 1921, as the Burnett immigration law was passed in 1917. If these aliens were not put to any quota and came from quota countries, then there is some violation of the law. Of course, this would not apply to nonquota resident aliens of the Western Hemisphere.

SECTIONS 7, 8, AND 9

As to payments under section 7 and the authority contained in section 8 for supervisory officers and employees of the Immigration and Naturalization Service issuing warrants for the arrest of aliens believed to be subject to deportation, and section 9, power of the Commissioner of Immigration and Naturalization to detain for investigation an alien whom he thinks to be subject to deportation, we have no objections. It occurs to us, however, that these provisions have been taken almost bodily from the Reynolds-Starnes bill. We would much prefer these particular sections of the law to have their original setting, where they belong, in the Reynold-Starnes bill, and not in a cooked-up deportation bill, such as we consider this substitute.

This brief has been dictated hurriedly and without the analytical thought that we would like to give to this substitute. We do not believe that the substitute submitted by Senator KING fills the bill. What is needed is a constructive immigration and deportation bill, with claws and teeth—a bill that will cut down existing quotas or eliminate immigration entirely for a period of years—a bill that will quota immigrants from the Western Hemisphere or to put them on a reciprocal or exchange basis with our own citizens, limiting the number that may come in to the number of our own citizens who go out to the various neighboring countries.

We hope that you will be able to defeat this amendment and that the Reynolds-Starnes bill may become a surging issue and that the patriotic people, as well as the working people of America, may arouse to the terrible situation confronting them, through the million and a half alien people on relief and the more than 6,000,000 people enjoying jobs at the expense of our taxpayers and working people. It is high time that something be done, and in my judgment unless something is done to remedy this situation the people of America are going to rouse themselves and demand action.

Wishing you the best of luck, and hoping for some real, good American patriotic legislation, giving jobs to our own people and ridding our taxpayers of the terrific load under which they are struggling, I am

Respectfully yours,

JUNIOR ORDER OF UNITED AMERICAN MECHANICS,
JAMES L. WILMETH, *National Secretary.*

NATIONAL COUNCIL,
JUNIOR ORDER UNITED AMERICAN MECHANICS,
Philadelphia, February 29, 1936.

Hon. Marcus A. Coolidge and Members of the Senate Committee on Immigration.

GENTLEMEN: The Junior Order United American Mechanics, a patriotic, fraternal, beneficial society, organized 83 years ago, in the city of Philadelphia, respectfully begs leave to submit some of the views of its membership, on Senate bill 2969 and H. R. 8163, as follows:

It is the understanding of our membership that these two bills are identical. We submit that there are certain good features to the bills in question, but there are others which are very objectionable. We are bitterly opposed to the features of the bill which confer discretionary power upon the Secretary of Labor and the interdepartmental committee to pass upon, review, and decide upon the cases of aliens who have violated the immigration laws of this country. As we understand it, not only sentences of judges of courts, but other cases of sentenced, deportable aliens would be left to the discretion of the Secretary of Labor and this interdepartmental committee, based upon what is termed "the public interest."

We submit that Congress would not be justified in conferring such power upon the Secretary of Labor as was contemplated in the original Kerr bill, and that the interdepartmental committee was substituted in the H. R. 8163. It would be a strange, anomalous situation, if acts of Congress, governing the deportation of illegally entered and criminal aliens and the sentences of courts of justice could be reviewed and set aside in what might be termed "the public interest" by such a committee. It is contrary to every good principle of administrative government, to confer upon the executive power to set aside and to review and determine cases, as proposed in this bill.

Again, we feel constrained to enter objection on the ground that the administration of the Department of Labor, in deportation matters, has been entirely too lax and loose under the administration of the present Secretary and Commissioner General of Immigration. The records of deportations for the past 2 or 3 years will amply attest the truth and verity of this statement. Deportations have decreased; in 1 year there was a falling off of something like 50 percent. We are fearful, if the power contemplated in this bill to be conferred upon the Secretary of Labor and the interdepartmental committee is granted, that the number of deportations will be still further materially reduced. As a matter of fact it would be within the power of this committee to set aside practically all sentences of deportation, except in cases involving moral turpitude and certain other exceptions.

The proposed bill requires that recommendations of judges to stay the deportation of criminals should be reviewed and approved before becoming effective. This means that a judge who has heard a case and who is entirely familiar with all the details and who submits a recommendation for leniency, shall have his recommendation reviewed by the Secretary of Labor and the interdepartmental committee. We are opposed to this, and we are also further opposed to the review of sentences of judges by the same token, where the judges do not recommend leniency. We have no authoritative statement as to the number of illegally entered or criminal aliens, where judges have recommended clemency to the Secretary of Labor, but we apprehend that there are comparatively few.

The provision of this proposed statute which permits registry of all aliens who entered before July 1, 1924, and are not subject to deportation, to be placed in the same category as aliens who entered prior to June 3, 1921, and who, under the present immigration laws, may be registered, does not go far enough. Every unnaturalized alien in the United States and everyone who comes to these shores hereafter should be registered, the same as is required of our nationals in other countries. We go further and say they should be fingerprinted as a ready means of identification and detection.

That provision of the law which permits visitors or students entitled to nonquota or preference admission to change status without leaving the country is too liberal and is therefore objectionable. There is no good reason why a student or visitor to this country should be given special advantages in order to evade and get around the requirements of the immigration laws.

We are unalterably opposed to that provision which, as stated by the Commissioner of Immigration, "provides for limited discretion to stay deportation of aliens of good character who have not been convicted of crime and who have been in this country for 10 years or have members of their family (immediate) here." Such questions as this ought to be determined in regular constituted tribunals for hearing of such cases, and the determining of the same, and not left to the discretion of a departmental committee.

It has been stated that under the provisions of this bill the number of illegally entered and dangerous alien criminals rendered deportable thereunder would be six times the number of aliens of good character whose deportation would be stayed. In the absence of specific data and statistics to support this statement, there is reasonable doubt in our minds as to the correctness of the same. We contend that not only the illegally entered and criminal aliens be sent out, but we also desire to deport unnaturalized aliens and aliens on relief. The act itself is silent as to the deportation of those who do not choose to take citizenship or those who are now a burden on relief.

It has been stated in a report of the Commissioner General that during the past 28 months deportation has been stayed in the cases of 2,862 aliens of good character, but unless some remedial legis-

lation is passed it will be necessary to proceed with their deportation. Why not proceed with it and comply with the laws? What is the reason or excuse for staying the sentence of deportation on this number of aliens, except, as has been stated, there are more than 6,000 near relatives, and that if these 2,862 are deported 3,994 dependents will, for the most part, become public charges? The same reason could be applied to our own American citizens who have received sentences for the violation of laws of this country. It is not the practice or custom of the American people or the Congress of the United States to extend immunity, through legislative enactment, to stay the sentences of our own citizens. Why should we be so anxious to do the same thing for illegally entered or convicted aliens?

By reference to the Senate committee print of letter from the Commissioner General of Immigration we note where numerous exceptional cases are cited. There are some 14 or 15 cases cited therein. It is a well-established rule of procedure that the exception is never taken as the rule. There are innumerable cases in the conviction of our own American citizens in this country where it works a hardship on his family. We recall a case which came under our own observation, of a reputable American citizen who committed a crime and fled to a distant city, remaining in his new domicile for 26 years, married, raised an honorable family, and lived an exemplary life. He was detected, arrested, and returned to the city where the crime was committed, and underwent trial. Shall we argue that because of this hardship of one of our own citizens he should not have been made to pay the penalty of his crime? We think not. The same reason applies to these few individual, exceptional cases which the Commissioner General uses to bolster his argument in favor of S. 2969 and H. R. 8163.

There have been many conflicting statements appearing in governmental statements and the public press as to the number of unnaturalized aliens in America, the number on relief, and the number of illegally entered, criminal aliens here at this time. Regardless of these conflicting statements, we submit that in such times of unemployment and relief as we are now undergoing, and have been experiencing for the past few years, that the alien people resident here should be gradually eliminated and sent back to the countries whence they came. It is our understanding that in the main this is the policy pursued by other nations so far as American nationals are concerned. There appears to be no good reason why, in times of stress, the American taxpayer should shoulder the burden of providing for an alien who is here in distress, and there certainly is no good reason why any unnaturalized alien should be given the privilege and benefits of employment while our own American citizens are walking the streets, seeking work, to feed their hungry families.

A great deal has been said and written, and particularly by the Commissioner General of Immigration, about averting some of the cruel and unnecessary hardships incident to the administration of present deportation acts, and especially those resulting in the separation of families. We submit, gentleman of the committee, that the relative, nor any other sentimental reason, should not be the influencing factor to secure this legislation. As a matter of fact, many aliens, illegally entered, have married as a means of covering up their violation of the law. If the relative proposition is to be the deciding factor, now and hereafter, then the question will never be settled in the interest and to the satisfaction of the American workingman.

We submit further that an alien on relief is a public charge, and under the present immigration laws is subject to deportation. We also submit, in all fairness, and as a means of comparison, that when our own citizens violate a law of the State or Nation they are tried in our courts of justice, regardless of any relatives or family connection. It is not clear, then, why immunity should be granted to an alien who has violated our immigration laws simply on the grounds that he may have come here and married, or that he may have come here to join other members of his family or relatives. In the administration of justice and the enforcement of law the question of human relationships cannot be made the determining factor, and we submit that it should not be given undue prominence, which some of the officials charged with the enforcement of the immigration laws are seeking to give it in settling this question. What is needed is a strict enforcement of our immigration laws. There should be no letting down of the bars, but a rigid enforcement, with the patriotic view in mind that we owe our first allegiance to our own American citizens. They are entitled to the jobs and employment which our factories and industries have to offer. Furthermore, the burden of providing relief should be lightened upon the American taxpayer by sending all aliens on relief back to their own countries.

It has been stated that during the depression 1,500,000 aliens have been, at one time or other, on relief. We submit that this is unfair to the taxpayers of America to support such a burden. We cite a case of nine American citizens in France, a year ago last January, who applied for relief and employment. Some temporary relief was afforded, but these nine American nationals were informed that, so long as there was an unemployed Frenchman—and there were many thousands of them—there would be no job for these American citizens. These nine Americans were sent back here, where they belonged, without even going through the formality of deportation proceedings. We would like to see the same rule applied here as to those aliens who are on relief.

Regardless of the number of unnaturalized aliens in this country, and the number has been variously estimated from four to seven million, we submit that it is evident that these people care but little for citizenship, and most of them did not come to this country with any idea of contributing to its citizenry or to its upbuilding. They came principally for the wages, and many of them are sending back millions of dollars of American-earned wages yearly. This, gentlemen, is being done at the expense of American workingmen. We submit that a strong bill should be drawn, giving every unnaturalized alien a certain definite time in which to make arrangements to become an American citizen or to go back to his own country. It was stated on the floor of the Senate a few days ago that preference was being given to Americans for jobs. This is only partly true. In some instances we have found where it is true, but in many others we have found where aliens are employed and American citizens walking the streets looking for jobs. We submit that it is unfair and un-American to permit such a condition to continue.

SUMMARY

The Junior Order United American Mechanics, with its national council and its affiliations, numbering practically 500,000 American-born workingmen, are opposed to this legislation which will make mandatory deportable cases discretionary with the interdepartmental committee, with no appeal nor remedy from the use or abuse of such discretionary power.

We are opposed to conferring citizenship upon alien lawbreakers who are at present ineligible for citizenship but who will be eligible if this bill becomes a law.

We are in favor and would support a stricter deportation measure which would—

(a) Rid, as quickly as possible, our country of all aliens on relief.

(b) Provide a period of 1 year after the passage of this act for unnaturalized aliens to take out citizenship or be deported.

We are anxious to have a stricter enforcement of immigration and deportation laws by that great department of the Government which is charged with this responsibility under the statutes, and we would be especially pleased if some of the high officials of that Department could spend more of their time in seeing that the laws on the statute books are enforced than they are now spending in spreading propaganda through the press and by speeches and word of mouth throughout the country, traveling presumably at Government expense, trying to influence legislation, and to stir up a sentiment which is detrimental to the best interest of our taxpayers and our American workingmen.

We are in favor of the Reynolds bill, which, we understand, would cut existing quotas 90 percent. As a matter of fact, we would be delighted and pleased beyond measure if all immigration could be cut off or suspended for a period of 10 years.

Respectfully submitted.

NATIONAL COUNCIL, JUNIOR ORDER
UNITED AMERICAN MECHANICS,
By JAMES L. WILMETH, *National Secretary.*

Mr. REYNOLDS. Mr. President, I also ask that a telegram from H. L. Mennerick, State secretary, Order United American Mechanics, be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

BALTIMORE, MD., *March 30, 1936.*

Senator ROBERT R. REYNOLDS:

State Council of Maryland, Junior Order United American Mechanics, heartily endorses the Starnes-Reynolds bill and sincerely urges its prompt and favorable consideration.

H. L. MENNERICK, *State Secretary.*

Mr. REYNOLDS. Mr. President, my motion to recommit the Kerr-Coolidge bill is now before the Senate. I ask the Presiding Officer how much time I have remaining.

The PRESIDENT pro tempore. The Senator has 24 minutes remaining.

Mr. REYNOLDS. I shall reserve that 24 minutes to answer any arguments which may be made in support of the Kerr-Coolidge bill.

Mr. HOLT obtained the floor.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. HOLT. I yield.

Mr. DAVIS. At the conclusion of the remarks of the Senator from West Virginia I shall ask several questions of the Senator from North Carolina [Mr. REYNOLDS], provided the Senate shall not proceed to consider the appropriation bill, which I understand it is desired shall be considered and which is perfectly agreeable to me. However, I shall, as soon as conveniently possible, direct a few questions to the Senator from North Carolina on the subject matter he has been discussing this morning.

Mr. REYNOLDS. I shall be glad to answer them, if I am sufficiently informed to do so.

The PRESIDENT pro tempore. Does the Senator from West Virginia yield at this time for the purpose of permitting the Senator from Pennsylvania to propound questions to the Senator from North Carolina?

Mr. DAVIS. Mr. President, I requested that I be permitted to ask those questions at the close of the remarks of the Senator from West Virginia.

The PRESIDENT pro tempore. Very well.

THE WORKS PROGRESS ADMINISTRATION

Mr. HOLT. Mr. President, on the 9th day of March the Senator from Pennsylvania [Mr. DAVIS] introduced a resolution to investigate the Works Progress Administration. That was nearly 7 weeks ago, and the resolution has not been passed upon by the Senate of the United States. I have been reading in the newspapers quite a little bit about the G-men, and how they have tracked down lost property and how they find things which are gone. I feel that the United States should employ some of those G-men to find out what became of the resolution to investigate the Works Progress Administration. There is little need to investigate the W. P. A. after the appropriation has been made and after the money has been spent. There is no need to lock the stable after the horse is stolen. There is no need for us to look at something that has gone by unless we can use it. We all realize what will be the outcome of this move. The session is coming somewhat toward its close, whether that be 2 months or 3 months from now, and we will not get the benefit of an investigation which will tell us how the Works Progress funds have been spent, or misspent, and, therefore, we will have to look only at the charges and countercharges.

Mr. Hopkins has stated that these charges are untrue. If I were in the place of Mr. Hopkins, I would want an investigation made to prove that they are untrue. I have seen replies saying that these charges cannot be based on fact. The best way to prove that statement is to ask some of us who have charged that the W. P. A. is full of politics, is full of waste and extravagance, to present our evidence. But in some way or other the resolution has gone; it has gone to the land of no return; it has become shelf worn after 7 weeks, and the Senate has not been given an opportunity to determine what we should do about investigating the Works Progress Administration.

Let me say right here that I again bring up this subject because I believe, as Representative FULMER, of South Carolina, is reported to have said in his home State, that Harry Hopkins is doing more to destroy President Roosevelt than is any other man in this country, Republican or Democrat. He is doing more because he is shaking the confidence of the American people. Therefore it is our duty as Democrats to see that the Works Progress Administration be exonerated if these charges are not true; and, if they are true, it is our duty as Democrats to see that the house is cleaned and that we can go into the fall campaign without any charge that cannot be disproven by actual facts.

When I previously spoke I directed most of my attack against conditions in the State of West Virginia, showing the huge expenditure of money, showing the politics, showing the waste, showing the extravagance. Since that time I have received letters from 46 of the 48 States. I am going to read excerpts from just one or two that I have selected from the different States of the Union. Let me quote the exact language of a letter from one of the States:

> I find that when we apply for a position we are asked our party affiliations.

Here is a letter from another State saying:

> Direct relief funds of our State are being used to build up a State and National political machine, while Harry Hopkins is spending a million dollars to contribute to it.

Here is another from a W. P. A. timekeeper in another State, in which he says that he has direct evidence that there is waste and politics. I think we need to have an investigation in order to disprove these charges if untrue.

Here is another letter from a State down South, in which it is stated:

> The administration here stands charged with theft, forgery, misapplication of funds, nepotism, favoritism, and padding pay rolls.

These are pretty serious charges, and yet there is no investigation.

Here is a letter from another State, from which I will quote. The writer of the letter specifically tells where he had to go to get a job in that State and that he has to be O. K.'d by certain politicians.

Here is another letter from a State in the West, enclosing a newspaper clipping showing that applicants have to refer to a certain man before they can get a job.

Here is another letter about Richland County, S. C., in which the writer says:

> An investigation of Richland County will prove that conditions in South Carolina are much worse than they are in the State of West Virginia.

And he enumerates the conditions.

Here is another letter from a New England State, in which the writer says that he can prove that there has been definite waste and graft, and so forth.

When we come to the State of Pennsylvania, if I should start reading the charges in the State of Pennsylvania, my good friend from North Carolina [Mr. REYNOLDS] would not get a vote on his motion to recommit the deportation bill, because I have so many communications showing the situation in Pennsylvania. I intend to come back again to that.

Here is a letter from another State on the far western coast, in which the writer says that political favoritism is shown.

Here is a letter from the Midwest, showing the definite persons that an applicant has to go to in order to get a job.

Here is another one from the East, in which the writer says that political debts are being paid, and he states to whom one should apply for a job.

Here is another letter from the Midwest, and another one from down South, and here is one from a great State in the East, in which the writer says that he has called irregularities to the attention of Mr. Hopkins, time after time, without a single, solitary investigation being made, and that the charges are referred back to the local officials.

Here is another letter written by a man in a Western State, who says:

> It takes the endorsement of the political powers to get in and an agreement to vote right.

If these things are not true, an investigation will disprove them.

Here is another letter from an Eastern State, written by a veteran, in which he says one has to change his politics before he is put on the roll.

Here is another letter stating that local politicians are controlling the situation.

Here is another letter from the Rocky Mountain section showing a number of irregularities.

I could go down the list, Mr. President, and show hundreds and hundreds and hundreds of such charges all over the United States. It is our duty as Democrats to face the charges and prove them true or prove them untrue.

I said in a speech in West Virginia last week, and I repeat the statement here, that we in the Senate have appropriated millions of dollars to eliminate bugs, insects, and termites from plant life. Can we not spend a few thousand dollars to eliminate the same elements from the Works Progress Administration, to eliminate the bloodsuckers and leeches who are destroying President Roosevelt's relief program, and who are doing much to destroy his chance for reelection? Can we not put them out and show what is going on?

However, let me go back to Harry Hopkins' famous report, because it has been used quite frequently, and let me read from it. I quote from page 11 of the report:

> It discloses that administrative cost of the entire period of operation of the Works Progress Administration in West Virginia is approximately 4 percent.

Mr. Hopkins says 4 percent.

Mr. Puckett, who has charge of the financial division of the W. P. A., says the approximate cost of the entire operation of the W. P. A. will average 6.3 percent.

Mr. E. C. Smith, W. P. A. State engineer, in an article that has been circulated all over the State of West Virginia, says:

Nonrelief workers, including foremen, timekeepers, professional and skilled workers not available from relief rolls, but paid from the operation of the project, received 9.3 percent.

Hopkins says 4 percent The head of the financial division says 6.3 percent; the head of the engineering staff says 9.3 percent. If they themselves, the heads of the organization, do not know how much is being expended for administration, how do they expect the Members of the United States Senate to know how much is being used for that purpose? Why should we not have a committee appointed to find out where the money is going? But it may be said, "You can write down there and find where it is going." The Works Progress Administration, however, will not and do not give heed to the charges and do not state where the money is going.

Let me show the Senate where some of it is going in West Virginia. I wrote the procurement director for West Virginia, which is a small State, and this is what he says:

In reply to your favor of the 21st instant we have to report the following:

(1) Rental paid on office furniture, including typewriters, labor-saving devices, etc., $36,483.64.

(2) Cost of furniture purchased, $47,552.49.

(3) Rental on property, $25,458.30.

And that with people begging for help! And besides the amount of money the W. P. A. has spent let me give a statement from the Relief Administration—the F. E. R. A.

The Relief Administration has transferred to the W. P. A. equipment acquired through rental-purchase contracts, having a depreciated value at time of transfer of $45,350 and representing an orginial rental-purchase cost of approximately $68,000. * * *

The Relief Administration turned over to the W. P. A. $71,-241.33 in equities on equipment being rented on rental-purchase contracts.

They turned over all that amount, and yet we find that the W. P. A. has spent in rentals alone over $36,000 for furniture and office supplies up to the 1st of March and bought $47,000 more of furniture in the State of West Virginia when people are just begging for an opportunity to get enough money with which to buy bread and milk. I need not go further into that, but I want to put in the RECORD—I will not read it—another thing to prove another charge that the statement of Harry Hopkins is untrue, in which he said that the W. P. A. was set up in West Virginia after my colleague went to the Philippines. I ask that the statement which I send to the desk be incorporated in the RECORD at this point.

The PRESIDING OFFICER (Mr. BACHMAN in the chair). Without objection, the statement will be printed in the RECORD.

The matter referred to is as follows:

HOPKINS EXONERATES SENATOR NEELY, DUE TO ABSENCE IN ORIENT
CHRONOLOGY OF THE WORKS PROGRESS ADMINISTRATION, 1935

June 8. "F. W. McCullough appointed State W. P. A. Director for West Virginia."

June 17. "McCullough has conference with Harry Hopkins."

June 19. "McCullough announces that he would receive projects."

June 24. "Mrs. Dora Garlitz, Keyser, was named director of women's work for the W. P. A., the first major official to be announced."

June 27. "Mr. H. Laban White, Glenville; Melton M. Maloney, Dunbar; J. D. Alexander, Fairmont; and Thomas Miles, Lewis County, will be given executive positions in the West Virginia Works Progress Administration, provided they are confirmed at Washington. F. Witcher McCullough, State administrator, stated last night that they had been drafted to fill the positions.

"Charleston designated as State headquarters."

June 29. "Mrs. Dora Garlitz, new director of women's activities for the W. P. A. in West Virginia, will report to Administrator McCullough today to take over her duties. * * *

"Works Progress Administrator McCullough, Beehler, Mrs. Garlitz, R. J. Cochrane, head of the F. E. R. A. social-service department; B. H. Puckett, head of the W. P. A. finance department; A. D. Alexander, W. P. A. procurement office; and Miss Teressa White, head of the F. E. R. A. social-service training department, are to leave today for Columbus. There all W. P. A. administrators and high officials and officials of the dying F. E. R. A. will confer for detailed instructions on how to cooperate on transferring the work from the F. E. R. A. to the W. P. A. Melton M. Maloney, assistant State W. P. A. director of personnel, who is to be inaugurated mayor of Dunbar, Monday, will leave for the conference after the inauguration."

July 7. "E. C. Smith, Jr., appointed as State engineer."

July 7. "Appointment of Everett C. Smith, Jr., Ravenswood acting chief engineer and acting assistant to State Works Progress Administrator F. W. McCullough was announced yesterday. * * *

"Administrative personnel offices will be open Monday. * * * The administrator's temporary offices have been crowded with job seekers for several days."

July 8. "Project sent from West Virginia to Washington."

July 8. "State Administrator McCullough is organizing State and district machinery to operate the relief program."

July 9. "West Virginia's projects filed with Harry Hopkins."

July 10. "Rosier named to W. P. A. office. * * * Appointment of Dr. Joseph Rosier, president of Fairmont State College, and past president of the National Education Association, as State consultant on educational work for the W. P. A., was announced last night by State Administrator F. Witcher McCullough. Rosier is to serve without pay.

"Meanwhile organization of district W. P. A. offices at Charleston, Huntington, and Fairmont was well under way, with the State W. P. A. personnel, procurement and other administrative branches working overtime to have the program machine ready for work as soon as possible after West Virginia's original batch of project applications are acted upon in Washington * * *.

"Acting officials for the Huntington and Fairmont districts were named yesterday. John J. West was appointed acting district director; Grover C. Christian, acting assistant director and chief engineer and Cabell County Relief Administrator; D. W. Harris, acting supervisor of the division of projects and planning, for the Huntington district.

"Fairmont district officials appointed were Robert Roth, acting district director and Marion County Relief Administrator, George Gow, acting supervisor of the division of projects and planning.

"Officials for the Charleston district had not been announced although the work of placing the Kleeman building, Summers Street, in readiness for opening was being pushed at top speed last night.

"The district appointments are continued upon performance and accomplishments and are subject to such changes and adjustments as may seem expedient and for the best public interest, Mr. McCullough said. Full responsibility for the progress of the Works Administration in the district will be placed upon the district personnel, he added."

July 11. "State Administrator McCullough continues organization of district offices."

July 12. "Mr. McCullough states, 'The organization was strong enough to go about transferring relief clients from relief rolls to W. P. A. rolls.' "

July 13. "Two more W. P. A. officials named. * * * Appointment of Joseph N. Alderson, former postmaster of Alderson, as acting director and Frank A. Wyant of Union as acting assistant director and chief engineer of the third West Virginia W. P. A. district with headquarters at Lewisburg, was announced yesterday by State Administrator F. Witcher McCullough * * *.

"Organization of two more W. P. A. districts, one at Parkersburg and the other at Elkins, was practically completed yesterday, but the personnel was not announced. The Parkersburg office will have jurisdiction over Braxton, Calhoun, Doddridge, Gilmer, Lewis, Pleasants, Ritchie, Tyler, Wirt, and Wood Counties. The Elkins office will serve the counties of Berkeley, Grant, Hardy, Hampshire, Jefferson, Mineral, Morgan, Pendleton, Randolph, and Tucker.

"An acting district director and an acting assistant director and chief engineer will be named for each district within a few days. Their appointments will be contingent upon performance and accomplishments, and will be subject to such changes as may seem expedient and for the best interest. Administrator McCullough said. In each district the full responsibility for the program will be placed upon the district personnel.

"District officials have been instructed to set up temporary offices at once and be prepared to begin work on W. P. A. projects immediately upon their approval at Washington."

July 17. "McCullough announced that he had recommended to Washington officials the appointment of Harry Blaine Colbank, of Elkridge, as State director of the division of labor management."

July 18. "With organization of the district W. P. A. offices practically completed, State Works Progress Administrator F. W. McCullough yesterday called a meeting of the new acting district key officials for Charleston tomorrow.

"Officials for three districts have already been announced. Administrator McCullough began the work of completing the remaining three yesterday immediately upon his return from Washington."

July 19. "McCullough announces projects ready to start."

July 20. "At the preliminary conference State Works Progress Administration officials spoke, and then the conference was broken into group meetings, in which the district officials moved like college students from class to class on half-hour schedule."

July 21. "High W. P. A. position goes to S. G. Smith, relief administrator.

"The appointment of S. Grover Smith, Kanawha County relief administrator, as acting district director of the W. P. A. for Charleston district was announced yesterday by F. Witcher McCullough, State Works Progress administrator."

"Joseph Blackburn, of Morgantown, was appointed acting assistant director of the Charleston district.

"Mr. McCullough also announced appointment of Mason Bell as office manager for the Lewisburg district."

July 22. "Smith will open W. P. A. office today. * * * S. Grover Smith, newly appointed director of the Charleston Works Progress Administration district, will establish offices this morning in the Kleeman Building, Summers Street. Director Smith for the present will maintain his previous status as Kanawha County F. E. R. A. administrator in conjunction with his new post.

"W. P. Wilson will be asked by F. W. McCullough to serve as deputy administrator."

July 24. "Three more road employees resign. * * * Weston, July 23. * * * Three more employees of the State road commission in the Weston district resigned tonight, making a total of four who have quit to take jobs with the Works Progress Administration.

"M. C. Pugh, chief clerk for the highway body, said he resigned, effective August 1, to take a job as office manager for the W. P. A. in Elkins.

"Draco Dodrill, of Clarksburg, assistant maintenance engineer, quit to join the Parkersburg W. P. A. office.

"R. R. Watts, of Buckhannon, quit as construction engineer, effective July 31.

"E. C. Bennett, district engineer for Weston, previously had resigned to become W. P. A. engineer in this area."

July 25. "Robert F. Roth, director of the district Works Progress Administration office in Fairmont, covering 11 counties, was tonight appointed administrative assistant to the State Works Progress administrator.

"In Roth's absence from his post as district director, George Gow will have charge of the district office."

July 25. "Projects approved in Washington."

July 28. "Robert M. Lambie, former chief of the State department of mines, has been offered the position of consultant on labor management, workmen's compensation, and safety matters in the State W. P. A. organization, it was stated yesterday. Mr. Lambie could not be reached last night for a statement relative to acceptance."

July 31. "District W. P. A. officials returned to their homes last night with instructions to encourage cities, counties, and school boards to initiate new work projects, following a 2-day conference at the State offices here.

"Yesterday morning they heard discussions by Wayne Coy, field representative for W. P. A., and his assistant, Vernon D. Northrop. Mrs. Dora Garlitz, West Virginia director of the W. P. A. women's division, outlined women's problems."

August 1. "S. Grover Smith, Sr., announced yesterday his resignation as county relief administrator to become district director of the Works Progress Administration under F. Witcher McCullough beginning today."

August 6. "Notice that no more State or district administrative personnel will be appointed for the present and that the responsibility of employing persons had been shifted to the district offices was given out at the State W. P. A. headquarters here yesterday.

"Emphasis was placed on the importance of all persons who want W. P. A. jobs, including foremen, draftsmen, and other technical men, registering with the National Reemployment Service, which maintains district offices throughout West Virginia.

"Ninety percent of the persons to be employed by the Works Progress Administration must come from the relief rolls and must be registered with the Reemployment Service. The other 10 percent may be hired through the Reemployment Service or from other sources. This is to give elasticity to labor regulations, in order that technical and expert craftsmen who may not be obtainable from relief rolls and who might be vital to the completion of a Works Progress project might be employed.

"The National Reemployment Service is to keep the Works Progress Administration fully advised as to the availability of the various types of labor, so that these conditions can be taken into consideration in choosing projects to be built.

"The notice to cease hiring administrative personnel was sent out by the State office because the administrator has a certain amount apportioned to administrative expenses, which is not to be exceeded in order that the greatest amount possible can be spent directly on labor.

"Many times more applications have been received for jobs than there are jobs to be filled, it was said. The State personnel office has been closed indefinitely and personnel records have been sent to the various district directors in whose districts applicants for jobs live."

August 7. "C. L. Heaberlin, former State compensation commissioner, is slated for State compensation officer under the W. P. A.; and Ralph Ostrander, acting Kanawha County F. E. R. A. administrator, is being considered for the post of acting State W. P. A. safety director, it was stated here yesterday.

"F. Witcher McCullough, State W. P. A. administrator, yesterday announced the appointment of E. C. St. George, mayor of Danville, Boone County, as acting administrative assistant and State director of personnel, but did not confirm the Ostrander and Heaberlin reports."

August 8. "Dewey Phares appointed assistant director of labor relations."

August 9. "Harry B. Colebank appointed director of labor relations."

August 10. "A 2-day State and district Works Progress Administration conference will open at noon today in the city council chamber, during which regional and State W. P. A. officials will address more than 100 officials and employees of the Administration in West Virginia."

August 13. "Colonel C. P. Fortney, West Virginia's first chairman of the State road commission, yesterday was offered the post of engineering consultant to the Works Progress Administration for the W. P. A. road-building program. It is thought he will accept."

August 16. "Word was received that steps were immediately taken to acquire equipment. Engineers began working out county allotments."

August 28. "First projects started in McMechen and Parkersburg."

September 7. "Six hundred and eighty-four men to work."

September 14. "State meeting for W. P. A. officials called. Colonel Babcock present.

September 21. "Two thousand one hundred and seventy-three men to work."

October 1. "Seven thousand people employed."

From the Wheeling News Register, Sunday, October 13, 1935, part 4, page 6, the following is found:

"Senator and Mrs. M. M. Neely, Fairmont, left last week for Chicago to join a congressional party headed by Vice President and Mrs. John Nance Garner for a 3-month tour of the Orient and the American insular possession in the Pacific."

Mr. HOLT. Yet Mr. Hopkins says:

The report of the investigators exonerates Senator NEELY, Mr. HOLT'S colleague, of the charge that these appointments were used by him to build up a political machine, the investigation having developed that Mr. NEELY was in the Orient on official business during the formative period of the West Virginia organization.

Another charge. Mr. Hopkins says in his report that Mr. E. C. Smith, engineer, had no special endorsements. I exhibit here an original letter showing that he not only had the endorsement of Senator NEELY, but that he had the endorsement of Senator GUFFEY, for W. P. A. engineer in the State of West Virginia.

Mr. Hopkins says that there is not a case where a man had to change his political affiliation in order to get a job. Let me quote from a letter I have received:

I have been approached by one connected with the W. P. A. saying that if I registered a certain way that I would get some work. Will you please advise me what to do, as my family is in need of not only food but of medical attention?

If these things are not true, if Harry Hopkins says that there is no politics in relief, the best thing to do is to have an investigation and prove that this man is not telling the truth. Oh, no; no politics at all!

Here is a letter from a girl who was fired from the Parkersburg office. She never was connected with the Fairmont office. Our State office is in Charleston, but when she lost her job where did the letter come from. Did it come from the State office at Charleston? Did it come from the district office where she was working, Parkersburg? No. The postmark on this letter shows that she was fired from Fairmont, W. Va., the home of my colleague, where the headquarters of the W. P. A. ought to be and where its control is and where it is run.

Let me quote from the superintendents of schools. Seventy percent of those I shall quote from are Democrats, and I want to read what they think of the W. P. A. and what they say. One superintendent goes ahead and says:

The repair work on the various buildings was badly needed and we worked almost day and night to get them ready, and at various times were called on for additional information so it could be ready to start at any time.

He asks what happened. The projects were not approved. The money went for projects which had no value.

Here is a letter from another superintendent of schools in which he says that:

The W. P. A. paid no attention to the school projects in West Virginia, and it has cost our board of education alone over $2,000 just for plans that the W. P. A. requested them to give out.

Here is a letter from another county superintendent of schools in which he says:

For some reason unbeknown to us this application was finally rejected and as a result not a single solitary improvement has been made in the school system of our county through the expenditure of W. P. A. funds.

Yet in our county we find expenditures for everything except something of permanent value in the W. P. A.

Here is another letter from another county superintendent of schools in which he says:

We have spent on engineering $3,000 to prepare a project and brought the project to the attention of the W. P. A., but there was not a single, solitary thing done for it.

Here is another letter from another county superintendent of schools:

The projects that have been approved in this county are those that will accomplish very little of permanent value. On every hand there is evidence of waste and political manipulation. Projects are started without any regard to value or without any regard to the finding of jobs for those who need work.

Here is another one:

We have not been able to get any action through the Lewisburg office. It is filled with red tape, and no schools are being built or repaired in our State.

I quote from another one to show what is going on:

You understand what is happening in the West Virginia W. P. A. The political parasites are sucking the lifeblood of our public institutions.

Another county superintendent of schools said:

We daresay there is no worse situation in West Virginia than we have in Lincoln County. Just think of 117 one-room school buildings, many of them standing without underpinning but ready to fall down, and not a single project which we submit to improve them has been approved.

He said further that the schools of that county have seen waste upon waste; that they can get all the money they want to decorate the school buildings, can get all the shrubbery they need, but not one penny to help the schools that are weather beaten, need painting, need underpinning to keep the buildings from falling down.

Here is another letter from a superintendent of schools, who says:

At one particular school two cooks are employed at $70 per month cooking for 30 pupils and being allowed $4.50 worth of food per month, which gives the staggering allowance of 3 cents per day for each pupil, and they call it a program for undernourished school children.

Think of it—$140 for cooks and only $4.50 for food. That is Hopkinism. That is what is going on in West Virginia. Children need milk, but he is giving the money to the cooks. Up in the northern panhandle it is charged there were four cooks employed for 6 weeks at one particular place who did not cook one bite of food except the food they themselves ate. Then it is said we need more of that!

Here is a letter from another superintendent of schools:

It is my opinion that projects of less importance than the ones which we have submitted are now in operation. We need to repair our school buildings and can get no money for their repair.

Here is another one saying that although they did set up a project to feed the children, the farmers were not even paid for milk because of some red tape. He continued:

I would not be so bold as to say that someone at Parkersburg or Charleston is beating the poor farmers out of a just and fair milk bill.

Now let us jump from superintendents of schools to mayors of cities. I shall not read all of these letters, but I have more than 60 letters from mayors. Seventy-five percent of those from whom I shall quote are Democrats, so it will be seen that these complaints do not come from the Republican side of the situation. These come from honest Democrats who do not want to see our party destroyed by Hopkinsism and boondoggling. The W. P. A. seems to have plenty of money to build all kinds of nonsensical things but no money for our schools. They have all kinds of money to teach children tap dancing, but no money to give them milk so their legs will be strong enough to enable them to run and play.

Here is a letter from a Democratic mayor who says:

The dissatisfaction in our city, and I speak as a Democrat, is that there is too much supervision expense, there is too much discrimination, and there are too many supervisors in the way to allow the men to work.

Here is a letter from another Democratic mayor:

I find that the W. P. A. has little stability, and although they have no funds we find them juggling them back and forth in order that the right people be put on the pay roll.

Here is a letter from another mayor in which he says that his little town had spent a good many hundred dollars for an engineering survey on some project but could not get one single, solitary penny for carrying on the work.

Here is the mayor of another city who says:

We feel very much disappointed that the projects have been allocated in an unfair manner and under political influence.

Let me tell you about that town. It will be remembered that my colleague submitted telegrams saying inferentially that they were having to do with my attempt for political preference and that I wanted certain people to be put on the pay roll. That is untrue. I say that only to show that the question of these telegrams related to discrimination being shown in this little town, and the letter from the mayor will show that my interest had nothing to do with patronage, but to get the projects that would benefit the most.

Here is a letter from the mayor of one of the larger cities in West Virginia:

Out of our total program only 24 percent of the main projects have been started. The city has no control or supervision over the projects now operating, which means that we are wasting it clear through.

Here is another thing said by another mayor of a large city:

As I see it just now we have several of our streets torn up and nothing completed.

They are tearing up the streets, and no one knows when the work will be completed.

Here is a letter from another mayor in which he said they tried to build sidewalks and submitted a project, but were told they had no money for it, and yet in that county alone the supervising cost was as much as it would have cost to build the whole project.

Here is a letter from the mayor of another large city:

It is a disgrace the way they are doing things, in my opinion, down in southern West Virginia. I can prove that certain Democratic gentlemen O. K. every man for jobs with the W. P. A.

If these things are not correct, the best way to do is to destroy them by an investigation.

Here is another letter in which the mayor says they are definitely questioning the affiliation of people who are put on projects.

I put these letters in the RECORD because I want Senators to know that whenever they are told West Virginia is not disgusted with the conduct of the W. P. A. officials, it will be proved and shown by these letters, from officials elected by the people of West Virginia, that they are tired of it.

Here is a letter from another mayor who said:

The W. P. A. as administered here, as in other places, is a great deal worse than a waste of money, because they take those that are not needing work and deprive those who are in need of work.

The foremen and timekeepers have to be true and tried political supporters. Here is a letter from a prominent Democrat, the mayor of his city, who says:

It is my opinion that there is not a man or woman in this county, regardless of party affiliation, who is of ordinary common sense and who has made any observation whatever, that does not realize fully that this relief measure as being administered is deeply steeped in politics and almost void of results actually intended. Of course, there are many who will not openly express themselves because they are fearful of such an expression.

Here is a letter from another mayor:

Set-up in this county is purely political. To get any kind of a job here you have to vote the Democratic ticket.

All right. Now let me go to another mayor, and we shall see what he says. He says:

We have put in projects for permanent things and unpermanent ones, and those that are not permanent get the first right-of-way.

He says another thing:

The town here has seen the effect of nothing but waste and extravagance.

Here is another letter from another mayor:

The general feeling is that there is too much red tape for a man needing a job to get a permit to go to work. If this could be left to some official of the town it would save the man from hitch-hiking all over the county—

To see if they could get any food for their children.

Here is a letter from another mayor, who says that when the W. P. A. officials want to put people on the pay roll they question their political affiliations.

These letters are from city officials who have been elected from within their own State.

Here is another letter, saying:

We have tried to get a bridge constructed. It was very needful, but nothing could be done.

Here is a mayor who says that he felt like resigning because of the noncooperation of W. P. A. officials; and another man says that in his town worth-while projects were thrown aside, and political consideration was given to the O. K. of those projects.

Here is the mayor of another town saying—and this man is a Democrat:

The citizens in our town are not satisfied, because they see imported people brought in at huge salaries and see their own citizens without work.

The mayor of another town says that the selection of projects and the placement of workers are beneficial only on political matters.

But what is the use of going ahead? I tell the Senate that 64 percent, by actual count, of the officials of the State of West Virginia who wrote me, criticizing the W. P. A.—64 percent of them—and of that number, 70 percent were Democrats.

Now, let me go a little bit further into that subject.

Harry Hopkins says there is no politics in relief—none at all! Let me read you a sworn affidavit to see if there is any politics in relief, and see if Harry Hopkins will get around this. Here is what the affiant says in part:

I myself was compelled to deliver a certificate of the registration books, certifying that I was registered as a Democrat, and was required to state under oath that I would vote and work for the election of Senator NEELY in the 1936 campaign.

This is a sworn affidavit, with the notary's seal right there. Oh, no; there is no politics at all, in W. P. A. work, according to Harry Hopkins.

Here is a letter written by a man to a woman who wanted to go on a sewing project; and here is what he said:

Now, don't you say I should do all I can to get you on relief, if I am to get as much out of it as I did on the boy's case.

Here is another thing I want to show the Senate about the question of need, and the question of relief. Here is the actual letter:

I am in dire need. All day during April 14, 1936, we had one 11-cent loaf of bread to eat, and that was everything. We have four children, my wife and myself. We have no credit and no money. I am a disabled veteran. I was on relief, direct, for over 1 year.

But he said he could not get a job under the Works Progress Administration.

Here is a person who is in need, with a family, begging and supplicating and asking for something to eat.

Let me put in the RECORD actual evidence of how that investigation was conducted. Here is the exact letter from one of the department heads of W. P. A. Now, listen to this:

We further believe that it will not be necessary to alter or destroy any official records, as has been suggested in round-table discussion of the matter.

"It will not be necessary to alter or destroy any official records." If it takes as long for us to get an investigation by the W. P. A. authorities as it takes to get an investigation by the Senate, I imagine all the records may be altered or destroyed.

Hopkins, according to a newspaper article I have here, admits fraud in Maine. He said there was something wrong in Washington. He says the charges in Maine are true, and they are true in Washington. I know they are true in West Virginia; so why not have an investigation and prove these charges true or untrue, and fix the various responsibilities?

Here are some newspaper clippings that I wish to put in the RECORD to show what is going on. Here is one from the Baltimore Sun:

Three accuse Jones in loss of W. P. A. jobs.

The article tells about the situation in Pennsylvania. Mr. Raushenbush brought out some other questions about Pennsylvania, and yet nothing is done. Harry Hopkins is given a clean bill of health, and the resolution is becoming shelf-worn up there. It is going to be worn out on the shelf from waiting.

Here is what Mr. Robert L. Johnson says about relief in Pennsylvania; and he was in charge of it. Here is what he says in the Saturday Evening Post of March 21, 1936:

I can't speak for the Nation, but I do know that one unwise move in Pennsylvania, against which I fought, resulted in $7,000,000 being wasted—wasted just as truly as if someone had taken seven million-dollar bills and used them to light cigars.

They say that is not true. The best way to prove the Johnson statement untrue is to have Governor Earle or the W. P. A. group in Pennsylvania put Mr. Johnson on the stand, and let him tell where that $7,000,000 was wasted, if these things are not true.

Here is an editorial from a Democratic paper in South Carolina:

Those responsible for the W. P. A. disgrace in South Carolina should get out.

And the editorial goes ahead, showing that the cost is similar to the cost in West Virginia, and that people cannot get employment.

Here is what the head of the W. P. A. in New York says. The headlines are:

W. P. A. LABOR 70 PERCENT EFFICIENT AT MOST HERE

In other words, we have a 30-percent loss on W. P. A. efficiency. If we have a 30-percent loss on a four-billion-dollar appropriation, how much has been wasted, and how much has been lost? Is it not time that those who are trying to look after appropriations should be clamping down, so that we shall not have such loss in the future?

Here is another thing that I quoted, about a minute ago, from another South Carolina paper:

"Harry Hopkins has done more to destroy the President than any other man in the United States," declared Congressman H. P. FULMER in a speech in the House of Representatives here Wednesday afternoon.

Here is what a Democratic Representative from Michigan says:

Funds have been misused in Michigan, discrimination has been practiced, and I lay the responsibility directly to Dr. William Haber, F. E. R. A. administrator, deputy administrator of the P. W. A.

And he goes ahead and says the rolls are padded, and tells about finding the names of Mark Antony and Julius Caesar on the pay roll in Michigan.

If these charges are not true, they should be disputed and proved to be untrue.

Here is one from out West, in the State of Kansas. It says:

Welfare department costs reach much higher figure.

Here is a letter which says:

I have sent your name through for State highway work. If you are not a registered Democrat, kindly visit the town clerk before 5 p. m., March 28, 1936, and have your party designation changed to Democratic.

Oh, there is no politics at all—none at all—in the relief situation!

Here is one from the State of Texas:

Police today were holding a 23-year-old Works Progress Administration worker who, although he admitted coming here from Georgia last July, had in his possession a poll-tax receipt made out to him showing that he had resided in this city, county, and State for 23 years.

Why did they give him a poll-tax receipt?

Here is one from the State of Illinois:

Democrats exact W. P. A. votes by threats, charge.

While I am talking about Illinois, it might be well to refer to a letter from the State of Illinois, which is very interesting. Here is a letter I should like to read about a place

where there is "no politics", where Harry Hopkins says everything is well. Here is what the writer says:

As an obscure and impoverished W. P. A. worker on project no. 2210, gang no 2834, in Chicago, I am taking the liberty of writing you the following:

On April 4 I was approached by a W. P. A. official. He said to me: "Shorty, be sure and vote for Dr. Bundesen on the primary election day."

The writer of the letter replied:

"You have no right to dictate to me such a thing as voting for your choice."

"Well," he said, "it may cost you something after your pay day."

He was right. On April 10 it was our pay day. The whole gang got their pay checks (half of the men being docked, of course) except two of us. "Your name is not on the paying list. We have no pay check for you," the paymaster told me. I protested, and demanded my 2 weeks' full pay, which is $27.50.

And then the paymaster again brought up the question of Dr. Bundesen in Illinois. Oh, no; do not mistake it. There is no politics in the W. P. A. at all—none at all.

Here is one from Alabama, which says:

The W. P. A. pay roll tells a sad and sordid tale of what is going on in Alabama.

I know specifically, and I can prove, that the W. P. A. officials in the State of West Virginia are using Government time in trying to set up a W. P. A. slate in the Democratic primary in our State. That is a serious charge. These men who are drawing your money and my money, the money which should go for feeding children and taking care of the hungry and those who need clothes, are going around saying, "We want you to vote for this man for the United States Senate. We want you to vote for this man for Governor; we want you to vote for this man for sheriff", all the way down the line—no politics at all about it.

If there is no politics in relief, the best way to destroy my attack upon the political situation is to have an investigation before a committee of the United States Senate. Why the fear of it? If we are not guilty of indulging in politics, let us prove that we are not guilty of it; and if we are guilty, let us admit our mistake and clean our own house.

Thousands of letters on this subject have been pouring in to me from all over the United States; and I intend to put in the RECORD editorials from 221 leading newspapers of the United States asking why the Senate of the United States does not investigate the relief situation. We are told, "Oh, what is the use of investigating it? We are going to have the Campaign Committee investigate it." Yes; have the Campaign Committee investigate it after the appropriation has been made, after the men have been elected, after everything has been done—again a nice example of locking the stable door after the horse is stolen! Let us see today where the money is going. Let us see if there is any politics in it. Let us see if there is any waste. Let us look at the extravagance, and then see where we are going.

Another thing: We are told, "Oh, there is no need of doing this. We will call Mr. Hopkins before the Appropriations Committee."

The Appropriations Committee is interested in the amount of money spent, not in political discrimination; and I speak in the highest terms of those on the Appropriations Committee. Why not have this matter investigated by a select committee? We investigate everything from Indian ranches in the West to chasing the corn borers and termites all over the country, but we cannot find out whether or not there is a termite in the W. P. A. Oh, there is no money for that—no money at all for expenditure on W. P. A. projects. There is no money to investigate them. To think that we do not have money to investigate the expenditure of nearly $5,000,000,000, and then to say, "Oh, the reason we want to do that is that it is dangerous."

You know, some Democrats have come to me and said, "HOLT, you know this is no time to bring that up. This is election year." I say it is my duty to bring it up any time I find rottenness; and I say that the W. P. A. is guilty of the most rotten waste and extravagance in the expenditure of public money that this country has ever known, and it certainly is our duty to investigate and see what is going on.

Oh, yes; let us cover it up; let us close our eyes to it. We may think we are closing our eyes to it; but the people of the whole United States are not closing their eyes, and we shall have to take the consequences when the time comes. We shall have to see it. I say that I am truly representing my party when I am trying to drive from my party these political bloodsuckers and these political leeches who have been put on the public pay roll for no other reason than the political power they may have.

Senators will remember what I showed about the expenditure of money; they will remember what I showed in reference to the increases in salaries. They will remember that I showed $800 worth of engineering force per month put to work on a $20,000 project.

Oh, no; no waste of money. The best investment the Senate could make would be to appropriate money to find out how much waste and extravagance and how much politics is in the W. P. A., and we should not allow Harry Hopkins and his group of nincompoops in the Works Progress Administration to tell us what they are spending.

Harry Hopkins has a press or information staff, according to the New York Times, of between 250 and 300 people to tell all of us how much he is spending. But he cannot tell us how much is being spent on any project.

Let us look into the record. If it is true that he has been such a wonderful man, if there have been no mistakes made, then the best way to prove it would be to have a thorough, searching investigation, and go into the matter and show up those who have made these various charges.

The people back home know what is going on. We may think the people back home do not know about it, but they know the ward heelers on the pay roll and the political bosses on the pay roll. We can shut our eyes to it, but 120,000,000 Americans are not shutting their eyes to this waste, extravagance, and political set-up.

It is high time that we investigated the W. P. A. They will say that I have not been here very long. But mark my words, within the next 2 or 3 weeks they will be saying, "Let us hurry up with this relief appropriation bill, because the relief funds are running low, and we have to feed these people. Let us get this through. Let us give them another blank check. Let us push the thing through."

Then they will have you swamped with letters, a hundred for this project, 200 for another, 500 for another, and so on. They will say, "The reason we have to cut down is that Congress did not appropriate enough money. Write your Congressman to appropriate more money for the W. P. A." Then the letters will start coming in, and we will get scared, and think we must provide the money immediately, without knowing where the money is going.

Mr. President, would any business house spend $4,000,000, let alone $4,000,000,000, without having a report from the board of directors as to where the money was going? No business house would do that. It is certainly high time we were trying to look for the people in the expenditure of billions, which have gone for huge political machines in my State and other States. It is our duty as Democrats to clean our own house before the opposite party cleans it for us.

Let us look into the matter, and let us pass this resolution to investigate the W. P. A. People are hungry, are begging for food and clothing, yet there are many on the pay rolls with huge salaries. And here we sit and say, "Let us listen to what Harry Hopkins says." I say, let us listen to him, but put him under oath and make him say those things. If Harry Hopkins had been under oath, and had reported on conditions in West Virginia as he did in the report to which I have referred, he could be brought up for perjury at any time, because he knows that report was not true, and he knows these reports by which he has been trying to cover up in West Virginia have been nothing but sham and whitewash.

STATE, JUSTICE, COMMERCE, AND LABOR APPROPRIATIONS

Mr. McKELLAR. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Johnson	Overton
Ashurst	Connally	Keyes	Pittman
Austin	Coolidge	King	Radcliffe
Bachman	Copeland	La Follette	Reynolds
Bailey	Couzens	Logan	Robinson
Barbour	Davis	Lonergan	Russell
Barkley	Dickinson	Long	Schwellenbach
Benson	Dieterich	McAdoo	Sheppard
Bilbo	Donahey	McGill	Shipstead
Black	Duffy	McKellar	Steiwer
Borah	Fletcher	McNary	Thomas, Okla.
Brown	Frazier	Maloney	Thomas, Utah
Bulkley	George	Metcalf	Townsend
Bulow	Gibson	Minton	Truman
Burke	Glass	Moore	Tydings
Byrd	Guffey	Murphy	Vandenberg
Byrnes	Hale	Murray	Van Nuys
Capper	Harrison	Neely	Wagner
Caraway	Hatch	Norris	Walsh
Carey	Hayden	Nye	White
Chavez	Holt	O'Mahoney	

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, a quorum is present.

Mr. ROBINSON. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of House bill 12098, making appropriations for the Departments of State, Justice, Commerce, and Labor.

The PRESIDING OFFICER. Is there objection?

Mr. AUSTIN. Mr. President, reserving the right to object, I desire to make an inquiry. The pending question is the amendment which I offered to the immigration bill. It is necessary for me to be absent from the Senate after 1 o'clock on Friday, and I cannot return until the following Monday. All I desire to be sure of is that the change made in the order of business will not affect my amendment during my absence.

Mr. ROBINSON. Mr. President, in reply to the statement made by the Senator from Vermont, I will say that when the general appropriation bill which I asked to have taken up shall have been disposed of, the unfinished business automatically will again come before the Senate. It is my hope that some disposition of that bill may be made today; and if that is done, it is my intention to move an adjournment until next Friday, day after tomorrow. If the bill shall not be disposed of today it may be necessary to proceed tomorrow with the consideration of the unfinished business. It is not contemplated that the general appropriation bill will require a long time for final disposition. I shall be glad to contribute in any way I can to serve the convenience of the Senator from Vermont.

Mr. AUSTIN. I understand the fairness of the leader of the majority, and I am sure that if we encounter difficulty Friday I may expect accommodation at that time.

Mr. ROBINSON. Certainly. I hope the Senate may find itself in a position on Friday to adjourn or recess until Monday; but unless we make progress and have some disposition of the pending bill in the meantime, that may prove impracticable.

Mr. SHIPSTEAD. Mr. President, does the Senator say that he expects to dispose only of the appropriation bill today and then take a recess until Friday?

Mr. ROBINSON. No, Mr. President; what I said was that if the appropriation bill shall be taken up in compliance with my request just submitted, it is not expected that a very long time will be required for its final disposition, and that when the appropriation bill shall have been disposed of the Senate automatically will resume consideration of the unfinished business.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas that House bill 12098 be considered by the Senate at this time?

There being no objection, the Senate proceeded to consider the bill (H. R. 12098) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with and that it be read for amendment, the committee amendments to be first considered.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will read the bill for amendment.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Department of State—Collection and editing official papers of Territories of the United States", on page 5, line 19, after "section 168–169)" and the comma, to strike out "$23,000" and insert "$29,000", so as to read:

For the expenses of collecting, editing, copying, and arranging for publication the official papers of the Territories of the United States, including personal services in the District of Columbia and elsewhere, printing and binding, and contingent and traveling expenses, as provided by the act approved February 28, 1929 (U. S. C., title 5, sec. 168–169), $29,000.

The amendment was agreed to.

The next amendment was, under the subhead "Contributions, quotas, etc", on page 16, line 14, before the word "including", to strike out "$17,000" and insert "$20,000"; in line 15, after the word "exceed", to strike out "$7,500" and insert "$10,000"; and on page 20, line 3, before the word "together", to strike out "$878,120" and insert "$880,620", so as to read:

For payment of the annual contributions, quotas, and expenses, including loss by exchange in discharge of the obligations of the United States in connection with international commissions, congresses, bureaus, and other objects, in not to exceed the respective amounts, as follows: Cape Spartel and Tangier Light, Coast of Morocco, $588; International Bureau of Weights and Measures, $4,342.50; International Bureau for Publication of Customs Tariffs, $1,318.77; Pan American Union, $191,032.37, including not to exceed $20,000 for printing and binding; International Bureau of Permanent Court of Arbitration, $1,722.57; Bureau of Interparliamentary Union for Promotion of International Arbitration, $20,000, including not to exceed $10,000 for the expenses of the American group of the Interparliamentary Union, including personal services in the District of Columbia and elsewhere without regard to the Classification Act of 1923, as amended, stenographic reporting services by contract if deemed necessary without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5), traveling expenses, purchase of necessary books, documents, newspapers, periodicals, maps, stationery, official cards, printing and binding, entertainment, and other necessary expenses, to be disbursed on vouchers approved by the President and executive secretary of the American group; International Institute of Agriculture at Rome, Italy, $49,911, including not to exceed $12,855 for the salary of the American member of the permanent committee (at not more than $7,500 per annum), compensation of subordinate employees without regard to the Classification Act of 1923, as amended, expenses for the maintenance of the office at Rome, including purchase of necessary books, maps, documents, and newspapers and periodicals (foreign and domestic), printing and binding, allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., title 5, sec. 118a), for the use of the American member of the permanent committee, and traveling and other necessary expenses to be expended under the direction of the Secretary of State; Pan American Sanitary Bureau, $30,643.30; International Office of Public Health, $3,015.62; Bureau of International Telecommunication Union, Radio Section, $5,790; Government of Panama, $250,000; International Hydrographic Bureau, $4,632; Inter-American Trade-Mark Bureau, $14,330.20; International Bureau for Protection of Industrial Property, $1,472; Gorgas Memorial Laboratory, $50,000; American International Institute for the Protection of Childhood, $2,000; International Statistical Bureau at The Hague, $2,000; International Map of the World on the Millionth Scale, $50; International Technical Committee of Aerial Legal Experts, $6,696, including not to exceed $6,500 for the expenses of participation by the Government of the United States in the meetings of the International Technical Committee of Aerial Legal Experts and of the commissions established by that committee, including traveling expenses, personal services in the District of Columbia and elsewhere without reference to the Classification Act of 1923, as amended, stenographic and other services by contract if deemed necessary without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5), rent, purchase of necessary books and documents, printing and binding, official cards, entertainment, and such other expenses as may be authorized by the Secretary of State; Convention Relating to Liquor Traffic in Africa, $55; International Penal and Penitentiary Commission, $4,282, including not to exceed $750 for the necessary expenses of the commissioner to represent the United States on the commission at its annual meetings, personal services without regard to the Classification Act of 1923, as amended, traveling expenses, and such other expenses as the Secretary of State may deem necessary; Permanent Association of International Road Congresses, $588; International Labor Organ-

ization, $212,951.59, including not to exceed $27,300 for the expenses of participation by the United States in the meetings of the general conference and of the governing body of the International Labor Office and in such regional, industrial, or other special meetings as may be duly called by such governing body, including personal services without reference to the Classification Act of 1923, as amended, in the District of Columbia and elsewhere, stenographic reporting and translating services by contract if deemed necessary without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5), rent, traveling expenses, purchase of books, documents, newspapers, periodicals and charts, stationery, official cards, printing and binding, entertainment, hire, maintenance, and operation of motor-propelled passenger-carrying vehicles, and such other expenses as may be authorized by the Secretary of State; Implementing the Narcotics Convention of 1931, $9,005; International Council of Scientific Unions and Associated Unions, as follows: International Council of Scientific Unions, $19.30; International Astronomical Union, $617.60; International Union of Chemistry, $675; International Union of Geodesy and Geophysics, $2,316; International Scientific Radio Union, $154.40; International Union of Physics, $62.72; International Geographical Union, $194.66; and International Union of Biological Sciences, $154.40; in all, $4,194.08; and Pan American Institute of Geography and History, $10,000; in all, $880,620, together with such additional sums due to increase in rates of exchange as the Secretary of State may determine and certify to the Secretary of the Treasury to be necessary to pay in foreign currencies the quotas and contributions required by the several treaties, conventions, or laws establishing the amount of the obligation.

The amendment was agreed to.

The next amendment was, under the subhead "International Boundary Commission, United States and Mexico", on page 23, after line 17, to insert:

For investigations relating to the establishment of a Federal zone along the international boundary, United States and Mexico, and for the construction of fences as authorized by Public Law No. 286, approved August 19, 1935 (49 Stat. 660), including salaries and wages; fees for professional services; supplies and materials; communication service; travel expenses; transportation of things; hire, maintenance, and operation of motor-propelled passenger- and freight-carrying vehicles; hire with or without personal services of work animals and animal-drawn and motor-propelled vehicles and equipment; acquisition by donation, purchase or condemnation of real and personal property, including expenses of abstracts and certificates of title; repairs; and such other expenses as the Secretary of State may deem necessary, $25,000, to be immediately available.

Mr. HAYDEN. Mr. President, I ask to have printed in the RECORD a memorandum with regard to that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The memorandum is as follows:

The Immigration and Naturalization Service maintains a force of less than 200 patrolmen between El Paso and the Pacific coast, and is, therefore, experiencing great difficulty in the matter of alien smuggling prevention at all points. The Customs Service also maintains a limited border patrol for the prevention of illegal entry of contraband and merchandise.

The erection of fences along the most active smuggling sections of the Mexican border would be of invaluable assistance to the Government agencies concerned in preventing the illegal entry of persons, dutiable merchandise, narcotics, and other contraband, and it is believed that within the life of the fence the advantages to the Federal and State Governments would cost more than offset the expense, since it would reduce the cost of investigating, detaining, and deporting from the United States aliens who have entered illegally from Mexico.

The several States, cities, towns, and counties along the international boundary would also be relieved of considerable expense for care and maintenance of aliens in penal, eleemosynary, and other institutions. To illustrate, for the past 7 years an average of 6,462 aliens of Mexican nationality have been deported each year, and a considerable number of orientals and aliens of other nationalities who gained surreptitious entry into the United States. In the fiscal year 1933 over 2,000 aliens of the Chinese race, who entered illegally in the sectors it is proposed to fence, were apprehended and deported to China at an expense to the Government of over $500,000.

Moreover, hundreds of aliens of the criminal class congregate in various Mexican border towns and with others who are residents there cross surreptitiously to cities and towns on the American side of the line to smuggle, rob, murder, and what not, due to the facility with which they can enter the country, since it requires but approximately 1 minute for these undesirable aliens to dash across the international line and lose themselves among confederates or sympathizers on the American side at points where it is proposed to erect fences. The Government's efforts to prevent illegal crossings have been far from successful, and gun fights frequently result in attempts to prevent illegal entries, with serious loss of life to officers of the Federal Government.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 23, line 17.

The amendment was agreed to.

The next amendment was, under the subhead "Arbitration of smelter-fumes controversy", on page 28, line 7, after the words "excess of", to strike out "$10,000" and insert "$7,500: *Provided*, That the ultimate decisions under this arbitration shall be consummated within 2 years from the date of the passage of this act", so as to read:

Arbitration of smelter-fumes controversy: For the expense of the arbitration under the convention between the United States and Canada, signed April 15, 1935, of the questions set forth in article III of that convention for determining damages caused in the State of Washington from fumes discharged from the smelter of the Canadian Mining & Smelting Co. at Trail, British Columbia, including the share of the United States of the honorarium of the neutral arbitrator and of other joint expenses of the two Governments; honorarium of the United States arbitrator; compensation of an agent; compensation of employees in the District of Columbia and elsewhere, without regard to the civil-service laws and regulations or to the Classification Act of 1923, as amended; stenographic reporting and translating services, by contract if deemed necessary without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent in the District of Columbia and elsewhere; traveling expenses and per diem (notwithstanding the provisions of any other act); cost of necessary books and documents; stationery; official cards; printing and binding; and such other expenditures as may be authorized by the Secretary of State, and the Secretary of State is authorized to transfer to any department or independent establishment of the Government, with the consent of the head thereof, any part of this amount for direct expenditure by such department or establishment for the purposes of this appropriation, $50,000, to be available immediately: *Provided*, That no salary shall be paid from this appropriation at an annual rate in excess of $7,500: *Provided*, That the ultimate decisions under this arbitration shall be consummated within 2 years from the date of the passage of this act.

The amendment was agreed to.

The next amendment was, on page 28, after line 10, to insert:

INTER-AMERICAN CONFERENCE

For the expenses of participation by the United States in an Inter-American Conference to be held at Buenos Aires, Argentina, or at the capital of another American republic, in 1936, including personal services in the District of Columbia or elsewhere without reference to the Classification Act of 1923, as amended; stenographic reporting and other services by contract if deemed necessay without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; traveling expenses (and by indirect routes and by airplane if specifically authorized by the Secretary of State); hire, maintenance, and operation of motor-propelled passenger-carrying vehicles; equipment, purchase of necessary books, documents, newspapers, periodicals, and maps; stationery; official cards; entertainment; printing and binding; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified, to be expended under the direction of the Secretary of State, $75,000, to be immediately available.

The amendment was agreed to.

The next amendment was, under the subhead "Special Mexican Claims Commission", on page 31, line 15, after the name "Secretary of State", to insert "$90,000, together with", and in line 18, before the word "is", to insert "which unexpended balance", so as to read:

Special Mexican Claims Commission: For the purpose of carrying into effect the provisions of the act entitled "An act to establish a commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934", approved April 10, 1935, including personal services in the District of Columbia or elsewhere, without regard to the provisions of any statute relating to employment; rent in the District of Columbia or elsewhere; furniture; office supplies, and equipment, including law books and books of reference; stenographic reporting and translating services by contract if deemed necessary, without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); traveling expenses; transportation of things; printing and binding; and such other necessary expenses as may be authorized by the Secretary of State, $90,000, together with the unexpended balance of the appropriation made available for this purpose in the Second Deficiency Appropriation Act, fiscal year 1936, which unexpended balance is continued available until August 31, 1937.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Department of Justice—Federal Bureau of Investigation—

Salaries and expenses", on page 36, line 13, after the word "exceed", to strike out "$1,181,500" and insert "$1,165,000", and in line 14, before the words "of which", to strike out "$6,025,000" and insert "$5,800,000", so as to read:

Detection and prosecution of crimes: For the detection and prosecution of crimes against the United States; for the protection of the person of the President of the United States; the acquisition, collection, classification, and preservation of identification and other records and their exchange with the duly authorized officials of the Federal Government, of States, cities, and other institutions; for such other investigations regarding official matters under the control of the Department of Justice and the Department of State as may be directed by the Attorney General, purchase and exchange not to exceed $50,000, and hire, maintenance, upkeep, and operation of motor-propelled passenger-carrying vehicles, to be used only on official business; purchase and exchange at not to exceed $7,000 each, and maintenance, upkeep, and operation, of not more than four armored automobiles; firearms and ammunition; such stationery, supplies, and equipment for use at the seat of government or elsewhere as the Attorney General may direct; not to exceed $10,000 for taxicab hire to be used exclusively for the purposes set forth in this paragraph and to be expended under the direction of the Attorney General; traveling expenses, including expenses of attendance at meetings concerned with the work of such Bureau when authorized by the Attorney General; payment of rewards when specifically authorized by the Attorney General for information leading to the apprehension of fugitives from justice, including not to exceed $20,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, who shall make a certificate of the amount of such expenditure as he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended; and including not to exceed $1,165,000 for personal services in the District of Columbia; $5,800,000, of which amount $100,000 shall be immediately available.

Mr. VANDENBERG. Mr. President, I should like to inquire why this appropriation and the one immediately succeeding have been reduced.

Mr. McKELLAR. The explanation is that last year the Bureau of Investigation was allowed $5,000,000. The Budget Bureau estimate increased that appropriation to $5,800,000 for the year beginning July 1 next. The House of Representatives disregarded the Budget Bureau estimate and added $225,000 more. The Senate committee, after consideration, concluded that the Budget estimate ought to be maintained.

I may say to the Senator that last year, when a $5,000,000 appropriated was provided, only $4,626,000 was spent, according to the Budget Bureau's report on page 417. That was for 1935. The appropriation in the pending bill of $5,800,000 is, on its face, $800,000 more than the Bureau had last year; and the committee was of the opinion that that was ample and sufficient for the work to be done. It is a tremendous increase as it is—to $5,800,000.

Mr. VANDENBERG. Mr. President, I am sorry to have to disagree with my able friend from Tennessee regarding this particular item. This happens to be the item which involves the adequate equipment of the Federal Bureau of Investigation in the Department of Justice; in other words, this raises the question as to whether the so-called G-men of the Government shall have the facilities which they require in their battle upon major crime in the United States. I think an invincible case can be made for the appropriation as passed by the House and as requested by the Department and as denied by the Senate Appropriations Committee.

I think I would go as far as the Senator from Tennessee in all rational economy drives. Indeed, I would go much further in many contemporary directions. But it seems to me this is a peculiar and a queer place to start the economy. It strikes me as a violation of perspective and common sense.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. McKELLAR. Surely the Senator does not mean to say that an increase such as the Bureau of the Budget has recommended on an item of this sort is not an enormous increase.

This item was increased very largely last year. Year before last, as I recall, the appropriation for this bureau was $2,800,000 plus. That was almost doubled last year; and for the ensuing year the actual money added to the appropriation is $1,173,482. That is an enormous increase. That increase will result in providing for the next fiscal year one-half as much money for the Bureau of Investigation as the whole judicial system of the United States is receiving.

I think the Budget Bureau has been exceedingly liberal in recommending this remarkable increase, which on its face is $800,000, but in reality is something like $1,173,000.

Mr. VANDENBERG. Mr. President, let us see why the appropriation had to be increased last year. It was not through any voluntary action on the part of the Bureau of Investigation that it had to be increased. It was due primarily to the action of Congress in putting new and burdensome responsibilities upon these overworked G-men.

The fact of the matter is that in the crime situation of today in the United States people generally have come to possess such a surpassing confidence in the so-called G-men branch of the Federal service that more and more requirement is being heard for the expansion and extension of their invincible influence in crime prevention and crime detection in the United States. Our people want to sleep nights, and the G-men are their justified reliance.

I served as a member of the small crime committee of the Senate under the able leadership of the distinguished senior Senator from New York [Mr. COPELAND]. The one thing above everything else, I think he will agree with me, which impressed us was the progressive necessity for the increasing equipment of the Federal Bureau of Investigation and the increasing responsibility which it necessarily must assume in view of the interstate character of crime in these modern days. Crime has ceased to be local. In its major jeopardy it defies State lines. Our social defense must keep pace. It can do so only through this amazingly efficient agency in the Department of Justice.

Mr. McKELLAR rose.

Mr. VANDENBERG. In just a moment I shall be glad to yield to the Senator. I was about to say to the Senator that the increased responsibilities coming out of new statutes passed by Congress are largely responsible for the previous increased personnel to which the Senator refers.

Now I wish to read from Mr. J. Edgar Hoover's annual report bearing upon this point:

During the fiscal year 1935, the investigative field of the Federal Bureau of Investigation was greatly enlarged—

That is the point to which the Senator from Tennessee referred.

It "was greatly enlarged." Why?

because of the approval by the President during May and June 1934 of a series of Federal statutes, creating jurisdiction for the Bureau in various types of cases which had not theretofore been covered by Federal legislation. The more prominent of these new Federal laws include those relating to the interstate transportation of stolen property, the robbery of banks organized or operating under laws of the United States or holding membership in the Federal Reserve System, interstate flight to avoid prosecution or giving testimony in certain cases, the extension of the Federal kidnaping and extortion statutes to include a greater variety of specific offenses, and the killing or assaulting of Federal officers.

This entire catalog of responsibilities is a new inventory since May and June 1934, as a result of new Federal laws. That is the reason for the previous increase in the appropriation to which the able Senator from Tennessee has referred.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McGILL in the chair). Does the Senator from Michigan yield to the Senator from Tennessee?

Mr. VANDENBERG. I yield to the Senator.

Mr. McKELLAR. It is true that those laws were added to the statute book last year. I do not believe any laws of that character have been enacted this year. And the Department had $4,673,000 which it used for the purpose of enforcing those laws as well as other laws that came within its jurisdiction.

Now there has been added $1,173,000 to that sum for the coming year, and surely, without any increase in the number of laws which have to be enforced, and, in view of the fact that they have spent only $4,600,000, there is no necessity of our violating the Budget recommendation of

$5,800,000. That represents an enormous increase. It is an increase of something like 25 percent, stating it offhand, for I have not the exact percentage. But $4,673,000 was available during the present fiscal year, and next year there will be available $5,800,000, which is the Budget estimate. We have a Budget law, and I think we ought to stand by the Budget law.

Mr. VANDENBERG. Mr. President, it does not make the slightest difference what the Senator from Tennessee has to say about relative arithmetic. This happens to be a problem in the realm of grim reality. It is a problem which involves the basic protection of life and property in the United States against major crime; and upon that subject the most expert witness in America is J. Edgar Hoover, head of the Bureau of Investigation. I stand with him to the last necessity which he may require. So do the American people. The record which that Bureau has made in the last few years is a brilliant record of a sort that challenges the complete and absolute confidence of practically every Member of the American Congress; and when on a question of crime prevention, when on a question of the protection of human society the Federal Bureau of Investigation says it needs 175 more men, I for one am unable to yield my judgment to the mathematics of the Senator from Tennessee. We are asked not to make the necessary appropriations to maintain 175 men. If the Senator from Tennessee——

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. VANDENBERG. I will yield in just a moment. If the Senator from Tennessee wants to save the cost of 175 or many, many more men I will join him in taking 175 men, or any other number, off the roll of 18,255 that are working—if that is the word—for Dr. Tugwell; I will join him in taking 175 off the roll of 43,641 men on the administrative staff who are working for Mr. Hopkins and his W. P. A.; I will join him in taking the 175 off the roll of the 19,548 that are still employed by the H. O. L. C.; I will join him in taking the 175 off the roll of the 2,422 who are still working for N. R. A., although it has been interred these 3 years past. If it is necessary to save the cost of 175 men, I respectfully submit that there are many, many places in this expanded, gargantuan personnel of the vast governmental structure now erected in Washington where it can be saved infinitely better—and with no loss to anybody but the job holders themselves—than to charge the economy to the G-men of the Department of Justice. I need but state these comparisons to vindicate my point. Countless other comparisons are similarly available.

Now let us see why the G-men of the Department of Justice need this additional force. It happens that at this moment there are 13,755 Federal cases pending for investigation in this Bureau. We all agree whenever a crime problem is discussed that delay is the curse of American justice. Yet when the chief investigatory arm of the Federal Government modestly asks for 175 more men to facilitate the process of investigation, the process of the pursuit and the prosecution of crime, it is suggested that, for some mathematical reason or other, the increase ought to be denied, although we confront the physical fact that there are 13,755 Federal cases now pending for investigation, and that 7,000 of them are unassigned. How do you expect, Mr. President, to reduce crime in America if we have 7,000 unassigned cases in this chief and highest crime-prevention branch of the American Government, and how are we ever going to face the American people in respect to this challenge if we deny a little increase of 175 men to that group upon which 120,000,000 people are today dependent to a greater degree than upon any other law-enforcement agency on earth for the protection and sanctity of life and property under the flag. The criminal world would rejoice to see the G-men curbed. Most other citizens would condemn the act as insufferable.

Is there any doubt on earth about the effective record that the G-men have made? Let us inspect one exhibit out of countless others. Since the Federal kidnaping statute was enacted on June 22, 1932, there have been 52 major kidnaping cases in the United States. The G-men have ascertained the identity of the kidnapers in all these cases, resulting in 136 convictions, with penalties of 1,853 years and 28 life sentences. Is that or is it not the type of crime prevention and law enforcement in which the American people believe? It passes my comprehension how there can be any argument over the question of giving the G-men 175 more employees upon the urgent request of those who are held responsible for the administration of the Bureau of Investigation and in face of the willingness to make enormous appropriations in every other direction—for instance, $200,000,000 or $300,000,000, I repeat, to the Resettlement Administration under Dr. Tugwell. I do not know what they do with the money. I know one thing they do not do with the money; they certainly do not use it to answer their mail, because I have not been able to get an answer—or even an acknowledgment—to a question I submitted to Dr. Tugwell 2 weeks ago. Indeed, I seem to be having considerable trouble with my mail lately in several different directions.

There are plenty of places where we can pare, and where we ought to pare; but I respectfully submit that this is not the place to start. Let us start upon the hundreds of millions being wasted in other directions; not upon the relatively petty pennies which we spend upon the most effective single agency in the Government.

I think the American people want the G-men to have every equipment and facility which they believe they need in their war upon major crime. They do not want our first line of defense weakened. This is one place where, in my humble judgment, economy is false economy and where we are invited into penny-wisdom and pound-foolishness. Crime is the great American disgrace. To haggle over an item of only $225,000 for fighting crime would be an even greater disgrace.

I think the committee amendment should be rejected, and I am going to ask for the yeas and nays upon the amendment.

Mr. GEORGE. Mr. President, I am not a member of the Appropriations Committee and I know very little about the Budget and very little about the men who compose the Bureau of the Budget; but when I scrutinize, even casually, this bill, which provides a net increase of $705,615 above the House bill and shows a total decrease of $225,000 taken away from the Bureau of Investigation of the Department of Justice, I have no difficulty in reaching the conclusion that the action taken by the Senate committee in reducing the appropriation of the Bureau of Investigation should be disagreed to.

I am quite satisfied that at this time the courts of this country would be powerless to administer the law in the face of the opposition of organized crime unless the courts were sustained and assisted by competent, well-manned, fully equipped Federal agencies.

I am not concerned, Mr. President, about the politics of the head of the Bureau of Investigation. I have had occasion to observe the activities of this Bureau, and if there is any bureau in the Government, in my opinion, that is justified this Bureau has justified itself. I think the suggestion to reduce the appropriation here, largely for the simple reason that the Budget Bureau has recommended it, has little to commend itself.

Mr. Edgar Hoover, the head of this Bureau, has said that the work demanded of the Bureau required an increase in the personnel of his force. That appeal was made to the House of Representatives. The House committee and the House itself recognized the justice and the necessity for this comparatively slight increase in this appropriation.

Mr. DUFFY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Wisconsin?

Mr. GEORGE. I yield.

Mr. DUFFY. What is the difference in the amount that has been suggested and the amount the committee recommended?

Mr. GEORGE. The total decrease is $225,000.

Mr. DUFFY. I am one of those who heartily approve of the statements made by the Senator from Georgia. If there is any one department or bureau that should not be curtailed, it is the Bureau of Investigation of the Department of Justice.

Mr. McKELLAR. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield.

Mr. McKELLAR. Request was made for 143 employees. It would require $450,000 to pay those employees. That would leave only $350,000 of the increase made this year. In other words, they are asking for 143 employees who would cost, at the highest rate of salary paid, to wit, $3,200 each, $450,000 in round numbers, and $350,000 more has been added by the Budget and by the Senate committee.

Mr. GEORGE. What the Senator from Tennessee says may be true. I am not taking issue with him. What I am saying is simply that the head of this Bureau has asked for some increase in his appropriation. The House Appropriations committee recognized the necessity and justice for that increase. The House of Representatives itself has recognized the necessity for that increase. I want to say to my colleagues that the American people do not want this item in this appropriation bill decreased. I want to say further that there is not a single group of organized criminals in America who will not breathe easier if they find a disposition in the Congress to whittle down the appropriation for this Bureau.

Mr. President, one would think of $225,000 as such a trifling sum as not to be worthy of mention. Certainly this $225,000 ought to be given to the Bureau under all the circumstances. Have we not extended Federal jurisdiction, constantly expanded it, constantly called for additional forces to insure respectable administration of the Federal laws?

In view of organized crime in America, the power of the court to enforce the law in its jurisdiction in the old way has passed. This Bureau, or one like it, and even stronger than it is at the present day, is a necessity, an absolute necessity, if Federal law is to be enforced. If Federal law breaks down, under the constant disposition and necessity to increase and to expand Federal jurisdiction, we shall have permitted the break-down of respect for law and order in our country.

For a long number of years the anchor to which the American citizen tied himself was his confidence in the administration of the law in the Federal courts. The time has passed when the courts, unaided and unassisted, can effectively administer the laws. Crime is interstate, is international, and the law-enforcement agencies of no single State can reach the organized crime of the present hour. Congress itself has recognized it. As against the judgment of our industrious and able committee in this vital matter I am willing to put the judgment of Mr. Hoover and the judgment of the House committee and the judgment of the House of Representatives. I say again that the American people do not want this kind of economy, nor will they approve it.

Mr. President, I shall vote against the amendments reported by the committee reducing the appropriation for this Bureau.

Mr. COPELAND. Mr. President, I wish to apologize to the Senator in charge of the bill because as a member of the Appropriations Committee I have to take a stand against the proposal. I was not present when the amendments were written, but had I been I should have said a few of the things I want now to say.

In preparation for the publication of the report of the Committee on Crime referred to by the Senator from Michigan [Mr. VANDENBERG] I have reviewed the measures which we have brought here in one way and another and have had enacted into law. It is perfectly amazing to contemplate how many laws have been enacted to increase the power of the Federal Government in the apprehension of criminals. A statement was made here about a month ago that law and order had broken down in certain sections of the country. Law and order never break down when it comes to the application of the Department of Justice through the Bureau of Investigation.

We have imposed upon that bureau new functions. For instance, one of the bills which the crime committee, so called, fathered, and perhaps mothered, provided that when a citizen is absent for 6 days from his home there is a presumption that a kidnaping has taken place and that State lines had been crossed. By reason of that one law, not to mention the others which have been referred to here, there has been given to the Department of Justice a degree of responsibility such as it never before had. How well has it measured up to that responsibility? We have but to read the reports to find that practically every major kidnaping crime perpetrated in the last 5 years has been solved by the investigators of the Department of Justice.

Mr. President, let me remind the Senate that last year, upon my insistence and the plea made by me that an objection be withheld, the Senate passed a bill—it was not enacted into law because the House has never dealt with it—but the Senate voted that there should be two additional inspectors from the Department of Justice assigned to each State in the Union, that 96 additional positions for new investigators should be created in order that through the various States there might be contacts with the Department of Justice, and in that way the effort to prevent crime promoted.

Mr. President, I agree with the appeal which has been made first by the Senator from Michigan [Mr. VANDENBERG], and secondly by my able friend from Georgia [Mr. GEORGE].

Mr. VANDENBERG. Mr. President, will the Senator from New York yield?

Mr. COPELAND. Certainly.

Mr. VANDENBERG. I should like to give the Senator one further exhibit to indicate the pressing character of the need for this additional relief in the Department of Justice. During the month of January the G-men were called upon to perform 4,592 hours of overtime work. Who is to say that that situation shall not be corrected in our governmental system?

Mr. COPELAND. I agree with the Senator in that particular matter. Let me invite the attention of the Senate to the printed hearings of the committee as found on pages 158–159. It will be found there that the Department has broken down the total sum of money to show how it would be spent. I am struck by the fact that there are a senior photographer, an assistant photographer, a chief fingerprint classifier, another fingerprint classifier, an assistant fingerprint classifier, and a student fingerprint classifier. What does that mean? I find on page 160 of the hearings that today 3,700 fingerprints are being received every day in the Department of Justice. There is in the Bureau a great collection of fingerprints, numbering, as I recall, about 5,000,000. On telegraphic request, in 24 hours practically any peace officer in the United States may have a verification of a suspicion that a given set of fingerprints are the fingerprints of a known criminal. That in itself is of tremendous value in the apprehension of criminals.

So I wish to join with other Senators in urging the rejection of the amendment. I am sure the chairman of the subcommittee is only representing the composite belief of the committee and not any personal view of his own; but I do urge that the Senate reject the amendment and leave the sum as originally fixed by the House.

Mr. AUSTIN. Mr. President, I also am opposed to this amendment.

I wish to call attention to a different reason why the employment of skilled investigators is of public service of sufficient interest to engage the support of Congress. The point I make is that innocent men are protected from unjust prosecution where a thorough and skillful and intelligent examination of the cases is made before prosecutions are started.

About a month ago—I think on March 2—I inserted in the RECORD of the Senate a press item which represented many similar items, indicating that the work of one of the special counsel of the Department of Justice, Colonel Ristine, who had been considering for some time the charge of conspiracy—which, of course, is a crime—and the charge of fraud made in the Senate with respect to cancelation of air-mail contracts, had resulted in some document being filed or some statement made in the Department of Justice tending to disprove all those accusations, and to show that there existed no cause for a criminal prosecution, and in fact there existed not even evidence that would support a civil suit.

That was on March 2. On April 6, 1936, I wrote to Hon. Homer S. Cummings, the Attorney General, as follows:

DEAR MR. ATTORNEY GENERAL: On February 29, 1936, the press published the information that a formal report would shortly be submitted to the President and to the Attorney General by Col. Carl L. Ristine, Special Assistant to the Attorney General, concerning an impartial legal study of the air-mail contracts and the cancelation of them.

It was expected that this report would be made public. If this report has been made, will you kindly furnish me a copy of it?

Sincerely yours.

I signed that letter and mailed it.

On April 8, 1936, I received from the Attorney General this reply:

MY DEAR SENATOR: I have your note of April 6.

The proposed report to which you allude has not been prepared. As a matter of fact, I saw the press statement which you mention. It was not based on any information furnished by the Department, and was probably only the prophecy of the journalist who wrote it.

With kind regards, sincerely yours,

HOMER S. CUMMINGS,
Attorney General.

That was on April 8.

On April 16, 1936, there appeared in the Christian Science Monitor an article entitled:

REPORT ON CANCELED AIR MAIL LANGUISHES

(By a staff correspondent of the Christian Science Monitor)

WASHINGTON, April 16.—The famous "unfinished" Ristine report, which is understood to conclude that the grounds on which the Roosevelt administration canceled the air-mail contracts contain nothing which would justify either civil or criminal prosecution of the air lines, is likely to remain forever unfinished so far as the public is concerned.

And more, which I ask unanimous consent to have printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Without objection, the article will be incorporated in the RECORD.

The entire article is as follows:

[From the Christian Science Monitor of Apr. 16, 1936]

REPORT ON CANCELED AIR MAIL LANGUISHES

WASHINGTON, April 16.—The famous "unfinished" Ristine report, which is understood to conclude that the grounds on which the Roosevelt administration canceled the air-mail contracts contain nothing which would justify either civil or criminal prosecution of the air lines, is likely to remain forever unfinished, so far as the public is concerned.

Over a month ago it was reliably indicated that the report, based on a careful legalistic study of the alleged misbehaviors of the air lines under the Hoover administration, was nearing completion. It was indicated then that it would shortly be submitted to the Attorney General and then to the President, and it was alleged that the White House had given orders "to let it come on" and be made public, no matter how damaging it might prove to the administration. It was said the administration publicity chiefs had decided it better to risk the report than face the charge of another attempt at suppression.

It was learned authoritatively today, however, that, so far as the Department of Justice is concerned, the report is still "unfinished" after over 2 years of study. It was further suggested that "it may never be finished." Certainly no progress toward its completion has been made during the past month.

The political opposition was prompt to assume that this indicated the administration had thought better of the question of making the document public, particularly with elections impending, and had decided that it should never see the light of day. It was further assumed to confirm intimations of the damaging character of the evidence contained in the report.

SOUGHT LEGAL STATUS

However, it was pointed out at the Department of Justice that the study of the Hoover mail contracts was initiated as a matter of course following the sensational charges growing out of the Black committee's investigation.

It was not intended to justify the Post Office Department's action in canceling the contracts, but merely to determine whether there was any ground for legal proceedings against the air lines.

Further, it is claimed, there was never any intention of making the report public. Its purpose was legalistic. This being the case, there would have been prosecutions if the findings warranted—other things being equal. But there would not necessarily have been a public report.

It is also pointed out that 12 of the air lines are now seeking redress in the Court of Claims for the cancelations of the contracts. The Department of Justice is, of course, defending the Government against the claims.

A POSSIBLE ASSUMPTION

A possible assumption is that it was decided to postpone any decision on prosecution until the result of the claims cases is known.

On the other hand, there is no disposition to deny the alleged unfavorable findings of Col. Carl L. Ristine, who conducted the special investigation for the Department. The understanding is that he found certain "irregularities" in the drafting of the contracts, but that in his opinion there was no evidence admissible in court which would justify either civil or criminal prosecution.

Whether the Department of Justice can properly be charged with deliberately suppressing information which properly belongs to the public is questionable.

The Department is constantly making studies looking to possible prosecution. When they reveal insufficient evidence for action, the matter ends there. Under normal circumstances there is no occasion for making public the findings.

There is a difference in this case, however, in that one branch of the Government has already penalized an industry for alleged illegalities. If the Post Office Department's action is not followed up by the Department of Justice it is prima facie indication that Mr. Farley's justification is not valid in court. But it is not the first time that Homer S. Cummings, Attorney General, has been forced to disagree with other branches of the administration and has refused to carry their cases into court.

Mr. AUSTIN. Mr. President, my interest in the matter, as I stated on March 2, is the state of legislation on this subject. If it be true that this careful and thorough investigation, running over a period of 2 years, has developed the facts the press have made public, it is for the benefit of the Senate of the United States and of all the people of the country that the Senate should step right out in front and repeal the vindictive features of the present air-mail law that are founded, if they are founded upon anything, upon the assumption that there was crime or fraud that justified the cancelation of the air-mail contracts.

At this point I should like to save the Senate the trouble of listening to section 9, subsection (d) of section 7 of the Air Mail Act by having it inserted in the RECORD.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

SEC. 9. Subsection (d) of section 7 of such act is amended to read as follows:

"(d) No person shall be qualified to enter upon the performance of, or thereafter to hold an air-mail contract (1) if, at or after the time specified for the commencement of mail transportation under such contract, such person is (or, if a partnership, association, or corporation, has a member, officer, or director, or an employee performing general managerial duties, that is) an individual who has theretofore entered into any unlawful combination to prevent the making of any bids for carrying the mails: *Provided*, That whenever required by the Postmaster General or Interstate Commerce Commission the bidder shall submit an affidavit executed by the bidder, or by such of its officers, directors, or general managerial employees as the Postmaster General or Interstate Commerce Commission may designate, sworn to before an officer authorized and empowered to administer oaths, stating in such affidavit that the affiant has not entered nor proposed to enter into any combination to prevent the making of any bid for carrying the mails, nor made any agreement, or given or performed, or promised to give or perform, any consideration whatever to induce any other person to bid or not to bid for any mail contract, or (2) if it pays any officer, director, or regular employee compensation in any form, whether as salary, bonus, commission, or otherwise, at a rate exceeding $17,500 per year for full time: *Provided further*, That it shall be unlawful for any officer or regular employee to draw a salary of more than $17,500 per year from any air-mail contractor, or a salary from any other company if such salary from any company makes his total compensation more than $17,500 per year."

Mr. AUSTIN. This is a long section which carries out the prohibition against the officers and members of these companies whose contracts were canceled. That section of the law was the result of many statements made and considered

by the Senate, among which I read only two or three. One of them, inserted in the RECORD by the Senator from Tennessee [Mr. MCKELLAR] as being a part of the opinion of the Solicitor for the Post Office Department, Mr. Karl A. Crowley, as of date February 6, 1934, contained this accusation:

Positive and direct evidence establishes a conspiracy between air-mail contractors and post-office officials to defraud the Government of the United States. Even if actual bribery is not proven, the beneficiaries of the conspiracy have admitted using personal and political influence to secure these contracts, extensions, consolidations, and route certificates in a manner that is vicious and fraudulent.

I need not read from the RECORD to have the Senate reminded of the fact that we had the air rended with such words as "fraud", "collusion", "spoils", and all the opprobrious epithets that could be uttered against the air-mail contractors during the consideration of that bill, which resulted in that vindictive provision, subsection (d) of section 7; and the background of it is important to remember.

On March 8, 1934, the President sent a letter to the chairman of the Senate Committee on Post Offices and Post Roads recommending the enactment of a law which would reverse every feature of the McNary-Watres Act and make permanent not only the cancelation of contracts but the disqualification of the contractors, in which there appeared this phrase:

Obviously, also, no contract should be made with any companies, old or new, any of whose officers were party to the obtaining of former contracts under circumstances which were clearly contrary to good faith and public policy.

Later—just 24 hours later, March 9, 1934—the McKellar-Black bill to revise the air-mail laws, which carried out every feature of the recommendation, included this language:

And no person shall be eligible to bid for or hold an air-mail contract if it or its predecessor is asserting or has any claim against the United States because of a prior annulment of any contract by the Postmaster General.

That provision created such an uproar all over the United States that it was modified; and as it is now found in the law, the limitation placed upon it is for 1 year. If these good men could get into court within 1 year, then they might have a status that would raise the question of the honesty of the cancelation of those contracts. Otherwise, after 12 months they would be out.

This legislation stands as a punishment, a penalty, inflicted on citizens of the United States without trial, without any act of a court of justice. It is the type of punishment condemned in our own Constitution, which forbids bills of attainder—that is, acts of legislation which punish men without trial.

I am in favor of appropriating funds to the Department of Justice for the employment of skilled, honorable, expert investigators for the purpose, among others, of preventing unjust, unlawful prosecutions of innocent men.

Mr. MCKELLAR. Mr. President, I wish to read from the House hearings, first from page 60. Mr. MCMILLAN, the chairman of the subcommittee, was questioning Mr. Hoover about this item, and Mr. Hoover said:

I think it would be best, Mr. Chairman, to first refer to the amount which was expended by the Bureau for the fiscal year 1935. This amount was $4,626,508. For the present fiscal year we were granted $5,000,000, and for the next fiscal year we have requested, through the Bureau of the Budget—

This is the head of the Bureau of Investigation testifying—

We have requested, through the Bureau of the Budget, $5,800,000, or an increase of $800,000 over the present appropriation.

That is the testimony of Mr. Hoover about this very item. He had requested of the Bureau of the Budget for the coming year $800,000 more.

Turning to page 62 we find how he spent that money:

Dealing now with the matter of personnel, I would like to ask for an increase in personnel at the seat of government. The appropriation for personnel at the seat of government for 1936 provides the sum of $988,000 for 611 employees. For 1937 we ask in the estimate for personnel the sum of $1,165,000, with a total personnel at Washington of 754 employees. This is an increase of $177,000 over the previous appropriation and an increase of 143 employees.

Mr. President, it is perfectly clear from the testimony that the men he will employ will enter the service at a minimum salary of $3,200, and this is what he said about them. I read from page 167 of the Senate committee hearings:

Those 143 employees, Senator, will be largely assigned to the identification division and to the crime laboratory. I think about 20—between 20 and 30—will be assigned to the file room or as stenographers in the Bureau; but the large balance of that number will be in the identification division, where the work has increased considerably. They will be fingerprint experts taken from the civil-service register, together with typists and index clerks.

Mr. President, when the estimates were made up, an increase of $800,000 was deemed all that was necessary. The Budget estimate allowed for that $800,000 increase. The House added $225,000, and the Senate committee restored the appropriation to the figure of the Budget estimate, $5,800,000.

Let us see what the additional men, those for whom Mr. Hoover requests an appropriation, will cost. One hundred and seventy-three, assuming that he pays every one of them $3,200 a year, will cost only $553,600, and there will be left nearly $350,000 after that shall have been done. The appropriation is ample.

Let me call the attention of the Senate to what has been done. In 1928 the appropriation for this Bureau was $2,250,000. In 1929, $2,250,000 was appropriated, with a deficiency appropriation of $95,000. In 1930, $2,307,000 was appropriated with a deficiency appropriation of $350,000. In 1931 the appropriation was $2,781,000. In 1932 the appropriation was $2,978,000. In 1933 the appropriation was $2,775,000, and in 1934 the appropriation was $2,589,000. In 1935, just 1 year ago, the appropriation was $2,880,000.

On account of the laws which have been mentioned so frequently here, the laws which were passed last year, there was added to the regular appropriation for the Bureau a deficiency appropriation of a million and a half dollars. That made $4,600,000 plus, and Congress for the fiscal year 1935–36 provided for an appropriation of $5,000,000.

Virtually everything that was asked has been given. Everything Mr. Hoover and Budget Bureau recommended has been given, $5,800,000. But for some reason the House added $225,000 to the Budget estimate, and to the amount Mr. Hoover first asked, explaining how it was to be spent, including the amounts for these very employees. The $5,800,000 more than pays for the employees, $350,000 more, and it seems to me there is no use in appropriating a larger sum at this time.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. MCKELLAR. I yield.

Mr. MINTON. Does the $225,000 reduction of the committee reduce the estimate of Mr. Hoover?

Mr. MCKELLAR. Not a particle. It is exactly the estimate which went to the Budget Bureau and which the Budget Bureau allowed.

We all know what the Budget law provides. The Budget law requires that estimates be furnished to the Bureau of the Budget, the Budget Bureau passes on them, and the law provides that the departments shall not ask for an increase over the Budget estimate. But the House provided $225,000 additional.

Mr. President, that $225,000 has not been estimated for, the Budget Bureau did not allow it, Mr. Hoover did not ask for it in the beginning, and the idea that we are going to hurt the service by not appropriating the additional $225,000 is, to my mind, preposterous.

Mr. MINTON. Mr. President, can the Senator identify the $225,000 added by the House somewhere in the appropriation bill and tell what it is for?

Mr. MCKELLAR. It was just added by the House, and I do not believe there was any discussion about it. In the report there was a statement about it.

Mr. COPELAND. Mr. President, will the Senator from Tennessee yield to me?

Mr. MCKELLAR. I yield.

Mr. COPELAND. If the Senator will look at pages 158 and 159 of the hearings he will find the break-down of the expenditure of the $6,025,000.

Mr. McKELLAR. Yes; it is found on pages 158 and 159 of the hearings.

Mr. COPELAND. I call attention particularly to the request which had to do with fingerprint classifiers, and so forth. It was brought out that there are received by the Bureau of Investigation about 3,700 prints a day, and, as I see the matter, the fact that we have a central place where fingerprints are collected and classified gives to every peace officer in the United States a new arm against the criminal.

Mr. McKELLAR. Mr. President, the Senate committee has allowed the full amount of the Budget estimate, as much as was asked for in the beginning, and it seems to me there is no reason in the world for adding $225,000. One hundred and seventy-three additional employees would not cost any such sum as that, and no such sum is asked for. So, Mr. President, I submit the matter to the Senate to do whatever it wishes.

Mr. HALE. Mr. President, when this matter came before the Committee on Appropriations, after listening to the testimony I concluded that the House had done about right in increasing the appropriation, and I made what fight I could to have the House appropriation adopted, but I was not successful.

Mr. Hoover came before the committee, and he made an excellent impression on me. I believe he was discussing matters with which he is thoroughly familiar, and I think he showed that he needs the additional amount provided by the House over and above the Budget figures, if he is to carry on his Bureau as it should be carried on.

In the House hearings Mr. Hoover made the following statement:

> The actual personnel at the seat of Government, working in the main Bureau, on the investigational side, is 300; in the identification division, the number of personnel actually working now is 473, and in the statistical division the number is 13. Under the set-up in the requested appropriation—

That is, the set-up under the Budget figures which have been adopted by the Committee on Appropriations—

> there will be 275 in the main Bureau, or 25 less than we have today; 468 in the identification division, or 5 less than we have today, and 11 in the statistical division, 2 less than we have today.

Senators who have spoken against the committee's action have shown, and shown clearly, that the work of the Bureau of Investigation is increasing all the time, due in large part to the new legislation which has been enacted during the past few years. That more people are now at work in the home office of the Bureau than would be allowed under the Budget set-up is accounted for by the fact that it has been necessary to cut down on the field work and bring field workers to Washington to do the work here, and, of course, the field work is of the greatest importance if the Bureau is to function successfully.

Another matter which has been spoken of is that the Bureau of Investigation brings back money to the Government.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. HALE. I yield.

Mr. McKELLAR. It was testified that the Bureau brought back to the Government $38,000,000 in fines. As a matter of fact, when the report of the Attorney General was examined, it was found that about two and a half million dollars was actually brought in to the Government.

Mr. HALE. If the Senator will allow me, I will explain that. I think they report in fines and recoveries a sum in the neighborhood of $38,000,000. In that $38,000,000 a certain amount, probably between two and three million dollars, comes in as fines which are actually paid to the Government. The other sums that are recovered in the different cases do not go to the Government, but go to private individuals.

Mr. McKELLAR. No, Mr. President, I think the Senator is mistaken about that. The way it was accounted for was that $38,000,000 were counted as being saved to the Government.

Mr. HALE. In the form of fines and recoveries.

Mr. McKELLAR. As being saved to the Government on war-risk insurance cases, which included every war-risk insurance case that was tried in all the courts of the United States.

Mr. HALE. Mr. President, the Senator is mistaken. The war-risk insurance savings to the Government are $70,000,000, as the House report, I think, shows. The money returned to the Government and to private individuals in the form of fines and recoveries is $38,000,000.

Mr. McKELLAR. If the Senator will look on page 174 of Mr. Hoover's testimony, he will find this statement:

> Fines (all cases)—
>
> He claims credit for all cases of fines—
>
> $333,974.68.
> Recoveries (automobiles, etc.), $2,209,278.55.
> Court of Claims savings, $400,270.85.
> *I'm Alone* case, $336,136.68.
> War-risk litigation, savings—
>
> Savings to the Government of every war-risk case—
>
> $35,202,025.41.

Mr. HALE. Mr. President, I will read from the report of the Committee of the House of Representatives:

> Investigation of war-risk insurance cases, a somewhat prosaic task in comparison with other duties, but of extreme importance in stamping out fraud and conserving Government moneys, has resulted in investigations of 6,352 cases by the agents of the Bureau. Since the work was taken over from the Veterans' Administration in September of 1933 awards to plaintiffs in these cases have amounted to about $9,000,000, while savings to the Government in amounts claimed but not allowed aggregate nearly $72,000,000.

The discrepancy between what the Senator from Tennessee said and what I said is probably accounted for by the fact that the figures I gave covered a period of 2 years. The figures show the financial value of the work the Bureau has done.

I desire to call attention to one other matter. The Senator from Michigan [Mr. VANDENBERG] referred to the cases that the Department had not been able to handle on account of not having sufficient funds with which to operate. I have here, on page 95 of the House hearings, a list of the unassigned cases as of February 1, 1936. In the list of unassigned cases which the Bureau has not been able to take up because it did not have money enough to take them up, I find 33 kidnaping cases; extortion cases, 53; narcotics, 1; Veterans' Administration matters, 28; cases arising under National Motor Vehicle Theft Act, 609; and so forth and so on. This list indicates the great need for additional funds on the part of the Bureau if it is to handle successfully the matters that are put before it.

I very much hope the committee amendment will be rejected.

Mr. VANDENBERG. Mr. President, for the moment I withdraw my request for the yeas and nays and suggest that a viva-voce vote be taken. It is my understanding that the question arises on the committee amendment, and that those who are in favor of reducing the appropriation will vote "yea" and those who are opposed to reducing it will vote "nay."

The PRESIDING OFFICER. The Senator has correctly stated the parliamentary situation.

Mr. McKELLAR. Mr. President, so that there may not be any question about the kidnaping cases, I read from Mr. Hoover's testimony as follows:

> How many kidnaping cases have you in your Department at the present time?
> Mr. HOOVER. Do you mean active?
> Yes.
> Mr. HOOVER. We have three active that we are working on at the present time.

Mr. HALE. Mr. President, that exactly confirms what I said: 3 active and 33 inactive cases which for one reason or another they were unable to handle.

Mr. ROBINSON. Mr. President, I should like to inquire whether it is conceded that these cases are inactive because the funds available are insufficient to enable the Investigation Bureau to proceed. Is there any dispute about that?

Mr. HALE. I cannot give the Senator any information as to that. I simply have the list of cases that are on the inactive list, and we were assured by Mr. Hoover that he could not take up many of the cases that were on the inactive list because of lack of funds.

Mr. McKELLAR. Mr. President, if I may, I will say to the Senator from Arkansas that the Budget estimate and the Senate committee have increased the appropriation this year over last year by the enormous sum of $800,000.

Mr. ROBINSON. Mr. President, I understand that; but the Congress, by measures we have passed here, has enormously increased the work of the Bureau, and the thought in my mind is one that has been suggested by publications I have read—that it is not good economy to deny this agency the amount that is alleged to be necessary to enable it to perform its functions with the high degree of efficiency that has marked its service during recent months.

It has not been many months since the country was terrified by kidnaping cases occurring in many localities; and it was the promptness, the diligence, the irresistible drive that was made by this Bureau that struck terror to the hearts of the gangsters who at that time were threatening to overrun the country.

I doubt if anything has even been done more splendidly, more irresistibly, than the drive that has been made against these criminal gangsters. I would not revive, by any act or vote of mine, one hope in the bosom of a gangster by withholding the means that are necessary to pursue him around this earth, to the very gates of hell, if possible, and to wrestle with him for his liberty or his blood.

I have not had the opportunity of studying the case thoroughly. For my part, I should be very reluctant to cast a vote that would indicate an unwillingness to supply any reasonable funds that may be used in stopping and preventing the reign of terror which has existed through this country in recent years because of the power of the gangsters.

Mr. McKELLAR. Mr. President, all the laws which the Senator from Arkansas has just mentioned, because of the enactment of which additional work was put upon the Bureau of Investigation, were passed last year, and the Congress then allowed the Bureau $5,000,000. The Senator says the work has been well done. Let us assume that to be so.

Mr. ROBINSON. I should like information on the subject. Is it not true that it has been well done and fearlessly done?

Mr. McKELLAR. I do not know; I cannot say; I am not thoroughly informed about the matter. If I expressed a view upon it, I might make a mistake, and I do not want to make a mistake. I am just as much opposed, however, to crime of any kind as is any other Member of this body; but the laws to which reference has been made were passed last year; $5,000,000 was put in the hands of the Bureau to enforce those laws, and Senators say that they have been well enforced. Let us assume that to be so. We have added to the appropriation by this bill $800,000 for additional help in enforcing these laws. So, under all the circumstances, since the Budget Bureau, which heard all the facts, allowed $800,000 additional to what was allowed last year, and we have a Budget law which we all propose to observe, it seems to me that that addition is sufficient.

The PRESIDING OFFICER. The question is on the amendment reported by the committee on page 36, lines 13 and 14.

The amendment was rejected.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the committee.

The next amendment was, on page 36, at the end of line 20, to strike out "$100" and insert "$50", so as to make the proviso read:

Provided, That section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) shall not be construed to apply to any purchase or service rendered for the Federal Bureau of Investigation in the field when the aggregate amount involved does not exceed the sum of $50.

The amendment was agreed to.

The next amendment was, under the subhead "Miscellaneous objects, Department of Justice", on page 38, line 16, to strike out "$420,000" and insert "$435,000", so as to read:

Enforcement of antitrust and kindred laws: For the enforcement of antitrust and kindred laws, including experts at such rates of compensation as may be authorized or approved by the Attorney General, including not to exceed $100,000 for personal services in the District of Columbia, $435,000.

The amendment was agreed to.

The next amendment was, under the heading "Judicial—United States Court for China", on page 43, line 25, after the name "China", to insert "allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., title 5, sec. 118a), not to exceed $1,700 for any one person", and in line 19, after the word "court", to strike out "$41,610" and insert "$49,375", so as to read:

United States Court for China: For salaries of the judge, district attorney, and other officers and employees of the United States Court for China; allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., title 5, sec. 118a), not to exceed $1,700 for any one person; court expenses, including reference and law books, printing and binding, ice and drinking water for office purposes, traveling expenses of officers and employees of the court, and under such regulations as the Attorney General may prescribe of their families and effects, in going to and returning from their posts; preparation and transportation of remains of officers and employees who may die abroad or in transit while in the discharge of their official duties, to their former homes in the United States, or to a place not more distant for interment and for the ordinary expenses of such interment; the expense of maintaining in China American convicts and persons declared insane by the court, rent of quarters for prisoners, ice and drinking water for prison purposes, including wages of prison keepers, and the expense of keeping, feeding, and transporting prisoners and persons declared insane by the court, $49,375.

Mr. COPELAND. Mr. President, may I ask the Senator in charge of the bill, was any effort made by the Department of Justice to increase the allowance for subsistence of district judges who are called to serve in jurisdictions other than those to which they are regularly assigned?

Mr. McKELLAR. No; there was not. No estimate was made for it, and no complaint was made in reference to the Budget estimate that was presented.

Mr. COPELAND. I am sorry, particularly because of conditions in the southern district of New York. If the subsistence allowance were $10 a day, as it used to be, instead of $5 a day, as it is now, there would be no difficulty in having judges assigned to take care of the cases; but, as it is, judges assigned to that district cannot live on the subsistence allowed. They cannot hire a room in New York for $5 a day.

Mr. WAGNER. Mr. President, if my colleague will yield, I should like to say to him that I am going to introduce a bill tomorrow for the purpose of authorizing an increase in the allowance from $5 to $10 a day, and I am very hopeful that the bill may be enacted, for I agree with what my colleague has said.

Mr. COPELAND. I am very glad to learn of the bill that my colleague is going to introduce; I should say that there are a thousand reasons why it ought to be enacted, and I hope it will be speedily enacted.

Mr. McKELLAR. Mr. President, the present law authorizes the charges and fees and allowances, and, of course, the Appropriations Committee cannot go beyond them. The Senator from New York is doing exactly the right thing if he wants to change the law to introduce a bill to that effect.

Mr. WAGNER. That is what I propose to do.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee on page 43, line 25.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The next amendment was, under the subhead "Marshals, and other expenses of United States courts", on page 45, line 8, after the word "marshals", to strike out "$3,285,000" and insert "$3,300,000", so as to read:

Salaries and expenses of marshals, etc.: For salaries, fees, and expenses of United States marshals and their deputies, including services rendered in behalf of the United States or otherwise, services in Alaska in collecting evidence for the United States when so

specifically directed by the Attorney General, traveling expenses, purchase, when authorized by the Attorney General, of 10 motor-propelled passenger-carrying vans at not to exceed $2,000 each, and maintenance, alteration, repair, and operation of motor-propelled passenger-carrying vehicles used in connection with the transaction of the official business of the United States marshals, $3,300,000.

The amendment was agreed to.

The next amendment was, on page 45, line 16, after the word "attorney", to strike out "$3,063,000" and insert "$3,083,510", so as to read:

Salaries and expenses of district attorneys, etc.: For salaries, traveling, and other expenses of United States district attorneys and their regular assistants, clerks, and other employees, including the office expenses of United States district attorneys in Alaska, and for salaries of regularly appointed clerks to United States district attorneys for services rendered during vacancy in the office of the United States district attorney, $3,083,510.

The amendment was agreed to.

The next amendment was, on page 45, line 21, after the words "special cases" and the comma, to strike out "and for payment of foreign counsel employed by the Attorney General in special cases, $500,000" and insert "$700,000"; and in line 25, after the word "exceed", to strike out "$10,000" and insert "the rate of $10,000 per annum", so as to read:

Salaries and expenses of special attorneys, etc.: For compensation and traveling expenses of special attorneys and assistants to the Attorney General and to United States district attorneys employed by the Attorney General to aid in special cases, $700,000: *Provided*, That the amount paid as compensation out of the funds herein appropriated to any person employed hereunder shall not exceed the rate of $10,000 per annum.

The amendment was agreed to.

The next amendment was, on page 46, line 12, after the word "offices", to strike out "$2,095,650" and insert "$2,125,000", so as to read:

Salaries and expenses, clerks of courts: For salaries of clerks of United States circuit courts of appeals and United States district courts, their deputies, and other assistants, traveling expenses pursuant to the Subsistence Expense Act of 1926, as amended (U. S. C., title 5, secs. 821–833), and other expenses of conducting their respective offices, $2,125,000.

The amendment was agreed to.

The next amendment was, on page 49, after line 22, to insert:

The salaries of all judges, the Attorney General, Assistant Attorneys General, the Solicitor, district attorneys, marshals, and clerks of court shall be allotted out of the appropriations made herein and retained by the Department and paid to such officials severally, as and when such salaries fall due and without delay; and no transfer of such allotments to any other use or any other bureau or division shall be made.

The amendment was agreed to.

The next amendment was, under the subhead "Penal and correctional institutions", on page 56, line 24, before the word "for", to strike out "$111,000" an insert "$113,625"; and in line 25, after the word "employees", to strike out "$215,000" and insert "$236,470", so as to read:

National Training School for Boys, Washington, D. C.: For the National Training School for Boys, Washington, D. C., including not to exceed $750 for the purchase of one motor-propelled passenger-carrying vehicles and expenses of a suitable attendant to accompany the remains of deceased inmates to their homes for burial; and including not to exceed $113,625 for salaries and wages of all officers and employees, $236,470.

The amendment was agreed to.

The next amendment was, under the heading "Title III—Department of Commerce—Office of the Secretary", on page 60, after line 23, to insert:

Not to exceed $10,000 of the appropriations for the Department of Commerce for the fiscal year ending June 30, 1937, for the purchase of equipment or supplies shall be available for the purchase of letters patent, applications for letters patent, and licenses under letters patent that pertain to equipment, supplies, or business which the said Department of Commerce is authorized to purchase, use, or transact when the Secretary of Commerce shall personally certify that such purchase is necessary in the public interest.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Air Commerce", on page 61, line 25, after the word "grant", to strike out "$942,920" and insert "$832,920"; so as to read:

Establishment of air-navigation facilities: For the establishment of aids to air navigation, including the equipment of additional air-mail routes for day and night flying; the construction of necessary lighting, radio, and other signaling and communicating structures and apparatus; investigation, research, and experimentation to develop and improve aids to air navigation; aircraft, aircraft power plants, and accessories; for personal services in the field; purchase of motor-propelled passenger-carrying vehicles for official use in field work, including their exchange; replacement, including exchange, of not to exceed two airplanes for service use and two for experimental purposes; special clothing, wearing apparel, and suitable equipment for aviation purposes; and for the acquisition of the necessary sites by lease or grant, $832,920, of which not to exceed $150,000 shall be available immediately:

Mr. COPELAND. Mr. President, I wish I might have the attention of the Senate, and particularly of the Senator in charge of the bill, to this item. It has to do with safety in the air.

Mr. McKELLAR. Mr. President, may I call the attention of the Senator from New York to the item in line 10, page 62, immediately following the page on which the pending amendment appears? The amount has been restored at that point and even more granted. So the committee has done just what the Senator has in mind ought to have been done.

Mr. COPELAND. I appreciate that greatly. But I intend, when I have the right to offer an amendment, to suggest a change in the language in the paragraph we are now discussing. I observe, however, that the committee has included the additional amount.

Mr. McKELLAR. It has been taken out of one item and more than made up in the next, in accordance with what the Senator has suggested.

Mr. COPELAND. Very well. My only regret is that the amount allowed was not larger, but at least the committee has done what it could.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee on page 61, line 25.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the Committee on Appropriations.

The next amendment was, on page 62, line 10, after the word "field", to strike out "$4,523,080" and insert "$4,764,080", so as to read:

Maintenance of air-navigation facilities: For repairs, alterations, and all expenses of maintenance and operation of air-navigation facilities, motor-propelled passenger-carrying vehicles for official use in field work, and airplanes (including accessories and spare parts), including personal services in the field, $4,764,080.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Foreign and Domestic Commerce", on page 63, line 20, after the name "District of Columbia", to strike out $321,400" and insert "$328,800"; so as to read:

Salaries: For the director and other personal services in the District of Columbia, $328,800.

The amendment was agreed to.

The next amendment was, on page 64, line 19, to strike out "$394,300" and insert "$410,000"; so as to read:

Promoting commerce in Europe and other areas: Investigations in Europe and other areas for the promotion and development of the foreign commerce of the United States, $410,000.

The amendment was agreed to.

The next amendment was, on page 64, line 22, after the name "United States", to strike out "$192,400" and insert "$201,000"; so as to read:

Promoting commerce in Latin America: Investigations in Latin America for the promotion and development of the foreign commerce of the United States, $201,000.

The amendment was agreed to.

The next amendment was, on page 64, line 26, after the name "United States", to strike out "$123,000" and insert "$129,000"; so as to read:

Promoting commerce in the Far East: Investigations in the Far East for the promotion and development of the foreign commerce of the United States, $129,000.

The amendment was agreed to.

The next amendment was, on page 65, line 3, after the name "United States", to strike out "$33,700" and insert "$38,000"; so as to read:

Promoting commerce in Africa: Investigations in Africa for the promotion and development of the foreign commerce of the United States, $38,000.

The amendment was agreed to.

The next amendment was, on page 66, line 20, after the word "therewith", to strike out "$500,000" and insert "$525,000"; and in line 21, after the word "exceed", to strike out "$495,000" and insert "$520,000", so as to read:

Export industries: To enable the Bureau of Foreign and Domestic Commerce to investigate and report on domestic as well as foreign problems relating to the production, distribution, and marketing, insofar as they relate to the important export industries of the United States, including personal services, traveling expenses of officers and employees, purchase of furniture and equipment, stationery and supplies, typewriting, adding, and computing machines, accessories and repairs, books of reference and periodicals, reports, documents, plans, specifications, manuscripts, and all other publications, rent outside of the District of Columbia, ice and drinking water for office purposes, and all other incidental expenses connected therewith, $527,000, of which amount not to exceed $520,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 72, line 17, after the figures "$35,000", to insert "to be immediately available", so as to read:

For expenses for securing information for and compiling the census reports provided for by law, including personal services in the District of Columbia and elsewhere; compensation and expenses of enumerators, special agents, supervisors, supervisor's clerks, and interpreters in the District of Columbia and elsewhere; traveling expenses; the cost of transcribing State, municipal, and other records; temporary rental of quarters outside the District of Columbia, not to exceed $2,500 for the employment by contract of personal services for the preparation of monographs on census subjects; not to exceed $54,000 for constructing tabulating machines and repairs to such machinery and other mechanical appliances, including technical, mechanical, and other personal services in connection therewith in the District of Columbia and elsewhere, and the purchase of necessary machinery and supplies; and not to exceed $1,000 for expenses of attendance at meetings concerned with the collection of statistics when incurred on the written authority of the Secretary of Commerce; $1,900,500, of which amount not to exceed $1,450,000 may be expended for personal services in the District of Columbia, including not to exceed $51,000 for temporary employees who may be appointed by the Director of the Census under civil-service rules, at per-diem rates to be fixed by him without regard to the provisions of the Classification Act of 1923, as amended, for the purpose of assisting in periodical inquiries, and not to exceed $35,000, to be immediately available, shall be expended for printing accumulated census data.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Navigation and Steamboat Inspection", on page 73, line 20, after the word "services", to insert a comma and "in the District of Columbia and elsewhere", so as to read:

Salaries and general expenses: For salaries of shipping commissioners, steamboat inspectors, and other personal services; to enable the Secretary of Commerce to provide and operate such motor boats and employ such persons (including temporary employees) as may be necessary for the enforcement, under his direction, of laws relating to navigation and inspection of vessels, boarding of vessels, counting of passengers on excursion boats to prevent overcrowding, and to secure uniformity in the admeasurement of vessels; fees to witnesses; traveling expenses of the personnel of the Bureau and field offices; materials, supplies, equipment, and services, including rent and janitor service; purchase, exchange, and repair of instruments; plans and specifications; insignia, braid, and chin straps; coats, caps, and aprons for stewards' departments on vessels; and other incidental expenses of field offices, including contract stenographic reporting services, in the District of Columbia and elsewhere, $1,748,500.

The amendment was agreed to.

The next amendment was, under the subhead "National Bureau of Standards", on page 76, line 4, after the word "engineering" and the comma, to strike out "$780,000" and insert "$800,000", so as to read:

Testing, inspection, and information service: For calibrating and certifying measuring instruments, apparatus, and standards in terms of the national standards; the preparation and distribution of standard materials; the broadcasting of radio signals of standard frequency; the testing of equipment, materials, and supplies in connection with Government purchases; the improvement of methods of testing; advisory services to governmental agencies on scientific and technical matters; and supplying available information to the public, upon request, in the field of physics, chemistry, and engineering, $800,000.

The amendment was agreed to.

The next amendment was, on page 76, line 19, after the word "standards" and the comma, to strike out "$669,000" and insert "$671,500"; so as to read:

Research and development: For the maintenance and development of national standards of measurement; the development of improved methods of measurement; the determination of physical constants and the properties of materials; the investigation of mechanisms and structures, including their economy, efficiency, and safety; the study of fluid resistance and the flow of fluids and heat; the investigation of radiation, radioactive substances, and X-rays; the study of conditions affecting radio transmission; the development of methods of chemical analysis and synthesis, and the investigation of the properties of rare substances; investigations relating to the utilization of materials, including lubricants and liquid fuels; the study of new processes and methods of fabrication; and the solutions of problems arising in connection with standards, $671,500.

The amendment was agreed to.

The next amendment was, on page 77, line 2, after the word "performance" and the comma, to strike out "$109,000" and insert "$110,000"; so as to read:

Standards for commerce: For cooperation with Government purchasing agencies, industries, and national organizations in developing specifications and facilitating their use; for encouraging the application of the latest developments in the utilization and standardization of building materials; for the development of engineering and safety codes, simplified-practice recommendations, and commercial standards of quality and performance, $110,000.

The amendment was agreed to.

The next amendment was, on page 77, line 21, after the word "Standards", strike out "$1,831,000" and insert "$1,854,500", and in line 22, after the word "exceed", to strike out "$1,615,000" and insert "$1,630,000", so as to read:

Total, National Bureau of Standards, $1,854,500, of which amount not to exceed $1,630,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Lighthouses", on page 78, line 3, after the name "District of Columbia", to strike out "$121,000" and insert "$125,600", so as to read:

Salaries: For the Commissioner and other personal services in the District of Columbia, $125,600.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Fisheries", on page 87, line 24, after the name "District of Columbia", to strike out "$154,800" and insert "$156,420", so as to read:

Commissioner's office: For the Commissioner and other personal services in the District of Columbia, $156,420.

The amendment was agreed to.

The next amendment was, on page 90, line 5, before the words "of which", to strike out "$60,800" and insert "$62,000", so as to read:

Fishery industries: For collection and compilation of statistics of the fisheries and the study of their methods and relations, and the methods of preservation and utilization of fishery products, including pay of permanent employees not to exceed $36,200, compensation of temporary employees, travel and preparation of reports, including temporary employees in the District of Columbia not to exceed $1,800, and all other necessary expenses in connection therewith, including the purchase (not to exceed $500), exchange, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles for official use in the field work of the Bureau of Fisheries, $62,000, of which $2,000 shall be immediately available for the construction of a fishery byproducts laboratory at Seattle, Wash., including the acquisition of a site.

The amendment was agreed to.

The next amendment was, on page 91, after line 2, to insert:

Enforcement of black bass law: To enable the Secretary of Commerce to carry into effect the act entitled "An act to amend the act entitled 'An act to regulate interstate transportation of black bass, and for other purposes', approved May 20, 1926" (U. S. C., title 16, secs. 851–856), approved July 2, 1930 (46 Stat. 845–847), $15,000, of which not to exceed $1,800 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 91, line 23, after the word "services", to strike out "$10,000" and insert "$12,500", so as to read:

Fisheries Cooperative Marketing Act: To enable the Secretary of Commerce to execute the functions imposed upon him by the act entitled "An act authorizing associations of producers of aquatic products", approved June 25, 1934 (48 Stat., p. 1213), including traveling expenses and contract stenographic reporting services, $12,500, of which not to exceed $9,500 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Title IV—Department of Labor—Office of the Secretary", on page 100, line 7, after the word "industry", to strike out "$124,500" and insert "$140,000"; and in line 8, after the word "exceed", to strike out "$70,000" and insert "$83,580", so as to read:

Promotion of health, safety, employment, etc.: For salaries and expenses in connection with the promotion of health, safety, employment stabilization, and amicable industrial relations for labor and industry, $140,000, of which amount not to exceed $83,580 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Labor Statistics", on page 103, line 1, after the word "Bureau", to strike out "$748,000" and insert "$884,600"; and in line 2, after the word "exceed", to strike out "$600,000" and insert "$640,000", so as to read:

Salaries and expenses: For personal services, including temporary statistical clerks, stenographers, and typewriters in the District of Columbia, and including also experts and temporary assistants for field service outside of the District of Columbia; traveling expenses, including expenses of attendance at meetings concerned with the work of the Bureau of Labor Statistics when incurred on the written authority of the Secretary of Labor; purchase of periodicals, documents, envelopes, price quotations, and reports and materials for reports and bulletins of said Bureau, $884,600, of which amount not to exceed $640,000 may be expended for the salary of the Commissioner and other personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the subhead "United States Employment Service", on page 110, line 1, after the word "and" where it occurs the second time, to strike out "miscellaneous expenses, $2,785,000, of which amount not to exceed $885,000 shall be available for the Veterans' Placement Service, the Farm Placement Service, District of Columbia Public Employment Center, and all other purposes, including not to exceed $197,500 for personal services in the Department in the District of Columbia, and not more than $1,900,000 shall be available for apportionment among the several States: *Provided*, That the conditional indefinite appropriation to supply the Government's apportionments to States qualifying under said act for the first time provided for in appropriation act of March 22, 1935 (49 Stat. 104), shall continue available for the fiscal year 1937", and in lieu thereof to insert "miscellaneous expenses, $2,807,500, of which amount not to exceed $907,500 shall be available for the Veterans' Placement Service, the Farm Placement Service, District of Columbia Public Employment Center, and all other purposes, including not to exceed $220,000 for personal services in the Department in the District of Columbia, and the remainder shall be available for payment to the several States in accordance with the provisions of the said act of June 6, 1933, as amended: *Provided*, That apportionments for the fiscal year 1937 shall be on the basis of a total apportionment to all States of $3,000,000, and in order to supply the Government's apportionments to States under such act during the fiscal years 1936 and 1937, which are not capable of being supplied under the foregoing appropriation, there is hereby appropriated so much as may be necessary to supply such apportionments, but not more than $1,675,000", so as to read:

For carrying out the provisions of the act entitled "An act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes", approved June 6, 1933; personal services and rent in the District of Columbia and elsewhere; traveling expenses, including expenses of attendance at meetings concerned with the work of the United States Employment Service when specifically authorized by the Secretary of Labor; law books, books of reference, newspapers and periodicals, printing and binding, supplies and equipment, telegraph and telephone service, and miscellaneous expenses, $2,807,500, of which amount not to exceed $907,500 shall be available for the Veterans' Placement Service, the Farm Placement Service, District of Columbia Public Employment Center, and all other purposes, including not to exceed $220,000 for personal services in the Department in the District of Columbia, and the remainder shall be available for payment to the several States in accordance with the provisions of the said act of June 6, 1933, as amended: *Provided*, That apportionments for the fiscal year 1937 shall be on the basis of a total apportionment to all States of $3,000,000, and in order to supply the Government's apportionments to States under such act during the fiscal years 1936 and 1937, which are not capable of being supplied under the foregoing appropriation, there is hereby appropriated so much as may be necessary to supply such apportionments, but not more than $1,675,000.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments appearing in the bill.

Mr. McKELLAR. On behalf of the committee, I offer an amendment, to come in on page 28, and ask the clerk to read it.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 28, in line 6, after the word "salary", it is proposed to insert the words "or honorarium."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McKELLAR. I offer two other amendments on behalf of the committee, and ask that the first one be read.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 80, line 21, it is proposed to strike out "$4,034,000", and in lieu thereof to insert "$4,424,000, of which $390,000 shall be immediately available for repairs, etc., due to storm and ice damage."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

Mr. BULKLEY. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 113, after line 5, after the amendment heretofore agreed to, it is proposed to insert the following:

SEC. 4. Great Lakes Exposition: For the expenses of the participation of the Government of the United States in the Great Lakes Exposition as provided for by Senate Joint Resolution 233, including the reimbursement of other appropriations from which payments may have been made for any of the purposes therein specified, to be immediately available, $275,000.

Mr. McKELLAR. Mr. President, may I ask the Senator from Ohio if the amount proposed by the amendment has been authorized or has the amendment otherwise been brought within the rule?

Mr. BULKLEY. The joint resolution authorizing the appropriation has passed both Houses of Congress, but has not as yet been signed by the President. It is in order under the rule.

Mr. McKELLAR. It would be in order under our rules, as I understand, and I have no objection to the amendment going to conference, at any rate.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio.

The amendment was agreed to.

Mr. BYRNES. Mr. President, I offer an amendment.

The PRESIDING OFFICER. The amendment will be stated:

The CHIEF CLERK. At the end of the bill it is proposed to insert the following:

That in passing upon applications made for compensation under the provisions of the item for "Payment to cotton ginners" contained in title I of the Supplemental Appropriation Act, fiscal year 1936 (Public Law No. 440, 74th Cong.), and in making payments pursuant to such applications, the Secretary of Agriculture is authorized and directed, in the interest of saving as much administrative expense as possible and in order to avoid delay in passing upon such applications, to accept as sufficient proof in connection

with any such application, proof of the number of bales ginned by the applicant during the period June 1, 1935, to February 10, 1936, inclusive: *Provided*, That no payment shall be made on any application for such compensation unless the application is filed prior to September 1, 1936.

Mr. BYRNES. Mr. President, let me explain the purpose of the amendment. The supplemental appropriation bill authorized the payment to cotton ginners of an amount to compensate them for work done in the administration of the Bankhead Act. In order to make such payments the Agricultural Department prepared forms for the ginners to file showing the number of bales ginned. These applications they proposed to check. The Comptroller General, however, took the position that under the language of the act he would have to require an investigation in each case in order to determine the actual expense incurred by the applicant and whether or not it had been passed on to any other person. The language of the original act may justify the interpretation of the Comptroller.

The estimate of the Department of Agriculture is that to administer the law in accordance with the requirement of the Comptroller General would cost $684,400. The forms that were prepared by the Department of Agriculture and the investigations they intend to make would involve an administrative cost of not exceeding $38,000. It certainly is the desire of Congress to have the Department administer the fund in the most inexpensive manner possible. It can be done by the adoption of this amendment fixing the proof to be required by the Comptroller General.

Mr. GEORGE. Mr. President, may I ask the Senator from South Carolina if this is not what we thought we had done in the previous appropriation bill?

Mr. BYRNES. It is. It is what Congress intended to do and what we thought would be done, and that the payments would have been made long ago. They have not been made because of the difference in views of the Department of Agriculture and the General Accounting Office as to the law.

Mr. GEORGE. The compensation to the ginners has been regarded as just by all those who appreciate the work put upon them.

Mr. BYRNES. It has been; but if this amendment be not adopted a large percentage of the money will have to be paid for costs of administration.

Mr. CONNALLY. Mr. President, I understand the Senator's amendment simply provides that 25 cents per bale shall be paid and do away with all the red tape of investigation?

Mr. BYRNES. That is the effect, that upon satisfactory proof of the number of bales ginned it shall be accepted as sufficient proof of the expense incurred, and then payment can be made without sending an investigator to each county to examine the books of the cotton ginners.

Mr. CONNALLY. It would really result in economy?

Mr. BYRNES. That is correct.

Mr. McKELLAR. As I understand, the Senator from South Carolina had already given the necessary notice to make the amendment in order at this time on the bill?

Mr. BYRNES. I did give such notice.

Mr. McKELLAR. I think the amendment should be adopted by all means. I am very heartily in favor of it, and hope the Senate will adopt it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

Mr. DIETERICH. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 30, it is proposed to strike out all after the word "each", in line 16, down to and including line 22, as follows:

Provided further, That from any sums received from the Mexican Government in settlement of a general claim of an American citizen against it, there shall be deducted and deposited in the Treasury of the United States as miscellaneous receipts, 5 percent thereof in reimbursement of the Government of the United States of expenses incurred by it in respect of such claim.

Mr. McKELLAR. In other words, the Senator desires to strike out the proviso?

Mr. DIETERICH. Yes.

Mr. McKELLAR. Will the Senator explain his purpose?

Mr. DIETERICH. Mr. President, this proviso is in connection with the appropriation for the settlement and adjustment of claims between nationals of the United States and the Government of Mexico and the nationals of Mexico with the Government of the United States. Two conventions were held, one on September 8, 1923, and one on September 10, 1923. These conventions entered into protocols whereby it was agreed that the agency set up to adjust these claims would adjust them for the two Governments and that the respective Governments would pay to their own nationals the amounts of the claims, and the Governments would make settlement as between the nations when the claims were finally paid.

The proviso in question seeks arbitrarily to assess as costs 5 percent of the amount of the claim regardless of what the actual expense was in adjudicating the claim and regardless of the amount of the claim.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. DIETERICH. Certainly.

Mr. McKELLAR. We had no hearings on this matter. It was not in controversy at all and was not mentioned in the committee, so far as I now recall. If the Senator desires, I am willing to accept the amendment and take it to conference, but I cannot say what might happen to it there.

Mr. DIETERICH. I can assure the Senator I do not want the amendment to be accepted without explanation, because it happens that among the nationals who presented claims before the General Claims Commission was the Illinois Central Railroad, a corporation chartered by the State of Illinois, a corporation which pays into the State treasury of Illinois a certain percentage of its earnings. This railroad company had sold to the Mexican Government some 74 locomotives for a consideration of something like $1,400,000. They had been sold some years prior to the time the conventions met, and the interest which had accrued amounted approximately to $400,000.

There was no controversy about the claim. It took no time to adjust the claim. One of the defenses made when the claim was presented to the Commission was that there was no controversy. The fact is that the agents of the Illinois Central Railroad Co. had negotiated a settlement with the Government of Mexico whereby they were to receive some $1,400,000.

When the Claims Commission was created the company was informed that if it proceeded with that settlement, which contemplated payment of the claim at the rate of $100,000 per month and under which settlement it would have been long since paid, the matter would be taken out of the hands of the Claims Commission and the railroad company would be jeopardizing its rights. There was no controversy about the claim. No one denied the liability. It was not like some other claims where considerable time and considerable expense were involved in the adjudication.

Now, arbitrarily to say that there should be assessed 5 percent, or over $100,000 for the adjustment of a claim that was admitted is manifestly unjust. No such sum should be assessed as part of the costs of adjudicating a claim where, as a matter of fact, no costs whatsoever were incurred. If the costs should be assessed against the claimants at all, they should be assessed in accordance with the rule under which all other costs are assessed—on the basis of the actual expense of litigating the claim.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. DIETERICH. Certainly.

Mr. CONNALLY. Is the Senator aware that even in the settlement of claims before a special claims commission the expenses of the whole organization are deducted from the amount going to the claimants, because the whole proceeding is for the benefit of the claimants and it is for them that the Government incurs the expenditures? It would be difficult to take each claim and figure out its proportionate cost.

Mr. DIETERICH. I understand that, and I understand that in Texas there were some very small claims presented. In fact, the entire work of the commission and the expense of the commission has been in the adjudication of land claims and various other small claims, but here is a claim as to which there was no controversy at all, a claim that was allowed by this commission in 1926, some 10 years ago, and never has a payment been made—a claim that was taken out of the hands of the negotiators.

Mr. CONNALLY. Mr. President, let me say to the Senator that I am not trying to contest his claim. I have no objection to it. I am somewhat familiar with the practice of the Government as to all such claims, however, and I merely wished to make to the Senator the suggestion I have made.

Mr. DIETERICH. I desire to say to the Senator from Texas that I am interesting myself in the matter of the Mexican Claims Commission. I have had great difficulty in finding out just exactly what it has done, what it has accomplished, and what it expects to do. It has changed the entire intent of the statute authorizing its creation. At a later time during the present session I expect to ask the attention of the Senate while I discuss the question of the Mexican Claims Commission; but I say to the Senator who has charge of the bill that certainly it would be unjust to penalize this claimant, who has so long been held out of his money, by an arbitrary assessment to defray the expenses of the Commission in adjusting other claims.

With that explanation I will accept the Senator's proposal.

Mr. McKELLAR. Mr. President, may I ask the Senator a question about the matter? If the Senator's amendment is agreed to by the Senate, and the conferees agree to it, of course the United States will not be reimbursed at all by any of the claimants.

Mr. DIETERICH. This is the first time a provision of this kind has been placed in one of the appropriation bills.

Mr. McKELLAR. But the Senator can easily understand that if the Government goes to great expense in recovering the amounts of these claims, it ought to be reimbursed for that expense.

Mr. DIETERICH. Let me advise the Senator that each claim is separate. The Senator says that if the Government goes to great expense, it should be reimbursed. If the Government goes to great expense on a particular claim, that claimant should stand part of the expense, whatever a reasonable part would be; but another claimant should not be forced to contribute to such expense. That would be unjust.

Mr. McKELLAR. I think I understand the Senator's position in the matter; and I have no objection to the amendment being adopted and letting it go to conference, without prejudice to either side.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Illinois is agreed to.

Mr. MURRAY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Montana will be stated.

The CHIEF CLERK. It is proposed to insert, at the proper place in the bill, the following:

BUREAU OF FISHERIES

For the acquisition by the Bureau of Fisheries of a site for a fish hatchery at Jessups Mill, near Glacier National Park in the State of Montana, $10,000; which shall be immediately available.

Mr. MURRAY. Mr. President, this amendment is for the purpose of providing a site for a fish hatchery near Glacier National Park, in Montana. A project for the construction of such a hatchery has been provided for, and $65,000 was allocated by the W. P. A. for that purpose. This appropriation is essential to provide the site which is described in the amendment.

Mr. McKELLAR. Mr. President, may I ask the Senator whether this item has been estimated for?

Mr. MURRAY. I am not sure whether or not it has been estimated for. The amendment was intended to be proposed by my colleague the senior Senator from Montana [Mr. WHEELER], but he is unavoidably detained. I understand it has the approval of the Bureau of Fisheries.

Mr. McKELLAR. Does the Senator know whether or not any law has been passed authorizing the establishment of the hatchery, or whether any bill has been introduced for the purpose?

Mr. MURRAY. I know that the Commissioner of Fisheries has written a letter in which he approves this site.

Mr. McKELLAR. Suppose the Senator puts the letter in the RECORD. Then I shall have no objection to taking the amendment to conference.

Mr. MURRAY. I ask that the letter be inserted in the RECORD at this point.

The PRESIDING OFFICER. Without objection, the letter will be printed in the RECORD.

The letter is as follows:

DEPARTMENT OF COMMERCE,
BUREAU OF FISHERIES,
Washington, April 16, 1936.

Subject: Inspection fish-hatchery sites, Glacier National Park.
Memorandum for Senator BURTON K. WHEELER.

The Bureau of Fisheries made several inspections of various sites in Glacier National Park for the establishment of a fish hatchery. The sites were visited both during the winter and summer months. The most favorable site for the location of a fish hatchery and one approved by the National Park Service requires that the water supply be obtained from a stream.

During the winter months when the site was inspected in Glacier National Park, it was found that due to the low temperatures prevailing in the park the stream was covered with ice and the water temperature was not suitable for the incubation of trout eggs. It was also found that if this water supply was to be used in ponds it would probably freeze solid. Therefore, a hatchery located in Glacier National Park could not be operated during the winter months and would be suitable only for the purpose of rearing fish during a period of 3 or 4 months during the summer.

In view of the fact that it is necessary to establish a hatchery in this region where eggs may be incubated and fish reared in ponds, an investigation was made of sites outside of the park and a suitable spring-water supply was found at a place known as Jessups Mill, approximately 12 miles from Kalispell. This site is in close proximity to Glacier National Park and because of weather conditions it will be accessible during the winter months. The Bureau of Fisheries, therefore, favors the Jessups Mill site and is not in favor of expending funds for the establishment of a fish hatchery in Glacier National Park due to the unsuitable water supply and weather conditions during the winter months.

FRANK S. BELL, *Commissioner.*

(Through Administration Assistant, Department of Commerce.)

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Montana is agreed to.

Mr. COPELAND. Mr. President, if I may have the attention of the able Senator in charge of the bill, on page 61, line 16, I move that there be inserted at the beginning of the line, before the word "investigation", the words "not to exceed $50,000 for"; so that, if amended, the clause will read:

Not to exceed $50,000 for investigation, research, and experimentation to develop and improve aids to air navigation.

Then I move that lines 21 and 22 be stricken from the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York.

Mr. McKELLAR. Mr. President, will the Senator state just what would be the effect of his amendment to this provision of the bill?

Mr. COPELAND. Yes. First, let me say as to the two lines which I have asked to have stricken out that the language is:

Replacement, including exchange, of not to exceed two airplanes for service use and two for experimental purposes.

If the Senator will turn over the page, at the bottom of page 62 he will find that provision is made for the exchange of airplanes, not to exceed $16,500. What I desire to accomplish by my amendment, if the Senator shall see fit to take it to conference, is to make sure that there is not a transfer of funds within the appropriation, so that the amount of money which is to be used for investigation shall be limited to $50,000, and all the rest of the fund shall be used largely for construction of necessary lighting, radio, and other signalling and communicating structures and apparatus.

In order that the RECORD may show why I am asking this, I make reference to the latest airplane accident, the one which happened a few days ago this side of Pittsburgh.

The Pittsburgh area is called the graveyard of airplane pilots. Of course, there are several reasons why there should be more accidents at Pittsburgh than at other places, because it is a great transfer point; and yet the amount of business actually done and the amount of traffic actually passing through Pittsburgh is not more than the amount actually passing through Newark or through Chicago. Unfortunately, however, Pittsburgh is situated in the mountains, and it is an interesting thing about the radio beams that they may be split; they may be divided by contact with ice, and sometimes static occurs by reason of snow.

In the last accident the poor chap in charge of the plane, the pilot, thought he was at a point the name of which I have forgotten for the moment, but a place 40 miles beyond where he really was. He thought he was on the northeast edge of a radio beam directing him to Pittsburgh. As a matter of fact, he was 40 miles south of where he thought he was, and was on the edge of a radio beam which was directed toward Pittsburgh, but which led him into the mountains in an unfamiliar terrain. He was familiar with the terrain he thought he was on and knew there was no mountain there over 2,000 feet in elevation; but, as it was, he found himself in a section where looming up before him was a mountain 2,900 feet high, and he was so pocketed that it was not possible for him to get the elevation necessary to go over the mountain, and so he went bang into the mountain. That probably is the explanation of that particular accident.

The accident in which the late Senator Cutting lost his life was a similar one. It came from much the same causes. I am not going to detain the Senate to discuss that accident at the present time, because a full report of it will be made in the near future. I have said these things to point out how necessary it is that money should be spent for safety on the ground. In our ground devices and in our apparatus having to do with the direction of planes we are not keeping pace with the progress of the art as is the airplane itself.

We must do one of two things as I see the matter, Mr. President: Either we must provide these devices—the radio beam, the lighting of the fields, the weather reports, and the other things which have to do with safety in flying—or else we must say, "You must ground your planes and not fly."

Mr. McKELLAR. Mr. President, as I understand, the principal purpose of the Senator is to furnish a specific sum of $50,000 for further investigation and research and experimentation primarily in relation to what, I believe, is called the splitting of beams, a separation of the beams before the destination is reached.

Mr. COPELAND. It is not so much that as it is to place a limitation upon investigation in the Department, and to insure the spending of the money largely for safety devices. The reason why I say that is because the industry itself is spending millions of dollars for investigation.

Mr. McKELLAR. I agree with the Senator, and I think the amendment should be adopted.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. Mr. President, before yielding, so that the record may be complete at the time we do this, let me say that I was swung out of beat a moment ago about the amendment at the bottom of page 61, in line 25. I think we should restore the House language in order that there may be assurance that a considerable amount of time shall actually be devoted to the very work which has met the approval of the Senator in charge of the bill.

I should not be satisfied to stop with this sum of money if it were not for the fact that by courtesy of the chairman of the subcommittee we had a very full hearing before the subcommittee the other day, at which we presented the reasons why a large sum, $5,000,000, should be used for these devices.

The purpose of that hearing was not to go so far above the Budget in this bill as it was to produce the argument and have it ready for the Director of the Budget, and since we had the hearing I have sent to Mr. Bell, the Director of the Budget, a record of what we did in the committee. But we will not do our duty to the American people if we adjourn this session of the Congress without providing at least $5,000,000, in addition to what we have in this bill, to insure a greater degree of safety in flying.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. I yield, but I wish to say to the Senator, in doing so, that the Senator from Missouri is well aware of the fact that we have a committee investigating the death of our late beloved colleague, Senator Cutting; we have had extensive hearings, and no member of the committee has been more faithful in his attendance than has the Senator from Missouri, and he has given the committee the benefit of his advice and aid.

Mr. CLARK. Mr. President, I thank the Senator from New York very much for his kind reference to me. I simply desire to recall to the Senator from New York what I know he has in mind, the fact that very large sums of money have been appropriated for safety in the air from time to time, which to a very large extent, as the testimony before our committee shows, have been wasted. I am in favor of appropriating every single penny that can possibly be spent to increase the safety of the airways, but the testimony before our committee has disclosed that in one investigation of the maintenance of the airways of the United States as much as $2,000,000 worth of property having to do with safety has been found in one airport alone which was not carried on the books of the Department of Commerce and has not been accounted for. It was shown that in some instances property designed and purchased for the purpose of insuring safety in the airways had been put aside in warehouses, or in some cases stored in barns, and not taken out of the original crates until it had become obsolete. So that while I agree with the Senator from New York that Congress ought to appropriate as much money as is necessary in order to promote safety of travel in the air, some method ought to be devised by which the Congress can be certain that the money is spent for the purposes for which it is appropriated.

Mr. McKELLAR. Mr. President, will the Senator from New York yield?

Mr. COPELAND. I yield, but I desire to say that I agree fully with the Senator from Missouri.

Mr. McKELLAR. Of course, and I may say to the Senator from Missouri that the amendment providing that "not to exceed $50,000 for investigation, research, and experimentation to develop and improve aids to air navigation", makes it a direct appropriation for that purpose, and the Department must so use it, as I understand the Senator's amendment. Under those circumstances it seems to me the amendment is very proper.

Mr. LA FOLLETTE. Mr. President, will the Senator from New York yield?

Mr. COPELAND. I yield.

Mr. LA FOLLETTE. I am in entire sympathy with the expenditure of whatever money may be necessary to make air travel safer for passengers and for pilots. I am not certain that I understood the full purpose of the Senator's amendment, but it seems to me that the Congress not only should provide the necessary money for safety devices, emergency fields, and things of that kind, but that there also ought to be an impartial public investigation of such unfortunate accidents as have occurred. Therefore I hope the Senator's amendment will not have the effect of curtailing or perhaps preventing the proper investigation by impartial authorities of airplane accidents.

Mr. COPELAND. I may say to the Senator that what we are proposing today by this amendment is a very small part of what we are going to bring to the Senate. We are proceeding with the greatest earnestness to get to the very bottom of the causes of the accidents which have happened. We think we have learned a great deal. We have not been quite prepared to make any pronouncement as yet, because, frankly, some of the testimony has been a reflection upon the Department, and the Department itself has not had a

chance to be heard; but it is to be heard. Next week we hope to begin on Tuesday with the Department's presentation; I do not want to call it rebuttal, but it will be evidence to clarify the testimony which has been presented to us. I may say to the Senator also that I am sure that before the end of the session we will present a report which will gladden his heart, from the reflection that possibly out of the disaster which came to his great friend, and to our friend, perhaps some permanent good may come, so that in the future there may not be other accidents.

Mr. LA FOLLETTE. Mr. President, if the Senator will yield further, I was not referring to the investigation being made by the committee of which the Senator from New York is chairman. As I understand, when accidents occur, the Department of Commerce conducts investigations, and I gathered that the Senator's amendment was designed to allow only $50,000 for the investigation of such accidents.

Mr. COPELAND. No; the Senator has misunderstood. This item is for scientific investigation and research. It has nothing to do with the investigation of accidents.

Mr. McKELLAR. Mr. President, let me call the attention of the Senator from New York to the language on the bottom of the page, where the amendment has been agreed to making the appropriation $832,920. In order to make the amendment of the Senator from New York effective and not to disturb the remainder of the bill, he will have to ask that that appropriation be increased to $882,920. That will effect what the Senator desires.

Mr. COPELAND. Very well, Mr. President. I ask unanimous consent that the vote by which the amendment making the appropriation $832,920 was agreed to be reconsidered, in order that I may move to make the amount $882,920.

Mr. ROBINSON. The effect would be to increase the appropriation by $50,000?

Mr. COPELAND. Yes; and the $50,000 is to be used exclusively for investigations, and the rest of the money is to be used for improving the airways.

Mr. ROBINSON. I myself made some inquiry into that subject during recent days, and I commend the position of the Senator from New York in insisting on the improvement of the aids to air navigation, those physical agencies such as lighting and ground work. It is very essential that they should be improved. The effect of his amendment will be to make certain that a liberal fund will be available for those purposes.

Mr. COPELAND. That is correct.

The PRESIDING OFFICER. Without objection, the vote by which the committee amendment on page 61, line 25, was agreed to is reconsidered.

Mr. McKELLAR. Mr. President, I move that the figures on page 61, line 25, be increased to $882,920.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. COPELAND. Mr. President, I have moved that lines 21 and 22, page 61, be stricken from the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, the Senator from New York offered an amendment, on page 61, line 15, after the word "apparatus" and the semicolon, to insert the words "not to exceed $50,000 for."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York.

The amendment was agreed to.

Mr. COPELAND. Mr. President, I wish to call the attention of the Senator in charge of the bill to page 70, beginning with line 12. This paragraph has to do with the operation of foreign-trade zones. The Senator in charge of the bill will recall that among the recommendations made by the Department of Commerce, as found in the hearings beginning on page 63, and, to be specific, appearing on page 71, it was strongly urged that the figure which is found on line 23, the sum of $25,000, be changed to $35,000.

Last year the appropriation was $30,000. This year the Budget Bureau allowed $35,000, but the committee, I think, perhaps overlooked it in some manner.

Mr. McKELLAR. No, Mr. President; it was considered and voted down.

Mr. COPELAND. I ask the Senator if he would not be willing to take the amendment to conference. I am not asking him to fight, bleed, and die in the conference; but I ask that an opportunity be given to deal with the matter in the conference.

I have more than a passing interest in this question, because this appropriation is made to carry out the purposes of what was known as the Celler-Copeland bill, which became law on the 18th of June 1934. It has to do with the establishment of trade zones. It is a matter of great concern not alone to the port of New York but to other ports as well. There are two applicants for trade zones in New York Harbor.

On page 71 of the Senate committee hearings the Department says:

> The Board has before it at the present time three applications * * * to establish foreign-trade zones * * * in the port of San Juan, P. R., the port of San Francisco, Calif., and the port of Mobile, Ala. With the present staff, which includes only one examiner, no more than one of these applications can be investigated and a report rendered.

I know that in addition to those three ports, two others in my own State, which I have already mentioned to the Senate, and almost all the other ports on both coasts, the Atlantic and the Pacific, are giving consideration to the question of trade zones, including Portland, Maine, and Portland, Oreg. There is hardly a port in the country which is not studying the question of trade zones.

Mr. McKELLAR. Mr. President, I call the Senator's attention to the evidence on this matter appearing on page 91 of the House hearings:

> Mr. McMILLAN. The last item is for operations, and so forth, of foreign-trade zones, on page 54 of the subcommittee print. In 1936 there was appropriated $30,000 for this activity, and for the fiscal year 1937 there is estimated $35,000, an increase of $5,000. Do you anticipate any unexpended balance out of the current appropriation?
>
> Mr. DUNN. No, sir.
>
> Mrs. KAHN. May I ask two questions?
>
> Mr. McMILLAN. Yes.
>
> Mrs. KAHN. First, How many applications have you had for the creation of foreign-trade zones?
>
> Mr. DUNN. There have been four formal applications.
>
> Mrs. KAHN. And how many have been established?
>
> Mr. DUNN. One.
>
> Mrs. KAHN. That is in New York?
>
> Mr. DUNN. That is in New York.
>
> Mrs. KAHN. And San Francisco is applying. And what other city?
>
> Mr. DUNN. San Juan, P. R., and Mobile, Ala. There have been a great many informal inquiries.
>
> Mrs. KAHN. I know; but those are the only points that have made applications?
>
> Mr. DUNN. Yes.

Under that testimony, the House declined to make a change, and in like manner the Senate committee left the figure at $25,000. If the Senator desires to have the amendment taken to conference, I have no objection; but I cannot answer for what may be done there.

Mr. COPELAND. Very well. I move that the figures be changed from $25,000 to $35,000.

The PRESIDING OFFICER. The amendment offered by the Senator from New York will be stated.

The CHIEF CLERK. On page 70, line 23, it is proposed to strike out "$25,000" and in lieu thereof to insert "$35,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 36), as follows:

Resolved by the Senate (the House of Representatives concurring), That the action of the Vice President and of the Speaker of the House of Representatives in signing the enrolled bill (H. R. 4387) entitled "An act conferring jurisdiction upon the United States District Court for the Western District of Michigan to hear, determine, and render judgment upon the claim of Barbara Blackstrom", be rescinded, and that in the reenrollment of said bill the Clerk of the House of Representatives is authorized and directed to insert the name "Backstrom" in lieu of the name "Blackstrom" where it appears in section 1 of the amendment of the Senate to the text of said bill and in the amended title.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4387) conferring jurisdiction upon the United States District Court for the Western District of Michigan to hear, determine, and render judgment upon the claim of Barbara Backstrom, and it was signed by the Vice President.

DEPORTATION OF ALIEN CRIMINALS

The Senate resumed the consideration of the bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Carolina [Mr. REYNOLDS] to recommit the bill.

Mr. DAVIS. Mr. President, the Senator from North Carolina completed his discussion of the bill early this afternoon. I then made the request that I be permitted to address some questions to him; but I find that the Senator from Vermont [Mr. AUSTIN] will not be here on Friday afternoon, and for fear the bill will go over until that time I shall give way to him and let him discuss his amendment.

Mr. AUSTIN. Mr. President, if the pending motion should prevail, there would be no need, of course, of a discussion of my amendment in the Senate at this time; but if the motion should not prevail, thereupon the question before the Senate would be my amendment.

It is quite possible that a consideration of my amendment might affect the vote on the motion to recommit the bill to the committee. If there is sufficient merit in my amendment to entitle it to a more careful study by the committee than can be made on the Senate floor, I should infer that votes would be gained for a recommittal of the bill to the committee. Therefore, I am led to explain my amendment and to make some comments about the bill, or the amendment to the bill, in connection with it.

I propose, on page 4, beginning with line 7, to strike out all after "1917" down to and including "turpitude", in line 10, and to substitute therefor the following:

(39 Stat. 874), relating to classes excluded entry thereby and classes excluded entry by laws referred to therein and not altered thereby, and classes deportable for causes other than having entered or being found in the United States without an immigration visa or a record of admission for permanent residence.

Mr. SCHWELLENBACH. Mr. President, is that amendment in the same form in which the Senator submitted it to the committee?

Mr. AUSTIN. Mr. President, it is not. I think the amendment is very much improved, and I think its present form may meet the objections which were urged to the amendment in the committee. The thought came to me only after the discussion in the committee to add to the amendment a clause which I think meets the objections which I understood were made in the committee to the original proposal. These words are as follows:

And classes deportable for causes other than having entered or being found in the United States without an immigration visa or a record of admission for permanent residence.

I must explain that clause, or it would be wholly unintelligible.

Section 3 of the committee amendment, which is offered in the nature of a substitute for the original bill, reads as follows:

SEC. 3. (a) The Inter-Departmental Committee may permit to remain in the United States any alien who entered the United States prior to the date of the enactment of this act and is found subject to deportation, other than one deportable under the act of October 16, 1918, as amended by the act of June 5, 1920 (40 Stat. 1012; 41 Stat. 1008; U. S. C., 1934 ed., title 8, sec. 137), or the act of May 26, 1922 (42 Stat. 596; U. S. C., 1934 ed., title 21, sec. 175), or the act of February 18, 1931 (46 Stat. 1171; U. S. C., 1934 ed., title 8, sec. 156a), or section 1 of this act, or the provisions of the act of February 5, 1917 (39 Stat. 874; U. S. C., 1934 ed., title 8, sec. 156), relating to prostitutes, procurers, or other like immoral persons, if the alien is of good moral character and has not been convicted of a crime involving moral turpitude—

I stop reading section 3, at that point, for the purpose of making an explanation. The words "or section 1 of this act, or the provisions of the act of February 5, 1917", are limited by the bill as drawn only to those convicts or criminals who come within the class of being prostitutes, procurers, or other like immoral persons. This limited class is taken out of the discretionary power intended to be given by section 3, and would constitute an exception, as being deportable under the act of February 5, 1917, relating to prostitutes, procurers, or other like immoral persons.

The purpose of the amendment is to remove from the discretionary power undertaken to be granted by section 3, all criminal cases. Whether the persons involved are prostitutes or procurers or other like immoral persons or what not, if they are criminals of any kind whatsoever, they would come under the exclusive features of the immigration act and of the deportation law.

Someone asked me today, if I regarded illegal entry into the United States as a crime within the meaning of this proposed amendment. My answer is it makes no difference whether or not there is a dispute about that question. It is not necessary to decide whether or not those who are simply illegally here—that is, here without an immigration visa and without a record of admission for permanent residence—are criminals, because the amendment takes care of that very situation.

The amendment excludes from its scope those persons who are simply illegal entrants. For example, an individual who is here without an immigration visa and without any record of admission for permanent residence, who has been here for 10 years, and who is not a criminal, will be entitled to the discretion which section 3 affords, if the case appeals to the discretion of the Board. In other words, the title of the proposed act would be carried out by the act itself.

I say frankly that I am in favor of the title of this proposed act. It reads:

To authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes.

I am in favor of that title, but the bill does not carry out the title. The bill favors the criminal classes and does not single out those hardship cases involving persons who are innocent of any other thing except being here without an immigration visa and give them the grace of justice and humanity which the title of the bill seems to offer. My objection to this bill is that it would not do what it undertakes to do as set forth in its title.

Mr. President, the committee in studying this measure was very, very fair and accepted several proposed amendments to the original draft of the bill which had a tendency to bring the bill within its title; and perhaps if the committee had had this amendment for consideration in its present form,

the committee would have accepted the amendment in committee, for all the amendment proposes to do is to separate the criminals from the noncriminals and to extend the grace of the sovereignty of this country to noncriminals in cases where great hardship would be caused by deporting a man or a woman who has lived in this country 10 years, established a home and all the attending circumstances of a home, is perfectly innocent of any crime, and who is just as good a citizen as anyone who was born in this country.

There is another class, namely, the class who have certain relatives in this country, the relatives being specified as follows:

A parent, spouse, legally recognized child, or, if a minor, a brother or sister, who has been lawfully admitted for permanent residence or is a citizen of the United States.

That is the end of the quotation of paragraph (2) of section 3.

Consider a case under that clause. Under the original plan of the bill, any alien who has any such relatives here would be entitled to this clemency. In the discussion in the committee it was realized that that afforded a device by which the exclusion act could be and probably would be avoided, because a man or a woman might within a very short time after arrival in this country establish one of the relationships mentioned, and thus, instead of passing the examination, instead of proving the physical and mental and moral qualifications for entry, instead of obtaining a visa within our quota law, not only be able to come in here illegally but, becoming a father or a mother, to get within the open door of that particular section of the proposed act.

So the committee accepted an amendment designed to afford something of an assurance against that sort of thing by adding the proviso that the person must have lived continuously in the United States for at least 1 year before attempting to establish such relationship as a ground for clemency and permission to remain in this country. Assume a case where a woman who has lived in this country for 1 year, who has acquired during that year a husband who is a natural-born citizen of this country, or who has a husband who has been lawfully admitted for permanent residence here. Immediately, provided she was not a criminal, this amendment would come to her rescue and protect her to the extent that she could have the judgment of the board as to whether she could remain or would have to be deported. If she should be a criminal, then no clemency could be assured her. She would be deportable, and she must be deported under the other terms of the bill.

That, in a word, is the purpose of the amendment—to separate convicts or criminals from noncriminals, to give no clemency, no rights to the criminals that are not given to any other person who is unlawfully in this country, and to give to the noncriminals that amount of leniency and grace which the committee finds they are entitled to in view of their circumstances. That would bring this proposed act within the purpose expressed in its title.

I believe that if this bill were recommitted to the committee and a study of this amendment were made it would receive very fair and rational consideration at the hands of the committee. There are other things that should be considered by the committee if the bill should be recommitted, things which would cause me to be opposed to the bill unless my amendment should be adopted; and, further, unless the Reynolds bill should be substituted for the committee bill. I say frankly I favor the Reynolds bill over the bill reported by the committee even with my amendment adopted. But I say also that if the Reynolds substitute should not be accepted by the committee, I would vote for the bill reported by the committee provided my amendment should be adopted, because of those two things, namely, increasing the power of the Government to deport criminals and giving the power of clemency to the Government to protect hardship cases where the person involved is not a criminal.

The other features of the bill which I think ought to be considered by the committee relate to its criminal phases. As we study the immigration laws and the deportation laws we are struck with the fact that they are scattered all through the statutes, that they are rather heterogeneous in character, that there has never been a codification which brought them together and harmonized them. Really what Congress ought to do is to codify the laws so they may be understood by a person who desires to look them up and to study them. I admit that my knowledge of these laws is extremely imperfect and that I had great difficulty in piecing together even those laws which are expressly referred to in the bill. But assuming that I am correct in my interpretation of the Immigration Act and of the Exclusion Act and of the act of 1924, we have this situation.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. REYNOLDS. I am in thorough accord with what the Senator has said about codifying the immigration laws. As a matter of fact, I have on several occasions talked the matter over with other Members of the Senate who are vitally interested in this all-important subject, and I had intended during the present session to introduce a resolution calling for codification of the laws. I think it ought to be done. I want the Senator to know I am in thorough accord with his suggestion.

Mr. AUSTIN. I thank the Senator from North Carolina.

Mr. DAVIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. NEELY in the chair). Does the Senator from Vermont yield to the Senator from Pennsylvania?

Mr. AUSTIN. I yield.

Mr. DAVIS. I think it is very important that the immigration laws should be codified. I believe the Secretary of Labor in 1925, 1926, and 1927, in his annual reports, and also the Commissioner of Immigration, made such a recommendation. If I remember correctly, there was a partial codification of the laws. It is very important that they should be codified. I think it is one of the most important things the Committee on Immigration could investigate and recommend.

Mr. AUSTIN. I appreciate the opinion of the Senator from Pennsylvania on this subject, as to which I have discovered that he is certainly an expert. I have read his books with a great deal of interest and obtained great assistance from him in my study of the bill, and, therefore, I give great weight to his judgment.

I was about to illustrate the situation with respect to the immigration and deportation acts in order to make it clear that the provisions of the pending bill increase the deportable offenses only slightly and, on the other hand, open very widely the door for keeping the criminals in this country.

The section of the act which describes the causes for excluding a person contains the following, and I do not read all of it. I am reading from section 3, page 24, of the immigration laws and rules of January 1, 1930, of the United States Department of Labor:

That the following classes of aliens shall be excluded from admission into the United States:

All idiots, imbeciles, feeble-minded persons, epileptics, insane persons; persons who have had one or more attacks of insanity at any time previously; persons of constitutional psychopathic inferiority; persons with chronic alcoholism; paupers; professional beggars; vagrants; persons afflicted with tuberculosis in any form or with a loathsome or dangerous contagious disease; persons not comprehended within any of the foregoing excluded classes who are found to be and are certified by the examining surgeon as being mentally or physically defective, such physical defect being of a nature which may affect the ability of such alien to earn a living; persons who have been convicted of or admit having committed a felony or other crime or misdemeanor involving moral turpitude; polygamists, or persons who practice polygamy or believe in or advocate the practice of polygamy; anarchists, or persons who believe in or advocate the overthrow by force or violence of the Government of the United States, or of all forms of law, or who believe in or are opposed to organized government, or who advocate the assassination of public officials, or who advocate or teach the unlawful destruction of property; persons who are members of or are affiliated with any organization entertaining and teaching disbelief in or opposition to organized government—

Mr. President, I am sure that for the purposes now pending it will be sufficient for me to include in the RECORD the remainder of this section, and I ask unanimous consent that it be inserted in the RECORD at this point without reading.

There being no objection, the remainder of the section was ordered to be printed in the RECORD, as follows:

Persons who are members of or affiliated with any organization entertaining and teaching disbelief in or opposition to organized government, or who advocate or teach the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers, either of specific individuals or of officers generally, of the Government of the United States or of any other organized government, because of his or their official character, or who advocate or teach the unlawful destruction of property; prostitutes, or persons coming into the United States for the purpose of prostitution or for any other immoral purpose; persons who directly or indirectly procure or attempt to procure or import prostitutes or persons for the purpose of prostitution or for any other immoral purpose; persons who are supported by or receive in whole or in part the proceeds of prostitution; persons hereinafter called contract laborers, who have been induced, assisted, encouraged, or solicited to migrate to this country by offers or promises of employment, whether such offers or promises are true or false, or in consequence of agreements, oral, written, or printed, express or implied, to perform labor in this country of any kind, skilled or unskilled; persons who have come in consequence of advertisements for laborers printed, published, or distributed in a foreign country; persons likely to become a public charge [this clause excluding aliens on the ground likely to become a public charge has been shifted from its position in sec. 2 of the Immigration Act of 1907 to its present position in sec. 3 of this act in order to indicate the intention of Congress that aliens shall be excluded upon said ground for economic as well as other reasons and with a view to overcoming the decision of the Supreme Court in *Gegiow v. Uhl*, 239 U. S. 3 (S. Rept. 352, 64th Cong., 1st sess.)], persons who have been excluded from admission and deported in pursuance of law, and who may again seek admission within 1 year from the date of such deportation, unless prior to their reembarkation at a place outside the United States or their attempt to be admitted from foreign contiguous territory the Secretary of Labor has consented to their reapplying for admission [see amendment in sec. 1 (d) act approved Mar. 4, 1929 (45 Stat. 1551), p. 19]; persons whose tickets or passage is paid for with the money of another, or who are assisted by others to come, unless it is affirmatively and satisfactorily shown that such persons do not belong to one of the foregoing excluded classes; persons whose ticket or passage is paid for by any corporation, association, society, municipality, or foreign government, either directly or indirectly; stowaways, except that any such stowaway, if otherwise admissible, may be admitted in the discretion of the Secretary of Labor [see rule 3, subdivision O]; all children under 16 years of age, unaccompanied by or not coming to one or both of their parents, except that any such children may, in the discretion of the Secretary of Labor, be admitted if in his opinion they are not likely to become a public charge and are, otherwise eligible [see rule 3, subdivision N]; unless otherwise provided for by existing treaties, persons who are natives of islands not possessed by the United States adjacent to the continent of Asia, situate south of the twentieth parallel latitude north, west of the one hundred and sixtieth meridian of longitude east from Greenwich, and north of the tenth parallel of latitude south, or who are natives of any country, province, or dependency situate on the continent of Asia west of the one hundred and tenth meridian of longitude east from Greenwich and east of the fiftieth meridian of longitude east from Greenwich and south of the fiftieth parallel of latitude north, except that portion of said territory situate between the fiftieth and the sixty-fourth meridians of longitude east from Greenwich and the twenty-fourth and thirty-eighth parallels of latitude north, and no alien now in any way excluded from, or prevented from entering, the United States shall be admitted to the United States. The provision next foregoing, however, shall not apply to persons of the following status or occupations: Government officers, ministers, or religious teachers, missionaries, lawyers, physicians, chemists, civil engineers, teachers, students, authors, artists, merchants, and travelers for curiosity or pleasure, nor to their legal wives or their children under 16 years of age who shall accompany them or who subsequently may apply for admission to the United States, but such persons or their legal wives or foreign-born children who fail to maintain in the United States a status or occupation placing them within the excepted classes shall be deemed to be in the United States contrary to law, and shall be subject to deportation as provided in section 19 of this act.

That after 3 months from the passage of this act [the literacy test became operative on May 5, 1917. All other provisions of the law became operative May 1, 1917] in addition to the aliens who are by law now excluded from admission into the United States, the following persons shall also be excluded from admission thereto, to wit:

All aliens over 16 years of age, physically capable of reading, who cannot read the English language, or some other language or dialect, including Hebrew or Yiddish [for method of applying the reading test, see rule 3, subdivision L]: *Provided*, That any admissible alien, or any alien heretofore or hereafter legally admitted, or any citizen of the United States, may bring in or send for his father or grandfather over 55 years of age, his wife, his mother, his grandmother, or his unmarried or widowed daughter, if otherwise admissible, whether such relative can read or not; and such relative shall be permitted to enter. That for the purpose of ascertaining whether aliens can read the immigrant inspectors shall be furnished with slips of uniform size, prepared under the direction of the Secretary of Labor, each containing not less than 30 nor more than 40 words in ordinary use, printed in plainly legible type in some one of the various languages or dialects of immigrants. Each alien may designate the particular language or dialect in which he desires the examination to be made, and shall be required to read the words printed on the slip in such language or dialect. That the following classes of persons shall be exempt from the operation of the illiteracy test, to wit: All aliens who shall prove to the satisfaction of the proper immigration officer or to the Secretary of Labor that they are seeking admission to the United States to avoid religious persecution in the country of their last permanent residence, whether such persecution be evidenced by overt acts or by laws or governmental regulations that discriminate against the alien or the race to which he belongs because of his religious faith; all aliens who have been lawfully admitted to the United States and who have resided therein continuously for 5 years and who return to the United States within 6 months from the date of their departure therefrom; all aliens in transit through the United States [see rule 6]; all aliens who have been lawfully admitted to the United States and who later shall go in transit from one part of the United States to another through foreign contiguous territory: *Provided*, That nothing in this act shall exclude, if otherwise admissible, persons convicted, or who admit the commission, or who teach or advocate the commission, of an offense purely political: *Provided further*, That the provisions of this act, relating to the payment for tickets or passage by any corporation, association, society, municipality, or foreign government shall not apply to the tickets or passage of aliens in immediate and continuous transit through the United States to foreign contiguous territory: *Provided further*, That skilled labor, if otherwise admissible, may be imported if labor of like kind unemployed cannot be found in this country, and the question of the necessity of importing such skilled labor in any particular instance may be determined by the Secretary of Labor upon the application of any person interested, such application to be made before such importation, and such determination by the Secretary of Labor to be reached after a full hearing and an investigation into the facts of the case: *Provided further*, That the provisions of this law applicable to contract labor shall not be held to exclude professional actors, artists, lecturers, singers, nurses, ministers of any religious denomination, professors for colleges or seminaries, person belonging to any recognized learned profession, or persons employed as domestic servants [see rule 9]: *Provided further*, That whenever the President shall be satisfied that passports issued by any foreign government to its citizens or subjects to go to any country other than the United States, or to any insular possession of the United States or to the Canal Zone, are being used for the purpose of enabling the holder to come to the continental territory of the United States to the detriment of labor conditions therein, the President shall refuse to permit such citizens or subjects of the country issuing such passports to enter the continental territory of the United States from such other country or from such insular possession or from the Canal Zone [see rule 8]: *Provided further*, That aliens returning after a temporary absence to an unrelinquished United States domicile of 7 consecutive years may be admitted in the discretion of the Secretary of Labor, and under such conditions as he may prescribe [see rule 13, subdivision A]: *Provided further*, That nothing in the contract-labor or reading-test provisions of this act shall be construed to prevent, hinder, or restrict any alien exhibitor, or holder of concession or privilege for any fair or exposition authorized by act of Congress, from bringing into the United States, under contract, such otherwise admissible alien mechanics, artisans, agents, or other employees, natives of his country as may be necessary for installing or conducting his exhibit or for preparing for installing or conducting any business authorized or permitted under any concession or privilege which may have been or may be granted by any such fair or exposition in connection therewith, under such rules and regulations as the Commissioner General of Immigration, with the approval of the Secretary of Labor, may prescribe both as to the admission and return of such persons [see rule 9, subdivision G, and act of Apr. 29, 1902 (32 Stat. 176), p. 55]: *Provided further*, That the Commissioner General of Immigration with the approval of the Secretary of Labor shall issue rules and prescribe conditions, including exaction of such bonds as may be necessary, to control and regulate the admission and return of otherwise inadmissible aliens applying for temporary admission [see rule 13, subdivision B; also rule 9, subdivision F]: *Provided further*, That nothing in this act shall be construed to apply to accredited officials of foreign governments, nor to their suites, families, or guests [see proviso added by act of June 5, 1920 (41 Stat. 981), p. 76].

Mr. AUSTIN. The deportation clause really gathers all those aliens who are described in what I have read and

what I have referred to, and makes them all deportable. This is what is provided in section 19, at page 41:

That at any time within 5 years after entry, any alien who at the time of entry was a member of one or more of the classes excluded by law * * * shall * * * be taken into custody and deported.

That is the first sentence in the deportation law of this country, and it refers to every one of the persons described in the exclusion act which I have read or referred to; and yet every one of those persons, save the class which commit crimes involving moral turpitude, would be granted clemency by this bill if the amendment I have proposed should not be adopted. That is, they would be within the reach of the discretion of this committee by virtue of section 3 of this bill if it should not be amended.

Moreover, by section 2 of the pending bill a discretion is granted even in the case of criminals which takes in a very large part of the persons who are excluded by our exclusion law, and who would be otherwise deportable. Section 2 cannot be said to tighten up the law with respect to the deportation of criminals. It rather removes the limitations in the exclusion act and the power contained in the deportation act.

Let me read section 2 as it is proposed in the pending bill:

SEC. 2. The second proviso to section 19 of the Immigration Act of February 5, 1917 (39 Stat. 889; U. S. C., title 8, sec. 155), is amended to read as follows: "*Provided further*, That the provisions of the immigration laws respecting the deportation of aliens convicted of crime shall not apply to one who has been pardoned, nor shall an alien convicted of crime be deported if the court, or judge thereof, where the conviction occurred shall within 6 months after such conviction—

That is changed to 90 days—

(or within 90 days after the passage of this amendatory act), due notice having first been given to the prosecuting authorities, make a recommendation that the alien be not deported as a consequence of such conviction and if the Commissioner of Immigration and Naturalization approves that recommendation, nor shall an alien sentenced to imprisonment be deported under any provision of law until after the termination of the imprisonment, but the imprisonment shall be considered as terminated upon the release of the alien from confinement whether or not he is subject to rearrest or further confinement in respect to the same offense."

What does this do? Does it tighten up the grip of sovereignty upon the criminal, or does it relax it? It does nothing but relax it.

I call attention to the proviso as it exists, in order to show the effect of section 2 as it is now drawn. I read from page 42 of the same document:

Provided further, That the provision of this section respecting the deportation of aliens convicted of a crime involving moral turpitude shall not apply to one who has been pardoned, nor shall such deportation be made or directed if the court, or judge thereof, sentencing such alien for such crime shall, at the time of imposing judgment or passing sentence or within 30 days thereafter, due notice having first been given to representatives of the State, make a recommendation to the Secretary of Labor that such alien shall not be deported in pursuance of this act; nor shall any alien convicted as aforesaid be deported until after the termination of his imprisonment.

That discretion, given to a judge by the law as it is today, is limited. Only those crimes involving moral turpitude are mandatory causes for deportation. Only in crimes not involving moral turpitude is the judge given any discretion; but by the pending bill that qualification is wiped right out, and the judge may take the first step to granting clemency to the criminal in the case of all crimes.

Let me read the language again in order to make that clear:

Nor shall an alien convicted of crime be deported if the court, or judge thereof—

Shall grant him clemency, or make this recommendation.

In the original act the language is:

Provided further, That the provision of this section respecting the deportation of aliens convicted of a crime involving moral turpitude shall not apply—

And so forth.

Again, the door is still further opened with respect to criminals by section 2, as proposed here, by extending the time, giving the criminal affected more time in which to induce the judge to make the recommendation. Under the existing law, the recommendation by the judge must be made at the time of the judgment or within 30 days. Under the bill as proposed and as it came to us in committee, the time was extended to 6 months.

The committee reduced the time to 90 days; but, even as it appears in the Senate today, the bill is a very generous grant to the criminals of the country of 90 days instead of 30 days in which to bring enough pressure to bear on a judge to make him recommend that a criminal be not deported. It makes no difference whether he is convicted of a crime involving moral turpitude or whether he is convicted of some one of the vast majority of crimes which do not involve moral turpitude, but which include racketeering, jail breaking, and the violation of nearly all the regulatory statutes and laws which have been enacted to keep the peace in this country.

Mr. SCHWELLENBACH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Washington?

Mr. AUSTIN. I do.

Mr. SCHWELLENBACH. Does not this extension of time from the time of sentence to 90 days thereafter work both ways?

Under the bill it is provided that due notice must be given to the prosecuting authorities. That gives the prosecuting authorities the opportunity, during the period of 90 days after sentence, if the convicted person takes the full 90 days, that much additional time in which to prepare themselves for the argument on the other side.

I recognize the point which the Senator makes; but, in fairness, must we not admit that the provision gives the same advantage to the prosecuting authorities on the other side?

Mr. AUSTIN. Yes; of course that is true. The law as it exists today also provides for due notice to the representatives of the State, so that the State must act within 30 days. I am not so sure that the State must act within the 30 days; but due notice must be given, and, under the present law, this much must take place within 30 days:

The court, or judge thereof, sentencing such alien for such crime shall, at the time of imposing judgment or passing sentence or within 30 days thereafter, * * * make a recommendation.

That is what the present law requires; and by this amendment he must do that within 90 days, instead of 30 days.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. AUSTIN. Yes; I now yield to the Senator from Pennsylvania.

Mr. DAVIS. Under section 2, the Commissioner of Immigration and Naturalization is given full authority to prevent deportation. Under the present act, as the Senator has just read it to us, the prevention of deportation is subject to the approval of the Secretary of Labor. Under this bill the Commissioner has full power to prevent deportation without any concurrence on the part of the Secretary of Labor.

Mr. AUSTIN. If I understand the suggestion of the Senator from Pennsylvania, it would affect our votes a little on the motion to recommit, for it is a matter which ought to be considered in committee, not on the floor of the Senate. I cannot conceive of more difficult and complex legislation than this which relates to our relations with our neighbors throughout the world, and the establishing of a basis that will be, first, beneficial to the United States and the people of the United States, and, second, not inhuman and not antagonistic and hateful, and not likely to arouse resentment and bad feeling between us and our international neighbors.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. AUSTIN. Yes; I yield.

Mr. DAVIS. The Senator in the early part of his remarks with reference to those who come into the United States illegally raised the question as to whether such entry is a crime under the laws of the country. I have always contended that it is. But the Senator does not go far enough, because under the La Follette Seamen's Act, which I have always considered to be the charter of liberty for the seamen, shipowners insisted on bringing in immigrants because of the fact that under that law a seaman has the right to go ashore for 60 days. When we can prove a seaman has been assisted by the shipowner to enter the country illegally there is a penalty of a thousand dollars in each case, and, as I recall, during the time when I was Secretary of Labor, there was imposed upon shipowners for the violation of that law penalties equivalent to $5,000,000 because the shipowners were in the game, first, of trying to defeat the La Follette Seamen's Act by employing cheap help; and, second, giving the immigrants jobs on their vessels and having them paid a thousand dollars, if they are caught, so that the fine may be paid. I think this goes much further, and the Commissioner General of Immigration, without any restraint on him at all, would have the right under this particular section to admit such aliens into this country. It would open a loophole which would encourage the destruction of the La Follette Seamen's Act.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. SCHWELLENBACH. I wonder whether the Senator would object, with the view I have of attempting to work out an acceptance of the Senator's proposed amendment to section 3, to having a discussion concerning it again at this time.

Mr. AUSTIN. I should be very glad to work with the Senator.

Mr. SCHWELLENBACH. I should like to ask the Senator just one or two questions. It may be that he discussed them after he read his amendment. I left the Chamber to look up the provisions of the act of 1917, so as to be able more intelligently to understand the Senator's amendment.

I should like to ask, first, the reason for the exclusion of the words in line 6, page 4, "if the alien is of good moral character and has not been convicted of a crime involving moral turpitude."

Mr. AUSTIN. There is no reason for excluding them; that is to say, it was not intended that this amendment should not mean exactly that, and if the amendment is not adequate to make that a condition, I should be very glad to add the words to the amendment.

Mr. SCHWELLENBACH. The act of 1917 defines persons of good moral character, and I assumed that in leaving that expression out it was with the idea that it was defined in the 1917 act.

Mr. AUSTIN. No.

Mr. SCHWELLENBACH. But I am not so sure that the act defines them sufficiently to meet the requirements we desire in the proposed legislation. The Senator would have no objection to the inclusion of those words?

Mr. AUSTIN. I have no objection to it.

Mr. SCHWELLENBACH. There is another point, if I may ask another question.

Mr. AUSTIN. Certainly.

Mr. SCHWELLENBACH. As I understand, with the amendment the Senator proposes, the only change would be as to those aliens who have been in this country and who temporarily leave the country and return, and who, because of the fact that they have some disease—it may be tuberculosis or it may be a loathesome or social disease—are not able to enter. The provision of the amendment is, "without an immigration visa or a record of admission for permanent residence." Would that include all of the illegal entries into the United States?

Mr. AUSTIN. That was intended.

Mr. SCHWELLENBACH. So that the only effect of the Senator's amendment, as changing the committee amendment, is in those cases where aliens who have been in the country, who may have been here for 20 years, go to Canada on a temporary visit, let us say, and return. They have come in legally so far as the provisions of the act of 1917 provided at the time they came in; there were no restrictions at that time; but they come back, and they may have some disease at the time they enter, or it may be that within the period of 5 years from the time of their second entry they become public charges. Am I correct in construing the Senator's amendment to mean that those cases are the ones eliminated by his amendment, which are not eliminated by the bill as it was introduced?

Mr. AUSTIN. No, Mr. President, not if I understand my own amendment. Let me state the difference. There are all sorts of crimes which cannot be described as involving moral turpitude, or as acts of those coming within the classes of prostitutes, procurers, and other like immoral persons. I remember the question the Senator from Washington raised in the committee about those crimes, and whether they were large in number or not, and whether they were serious in nature.

As the result of that I undertook a rather hasty search of the statutes, Federal and State, on the subject, and I nearly exhausted myself without getting to the end of it. They are extremely numerous. I have here four sheets containing lists of such crimes, just noted, without description. They include racketeering, extortion, breaches of numerous laws relating to public health, social relations, labor, education, public peace and safety, and, generally, the administration of government. That is a mere characterization of them, but they are exceedingly numerous, and they include very serious offenses.

If my amendment, or one similar to it, were not adopted, a man or a woman could be guilty of those offenses, provided he or she were not guilty of being a prostitute, a procurer, or other like immoral person, and still be entitled to the clemency of section 3. So the amendment I propose is designed to put them all together, and make any alien who is a criminal subject to deportation.

Mr. SCHWELLENBACH. The Senator means aliens who have been guilty of these crimes since their entry into the United States?

Mr. AUSTIN. No; not quite that. It includes also the exclusion feature, which provides that if a person admits that he has within 5 years been guilty of a crime, and so forth. The Senator remembers that. It brings all criminals within its grasp, just as the present law does, and no differently, for that matter. It is preventive in its nature; we might say prophylactic in its nature. It undertakes to stop the opening of the door in behalf of criminal classes and to permit the opening of the door of discretion in behalf of noncriminals. If it does not accomplish that purpose, it certainly should go back to the committee and be worked over until it does. It is not easy to amend the bill to accomplish that purpose.

Mr. SCHWELLENBACH. The Senator will concede that the committee did have many meetings and discussions about it.

Mr. AUSTIN. Oh, yes; and worked hard and was very fair and open-minded.

Mr. SCHWELLENBACH. If proposed legislation is desirable legislation, it is hardly fair, when a bill comes up on the floor, to propose a new amendment. I want to say that, from my understanding of the point of view of the committee, if the Senator's amendment means what he thinks it means, I do not believe there is any objection on the part of the committee to the adoption of such an amendment.

Mr. AUSTIN. I thought that might be possible. The Senator remembers, however, that we had difficulty in keeping the bill out of the Senate, and that it was only by close chance that we secured another hearing on the bill, and immediately afterward it was reported to the Senate.

I am not accusing anyone of unfair treatment. On the contrary, I said I thought the committee treated these proposals or amendments very fairly and candidly, and worked very hard on them; and it was my thought that if

the committee had had before it my amendment in its entirety, the committee might have adopted the amendment. It did not occur to me until after the discussion in the committee when certain suggestions were made, including suggestions by the Senator from Washington, that the amendment could be made acceptable by adding to it the words I have mentioned.

So it happens that the amendment comes to the Senate floor in different form than it appeared in the committee. However, I must not be charged with delinquency with respect to the amendment when I brought it before the committee.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield for another question?

Mr. AUSTIN. I yield.

Mr. SCHWELLENBACH. Let us assume that the amendment which the Senator proposes provides for the mandatory deportation of persons who make temporary visits out of the country and then return. The Commissioner has before him cases involving persons who had been here for years, and who went across the line into Canada for an afternoon picnic, and then came back. Very definite hardships will ensue as the result of such situations. Does the Senator object to such change in his amendment as would take care of cases of that sort?

Mr. AUSTIN. Not at all, if it may be done without making an opening of which advantage may be taken in the nature of practically a new immigration act. I shall be glad to work on that. I live on the Canada line. In fact, I was born in the last town north, right on the forty-fifth parallel of latitude, and I know the hardships which exist; and I am as much for the protection of innocent men and women who have come into this country, and have nothing at all against them except illegal entry, as is any man in the Senate. I cannot be outdone in interest in that respect, and I am willing to work with the committee and try to fix up the law so as to take care of honest, innocent hardship cases.

I desire to conclude, however, before dropping section 2. My interpretation of paragraph (2) of section 1 is that it purports to increase the class of deportable aliens convicted of crimes involving moral turpitude by including those convicted but not sentenced to imprisonment. But in connection therewith, power which does not now exist is granted to the Commissioner of Immigration and Naturalization to coddle criminals of all classes.

Section 1 (2) and section 2 weaken the present law by extending the discretion from crimes involving moral turpitude to all crimes and all convicts. Section 2 also grants further leniency to the convict by extending from 30 days to 90 days the time in which the convict may secure from a judge or court before whom he was convicted a recommendation that the convict be not deported.

I should discuss section 4 more at length if the circumstances were not just what they are; but I shall be content with the statement that in effect a new method of immigration is created by means of the change of status of nonimmigrant or student to nonquota immigrant. This tends to relax the restrictive features of the immigration laws.

My amendment to the amendment is intended to give relief to aliens in hardship cases where they are not criminals, save only in respect of having entered or being found in the United States without an immigration visa or a record of admission for permanent residence. If adopted, the amendment should guard against the separation from their families of aliens of the noncriminal classes, which is the declared purpose of the bill; and I am for the purpose of the bill.

I shall vote to recommit if a vote is taken here; but a suggestion has come to me from the Senator from Massachusetts [Mr. COOLIDGE], who is in charge of the bill, with which I am perfectly willing to join, and that is to let this matter go before the committee, not under an order of recommittal, and let the committee consider it more fully. If that is parliamentary and may be done, I am perfectly willing to join in that informal action, so that the bill may not lose its position.

Mr. ROBINSON. Mr. President, I had hoped that this measure might be brought to a conclusion this afternoon; but I understand a number of Senators expect to speak before a vote may be taken. Therefore I believe, unless the Senator from Rhode Island wishes to make his speech this evening——

Mr. METCALF. Mr. President, my speech will be very short. It will take but a few minutes.

Mr. COOLIDGE. Mr. President, I suggested in a very informal way to the Senator from Vermont that if the bill was likely to remain before the Senate for some time it might be a good idea to call a meeting of the committee so that we might decide whether or not we could agree to his amendment without recommitting the bill, leaving the bill just where it is now. I do not know why that might not be done in the committee.

Mr. ROBINSON. Mr. President, what is the suggestion of the Senator from Massachusetts?

Mr. COOLIDGE. Instead of recommitting the bill I suggested to the Senator from Vermont that we leave the bill just as it is while it is under discussion in the Senate, and stated that I would call a meeting of the committee, at which we could consider his amendment. I have the record of the meeting of our committee on March 28; and, except for the Senator from Vermont, the vote in regard to this measure was unanimous. The Senator from Vermont could not vote for the bill because he had an amendment which he was offering.

Mr. ROBINSON. Mr. President, of course, if the bill shall not be disposed of this afternoon—and I do not see now that there is any prospect of that being done—Senators may take whatever course they choose. It is my expectation to move a recess until 12 o'clock tomorrow, when the Senator from Rhode Island shall have finished his remarks, unless Senators think the pending measure may be concluded this afternoon.

Mr. COOLIDGE. The Senator from Utah [Mr. KING], an important member of the committee, is not here. He is very much interested in the bill.

Mr. ROBINSON. I am perfectly certain the bill cannot be disposed of this afternoon.

Mr. COOLIDGE. I am also.

Mr. ROBINSON. During the recess of the Senate the Senator may take whatever course he pleases in regard to convening his committee.

Mr. COPELAND. Mr. President, we are considering the enactment of a law which would deport aliens who, under existing statutes, entered this country illegally. The committee have studied the problem and agreed to the form of the bill. I cannot see that any good purpose would be served by recommitting it for further study. That question, of course, will be decided by the Senate.

In the meantime, may I remind Senators of what will happen if no bill is enacted into law? It will mean the immediate deportation of thousands of aliens, many of whom have dependents, and many of those dependents should not be sent away from the country.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. COPELAND. Certainly.

Mr. AUSTIN. Is not the Senator from New York aware that the Commissioner testified that approximately 90 percent of those cases contained in the number 2,860 were free from any crime at all; and if that is so, does not the Senator admit that, with the amendment adopted, all of those who have no crime attached to their records would come within the clemency granted by section 3?

Mr. COPELAND. I assume from what the Senator says that he favors that?

Mr. AUSTIN. Yes; I favor that idea.

Mr. COPELAND. Very well. We will hope that very soon there may be worked out some compromise or agreement that will prevent the injustices and the cruelties sure to follow if such deportations take place. Now permit me for a moment to proceed.

Under ordinary circumstances an alien who violates the laws of the United States should be treated as any other violator of our laws. Even deportation, under ordinary circumstances, would be a mild punishment. The lawbreaker would be sent back to the land of his birth.

But these are not the days of ordinary circumstances. The conditions in the countries from which most of these aliens came to find refuge here, illegal refuge perhaps, have changed enormously since the days when they left their native land, and they have changed rapidly. By sending them back we would not be sending them to the country which they left. Each would find that his own country has changed.

These aliens came mostly from Russia and Germany. They came not only to escape persecution but they were animated by the first instinct which God has implanted in man, that of self-preservation.

The changes which have taken place in the countries over there not only violate every principle of our form of government but are abhorrent to every man of good will, every lover of liberty, of fair play, every human being who possesses a spark of decency.

I do not want to feel that I am talking merely to Senators. I am talking to clean and decent human beings wherever they may live.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. REYNOLDS. With particular reference to the point the Senator has just mentioned, that governmental and political changes have been taking place in the past several years, particularly in the countries of continental Europe—and I refer to Italy, Germany, and France, as well as to Russia—does the Senator think America's gates should be open to all the political refugees or religious refugees and to all the peoples of the world who are dissatisfied with the form of government under which they are now living abroad?

Mr. COPELAND. No; I think it would be impossible and doubtless improper to open the gates so widely as the Senator suggests; but I wish to say just a few words along the line we are now considering because my heart goes out to the people of different races from my own and different religions from my own who are being persecuted abroad. Just what we are going to do about it, I cannot say. I know the Senator from North Carolina has given serious thought to it; I know he is worried about it; but it is a problem concerning which there should be discussion and consideration throughout the civilized world.

Mr. REYNOLDS. Mr. President, will the Senator yield further?

Mr. COPELAND. I yield.

Mr. REYNOLDS. Does the Senator mean that, in his opinion, all peoples all over the world, assuming that they are prosecuted and persecuted, should be admitted here, and that the Senator would be willing to open up the gates of America to all the peoples of all the countries of the world who are being prosecuted or persecuted?

Mr. COPELAND. No; I would not do that. The first responsibility we have in this country is to our own. I should like, however, to say a word, if I may, to make it clear to certain men on the other side of the world that the Senate of the United States disapproves their actions and the revolutionary ideas they are trying to put into effect.

I am not seeking for a moment to open our gates when we have unemployment and distress beyond our capabilities of relieving it. When we speak of the particular group dealt with in the proposed legislation, however, I think we should temper justice with mercy and certainly not do those things that would make for their destruction, but go as far as we can in relieving their distress and at the same time, as I view the matter, not impose upon ourselves any great burden of added responsibility.

I repeat that in countries across the seas changes have taken place which not only violate every principle of our form of government but are abhorrent to every man of good will, every lover of liberty and of fair play, and every human being who possesses a spark of decency. I am merely stating what all of us know—that the Soviet Government has abolished the rights of honest property owners and is striving to spread communism throughout all the world. Those of their own citizens whom we would send back to them would be crushed.

Germany has outraged the sensibilities of the world. In her struggle to regain her former status—in which so many of us sympathized—she chose the unfortunate course of persecuting helpless minorities. I was one of the first in America to say "the war is over; let us have peace."

But I referred to another Germany. That country has stifled free speech and a free press. She has debauched the home by setting up new standards of religion and of conduct. She has crushed all labor organizations. She has emasculated her great universities by expelling teachers who did not agree with her policy. She has transferred all the attributes of God to her political leader.

To force any unfortunate refugee to return to such a country would be an act of inhuman cruelty. It would mean sending him back to a torture unparalelled since the days of the Inquisition.

My heart has gone out to troubled, harassed Germany, and to my many friends in the United States who come from German stock. I know they are unhappy over the present situation. But no true friend of old Germany, and of those who sprang from that land of kindliness and good cheer, can fail to face an unpleasant truth.

Of the Jews, my friend Edwin Markham said in his poem A Cry for Brotherhood:

Through all these years this people carried chains;
Had dark Assyrias and darker Spains.
They were the tribes of sorrow who were fed
From wells of hate and exile's bitter bread.
They built the tombs of Pharaohs in old years,
Mixing the bricks with tears.
They built but had no houses of their own;
Tyre heard their dirge, and Babylon their moan.
And now in Germany we see again
The old, hard hand laid on these women and men;
And yet this wonderous race has given birth
To genius and a glory on the earth.

Out of this people came
The Book of Books, and many a glorious name—
Moses, who stood once in the holy place,
And gazed upon Jehovah, face to face;
Then, standing on the cliffs of Sinai,
He heard the wisdom of the upper sky.
And handed down the Decalogue to be
A law for men on every land and sea.
It was a wisdom-word
That centuries and continents have heard;
And never a man of earth has added to it—
This wonder-wisdom from the Infinite.

Yes; from the trembling lips of many a seer
The whole wide world has heard, and still can hear,
The Psalms, the Torah, and the Talmud speak,
Protection for the plundered and the weak.
Shall not this race whose gifts have been so great,
Have some protection from the tooth of hate?
They have not yet their safe place in the sun,
They who knew Egypt, who knew Babylon.

Protest this cruel wrong
In thunders of the sermon and the song.
Let cries go forth in shrill tempestous note!
As if they rose from tempest's roaring throat.
Let there be thunders in the world; let be
A protest that will shake the ruler's knee.
Let there be protest till the happy hour
When Justice shall unclothe her arm of power.

Let there be thunders in the world—yes, more;
Let there be Brotherhood in every shore.
Let all men rise into the higher place,
Where they can see God's face in every face.
Let there be Brotherhood; let this long cry
Be heard on earth and under every sky!

During the delivery of Mr. COPELAND'S speech——

Mr. REYNOLDS. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from North Carolina?

Mr. COPELAND. I yield.

Mr. REYNOLDS. I wish respectfully to call the attention of the Senator from New York to the fact that we are not

especially interested in the 2,862 cases wherein deportation is being suspended, but I respectfully direct the attention of the Senator to the fact that under the pending bill an interdepartmental committee is set up which would have the right to pass upon the deportation or nondeportation of any number of aliens who might be apprehended in this country within the next 3 years, because it is my understanding that the life of the interdepartmental committee is extended for a period of 3 years.

Mr. KING. Mr. President, will the Senator yield?

Mr. COPELAND. I yield to the Senator from Utah.

Mr. KING. I think my good friend from North Carolina, who wishes to be accurate and usually is accurate, misconceives the power and authority of the interdepartmental committee. The committee is provided for only because some persons objected to the Secretary of Labor alone acting upon these matters, as under the law the Secretary is compelled to act; and it was suggested by persons who are influenced in part by the philosophy which guides the Senator from North Carolina that perhaps it would be a little better to have two other members of the Department placed upon the interdepartmental committee, so that the discretion would not be left exclusively to one person. If the provision for the interdepartmental committee should be stricken out, the matter would be left entirely with the Secretary of Labor; and it seems to me, with the Senator's philosophy, that he ought to welcome that provision, because it would tighen rather than liberalize the laws with respect to deportation.

Mr. REYNOLDS. Mr. President, if the Senator from New York will yield to me sufficient time to answer the Senator from Utah, I am very happy that the Senator from Utah has called my attention to the fact that the creation of the interdepartmental committee was suggested for the reason that it was desired not to have one individual or one department pass upon these cases. Therefore I argue that the others did not wish to have the Department of Labor exclusively pass upon the cases for the reason that they recognized that it is not capable of doing so.

In further reference to that matter, Mr. President, I believe the Commissioner of Immigration and Naturalization has unquestionably demonstrated to this body that he is not the right person to handle this matter, because he has taken upon himself the authority and the responsibility of holding in this country 2,862 persons who under our present law are mandatorily deportable.

Mr. KING. Mr. President, will the Senator from New York yield to me for a moment?

Mr. COPELAND. I yield.

Mr. KING. I am sure the Senator from North Carolina does not wish to be unfair to the Commissioner of Immigration and Naturalization, who, in my opinion, is one of the outstanding men in the public service. The withholding of deportation with respect to a number of persons was pursuant to a resolution adopted by the House; and I may say that notwithstanding that resolution they are being deported daily. Hundreds of persons have been deported during the past year, and in the case of some of them I am sure that if the Senator from North Carolina had been put in the position of determining the matter, because of his humanitarian impulses he would have said they ought not to have been deported.

Mr. REYNOLDS. Mr. President, if the Senator from New York will yield further until I may answer the Senator from Utah, the O'Day resolution, which was introduced in the House last year, called for laying aside, so to speak, the mandatory features of the deportation law for a period of 1 year, which, according to my recollection, expired on March 1. That time having expired, there is no authority under law, resolution, or otherwise to keep in this country those 2,862 persons, and every day they have remained here they have remained in violation of the law, because the law says they must be deported.

The O'Day resolution, which was adopted by the House, of course, had no legal effect. It never was brought to our attention here. The operation of a law cannot be nullified or suspended by the adoption of a mere resolution. We have done so many things by resolution that many persons probably think laws may be made by resolution and suspended by resolution; but at the time that resolution was adopted only about 2,000 persons came within its terms. Since that time the number has been added to; and I contend that under the resolution the authorities had no legal right to hold here anybody other than those on the list at the time the resolution was passed.

Mr. President, I desire to take this opportunity to apologize to my good friend from New York for interrupting him, particularly since I wish to compliment the Senator from New York.

Mr. COPELAND. I thank the Senator.

After the conclusion of Mr. COPELAND's speech—

TUBERCULOSIS HOSPITALS AND THEIR OPERATION

Mr. ROBINSON. Mr. President, yesterday I introduced Senate bill 4516, relating to tuberculosis hospitals and their operation. There has been prepared by the committee of the Southern Tuberculosis Conference an interesting and instructive statement on the subject matter of the bill, and I ask that the statement, together with the accompanying tables, be printed in the RECORD, as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement and tables were ordered to be printed in the RECORD, as follows:

THE NEED OF ADDITIONAL SANATORIUM BEDS IN TUBERCULOSIS WORK

Tuberculosis is no respecter of persons. It invades all classes of society, but its devastating and demoralizing effect is most evident in the homes of families in moderate circumstances and below.

According to the figures given by the Department of Commerce, Bureau of the Census, August 30, 1935, tuberculosis in 1934 caused 48.4 percent of all deaths from infectious and parasitic diseases. In other words, it killed nearly as many persons as all this class of diseases combined. It cost 71,609 lives and had a mortality 15 times as great as diphtheria and 84 times that of infantile paralysis. Among babies under 1 year of age the tuberculosis death rate is about 45 per 100,000—higher than that for diphtheria, scarlet fever, or mumps. It ranks seventh among the causes of death of all ages, being exceeded by heart disease, pneumonia, cancer, nephritis, cerebral hemorrhage, and accidents, but first in the productive ages 15 to 45. Sixty-seven percent of all deaths from tuberculosis occurs in this age group, whereas these other causes, with the exception of accidents, are largely fatalities of middle life and old age.

A recent study of deaths, by occupations, based on data of the United States Census Bureau, showed that tuberculosis is the second cause of death among men aged 15 to 64 in the United States, and also the second cause of death among gainfully occupied men in the same group. The rate fluctuates widely from a low of 20.3 per 100,000 among lawyers and judges to a tenfold high of 238.6 among factory and building-construction laborers. Porters in domestic and personal service have a tuberculosis death rate above 600. In Negroes the national rate is 3.6 times the white, in Florida 4.2 times the white, and in certain urban areas it reaches 6 times the white. The Negro migration during the war period has greatly intensified the problem in urban centers of the North.

Tuberculosis cost the United States more than forty-three millions in 1932 for service compensation alone. From 1923 to 1932 the Government paid out $400,090,756 in compensation to World War veterans sick with this disease. The sum is one-third the total amount paid for compensation and does not include hospitalization.

Pneumonia runs its course in 9 days, typhoid in about 3 weeks. The average length of disability from tuberculosis is 2½ years, during much of which the wage earner suffers total loss of income. Sick people are not producers of wealth or sources of taxation but are a burden to the family or the community. As a usual result, regardless of the termination of the disease in the patient, family finances are wrecked and only too often the home is broken by death or poverty. Tuberculosis has been well called the maker of orphans. The Metropolitan Life Insurance Co. estimates that for each death from tuberculosis there are two children either totally or partially orphaned. Since broken homes are reckoned as one of the most prolific causes of delinquency, much crime may be safely charged to this plague.

That tuberculosis can be controlled is shown by the fact that in the 35 years since the fight on it began the death rate has dropped from 200 per 100,000 in 1900 to 59.5 in 1933. From the beginning the importance of segregation and treatment was recognized, and the sanatorium was the hub of the program. With the advance in methods of treatment and wider use of surgery, the sanatorium has become increasingly important. It fills a threefold place in the picture—preventing the spread by segregation, affording scientific treatment, and training the patients so that they become home missionaries on the cure and prevention of the disease. Cases that can have early hospitalization have a far better chance of recovery and infect fewer persons than advanced cases. Where sanatorium provision has been

adequate the best results have been obtained. A case in point is the city of Detroit where within the last few years two beds per death have been provided, with the result that patients are seldom on the waiting list very long, their stay in the sanatorium is much shortened, and the death rate has diminished with consequent increased value to the taxpayer who gets more for his money and to the city a greater social benefit.

In 1934 there were 73,615 sanatorium beds for the tuberculous in this country, exclusive of those in Federal and penal institutions and hospitals for the insane. Exhibit A shows sanatorium provision, by States. The goal set some years ago by the National Tuberculosis Association as a working minimum for each State was one bed per death. Twenty-one States have reached that goal and several exceed two beds per death.

In some States, however, sanatorium provision is notoriously inadequate, and the tuberculous sick constitute a serious economic problem. Arizona, with the highest rate in the Nation, 225 per 100,000, suffers from an influx of indigent invalids for whom she is entirely unable to care. The South, with 74.1 percent of the Negro population and a per-capita wealth of approximately $1,785 as compared to $3,609 for the rest of the Nation, has made provision for its whites which compares not unfavorably with other sections but has been unable to carry the load of its dependent Negro group. It is not likely that many of these States will make great headway with this problem without Federal help. With the sanatorium the crux of the tuberculosis control, tuberculosis promises to be a long story with the Negro race unless the Federal Government steps in.

The Federal Government has already recognized its responsibility for assisting the States in the control of communicable diseases. Tuberculosis is a recognized article of interstate commerce. The United States Public Health Service has had long practice in working with State health departments, and the channels are already open through which expansion of its activities may move into the sanatorium field. In many States existing properties might be acquired by purchase or lease. Plants already existing need only additional wards. Beds in general hospitals may be procured as well as vacant beds in private sanatoria. New plants can be built and equipped at a cost of $2,500 per bed throughout the South and $3,500 in the rest of the Nation. Exhibit "A" shows the needs of the various States, and exhibit "B" of the southern group, where it will be noted the greatest dearth of beds in the entire Nation lies among the Negroes of the South, where on the basis of bringing each State's quota up to one bed per death, three-fifths of the suggested provision would ultimately fall.

In a talk before the New York Tuberculosis and Health Association and associated agencies in New York on February 25, Dr. Thomas Parran, Jr., State commissioner of health and president-elect of the American Public Health Association, made this significant statement:

"The greatest need for health action is where the greatest saving of life can be made. First, I would place tuberculosis. The tremendous decline in tuberculosis in New York State from 173 per 100,000 population in 1905 to less than 50 in 1935 should not obscure the fact that it is still the leading cause of death in the 20 to 40 age group. Our slogan used to read, 'Tuberculosis is preventable; tuberculosis is curable.' I maintain that it may now be amended to read, 'Tuberculosis can be wiped out in our State and Nation.'"

Figures given in this brief can be supported by United States census and public-health records and studies of scientists associated with the National Tuberculosis Association.

Submitted by: Committee of Southern Tuberculosis Conference; Erle Chambers, executive secretary, Arkansas Tuberculosis Association, chairman; J. P. Kranz, secretary, Southern Tuberculosis Conference; Dr. Elva Wright, president, Southern Tuberculosis Conference; Mrs. John M. McBryde, executive secretary, Louisiana Tuberculosis and Health Association; Dr. L. J. Moorman, director, Oklahoma Tuberculosis Association; Dr. J. W. E. Beck, director, Texas Tuberculosis Association.

EXHIBIT A

Estimated cost of establishment and maintenance of additional beds for tuberculosis cases (December 1935)

State	Number beds, excluding Federal and penal institutions and hospitals for insane, 1934	Number deaths from all forms of tuberculosis, 1934	Shortage (−) or excess (+) of beds over deaths	Establishment cost of additional beds, at $3,300 per bed	Annual maintenance cost, at $910 per patient
United States	73,615	71,609	+2,006		
Alabama	256	1,768	−1,512	$4,989,600	$1,375,920
Arizona	558	1,055	−497	1,640,100	452,270
Arkansas	605	1,059	−454	1,498,200	413,140
California	5,671	4,614	+1,057		
Colorado	2,139	819	+1,320		
Connecticut	1,782	734	+1,048		
Delaware	159	157	+2		
District of Columbia	339	612	−273	900,900	248,430
Florida	259	953	−694	2,290,200	631,540
Georgia	675	1,784	−1,109	$3,659,700	$1,009,190
Idaho	39	147	−108	356,400	98,280
Illinois	4,274	4,134	+140		
Indiana	1,298	1,796	−498	1,643,400	453,180
Iowa	691	620	+71		
Kansas	388	519	−131	432,300	119,210
Kentucky	670	2,092	−1,422	4,692,600	1,294,020
Louisiana	671	1,523	−852	2,811,600	775,320
Maine	526	303	+223		
Maryland	1,340	1,331	+9		
Massachusetts	4,410	2,108	+2,302		
Michigan	4,630	2,225	+2,405		
Minnesota	2,321	927	+1,394		
Mississippi	574	1,239	−665	2,194,500	605,150
Missouri	1,660	2,211	−551	1,818,300	501,410
Montana	156	265	−109	359,700	99,190
Nebraska	285	304	−19	62,700	17,290
Nevada	8	89	−81	267,300	73,710
New Hampshire	210	167	+43		
New Jersey	3,301	2,216	+1,085		
New Mexico	706	559	+147		
New York	11,368	7,598	+3,770		
North Carolina	1,418	2,158	−740	2,442,000	673,400
North Dakota	243	171	+72		
Ohio	3,703	3,519	+184		
Oklahoma	634	1,162	−528	1,742,400	480,480
Oregon	518	357	+161		
Pennsylvania	5,260	4,976	+284		
Rhode Island	627	313	+314		
South Carolina	653	1,112	−459	1,514,700	417,690
South Dakota	192	250	−58	191,400	52,780
Tennessee	1,171	2,457	−1,286	4,243,800	1,170,260
Texas	2,010	4,020	−2,010	6,633,000	1,829,100
Utah	48	110	−62	204,600	56,420
Vermont	164	190	−26	85,800	23,660
Virginia	1,214	1,949	−735	2,425,500	668,850
Washington	910	765	+145		
West Virginia	782	985	−203	669,900	184,730
Wisconsin	2,066	1,144	+922		
Wyoming	33	43	−10	33,000	9,100
Total for 27 States with shortage of beds			−15,092	49,803,600	13,733,720

EXHIBIT B

ESTIMATE OF COST OF CONSTRUCTION AND EQUIPMENT ON THE BASIS OF SUPPLYING ENOUGH BEDS TO BRING EACH STATE'S QUOTA TO ONE PER DEATH

Beds needed in 13 Southern States

Alabama	1,512	
Arkansas	454	
Florida	694	
Georgia	1,109	
Kentucky	1,422	
Louisiana	852	
Mississippi	665	
North Carolina	740	
Oklahoma	528	
South Carolina	459	
Tennesee	1,286	
Texas	2,010	
Virginia	735	
	12,466	
At $2,500		$31,165,000
Outside the South, 2,625 at $3,300		8,665,800
		39,830,800
Annual maximum maintenance cost $2.50 per day		13,801,634
If Federal Government agrees to pay 50 percent of maintenance, not to exceed $1.25 per day, Federal Government's part annually		6,900,817

If the State is required to match Federal maintenance, this figure will probably be kept lower, particularly for beds in the South.

No amount is figured for administrative expense in the Surgeon General's office, as committee has no means of estimating cost.

POSITION OF UNITED STATES IN WORLD COMMERCE

Mr. METCALF. Mr. President, before I begin my remarks relating to the subject I have in mind, I ask to have printed in the RECORD, as a part of my remarks, an article published in the Journal of Commerce of New York, April

21, 1936, entitled "U. S. Held Concerned on Loss of Position in World Commerce."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Journal of Commerce of Apr. 21, 1936]

UNITED STATES HELD CONCERNED ON LOSS OF POSITION IN WORLD COMMERCE—BELIEF IS BASED ON DELAY OF MARCH REPORT OUTLINING INTERNATIONAL PAYMENTS—CABINET MEMBERS PLAN TO CONSULT ROOSEVELT—HULL PROTESTS PEEK PROGRAM VESTING CONTROL OF TRADE IN NEW GOVERNMENT AUTHORITY

By Clarence L. Linz

WASHINGTON, April 20.—The annual balance-of-payments study of the United States, said to disclose that this country has lost its position as the world's great creditor nation and is on the verge of again being a debtor country, as yet unpublished by the Department of Commerce, is causing some apprehension to the administration, it is reported.

Ordinarily the Department of Commerce issues its report upon the balance of international payments early in March. In the formulation of the report this year, it is rumored, there entered several factors contradictory of the New Deal contentions, so that it was deemed best by President Roosevelt's advisers, including Secretary of Commerce Roper, Secretary of the Treasury Morgenthau, and Secretary of Agriculture Wallace, that the Chief Executive be apprised of the situation.

PLAN TO SEE PRESIDENT

They had hoped to discuss the matter with Mr. Roosevelt before he went on his recent fishing vacation and now find they cannot get to him with their problem before some time next week at the earliest.

It has been the standard argument of economists that, because of America's position as the world's greatest creditor nation, that the exorbitant rates of the infamous Hawley-Smoot tariff law must be reduced to facilitate the entry of foreign goods and to bring our balance to even level.

Today letters were made public from Secretary of State Hull in opposition to such legislation, characterizing it as carrying out the viewpoint of Mr. Peek and unnecessary in view of the present set-up in the administration for dealing with foreign-trade policy.

It was in 1934 that Peek discussed the desirability of unifying foreign-trade activities of the Government which, he contended, is spread over 50 or more independent jurisdictions. Later when Senator SHEPPARD introduced his bill the suggestion was given the indorsement of the National Foreign Trade Council.

"The purpose of such a law, as stated in sections 2 and 3", wrote President E. P. Thomas, "will accomplish the very desirable purpose of assisting in the coordination of the functions and practices of the large number of governmental bureaus concerned with our foreign trade and aid in the formulation of foreign-trade policies which should be of assistance in the furtherance of our export and import commerce.

"While time has not permitted, since introduction of your bill, obtaining full consideration by foreign-trade organizations, we regard it as highly essential that a foreign-trade board be constituted, empowered, and capable of accomplishing the objectives outlined, irrespective of what may be deemed the suitable personnel of a permanent board to make it fully representative of all the agencies of the Government which now has numerous and varied problems under their separate jurisdictions, requiring essential coordination and cooperation, without foreign-trade interests."

SECRETARY ELABORATES VIEWS

Secretary Hull declared that from the statement of the number of Government agencies interested in the subject "it would appear that a high degree of confusion exists in this list, since no attempt is made to discriminate between subordinate organizations having incidental knowledge or administrative functions in connection with foreign commerce and those Cabinet executives who are responsible for and with the President share our national policy in the expansion of our foreign commerce."

He asserted that a very erroneous picture of the situation had been presented; that the actual governmental organizations having the duty and power to shape policies in this field are few, and they are represented upon the executive committee on commercial policy.

Through that committee, said Mr. Hull, they are in active consultation with each other, and in that committee a satisfactory procedure of consultation has been developed. This, he added, is an adequate agency for effecting the purposes of the bill, "and may be trusted to continue to develop that work." The membership of the committee includes the Departments of State, Treasury, Agriculture, and Commerce; Tariff Commission and Agricultural Adjustment Administration.

CENTRALIZATION OF FUNCTIONS

He averred that there has been centralized in the hands of one agency supervision of all governmental activities affecting our export and import trade and through exchanges of views coordinating the policy between the various departments and agencies. The committee serves as a channel for the discussion of new and pressing problems in the field of commercial policy and recommends action to the appropriate agencies. For example, Hull said, the committee has concerned itself with problems arising out of the competition in the United States of certain commodities imported from Japan and has recommended means of dealing with those problems.

Mr. METCALF. Mr. President, the 19,000 workers in the lace mills are very much alarmed over the prospect of being added to the already large army of unemployed by the inability of their employers to continue in business in face of foreign competition.

There is on the point of consummation a reciprocal trade agreement with France. While Secretary of State Hull declines to make known his intentions in respect of rate reductions in favor of that country, French officials are said to be less secretive and to have informed their people of their success in opening the way for the marked-downward revision of the lace tariff.

These lace manufacturers and workers in my State have been joined by others in other States in appealing to Senators for aid in preventing this happening. It is a sad commentary upon the constitutionally guaranteed independence of the legislative body to have to confess that while the parliaments of other lands have the right of review over such treaty-making powers of their governments, we have surrendered such a right to the executive branch of the Government.

We, who are the direct representatives of the people, are denied a voice in determining such vital policies as the protection of our constituencies, and forced to submit them to the dictates of men who seemingly, by temperament and training, are not particularly well equipped for the duties they are assuming.

With millions roaming the streets looking for work, the question arises whether one is seeking recovery for the United States or for foreign nations.

Secretary Roper's Department of Commerce announces that in March United States exports increased about $14,500,000 over the preceding 29-day month of February, while imports were a little less than $7,500,000 above February.

His report showed that for the first time in 10 years February and March imports were greater than exports. Now, about $4,500,000 of the increase in March over February exports is due to increased sales of unmanufactured cotton—this in the list of commodities subject to seasonal influences. In contrast with this is the statement that the increase in imports for consumption was due chiefly to larger imports of sugar, textiles, hides, skins, furs, paper base stocks, and newsprint.

An analysis of the Department of Commerce figures would seem to me to warrant the apprehension of our mill workers. The textile industry has suffered the loss of a needed portion of their home market through the uncontrolled entry into the United States of Japanese textiles. Now comes the threat of more competition from France, not only in laces, but all kinds of so-called Paris manufactures.

My constituents assuredly have before them the question of whether the underlying policies, based on the theories so often expounded by Secretary of State Hull, are in fact sound and whether the Government reports, even prepared with a view to painting the brightest kind of a picture to support that official, will not show it all to be a veritable dream picture ultimating in a break-down of our economy, when it is too late for even a New Deal magician to put the parts together again.

The New York Journal of Commerce reports "U. S. held concerned on loss of position in world commerce", the headlines of the article by its Washington correspondent adding that the "belief is based on delay of March report outlining international payments." This story alludes to the contest between Secretary Hull and George N. Peek, who for a long time was the special adviser to President Roosevelt on foreign trade, over their respective viewpoints as to how to deal with our trade situation, Mr. Peek approaching the matter from a practical standpoint gained through years of actual business experience.

It relates also to our lace situation, and the article continuing in its analysis of the situation shows the efforts being made by Mr. Hull to be dictator of our trade policies. I

have protested the rumored reduction in the tariff on French lace and have been informed by Secretary Hull that "thoughtful study in connection with the negotiation of trade agreements with foreign countries" is being made. I am afraid that most of this "thoughtful study" is carried on by foreign diplomats and the result will be further loss of our export market and increased unemployment.

THE AIR CORPS

Mr. SHEPPARD. Mr. President, I wish to move to recommit for further study a bill recently reported by the Senate Committee on Military Affairs. I refer to Senate bill 4309 to increase the efficiency of the Air Corps Reserve. I also move that a similar bill which has come over from the House of Representatives, being House bill 11920, to increase the efficiency of the Air Corps, be referred to the Committee on Military Affairs.

The PRESIDING OFFICER. Is there objection?

Mr. AUSTIN. Mr. President, I feel bound to object if the motion is insisted upon. There are present on this side of the Chamber only the Senator from Maine [Mr. WHITE], the Senator from Pennsylvania [Mr. DAVIS], and myself. At this late hour I feel bound not to assent to a unanimous-consent agreement which undertakes to transact legislative business. I know that many Senators have left because it was the understanding that nothing else would be done except the taking of a recess after the debate on the pending business was concluded.

Mr. SHEPPARD. I withdraw the request.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. NEELY in the chair). The reports will be placed on the Executive Calendar.

NOMINATION OF WILLIAM H. STROUD—RECOMMITTAL

Mr. McKELLAR. Mr. President, at the request of the Senator from Alabama [Mr. BLACK], I ask unanimous consent that the nomination of William H. Stroud to be postmaster at Verbena, Ala., now on the Executive Calendar, be recommitted to the Committee on Post Offices and Post Roads.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

NOMINATION OF GLEN A. HENDERSON—RECOMMITTAL

Mr. McKELLAR. Likewise, at the request of the Post Office Department, I ask unanimous consent that the nomination of Glen A. Henderson to be postmaster at Houlton, Oreg., also on the Executive Calendar, be recommitted to the Committee on Post Offices and Post Roads.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will state the first nomination in order on the calendar.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of R. Henry Norweb, of Ohio, to be Envoy Extraordinary and Minister Plenipotentiary to Bolivia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Fay A. Des Portes, of South Carolina, to be Envoy Extraordinary and Minister Plenipotentiary to Guatemala.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Raymond E. Cox, of New York, to be consul general.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk proceeded to read sundry other nominations in the Diplomatic and Foreign Service.

Mr. ROBINSON. I ask unanimous consent that the remaining nominations in the Diplomatic and Foreign Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

PUBLIC WORKS ADMINISTRATION

The legislative clerk read the nomination of John L. M. Irby, of South Carolina, to be State director in South Carolina.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. Mr. President, with the exceptions of the nominations which have been recommitted, I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations, with the exceptions referred to, are confirmed en bloc. That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 20 minutes p. m.) the Senate took a recess until tomorrow, Thursday, April 23, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate, April 22 (legislative day of Feb. 24), 1936

DIPLOMATIC AND FOREIGN SERVICE

R. Henry Norweb to be envoy extraordinary and minister plenipotentiary to Bolivia.

Fay A. Des Portes to be envoy extraordinary and minister plenipotentiary to Guatemala.

Raymond E. Cox to be consul general.

J. Webb Benton to be consul.

Joseph F. Burt to be secretary in the Diplomatic Service.

Daniel M. Braddock to be secretary in the Diplomatic Service.

Ware Adams to be secretary in the Diplomatic Service.

William K. Ailshie to be secretary in the Diplomatic Service.

Ralph J. Blake to be secretary in the Diplomatic Service.

Claude B. Chiperfield to be secretary in the Diplomatic Service.

Albert E. Clattenburg, Jr., to be secretary in the Diplomatic Service.

Montgomery H. Colladay to be secretary in the Diplomatic Service.

William S. Farrell to be secretary in the Diplomatic Service.

R. Borden Reams to be secretary in the Diplomatic Service.

Arthur R. Ringwalt to be secretary in the Diplomatic Service.

William E. Scotten to be secretary in the Diplomatic Service.

Elvin Seibert to be secretary in the Diplomatic Service.

Llewellyn E. Thompson, Jr., to be secretary in the Diplomatic Service.

Milton Patterson Thompson to be secretary in the Diplomatic Service.

PUBLIC WORKS ADMINISTRATION

John L. M. Irby to be State director for the Public Works Administration in South Carolina.

POSTMASTERS

ALABAMA

Troy A. Phillips, Altoona.
Grace Ward, Brent.
William Lee English, Elba.
Sister Mary Teresa, Holy Trinity.
Ruth K. Bullard, Lockhart.
George B. Pickens, Moundville.
Lillian J. Arnold, Pisgah.
Marion R. Buckalew, Roanoke.
Cora A. Lee, Town Creek.
Velma F. Todd, Wilson Dam.
Gladys M. Bomar, Woodward.
Maggie Winningham, York.

CALIFORNIA

George M. Belles, Bloomington.
Ira H. Arbuckle, Clovis.
Mary B. Janeiro, Decoto.
Dwight E. Knapp, Garberville.
Lillie Evadell Chapman, Gerber.
Lillian G. Brackett, Geyserville.
William R. Bernard, Gonzales.
Clarence Taylor Manville, Lawndale.
Claude T. Gadwood, Los Molinos.
Rose C. Tarwater, Murrieta.
Delmo Bernard Badasci, Riverdale.
Cornelius D. Mangan, St. Mary's College.
Hazel E. Avise, Walnut Creek.
Harold E. Rous, Yucaipa.

COLORADO

John Bowman, Aspen.
Christella N. Funk, Calhan.
William Jacob Pings, Carbondale.
Vernon Peiffer, Cripple Creek.
Harry K. Balvin, Elizabeth.
Martin J. Dugan, Fleming.
Arthur S. Gustafson, Fort Lupton.
William M. Jones, Hugo.
James Fenolia, Louisville.
Charles Leonard Drage, Lyons.
Dacie S. Johnson, Mount Harris.
Wright O. Ball, Meeker.
James M. McLearn, Rifle.

GEORGIA

C. Leland Paris, Alpharetta.
Virginia E. Holder, Jefferson.
D. Alton Willis, Meigs.
Seaborn H. Coker, Sycamore.

HAWAII

Solomon Burke, Honokaa.

KANSAS

Anna Gradie DeBolt, Altoona.
Charles T. Hill, Arkansas City.
Peter D. Spellman, Beloit.
Anna L. Miller, Bushton.
James B. Searle, Cawker City.
Max Montgomery, Cedar Vale.
Virgil F. Young, Clearwater.
John E. Brogan, Coffeyville.
Ada S. George, Lebo.
Albert T. Campbell, Marion.
Selma E. Kaufman, Moundridge.
Thomas J. Cummings, Jr., Ottawa.
Helena W. Anderson, Peru.
Jay T. Hill, Wamego.
Thomas E. Van Meter, Winfield.

MAINE

Anna M. McCann, Bucksport.
Francis P. Foley, Winterport.
Harry Clair Miller, Winthrop.

MISSISSIPPI

Mills T. Williams, Durant.
James T. Skelton, Goodman.

NEBRASKA

Charles Hugh Miner, Red Cloud.
Albert E. Pratt, Tobias.

OHIO

Orville T. Castor, Arlington.
James M. McClure, Ashtabula.
Earl C. Hillyer, Atwater.
Albert P. Hahn, Baltic.
William P. Ziegler, Belle Center.
Mary Costigan, Berlin Heights.
Robert Waugh, Brilliant.
Jeanette Long, Brunswick.
Joseph W. Johnston, Coshocton.
Francis P. Hayes, Crestline.
Mary Ester Dunn, Cygnet.
William E. Haas, Delaware.
Ora DeVere Blizzard, Frazeysburg.
Mary J. Rosebraugh, Hebron.
Blanche L. Geiger, Lakeview.
Earl R. Leach, Lima.
Henry Beuchat, Louisville.
Herman C. Doellinger, Marysville.
Glen F. Carver, Mentor.
Roy C. Walker, Milan.
Ralph M. Connolly, Milford Center.
Fred C. Banister, New Richmond.
Nellie Y. Roberts, North Baltimore.
Irvin H. Menter, Pemberville.
Milton C. Hickman, Perry.
David K. De Long, Perrysville.
Cary B. Holycross, Plain City.
Estella Holter, Racine.
William B. Swonger, Sidney.
Chester A. Hostetler, Strasburg.
Samuel A. Smith, Sugarcreek.
John H. Petitjean, Versailles.
Fred N. Ney, Weston.

OKLAHOMA

Ernest D. Peck, Carmen.
Charles Walter Johnston, Seminole.
Frank Bailey, Vinita.

OREGON

Blanche E. North, Bonneville.
Sanford Stanley Partridge, Garibaldi.
Susie B. Dillard, St. Helens.
Rosemary Schenck, Toledo.
Roy G. Magnuson, Warrenton.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 22, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Merciful and eternal God, we thank Thee for the supreme expression of divine love. It transmutes the dross of selfishness; it makes a halo in the darkness and turns its shadow into morning. We would humble ourselves under Thy hand, our Heavenly Father, that we may be exalted and be used for wise and patriotic service. Inspire us with that knowledge that expresses itself in the most helpful legislation. Be with every section of our country in these unnerving times with their blendings of sufferings and joys. We beseech Thee to fill our minds with the realities of the unseen, and may we be even contemptuous of the things that frighten the weak and wreck their souls. Move us to unresting labors and ceaseless endeavor to improve the conditions of our fellow men. In the name of the Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had passed without

amendment a concurrent resolution of the House of the following title:

H. Con. Res. 48. Concurrent resolution authorizing the printing of additional copies of the hearings on the bill entitled "The Revenue Act of 1936."

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 12037. An act relating to compacts and agreements among States in which tobacco is produced providing for the control of production of, or commerce in, tobacco in such States, and for other purposes.

The message also announced that the Senate had passed a bill and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 3531. An act to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries and for other purposes", approved May 15, 1928; and

S. Con. Res. 35. Concurrent resolution to provide for the printing of the revised edition of the Constitution of the United States of America (annotated).

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10919) entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1937, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to a bill and joint resolution of the Senate of the following titles:

S. 3413. An act to give effect to the Convention between the United States and certain other countries for the regulation of whaling, concluded at Geneva, September 24, 1931, signed on the part of the United States, March 31, 1932, and for other purposes; and

S. J. Res. 233. Joint resolution providing for the participation of the United States in the Great Lakes Exposition to be held in the State of Ohio during the year 1936, and authorizing the President to invite the Dominion of Canada to participate therein, and for other purposes.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1937

Mr. LUDLOW submitted a conference report on the bill (H. R. 10919) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1937, and for other purposes.

FARM, HOME, AND SOIL REHABILITATION A NATIONAL NECESSITY—THREE ACRES AND THRIFT

Mr. COLDEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. COLDEN. Mr. Speaker, I have little patience with the caustic and carping critics of this administration who assail the so-called "brain trust" and President Roosevelt's attempt to rehabilitate men and soil and the natural resources of our country. It is shocking to think that a program so fundamental to the happiness and prosperity of this country has been so long delayed. I congratulate the New Deal leaders who have had the courage to formulate the basic ground work of an agricultural and rural program, which, if carried out, will assure an unhappy part of our population prosperity, security, and contentment—the enduring foundation of a truly great government. I believe the "brain trusters" are launching a self-help program of tremendous value to the forgotten man, to the farm tenant who clings to barnlike hovels and chicken-house conveniences, and to the unfortunate rural people who have jumped from the frying pan of the barren farm into the feverish fire of city slums and there trapped by its baffling environment of poverty, vice, crime, and disease. In my opinion, these leaders with a vision will be memorialized in stone and story by future generations and their detractors buried in deserved oblivion.

The New Deal is making an important approach to, and a commendable recognition of, this stupendous problem of the rehabiliation of population and the resources of land and soil, rivers and forests, and the restoration of home ownership, and the reinstatement of the victims of misfortune to their inalienable rights of an abundant life, economic liberty, and the pursuit of happiness.

What a paradox, what a reproach to our present economic system that millions deprived of employment suffer for food, clothing, and modern shelter while cribs are bursting with corn and wheat, feed yards grunting with prime cattle and fat swine, storehouses overloaded with cotton and wool, and idle mechanics eager to build with overabundant materials. The prayers for help, the pleas for employment, the demand for a solution is heard in every corner of our land. This issue must be faced, this problem must be solved. The only beacon on the horizon, the only hope that lights the future is the efforts of the present administration in inaugurating new agencies to combat this blight of today's civilization.

Mr. Speaker, 50 years after my parents had departed from a landlord's acres on the banks of Spoon River in central Illinois and had purchased lands in northwest Missouri, I returned to the scene of my childhood. Approaching this fertile land with eager curiosity I met with surprise and disappointment. Few of the early family names had survived, except in the cemeteries. Thriving small towns had been reduced to a post office, an elevator, a coal yard, and a gas station. All but a very few of my childhood playmates had sought other fields of endeavor. Only three farms in our neighborhood remained in the possession of the descendants of the pioneer families of 50 years ago. Many of the early and one-time prosperous homes and churches showed signs of neglect, and others were deserted, and some had disappeared. The river was choked, the springs and lakes dry, but the ditches were deeper.

The saddest sight of all was my first schoolhouse. In the 50 years it may have been rebuilt, but there it stood as of old at the crossroads on an acre bleak and barren, devoid of a single tree or shrub. One tree would have added beauty and value to the uninviting surroundings. It scarcely seemed possible that not one teacher in 50 years had corrected this deficiency, this ugliness of neglect, this void of beauty, that could easily have been transformed by the simple act of planting a dozen trees. But these teachers without vision, without thought of posterity, were but typical of all America, that has been ruthlessly destroying and exploiting the rich resources of our country, not only here but elsewhere and everywhere, not only in central Illinois, but throughout the 48 States of the Union. We must regretfully admit that our people, all of us, have invited the floods, the erosion, the droughts, and the dust storms, and the calamities that follow.

I have often reflected and remarked concerning the striking changes in my childhood country. What occurred there was repeated in northwest Missouri, my later home. The soil has lost much of its virgin fertility. Farms have been consolidated and many happy homes have been deserted and fallen into decay. Wherever you travel in the Middle West, the North, the East, and New England, the South, you find the constant and never-ending erosion of the soil, the cancerous growth of tenancy, and the removal and the decline of the population. Somehow I am unable to disassociate rich soil, prosperous homes, and contentment, and the correlated conclusion that poor soil breeds poverty and discontent. And I draw the further conclusion that the erosion of the soil, the destruction of national resources threaten a corresponding decadence of the population and the Nation. In reviewing this problem from a national viewpoint it seems relevant to take stock of some of the contributory causes that have added to the decline of agriculture and the migration from the farm to the city.

THE RURAL SCHOOL

The country school, the humble temple of hope and destiny, has been a factor in the great emigration of the farmer boy and girl, deserting the hearth of their ancestors and departing for the glamor of the great city. Too many of our schoolbooks, too many of our urban-awed teachers, pic-

tured the charm and the attraction of city life and failed to see and to appreciate the values of rural life. Every gray-haired Member here still can see the great bridges pictured in the geography, along with tall and mysterious buildings, busy streets, mammoth packing houses without an odor, steel mills without grime, flour mills without dust, the gardened mansions minus the stench and poverty of slums. The problems of arithmetic were taken from the counter and the cash box, and rarely, if ever, did the rural teacher instruct a pupil how to measure a corncrib, a bin of wheat, stack of hay, or a field of corn or wheat. No attention was paid to the mathematics of the farm, the geography of the neighborhood, or to the domestic life of the community.

Fortunately, many rural teachers have awakened to the necessity of a revitalized rural school. Country students are now being taught the values of rural life. The school district with its farms, buildings, and orchards, its highways, streams, and bridges furnishes a vivid lesson in geography and map making at home. The roots of history are found in the neighborhood and in the biographies of the pioneers. The mathematics of the farm and the community keep busy the classes in arithmetic. The judging of livestock, the study of plant life, birds, and insects are among the interesting studies of modern rural schools. Drawing and household art and science afford an inviting field. Prof. Bert Cooper, of the Missouri State Teachers College at Maryville, Mo., has made a notable and worthy contribution to the cause of rural education along these interesting paths. Many years ago, as the first president of the board of regents of this teachers college, I was happy to have a part in the revitalization of the rural school, which I consider one of the important experiences of my life.

FARMERS ASK BENEFITS

The protective tariffs of this country have been framed to foster, protect, and to build industry. The farmers of this country have paid a large part of the burden of tariffs. The farmers have paid more for their clothing, their farm implements, and for many other commodities and supplies, on the theory that the final result would be a better market for the farmer and better wages for the worker. But we have witnessed that many great industrial enterprises did not pass their benefits on to the worker, but for years imported and availed themselves of the cheapest alien labor to be found. While the American worker has suffered, and now suffers, from this tremendous foreign immigration, the farmer has been obliged to sell his surplus in the foreign markets, competing with the cheapest agricultural products of the world.

While the A. A. A.—the Agricultural Adjustment Administration—had numerous difficulties, and in some of its applications aroused violent controversy, yet it was an emergency effort to equalize the benefits of domestic production and to give to the farmer in a different way the same benefit that the industrialists have enjoyed from their protective tariff. So one of the problems of the farmer is to secure the governmental aid that has been given to the industrial development of the country. Yet some of the great industries that have grown to be colossal enterprises from the tribute exacted from the farmer by enacted special privilege are the most bitter and persistent opponents of the New Deal program to spread the benefits of Federal legislation to all alike, to the manufacturer and to those who toil on the farm in the sun, the rain, and the snow. The decision of the Supreme Court in declaring the A. A. A. unconstitutional has obliged Congress to seek other methods to bring relief and economic justice to our rural population. The benefits to agriculture and industry must be balanced.

FOREIGN MARKETS UNCERTAIN

Another problem that presents itself to the farmer of today is the disappearance of our country's foreign markets for wheat and cotton, our two great agricultural surpluses. To depend upon selling this great surplus in foreign markets means that our farmers must be brought to the level of competition with the poorly paid labor of foreign lands, where the standard of living is far below our own. The inevitable conclusion is that we must control the surplus production of cotton and wheat, and other agricultural products, for our own use, and turn these productive areas into other crops and uses to provide us with other necessities and comforts of which we have a scarcity. This, too, requires careful national planning.

FAIR TRADE FOR FARMERS

Some foreign markets for agricultural products can be restored by reciprocal treaties. This is now being done by the New Deal administration. Already treaties have been made that enlarge the market for farm and orchard products as well as for industry. The reciprocal program provides for a fair exchange between nations that have a surplus. This method has already increased the demand for California fruits and other products adapted to our State. Many other sections of our country have been benefited. Reciprocity means fair trade and has many possibilities in developing a wider market. Our country consumes vast quantities of tea, coffee, sugar, rubber, silk, and other foreign products, and it is a reasonable request that the beneficiaries of our great market should reciprocate by affording a market for our surpluses.

RAILWAY DISCRIMINATION

Another factor that has been a severe handicap to the farmer is high transportation costs and the railway discrimination and rebate system that existed some years ago, at the period when our country was undergoing its most rapid industrial and agricultural development. The railroads decidedly discriminated in favor of competitive points and to these points the industries flocked and consequently the population of the country. These competitive centers still retain discriminating advantages. Coupled with the practice of promiscuous and discriminating rebates, these abuses enriched some individuals and ruined others, prospered favored industries and impoverished their competitors, and built cities at the expense of their neighboring towns. If, in those days, the industrial plants of this country could have been scattered throughout the rural sections, on the plan that Henry Ford has so successfully established a number of his plants, the country would have reached a much better balanced location and distribution of wealth and population. The manufacturing plants that are established in the cities because of railway advantages, usually in the way of favorable freight rates, have brought millions of the population from the country towns to the cities. How much better for the morale of the population if these manufacturing plants could have been distributed where the working people and the population would be in closer contact with the farms and their needful production!

The factory contiguous to the farm is an ideal situation for both the farmer and the worker. Because of the less cost of land it invites home ownership on the part of the worker. It affords him a larger plot of land and, in many instances, a few acres of land with which to augment his income. It gives him greater economic independence and enables him to own a few acres with which to provide a subsistence in his older days. In any event, he is assured of fresher vegetables, fruits, dairy products, a better living from the nearby farm, and the farmer is also benefited by accessible markets. This is an important factor that should always be considered in the regulation of transportation costs. Transportation rates have a social sequence of vast significance.

THE MACHINE AND CHEMISTRY

The machine on the farm has become an important factor. It wrought a revolution in the production of wheat and cotton and created the commercialized farm. It has displaced millions of farm laborers. The new cotton-picking machine threatens to displace a large population of whites, Negroes, and Mexicans throughout the southern sections of the country. This readjustment means loss of employment to thousands, their deprivation of tenant homes, that will prove calamitous to those displaced and heap another burden upon society and government.

Chemistry on the farm joins with the machine to add new problems to the farmer's life. Chemistry not only increases the product of acreage but it affords many substitutes for the products of the farm. While the machine has a tendency in many cases to enlarge the area of the farm, chemistry has a tendency to encourage intensive farming. The raising of

vegetables by chemical substance is increasing in popularity in some parts of the country. As yet it is an unknown commercial factor, but it has possibilities that may have tremendous effects upon the future area of the farm.

SPECULATION SHOULD BE CURTAILED

One of the handicaps of the "honest to goodness" farmer is the holding of land for speculative purposes. It would be to the interest of the real farmers to establish a graduated land tax, instead of the present system. There has been a serious abuse of the fundamental principle of taxation that men should pay taxes according to their wealth. To charge the same rate to the farmer with 100 acres, who has a family to support, as against the man who has 1,000 acres, with the same sized family, or no family, is not fair taxation. The graduated tax as is now used in the taxation of incomes and inheritances is much more equitable and should be applied to real estate, not only in the country but in the cities as well. The low-income citizen with the small home or farm necessary for the use and comfort of his family is entitled to exemption or the lowest possible tax rate, which should gradually increase on larger and more expensive investments. This would not only be a fair method of taxation but it would discourage holding land in both country and cities for speculation, further discourage landlordism and commercial farming, and help the landless.

TWO KINDS OF FARMERS

The restrictions and penalties on overproduction and regulation of crops should be eliminated as far as possible from the owner of 160 acres, or a less acreage, and who lives on his farm and supports and educates his family therefrom. Whatever penalties may be administered should be levied on the absentee landlord and upon the commercial farmer as far as possible. If production is to be curtailed, it should apply to those who wring their sustenance from the farmer in the field and from the great commercial farms that compete unfairly with the dirt farmer. The so-called farmer who farms the farmer should receive secondary consideration in any governmental policy, and the farmer who follows the plow should be granted the primary aid of the Government. One of the abuses of the A. A. A. program was the distribution of too large a proportion of Government aid to the landlord and the receipt of too small a portion by the tenant and sharecropper. In many instances the landlord curtailed his acreage and production, pocketed the Government bonus, and turned the sharecropper out on the highway. This is a vicious practice.

THE RISE OF TENANCY

It is most surprising to find by the 1930 census that in the State of Mississippi more than 72 percent of the farms were operated by tenants; Georgia follows with 68 percent, Louisiana with nearly 67 percent, South Carolina with 65 percent, and Alabama closely following. In the great State of Texas, with its abundance of cheap lands, almost 61 percent of all farms of the State are operated by tenants. In the prosperous States of Iowa and Nebraska over 47 percent of the farms are occupied by tenants. In the productive State of Illinois the percentage is over 43, Missouri nearly 35 percent, California 18 percent, with Oregon and Washington following closely. Strange as it may seem, the State with the largest number of farms occupied and operated by their owners is the hilly, stony, and stumpy State of Maine, with but 4½ percent of its farms operated by tenants. The percentage of the farms of the entire United States operated by tenants was 42.4 in the 1930 census. The accumulation of large tracts of land and the growth of tenancy is a national menace that demands our profound attention.

OUR FREE LANDS GONE

A problem that confronts the American people, and one that has brought us face to face with the same problem that has troubled the people of Europe for many centuries, is that our arable public lands are exhausted and that the free homestead is no longer to be had for the asking. When our fathers and forefathers faced misfortune, or when they started out in life with few worldly possessions, they moved westward into the rich valleys, the woodlands, and the fertile prairies. There, with strong arms and eager hearts, they carved out their homes and farms and made America the great country that it is today. But the youth of this generation, if denied this opportunity of self-help, must seek employment and serve others or purchase land, much of which is held for speculation, and assume a mountain of debt.

THE HOME A CITADEL

In these days of congested city population and the growth of tenancy in our rural sections we must not overlook the importance of home building and home ownership. The country home and the city home contribute the strong attributes of good citizenship. The unmortgaged home, with the family free from debt, is a haven of comfort, fortified against the worries of doubt and uncertainty. A vine-clad cottage with its garden, its fruit, with a few productive acres, is the best security that this or any other nation affords. It is a citadel of good citizenship. It is the foundation of the church, the school, and the State. The home is an asset in a farm that must be considered in addition to its production possibilities.

The pride of home ownership, the ability to possess, the opportunity to derive a livelihood, the change from a transient to a permanent citizen and a solid member of the community have an invaluable individual and social effect. When a citizen establishes a home he becomes interested in the activities of the community, the church, the school, the civic, and political problems. His credit increases with the grocer and the doctor, and, we might add, with the automobile dealer and the repairman. Thus the citizen becomes entrenched and has a political and social as well as an economic value. Consequently, in spite of the depressing state of agriculture, the small estate, the acre tracts, become a refuge for those who find no employment or only part-time employment in our congested cities and industries.

THE ARMY OF UNEMPLOYED

Since the unemployed constitute such a large surplus in our population, these are faced with a hopeless future in the cities, where they must become a burden to the community and are reduced to a bare existence. In these days of unemployment, caused by the depression and the machine, there is little hope for the aged, as the employers generally, year by year, are employing younger men. The resettlement program and the acres out in the open afford an opportunity for self-sustenance to a continuous growing population.

One of the most fundamental programs of the New Deal is the resettlement and subsistence-homestead plans, now under the direction of the Department of Agriculture. Ways and means are being found to aid the tenant, the unemployed, and the overaged. New methods are being introduced to restore home ownership and to rehabilitate those who have fallen by the wayside. It is a plan that brightens the horizon, that rebuilds hope in the hearts of millions who have suffered discouragement and despair.

A DIFFICULT TASK

Those now looking to the land are faced with the competition of a rural population which has been in deep distress. In many parts of the country the soil is poor and ravaged by erosion. The forests that once conserved the moisture and afforded the rivers a normal flow have been destroyed, and the country subjected to alternate droughts and floods. This is a problem that cannot be met by tenants and farmers struggling with heavy mortgages. The tenant is impelled by unrelenting necessity to pay rents that spur him to exact every dollar from the soil of his field with little or no regard to future consequences. The farmer with a mortgage is driven by the same stern compulsion. Under the circumstances, there seems to be no agency except governmental to plan a resettlement and conservation program that will assist not only the tenant and the unemployed, but the mortgaged farmer, in order that they may become the owners of a home or a farm, and be enabled to rotate crops, rebuild soil, and plan their own economy, not for a single year, as does the tenant and the heavily mortgaged farmer, but for a period of years, thereby rehabilitating men and soil.

BEGIN AT THE SOURCE

Mr. Speaker, digressing for a moment, it is my opinion that in our attempts to control floods we are like that unskilled but proud home owner who began painting his house at the bottom and worked to the top. We have built great levees on the lower Mississippi and other rivers, beginning at the bottom instead at the top. Much more attention should be given to the sources of floods. Check dams and storage basins near the source are more effective, in my judgment, than the expensive and uncertain structures in the lower lands.

A BOYHOOD EXPERIENCE

When I was a small boy on a Spoon River farm, in the State of Illinois, I had an experience that grooved itself deeply in my memory and taught me a valuable lesson on the security of American life. Our family was poor. We were farm tenants, but we had rich relatives in a nearby city. At least, I thought so in my boyhood days. About 20 miles away I had an uncle who was a millwright. He dressed the stones that ground the grain at the gristmill that served the surrounding country. If I remember correctly, he earned $10 or $12 per week—a princely sum to my boyhood imagination. It was a memorable holiday when my parents, my sister, and myself were invited to this lovely little home in a small town in central Illinois. I still remember the white cottage, the green shutters, the white-painted picket fence, the front yard with grass and flowers and maple trees. In the rear was a garden and vines and berry bushes and a painted chicken house, where I gathered the eggs.

Upon our arrival the village band was in the yard—uniforms and drums and horns and other mysterious instruments that were thrilling wonders to me. It was the twenty-fifth wedding anniversary of these prosperous relatives, who not only owned this delightful little home but were set up above all their neighbors and friends because they had traveled to far away Philadelphia and had attended the centennial exposition. I was privileged to remain over for a week to live and to enjoy this luxury—this little palace of white and green.

THEN MISFORTUNE CAME

Years passed away. My father and mother moved to northwest Missouri, where they purchased land on the prairies, where we all worked hard and prospered. Some years later my uncle and aunt arrived from Illinois. The mill had been closed by improved machinery and the competition from the great cities. My uncle was unemployed, a victim of the machine. He sold his little home and his furniture and with the proceeds came out to Missouri and rented a farm. He and his son purchased horses, harness, wagons, plows, and tilled the soil, but they were not successful farmers. The son became discouraged and went west to a cattle ranch in Wyoming. The uncle and aunt were disheartened. They had lost practically everything except their farm equipment. So they held another sale and now were reduced to about $500, only a fragment of what they invested. Soon my uncle and aunt for $150 had purchased 3 acres of stumpy hillside on which stood an abandoned log house. It once boasted of an orchard, but now the trees were grown up with sprouts and were full of worms and bugs. My father and I assisted our relatives to move to this desolate 3 acres. My heart ached as I thought of that comfortable little cottage back in Illinois and their reduction to this stumpy and worn 3 acres that held out such poor prospects.

THRIFT ON 3 ACRES

But the misfortunes of life had not defeated the hopes of my uncle and aunt. They were sturdy Pennsylvania Dutch. They repaired the house, dug out the stumps, trimmed the trees, bought a cow, a pig, and chickens, and in the course of a few years had a surplus of fruits and berries and vegetables, meat, milk and butter, poultry, and eggs. The table in that old log cabin was one of the most delectable and satisfying for miles around. It was always overloaded with good things to eat—with jam and jellies and preserves and honey and other delicacies. This old couple spent many years in labor and contentment. From the proceeds of 3 acres of stumpy hillside land they enjoyed a security and an abundance in life that neighbors did not attain with mortgaged farms many times as large and facilities much more ample.

As I think of it now, it was a security that defied mortgages, the ups and downs of markets of the great cities, and the richest bankers of the world. It was a security built on a rock and strong enough to withstand the adversities and the discouragements of life. Resettlement and subsistence homesteads, coupled with cooperatives, occur to me to be methods of making millions secure and content and an opportunity for that abundant life of which we dream.

The demonstration I witnessed on this thrifty 3 acres convinces me that a few fat acres and simple living is a great factor in rehabilitation of the forgotten man, and that 3 acres and thrift, 5 acres and freedom. with a humble cottage, may afford plenty, comfort, content, and freedom—all the virtues of a humble home, the secure foundation of a nation. So now I welcome and approve the efforts of this administration to restore to home ownership and fat acres of plenty, those who are unemployed, and the farm tenants who must be aided to regain a foothold to prosperity and security. Such a program is a rainbow of great promise to those engulfed by the whirlwinds and dust storms of present-day life.

A NEW FARM LIFE

Low incomes and farm drudgery drove millions of our population to the great cities during and following the World War, when wages were attractive and the cities afforded modern homes and better living. It was a great relief to the farm wife, bent with an aching back with the laborious and ancient tools of her household—the mop, the broom, the tubs, the washboard, and the waterbucket. The husband labored in the fields with the same handicaps. Well do I remember those days of drudgery, pulling water with a rope and bucket from a well on a hot summer day to quench the apparently insatiable thirst of a dozen horses, 30 head of cattle, and 100 head of hogs and pigs, and this was but a chore aside from the fields. In those days the windmill pump, to me, was the most-prized invention of the ages, and deeply envied was the fortunate owner. My enthusiasm for a new deal, a new order, and a more abundant life for the farmer is rooted in my own tedious experiences in my early life.

Today the New Deal program promises a new life on the farm. There is a possibility of power to do the pumping, the grinding, wood sawing, and other chores, along with the lighting of the home, the washing, the ironing and churning, the comforts of ice for the kitchen and dining room, and the cooling fan. About 1 American farm in 10 enjoys electrification. We are far behind many nations in this respect. My recent vote for rural electrification gave me a happy thrill. With the automobile, the telephone, the radio, the daily mail, and good roads, and with the guaranty of plenty of food and luxuries of the farm, the aspect of rural life has taken on a rosier hue. It beckons back thousands who have tramped the streets seeking but not finding employment, for thousands who have been denied the necessities of food, clothing, and shelter.

HOMES FOR ALL

In addition to reestablishing a large population in farm homes of their own, and the rehabiliation of the discouraged and the unfortunate unemployed, no activities of the Government, the State, the county, and the city, would do more to restore prosperity than the building of adequate and modern homes for our people. Throughout many sections of this country, not only rural, but in both city and country, there are millions of people living in hovels scarcely fit for the beasts of the field; millions living in shacks barren of every comfort; parents and children who know nothing by actual experience of the ordinary comforts of a bathroom and the equipment of a modern home. What goal in our national economy would compare with a modern home for every family in America? "End Poverty in California" has aroused considerable derision from those who have never felt the pinch of poverty, or who have known nothing of woeful want, but a rehabilitation program with an objective of enabling every American family to enjoy the comforts of

a modern home, would be an unparalleled achievement. The Resettlement and Subsistence Homestead programs, the Bankhead-Jones bill, the Utopian and the Epic ideals, and others, point in that happy direction. If such an ideal can be achieved, ours would be a happier, a more prosperous, a more powerful America.

WOULD RESTORE EMPLOYMENT

Such a national housing program with an objective of a modern, comfortable home for every American family, a new era of "little landers", in which Federal, State, and local agencies participated, would do much for recovery. The building trade requires a large variety of mechanics and creates a demand for a very wide variety of materials, from coal scuttles to canary birds. Every industry and every commercial enterprise would share in this sort of construction—the railroads, the banker, lumberman, miner, manufacturer, along with the plumber, painter, plasterer, carpenter, and so on down to the ditch-digger. It would absorb the capital of the inventor, the materials of the merchant, and be a blessing to the unemployed, and would bestow untold benefits to our millions who are improperly sheltered.

COOPERATIVES AFFORD AID

Farmers and consumers of America have not availed themselves of the advantages of cooperatives as has been done in other countries. The dairymen of Denmark have lifted themselves from a struggling subsistence to a state of prosperity by a cooperative system of producing and marketing. A similar success is being attained in Wisconsin and adjoining States. Consumers' cooperatives have been of great aid to many people of other nations, including Sweden and Japan. The Rochdale plan in England has thrived for 90 years. It was organized with a capital of $130 and now owns and operates approximately 150 factories and also tea plantations in far-away Ceylon. Farmers in the Northwest are operating hundreds of cooperative gas stations. "Production for use", a cooperative plan to aid the unemployed of California to self-help, has many earnest advocates. The various phases of the cooperative movement are now receiving growing attention and promise much to the future farmer as well as to the consumer and the unemployed. The cooperative is certain to find a fixed and important place in our future economy.

THE DESTINY OF NATIONS

Land and water determine the destiny of nations. Blessed is a country like ours with abundant acres of fertile soil, innumerable forests, and immeasurable deposits of coal, iron, copper, oil, and other minerals that are required by an industrial civilization. The time has arrived when we must take note of the tremendous waste that has accompanied our development.

Other nations have made notable advances in the rebuilding of natural resources. The French, the Germans, the Danes, the Hollanders, and the Japanese have made marked strides in the conservation of the soil. One of the principal reasons for the prosperity, the patriotism, and the happiness of the French is due to the ownership of the land and the persistent conservation of the soil by the farmer dating back to the revolution in France. One of the contributing causes of the poverty and the degradation of the Chinese and the collapse of ancient nations has been the denuding of the hills and the mountains of forests, with resulting erosion; the waste of the topsoil and the alternating droughts and floods that have devastated the valleys and have destroyed the lives of millions. France and China represent the most vivid contrast of conservation, home ownership, patriotism, and prosperity on the one hand, and natural waste, tenancy, national indifference, and helpless poverty on the other.

Unemployment, tenancy, and the depletion of our national resources are three plagues—economic afflictions gnawing at the heart of individual independence, self-help, social security, and the liberty and patriotism of America. A program of reconstruction on a national scale, reforestation, the defeat of droughts and dust storms, checks and dams to control our floods, production of power, rural electrification, the building of decent homes, parks, and playgrounds; the development of small security estates, so that every American may live decently, is a momentous but a thrilling task. Such an undertaking requires national planning, pioneers with brains, vision, and courage. Thoughtless partisans may sneer and dub them "brain trusters" but these are the prophets of a new order leading the way to the rescue of neglected millions from poverty, decadence, and anarchy, and future generations will exalt their achievements to a secure place in the pages of our Nation's history.

Mr. MITCHELL of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes.

THE DEMOCRATIC PARTY IN ILLINOIS

The SPEAKER. The gentleman from Illinois [Mr. MITCHELL] asks unanimous consent to address the House for 20 minutes. Is there objection?

There was no objection.

Mr. MITCHELL of Illinois. Mr. Speaker, I am very happy to have this opportunity to appear before this body and address you this morning. This is the first time since I have been a Member of this House that I am asking this privilege. I come now because I believe I am justified in asking for this time.

During the past 3 or 4 months we have heard a great deal about what the New Deal program is doing to the country. If we are to believe the reports that have been made to us by the gentlemen to my left—Republicans—the country is already ruined.

We have watched the taking of a straw vote by the Literary Digest, and we have watched the reports that have come through the great metropolitan press of this country, and all of this has been an effort on the part of Republicans to show that the Democratic Party has made a miserable failure of its job of handling the Government of the United States; but last Tuesday was a memorable day in the great State that I represent, the great State of Illinois, the common people, the voters gave the world the truth. We told the world exactly what the American people think of the Democratic Party and our great President.

We did not have the Literary Digest to speak for us last Tuesday. We did not have the great metropolitan press last Tuesday, neither did we have the representatives of the great wealth of this country, but we did have the common people of that great State [applause]; and since those people have spoken, I believe that those who would misrepresent us are inclined to be a little more careful about their statements regarding where the country has been led under the leadership of the Democratic Party.

I have heard those who have defended the Democratic Party stand here and refer to the reports that we have seen in the financial sheets of our great dailies, which have always been in contradiction to the editorials, and to the news items that have been handed the public by those papers that would like to destroy the program of the Democratic Party; but last Tuesday, when the people of the great State of Illinois marched to the polls almost two and a half million strong to register their decision and to tell the world what they think of the New Deal, it was our great President of the United States who headed that ticket and who received more than one and a quarter million votes out of two and a quarter million votes. [Applause.]

They may try all they please to explain this away, but they cannot do it. Let me relate the story of a school happening. It is said that on one occasion there was a teacher who wanted to test the attention of the children to the work that was put on the blackboard and she asked the children to call out certain numbers. One child called out 16 and the teacher put down 61 and went on. Again a child called out 21 and that was written 12 and the teacher went on. There was one little boy in the group who seemed to be paying no attention to what was going on, and finally he was asked to call out a number and he called out 22 and said, "Goll dern you, let me see you take that one and turn it around." [Laughter and applause.]

I say to my friends on the Republican side we would like to see you take the action of the great State of Illinois as it was handed out to the public last Tuesday and "Goll dern you, turn that around."

THE REPUBLICAN PARTY FAILS THE NEGRO

I have heard a great deal said here about the sanctity of platforms. It is an easy thing to talk about. I represent a group of people who, during a period of 60 years, the only things they have got from the Republican Party were beautiful promises made by a platform that they knew was made to be broken. For more than 50 years my people have been almost solidly registered in the Republican Party. It is only during the past 4 or 5 years that Negroes have found that the Democratic Party is a safe place to live and vote.

During all this time we were told by the Republicans that we had been freed by the Republican Party; that Lincoln was elected to the Presidency of the United States for the purpose of liberating the slaves; and because of that doctrine that was preached to us year in and year out we developed into an almost solid Republican block of voters in this country.

Now, I have taken the trouble to bring to you the platform that Lincoln was elected on, and to bring to you Lincoln's inaugural address showing that there is absolutely no truth in the statement that Lincoln was elected President of the United States for the purpose of liberating the Negro slaves.

I read from his own address:

> Apprehension seems to exist among the people of the Southern States that by the accession of a Republican administration their property and their peace and personal security are to be endangered. There has never been any reasonable cause for such apprehension. Indeed, the most ample evidence to the contrary has all the while existed and been open to their inspection. It is found in nearly all the published speeches of him who now addresses you. I do but quote from one of those speeches when I declare that "I have no purpose, directly or indirectly, to interfere with the institution of slavery in the States where it exists. I believe I have no lawful right to do so, and I have no inclination to do so."

I want to read you a plank from the Republican platform in 1860:

> That the maintenance inviolate of the rights of the States, and especially the right of each State to order and control its own domestic institutions according to its own judgment exclusively, is essential to that balance of power on which the perfection and endurance of our political fabric depends; and we denounce the lawless invasion by armed force of the soil of any State or Territory, no matter under what pretext, as among the gravest of crimes.

I say again there is absolutely no truth in the statement that he was elected to free the Negro slaves. It might have taken the Negro a long time to find out the truth, but, my friends, the vote in Illinois last Tuesday by the Negroes tells the Republican Party that it no longer has that vote in its vest pocket. [Applause.]

I think you will be interested in hearing an experience of my own. About 1928 I went to a great Democratic leader in this city and said, "I want to know what will be the attitude of the Democratic Party toward the Negro voters in 1932." I could see that the political situation was changing and that the Democratic Party was marching to power; dumb and unacquainted as I was with politics, I could see the stupendous blunders the Republican Party was making, and that the American citizens would not stand for it.

So I went to see this gentleman to talk to him about the consideration of that party to the Negro, and I believe you will bear with me when I quote the exact conversation that took place between us. I said to this gentleman, "I have come over to find out what the attitude of the Democratic Party will be toward the Negroes in 1932." He looked at me and said, "I am glad to talk to you about that subject." We were both seated in his office over here in the National Press Building. He said, "To begin with, I say to you that the Democratic Party does not owe the Negro a damn thing." I stood there, almost ready to sneak out of the office, because I did not know what was going to follow. I am merely quoting the words the gentleman used. Before I could sneak out of the office, he turned and said, "The Republican Party owes the Negro a hell of a lot, and will not pay him." He continued, "Now, politics is a cold-blooded business. For 50 years the Republican Party has had the Negro vote in its vest pocket, and have not you learned that nobody tries to catch the fish that he has in the basket or in the pail? When we go fishing, we go after the fish in the pond, those that are in the lake or the river, and as long as any party can boast that it has the Negro vote in its pocket, you may expect no consideration from that party, and you can expect less from the party that you have never affiliated yourselves with or attempted to work with." That opened my eyes, and I immediately began to work for the Democratic Party and to bring into the Democratic Party as many of my people as I could. In 1932, when Franklin D. Roosevelt sought the Presidency of the United States, I was chosen by the National Democratic Committee to trail Mr. DePriest, my predecessor in office, to speak for the Democratic Party everywhere that he spoke. During that campaign we were able to bring to the folds of the Democratic Party 60 percent of the Negro vote in those States where Negroes can vote. [Applause on Democratic side.] It is no longer true that the Republican Party has the vote in its vest pocket, and they are learning that that is not true.

My friends, I want to talk to you about the campaign that we are about to go into. I have just done some work for the national Democratic Party. I have been busy compiling statistics to be used in this campaign, and I find that in 23 States, where we expect to wage a campaign for Negro votes, where Negroes are permitted to vote, and where their votes are counted, we have more than 2,400,000 Negroes who can vote in this election. We expect to wage a campaign and to show the Republican Party, that has abused the Negroes more than it has abused this country, that we stand politically emancipated, and we are going to give the Democratic Party and the great President that I love so dearly the largest vote that any Negro group has ever given a President of the United States. [Applause on the Democratic side.]

I am not unconscious of the fact that in this country we carry a tremendous burden. I know that the white people of this country are burdened, and I want to tell you a story in that connection. I was in Boston a great many years ago, and I attended a meeting where they were celebrating the landing of the Pilgrim Fathers. I listened with a great deal of interest to the many speeches delivered on that occasion. I heard the great men of the State of Massachusetts stand up and tell the public about the hardships and the sacrifices and the struggles made by those who landed at Plymouth Rock and founded the Massachusetts Bay Colony, and after all of these speeches had been made a woman got up and said, "I have listened with a great deal of interest to all of the speeches made by the men. They have told you of the sacrifices they made, they have told you of the struggles through which they have gone, and they have told you what they endured, but I come to tell you that the women who came over with these men not only endured all the men endured but they have had to endure the men along with it." [Laughter.] And I say to you, my friends, that the Negro race which I represent has not only had to endure all that you have had to endure but we have had to endure you along with it. I say that with the kindliest feelings. I thank God that there is no bitterness in my soul against a single individual in this world. I pity that person whose heart is so wrapped up in ignorance, prejudice, and race hatred that he cannot see real manhood and womanhood, whether it be wrapped up in a black skin or a white skin. [Applause.]

I have dedicated myself to the task that has been given me here in this Congress, and I realize that it is a technical task. I came here to sit on the Democratic side of the House, when no Negro ever before had that privilege or responsibility, and I say to my colleagues, every one of you, that you have treated me like a man. I have absolutely no complaint to make. You have received me with open arms, you have rendered me that cordial support and help that every new Congressman needs. No group of men could have been

more considerate than you have been of me, and I take it not as a compliment to myself but I take it as a compliment to the race that I represent—a race that you know has borne the burdens of this country without complaint, and which, I contend, is entitled to full and equal protection of the law. I here and now raise my voice against all forms of racial discriminations and ask that my people be treated no better and no worse than the other races of this country.

ANTILYNCHING LEGISLATION

There is not a man in this House but who knows how strongly I oppose lynching and how deeply interested I am in the early passage of a bill which will make this crime punishable by a Federal law enacted by this Congress.

I know much progress has been made in the way of removing prejudice and securing support for this legislation. I shall continue to work for the passage of this bill and for the passage of other bills which I have introduced that have for their purpose removing injustices from which my people now suffer.

I stand here and ask you, speaking to the Congress of the United States, will you not be considerate of the Negroes of this country, whether they live in Massachusetts or whether they live in my native State, the State of Alabama.

I believe our general trend is upward; that we are making progress. I thank God that I was brought up at the feet of that great statesman and leader, Booker T. Washington. [Applause.] I am a natural born optimist. I do not believe we are going backward. I do not believe we have a single problem in this country that we cannot solve. I am insisting that we apply brains and thought and patience and indulgence and absolute justice to these problems, and I believe every one of them will eventually pass away.

Mr. Speaker, I have a short editorial that I would like to read. This comes from a paper in Alabama. It is one of the bright lights that has encouraged those of us who are fighting for our people and for human rights in this country. This comes from the Anniston Star and was published immediately after my election. With your permission, I am going to read it:

NOTED ALABAMA NEGROES

The people of Alabama generally should view with pride the achievements that have been made recently by two Negroes in the realms of music and politics. Both William Dawson, the Anniston musician, and ARTHUR W. MITCHELL, who is to be Congressman from the First Chicago District, the richest in the United States, got their inspiration to high achievement from Tuskegee Institute, which also has given to the world of science that great genius, Dr. George Washington Carver.

William Dawson is director of music at Tuskegee. A few years ago he was shining shoes here in this city, but on Wednesday evening of last week he had the pleasure of hearing the Philadelphia Symphony Orchestra, conducted by Leopold Stokowski, one of the world's greatest, give the premiere performance of his fine musical composition, "Negro Folk Symphony No. 1", which has been widely acclaimed by critics who say that Dawson has genuine creative talent.

Dawson's triumph seems to verify a statement that repeatedly has been made by the Anniston Star—that the first genuinely great American music would be written by a Negro. We do not know whether the composition in question will qualify in this respect or not, but we still are of that opinion; for it has been observed that no people ever produce a great music until they have suffered, and the mental, spiritual, and physical hardships that the American Negro has undergone eventually will be expressed in terms of music, whether Dawson has done so or not. As great an artist as Lawrence Tibbett stated recently that the best singing he has ever heard was that of a Negro chorus in Birmingham. The race is peculiarly gifted in the art of song and if they once are educated we may expect from them a large contribution to American culture.

The reason that we rejoice in the election of MITCHELL to Congress is because he defeated the despicable Oscar DePriest and seems destined to keep his feet on the ground, recognizing that he can help his race only in proportion as he works with and not against the dominant race on this continent. Mitchell says that as long as his predecessor was in Congress he worked almost exclusively in the interest of his own people, although there are both whites and blacks in his district. The Democrat promises that this sort of discrimination shall be ended and that he will serve his constituency regardless of race, color, or previous condition of servitude.

There will, of course, be shortsighted white persons all over the country who will resent the election of a Negro to Congress. But the Anniston Star does not share this view. We believe it would be well if we could have one or two Negroes of the Mitchell type in every State legislature to speak for their race. Indeed, there is probably not another civilized country in the world where a minority race as considerable as is the Negro race in America is given so little opportunity for self-expression. They have rights that should be recognized and the white race is hurting itself as long as those rights are denied in the various channels of social control.

It was Edgar Gardner Murphy, the great Alabama preacher and social worker, who made the statement several years ago that no graduate of Tuskegee had ever been accused of a crime against a white woman and we believe the statement holds good to this day. Certainly Booker Washington, one of the greatest Americans of all time, did a big work there and his tradition has been carried forward by Dr. Robert R. Moton, who is honored by such men as Dawson and MITCHELL, and whose proposed retirement as president of Tuskegee is to be deplored.

I say to you that you control this country, but in the language of Booker Washington it is incumbent upon your shoulders to be absolutely just and fair to every race and to every people that live under this great American flag. Mr. Washington used to say—and I repeat here—that the

Law of changeless justice binds the oppressor with the oppressed and as close as sin and suffering joined they march to fate abreast.

No hardship can be worked on any group of people in this country without reacting on the group that works that hardship. I know we are approaching a better understanding in this country. The very fact that we have been treated so cordially, that the requests we have made of this Congress and the President of the United States—and I have seen him and talked to him on many occasions—the very fact that those things have always been handled cordially and respectably and been handled favorably by those who were in power tell me that we are approaching the day when these things will be settled and settled right.

I know you realize, as I do, that no great question can be settled until that question is settled right. It matters not what we think or what we do; there is a God that presides over the destinies of men; and there is no escape from that sentence or from that decision that He reaches, which must, in the final analysis, be the decision that will triumph.

My friends, I say to you that my race which I represent here appreciates the fine work that our great President has done and that this great Democratic Party has done for suffering humanity during the past few years. As I read the platforms back in various years and see the beautiful promises that my Republican friends have made to my people and then led us dumb and hopeless and voted us and took the offices and went on and forgot us until they wanted us to vote again; and then when I see what the Democratic Party has done and how you have opened bureaus, how you have invited cooperation from all over this country to settle this question amicably and with a larger degree of justice than we have had under the Republican Party, I say that you are our friends; and I hail you as our friends today. I know we are approaching better times and a larger degree of racial justice.

I do not lose patience because we are not doing this thing as rapidly as we would like to do it. I am a student of history. I know how long the white women of this country stood at the doors of you white men and knocked and begged you to let them vote. Quite a change has come over this country. As I look over this House I see women sitting side by side with us. As I look into the Senate I see women there who 30 years ago could not even vote. I look at the President's Cabinet and I see a woman sitting in the President's Cabinet. They tell me it took a century for these women to achieve the success they have achieved in that respect. If it takes a century to do what we would like to do, I still believe that that time will come, and I believe I will live to see the day when we will have the same rights in all of these States that are given all of the other citizens because we are loyal. [Applause.]

Mr. Speaker, let me close these remarks by using this quotation from Laurence Hope:

Men should be judged not by their tint of skin,
The gods they serve, the vintage that they drink,
Nor by the way they fight, or love, or sin,
But by the quality of thoughts they think.

[Prolonged applause, with all Democrats standing.]

The SPEAKER. The time of the gentleman from Illinois [Mr. MITCHELL] has expired.

RURAL ELECTRIFICATION

Mr. SCHNEIDER of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SCHNEIDER of Wisconsin. Mr. Speaker, the welfare and happiness of millions of American citizens are involved in the rural electrification bill. Practically everybody enjoys electric light and power service in our cities, but only 800,000 farm homes are electrified. The remaining 6,000,000 farms are without this essential service. These farmers must grope their way in the dark and read with inadequate kerosene lamps. By Presidential order, a temporary Rural Electrification Administration was created early last summer. It was given $100,000,000 to be loaned to farm cooperatives and similar nonprofit organizations for extension of electric service into rural communities. The legislation which we now have under consideration provides that this organization be continued for a 10-year period and authorizes appropriation of $50,000,000 for the first year and $40,000,000 for each succeeding year for loans to build power lines, to set the poles, and string wires to farms.

Under this program it is not necessarily contemplated that as a rule the cooperatives and other distribution units will make their own power. They can buy it from municipal or private utilities wherever suitable prices can be secured, although, if it appears practicable and necessary to construct their own plants, money may be obtained for that purpose. Bulk production and distribution of electric energy in most cases results in cheaper rates, and this legislation aims to give the farmer the advantage of these rates.

The bill does not provide for any grants or gifts, but requires that the money be paid back over a 25-year period, with interest at 3 percent. Loans for wiring of houses, purchase of electrical appliances and equipment and plumbing fixtures are also authorized. The proposed legislation provides that these loans may be made to any distributing cooperative or municipal unit organized under this law, or to any person, firm, or corporation supplying or installing the wiring, appliances, and equipment.

The need for this legislation is demonstrated by the fact that only about 10 percent of our American farms now have this essential electric-power service. In Japan and France 90 percent of the farm homes are electrified, while in Sweden the percentage is about 50 percent. The highly successful publicly owned Ontario power system gives service to a much larger proportion of the rural communities. This is done in Ontario at lower rates, in country similar to ours, although conditions are not so favorable, because the territory is more sparsely settled than many of the farm communities in the United States.

One of the reasons rural electrification has lagged in this country has been due to the fact that our utility organizations are largely privately owned. These private companies have been disinclined to extend service to rural sections, especially those not thickly populated. Interested only in the largest possible profits, they apparently want only the cream of the power business and have served only the best territory.

Farmers are required to pay the cost of the lines within a period of 3 or 4 years. The company then owns the lines, and the farmer continues to pay high rates based on the increased capitalized value of the equipment which he paid for in the first place. Under the R. E. A. program the farmer, when he pays for the line, owns it, and does not have to continue to pay tribute to the Power Trust.

Utility construction shrank from about $920,000,000 in 1930 to $100,000,000 in 1934. Since the Government has encouraged farm cooperatives and similar groups to build their own lines, thus giving themselves the advantage of a low rate, the companies have changed their attitudes and in many places they are now offering special inducements to farmers to sign up with them and thus defeat the R. E. A. program.

Mr. Speaker, this brings me to the subject of the drastic change made in this bill since it was approved by the Senate and brought to the House for action. The private utility companies now want to grab this Government money, originally intended to be loaned to the farmers' own organizations to extend electric service where the corporations have previously refused to give service.

Not content with the great doles which business has received from the Reconstruction Finance Corporation, the Power Trust is now reaching for this money originally intended for agricultural people to enable them to bring to the agricultural workers that burden-lifting servant—electricity. I am utterly opposed to the action of the House committee in letting down the bars to enable private corporations to participate in this program. I hope that the conference committee of the two Houses will recommend restoration of the original bill, under which the money will be available only for farm cooperatives, States or municipalities, power districts, and other nonprofit organizations.

Farmers, their wives, and families are entitled to this service. It should be possible for them to discard the kerosene lamp and hot cook stove. To them electric-power service is even more important than to the city dwellers. It will pump their water, grind their feed, separate the cream, and perform numberless other chores which now make farm life burdensome.

Private companies have failed to provide this service. Due to payment of high salaries, expensive advertising, and propaganda campaigns, and excessive service charges of holding companies, electric power, drawn from our natural resources, has been denied to the farmer. If he is to get it in the future, at rates which he can afford to pay, it must come through his own nonprofit organizations.

What would the opponents of this legislation do? Would they permit the private power monopoly to continue to deny electric service to the American farmer. Monopolistic practices of the privately owned utilities and their determination to maintain high rates, to bring a return upon alleged capital that never was invested, have made this legislation necessary.

The manner in which publicly or cooperatively owned utility systems can give good electric service at rates far below those charged by the ruthless Power Trust is well illustrated by the experience of two of the leading cities in my congressional district of Wisconsin.

In Manitowoc, a city of over 25,000, the electric plant and distribution system was purchased by the city and placed in charge of a nonpartisan public-utilities commission in 1914. The purchase price was $146,000 and general city obligations, issued to pay for the plant, were all retired 2 years ago. The plant was replaced a few years later at a cost of $110,000 and yet there has been returned to the city treasury from profits of the utility a total of $536,794, amounting to $355,787, more than the original investment from general city funds plus the interest paid for a few years until the utility could assume this burden.

The city of Manitowoc no longer pays tribute to the Power Trust. With the local utility on a sound financial basis, they are able to charge rates far below those in force in the 13 other cities in Wisconsin with populations ranging from twenty to fifty thousand and served by private companies. A recent table prepared by the Wisconsin Public Service Commission shows Manitowoc charges 70 cents for the first 20 kilowatts, while the rates of private companies in the other 13 cities run from a minimum of $1.24 to a high of $1.78 for the same amount of power. Consumers of larger amounts of electric power enjoy even more favorable rates when compared with those charged by the private power monopolies.

The city of Kaukauna, population 6,581, purchased its power plant in 1912. All money advanced by the city has long since been repaid. Nearly $300,000 has been paid out of profits of the utility at various times for city improvements, including the municipal building, municipal garage, bridges, and fire-fighting equipment. Kaukauna has a much lower rate than any city with privately owned electric companies of the five to ten thousand population class, although some other cities with municipally owned plants have lower rates.

In addition to the city of Kaukauna, this plant serves the neighboring village of Little Chute and owns 60 miles of rural lines, serving over 200 farm customers.

Electric power service lightens the burdens on the farm. Those engaged in agricultural pursuits are anxious to secure this service and are cooperating in every way when they see a chance to get electricity at rates that they can afford to pay. Experience both in Wisconsin and throughout the country shows that this service can be made available to rural communities at reasonable rates by municipal power plants or cooperative organizations. The rural electrification program should be approved as originally planned by that great fighter for adequate and reasonably priced electric service, Senator NORRIS, of Nebraska. We must resist every attempt of the Power Trust to sabotage and defeat this plan to bring that great necessity, electric power, to American farms.

PERSONAL PRIVILEGE

Mr. ZIONCHECK. Mr. Speaker, at this time I rise to a point of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. ZIONCHECK. Mr. Speaker, I received confidential information by telephone about 2 weeks ago that I was to be framed by the Department of Justice, the great G-man. It raised a question of reasonable doubt in my mind. I did not think they would be quite that bad.

The SPEAKER. The gentleman will state his question of personal privilege.

Mr. ZIONCHECK. This morning, Mr. Speaker, I received a letter from Jackson Heights, N. Y., dated April 18, 1936, which tells about the G department and how this party has deciphered their telegrams. On the third page of this letter there appears a deciphered telegram. I will give the code if the Speaker wants me to, but it does not mean anything to anyone.

4/21/36 Dick Tracy: N. Y. Daily News:
Key T: 4–7–13–
6 x 7 backwards downwards.
AT-IRA-ON-AM-EAR-Tek-COPS-GUN-REAL-MAY-TAP-RAT-AT-BAR
add: see letter Z in Smitty: (Zing)
see word ZION in face of ATHNEL.
see checkered shadow right beneath face on coat of Tracy
ZION -CHECK ered."

Mr. Speaker, I do not care whether they shoot me or not, at least I will take it standing up any time they want to come up and get started.

The SPEAKER. The gentleman will first state his question of personal privilege. The Chair will rule upon that, then the gentleman, if he is in order, will have an hour. Has the gentleman stated his question of privilege?

Mr. ZIONCHECK. I have stated the question of privilege.

The SPEAKER. The gentleman is familiar with the rule.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include this entire letter in the RECORD together with an article from Harper's Magazine of January 1936, which has been called to my attention after this request.

The SPEAKER. Does the gentleman withdraw his question of personal privilege?

Mr. ZIONCHECK. Yes; I withdraw the question of personal privilege.

The SPEAKER. The gentleman from Washington asks unanimous consent to revise and extend his remarks and to include therein the letter to which he has referred. Is there objection?

Mr. BLANTON. Mr. Speaker, with the understanding that the letter in no way involves any other Member of Congress, I shall not object.

Mr. ZIONCHECK. I do not think it does.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The letter is as follows:

HANS OMENITSCH,
35–45 EIGHTY-SECOND STREET,
Jackson Heights, N. Y., April 18, 1936.

Representative ZIONCHECK,
Washington, D. C.

HONORABLE SIR: Permit me to compliment you on your courageous stand in the Department of Justice matter.

You are on the right track.

A criminal system of codes is operated daily in the press by the real masters of the country, who not only control the press and the politicians in power but who also control and direct the so-called "red" movement (international) as a sham to hide their real operations.

This group is in a conspiracy against the people and the country.

My work in exposing this group dates back to February 1935, and I have most diligently informed the Department of Justice and Director Hoover of the Bureau of Investigation since then with no other result than that the code is frequently changed.

I shall herewith list concrete proofs of the operation of this code, and would appreciate an opportunity to appear before the House and the Senate.

It will be a hard fight to force this issue, but you owe it to the people on your oath of office.

The exposure of this code was at stake in the Lindbergh case; that is why no amount of the people's money was spared to suppress the real solution and to close the case by executing Hauptmann.

Through tireless search for the past 14 months I have found the master key to this code, and, since it was operated in the press, it is on record, and we can now read history backward and once more set the people free by exposing the financial piracy which has enslaved them through the operation of this criminal code and through which criminal operation all the wealth of the world was concentrated into the hands of this group.

All they need now is a dictatorship to protect their plunder, and for this reason they are fostering and directing the "red" movement in order to suppress it in due time in the guise as the saviors of the Nation.

America, awake!

EXPOSÉ OF CRIMINAL CODES OPERATED DAILY IN THE PRESS

Data: 4/8/36 N. Y. Journal, SEEIN'STARS:
trans: key T:8x20 forward:
TEN-HAS-LOT-RAT. (TEN=T. E. N. murdered 4/10/36)

4/9/36 N. Y. Daily NEWS, Dick Tracy:
trans: key 80:(see SEEIN STARS 4/8)
key 3x11x13 backwards 8x10
YOUR-LT-DOES-POOR-A-MOOR-IS-13
superimposed in this code: T:G–T, M–N, S–H, Y:B–Y, C–X, D–W, M:N–M, A–Z, N–M
forming word: Nancy
forming intls: or letters: G. S. T. C. M. M.
C. A. H. ys.

4/13/36 Dr. CONDON'S Telegram to Major FREEMAN:
14x26 forward regular and space: key T:
HAD-ORNE (NERO) on= W= in dad get G=H-
(Had Nero on wire indeed get G. H.)
superimposed: FIGHT—reverse A: W-fight -H
superimposed: trans: backwards downw: 53x5 cue in SEEIN STARS 4/18/36.
GAG-BOT-ROPE-Era-NERO-MAD-AT-DAD-NEW-FOE-Won -ELLA let-MARGE-

---

4/16/36 New York SUN: Titterton note: directions to Mrs. G. ST.CLAIR MULLIN MANSBRIDGE at 12 ST. LUKE'S PLACE.
Key T: 8x12 downward:
HEAT-TO-78-GAT-RIP-WUND. (7-G and 8-H)

4/17/36 N. Y. Journal, SSEIN'STARS:
key 1700 Seein'Stars 4/18
key 17x10 downw:
DO-ART-CAR-HOT-NO-SEA-NORA-LONE-OR
(ART-HOT- see NERO) (meaning art suspected)

4/18/36 N. Y. Journal, SEEIN'STARS:
key T: forward: 13x14
DIP-TOP-SEC-1-TO-TEN (possible reference to stock markets: all markets declined since then)

4/18/36 HAROLD TEEN, N. Y. Daily News:
no key: backwards:
RAP-TOOL-AT-SO-GO-BOAT.

4/18/36 DICK TRACY: N. Y. Daily News:
Key T: Backwards-forward 8x8
NERO - MOB - IN - FOG-ROB-LEROY-APT-RAT-IN-IT-ARE-A-GOY.
Nero Mob in Fog rob Leroy Apt are in it. A. Goy. (Hebrew for Christian)
superimposed: YAGO-RTZH-RITZ

4/20/36 DICK TRACY: N. Y. Daily News:
key 3x19 backwards downwards:
NEW-ANT-LET-OF-A-GOY. New ant let off, a GOY (see D. T. 4/18)

4/20/36 N. Y. Journal, SEEIN' STARS:
Key T: 8x26 forward:
LIE-BUM-ART-DO-AS- RENO -ON-IT-LIT-ON-PAR-TO-AS-
SVER (reverse)
NERO (answer)
WORIT-COD-NU-A-GONN
Lie, Bum Art, do as Nero, answer or reverse, Worried new code gone again.

4/21/36 DICK TRACY: N. Y. Daily News:
Key T: 4–7–13–
6x7 backwards downwards.
AT-IRA-ON-AM-EAR-Tek-COPS-GUN-REAL-MAY-TAP-RAT-AT-BAR
add: see letter Z in Smitty: (Zing)
see word ZION in face of ATHNEL.
see checkered shadow right beneath face on coat of Tracy
ZION -CHECK ered.

SUMMARY: SAME CODE and KEY: Dr. CONDONS TELEGRAM
SAME CODE and KEY: NANCY TITTERTONS note written at direction of Mrs. G. ST. C. M. Mansbridge.
SAME CODE and KEY: DICK TRACY, N. Y. News.
SAME CODE and KEY: SEEIN' STARS, N. Y. Journal.
Word NERO: Condon Telegram 4/13/36
Word NERO: SEEIN' STARS, 4/17/36
Word NERO: DICK TRACY 4/18/36
Word NERO: DICK TRACY 4/20/36

The word "NERO" stands for number "666" the number of the beast in Revelation: 13:18.

NERO represents one man: THE MASTERMIND of the INTERNATIONAL PIRATES.

No doubt he can be found in WALL STREET. And again no doubt that he serves a SUPER NERO. "THE HOUSE OF ROTSCHILD."

Respectfully

HANS OMENITSCH

P.S. PLEASE INFORM THE PRESIDENT OF THIS IN PERSON!

[From Harpers, vol. 172, p. 236, January 1936]

SHOOT TO KILL?—A NOTE ON THE G-MEN'S METHODS

By Howard McLellan

I

The most recent applications of the police doctrine of "shoot on sight and shoot to kill" were the annihilation last September of the young New Orleans surgeon who assassinated Senator Huey P. Long and the killing a few weeks later of a New Jersey farm woman by deputy sheriffs seeking to serve upon her husband a court order citing him for contempt. They were horrifying examples of the application of a doctrine which has been translated into deadly action many times during the past few years, at a cost which has been lost sight of in the melodramatic atmosphere which surrounds the taking of human life by violent means.

There is, for instance, the case of the unlamented John Dillinger. In doing away with him the doctrine of shoot on sight and shoot to kill was translated into action by officers of the Government with wide approval from the public. But of the costly aftermath no reckoning has been made.

No doubt about it, Dillinger was a bad man. Public approval was vociferously bestowed upon the Government police agent who gave the signal to kill him outside the little motion-picture theater on Chicago's north side. Branded as America's public enemy no. 1, after Alphonse Capone of the same city had forfeited his right to the title by being convicted of an income-tax evasion, Dillinger had become a symbol of diabolical evil in human form; and when news reels flashed upon the screen photographs of his bullet-pierced body audiences manifested their hate of him and their approval of his slayers by shrieks, clapping of hands, whistling, and stamping of feet—somewhat as audiences in Roman amphitheaters expressed themselves when Christians were thrown to the lions. The hero of these demonstrations, the antithesis of public enemy no. 1, was a little, square-jawed man (and a lawyer, by the way) named Melvin H. Purvis, who was special agent in charge of the Chicago office of the United States Department of Justice. Mr. Purvis had not actually fired at Dillinger. His 12 or 15 men had done the firing. Mr. Purvis had merely clenched his hand and the firing had begun. But that was enough to make him public hero no. 1.

In giving the signal to kill Dillinger, Agent Purvis was acting under the doctrine of "shoot on sight and shoot to kill", which had been enunciated not only by many responsible high police officials but also by his superiors in the Department of Justice. His immediate chief, J. Edgar Hoover (also a lawyer), had publicly stated that the policy of his Division of Criminal Investigation was "Act first, talk afterward", and "to shoot straight and get the right man." Joseph B. Keenan, Assistant Attorney General, had publicly stated, when the Department set out to get Dillinger, "I don't know when or where we will get him (Dillinger), but we will get him, and I hope we get him under such circumstances that the Government will not have to stand the expenses of a trial." When Homer S. Cummings, the Attorney General, was told of the killing of Dillinger, he said to the press, "The news of tonight is exceedingly gratifying as well as reassuring." Even such an able and long-experienced lawyer as Mr. Cummings did not pause to consider what eventually would be the cost of endorsing the shoot-on-sight doctrine.

It is true that great provocation stirred these representatives of official justice. A special agent of their Department had been slain in a battle with desperadoes in the Wisconsin woods. But that killing had not been attributed to Dillinger. Mr. Hoover had publicly charged the slaying to George "Babyface" Nelson, said to have been an associate of Dillinger's. Then, it will be asked, for what crime did the Department of Justice want Dillinger? Here it is necessary to emphasize a fact brought out by only one observer, Turner Catledge, Washington correspondent for the New York Times, who wrote. "Not a single word of complaint has reached Washington about Department of Justice agents stretching the Constitution when they drilled a couple of holes in John Dillinger last Sunday night. * * * Nevertheless, Dillinger's only known Federal offense was the transportation in interstate commerce of a stolen automobile. For this the offender is seldom shot on the spot. When Federal bullets dropped him to Chicago pavements he (Dillinger) was not in an automobile."

You probably will remark, "Why, Dillinger had robbed banks and killed people!" He had done both; but Federal laws making it a felony to rob national or Federal Reserve banks and making it a capital crime to kill a Federal officer had been passed in May 1934; Dillinger's crimes against national banks had been committed previously, and the law could not be retroactively applied to him. And as to the murder of the Department of Justice agent in Wisconsin, that also had been committed before the passage of the law which put it under Federal jurisdiction; and, for another thing, Mr. Hoover attributed that crime to Nelson. Thus, as a matter of strictly legal reasoning, the only crime Dillinger had committed against Federal statutes was the minor offense of transporting a stolen automobile across State lines, and, as Mr. Catledge wrote, for that the offender is seldom shot on the spot. "But," he added, "the Federals got him and they are out to get more of his ilk, dead or alive, on whatever pretext they can invoke the majesty of the United States Government."

Let no one now be aroused to pity by the suspicion that Dillinger was unjustifiably slain; that the powerful Federal Government resorted to pretext to enforce the doctrine of shoot on sight and shoot to kill. He was an out-and-out bad man. The question to be considered is not whether there was a possible violation of the due-process clause of the Constitution, or a possible violation of the principle of State rights by agents of the Department of Justice, but, rather, what was gained or what was lost by shooting Dillinger on sight.

II

Dillinger's record may be divided into two periods: The period when no order to shoot him on sight had been given out, and the later period when such an order was widely in effect. The first period finds him credited with five hold-ups between September 1924 and September 1933. But no killings were involved in these crimes. Moreover, these crimes were never proved against him. They were merely credited to him by peace officers, and there is a vast difference between crimes credited to a man by the police and crimes proved in a court of law. Frequently police officers credit a man with crime which cannot be proved in court.

In September 1933 Dillinger was captured and held in jail in Lima, Ohio, and escaped when confederates of his killed the sheriff. Though he was the cause of this killing, Dillinger was not credited with it and others were jailed and tried for the murder. Thus in the early part of his criminal career Dillinger was not credited with killings.

During the period from October 1933 to December 13, 1933, he was credited with five hold-ups, two of which were raids upon police stations for the sole purpose of procuring guns and ammunition. Although policemen were in the station houses when the raids were made, supposedly by Dillinger and his gang, no policemen were shot. On December 13, 1933, according to the record of crimes credited to Dillinger, he and his gang robbed a Chicago bank, but shot no one.

Up to this time Dillinger had given scant attention to Chicago banks. This may have been because Chicago was the domain of crime overlords who had deadly ways of eliminating competition by outside bandits. At any rate, immediately after the Chicago bank robbery the police of that city publicly announced their determination to kill Dillinger and his allies on sight.

In view of the history of crime in Chicago, this order to shoot on sight and shoot to kill was rather unusual. So far as we know, Dillinger had not committed murder; and during all the time that Alphonse Capone was in power in Chicago and no less than 127 murders were credited to him, no such order had ever been given the police to kill Capone on sight.

On the night that the order to kill Dillinger and members of his gang on sight was published they descended upon a roadhouse near Chicago, held it up, and shot and wounded two highway policemen. A day or so later John Hamilton, a Dillinger henchman, was cornered by the Chicago police, but shot his way out of the trap and killed Police Sgt. William T. Shanley. Six days later Edward Shouse, another Dillinger aide, shot and killed an Indiana State policeman. These killings of police officers were undoubtedly the answer of Dillinger and his men to the order to

shoot them on sight; for although on two previous occasions they had raided police stations and officers were present, there had been no casualties among the officers.

Then, on the night of January 15, 1934, Patrolman William P. O'Malley was talking with a friend near the First National Bank in East Chicago when he was shot and instantly killed. O'Malley was utterly unaware that the bank was being robbed, but such was the fact. The robbery and murder were again credited to Dillinger and his men. It should be quite obvious why O'Malley was shot. Although he was not aware of the robbery, he was a minion of the law, and thus to Dillinger and his aides was a man who at any moment might fire at them.

One begins to discern the cost in lives of the doctrine of shoot to kill. Two officers wounded and three killed within a few weeks after the order went out, and none of Dillinger's crew either shot or killed!

Immediately after the killing of O'Malley the shoot-to-kill cry was raised in States adjacent to Illinois. In Cleveland, Ohio, the police rigged up a target in a basement and, as a daily routine, indulged in pistol and rifle practice. The target was a life-size photograph of Dillinger's face. Dillinger probably knew about this, for a photograph of the officers shooting at his face was widely published.

However, in distant Tucson, Ariz., no order to kill Dillinger and his men had gone forth. Yet in that small city the police rounded up Dillinger, his men, and their women, without the firing of a shot! As a matter of fact the desperadoes had left their guns behind in their hotel apartment. No order to kill them on sight had been broadcast in Arizona. Dillinger was rather chagrined about having been picked up by a bunch of "hick" cops.

Taken back to his home State, Indiana, Dillinger was confined in the Crown Point county jail. It is interesting to note the observations about his credited record which Dillinger made in confinement.

"Let them prove I'm guilty", he said. "Don't the law consider a guy innocent until he's proven guilty? Well, I'm innocent, but it looks like I'll get the "works" though. They got me charged with everything from strangling goldfish to stealing the socks off a blind man. Why, they've even got me tagged with bank jobs I couldn't have committed. Two and three bank jobs in different States at about the same hour on the same day when I couldn't have been in all the places at the same hour."

This, of course, was the sort of display of bravado usually made by criminals when captured, or at least so it was regarded; but the fact remains that almost every important robbery committed in the Middle West had been credited to Dillinger and some of them it would have been impossible for him to commit.

Dillinger was asked to elucidate his statement that it looked as if he would "get the works." He explained that he meant that the order was out to shoot and kill him.

On March 3, 1934, Dillinger made a sensational escape from Crown Point jail, taking with him as hostages a fellow prisoner, a deputy sheriff, and a garage attendant. Dillinger effected his escape by using a wooden pistol which he had fashioned from a washboard and had blackened with stove or shoe polish. It is said, however, that Dillinger's confederates on the outside paid $20,000 to aid him in getting away. It was this escape which led to the publication of a photograph showing Dillinger with his arm over the shoulder of the county prosecutor and the prosecutor's arm round Dillinger's shoulder, while the lady sheriff in charge of the jail looked on, smiling blandly. It is worthy of mention that when the lady sheriff found that her dangerous prisoner had fled she announced that if she ever laid eyes on him she would shoot him down.

The shoot-to-kill order still stood against Dillinger and all who had been associated with him. A few days after the break from Crown Point the negro convict who had escaped with Dillinger was killed in Michigan, but an under sheriff also was killed—the fourth officer to lose his life since the shoot-to-kill command had been broadcast. About this time the Federal Department of Justice became interested in Dillinger. At sometime during his travels he had crossed State lines in a stolen car, and that was a Federal offense. On the front pages of newspapers there were many references to the great activity of the Department's agents at target practice.

The first appearance of these agents in the Dillinger chase was in St. Paul, when they appeared at an apartment and were greeted by the deadly rattle of machine guns. They returned the fire. Dillinger was wounded and his companion, Eugene Green, was fatally wounded, but both escaped. A few days later, Dillinger appeared in a surgeon's office, leveled his gun at him, and forced the surgeon and a nurse to give him medical treatment.

In the meantime, agents of the Department of Justice were being massed for the hunt. In spite of the fact that the Federal Government was now after him, Dillinger appeared in his home town in Indiana, and visited his father. Next, Dillinger was heard of in a summer resort in northern Wisconsin, where it was reported he had gathered with his gang and a notorious Middlewest desperado, Lester M. Gillis, alias George "Babyface" Nelson. Federal agents surrounded his hiding place, and there was a fierce battle in which Agent W. Carter Baum and a C. C. C. worker were killed, and two civilians, a constable, and a Federal agent were wounded. The gang escaped.

There was criticism of the strategy of the Justice agents for not having taken into their confidence the local police who were familiar with the section; for failing to watch the back door of the inn, through which the desperadoes escaped; and for failing to erect a barrier against escape at a bridge (which it was said the local police might have helped them to do).

Dillinger was not credited with the killing of Agent Baum. Nelson was singled out as the man who had committed the murder. The score of dead now stood: five peace officers killed since the shoot-to-kill order, and one civilian also killed, making six dead in all. And Dillinger and his chief lieutenants were still at large.

Incensed over the slaying of one of its agents and the wounding of another, the Department of Justice threw additional men into the search and offered a substantial reward for Dillinger dead or alive; and Assistant Attorney General Keenan, who no doubt had ample provocation for feeling as he did about it, made the statement that he hoped Dillinger would be taken in such a way that the Government would be spared the cost of a trial.

The search for Dillinger came to an end outside the little neighborhood motion-picture theater in North Chicago on the night of July 22, 1934, when Chief Agent Purvis gave the signal to his 12 or 15 men to drop him.

The hunt for "Babyface" Nelson continued. In December 1934 the Department of Justice got a tip that Nelson was heading for a house near Barrington, Ill. Among the agents who went after him were Samuel Cowley and Herman Hollis. Cowley and Hollis both had been present at the execution of Dillinger. Hollis, it is said, had fired the shot which dropped Dillinger. Both men were young law-school graduates. They displayed no lack of courage when they went up to the house near Barrington where Nelson was believed to be hiding. But this brave act cost both agents their lives, for Nelson met their approach with gunfire. Nelson himself was wounded and his body was later found wrapped in a blanket. Cowley and Hollis had been told to give Nelson no quarter, and he likewise gave them no quarter, knowing that his pursuers were out not to capture him but to kill him.

III

Dillinger and Nelson were dead—but what of the cost in lives of peace officers? It was war, of course, but what shall we say of a strategy of war based upon the principle of giving three lives for one of the enemy's? No criticism of the acts of Agents Baum, Cowley, and Hollis is intended. They were acting not only under orders to get Nelson dead or alive but also in defense of their own lives. It is the shoot-to-kill doctrine which I am questioning.

And here arises another question. Were the processes of justice aided either by the death of Nelson or the death of Dillinger? It should be borne in mind that both desperadoes were credited with long lists of crimes. It is said they were linked with vast underworld machines, that they were aided and abetted by crooked politicians, and that each of them possessed intimate and exact knowledge of the extensive ramifications of underworld systems responsible for the many robberies and kidnapings and much political corruption in the Middle West. Many of these crimes remain unsolved or only partially solved. As soon as Nelson and Dillinger were killed all the crimes with which they were credited were presumably cleared up and closed. Some 25 crimes credited to Dillinger were disposed of by his death, and many more were disposed of by Nelson's death.

It is a common practice among the police automatically to consider crimes closed when the man credited with them is killed or dies by his own hand. Thus when Legs Diamond was shot by enemies the crimes with which Diamond had been credited were automatically wiped off the slate. Only the other day a young gunman was arrested for a murder, and when he was found hanged in his cell the police announced that he had been credited with no less than a hundred murders, though none had been proved against him.

A few years ago a former Texas ranger ended with a machine gun the careers of two desperate Southwest characters—Clyde Barrow and his "moll", Bonnie Parker. "They were responsible for no less than 19 murders", he announced. Those murders had not been proved against them; any associates they may have had were still at large; yet it was considered that the majority of those credited murders were cleared up and the cases closed. It is true that the Department of Justice did an excellent job of sending away a ring of conspirators who had aided Barrow and the girl in their escapes, but it had to do so without the aid of the two principals who might have been forced to divulge much more information regarding murders and robberies and underworld alliances. Likewise it is true that the Department of Justice did splendid work rounding up some of Dillinger's confederates. But it by no means uncovered all the valuable information it might have presented in court if Dillinger and Nelson, the principals in the crimes, had been brought to trial.

It would have been highly valuable, as an aid to the study of modern crime and as a guide for future police action in dealing with criminals and their rings, to have been able to force from Dillinger or Nelson statements about their careers, their methods, and the means by which they were able to hide so long. With both of them dead the possibility of such an exploration was eliminated.

There is yet another aspect of the practice of disposing of criminals by the shoot-to-kill method. Suppose you were a criminal who had actually committed one or more of the crimes credited to a dead criminal, would you rejoice and feel emboldened to continue in crime when you found that the crimes you had committed were credited to a dead man and that his death meant that the police would drop their investigations of those crimes? To this query there is the suggestion of an answer in the fact that

bank robberies in the very belt where Dillinger and Nelson operated were not halted by their deaths. As many, if not more, crimes of robbery have been committed in that belt since then. Committed perhaps by imitators of the dead bandits? If this be so then the extermination of Dillinger and Nelson did not prove a deterrent.

IV

Now, you may ask, what should I do? It is all very well for me to sit pounding at my typewriter at a safe distance. What should I do—have officers risk their lives to capture, alive, known killers who might very likely be set free by weak-kneed juries won over by slick lawyers? To this I frankly reply that I wouldn't for the world want to be in the shoes of any peace officer, or civilian for that matter, who is after a criminal over whose head hangs an order to shoot to kill. The mortality rate is too high.

Or I might point, with considerable assurance, to the Department of Justice's fine job of disposing of the live robber and kidnaper known as Machine-Gun Kelly. Not a shot was fired to take this notorious criminal whose skill with a machine gun was so great that he frequently shot his initials in barns with his gun. Kelly was taken alive, and what probably amounts to the most thorough clean-up of a big criminal gang was accomplished by the Department of Justice when it sent to prison not only Kelly and his gang but all the conspirators, some 20 in all, even those who merely had touched the ransom money. This happened in 1933 and the Government prosecutor who did the splendid job, in court, was none other than Joseph B. Keenan, the Assistant Attorney General, who later was to broadcast the not unfulfilled hope that Dillinger would be taken in a way that would save the Government the expense of a trial.

Kelly, who had robbed banks right and left, was wanted by Oklahoma authorities as a ringleader in the kidnaping of Charles F. Urschel, from whose relatives was extorted, under threats of death, a ransom of $250,000. In Memphis, Tenn., the local police were advised that Kelly and his wife were living in a bungalow in that city. Police detectives and Department of Justice agents kept the house under observation all night. On a dining-room table at which Kelly sat was an automatic pistol; on the floor were several sawed-off machine guns, his favorite weapon. At 6 in the morning Detective Sgt. W. J. Raney slipped into the house. The bedroom door opened, and there stood Kelly, a gun in his hand, ready. The detective, who had been trained to look at a quarry's hands and not at his face, made one move. He shoved his shotgun barrel into Kelly's stomach and said, "Drop that gun." And Kelly dropped it.

"I've been waiting all night for you," said Kelly grinning.

"Well," said Raney, "here we are."

So far as I have been able to discover, no order to shoot on sight and shoot to kill hung over Kelly's head, though he was supposed to be a cop killer; and when the trial took place Kelly and his coconspirators were present for the jury to look at and witnesses to identify, and eventually a score of persons were sent away to expiate the crime, although many of them had played only minor roles. It is not at all singular that after this clean-up the kidnaping rate in that part of the country suffered a healthy decline.

But would it have been possible for Agent Purvis and his 12 or 15 men to take Dillinger alive? There may be differences of opinion as to this. At any rate, Mr. Purvis' account of what happened is available for consideration.

"When Dillinger left the show (the motion-picture theater)", Mr. Purvis told reporters, "he started south and again passed my car without noticing me. As soon as he had gotten a step past my car I thrust my right arm out of the car, dropped my hand and closed it, the prearranged signal for closing in. Instantly my men appeared from all sides. * * * As he (Dillinger) ran he drew an automatic pistol from his pocket. Several shots were fired by my men before he could fire. He dropped mortally wounded. I had hoped to take him alive, but I was afraid that he would resist to the last."

Did Dillinger appear suddenly out of the theater, and were the armed agents surprised to see him? Here is another part of Mr. Purvis' statement (the italics are mine): "It was late yesterday afternoon when I received undercover information that Dillinger would attend the movie. * * * I hurriedly made arrangements to surround the theater with picked men from among my investigators. They were armed only with pistols. *I wished no general firing that might endanger passers-by.*

"I stationed myself in my own automobile, parked two doors south of the theater. My men were stationed in doorways about the theater. *It was shortly before 9 o'clock when I first noticed Dillinger.*

"As he bought a ticket * * * I knew I was not mistaken. Those *two* hours that he spent in the theater were the longest I ever spent. By the time he left the show our plans were complete * * * my men were covering the neighborhood so thoroughly that a cat couldn't have gotten through."

And presently Mr. Purvis and the Department of Justice had on their hands a dead man who could tell no tales.

Why, during those 2 hours while they were waiting and Dillinger was in the theater, didn't Mr. Purvis and his men close in upon Dillinger in the theater? There he was, sitting absorbed in the film upon the screen, his mind probably far from thoughts of pursuit and pursuers. Mightn't the agents have gone into the theater and, while Dillinger's back was to them, his eyes on the screen, have taken seats behind him, watched him for a moment, his arms particularly, and then seized his arms, an arm to an agent, and overpowered him without the firing of a shot—with other agents running up to lend their help in his complete subjugation? Mr. Purvis explained that he wished no "general firing that might endanger passers-by." Yet when shots were fired by his agents on the sidewalk two women passers-by were wounded; the wait of 2 hours did not prevent what he wished to avoid.

Here the point is sure to be raised that shooting in a theater, or the moves necessary to capture Dillinger in the theater, might have led to a panic or to the wounding of persons. On this point there is this to say, and it is based upon my own experience as a reporter observer of the police. Time and again skilled detectives have successfully closed in upon dangerous criminals while they were seated in crowded theaters, trains, lobbies, and other places of public assembly, and without firing a shot. As a matter of fact, this method has been so successful, especially if the wanted man's attention is absorbed in something, that it is commonly accepted as the best and safest way to take a desperate man. It is known in police circles as the "close-in."

Perhaps Mr. Purvis may not have thought of it in the 2 hours he sat there, knowing his man was inside. Anyhow, Mr. Purvis very probably was doing, in his judgment, what he thought proper, and it is not for one who was not there to say that he would have done otherwise than Mr. Purvis did. It should also be borne in mind that Mr. Purvis from the moment he saw Dillinger enter the theater was under no compulsion to take him alive. From authorities higher than himself came the license to shoot Dillinger on sight and shoot to kill.

But it is interesting to speculate as to what would have happened to Dillinger if 12 or 15 United States Secret Service operatives of the Treasury Department, or the same number of post-office inspectors, had been after him, had observed him go into the theater. Would they have taken him alive? The answer to this is that these older detective branches of the Government always prefer to catch their quarry alive and to let the courts deal with him. So it was with Guiteau, who assassinated President Garfield in 1881; with Czolgosz, who killed President McKinley in 1901; and with Giuseppi Zangara, who shot at President Franklin D. Roosevelt and killed Mayor Anton Cermak, of Chicago. These armed men were captured, disarmed, tried, and executed in orderly fashion.

The Secret Service's principal job is to protect the Nation's currency against counterfeiting. It moves quietly and swiftly and is the least publicized of the many Federal detective services. And in dealing with counterfeiters it pits its wits against criminals of the most desperate types, many of them outcast Sicilian criminals to whom murder is not only a fine art but a much practiced art. But there is no evidence that in dealing with them (the same is true of Post Office inspectors) the Secret Service follows a policy of shooting on sight, even when dealing with armed assassins of Presidents.

To those familiar with the work of the Secret Service it is no secret that its operatives are unusually well posted on the haunts, habits, technics, and specialties of counterfeiters. They know the type of men who take up counterfeiting and all the tricks of the trade, and once assigned to a counterfeiting operation, they proceed with full knowledge of what they may expect to find. And how do they come into posession of this helpful knowledge? The answer is quite simple. They take their quarry alive, usually with his plants and all his confederates. Live counterfeiters, brought face to face with an orderly trial and stern justice, invariably make certain overtures looking toward leniency, and presently the Secret Service is in possession of all the latest data on counterfeiting as well as valuable information concerning other counterfeiters, new technics, and so forth. Dead counterfeiters could not supply this information. Shoot on sight and shoot to kill is not, therefore, a profitable doctrine for the Secret Service.

Criminals have a great respect for the Secret Service, and not because its operatives carry guns. Guns are available to the underworld as well as to the Secret Service, but it is difficult for the underworld to match a superior set of brains. There also is this pleasant fact about the Secret Service. The mortality rate among its members is low. Secret Service men are rarely shot. This is not because the operatives do not face guns in their work. Rather it is because the quarry is aware that his nemesis is after live specimens and not dead ones. Into the mind of the armed counterfeiter comes the happy thought not to reach for his gun, for he knows that the Secret Service man who confronts him is not out to shoot on sight and shoot to kill.

UNITED CONFEDERATE VETERANS

Mr. SANDLIN. Mr. Speaker, I ask unanimous consent for the present consideration of H. R. 11302, to authorize the Secretary of War to lend to the Reunion Committee of the United Confederate Veterans 3,000 blankets, olive drab, no. 4; 1,500 canvas cots, to be used at their annual encampment to be held at Shreveport, La., in June 1936.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to lend, at his discretion, to the reunion committee of the United Confederate Veterans, for use at the United

Confederate Veterans' Encampment, to be held at Shreveport, La., June 9, 10, 11, and 12, 1936, 2 hospital ward tents, with all pegs, poles, and equipment necessary for their erection; 1 storage tent complete with all equipment; 1 large wall tent complete with all equipment; 6 small wall tents complete with all equipment; 10 pyramidal tents complete with all equipment; 50 14-quart G. I. buckets; 3,000 blankets, olive drab, wool; 1,500 canvas folding cots; 1,500 comforters; 1,500 cotton-felted pillows complete with cotton pillowcases; 3,000 cotton bedsheets: *Provided*, That no expense shall be caused the United States Government by the delivery and return of said property; the same to be delivered from the nearest quartermaster depot at such time prior to the holding of said encampment as may be agreed upon by the Secretary of War and the Confederate reunion committee: *Provided further*, That the Secretary of War, before delivery of such property, shall take from said reunion committee of the United Confederate Veterans a good and sufficient bond for the safe return of said property in good order and condition, and the whole without expense to the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BARBARA BACKSTROM

Mr. KENNEDY of Maryland. Mr. Speaker, I offer the following concurrent resolution for immediate consideration.

The Clerk read as follows:

Senate Concurrent Resolution No. 36

Resolved by the Senate (the House of Representatives concurring), That the action of the Vice President and of the Speaker of the House of Representatives in signing the enrolled bill (H. R. 4387) entitled "An act conferring jurisdiction upon the United States District Court for the Western District of Michigan to hear, determine, and render judgment upon the claim of Barbara Blackstrom", be rescinded, and that in the reenrollment of said bill the Clerk of the House of Representatives is authorized and directed to insert the name of "Backstrom" in lieu of the name "Blackstrom" where it appears in section 1 of the amendment of the Senate to the text of said bill and in the amended title.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

OMNIBUS PRIVATE CLAIMS BILLS

The SPEAKER. Under the special order, the Clerk will report the first omnibus claims bill.

The Clerk read as follows:

H. R. 8524. For the relief of sundry claimants, and for other purposes.

SOUTHERN OVERALL CO.

The Clerk read as follows:

Title VI—(H. R. 4408. A bill for the relief of the Southern Overall Co.)

That the claim of the Southern Overall Co., growing out of proxy-signed contract of November 28, 1917, with the Quartermaster Corps for delivery of jumpers and trousers to the Quartermaster Corps during the World War, is hereby referred to the United States Court of Claims with jurisdiction to hear the same to judgment and with instructions to adjudicate the same upon the basis of the fair and reasonable value at the time of delivery of the jumpers and trousers delivered thereunder.

Mr. COCHRAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: Page 7, beginning in line 13, strike out all of title 6.

Mr. COCHRAN. Mr. Speaker, I shall try to be brief.

Mr. Speaker, the question for the House to decide in this case is whether it wants to send to the Court of Claims the claim of a company that made a contract with the Government. The Government kept its part of the contract, paid the company for the overalls it made, and assessed a penalty against the company for the overalls it failed to deliver on time. The company filed a claim under the Dent Act, which was denied by the War Department. The case was denied by the Comptroller. The company had the right at that time to go into the Court of Claims, but did not take the case to the Court of Claims. This bill is to set aside the statute of limitation.

The SPEAKER. The question is on the amendment of the gentleman from Missouri.

The amendment was agreed to.

ERNST NUSSBAUM

The Clerk read as follows:

Title VII—(H. R. 2989. A bill for the relief of Ernst Nussbaum.)

That, notwithstanding any other provision of law, the Alien Property Custodian is authorized and directed to transfer all money and other property held by him or by the Treasurer of the United States as the property of Ernst Nussbaum, of San Francisco, Calif., to the said Ernst Nussbaum, who is now a citizen of the United States.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 8, line 1, strike out all of title VII.

Mr. COSTELLO. Mr. Speaker, the bill contained in this title provides for the return to the claimant, Ernst Nussbaum, of property taken by the Alien Property Custodian during the period of the World War under the provisions of the Winslow Act. Following the World War the property of aliens was returned to them up to the sum of $10,000. Subsequently, 80 percent of the remaining property was returned to them. The remaining 20 percent of the property was retained by the Alien Property Custodian to be used as an offset for awards to American citizens from damage sustained by the loss of their property in Germany.

As you know, these awards to American citizens were never paid by Germany, and the entire 20 percent of alien property thus retained was utilized for this purpose; that is, to reimburse American citizens who had lost property in Germany.

The pending bill would provide that 20 percent of the property belonging to Ernst Nussbaum should be returned to him, although he is in no different situation from many other aliens who likewise had 20 percent of their property retained and used for this purpose. I, therefore, feel this bill should not be passed and should be stricken out of the omnibus bill.

The SPEAKER. The question is on the amendment offered by the gentleman from California [Mr. COSTELLO].

The amendment was agreed to.

The Clerk read as follows:

Title VIII—(S. 281. An act for the relief of the Fred G. Clark Co.)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Fred G. Clark Co. the sum of $7,586.61, being the amount agreed upon in accordance with the decision of the Board of Contract Adjustment, War Department, in full settlement for losses suffered by reason of forced compliance by said company with orders of the War Industries Board preventing said company from disposing of its stock of wool grease during the late war with Germany: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. COCHRAN. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: Beginning on page 8, line 9, strike out all of title VIII.

Mr. COCHRAN. Mr. Speaker, the War Industries Board was required during the period of the war to issue orders to concerns all over the United States to withhold from sale certain of their products. This was necessary from the standpoint of prosecuting the war successfully. It affected thousands of corporations all over the United States. Here is picked one corporation in the entire country for relief. We are setting a precedent, if we pass this measure, that is bound to come back to plague us. If we are going to settle with every corporation in the United States that was affected by orders of the War Industries Board, there will not be enough

money in the Treasury of the United States to pay the bills, no matter how much the taxes may be raised.

Mr. HANCOCK of New York. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from New York.

Mr. HANCOCK of New York. May I call the gentleman's attention to the fact that following the decision to which the gentleman referred this matter was sent to the Court of Claims and tried there? The court held the claimant was not entitled to recover and dismissed its petition.

Mr. COCHRAN. I intended to mention that fact, but the gentleman from New York saved me the trouble. This bill seeks to pay this particular corporation $7,586.61.

The SPEAKER. The question is on the amendment offered by the gentleman from Missouri [Mr. COCHRAN].

The amendment was agreed to.

The Clerk read as follows:

Title IX—(H. R. 3075. A bill conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.)

That jurisdiction be, and is hereby, conferred upon the Court of Claims of the United States, notwithstanding the lapse of time, prior consideration, or any statute of limitation, to hear and determine the claim of the Mack Copper Co. against the United States for just compensation for the taking and use, and the damages and waste inflicted by the taking and use of certain real property owned by the Mack Copper Co. and situated in San Diego County, State of California, which real property was taken, used, and occupied by the United States as an Army cantonment, training camp, or for other military purposes during the period from on or about May 15, 1917, to on or about June 1, 1922, not heretofore paid by the United States to the Mack Copper Co.

SEC. 2. That the Court of Claims of the United States, in the hearing and determination of any suit prosecuted under the authority of this act, is authorized, in its discretion, to use and consider as evidence in such suit, together with any other evidence which may be taken therein, the testimony and other evidence filed by Mack Copper Co. and the United States, respectively, in case no. D-134 on the docket of that court entitled "Mack Copper Co. against United States", wherein the court rendered a judgment on the 6th day of June 1927.

SEC. 3. From any decision or judgment rendered in any suit presented under the authority of this act a writ of certiorari to the Supreme Court of the United States may be applied for by either party thereto, as is provided by law in other cases.

Mr. COCHRAN. Mr. Speaker, I raise a point of order against this title.

Mr. Speaker, in the last session of Congress a Senate bill similar to this House bill was passed which would have sent this case to the Court of Claims. That bill suffered a pocket veto. A motion was made in August 1935 to lay this identical bill on the table, and I refer to H. R. 3075.

Mr. Speaker, I make the point of order that the committee had no right or authority to include this bill in an omnibus bill, because it has already been tabled and was not rereferred to the committee.

The SPEAKER. The Chair is ready to rule.

The Chair has been furnished with a history of the proceedings with reference to this particular bill. The bill (H. R. 3075) was introduced on January 3, 1935, and referred to the Committee on War Claims. It was reported without amendment from the Committee on War Claims, Report No. 515, on March 28, 1935, and referred to the Private Calendar.

When the bill was reached on the Private Calendar, June 4, 1935, it was objected to and recommitted to the War Claims Committee under the rule. It was then included in omnibus bill no. 8524, which was reported from the War Claims Committee on June 17, 1935. This omnibus bill is on the calendar and now under consideration.

On August 23, 1935, the gentleman from California [Mr. BURNHAM] asked and obtained unanimous consent that the Committee on War Claims be discharged from the further consideration of S. 1878, a similar Senate bill, which had been referred to that committee, and this Senate bill was passed and, by unanimous consent, H. R. 3075, the bill in question, was laid on the table. H. R. 3075 is still being carried in omnibus bill H. R. 8524, notwithstanding the fact that it was laid on the table, because H. R. 8524 was printed prior to tabling the bill.

The Journal shows that the President, subsequent to that date and the expiration of the session, pocket vetoed the bill S. 1878 as of September 7, 1935.

The Chair holds that this bill, having been laid on the table by action of the House, is not a proper bill to be included in the pending omnibus bill. The only way to get it up would be by submitting a unanimous-consent request to take it from the table and consider it.

The Chair therefore sustains the point of order.

The Clerk read as follows:

Title X—(H. R. 2213. A bill for the relief of Charles P. Shipley Saddlery & Mercantile Co.)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $11,902.15 in full settlement of all claims of the Charles P. Shipley Saddlery & Mercantile Co. arising out of the cancelation of its lease, entered into with Second Lt. James W. Bell, Quartermaster Corps, National Army contracting officer at Camp Funston, acting for and on behalf of the United States as lessor, dated October 19, 1917, for a site on the zone of camp activities and amusements at Camp Funston, Kans., under which said Charles P. Shipley Saddlery & Mercantile Co. had made expenditures for facilities and equipment and had paid its proportionate share of the cost of the central heating plant and waterworks installed under the authority of the War Department.

Mr. COCHRAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: Page 10, beginning with line 16, strike out all of title X.

Mr. COCHRAN. Mr. Speaker, this bill was originally for $17,000. The case was heard by the War Department. The War Department, I understand, settled with the claimants for $3,579. This, however, is disputed in a letter I have from the claimants.

This bill does not ask you to send this case to the Court of Claims, but asks you to pay the money directly out of the Treasury in opposition to the views of the Government agency that has considered the case and has held that the corporation received all the money to which it was entitled.

Surely if you are going to give further consideration to the corporation, instead of Congress saying, "Mr. Treasurer, pay the money", the matter should at least go to the Court of Claims.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. MAY. As I understood the gentleman's statement, a settlement was made for a specified sum, and they accepted this as a settlement.

Mr. COCHRAN. That is my understanding, although the claimant denies a settlement.

Mr. COSTELLO. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. COSTELLO. I would like to ask the gentleman if it is not a fact that this company, in an effort to make this claim of theirs appear plausible, charged against the Camp Funston store some $10,000 of expenses that were incurred in the operation of their Kansas City store?

Mr. COCHRAN. Salaries of officials.

Mr. COSTELLO. The salary of an official who went out as a purchasing agent at $200 a month for a period of 2 years.

Mr. COCHRAN. The War Department went into all that; disallowed the claims.

The report does show—see the letter of Assistant Secretary of War Payne—no actual loss was sustained, but, on the contrary, a profit was shown. That is in the third to last paragraph of the report of the Secretary of War.

Mr. GUYER. Mr. Speaker, I would like to have the attention of every man in this House. This saddlery company and Charles Shipley never got one dime from the Government, and I read from the hearings as shown in the report, Mr. KERR asking these questions:

Mr. KERR. We want to know what would be the reaction up there in the War Department if we were to allow him [Shipley] the cost of the conduct of that business up there. Do you think that would be the right thing to do?

Major KEITH. As I said a moment ago, that is a matter for you gentlemen.

Mr. KERR. You absolutely cut him out of every cent of cost incidental to the conduct of that business there?

Major KEITH. Yes.

Mr. KERR. You were willing to take the profit he made and set it off against the construction of his building, but you were not willing up there at the War Department to give him anything at all for the actual cost of the conduct of that business? That is what the committee has before it.

Major KEITH. I feel sure that any action your committee takes would not be objected to by the War Department.

Now, this Shipley Saddlery Co. is Charles Shipley, one of the best men I ever knew. If the gentleman from Missouri [Mr. SHANNON] were here, he would be talking in my place. We all appreciate Mr. COCHRAN's efforts to save the Government money, but often he does individuals a great injustice by inducing the House to act adversely on many of these bills.

At times the Government of the United States is a generous and prodigal dispenser of largess often when there is no logical reason for it. At other times it is an ungrateful and niggardly miser. It pours out the coin of the realm to those it does not owe but refuses for years to pay its honest debts. It digs into the Treasury and dishes out its currency to those who are perpetual shirks and refuses to compensate those who in time of national stress and dire need came to the rescue of the Government with a voluntary generosity. One day a prodigal spendthrift, the next a flinty-hearted skinflint with its helpless creditors.

This Government never played the latter role with more glaring injustice, more brazen effrontery than in this case of the Charles Shipley Saddlery Co. That company is simply Charles Shipley.

The Government, through its agents in the Army, induced this good and decent citizen as a patriotic duty to open a store at Camp Funston, Kans., to sell leather goods and other necessities to the soldiers at this camp. They made an estimate of a building for this purpose, which Shipley was to build, which they estimated would cost $5,000. When Shipley got through it had cost him over $14,000, part of which was his pro-rata share of the cost of a waterworks and heating system. He had hardly got started properly when the Government canceled his contract, confiscated his building, used the waterworks and heating system he helped to build, and to this day has not paid him a thin dime.

That is a brief story of this shameful treatment of one of the best men I ever knew. Nothing would induce this man to accept a penny that did not belong to him. At one time when lawyers who were settling all these matters at Camp Funston wanted most of it for fees, he almost dropped it with the idea that he would let the Government have it rather than pay a large proportion of it to lawyers who were handling an immense amount of these claims in a group. So the Government and the lawyers cut his claim out, while they paid to one claimant, who had a relative in Congress, $43,000 for an old movie house as junk after the war was over. The Government junked Shipley's building, sold the remains as junk, and dishonestly retains that money to this day.

Shipley is not a constituent of mine, though we live in the same city, which is located in two States. I have only the interest of a bystander who does not like to see his Government oppress one of its best citizens. Shipley is an outstanding citizen of high ideals and lofty civic attainments, and is particularly interested in those organizations which look after the welfare of the unfortunate of his city. He has long been active in and now heads the Good Will Industries in Kansas City, which employs hundreds of otherwise unemployed people in renovating and repairing clothing which is contributed, and then this clothing is sold to those who cannot afford to buy new clothing. Under this system a whole outfit, including overcoat, hat, shoes, and suit, are sold for $6. This yields Mr. Shipley nothing except the consciousness that he has helped the needy. In fact, it costs him much of his own money and time.

The Shipley Saddlery Co. has been one of the finest leather-goods houses of this country. Shipley is an artist in his line and he employs men who are experts in that line. They are a part of his family, as it were. In the old days before the horse was extinct, his saddles and other leather goods were worn from the Rio Grande to the Yukon. His customers ordered these superlative products without asking the price. They knew Shipley would give them an honest man's price. The men he had employed for many years were loyal to him and worked at low wages in these hard years, and Shipley kept them at work the best he could.

Shipley borrowed the money to build at Camp Funston, and is still paying interest on the principal. This interest, of course, is not included in this bill, but I refer to it to emphasize the injustice of still withholding from him the original cost of the store.

The hard years came. The demand for his goods failed. He comes now, asking his Government, which has done him this injustice, to pay a part of what it owes him in order that he may save his home and his building down at the stockyards, where for so many years he has labored with his men. Mr. SHANNON, if his health were better, would say everything I have for this man. His case is now in your hands. You are the great Government which has for so long withheld from this good citizen the property that does not belong to it. You can right this wrong.

I think it would be a shame for this Congress to burden this man further with the injustice he has suffered ever since the war, and I hope every man here who believes in justice and in square dealing will pay this man not what he is out but the amount at which the committee put it.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. GUYER. Yes.

Mr. COCHRAN. Does not the gentleman think it would be fair to the Government, in view of the fact this matter has never been to the Court of Claims, that before you ask the taxpayers of this country to pay this bill the case should go to the Court of Claims rather than have the Treasury Department pay the claim direct?

Mr. GUYER. I do not think it should go to the Court of Claims because the Committee on War Claims unanimously reported it. They tried the case, gave long hearings, and why keep this man waiting and put to all the trouble of coming up here to try his case before the Court of Claims? As I say, the Committee on War Claims reported it unanimously.

Mr. COCHRAN. Will the gentleman yield?

Mr. GUYER. Yes.

Mr. COCHRAN. Is the gentleman going to condone everything that the War Claims Committee does?

Mr. GUYER. I do not think this needs condonation.

Mr. EKWALL. Will the gentleman yield?

Mr. GUYER. I yield.

Mr. EKWALL. Is it not a fact that if the claimant was defeated in the Court of Claims he has no appeal?

Mr. GUYER. That is true, and there is no need of going to the Court of Claims. We are the court, we can try the case.

The SPEAKER. The question is on the amendment offered by the gentleman from Missouri [Mr. COCHRAN].

The question was taken; and on a division (demanded by Mr. COSTELLO) there were 18 ayes and 45 noes.

Mr. COSTELLO. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER. The Chair will count. Evidently there is no quorum present. The Doorkeeper will close the doors, the Clerk will call the roll.

The question was taken; and there were—yeas 63, nays 238, answered "present" 2, not voting 125, as follows:

[Roll No. 73]

YEAS—63

Ashbrook	Cartwright	Doxey	Hill, Ala.
Ayers	Castellow	Driscoll	Huddleston
Blanton	Cochran	Duncan	Johnson, W. Va.
Brooks	Colden	Faddis	Lambeth
Brown, Ga.	Colmer	Ford, Calif.	Lewis, Colo.
Brown, Mich.	Cooley	Ford, Miss.	Luckey
Buck	Costello	Fulmer	Ludlow
Burch	Crowe	Gray, Ind.	McFarlane
Cannon, Mo.	Daly	Green	McGehee

Mahon	Quinn	Secrest	Umstead
Murdock	Reilly	South	Warren
Nelson	Robertson	Spence	Whelchel
O'Neal	Ryan	Stefan	Whittington
Pearson	Sanders, Tex.	Sutphin	Young
Peterson, Ga.	Schulte	Taylor, S. C.	Zimmerman
Polk	Scott	Thomason	

NAYS—238

Andresen	Engel	Lemke	Richards
Andrews, N. Y.	Evans	Lesinski	Richardson
Arends	Fiesinger	Lucas	Risk
Bacharach	Fish	Lundeen	Robinson, Utah
Bacon	Fletcher	McClellan	Rogers, Mass.
Barry	Focht	McCormack	Rogers, N. H.
Beam	Frey	McGrath	Rogers, Okla.
Beiter	Fuller	McGroarty	Russell
Biermann	Gambrill	McKeough	Sadowski
Binderup	Gasque	McLaughlin	Sauthoff
Blackney	Gearhart	McLeod	Schneider, Wis.
Bland	Gehrmann	McMillan	Scrugham
Bloom	Gilchrist	McReynolds	Sears
Boland	Gildea	Maas	Seger
Boylan	Gingery	Maloney	Shanley
Buchanan	Goldsborough	Mapes	Short
Buckler, Minn.	Goodwin	Marcantonio	Sirovich
Burdick	Granfield	Martin, Colo.	Smith, Conn.
Burnham	Gray, Pa.	Massingale	Smith, Va.
Cannon, Wis.	Greever	Maverick	Smith, Wash.
Carlson	Griswold	May	Smith, W. Va.
Carpenter	Guyer	Mead	Snell
Carter	Haines	Meeks	Snyder, Pa.
Casey	Halleck	Merritt, N. Y.	Somers, N. Y.
Celler	Hamlin	Michener	Starnes
Chandler	Hancock, N. Y.	Millard	Stubbs
Church	Harlan	Miller	Sumners, Tex.
Citron	Hart	Mitchell, Ill.	Taber
Coffee	Hennings	Monaghan	Tarver
Cole, N. Y.	Hess	Mott	Taylor, Tenn.
Cooper, Tenn.	Higgins, Conn.	Nichols	Terry
Cox	Higgins, Mass.	Norton	Thompson
Crawford	Hildebrandt	O'Brien	Thurston
Creal	Hill, Samuel B.	O'Connell	Tinkham
Cross, Tex.	Hollister	O'Connor	Tobey
Crosser, Ohio	Holmes	O'Day	Tolan
Crowther	Hook	O'Leary	Treadway
Culkin	Hope	Owen	Turner
Cullen	Houston	Palmisano	Turpin
Cummings	Hull	Parks	Utterback
Curley	Jacobsen	Patman	Vinson, Ga.
Darden	Jenckes, Ind.	Patterson	Vinson, Ky.
Deen	Johnson, Okla.	Patton	Wallgren
Delaney	Johnson, Tex.	Peterson, Fla.	Wearin
Dempsey	Kahn	Pettengill	Welch
Dickstein	Keller	Peyser	Werner
Dies	Kelly	Pfeifer	White
Dingell	Kennedy, Md.	Pierce	Wilcox
Disney	Kerr	Pittenger	Williams
Dobbins	Kinzer	Plumley	Wilson, La.
Dockweiler	Kloeb	Powers	Wilson, Pa.
Dondero	Kniffin	Rabaut	Withrow
Dorsey	Knutson	Ramsey	Wolcott
Drewry	Kocialkowski	Ramspeck	Wolfenden
Driver	Kopplemann	Randolph	Wolverton
Duffy, N. Y.	Kramer	Ransley	Wood
Dunn, Pa.	Lambertson	Reece	Woodruff
Eckert	Lanham	Reed, Ill.	Zioncheck
Eicher	Lea, Calif.	Reed, N. Y.	
Ekwall	Lehlbach	Rich	

ANSWERED "PRESENT"—2

Bankhead	Lewis, Md.

NOT VOTING—125

Adair	Darrow	Healey	O'Malley
Allen	Dear	Hill, Knute	Parsons
Amlie	DeRouen	Hobbs	Perkins
Andrew, Mass.	Dietrich	Hoeppel	Rankin
Barden	Dirksen	Hoffman	Rayburn
Bell	Ditter	Imhoff	Robsion, Ky.
Berlin	Doughton	Jenkins, Ohio	Romjue
Boehne	Doutrich	Jones	Sabath
Boileau	Duffey, Ohio	Kee	Sanders, La.
Bolton	Dunn, Miss.	Kennedy, N. Y.	Sandlin
Boykin	Eagle	Kenney	Schaefer
Brennan	Eaton	Kleberg	Schuetz
Brewster	Edmiston	Kvale	Shannon
Buckbee	Ellenbogen	Lamneck	Sisson
Buckley, N. Y.	Englebright	Larrabee	Stack
Bulwinkle	Farley	Lee, Okla.	Steagall
Caldwell	Fenerty	Lord	Stewart
Carmichael	Ferguson	McAndrews	Sullivan
Cary	Fernandez	McLean	Sweeney
Cavicchia	Fitzpatrick	McSwain	Taylor, Colo.
Chapman	Flannagan	Main	Thom
Christianson	Gassaway	Mansfield	Thomas
Claiborne	Gavagan	Marshall	Tonry
Clark, Idaho	Gifford	Martin, Mass.	Wadsworth
Clark, N. C.	Gillette	Mason	Walter
Cole, Md.	Greenway	Merritt, Conn.	Weaver
Collins	Greenwood	Mitchell, Tenn.	West
Connery	Gregory	Montague	Wigglesworth
Cooper, Ohio	Gwynne	Montet	Woodrum
Corning	Hancock, N. C.	Moran	
Cravens	Harter	Moritz	
Crosby	Hartley	Oliver	

So the amendment was rejected.

The following pairs were announced:

General pairs:

Mr. Rankin with Mr. Wadsworth.
Mr. Woodrum with Mr. Darrow.
Mr. Parsons with Mr. Gifford.
Mr. Rayburn with Mr. Jenkins of Ohio.
Mr. Cary with Mr. Ditter.
Mr. Boehne with Mr. Bolton.
Mr. Greenwood with Mr. Robsion of Kentucky.
Mr. Sabath with Mr. Hoffman.
Mr. Jones with Mr. Andrew of Massachusetts.
Mr. Corning with Mr. Brewster.
Mr. Kleberg with Mr. Allen.
Mr. Cravens with Mr. McLean.
Mr. Doughton with Mr. Wigglesworth.
Mr. McSwain with Mr. Lord.
Mr. Sullivan with Mr. Merritt of Connecticut.
Mr. Taylor of Colorado with Mr. Thomas.
Mr. Mansfield with Mr. Cooper of Ohio.
Mr. Flannagan with Mr. Eaton.
Mr. Montague with Mr. Martin of Massachusetts.
Mr. Thom with Mr. Stewart.
Mr. McAndrews with Mr. Perkins.
Mr. Gregory with Mr. Marshall.
Mr. Bulwinkle with Mr. Fenerty.
Mr. Duffey of Ohio with Mr. Main.
Mr. Fernandez with Mr. Hartley.
Mr. DeRouen with Mr. Christianson.
Mr. Steagall with Mr. Gwynne.
Mr. Weaver with Mr. Buckbee.
Mr. Dunn of Mississippi with Mr. Cavicchia.
Mr. Schuetz with Mr. Dirksen.
Mr. Romjue with Mr. Collins.
Mr. Schaefer with Mr. Doutrich.
Mr. Connery with Mr. Englebright.
Mr. Gavagan with Mr. Amlie.
Mr. Chapman with Mr. Kvale.
Mr. Cole of Maryland with Mr. Boileau.
Mr. Sweeney with Mr. West.
Mr. Eagle with Mr. Montet.
Mr. Claiborne with Mr. Sanders of Louisiana.
Mr. Crosby with Mr. Moran.
Mr. Walter with Mr. Fitzpatrick.
Mr. Farley with Mr. Moritz.
Mr. Tonry with Mr. Bell.
Mr. Gillette with Mr. Sandlin.
Mr. Harter with Mr. Ferguson.
Mr. Mitchell of Tennessee with Mr. Edmiston.
Mr. Sisson with Mr. Shannon.
Mr. Kennedy of New York with Mr. Clark of North Carolina.
Mr. Clark of Idaho with Mr. Berlin.
Mr. Hobbs with Mr. Imhoff.
Mr. Kenney with Mr. Lamneck.
Mr. Stack with Mr. Kee.
Mr. Larrabee with Mr. Buckley of New York.
Mr. Boykin with Mr. O'Malley.
Mr. Healey with Mr. Dear.
Mr. Oliver with Mr. Adair.
Mr. Brennan with Mrs. Greenway.
Mr. Carmichael with Mr. Mason.
Mr. Hancock of North Carolina with Mr. Caldwell.
Mr. Barden with Mr. Dietrich.
Mr. Ellenbogen with Mr. Cassaway.

The result of the vote was anounced as above recorded.

The doors were opened.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAVID A. WRIGHT

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 713) granting jurisdiction to the Court of Claims to hear the case of David A. Wright, which is identical with the bill H. R. 2713 in the bill just passed under title IV.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Court of Claims be, and hereby is, given jurisdiction to reinstate, reopen, and rehear the case of David A. Wright, of Winona, Mo., against the United States, no. 261–A in said court, and upon the pleadings, evidence, and other proceedings in that cause, and such other proceedings, if any, as the court may deem necessary or proper, to readjudicate the same and determine the amount of costs or expenditures, if any, which the said David A. Wright may have expended or incurred in 1918 in the rehabilitation of a manufacturing plant (commonly called the Allis-Chalmers plant), at 1150 Washtenaw Avenue, Chicago, Ill., and in the beginning of production of heavy-duty lathes, to meet the needs, or the then-anticipated needs, of the Ordnance Department for any gun-relining or gun-manufacturing project initiated and under way in the Ordnance Department of the United States Army, in reliance in good faith upon any promise or assurance given him by Maj. Charles D. Westcott, Ordnance Department, United States Army, or Howard Abbott, an engineer in

the plant section of the production division of the Ordnance Department, that the said David A. Wright would receive a contract, or contracts, for the manufacture of heavy-duty lathes that would absorb such costs or expenditures, notwithstanding such Ordnance Department projects may have been contingent upon the continuance of the war and may have been abandoned because of the signing of the armistice of November 11, 1918, and notwithstanding section 3744 of the Revised Statutes: *Provided*, That the Court of Claims shall be of opinion that the said David A. Wright made or incurred such expenditures in reliance in good faith upon the belief that Major Westcott or Mr. Abbott possessed the authority to make such promise or assurance on behalf of the Ordnance Department and that he was justified in doing so under the circumstances.

The SPEAKER. Is there objection?

There being no objection, the bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent to vacate the proceedings of the House by which H. R. 2713 was passed.

The SPEAKER. The gentleman from Missouri asks unanimous consent to vacate the proceedings of the House whereby H. R. 2713 was passed and to lay that bill on the table. Is there objection?

There was no objection.

COPIES OF REVENUE ACT, 1936

Mr. LAMBETH. Mr. Speaker, I offer the following privileged resolution from the Committee on Printing.

The Clerk read as follows:

House Resolution 491

Resolved, That 4,000 copies of the bill H. R. 12395, the Revenue Act of 1936, be printed for the use of the House document room.

Mr. LAMBETH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to; and a motion to reconsider the vote by which the resolution was passed was laid on the table.

FALSE PROPAGANDA OF POLITICAL HYPOCRITES AGAIN ANSWERED

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein some correspondence I have had with my constituents.

The SPEAKER. Is there objection?

There was no objection.

Mr. McFARLANE. Mr. Speaker, in my remarks of January 21, 1935, I referred to malicious misstatements of fact that had been made against me in both of my previous campaigns for election to Congress in 1932 and 1934. Because of the malicious falsehoods circulated in both of these campaigns concerning the alleged organization of a "Hoover Club" in my office in 1928 and an alleged failure to support Al Smith in that campaign caused me to print and circulate more than 40,000 copies of this speech of January 21, 1935, in my district, more than 1,000 of which were distributed in Graham.

Mr. J. R. Ramsey was then postmaster at Graham under his brother-in-law, Wesley Johnson, at Graham, so the statement he now makes that this speech "has just been called to my attention" is in keeping with the rest of his statement issued April 18, 1936, all of which statement of his is wholly and totally false, and trumped up by him and the utilities for a third time to try to mislead the people and to raise false issues, which have previously been twice settled by the people of the Thirteenth District by an overwhelming majority in each election.

These false rumors regarding the organization of a Hoover Club in my office and my failure to distribute Al Smith literature were first raised during the run-off campaign of 1932. In answering same at that time I printed and distributed 50,000 circulars containing a news item in the Graham Leader of October 4, 1928, and affidavits of Mr. Z. A. Hudson and Mr. J. W. Seddon, both recognized leaders of the Hoover campaign in Young County in 1928, which statements fully showed the falsity of such charges.

Of course, the Al Smith we knew in 1928 championed the rights of the common people and was against the Power Trust special-privilege crowd; however, now we find him an active member of the so-called plutocratic American Liberty League and he has completely changed his position on many important questions. He is now one of their spokesmen and is advocating practically everything he opposed in 1928.

Upon receipt of Mr. Johnson's statement, April 20, I immediately wrote him, as follows:

APRIL 20, 1936.

Hon. C. W. JOHNSON, JR.,
Graham, Tex.

DEAR MR. JOHNSON: I have just received a copy of your letter to the press of April 18 in regard to a statement contained in my remarks of the CONGRESSIONAL RECORD of January 21, 1935.

In order that you may know the truth and your memory be refreshed, let me again refer you to my remarks of January 21, 1935, concerning you, every word of which you know to be the truth.

I have a statement prepared as per the enclosed copy that I expect to release immediately should you fail to correct your false statement of April 18 to the press of the Thirteenth District. You know there isn't a word of truth in the statement you have made. The truth just isn't in you, it seems.

I await prompt reply from your before releasing the enclosed statement.

Very truly, W. D. McFARLANE.

Having received no reply, and his statement having been published only in the Wichita Daily Times, Wichita Falls Record News, and the Electra News, all recognized as favorable toward the Power Trust and all having bitterly opposed the construction of a home-owned municipal light plant, and since these Power Trust papers refuse to publish my reply, which they knew or could easily have known were the facts before they publish this malicious libel, I submit the following reply to his letter handed the press:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 20, 1936.

To the CITIZENS OF THE THIRTEENTH CONGRESSIONAL DISTRICT:

REPLY TO C. WESLEY JOHNSON, JR.'S, LETTER OF APRIL 18, 1936

I have just received a copy of Mr. Johnson's letter, dated April 18, which states that he has given it to the press of the Thirteenth District, in regard to a statement contained in my remarks of January 21, 1935.

In order that the people may know the truth, let me quote from that statement of January 21, 1935:

"The post office at Graham is located in a building belonging to Republican Johnson, and naturally he wants to keep the post office in his building as long as possible. This same Republican, Wesley Johnson, succeeded in having himself appointed United States district attorney under President Hoover and retained this position almost a year before he was asked to resign on account of inefficiency, which resignation was filed promptly when requested.

"This same Republican, Wesley Johnson, made false statements against me in my last race and in my preceding campaign, which statements he knew and which the political hypocrites who used them knew were wholly and totally false. Such campaign tactics have been overwhelmingly repudiated by the voters of my congressional district in the last two campaigns. I was reelected last year carrying 13 out of 15 counties in the district, and my majority in my home county exceeded the combined majority of my opponent in the two counties I lost, and I carried my opponent's home town, Burkburnett."

Now, almost 4 years after this question of a so-called Hoover Club being organized in my office was raised, we find Mr. Johnson pretending innocent that he had ever spread such campaign falsehoods and intimates that he refused to give such information while people all over the thirteenth district know that certain gentlemen from Vernon and elsewhere spread this Hoover Club propaganda throughout the district not only in the campaign in 1932 but throughout the campaign of 1934, and gave him as their authority for such statement. This information was first used in circular form in the closing days of the run-off campaign of 1932 through a circular issued by attorneys for the private utilities.

In reply to such malicious falsehoods then issued, I at that time, in August 1932, issued a circular citing the following news item published in the Graham Leader of October 4, 1928:

"DEMOCRATIC RALLY HELD AT GRAHAM

"A Democratic rally was held Saturday evening at 8 o'clock, September 29, at the bandstand in the courthouse yard. The meeting was called to order by Senator W. D. McFARLANE, chairman of the Young County Democratic Club. A good crowd was present and considerable interest shown by the applause given the different speakers. Senator McFARLANE spoke first and urged all Democrats to support the ticket from top to bottom.

"Mr. Graham Stewart spoke last and urged everyone to support the national Democratic ticket.

"At the close of the meeting Mr. G. B. Johnson was elected secretary-treasurer, and the chairman announced the appointment of the following committees:

"Publicity committee: J. E. Kelly, E. L. Gibson, Price Beach, Ralph Shuffler, and Gasper Neal.

"Committee to arrange for speakers: G. B. Johnson, R. D. Owens, W. D. Spivey, Charlie Richardson, and B. W. King."

In regard to the distribution of literature in the Al Smith campaign and the other statements contained therein, all of which are wholly and totally false, when all these questions were raised in the run-off campaign of 1932, in answer to such charges that a "Hoover club" was organized in my office, I secured the sworn affidavit of the two recognized leaders of the Hoover forces in Young County, Mr. Z. A. Hudson, superintendent of the Presbyterian Sunday School in Graham for more than 25 years, and Mr. J. W. Seddon, a former county agent and long-time resident of Young County, which affidavit is as follows:

"THE HOOVER CLUB IN GRAHAM, TEX., IN 1928

"We want to make this statement in regard to the organization of the Hoover Club in Graham, Tex., in 1928.

"To go back, Senator W. D. MCFARLANE and his father were strong drys. In the precinct and county conventions they aided in securing a direction or instruction to our delegate to the State convention at Beaumont to vote for a platform plank—a dry candidate and a dry platform. Senator W. D. MCFARLANE, Mr. M. K. Graham, and Mr. Ford were the delegates to the State convention so instructed.

"After Al Smith was nominated we organized a Hoover-for-President Club. It was not organized in Senator MCFARLANE'S office, and Senator MCFARLANE nor his father were not members of it. Senator W. D. MCFARLANE made it plain to us that, while he was a friend to the dry cause, he was going to support the Democratic ticket, and made a speech in its behalf in the courthouse yard. He never varied from that position and, insofar as we know and believe, he voted the straight Democratic ticket in November 1928. He so stated at all times to us, who worked and voted for Hoover.

"Z. A. HUDSON.
"J. W. SEDDON.

"Z. A. Hudson and J. W. Seddon, being sworn, say the facts stated in the above statement are true.

"J. W. SEDDON.
"Z. A. HUDSON.

"Subscribed and sworn to before me this 5th day of August, A. D. 1932.

[SEAL] "GRACE LESLIE,
"Notary Public, Young County, Tex."

Mr. Johnson knew when he handed his letter of April 18 to the newspapers that his statement was wholly and totally false, as shown by the above news item and affidavit of two of the best citizens of Young County who were the recognized leaders of the Hoover forces in 1928.

You will note these good men in their sworn statement say that they organized a "Hoover for President Club", and that "It was not organized in Senator MCFARLANE'S office, and Senator MCFARLANE nor his father were not members of it. Senator W. D. MCFARLANE made it plain to us that while he was a friend to the dry cause he was going to support the Democratic ticket, and made a speech in its behalf in the courthouse yard. He never varied from that position, and insofar as we know and believe he voted the straight Democratic ticket in November 1928. He so stated at all times to us who worked and voted for Hoover."

And further, any citizens of Young County who called for Al Smith literature will bear witness to the fact that they secured same, and statements are in my possession at Graham, Tex., to this effect; and further, it is well known that I was the only lawyer in Young County who spoke for Al Smith during that campaign.

I know it must be hard for a former Republican post-office distributor to not only have his brother-in-law, J. R. Ramsey, let out of office but also all his other appointees, as well as himself let out, and on top of that the new post-office building at Graham, constructed under this administration, is ready for occupancy and the post office will soon be moved from his building to this beautiful, new post-office building on the public square. Losing this rent, his patronage, and his job no doubt causes Republican Johnson to feel very bitter toward the Democratic administration and those who have helped bring the country back from chaos to prosperity.

Very truly,

W. D. MCFARLANE.

ACT FOR THE RELIEF OF CERTAIN OFFICERS

The SPEAKER. The Clerk will report the next omnibus bill.

The Clerk read as follows:

(S. 267. An act for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature)

That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to Matthew E. Hanna, American minister to Nicaragua, the sum of $25,368.58, of which the sum of $25,215.50 represents the value of reasonable and necessary personal property lost as a result of the earthquake at Managua, Nicaragua, March 31, 1931, and the sum of $153.08 represents the amount of money and vouchers destroyed when the contents of the safe in the legation were burned.

To Willard L. Beaulac, secretary of the American Legation at Managua, Nicaragua, the sum of $1,006.82, such sum representing the value of reasonable and necessary personal property lost as a result of the earthquake at Managua, Nicaragua, March 31, 1931.

To Marion P. Hoover, clerk in legation at Managua, Nicaragua, the sum of $80, such sum representing the value of reasonable and necessary personal property lost as a result of the earthquake at Managua, Nicaragua, March 31, 1931: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent of any claim thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with any such claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated for any claim in this act in excess of 10 percent of such claim on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000. The aforestated amounts shall be considered in full settlement of the aforesaid claims. (Passed the Senate Jan. 21, 1935.)

With the following committee amendments:

Page 1, line 11, strike out "$25,368.58" and insert "$16,122.08"; page 2, line 1, strike out "$25,215.50" and insert "$15,969"; page 2, line 8, strike out "$1,006.82" and insert "$821.92."

The SPEAKER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. COCHRAN. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. COCHRAN: Page 1, line 3, strike out all of Senate bill 267.

Mr. COCHRAN. Mr. Speaker, I wish the Members of the House would pay particular attention to this bill. We just passed a bill and included in that bill was a measure which sent a case to the Court of Claims not for the first time, not for the second time, but for the third time. Where is the lawyer who would permit a case that he has won to be reopened three times, or where is the individual?

Mr. BLOOM. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. Not until I state my case. I admit that has nothing to do with this bill. I am going to talk on this bill. This is a question of policy entirely. This bill provides for the payment of some $17,000 to representatives of this Government in the Foreign Service because of losses sustained as the result of an earthquake in Nicaragua. The question involved is, Does the Congress of the United States want to pay damages, the result of an act of God? I might add that the party who receives the sum of $16,000 on this claim will likewise receive in a few days from this House 1 year's salary because her husband died while in the Foreign Service. That is not included in this bill. This is a different item for property which belonged to them that was lost as the result of the earthquake. If you are going to pay Government employees and the members of the Army and Navy and Marine Corps damages because of floods, earthquakes, fires, and so forth, then you are adopting a very dangerous policy which you will regret.

The Government would have furnished this Legation as it furnishes all legations, but in this instance they wanted to use their own furniture. By so doing they were saving storage charges. I cannot see where the Government should be held responsible for losses due to any earthquake.

Mr. COLDEN. If we pay this, why not pay the losses of the California earthquakes?

Mr. COCHRAN. The people who suffered there were not employees of the Government, and there is that difference; but if you pay this, then you should pay every man at Langley Field, at Portsmouth Navy Yard, and at Fortress Monroe who lost belongings in the terrible flood there in 1933.

Mr. BLOOM. Mr. Speaker, the gentleman from Missouri [Mr. COCHRAN] is endeavoring to explain this particular case. This case is not the same as the explanation made by the gentleman from Missouri at all.

In reply to the gentleman from Missouri, permit me to state that at the time Mr. Hanna was appointed American Minister to Nicaragua the Legation premises there, which were leased by the Government and only partially furnished, were badly in need of repair and renovation, and were almost destitute of appropriate furniture and furnishings for the residence portion.

This being the situation, Mr. Hanna was confronted with the task of choosing between an appropriate and an inappropriate representation for the American Government in that capital. He chose the former, because it was believed that it would elicit an appreciative response from the community there, would greatly add to the influence and prestige of the Nation, and would play a very useful role in dealing with the Nicaraguan Government and people. Subsequent events justified the correctness of this view.

To furnish the premises, Minister Hanna collected at Managua his furniture and furnishings from his last previous post and from storage. The character and quantity of the articles thus collected were determined largely by the character of the premises to be furnished. These claims have received the most careful consideration of the Department's claim board, and the amount recommended to be appropriated is considered by the Department to be reasonable. In this connection it should be pointed out that only a portion of the losses suffered by the individuals involved are included in this bill. Minister Hanna, for example, lost additional personal belongings of great value, for which no claim is submitted, because they might be classed as luxury possessions. They were of great value to him, nevertheless, and to this Government likewise, since they were utilized to make the Government-rented Legation more representative.

While it is the almost universal practice of governments to supply furnishings for legations and embassies, the Government of the United States has done this only in a limited number of cases. Managua, at the time of the earthquake, was not one of those. It would seem unjust that, as against legations and embassies that are Government furnished, Minister Hanna, in addition to donating to the Government the use of his personal belongings, should be impelled to assume a risk against which he was unable to protect himself.

It has been stated that no showing has been made that these officers and employees could not have insured their personal belongings against such hazards.

In this connection it should be understood, first of all, that fire insurance did not protect against losses caused by the earthquake or by the fire which resulted therefrom. No fire-insurance company indemnified a single policyholder for his losses from the fire which followed the earthquake, since it was uniformly held that the fire was a direct result of the earthquake, and the policies of all companies contained a saving clause exempting the companies from liability in such a contingency.

Only earthquake insurance would have given protection against such losses, and that was prohibitive in cost. In support of this statement, it is reported that in the entire city of Managua, containing from sixty to seventy thousand inhabitants, only three property owners possessed earthquake insurance, and one of these was a bank of large resources. The cost of earthquake insurance was out of reach of the other property owners, as it was of the Foreign Service officers and employees involved in this bill.

At this point it should be stated that certain naval officers on duty at Managua at the time of the earthquake also suffered losses, which have been compensated for under Priate Act No. 373, Seventy-fourth Congress, approved January 21, 1936. No reason is seen, therefore, for discrimination against members of the Foreign Service who suffered losses under the same circumstances.

In addition to the above it might also be pointed out that under the Army regulations the military personnel is compensated for private property lost or damaged in the military service, and an appropriation is available from which such losses are paid without their being submitted to Congress. The War Department regulations are similar to those contained in the State Department order governing the determination of losses of Foreign Service officers and employees, except that in the determination made by the Department of State as to the amount of the losses legislative authority and an appropriation are necessary before such claims can be paid, whereas Congress has already given the War Department the authority and means to pay such losses as it shall determine reasonable and proper.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. BLOOM. Yes.

Mr. COCHRAN. Please tell the House whether the other two claimants in the bill also furnished a legation.

Mr. BLOOM. I am talking about this Hanna claim.

Mr. COCHRAN. But there are two other claims in the bill which the committee has recognized.

Mr. BLOOM. I do not think it is fair to confuse the other bill with this. I shall be glad to talk about that at the proper time.

Mr. COCHRAN. They are in this item.

Mr. BLOOM. I refuse to yield further.

Mr. McREYNOLDS. Mr. Speaker, will the gentleman yield?

Mr. BLOOM. I yield.

Mr. McREYNOLDS. There is nothing included in this bill except necessaries which the minister had to have at that time?

Mr. BLOOM. Absolutely.

Mr. McREYNOLDS. And it was customary for the Government to furnish its own building, but in this case the minister had to furnish the building?

Mr. BLOOM. That is right. The chairman of the Foreign Affairs Committee has explained to you the Government furnishes the building at their embassies and legations. If the Government would have paid for the furniture in this legation, the Government would have been out this much money. The records show that the least amount of money that is expended in any legation is about $25,000.

At this time permit me to give to you the history of the life and service of Mr. Hanna.

Matthew Elting Hanna, deceased husband of Gustava Hanna, was born in Londonderry, Ohio, March 9, 1873; graduated from the United States Military Academy in 1897; United States Army 1897–1913, captain; Cuban service, 1898; aide to military government of Cuba, 1898–1902; commander of public schools of Cuba, 1900–1902; military attaché at Habana, 1902–1904; special agent of the United States in Panama, 1909; special representative of the United States at German Army maneuvers, 1911; chemical manufacturing business, 1912–17; inspector general, Massachusetts Militia, 1912–14; appointed assistant in American Embassy at Mexico City February 1917; appointed after examination secretary of embassy or legation of class 4, August 23, 1917, and assigned to Mexico City; secretary of class 3, March 14, 1919; class 2, August 24, 1921; assigned to the Department as acting chief, Division of Mexican Affairs, September 20, 1921; chief, December 20, 1921; assigned to Berlin, March 10, 1924; Foreign Service officer, class 4, July 1, 1924, class 3, August 8, 1924; member of Board of Review, Foreign Service Personnel, 1926; Foreign Service inspector, November 6, 1925; class 2, June 30, 1927; assigned to Lima, November 11, 1927; counselor of embassy, November 25, 1927; secretary to American delegation Sixth International Conference of American States, Habana, 1928; assigned to Managua March 22, 1929; Envoy Extraordinary and Minister Plenipotentiary to Nicaragua, December 16, 1929; to Guatemala July 17, 1933; died February 19, 1936, while in the Service as Minister to Guatemala.

The SPEAKER. The time of the gentleman from New York [Mr. BLOOM] has expired.

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. The Chair cannot recognize the gentleman for that purpose under the rule.

The question is on the amendment offered by the gentleman from Missouri [Mr. COCHRAN].

The question was taken; and on a division (demanded by Mr. COCHRAN) there were—ayes 18 and noes 41.

So the amendment was rejected.

Mr. BLOOM. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLOOM: Page 1, line 9, after the word "to", insert "Gustava Hanna, widow of."

The SPEAKER. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

The Clerk read as follows:

(H. R. 3365. A bill for the relief of Lily M. Miller)

That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the relief of Lily M. Miller, widow of Ransford S. Miller, American consul general, the sum of $9,000, being 1 year's salary of her deceased husband, who died while in the Foreign Service.

Mr. McREYNOLDS. Mr. Speaker, I offer an amendment to strike the last section for the reason that that has already become the law. A private bill was passed at the last session covering this.

The Clerk read as follows:

Amendment offered by Mr. McREYNOLDS: Strike out all of H. R. 3365, a bill for the relief of Lily M. Miller.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

The Clerk called the next omnibus bill, H. R. 8750, for the relief of sundry claimants, and for other purposes.

The Clerk read as follows:

Title I—(H. R. 796. For the relief of A. E. Clark.)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to A. E. Clark, out of any money in the Treasury not otherwise appropriated, the sum of $566.09 in full settlement of all claims against the Government on account of money expended by him between March 1, 1930, and July 10, 1930, while employed by the Government as an assistant supervisor of census in the State of Washington.

With the following committee amendment:

Page 2, line 3, after the word "Washington", insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

Mr. COCHRAN. I offer an amendment, Mr. Speaker.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: Page 1, line 3, strike out all of title I.

Mr. COCHRAN. Mr. Speaker, this is another bill that involves solely a question of policy. It is a very small sum, but it applies to a Government employee. He made application for a per-diem allowance. He was employed by the Census Bureau. The standardized Government travel regulations did not admit him to receive and he was not entitled to receive the money, so he comes down to Congress and he wants you to set aside the Government regulations and have the Government pick him out as one out of hundreds of thousands of Government employees and give him pay that other employees are denied.

That is all there is to this bill.

Mr. SMITH of Washington. Mr. Speaker, I rise in opposition to the amendment.

I wish to appeal to the membership to vote down the amendment offered by the gentleman from Missouri [Mr. COCHRAN], as I am conversant with the facts in regard to this bill, and I am very glad to assume full responsibility for it, although I inherited it from my predecessor, Albert Johnson, who served in this House for 20 years.

I regret to have to say that the facts are not at all as stated by the gentleman from Missouri in the brief statement he has just made to the House. The facts in the case are these: Mr. Clark, the claimant, was engaged as assistant district supervisor of the Census in 1930. Before he entered upon the performance of his duties he inquired of the district supervisor whether he would be paid travel allowance in view of the fact that he resided at Camas, some 50 miles from the city of Longview, where his headquarters were to be in that district. The supervisor informed him, and this is conclusively set forth in the committee report by letters, affidavits, and the report of the proper department of the Government, the Bureau of the Census, that he would be paid such travel allowance.

The supervisor also referred him to the Congressman responsible for his appointment, former Congressman Johnson. Mr. Johnson communicated with the Director of the Census here in Washington and was informed by Dr. Hill, Assistant Director of the Census, that the travel allowance would be paid to Mr. Clark, the claimant. Mr. Clark was so notified by Mr. Johnson and thereupon entered upon the performance of his duties. The report shows that those duties were faithfully, efficiently, and well performed, and that in due course he submitted his claim.

Mr. Speaker, it seems to me that involved in this bill is the question whether the Government of the United States is honorable and lives up to its contracts and performs them with citizens of this country. Here is a man of very ordinary means. I know him personally. He is a very fine citizen, a veteran of the Spanish-American War, and he was assured that he would receive this travel allowance. He informed the district supervisor that if he was not to be paid this amount he could not afford to accept the position because he lived 50 miles from his headquarters and could not afford to pay hotel bills, travel expenses, gasoline, and other sundry expenses out of the meager per diem pay he was to receive. He relied upon that promise and agreement, expressly made, and performed the services required of him.

I submit, Mr. Speaker, that if a just bill was ever submitted to the House, this is such a bill. Only $560 is involved, but every red penny of it ought to be paid. Otherwise this Government will be convicted of perpetrating a fraud upon one of its citizens, and I, therefore, appeal to the House to reject the amendment.

The SPEAKER. The question is on the amendment.

The amendment was rejected.

E. G. BRISENO

The Clerk read as follows:

Title II—(H. R. 1365. For the relief of E. G. Briseno)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to E. G. Briseno, of El Paso, Tex., the sum of $5,000 for painful, severe, and permanent injury to his minor son, Hector Briseno, caused by the explosion of a shell picked up on private property, which shell had been dropped and left there by troops of the United States Army engaged in target practice.

SEC. 2. There is further appropriated the sum of $1,225.35 to E. G. Briseno, being expense incurred by him in medical and nursing care of the said Hector Briseno as the result of this injury.

Committee amendments:

Page 2, line 20, strike out "$5,000" and insert "$5,225.35 in full settlement of all claims against the United States."

Page 3, line 2, after the word "practice", insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a

misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Page 3, line 15, strike out section 2 and insert in lieu thereof the following:

"SEC. 2. Of the said $5,225.35 herein appropriated, the sum of $4,000 shall be held in trust by the said E. G. Briseno, for use in maintenance of his minor son, and the sum of $1,225.35 shall be paid to him as reimbursement for medical expenses incurred by him as the result of the injury to said Hector Briseno."

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 2, line 16, strike out all of title II.

Mr. COSTELLO. Mr. Speaker, this bill provides for the payment of $5,225.35 for medical expenses and injuries received by the claimant. It appears that the claimant, a minor, came into possession of an unexploded Army shell and was injured as a result of the explosion of that shell, which took place in the home of the claimant. It appears that several boys down in the State of Texas went upon an Army reservation. The reservation was not fenced. As I understand, it is not the custom in Texas to fence in these reservations. So when the committee report tries to make a point of the fact the reservation was not fenced I feel they are raising an immaterial question because that is not the custom in that section of the country.

A lengthy statement was put in the record by a notary public regarding the situation in Texas trying to prove the merits of this claim. The notary was not a witness and is no more conversant with the facts than any individual here in this House might be.

Mr. Speaker, I feel there is no liability whatsoever on the part of the Government. The Government cannot be responsible when some private citizen comes upon a Government reservation, takes the property of the Government off the reservation, and subsequently is injured because the property he removed happens to be of an explosive character. I feel we cannot hold the Federal Government responsible under such circumstances, and for this reason I oppose the passage of this bill.

It is true the claimant is a minor, and while we may have a great deal of sympathy for him because of the injuries he sustained, I do not feel there is any direct or real responsibility on the part of the Government.

Mr. GOLDSBOROUGH. Mr. Speaker, will the gentleman yield?

Mr. COSTELLO. I yield.

Mr. GOLDSBOROUGH. How old was the boy?

Mr. COSTELLO. I believe he is 9 years old.

Mr. GOLDSBOROUGH. The bill states the injury was caused by the explosion of a shell picked up on private property.

Mr. COSTELLO. It is my understanding that the shell was picked up on the Government firing range used in connection with the camp and belonging to the Federal Government.

Mr. TERRY. Mr. Speaker, will the gentleman yield?

Mr. COSTELLO. I yield.

Mr. TERRY. The gentleman states that this shell was on the range?

Mr. COSTELLO. It was on the range and the boys had gone out with a group of people and were picnicking on the range. Some of the boys picked up an unfired shell.

Mr. TERRY. Does the gentleman feel the Government should have left an unfired shell on the range?

Mr. COSTELLO. There may be some negligence on the part of the soldier for leaving an unfired shell on the range, but I do not think we can attribute this negligence to the Government to the extent that where some private citizen goes upon Government property and removes an unfired shell he can recover any more than if he went to a storage magazine and removed an unfired shell. There was some negligence on the part of the soldier in leaving it there, but I submit the proposition that the negligence does not extend to the Government.

Mr. HOUSTON. Mr. Speaker, will the gentleman yield?

Mr. COSTELLO. I yield.

Mr. HOUSTON. Was there any fence or obstruction around this ground or any sign to keep off?

Mr. COSTELLO. I stated that the range was not fenced. The only time it was placarded was when the soldiers were actually firing.

Further, it is not the custom in Texas to enclose ranges and things of that kind, and even where there are fences it is the custom down in Texas to climb over the fences. The communal custom in Texas tolerates trespass even where fences exist.

[Here the gavel fell.]

Mr. THOMASON. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, I have considerable personal knowledge of this claim. In my judgment it is very meritorious, and I know it is one of the most pitiful cases I know anything about. I want to tell you something about the inexcusable negligence in this case, and also something about this nice little boy.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Maryland.

Mr. GOLDSBOROUGH. May I say that from my knowledge of civil actions, if a suit had been brought under circumstances such as narrated by the gentleman from California against a private individual, the private individual would have been liable, even as against a trespassor.

Mr. THOMASON. Absolutely. Let me state, just briefly, the facts because my time is limited.

Fort Bliss is at the edge of the city of El Paso. Just back of Fort Bliss is a great, big, wide-open country. There is some question as to whether this particular target range was owned by the Government or was private property. The statement of the witnesses in the record would indicate it was private property. However, the Government had it under a lease of some sort, because it was using this property as a target range. There were no fences around it. There were no signs whatever, and there was no warning of any kind on the property. The only thing that the War Department and the officers at Fort Bliss ever claimed was that they inserted a notice in the advertising section of the local paper as to when there would be firing on the range.

Mr. Speaker, the father of this little boy is an illiterate Mexican. Several children went out to the poppy field, which is on or near the target range, for a picnic. There they found this peculiar-looking shell that they did not know anything about and the ignorant father knew nothing about. All were ignorant of firearms. They took the shell home. It had been left there admittedly by the War Department through its soldiers and officers. As I previously stated, these little children took the shell home and played with it day after day for some time. One day while playing with it the shell exploded.

Mr. PITTENGER. Will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Minnesota.

Mr. PITTENGER. Tell us about the nature of the injury.

Mr. THOMASON. The injuries are just too pitiful, and my poor ability at description will not permit me to begin to tell the extent of the injuries.

Mr. PITTENGER. The child is a hopeless cripple?

Mr. THOMASON. Yes. One arm is gone. An eye is damaged I think. He has cuts, bruises, and powder marks all over him. He is a cripple in his right leg. The report shows all his injuries and there is a statement from the attending physician.

Mr. DOCKWEILER. Will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from California.

Mr. DOCKWEILER. I see that the award, if this bill is passed, goes to the father. Is there a guardianship set up here?

Mr. THOMASON. No. Four thousand dollars of this money is to be placed in trust for the boy, and a guardian will have to be appointed for the boy. However, the father spent every penny of money he had, something like $1,200, to save the life of this little child and patch him up as best he could. This boy came to my office when I was home last year. He is a hopeless cripple for life and I say it was the worst kind of negligence on the part of the Government.

Mr. MILLARD. Will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from New York.

Mr. MILLARD. What is the age of the child?

Mr. THOMASON. He is about 9 years old. Of course, this money will be placed in trust until he is 21 years old. The committee awarded the father the money he had expended for doctor and hospital bills.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Texas.

Mr. JOHNSON of Texas. According to the statement of the gentleman from California, the soldiers were guilty of negligence, and these soldiers were the agents of the Government?

Mr. THOMASON. Yes. There is not a sign of a fence there. There is no warning whatever. There is no guard and no notice or anything. It is just a great big wide open country, and these children went out there and picked up this unexploded shell. I say it is the worst kind of negligence, and I beg of you, as a matter of justice to an innocent illiterate Mexican boy, to give him this award.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. THOMASON. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I had a somewhat similar bill, and it was passed by the House.

Mr. THOMASON. Yes; and I hope the House will pass this one. This bill comes in here with a unanimous report of the committee. It is a most deserving case, and I hope and believe you will vote down the amendment and then pass the bill.

The SPEAKER. The question is on the amendment offered by the gentleman from California [Mr. COSTELLO].

The amendment was rejected.

The Clerk read as follows:

Title III—(H. R. 1485. To pay to the Printz-Biederman Co., of Cleveland, Ohio, the sum of $741.40, money paid as duty on merchandise imported under sec. 308 of the tariff act)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Printz-Biederman Co., of Cleveland, Ohio, the sum of $741.40 in full settlement of all claims against the Government of the United States for money paid as duty upon certain merchandise imported under section 308 of the Tariff Act of Sepetmber 21, 1922: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Title IV—(H. R. 2087. For the relief of the Delaware Bay Shipbuilding Co.)

That the claim of the Delaware Bay Shipbuilding Co., of Leesburg, N. J., against the United States for damages alleged to have been caused to its marine railway by the United States Coast Guard boat *CG–227* on the morning of November 6, 1931, may be determined in a suit to be brought by said claimant against the United States in the District Court of the United States for the District of New Jersey: *Provided*, That notice of the suit shall be given to the Attorney General of the United States as may be provided by order of the said court, and upon such notice it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That such suit shall be begun within 4 months of the date of the approval of this act.

Title V—(H. R. 2163. For the relief of William Sulem)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William Sulem, of the township of Franklin, county of Somerset, and State of New Jersey, the sum of $1,482, in full settlement of all claims against the Government of the United States for injuries received by and damages to property of the said William Sulem while operating his automobile on the public highway in New Brunswick, N. J., by the negligent operation of a United States Government mail truck, no. 9920, on said highway in said city while said truck was in the care and custody of and being driven by an operative of the United States Post Office Department under the orders of the postmaster in the United States Postal Service at New Brunswick, N. J.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Title VI—(H. R. 2183. For the relief of the estate of Milton L. Baxter)

That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Milton L. Baxter the sum of $2,000 as compensation for the death of the said Milton L. Baxter, who was killed October 13, 1929, when the automobile which he was driving went off the bridge over the Cape Cod Canal at Bourne, Mass., and into the waters of the canal by reason of a defect in said bridge, which was owned by, and under the jurisdiction and maintenance of, the United States Government.

With the following committee amendments:

On page 7, line 1, strike out "as compensation" and insert "in full settlement of all claims against the Government of the United States."

At the end of page 7, after line 9, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

Mr. HANCOCK of New York. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: On page 6, strike out all of title VI.

Mr. HANCOCK of New York. Mr. Speaker, the basis for this claim is that a bridge owned and operated by the Government over the Cape Cod Canal is alleged to have been unsafe and in defective condition. There were no eyewitnesses to the accident. All we know is that the gentleman in question drove a car over the bridge about 7:30 at night, ran through the railing, and was drowned in the Cape Cod Canal.

The question is whether or not the bridge was properly constructed. There is no dispute about the fact there was a warning sign in large letters warning the drivers of automobiles to proceed carefully and fixing a limit of 15 miles an hour. On both sides of the bridge there were guard rails 4 feet high and constructed of 2-inch pipe and wire netting. On one side was a safety sill 8 inches high and no sidewalk. On the other side there was a sidewalk 6 inches above the level of the roadway of the bridge, which was in effect a safety sill.

This bridge had been operated by the Government since 1928 and this was the first serious accident. Several million people had driven over this bridge. On the day Baxter was killed 3,649 cars crossed without trouble. If you are going to allow this claim you have got to do it purely on imagination, because there is not a scrap of evidence to show any wrongdoing or any lack of care on the part of anybody. The man, obviously, simply ran across the bridge too fast, lost control of his car, and the car jumped through the railing.

There is no basis for this claim whatever.

The SPEAKER. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

The Clerk read as follows:

Title VII—(H. R. 2259. For the relief of Addie I. Tryon and Lorin H. Tryon)

That jurisdiction is hereby conferred upon the District Court of the United States in and for the Southern Division of the Northern District of California to hear, examine, determine, adjudicate, and render judgment upon the claim of Addie I. Tryon and/or Lorin H. Tryon, of San Francisco, Calif., whether as individuals in their, or either of their, own rights or as successors in interest to, and/or distributees of the estate, or personal representatives of, E. H. Tryon, deceased, for the recovery and repayment of the sum of $23,149.63, paid by said parties or either of them to the United States on or about April 24, 1923, as excess wool profits for, and realized and made by, said E. H. Tryon during the year 1918 and that said court shall hear, examine, determine, adjudicate, and render judgment upon said claim notwithstanding the bar prescribed by any statute of limitations or by laches or delay, which said bar is hereby removed, and that said claim may be sued for by said Addie I. Tryon and Lorin H. Tryon in said District Court of the United States in and for the Southern Division of the Northern District of California, acting under the rules governing such court. And said court shall have jurisdiction to hear and determine such suit and to enter a judgment or decree for the amount of such excess profits which may have been so paid, if the same or any part thereof shall be found to be due, together with interest thereon at the rate of 6 percent per annum from April 24, 1923, against the United States in favor of said Addie I. Tryon and/or Lorin H. Tryon, as their interests may appear: *Provided*, That such notice of suit shall be given to the Attorney General of the United States as may be provided by order of said court, and it shall be the duty of the Attorney General to cause the United States Attorney in such district to appear and to defend for the United States: *Provided further*, That said suit shall be brought and commenced within 6 months from the final passage of this act: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 8, line 13, after the word "bar", strike out the remainder of line 13, all of line 14, and the word "removed" in line 15, and insert "or defense that payment of such excess wool profits was voluntarily made, or of laches, lapse of time, any alleged settlement heretofore made, res judicata, or any statute of limitations, which said bars are hereby removed."

Page 9, line 1, after the word "due", strike out the remainder of line 1, and all of line 2, and "April 24, 1923" in line 3.

Page 9, line 12, beginning with the word *"Provided"*, strike out the remainder of the bill and insert *"And provided further*, That an appeal directly from the decision of said district court shall lie to the Supreme Court of the United States in manner as now provided for other direct appeals from the district courts of the United States to the said Supreme Court."

The committee amendments were agreed to.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: On page 7, line 22, strike out of all of title VII.

Mr. COSTELLO. Mr. Speaker, this claim arises out of the action of the War Industries Board during the late World War, whereby the Board authorized control over the clip of wool which was to be purchased in the country.

The claimant here was a central dealer, grading the wool and selling it directly to the Quartermaster of the Army. The Quartermaster paid a commission of 3 or 4 percent depending upon the territory from which the wool was procured.

When Tryon, the claimant herein, completed his transactions with respect to the wool of the domestic clip of 1918, his books were examined and the audit of the Department of Agriculture found he had made excess profits in the sum of $25,275 and the administrators of his estate paid the Department the sum which is claimed in this bill.

The Department opposes the passage of the bill because the contracts upon which the claim is based were voluntarily entered into and they were subject to the regulations of the War Industries Board and they found that Tryon received large benefits from the Government as a result of these contracts, and now it is desired to free him from suffering any penalties that may have been occasioned because of having entered into these contracts.

As a result, I feel that the passage of this bill would simply be throwing open the doors to numerous claimants who are in a similar position where money has been obtained by the collection of excess profits that have already been expended, and this money that the Government has obtained would now have to be taken out of the general Treasury. I feel that the claimant is not entitled to relief, and I ask that the House vote down the bill by approving the amendment which I have offered.

Mrs. KAHN. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, this bill simply authorizes the heirs of E. H. Tryon to go into the United States District Court of California and prosecute their claims for the taxes which were paid into the Treasury as excess-profit taxes.

The circumstances are very much complicated by the Government's regulations for handling the wool clip of 1918 and by the decisions of various courts, including the Supreme Court of the United States, whose decisions are so terrifically in conflict that they could not get into court until after the statute of limitations had run. The entire nature of the controversy is such that it cannot be determined except by the courts. All they are asking is permission to go into the district court of California and prosecute their suit and have the statute of limitations waived, because on account of the various conflicts arising from these complicated regulations they have not been able to seek redress in the courts. I sincerely hope that the amendment of the gentleman from California will be voted down.

Mr. HOUSTON. Will the lady yield?

Mrs. KAHN. I yield.

Mr. HOUSTON. Is it not a fact that this is in conformity with the suggestion of the Department of Agriculture?

Mrs. KAHN. It is; and when the matter was explained to the committee, the committee unanimously voted to put it into the omnibus bill.

Mr. HOUSTON. That is correct.

The SPEAKER pro tempore (Mr. BLOOM). The question is on the amendment offered by the gentleman from California.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

Title VIII—(H. R. 2674. For the relief of G. Elias & Bro., Inc.)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to G. Elias & Bro., Inc., out of any money in the Treasury not otherwise appropriated, the sum of $30,859.28 in full settlement for losses suffered by the said G. Elias & Bro., Inc., by reason of changes in the specifications and extra work from which the Government received the benefit but for which no pay whatever has been paid to the said G. Elias & Bro., Inc., under contracts W 535 AC–602 and W 535 AC–628, dated December 14, 1926, and January 28, 1927, with the Air Corps for furnishing certain airship parts and equipment to the United States Army Air Corps.

With the following committee amendments:

Page 10, line 9, strike out the figures "$30,859.28" and insert "$24,139.28."

Page 10, line 10, after the word "settlement", insert "of all claims against the United States."

Page 10, line 19, after the word "Corps", insert the following: *"Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

Mr. COCHRAN. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 10, strike out all of title VIII.

Mr. COCHRAN. Mr. Speaker, I have not only secured the report from the Department on this bill and on other bills, but I have a report from the Comptroller General of the United States.

This bill proposes to pay out of the Treasury—it does not send the case to the Court of Claims—but takes the money out of the Treasury—$24,139 for alleged losses in connection with the changing of plans and specifications for airplane parts furnished under contract with the War Department in 1926 and 1927. Here is what the Comptroller General says:

This bill proposes to pay the claimant $24,139.28 for alleged losses in connection with changes in plans and specifications for airplane parts furnished under contracts with the War Department in 1926 and 1927.

The contracts provided for such changes in plans and specifications and required the contractor to "submit evidence to the contracting officer of the amount involved by such change or changes", and that for any change increasing the cost of performance "an equitable adjustment will be made at the time such change or changes are made." Instead of the contractor submitting evidence of increased cost at the time the changes were made, the contractor accepted the changes with the statements thereon that "Contract price and terms of delivery not affected."

Does Congress wish to allow extra compensation for losses alleged to have been sustained over 9 years ago, when no claim therefor was requested or made at the time the changes were agreed upon? Is it not a condition precedent to the payment of increased costs under a contract that claim therefor, supported by proper evidence, be filed at the time changes are made? (*Plumley* v. *United States*, 43 Ct. Cls. 266, 226 U. S. 545.) Are the terms of the contracts and the principles of contract law to be disregarded entirely?

Surely, if you are going to act on this claim, it should go to the Court of Claims and give the Government a chance in court to protect the taxpayers' money.

Mr. MEAD. Mr. Speaker, I rise in opposition to the amendment. I am not only familiar with the claim, I am familiar with the factory, and I am familiar with the claimant. This claim is based on an order for airplane parts issued by the Government in 1926 and 1927.

Upon the acceptance of that particular bid the manufacturer was called upon to build a great many jigs, tools, and other forms upon which to construct the airplane parts. Upon the completion of the construction of the airplane parts it was discovered that the parts would not fit. They were constructed according to plans and specifications, and the claimant was called upon to employ engineering service to check the plans and to discard many of the jigs and tools and forms and to make new airplane parts in fulfillment of the order. In addition to that he was called upon to deliver these parts f. o. b. at his own factory, but, lo and behold! the Government inspectors then found that an ordinary railroad boxcar would not take them to their destination, and because he was called upon to crate them, he was then forced to build a special boxcar large enough to hold certain of the parts which were included in the order. The gentleman from Missouri [Mr. COCHRAN] said no evidence was given that this claimant incurred additional expense. I ask any man or woman in the House to read the report on the bill. The report is filled with abundant evidence of changes ordered by the Government and the acceptance of those changes by the claimant and, of course, the inference that it would cost additional money. Remember this in passing judgment on this claim: The aviation industry was in its youth. Chaos and confusion were in evidence in the War Department in connection with its aviation-construction program at this time. Changes in nearly every order and factory all over the country were commonplace. The fact that this man completed his work at a great loss to himself, and that the Senate was convinced he had an equity when it passed the bill and the House committee was convinced there was an equity when it passed the bill, is the answer to the statement made by the gentleman from Missouri that there was no evidence of added cost.

The evidence is in the report. There you will find numerous requests upon the part of the War Department asking this claimant to change certain parts, and asking him to complete his work, because if he did not deliver the order within the time specified he would be subject to penalty. He tried his level best to meet the requests and counter-requests of the Department, and he did a good job in doing it.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. PITTENGER. Since when did the Comptroller General get authorization to tell Congress what to do, either through the chairman of the committee or any Member of this House?

Mr. MEAD. I realize that the gentleman from Missouri made the statement that the Comptroller had decided against payment as suggested in the bill, but I am with the gentleman from Minnesota, who is a member of the committee. He studied this bill, and I maintain it is the duty and prerogative of Congress to legislate on matters of this kind.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired. The question is on the amendment offered by the gentleman from Missouri.

The amendment was rejected.

The SPEAKER pro tempore. The Clerk will report the next title.

The Clerk read as follows:

Title IX—(H. R. 3155. To authorize the Secretary of the Treasury of the United States to refund to The Bankers Reserve Life Co. of Omaha, Nebr., and the Wisconsin National Life Insurance Co. of Oshkosh, Wis., income taxes illegally paid to the United States Treasury.)

That the Secretary of the Treasury is hereby authorized and directed to pay to The Bankers Reserve Life Co. of Omaha, Nebr., out of any money in the Treasury not otherwise appropriated, the sum of $19,474.58, together with interest, and the additional sum of $27,727.71, together with interest, in full settlement of all claims against the United States, on account of said sums being illegally and through error, paid into the Treasury of the United States by The Bankers Reserve Life Co. of Omaha, Nebr., as income taxes for the years 1923 and 1924, respectively, said sums having been paid pursuant to the provisions of section 245 (a) (2) of the Revenue Acts of 1921 and 1924, which section, by decision of the Supreme Court of the United States, was held to be unconstitutional in the case of the *National Life Insurance Co.* v. *United States* (277 U. S. 508).

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay to the Wisconsin National Life Insurance Co. of Oshkosh, Wis., the sum of $6,042.91, together with interest, and also the additional sum of $5,979.18, together with interest, in full settlement of all claims against the United States, on account of said sums being illegally and through error, paid into the Treasury of the United States by the Wisconsin National Life Insurance Co. of Oshkosh, Wis., as income taxes for the years 1924 and 1925, respectively, said sums having been paid pursuant to the provisions of section 245 (a) (2) of the Revenue Acts of 1921 and 1924, which section, by decision of the Supreme Court of the United States, was held to be unconstitutional in the case of *National Life Insurance Co.* v. *United States* (277 U. S. 508).

SEC. 3. No part of the amount appropriated in this act, in excess of 10 percent thereof, shall be paid or delivered to, or received by, any agent or agents, attorney or attorneys, on account of services rendered in connection with said claims. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 11, beginning in line 13, strike out the remainder of the bill and insert: "That jurisdiction is hereby conferred upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of the Bankers Reserve Life Co. of Omaha, Nebr., and the Wisconsin National Life Insurance Co. of Oshkosh, Wis., for a refund of income taxes paid by said companies for the years 1923, 1924, and 1925 in excess of the amount due and pursuant to the provisions of section 245 (a) (2), Revenue Acts of 1921 and 1924, which section was subsequently held unconstitutional by the Supreme Court of the United States in the case of *National Life Insurance Co.* v. *United States* (277 U. S. 508), notwithstanding the bars or defense of any alleged settlement heretofore made or of res judicata, lapse of time, laches, or any statute of limitations. Suit hereunder may be instituted at any time within 4 months from the approval of this act, and proceedings in any suit brought in the Court of Claims under this act, appeals therefrom, and payment of any judgment therein shall be had as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended."

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The committee amendment was concurred in.

The title was amended to read as follows: "To confer jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of the Bankers Reserve Life Co. of Omaha, Nebr., and the Wisconsin National Life Insurance Co. of Oshkosh, Wis."

The SPEAKER pro tempore. The Clerk will report the next title.

The Clerk read as follows:

Title X—(H. R. 3218. For the relief of Fred Herrick.)

That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Fred Herrick, of Spokane, Wash., the sum of $50,000 in recognition of work done by the said Fred Herrick in making more accessible the timber resources of the Malheur National Forest by railroad construction: *Provided*, That the said Fred Herrick shall disclaim and waive all right or claim to any money paid by him and covered into the Treasury in connection with that certain contract for the purchase of timber on the Malheur National Forest, Oreg., dated June 15, 1923.

With the following committee amendments:

Page 14, line 4, after the word "Washington", insert "in full settlement of all claims against the Government of the United States."

Page 14, line 13, strike out the period, insert a colon and the following: "*And provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. COCHRAN. Mr. Speaker, a similar bill, S. 491, became Private Act No. 335 in the Seventy-fourth Congress, approved August 27, 1935, after this title was included in the omnibus bill. At that time this bill was laid on the table. I make the point of order that this bill is not properly in the omnibus bill.

The SPEAKER pro tempore. The point of order is sustained.

The Clerk will report the next title.

The Clerk read as follows:

Title XI—(H. R. 3286. For the relief of Albert W. Wright.)

That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Albert W. Wright, of Richland, N. Y., the sum of $304.33. Such sum represents payment to the Post Office Department by Albert W. Wright in the year 1921 to make up a deficit at the Richland (N. Y.) post office caused by theft, the recovery of which is barred by the statute of limitations.

With the following committee amendments:

Page 15, line 12, after the figures "$304.33", insert "in full settlement of all claims against the Government of the United States."

Page 15, line 17, after the word "theft", strike out "the recovery of which is barred by the statute of limitations", and strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The SPEAKER pro tempore. The question is on the committee amendments.

The committee amendments were agreed to.

The Clerk read as follows:

Title XII—(H. R. 3348. For the relief of Nathan A. Buck.)

That the Secretary of the Treasury be, and is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, to Nathan A. Buck, of Chatham, Mass., the sum of $300 in full compensation for damage caused to his oyster beds in Oyster Pond River, in said Chatham, in the fall of 1931 by a boat belonging to the United States Coast and Geodetic Survey, Department of Commerce.

With the following committee amendments:

Page 16, line 11, strike out the word "compensation" and insert "settlement of all claims against the Government of the United States"; line 16, after the word "Commerce", insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The Clerk read as follows:

Title XIII—(H. R. 3737. For the relief of George L. Stone.)

That the United States Employees' Compensation Commission shall be, and it is hereby, authorized and directed to extend to George L. Stone, a former employee in the Post Office Department, Division of Rural Mail Service, the provisions of an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, compensation hereunder to commence from and after the passage of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in favor of George L. Stone, who is alleged to have sustained disability while an employee in the Post Office Department, Division of Rural Mail Service, between December 16, 1907, and July 31, 1918: *Provided*, That no benefits shall accrue prior to the approval of this act: *Provided further*, That said George L. Stone shall file notice of injury and claim for compensation therefor not later than 60 days from the enactment of this act."

The committee amendment was agreed to.

Mr. HANCOCK of New York. Mr. Speaker, I move to strike out all of title XIII.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: Page 17, beginning in line 4, strike out all of title XIII.

Mr. HANCOCK of New York. Mr. Speaker, I offer this amendment in order to keep my record consistent. We have frequently had bills introduced in recent years to extend the benefit of the Federal Employees' Compensation Act to employees whose disabilities arose prior to the passage of the present act in 1916. When they have come to my attention I have objected to them. I think there must be a time limit beyond which we shall not go.

The claimant in this case was a rural mail carrier whose disabilities, according to his own statement, commenced in 1910. He resigned in 1918. In 1929 he first filed a claim for compensation. His claim is that he acquired rheumatism, heart trouble, and kidney trouble by reason of the fact that he had to ride a horse to deliver his mail. I think that riding a horse is one of the most beneficial exercises a man can indulge in. It seems to me he led a good, healthy, wholesome life and that his present disabilities are unconnected with his Government service. His claim is so preposterous and arises so far back in ancient history that I think the House should follow the course which it has pursued in the past few years and that the amendment should be passed and the claim rejected.

[Here the gavel fell.]

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from New York [Mr. HANCOCK].

The question was taken; and on a division (demanded by Mr. KENNEDY of Maryland) there were ayes 6 and noes 8.

Mr. HANCOCK of New York. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER pro tempore (Mr. BLOOM). The Chair will count. [After counting.] Evidently there is no quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—ayes 85, nays 198, not voting 145, as follows:

[Roll No. 74]

YEAS—85

Arends	Fiesinger	McFarlane	Scott
Ashbrook	Fish	McLeod	Seger
Bacon	Fletcher	Mahon	Short
Blackney	Ford, Miss.	Main	Snell
Blanton	Gearhart	Mapes	Taber
Brewster	Gilchrist	Marcantonio	Taylor, S. C.
Burnham	Goodwin	Massingale	Taylor, Tenn.
Carter	Halleck	May	Terry
Castellow	Hancock, N. Y.	Michener	Thomason
Church	Hess	Millard	Tinkham
Cochran	Higgins, Conn.	Monaghan	Tobey
Colden	Hoffman	Mott	Tolan
Cole, N. Y.	Holmes	Parsons	Treadway
Cooley	Hope	Perkins	Turpin
Cooper, Ohio	Huddleston	Peterson, Ga.	Welch
Costello	Kinzer	Pierce	Wolcott
Crawford	Kloeb	Plumley	Wolverton
Crowther	Lambertson	Powers	Woodruff
Dondero	Lehlbach	Ransley	Young
Driscoll	Lord	Reece	
Engel	Ludlow	Risk	
Englebright	McClellan	Rogers, N. H.	

NAYS—198

Adair	Doxey	Kniffin	Randolph
Andresen	Drewry	Knutson	Reed, Ill.
Bacharach	Driver	Kocialkowski	Reed, N. Y.
Bankhead	Duffy, N. Y.	Kopplemann	Reilly
Barry	Duncan	Kvale	Richards
Beam	Dunn, Pa.	Lambeth	Richardson
Beiter	Eckert	Lanham	Robertson
Binderup	Eicher	Larrabee	Robinson, Utah
Bland	Ekwall	Lea, Calif.	Rogers, Mass.
Bloom	Evans	Lemke	Rogers, Okla.
Boland	Faddis	Lesinski	Russell
Boylan	Frey	Lewis, Colo.	Ryan
Brooks	Fuller	Lewis, Md.	Sanders, Tex.
Brown, Ga.	Gasque	Luckey	Sauthoff
Brown, Mich.	Gassaway	McCormack	Schulte
Buchanan	Gehrmann	McGehee	Scrugham
Buckler, Minn.	Gildea	McGrath	Sears
Caldwell	Gillette	McKeough	Secrest
Cannon, Mo.	Goldsborough	McLaughlin	Shanley
Cannon, Wis.	Granfield	McReynolds	Sirovich
Carlson	Gray, Ind.	McSwain	Smith, Conn.
Carpenter	Green	Maas	Smith, Wash.
Cartwright	Gregory	Maloney	Smith, W. Va.
Casey	Griswold	Martin, Colo.	Somers, N. Y.
Celler	Guyer	Maverick	South
Chandler	Gwynne	Mead	Spence
Citron	Hamlin	Meeks	Starnes
Coffee	Hancock, N. C.	Merritt, N. Y.	Stefan
Colmer	Harlan	Mitchell, Ill.	Stubbs
Cooper, Tenn.	Hart	Murdock	Sutphin
Cox	Harter	Nelson	Tarver
Cravens	Healey	Norton	Thompson
Creal	Higgins, Mass.	O'Brien	Tonry
Crosser, Ohio	Hildebrandt	O'Connell	Turner
Crowe	Hill, Ala.	O'Connor	Umstead
Cullen	Hill, Samuel B.	O'Day	Utterback
Curley	Houston	O'Leary	Vinson, Ga.
Daly	Hull	O'Neal	Vinson, Ky.
Darden	Imhoff	Owen	Walter
Dear	Jacobsen	Parks	Warren
Deen	Jenckes, Ind.	Patman	Wearin
Delaney	Johnson, Okla.	Patterson	Weaver
Dempsey	Johnson, Tex.	Pearson	West
DeRouen	Johnson, W. Va.	Peyser	Whelchel
Dies	Jones	Pfeifer	Whittington
Dietrich	Kahn	Pittenger	Wood
Dingell	Kelly	Polk	Woodrum
Dockweiler	Kennedy, Md.	Rabaut	Zimmerman
Dorsey	Kerr	Ramsay	
Doughton	Kleberg	Ramspeck	

NOT VOTING—145

Allen	Buck	Cole, Md.	Doutrich
Amlie	Buckbee	Collins	Duffey, Ohio
Andrew, Mass.	Buckley, N. Y.	Connery	Dunn, Miss.
Andrews, N. Y.	Bulwinkle	Corning	Eagle
Ayers	Burch	Crosby	Eaton
Barden	Burdick	Cross, Tex.	Edmiston
Bell	Carmichael	Culkin	Ellenbogen
Berlin	Cary	Cummings	Farley
Biermann	Cavicchia	Darrow	Fenerty
Boehne	Chapman	Dickstein	Ferguson
Boileau	Christianson	Dirksen	Fernandez
Bolton	Claiborne	Disney	Fitzpatrick
Boykin	Clark, Idaho	Ditter	Flannagan
Brennan	Clark, N. C.	Dobbins	Focht
Ford, Calif.	Kramer	Palmisano	Stewart
Fulmer	Lamneck	Patton	Sullivan
Gambrill	Lee, Okla.	Peterson, Fla.	Sumners, Tex.
Gavagan	Lucas	Pettengill	Sweeney
Gifford	Lundeen	Quinn	Taylor, Colo.
Gingery	McAndrews	Rankin	Thom
Gray, Pa.	McGroarty	Rayburn	Thomas
Greenway	McLean	Rich	Thurston
Greenwood	McMillan	Robsion, Ky.	Wadsworth
Greever	Mansfield	Romjue	Wallgren
Haines	Marshall	Sabath	Werner
Hartley	Martin, Mass.	Sadowski	White
Hennings	Mason	Sanders, La.	Wigglesworth
Hill, Knute	Merritt, Conn.	Sandlin	Wilcox
Hobbs	Miller	Schaefer	Williams
Hoeppel	Mitchell, Tenn.	Schneider, Wis.	Wilson, La.
Hollister	Montague	Schuetz	Wilson, Pa.
Hook	Montet	Shannon	Withrow
Jenkins, Ohio	Moran	Sisson	Wolfenden
Kee	Moritz	Smith, Va.	Zioncheck
Keller	Nichols	Snyder, Pa.	
Kennedy, N. Y.	Oliver	Stack	
Kenney	O'Malley	Steagall	

So the amendment was rejected.

The Clerk announced the following additional pairs:

Additional general pairs:

Mr. Rankin with Mr. Wadsworth.
Mr. Corning with Mr. Darrow.
Mr. Fitzpatrick with Mr. Andrew of Massachusetts.
Mr. Sabath with Mr. Allen.
Mr. Chapman with Mr. Gifford.
Mr. Mansfield with Mr. Christianson.
Mr. Duffey of Ohio with Mr. Marshall.
Mr. Connery with Mr. Wigglesworth.
Mr. Kramer with Mr. McLean.
Mr. McAndrews with Mr. Buckbee.
Mr. Burch with Mr. Thurston.
Mr. Fulmer with Mr. Wilson of Pennsylvania.
Mr. Sumners of Texas with Mr. Andrews of New York.
Mr. Miller with Mr. Hollister.
Mr. Steagall with Mr. Wolfenden.
Mr. Wilcox with Mr. Culkin.
Mr. Pettengill with Mr. Rich.
Mr. Snyder of Pennsylvania with Mr. Focht.
Mr. Patten with Mr. Lundeen.
Mr. Werner with Mr. Burdick.
Mr. Sadowski with Mr. Schneider of Wisconsin.
Mr. Nichols with Mr. Withrow.
Mr. Quinn with Mr. Knute Hill.
Mr. Smith of Virginia with Mr. Buckley of New York.
Mr. Tolan with Mr. Barden.
Mr. Williams with Mr. Cummings.
Mr. Buck with Mr. Dobbins.
Mr. Disney with Mr. Sandlin.
Mr. Greever with Mr. Wallgren.
Mr. Sweeney with Mr. Haines.
Mr. Wilson of Louisiana with Mr. Hook.
Mr. Bell with Mr. Dickstein.
Mr. Gingery with Mr. Peterson of Florida.
Mr. Lucas with Mr. White.
Mr. Oliver with Mr. Hennings.
Mr. Biermann with Mr. Hobbs.
Mr. Zioncheck with Mr. Ellenbogen.
Mr. Cross with Mr. Keller.
Mr. Lee of Oklahoma with Mr. Ferguson.
Mr. Gambrill with Mr. Ford of California.
Mr. Gray of Pennsylvania with Mr. Palmisano.

Mr. ROBERTSON changed his vote from "aye" to "no."

Mr. KNUTSON changed his vote from "aye" to "no."

Mr. RANDOLPH changed his vote from "aye" to "no."

Mr. POLK changed his vote from "aye" to "no."

Mr. BLANTON changed his vote from "no" to "aye."

Mr. DUFFY of New York changed his vote from "aye" to "no."

Mr. SUTPHIN changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

The doors were opened.

DISTRICT OF COLUMBIA SCHOOLS AS I KNOW THEM

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my remarks by printing in the RECORD a radio address made by myself.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. NORTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by me over the radio on April 20:

I have been invited by the Columbia network to address you tonight in reply to a serious charge of communism in the schools of Washington which was broadcast over this network on Friday evening. I suggested that the proper person to reply was the

superintendent of schools who was named in the indictment, but the permission of the Board of Education was necessary and as their meeting does not take place until April 22 this permission could not be received in time. It is my hope that this permission will be granted and that the Columbia network will invite Dr. Ballou to present the case for the schools in the near future. Tonight, in the short time I have, I shall try to tell you of the schools as I know them.

Before doing so I must correct a misapprehension that perhaps exists in the minds of those of you who heard the attack of Mr. BLANTON on the Ellenbogen rent bill on Friday night. I shall quote: "The House today killed the communistic Ellenbogen bill by a vote of 85 to 196." As chairman of the committee reporting the bill to the House I want you to know that is the most ridiculous charge ever made about any bill. An almost identical bill has been introduced in the Senate by Senator CAPPER, the distinguished Senator from Kansas, and certainly no one would accuse him of communism. My colleagues in the House are about as able and fair a group as can be found anywhere in these United States. I acknowledge a great debt of gratitude to them for their fine cooperation and loyalty to me at all times. Their judgment in defeating the Ellenbogen bill I do not criticize. It was based on the fact that many thought it to be unconstitutional. Since I am not a lawyer and we have about 300 lawyers in the House, and since even the esteemed and able nine members of the United States Supreme Court rarely render a unanimous verdict, it would seem absurd to question the difference of opinion expressed by my colleagues, and I may assure you that I have not done so. But as a woman whose whole life has been built upon faith in God and in religion, I must emphatically protest against any man insulting my intelligence and yours by charging that a bill I presented in the House was communistic. I have heard many unfair charges hurled in the House in the heat of debate but there is no excuse for such injustice in the calm atmosphere of a radio studio.

Surely nothing could give more satisfaction to the Communists than such misstatement of fact. If communism ever becomes dangerous in our beloved country—and I do not believe it will—the blame can be laid at the door of the "red baiters", people who insist in seeing red everywhere and in everything. I am not minimizing the bad influence of even the small minority of people in this country who believe in communism. What I am more fearful of than their influence is the influence of those who, in the name of patriotism, are constantly raising the question, when it would seem to be the better part of wisdom for us to break down communism by concerning ourselves with the things that foster its growth. If our children were trained in the home to love God, to honor and revere the things which we have acquired under the flag of liberty and justice, we would not need to worry so much about the schools of the Nation. The serious breakdown in religion and morale in the homes of America seems to be far greater than in the schools of the Nation, and because of this the responsibility has been very heavy for our teachers. I am one who believes that the majority of the teachers of the country are patriotic and are doing as good a job in the training of our youth as can be done considering the lack of cooperation they are receiving from the average home.

The charge that has been made regarding communism in the public schools of Washington has not been proved. So far as I have been able to learn upon investigation, I would say that it has been founded upon prejudice, not fact. The president of the Board of Education, Mrs. Henry Grattan Doyle, appeared before the House Committee on Education of the District of Columbia Committee, and presented testimony which proved conclusively that there never has been any evidence that communism was either taught or advocated in the schools of Washington.

The so-called "red rider" to the appropriation bill of 1936 is an insult to every patriotic school teacher in Washington. This rider was never given consideration by Congress prior to the presentation of the conference report on that act and was passed, as is usual with conference reports, without discussion. It never should have been attached to an appropriation bill. It was a legislative act. It serves no good purpose but rather is an unwarranted reflection on a great body of men and women of the District of Columbia. I, as a Member of Congress, and I may say every other Government official take an oath of office to support and defend the Constitution of the United States when we assume office. So does every school teacher in the system. Under the terms of this "red rider" every teacher and employee of the school system must renew this oath under the ruling of the Comptroller General, Mr. McCarl before receiving their pay check signing a statement that they have not taught nor advocated communism. This has brought about so much confusion with regard to the meaning of the words "teach" and "advocate" that it has resulted in a ridiculous situation. As one teacher explained it to me, "I am so fearful of the interpretation of the words that when I come to Russia I believe the best thing to do is skip it." What a ridiculous situation in a civilized community not to speak of the danger to the children for we all know that children are curious and determined to find out in their own way—very often a dangerous way—the explanation of knowledge which is denied. Therein lies one of the worst features of this legislation. If a teacher is allowed to use his or her good judgment in explaining the Russian Government I do not think it would present a picture that anyone would wish to accept.

At the present time communism is not discussed in the public schools—in fact, it is not even mentioned. The result is that the school child becomes intrigued by the thought of learning of this dread subject of communism, and the search for information concerning it brings him in touch with biased information on the subject. The opportunity for a trained person to present the invidious comparison between the communistic theories and ideals of American Government is lost. Would it not be far better to give the teacher the opportunity to dwell on our ideals of government? There is no stronger way to stress a point than by comparison, and no comparison is more telling than that between Americanism and communism.

As chairman on the Committee on the District of Columbia of the House of Representatives, in which capacity I have had many opportunities to study the school system of the District of Columbia, I wish to say most emphatically that I have the utmost confidence in the Board of Education and the entire school system. I believe the school children of the District of Columbia are fortunate in having as instructors and guides in the formative years the type of man and woman connected with the schools.

I appeal to every father and mother who believes in fair play in the fundamental rights and principles of a free country to ask their Representatives in Congress to remain on the floor and listen to all the arguments presented on the Sisson bill. If they do this, I have no doubt that they will render a proper verdict when the bill is voted on. To those of you who are interested and unable to hear these arguments, I suggest that you write in for a copy of the hearings before the Education Subcommittee of the Committee on the District of Columbia. While this bill is a local one and concerned only with the schools of Washington, it has a great significance, because Washington is the Capital of the Nation and our schools indirectly influence the schools of America. Therefore, this controversy has assumed national importance.

To give you a background as to why a committee of the House of Representatives should be particularly interested in a situation which has to do entirely with the District of Columbia perhaps it would be well for me to explain that the District of Columbia is by virtue of the Constitution a Federal city and it is controlled entirely by Congress. People of Washington do not have a vote and therefore their problems must be assumed by Representatives from all over the country who actually represent their own district and have but a nominal interest in the District of Columbia. The business of the House of Representatives is for the most part conducted by the membership of the House resolved into committees. Each bill introduced in the House of Representatives is immediately referred for consideration to the committee that has jurisdiction over that particular phase of legislation. It is easily seen that each Member of Congress is desirous of being placed on that committee which can be of service to his own district. The Committee on the District of Columbia receives all bills affecting the District of Columbia, one of which was the Sisson bill which provides for the repeal of the so-called "red rider." This committee is composed of 19 men and 2 women representing 20 States. The Committee on the District of Columbia is in no way connected with any problem that has to do with any Member's own district. It is concerned entirely with the municipal work of the city of Washington. Therefore, membership on this committee is of necessity a patriotic service. However, the control that Congress has over the District is merely legislative. Three Commissioners who are appointed by the President assume the same duties as the average city council without the power ordinarily given such a body. They do not even appoint the Board of Education as is usual in most cities. It is appointed by the Supreme Court of the District of Columbia.

The Commissioners do, however, have the power to recommend legislation to Congress. This is as far as their power extends, and oftentimes necessary and remedial measures recommended by the Commissioners fail to pass the House or the Senate, or both. Of course, any Member of Congress can introduce bills affecting the District of Columbia, and any citizen of Washington can request any Member of Congress to introduce a bill. Therefore it is easily seen that the District of Columbia is factually at the mercy of Congress, whose Members in many instances utterly disregard their duty to the District of Columbia.

I have gone into this matter at some length in order to give you a clear picture as to why the chairman of the Committee on the District of Columbia has come into this controversy. There is only one solution to the problem, and that is for the people of the District to have their own Representatives in Congress. I trust that this exposition of fact concerning the repeal of the "red rider" has helped to make the situation more clear to those of you interested in the problem.

I repeat again, during the long hearings held on the Sisson repeal bill not one bit of evidence produced could convince any fair-minded person that communism had ever been taught in the schools of Washington.

THE CIVILIAN CONSERVATION CORPS BRINGS MARKED IMPROVEMENT IN PHYSICAL CONDITION TO ENROLLEES

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my own remarks and include correspondence between myself and Colonel Waldron, of West Virginia.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letters:

HEADQUARTERS, CHARLESTON DISTRICT, C. C. C.,
Charleston, W. Va., April 21, 1936.

Hon. JENNINGS RANDOLPH, M. C.,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: Have just run upon some figures which, knowing your high degree of interest in the C. C. C., I thought would be of particular interest to you. They relate to 207 enrollees who were sent to Camp P–55, Keith, W. Va., on July 22, 1935, and carry on to March 31, 1936, at which time 106 of the original personnel remained at that camp. Here they are:

1. Of the original 207 enrolled on July 22, 1935, 19 served 1 month each. Seventeen gained a total of 88 pounds, or an average of 4.42 pounds per man. The greatest individual gain was 14 pounds. Two lost weight, the maximum individual loss being 3 pounds.

2. Of the original 207 enrolled, 44 served 3 months each. Forty gained a total of 333 pounds, or an average of 7.57 pounds per man. The greatest individual gain was 21 pounds. Four lost weight, the maximum individual loss being 10 pounds.

3. Of the original 207 enrolled, 38 served 6 months each. Thirty-seven gained a total of 379 pounds, or an average of 9.97 pounds per man. The greatest individual gain was 28 pounds. One lost weight amounting to 2 pounds. He was a local experienced man past 50 years of age at enrollment.

4. Of the original 207 enrolled, 106 served 9 months each. One hundred and four gained a total of 1,499 pounds, or an average of 14.14 pounds per man. The greatest individual gain was 31 pounds. Two lost weight, the maximum individual loss being 17 pounds. Both of these were local experienced men past 50 years of age when enrolled, and one of them was 38 pounds overweight at date of enrollment.

To my way of thinking, the foregoing seems to justify the West Virginia maxim of "Feed 'em well; work 'em hard, and treat 'em fair."

With kindest personal regards, I am,

Cordially yours,

W. H. WALDRON,
Colonel, Infantry, Commanding.

APRIL 22, 1936.

Col. W. H. WALDRON,
Commanding Officer, Civilian Conservation Corps,
Charleston, W. Va.

MY DEAR COLONEL WALDRON: Replying to your informative and helpful letter of April 21, let me thank you sincerely for this information, disclosing as it does the splendid physical improvement made by the Civilian Conservation Corps' enrollees.

This worth-while program, in which the Army has played an important part and in which youth is given a helping hand, will continue, I feel sure, to merit general approval.

With deep appreciation for your fine aid and with kindest personal regards, I am

Most cordially yours,

JENNINGS RANDOLPH.

OMNIBUS CLAIMS BILL

The SPEAKER. The Clerk will read.

The Clerk read as follows:

Title XIV—(H. R. 3866. For the relief of Emanuel Bratses)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Emanuel Bratses, a citizen of Philadelphia, Pa., the sum of $5,000. Such sum shall be in full settlement of all claims against the United States for damages sustained by the said Emanuel Bratses on account of loss of left leg, above the knee, due to an accident sustained in the Brooklyn Navy Yard on May 27, 1933, while the said Emanuel Bratses was engaged as a painter for Pamfilis Contracting Co., a Maryland corporation of Baltimore, Md. Said accident was occasioned by the negligence of an employee of the United States Government who was operating a traveling crane, which ran over the leg (and body) of said Emanuel Bratses, necessitating the amputation of the left leg above the knee, as hereinbefore recited.

With the following committee amendment:

Strike out, beginning with line 5, down to and including line 20, and insert the following: "That jurisdiction is hereby conferred upon the Court of Claims of the United States to hear, determine, and render judgment upon the claim of Emanuel Bratses for injuries and damages sustained in an accident in which he lost his leg at the Brooklyn Navy Yard, Brooklyn, N. Y., on May 27, 1933: *Provided*, That proceedings in any suit brought in the Court of Claims under this act, appeals therefrom, and payment of any judgment therein shall be had as in the case of claims over which said court has jurisdiction under section 145 of the Judicial Code, as amended.

The committee amendment was agreed to.

The title was amended to read as follows: "To confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Emanuel Bratses."

The Clerk read as follows:

Title XV—(H. R. 3934. For the relief of Art Medal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period)

That the time within which suits may be instituted by Art Metal Construction Co., a corporation organized under the laws of Massachusetts, having its principal place of business in Jamestown, N. Y., against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for said period be, and the same is hereby, extended to October 1, 1935, and jurisdiction is hereby conferred upon the Court of Claims of the United States, and it is hereby authorized and directed to hear and determine on the merits any suit commenced therein against the United States prior to October 1, 1935, for the recovery of any overpayment of such taxes, any finding, determination, judgment, rule of law, or statute to the contrary notwithstanding.

And if it shall be found in any such suit that such tax has been overpaid, the court shall render final judgment against the United States and in favor of said taxpayer for the amount of such overpayment with interest at 6 percent per annum from the date of payment, such judgment to be subject to review by the Supreme Court of the United States as in other cases.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 19, line 7, strike out all of title XV.

Mr. COSTELLO. Mr. Speaker, this bill provides for a waiver of the statute of limitations in favor of the Art Metal Construction Co., in order that they may maintain a suit to recover taxes paid in the year 1918, which they allege are in excess of the amount lawfully due for that period. It appears that the claimant has filed suit for a refund in the district court of New York and an adverse ruling was made upon the case. It was then carried through the courts to the Supreme Court, and the Supreme Court again ruled against the claimant herein.

After denying a writ of certiorari in the case of this taxpayer the Supreme Court then granted such a writ to review other cases involving practically the same question—namely, whether or not a timely claim for refund in general terms could be amended to state a specific ground after the statute of limitations barred the filing of a new refund claim, but before the original claim was rejected by the Commission. After this decision of the Supreme Court the claimant herein filed an application to reopen this case which the Court did not grant; and the attempt here, then, is to allow this claimant, after many years, to present its case anew to the courts and obtain therefore a refund of this tax in the sum of $41,000. My amendment moves to strike out this bill.

Mr. REED of New York. Mr. Speaker, I think the gentleman has made just as fair a statement as he could make under the circumstances. The fact remains, however, that this corporation employing many men and carrying a large pay roll during this depression paid in income and profits taxes for the year 1918, $538,000; and in order to make sure they were paying enough they overpaid, according to the Commissioner of Internal Revenue, $41,000. This company was so notified by the Commissioner of Internal Revenue.

There is not the slightest doubt that the Government now has $41,000 that rightfully belongs to this taxpayer who has performed really a signal service by furnishing men employment during this depression and doing it out of its capital rather than its earnings. All they ask is the right to come into the Court of Claims. It is nothing but a technicality on the part of the Government. This taxpayer did everything within the range of human possibility and legal acumen to comply with the regulations of the Treasury Department, but unfortunately they were unable to satisfy the Treasury, not as to the legality of the claim, but purely upon a technicality in the form in which they filed their claim. They then had to resort to the courts, and step by step they went up through the courts, just as the gentleman from California states. Subsequently the Supreme Court in two other cases involving precisely the same questions decided in favor of the taxpayers. In the meantime

the Art Medal Construction Co. did ask for a writ of certiorari and the Court held simply that they had lost jurisdiction of the matter. The merits of the case remain precisely the same.

Mr. Speaker, we are sitting here not only as legislators but also as a party in interest and as judges. We are sitting as a court of equity, the last resort of the taxpayer to obtain that which rightfully belongs to him; and I hope this House, in view of the fact that the Government admits it is not rightfully holding this money but is standing upon just a mere thread of technicality, will say that the claimant may be permitted to go into the Court of Claims and establish his claim upon the merits of the case.

Mr. MEAD. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. MEAD. The factory of this company is located in the western end of New York State. I am very familiar with the facts and the record, and I do not believe my colleague has exaggerated his statement one iota.

Mr. Speaker, I hope the amendment will be defeated.

The SPEAKER. The question is on the amendment of the gentleman from California.

The amendment was rejected.

JESSIE T. LAFFERTY

The Clerk read as follows:

Title XVI—(H. R. 4060. For the relief of Jessie T. Lafferty)

That the Comptroller General of the United States is authorized and directed to credit the account of Jessie T. Lafferty, postmaster at Perth, Kans., in the sum of $330.53, due the United States on account of fixed credit funds, postage stamps, and postal funds which were lost as a result of a burglary August 22, 1931.

Title XVII—(H. R. 4079. For the relief of Garfield Arthur Ross)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Garfield Arthur Ross, of Chicago, Ill., the sum of $5,000 in full settlement of his claim against the Government for personal injuries sustained as a result of subjecting himself to the required antityphoid serum injections during the spring of the year 1931, such injections having been administered by a Government doctor as a prerequisite to his admission as a trainee in the citizens' military training camp at Fort Sheridan, Ill.

Committee amendment:

Page 21, line 9, after the word "Illinois", insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. HANCOCK of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: Strike out title XVII.

Mr. HANCOCK of New York. Mr. Speaker, the young man for whose benefit this bill was introduced was a candidate for admission to one of the C. M. T. C. camps in 1931. As a prerequisite he was required to take antityphoid serum. He had two injections of this serum, and after the second injection the young man was taken violently ill, sent to a hospital, and there found to be suffering a severe case of spinal meningitis.

The medical testimony in the case is that spinal meningitis cannot and does not follow as a consequence of injecting serum to protect against typhoid fever. The medical testimony is to the effect that there is a period of incubation of 2 or 3 weeks during which spinal menigitis develops; and the conclusion is that this young man at the time he took the injections was suffering from the early stage, the incubation stage, of spinal meningitis, and that he would have had spinal meningitis with or without the injections; that the injections he received had no connection whatever with his disability.

It also appears from the evidence that a great many other young men received this same vaccine, or serum, without any ill consequences whatever.

The man who gave the injections was an experienced physician. He administered the same injection to a great number of other applicants at the same camp without any illness following.

Mr. Speaker, it was a very unfortunate thing that this young man should become afflicted with this very serious disease, but there is no evidence it was in any way caused by any act or misconduct on the part of an agent of the Government.

I think it should also be called to the attention of the Members that under the general law there is no liability on the part of the Government for injuries or disabilities suffered by men attending C. M. T. C. camps, other than the requirement that they receive hospital care if they are injured at camp or in going to and from the camp. Their families are also entitled to some reasonable allowance for funeral expenses in case they are killed while at camp. If we want to go further than that I think a general law should be enacted. Nearly 40,000 boys go to these camps every year and some of them are injured but, so far as I know, none have ever received benefits of this kind.

Mr. Speaker, I have objected to a great many of these bills for the same reason that I objected to this one. This opens up a new source of expense to the Government. If the Congress believes that claims of this kind should be paid the proper committee should bring in a general law on the subject for consideration. I am very sorry for this boy, but there is no liability on the part of the Government toward this young man nor any precedent for paying such a claim, so far as I can learn.

The SPEAKER. The question is on the amendment offered by the gentleman from New York [Mr. HANCOCK].

The amendment was agreed to.

The Clerk read as follows:

Title XVIII—(H. R. 4942. For the relief of Patrick Henry Walsh)

That the Secretary of the Treasury is authorized and directed to pay to Patrick Henry Walsh, of Cliffside Park, N. J., out of any money in the Treasury not otherwise appropriated, the sum of $3,000 in full satisfaction of all claims against the United States for damages on account of injuries resulting from being struck by a United States mail truck at Jersey City, N. J., on December 19, 1924: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. COSTELLO. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. COSTELLO: On page 21, line 25, after "pay to" insert the words "the estate of" and amend the title to read "For the relief of the estate of Patrick Henry Walsh."

The SPEAKER. The question is on the amendment offered by the gentleman from California [Mr. COSTELLO].

The amendment was agreed to.

Mr. COSTELLO. Mr. Speaker, I offer another amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. COSTELLO: On page 22, line 2, after the words "sum of" strike out "$3,000" and insert "$1,500."

The SPEAKER. The question is on the amendment offered by the gentleman from California.

The amendment was agreed to.

Mr. HOPE. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HOPE: Page 21, line 22, strike out all of title XVIII.

Mr. HOPE. Mr. Speaker, this claim is made on account of alleged injuries to the claimant, Patrick Henry Walsh, who was struck by a mail truck while crossing a street at otherwise than a crossing intersection. The evidence shows that the mail truck which struck him was traveling at a rate of speed estimated to have been from 7 to 15 miles an hour. It was not traveling at an excessive rate of speed. It is shown further that the claimant was crossing in the middle of the block 28 feet from the regular crossing or intersection—in other words, jaywalking—and that he came out onto the street from behind a column or pillar so that he could not be observed by the driver of the truck in time to avoid the accident.

Mr. Speaker, I submit under these circumstances, with the contributary negligence of the claimant shown, there could not possibly create any liability against either the driver or the Government. Such a claim as this would not be asserted at all except against the Government of the United States. As a matter of fact, an action at law was brought by the claimant against the driver of the truck, but before the case came to trial it was dismissed by the claimant. He has chosen to pursue his remedy against the Government by having this bill introduced into the Congress. The claim is an old one. It has been pending in the Congress for a number of years. The accident dates back to 1924, some 12 years ago.

Mr. Speaker, I submit that under all the circumstances the Government of the United States should not be held liable in a claim of this kind.

Mr. McCORMACK. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, we had the experience just a few minutes ago of seeing a section stricken from the omnibus bill which concerned an individual. I would like to have heard the other side of that case. I am somewhat disturbed. I voted "no" because I did not know what the full facts were. The thought entered my mind whether or not the infection by the doctor was a contributing cause. What happened may not have been the cause medically, but it may have aggravated a preexisting condition, or it might have lit up a dormant condition and there would be a moral responsibility. However, that is water over the dam. Another section is presented here which affects an individual, now dead. This individual cannot speak for himself. The distinguished gentleman from New Jersey [Mr. KENNEY], who introduced the bill, is unavoidably away from the floor on account of official business. I am speaking in his behalf. I am going to vote against the amendment. The amount has been reduced to $1,500, the committee having made a favorable report in the sum of $3,000. A moral obligation of the Government can only be paid through the medium of a private bill. There is no legal right to sue the Government. I can well understand why the case would be dismissed against the driver. The reason probably was because the driver had no money anyway. All of us who are lawyers have had cases of that kind at some time or other. Personally I never bring a case against a driver because he is a man who usually gets only a small salary. In the case of an employee of the city of Boston, I do not sue the man who drives the truck. What is the use? Of course, suit could be brought against him, but if I got a judgment what good would it be? What good would a judgment be in this case? The plaintiff should be commended for dismissing the case against the driver under the circumstances.

Mr. Speaker, the important fact is that the committee has reported this bill favorably, and as far as we are concerned the committee to which the bill is referred is the court, and I am going to accept the judgment of the committee.

Mr. HANCOCK of New York. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HANCOCK of New York. May I ask the gentleman from Massachusetts if he has read the committee's report?

There are three witnesses to this accident. One is the gentleman who was injured, and the other two, I will confess, are perhaps as interested as he since they are employees of the Federal Government. The one man says he was injured through the negligence of the employees of the Government, while the other two say he was jay walking 28 feet from the cross walk, stepped out from behind a pillar of the elevated railroad directly in the path of a slow-moving mail truck. How can the gentleman assume, as a matter of law, that the claimant is right and the Government employees are wrong, when the weight of the testimony is in favor of the Government?

Mr. McCORMACK. The committee is the one to weigh the facts.

Mr. HANCOCK of New York. These are the facts.

Mr. McCORMACK. A majority of the members of the committee reported out this bill after the able presentation of the evidence by the gentleman from New Jersey [Mr. KENNEY]. They heard the evidence, and we are sitting here now and cannot go into all the testimony, but there is a presumption in my mind that a report made by a committee is entitled to support unless I have controlling evidence to overturn such presumption.

Now, an amendment has been offered from the Democratic side reducing the amount from $3,000 to $1,500. The committee has reported the measure favorably, the committee heard the evidence and weighed all the facts. I recognize that some of us might receive the same facts, and they might impress us differently. However, whoever this gentleman is, he has gone into the great beyond. He cannot speak for himself. The committee received his evidence and they weighed the evidence and based upon the evidence of all the witnesses, the committee has reported out this bill in the sum of $3,000, which has now been reduced to $1,500.

I went along with the $1,500 amendment, but I am going to vote against the amendment to strike out the bill entirely from this omnibus measure.

[Here the gavel fell.]

The SPEAKER. The question is on the amendment offered by the gentleman from Kansas.

The amendment was rejected.

The Clerk read as follows:

Title XIX—(H. R. 6661. For the relief of Maj. Joseph H. Hickey)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Maj. Joseph H. Hickey, United States Army, retired, the sum of $3,880.28, in full settlement of all claims against the Government of the United States for a shortage in public funds due to irregularities in the accounts of a noncommissioned officer, now deceased, which officer was in charge of the commissary, New Orleans general depot, September 1920 to August 1921, and for which shortage Major Hickey has accounted to the United States Government: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. COCHRAN. Mr. Speaker, a similar bill (S. 2741) became Private Act No. 388 in the Seventy-fourth Congress and was approved February 11, 1936, which was after this title was included in the bill. I therefore move to strike out the title, as the bill is already a law.

Mr. KENNEDY of Maryland. Mr. Speaker, that is agreeable to the committee.

The SPEAKER. Without objection, the title will be stricken from the bill.

There was no objection.

The Clerk read as follows:

Title XX—(S. 753. To carry out the findings of the Court of Claims in the case of the Wales Island Packing Co.)

That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $100,000 to the Wales Island Packing Co. for the injury to the business and property of said company on Wales Island on account of the decision of the Alaska boundary tribunal, under which the possession of said island has passed from the United States to the Dominion of Canada, as found by the Court of Claims and reported in Senate Document No. 61, Seventy-second Congress, first session: *Provided*, That no part of the amount appropriated in

this act in excess of 20 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, or other party or parties, on account of services rendered in any way in connection with the presentation, passage, or collection of said claim or any part thereof. It shall be unlawful for any such agent or agents, attorney or attorneys, or others as herein provided, to collect, receive, exact, or withhold a portion of the amount appropriated in this act in excess of 20 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 24, line 2, after the word "company", insert "in full settlement of all claims against the Government of the United States."

The committee amendment was agreed to.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 24, lines 11 and 19, after the words "in excess of", strike out "20" and insert "10."

Mr. COSTELLO. Mr. Speaker, this amendment simply changes the limitation on the attorneys' fees from 20 percent to 10 percent, which is the customary amount allowed.

Mr. KENNEDY of Maryland. Mr. Speaker, it is agreeable to the committee to accept the amendment.

The amendment was agreed to.

The Clerk read as follows:

Title XXI—(S. 788. For the relief of the International Mercantile Marine Co.)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,400 to the International Mercantile Marine Co., to reimburse said company for penalties which were assessed and collected but not actually incurred under the immigration laws of the United States; and so found by the Circuit Court of Appeals for the Second Circuit on July 7, 1931 (51 Fed. (2d) 1053), the failure of said company to file suit within the statutory period of limitations for the recovery of said sum being hereby waived: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 25, line 6, after the word "company", strike out "to reimburse said company" and insert in lieu thereof "in full settlement of all claims against the Government of the United States."

The committee amendment was agreed to.

The Clerk read as follows:

Title XXII—(S. 790. For the relief of the Compagnie Generale Transatlantique)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to the Compagnie Generale Transatlantique, to reimburse said company for penalties which were assessed and collected but not actually incurred under the immigration laws of the United States, and so found by the Circuit Court of Appeals for the Second Circuit on July 7, 1931 (51 Fed. (2) 1053), the failure of said company to file suit within the statutory period of limitation for the recovery of said sum being hereby waived: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 26, line 8, after the word "Transatlantique", strike out "to reimburse said company" and insert "in full settlement of all claims against the Government of the United States."

The committee amendment was agreed to.

The Clerk read as follows:

Title XXIII—(S. 921. For the relief of C. J. Mast)

That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. J. Mast, of Charlo, Mont., the sum of $255 in full satisfaction of his claim against the United States for damages on account of injury to his crops in the years 1924 to 1928, both inclusive, by reason of breaks in a lateral dike in connection with the Flathead irrigation project: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. COCHRAN. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 27, line 4, strike out all of title XXIII.

Mr. COCHRAN. Mr. Speaker, the amount is so small in this bill that I dislike to take up the time of the House, but there is a principle involved. The claim is for crops damaged over a period of several years.

The outstanding question is, Is Congress going to approve of claims for damages resulting from ravages by muskrats when the Government was exercising due care trying to eliminate such pests? There was no negligence on the part of the Government on the irrigation project.

All along the Mississsippi River and in the Mississippi Valley people are demanding money from the Government because the improvements made in connection with flood-control projects, and so forth, have damaged property. They do not think of the benefits that accrue as a result of this work.

If you are going to approve of a bill of this kind, you are adopting a policy that might be very harmful in the future.

Mr. KENNEDY of Maryland. Will the gentleman yield?

Mr. COCHRAN. Yes.

Mr. KENNEDY of Maryland. Is the gentleman aware that the Secretary of the Interior approves of this bill?

Mr. COCHRAN. Yes; but, with all due respect to the Department of the Interior, the Department approves nearly all the bills reported from the gentleman's committee.

Getting back to my argument, I have on my desk at the present time a bill where a man in southeast Missouri wants about $25,000 because of flood-control work. I have told him I am opposed to such legislation.

It is a very dangerous policy for Congress to adopt one that says the Government is going to pay damages on irrigation and flood-control projects.

Mr. KENNEDY of Maryland. The gentleman's statement that the Department of the Interior approves most of the bills sent to the Claims Committee I do not think is warranted. It disapproves many bills.

Mr. COCHRAN. The Interior Department has approved most of the bills before the Committee on Indian Affairs, bills of which it has no records. Why, they recommended two bills—Indian bills—and I brought the statutes before the House showing that Congress passed bills and paid the very claims years ago.

Mr. KENNEDY of Maryland. But we are dealing with claims before the Claims Committee, and not before the Committee on Indian Affairs.

Mr. COCHRAN. I realize that; but where they make mistakes before one committee, they will make others. I doubt if the Department considered the point I am making. If it did, I cannot agree. No doubt there was some little damage, but the Government certainly should not be held responsible for what the rats did when the Government was spending money trying to exterminate them. I repeat, the amount is very small, but others will point to this bill in asking that their claims be considered if the measure is agreed to.

Mr. HANCOCK of New York. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. Yes.

Mr. HANCOCK of New York. It has been stated that the Secretary of the Interior approves this bill. In that connection I call the attention of the gentleman to the fact that the Comptroller General very strongly disapproves of it, and states his reason in conclusive legal language.

Mr. COCHRAN. I intended to call the attention of the House to the Comptroller's views. I think we will be adopting a policy that we will regret in the future if you pass this bill. That is the only reason that I call it to the attention of the House, because it involves only $255. The bill should be defeated. If it is not defeated, you practically say to thousands of others that you will approve bills for damages resulting from irrigation and flood-control projects.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The Clerk will report the next title.

The Clerk read as follows:

Title XXIV—(S. 998. To carry out the findings of the Court of Claims in the case of George Lawley & Son Corporation, of Boston, Mass.)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $92,781 to the George Lawley & Son Corporation, of Boston, Mass., being the difference between the actual cost of the construction of two torpedo boats and the amount paid under the contract entered into for the building of said boats, as found by the Court of Claims and reported in Senate Document No. 135, Seventy-third Congress, second session: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 28, line 8, strike out the word "being" and insert "in full settlement of all claims against the Government of the United States for"; page 28, line 15, strike out the figures "10" and insert "20"; page 28, line 21, strike out the figures "10" and insert "20."

Mr. COSTELLO. Mr. Speaker, I ask for a separate vote on the committee amendments because of the fact that the second and third amendments, if agreed to, would increase the attorney's fees from 10 to 20 percent, which is contrary to our custom.

The SPEAKER. The question is on agreeing to the first committee amendment.

The amendment was agreed to.

The SPEAKER. The question is on agreeing to the second amendment.

Mr. McCORMACK. Mr. Speaker, with reference to that, this bill affects a constituent of mine. I think the position of the gentleman from California is correct. Personally I would much prefer to see 10 percent rather than 20 percent.

The SPEAKER. The question is on agreeing to the second committee amendment.

The amendment was rejected.

The SPEAKER. The question now is on the third committee amendment.

The amendment was rejected.

Mr. HOPE. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HOPE: Page 28, line 1, strike out all of title XXIV.

Mr. HOPE. Mr. Speaker, this bill purports to carry out the findings of the Court of Claims in the case of George Lawley & Son Corporation, of Boston, Mass. One would get the impression from that that the Court of Claims in this particular case had found in favor of this corporation. As a matter of fact, the Court of Claims found in favor of the Government, and the conclusion of law made by the Court of Claims reads as follows:

Upon the foregoing special findings of fact, which are made part of the judgment herein, the court decides as a conclusion of law that the plaintiff is not entitled to recover and its petition is dismissed. Judgment is rendered against the plaintiff for the cost of printing the record herein, the amount to be ascertained by the clerk and collected by him according to law.

That conclusion of law is certainly justified by the findings of fact. In this case claimant entered into a contract with the Government for the construction of two torpedo boats, and this claim is for the excess between the contract price and the actual cost of the boats. It turns out that the company was not able to construct the boats for the contract price, but there is nothing in the record anywhere to show that this was in any way the fault of the Government of the United States or that it occurred by reason of any facts which was not within the knowledge or reasonable contemplation of the claimant at the time the contract was entered into. I do not know of any reason why those who contract with the Government of the United States should not be held to their contracts just the same as they would be held in the case of a contract between individuals. In this particular case the difference in the amount of the contract price and the excess cost is very largely accounted for by the fact that there were increases in the cost of materials, and that the claimant company had some labor trouble in its plant, and, although not required to do so by its contract, the Government did all it could to help that situation by extending the time in which the company could complete the boats, instead of claiming whatever forfeitures might have accrued to the Government by reason of the delay.

The findings of the court disclose that the Government in every possible way assisted the claimant company in ironing out its difficulties, and there is no evidence here that the Government failed to do that which it should have done, but it lived up to its contract, and whatever difference there was in the case is due entirely to causes which, if not within the control of the claimant company, should and could have been foreseen by it when it entered into the contract. Under these circumstances I do not believe that we should go back to a contract made in 1898 and pass a bill which has been buffeted back and forth in Congress between the House and the Senate and in and out of committees through all that long period of time and render a judgment for almost $100,000 against the Government of the United States.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. McCORMACK. Mr. Speaker, the gentleman who has just spoken read only a portion of the complete report of the Court of Claims. He read what came under the heading of "Conclusion of law", but he failed to read the opinion upon which the conclusion of law was based.

The gentleman's statement of what the court said with reference to the conclusion of law is correct. Of course, we know they have no legal or equitable right, but they have a moral right. In the opinion, which is a part of the record, it was stated, "Plaintiff's claim for relief is therefore solely a matter for Congress."

Of course, it is a matter for Congress; but the Court of Claims investigated the facts and the Court of Claims found that the amount stated in this bill was the extra expenses incurred in connection with the building of the vessels. This extra amount was incurred as a result of the Government's own action in the main. The Government changed the specifications from time to time while these vessels were under construction.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HOPE. Does not the report show that the claimant was compensated for those changes under the terms of the contract?

Mr. McCORMACK. Oh, no.

Mr. HOPE. I call the gentleman's attention to the report, on page 123.

Mr. McCORMACK. The Court of Claims went into this matter thoroughly.

Mr. HOPE. Will the gentleman yield further?

Mr. McCORMACK. Pardon me now. I only have 5 minutes.

This is the situation: The findings of the Court of Claims refer only to a legal right of recovery as plaintiff in a lawsuit. The only significance of the judgment of the court is that the claimant could not bring a suit for recovery. The congressional reference to the Court of Claims recognized that the company had no legal right of action to recover the amount of these losses. The Court of Claims was asked by Congress to find the facts, including the amount of the loss. It did so, and found it amounted to $92,781. The court points out in its opinion that plaintiff's claim for relief is a matter for Congress.

That claimant should have relief from its loss has been, on several occasions, recommended by the Secretaries of the Navy, beginning with Secretary Long. These recommendations are based on report of the board of naval officers, known as the Ramsay Board, and upon the circumstances under which the claimant incurred this loss.

The same recommendations were made with reference to all of the companies building these boats, and in the case of the Fore River Shipbuilding Co., where similar findings were made by the Court of Claims in Congressional No. 15006, said findings were carried out by Congress by the passage of a bill similar to the Lawley bill, and the money appropriated thereunder has been paid to said Fore River Co.

Vessels of this design were new in our Navy at the time and the Navy Department, due to lack of technical knowledge of this type of vessel, made requirements as to displacement, design, and speed which could not be carried out without extensive changes in the original plans and specifications. These changes were made as the work progressed and several of them necessitated changes in materials used in the design of other portions of the vessels. The original plans of the contractor as to the method of attaching the engine to the hull had been rejected by the Navy Department which had insisted on the use of its own designs. After the vessels were partially completed these plans were abandoned, and the original suggestions of the contractor were adopted, adding to the cost.

As result of the changes and experimentation with the plans the claimant was required to have 24 preliminary trials on the *Blakely* and 16 preliminary trials on the *DeLong* which are much in excess of the usual number. After these trials were made the engine foundations on both vessels were required to be changed by the Navy Department.

The cost of construction of the vessels, due to the reasons given above, greatly exceeded what was anticipated by either of the contracting parties. The Court of Claims has found that the claimant did nothing to unnecessarily increase the cost. As the loss resulting from the increased cost from which the claimant seeks relief was in no instance due to any fault or miscalculation of the claimant, it should not be required to continue to bear this loss, which it has done with great difficulty for a number of years.

The United States received the benefit of the improved design and better materials of the completed vessels which weighed nearly 35 tons more than originally contracted for. The United States also received the benefit of the experimental work done with the vessels which has been of great value in subsequent constructions, as pointed out by the Secretary of the Navy.

This matter has been before the Court of Claims. The Court of Claims has found that this sum was expended by the claimant. It is a moral obligation. The Congress has paid other companies on similar claims in the past; other companies separate and distinct from this company. Congress has found in the past that this is a just claim. A legal technicality is now advanced. The court has properly said that it had no right as a matter of law to make a finding; that that was a matter for the Congress, because there was a moral obligation involved. That was just the same as the case to which I referred a moment ago of the party who died. He has no legal case against the Government, but he had a moral case. There is a moral obligation on the part of the Government, and a private bill had to be filed. The Court of Claims has found that the amount stated in this bill was spent through no fault of the claimant. The only way it can be paid is through the filing and the passage of a private bill. The passage of this bill is necessary for the Government to meet a just moral obligation.

I hope the amendment will be rejected.

[Here the gavel fell.]

The SPEAKER. The question is on the amendment offered by the gentleman from Kansas.

The question was taken; and on a division there were ayes 27 and noes 32.

Mr. HOPE. Mr. Speaker, I object to the vote on the ground that there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Evidently there is no quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 117, nays 150, answered "present" 1, not voting 160, as follows:

[Roll No. 75]

YEAS—117

Andresen	Cox	Johnson, Tex.	Patterson
Andrews, N. Y.	Crawford	Kloeb	Pearson
Arends	Crosser, Ohio	Kniffin	Peterson, Ga.
Ashbrook	Crowther	Lambertson	Pierce
Bacon	Deen	Lambeth	Polk
Barry	Dondero	Lanham	Ransley
Beiter	Doxey	Lea, Calif.	Reed, Ill.
Binderup	Driscoll	Lehlbach	Robertson
Blackney	Driver	Lemke	Sauthoff
Blanton	Engel	Lewis, Colo.	Schneider, Wis.
Buchanan	Englebright	Lord	Secrest
Buck	Fish	Luckey	Seger
Buckler, Minn.	Fletcher	Ludlow	Short
Burdick	Focht	McClellan	Snell
Burnham	Ford, Miss.	McFarlane	Stefan
Cannon, Mo.	Fulmer	McGehee	Stubbs
Carlson	Gearhart	McReynolds	Taber
Carpenter	Gehrmann	Mahon	Taylor, S. C.
Carter	Gilchrist	Main	Terry
Castellow	Goodwin	Mapes	Thurston
Chandler	Gray, Ind.	Marcantonio	Turner
Cochran	Guyer	Martin, Colo.	Turpin
Coffee	Halleck	Massingale	White
Colden	Hancock, N. Y.	May	Whittington
Cole, N. Y.	Hess	Meeks	Wolcott
Colmer	Higgins, Conn.	Michener	Woodruff
Cooley	Hollister	Millard	Young
Cooper, Ohio	Hope	Mott	
Cooper, Tenn.	Huddleston	Murdock	
Costello	Hull	Nelson	

NAYS—150

Bacharach	Goldsborough	Mitchell, Ill.	Sisson
Beam	Granfield	Monaghan	Smith, Conn.
Bland	Griswold	Norton	Smith, Va.
Boland	Gwynne	O'Brien	Smith, Wash.
Boylan	Hamlin	O'Connell	Smith, W. Va.
Brooks	Harlan	O'Connor	Snyder, Pa.
Brown, Ga.	Hart	O'Leary	Somers, N. Y.
Brown, Mich.	Healey	O'Neal	South
Caldwell	Hennings	Owen	Spence
Carmichael	Higgins, Mass.	Parsons	Sutphin
Cartwright	Holmes	Patman	Tarver
Casey	Houston	Patton	Taylor, Tenn.
Church	Imhoff	Perkins	Thomason
Citron	Jacobsen	Peterson, Fla.	Thompson
Creal	Jenckes, Ind.	Peyser	Tinkham
Crowe	Johnson, Okla.	Pfeifer	Tobey
Cullen	Johnson, W. Va.	Pittenger	Tolan
Curley	Jones	Plumley	Treadway
Daly	Kahn	Powers	Umstead
Dingell	Kelly	Rabaut	Utterback
Disney	Kennedy, Md.	Ramsay	Vinson, Ga.
Dockweiler	Kenney	Randolph	Vinson, Ky.
Dorsey	Kerr	Reece	Wallgren
Doughton	Kinzer	Reed, N. Y.	Walter
Drewry	Kleberg	Reilly	Warren
Duffy, N. Y.	Knutson	Richardson	Wearin
Duncan	Kocialkowski	Robinson, Utah	Welch
Dunn, Pa.	Kramer	Rogers, Mass.	West
Eckert	Kvale	Rogers, N. H.	Whelchel
Ekwall	Lesinski	Rogers, Okla.	Wilcox
Evans	Lewis, Md.	Russell	Williams
Faddis	Lucas	Ryan	Wilson, La.
Flesinger	McCormack	Sanders, Tex.	Wolverton
Frey	McKeough	Schulte	Wood
Gassaway	McLaughlin	Scrugham	Woodrum
Gildea	McMillan	Sears	Zimmerman
Gillette	Maas	Shanley	
Gingery	Maverick	Sirovich	

ANSWERED "PRESENT"—1

Bankhead

NOT VOTING—160

Adair	Dear	Hildebrandt	O'Malley
Allen	Delaney	Hill, Ala.	Palmisano
Amlie	Dempsey	Hill, Knute	Parks
Andrew, Mass.	DeRouen	Hill, Samuel B.	Pettengill
Ayers	Dickstein	Hobbs	Quinn
Barden	Dies	Hoeppel	Ramspeck
Bell	Dietrich	Hoffman	Rankin
Berlin	Dirksen	Hook	Rayburn
Biermann	Ditter	Jenkins, Ohio	Rich
Bloom	Dobbins	Kee	Richards
Boehne	Doutrich	Keller	Risk
Boileau	Duffey, Ohio	Kennedy, N. Y.	Robsion, Ky.
Bolton	Dunn, Miss.	Kopplemann	Romjue
Boykin	Eagle	Lamneck	Sabath
Brennan	Eaton	Larrabee	Sadowski
Brewster	Edmiston	Lee, Okla.	Sanders, La.
Buckbee	Eicher	Lundeen	Sandlin
Buckley, N. Y.	Ellenbogen	McAndrews	Schaefer
Bulwinkle	Farley	McGrath	Schuetz
Burch	Fenerty	McGroarty	Scott
Cannon, Wis.	Ferguson	McLean	Shannon
Cary	Fernandez	McLeod	Stack
Cavicchia	Fitzpatrick	McSwain	Starnes
Celler	Flannagan	Maloney	Steagall
Chapman	Ford, Calif.	Mansfield	Stewart
Christianson	Fuller	Marshall	Sullivan
Claiborne	Gambrill	Martin, Mass.	Sumners, Tex.
Clark, Idaho	Gasque	Mason	Sweeney
Clark, N. C.	Gavagan	Mead	Taylor, Colo.
Cole, Md.	Gifford	Merritt, Conn.	Thom
Collins	Gray, Pa.	Merritt, N. Y.	Thomas
Connery	Green	Miller	Tonry
Corning	Greenway	Mitchell, Tenn.	Wadsworth
Cravens	Greenwood	Montague	Weaver
Crosby	Greever	Montet	Werner
Cross, Tex.	Gregory	Moran	Wigglesworth
Culkin	Haines	Moritz	Wilson, Pa.
Cummings	Hancock, N. C.	Nichols	Withrow
Darden	Harter	O'Day	Wolfenden
Darrow	Hartley	Oliver	Zioncheck

So the amendment was rejected:

The Clerk announced the following additional pairs:

Additional general pairs:

Mr. Cary with Mr. Ditter.
Mr. Rankin with Mr. Wadsworth.
Mr. Parks with Mr. Wilson of Pennsylvania.
Mr. McSwain with Mr. Culkin.
Mr. Samuel B. Hill with Mr. McLean.
Mr. Burch with Mr. Hoffman.
Mr. Mead with Mr. McLeod.
Mr. Dies with Mr. Risk.
Mr. Miller with Mr. Lundeen.
Mr. Ramspeck with Mr. Brewster.
Mr. Fuller with Mr. Scott.
Mr. Ayres with Mr. Shannon.
Mr. Lamneck with Mr. Mason.
Mr. Cravens with Mr. Harter.
Mr. McGrath with Mr. Delaney.
Mr. Richards with Mr. Hildebrandt.
Mr. Darden with Mr. Adair.
Mr. Bloom with Mr. Hook.
Mr. Greever with Mr. Dobbins.
Mr. Kopplemann with Mr. Cannon of Wisconsin.
Mr. Maloney with Mr. Weaver.
Mr. Starnes with Mr. Dempsey.
Mr. Hill of Alabama with Mr. Tolan.
Mr. Larrabee with Mrs. O'Day.
Mr. Werner with Mr. Dietrich.
Mr. Sumners of Texas with Mr. Buckley of New York.
Mr. Hancock of North Carolina with Mr. Merritt of New York.
Mr. Cummings with Mr. Mason.
Mr. Gasque with Mr. Sadowski.
Mr. Eicher with Mr. Sandlin.
Mr. Oliver with Mr. Gregory.
Mr. DeRouen with Mr. Celler.
Mr. Green with Mr. Cannon of Wisconsin.
Mr. Dear with Mr. McGroarty.

Mr. JOHNSON of West Virginia changed his vote from "aye" to "no."

Mr. TINKHAM changed his vote from "aye" to "no."

Mr. TAYLOR of Tennessee changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

The doors were opened.

The Clerk read as follows:

Title XXV—(S. 1036. Authorizing adjustment of the claim of Dr. George W. Ritchey)

That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of Dr. George W. Ritchey in the amount of $8,283.39 as loss sustained through the spalling and splitting of the original 40-inch mirror which was intended for installation under contract NOd–297, dated June 5, 1931, in a telescope at the United States Naval Observatory, and to allow not to exceed $8,283.39 in full and final settlement of said claim. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $8,283.39, or so much thereof as may be necessary, for payment of the claim.

Mr. COCHRAN. Mr. Speaker, this identical bill became Private Act No. 153 in the Seventy-fourth Congress, approved July 22, 1935. If the pending bill is enacted, it would authorize the payment of a claim already satisfied in full. I therefore ask to strike out title XXV.

Mr. KENNEDY of Maryland. Mr. Speaker, the committee has no objection.

The SPEAKER. Without objection, title XXV will be stricken from the bill.

There was no objection.

The Clerk read as follows:

Title XXVI—(S. 1062. For the relief of James R. Young)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to James R. Young, successor to the Union Trust Co., of Raleigh, N. C., out of any money in the Treasury not otherwise appropriated, the sum of $226.25 in full satisfaction of all claims for payment of premiums on policies of fire insurance written in 1918 by such Union Trust Co., covering certain goods of the value of $245,000, more or less, while in the process of being laundered for the United States Army by the Model Laundry, of Raleigh, N. C.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Title XXVII—(S. 1110. For the relief of A. Randolph Holladay)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to A. Randolph Holladay, the sum of $11,172.15, with all interest due thereon, as a refund on income tax paid by A. Randolph Holladay, and which cannot be returned because of an agreement made between A. Randolph Holladay and the Treasury Department, on form no. 866: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Committee amendment:

Page 30, lines 19 and 20, strike out "with all interest due thereon, as" and insert "in full settlement of all claims against the United States for."

The committee amendment was agreed to.

The Clerk read as follows:

Title XXVIII—(S. 1846. For the relief of the estate of Anton W. Fischer)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to refund, out of any money in the Treasury not otherwise appropriated, to the estate of Anton W. Fischer, late of Owatonna, Minn., the sum of $275.98, under existing rules and regulations, said amount having been illegally collected from said estate, as stated by letter of the Commissioner of Internal Revenue dated February 7, 1923: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The SPEAKER. The question is on the engrossment and third reading of the bill (H. R. 8750) for the relief of sundry claimants, and for other purposes.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ART METAL CONSTRUCTION CO.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1138) for the relief of Art Metal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period, a companion bill to H. R. 3934, which was passed earlier in the day.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the time within which suits may be instituted by Art Metal Construction Co., a corporation organized under the laws of Massachusetts, having its principal place of business in Jamestown, N. Y., against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for said period be, and the same is hereby, extended to October 1, 1935, and jurisdiction is hereby conferred upon the Court of Claims of the United States, and it is hereby authorized and directed to hear and determine on the merits any suit commenced therein against the United States prior to October 1, 1935, for the recovery of any overpayment of such taxes, any finding, determination, judgment, rule of law, or statute to the contrary notwithstanding.

And if it shall be found in any such suit that such tax has been overpaid, the court shall render final judgment against the United States and in favor of said taxpayer for the amount of such overpayment, such judgment to be subject to review by the Supreme Court of the United States as in other cases.

Mr. REED of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REED of New York: Page 2, line 1, strike out "1935" and insert "1936."

Page 2, line 5, strike out "1935" and insert "1936."

Mr. BLANTON. Mr. Speaker, will the gentleman explain the amendment?

Mr. REED of New York. When I introduced the bill I provided that suit could be brought not later than October of 1935.

Mr. BLANTON. This just changes the time?

Mr. REED of New York. That is all.

The SPEAKER. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that the proceedings by which the similar House bill (H. R. 3834) for the relief of Art Metal Construction Co. was passed be vacated and that the bill be laid on the table.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

HILLSBORO AND WITHLACOOCHEE RIVERS, FLA.

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9213) to provide a preliminary examination of the Hillsborough and Withlacoochee Rivers and their tributaries, in the State of Florida, with a view to the control of their flood waters.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, reserving the right to object, to ask the gentleman a question, as I understand, this is one of the routine matters they are taking up all over the country at the present time and it really entails no additional expense.

Mr. PETERSON of Florida. That is correct. It is purely a survey bill.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc, That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Hillsborough and Withlacoochee Rivers and their tributaries, in the State of Florida, with a view to control of their floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE TOBACCO COMPACT BILL

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 12037) relating to compacts and agreements among States in which tobacco is produced providing for the control of production of, or commerce in, tobacco in such States, and for other purposes, with Senate amendments, and concur in the Senate amendments.

The Clerk read the Senate amendments, as follows:

Page 2, line 16, after "act", insert: ": *Provided further*, That nothing in this act shall be construed to grant the consent of Congress to negotiate any compact for regulating or controlling the production of, or commerce in, tobacco for the purpose of fixing the price thereof, or to create or perpetuate monopoly, or to promote regimentation, but such consent shall be limited to compacts for the regulation and control of production of, or commerce in, tobacco in order thereby to enable growers to receive a fair price for such tobacco"; page 6, line 3, after "Wisconsin", insert "Massachusetts, Florida"; page 7, lines 9 and 10, strike out "the crop years 1933, 1934, and 1935" and insert "any 3 normal crop years during the last 10 years"; page 7, lines 16 and 17, strike out "the crop years 1933, 1934, and 1935" and insert "such crop years"; page 7, line 19, strike out "the crop years 1933, 1934, and 1935" and insert "such crop years."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina to concur in the Senate amendments?

Mr. ANDRESEN. Mr. Speaker, reserving the right to object, will the gentleman from North Carolina inform us the effect of the Senate amendments on the bill as it passed the House?

Mr. COOLEY. The House bill provided certain years to guide the Department in the allotment of a quota to Puerto Rico. In 1932 they had a hurricane in Puerto Rico that completely destroyed the tobacco crop and that was one of the years mentioned in the House bill. One of the Senate amendments strikes out this particular 3-year period and provides that any 3 normal years during the last 10 years may be used as a guide to enable the Department of Agriculture to fix the quota.

Mr. ANDRESEN. Does the amendment, then, permit Puerto Rico to enter into compacts with other States?

Mr. COOLEY. I understand it does permit Puerto Rico to enter into compacts with other States producing the same type of tobacco produced in Puerto Rico, that is the cigar-filler type of tobacco.

Mr. ANDRESEN. Does it give the Secretary of Agriculture the right to determine the allocations of production of tobacco in Puerto Rico?

Mr. COOLEY. It is my understanding that provision is left just as it passed the House.

Mr. ANDRESEN. Will the gentleman explain to the House the effect of the provision inserted by the Senate relating to monopolies created by compacts?

Mr. COOLEY. I suppose the proponent of the amendment had in mind the possibility of the compacts controlling tobacco to the extent it might result in a monopoly.

This provision will prevent that. It also seeks to prevent the unreasonable exercise of the powers which are to be exercised by the compact States and limits the consent of Congress to the compact States to control and regulate the production of tobacco only to the extent it may enable the growers to receive a fair price for the tobacco they produce. I understand further there is a Senate amendment which adds the State of Massachusetts.

Mr. ANDRESEN. Does the gentleman anticipate this compact will be in effect for more than 1 year?

Mr. COOLEY. That will depend, of course, upon the experience this year. It is not definitely certain it will be in existence this year. The States of North and South Carolina will have to pass acts similar to the act passed by the General Assembly of Virginia, and whether or not these States will act I am not in position to say at this time. However, I do hope they will act immediately so that the 1936 crop of tobacco may be controlled.

Mr. ANDRESEN. They will have to act pretty quickly.

Mr. COOLEY. Yes; that is the reason we are anxious to have this bill passed as soon as possible.

Mr. SNELL. Will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New York.

Mr. SNELL. As I understand from the explanation that has been made, there are only slight changes in terms and there is nothing that materially changes the effect and purposes of the bill?

Mr. COOLEY. The gentleman is correct.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

SOUTH DAKOTA DEMOCRATIC CLUB

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a short address which I made before the members of the South Dakota Democratic Club of Washington.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, under unanimous consent I insert in the RECORD a speech I delivered before the South Dakota Democratic Club of Washington, Monday evening, April 20, 1936.

Mr. President and members of the South Dakota Democratic Club of Washington, I want to congratulate you on the excellent organization you have effected of South Dakota Democrats living in the National Capital. I hope that it will increase in membership, and gain in strength and influence. In addition to comprising Democrats from our home State who are employed by the Government, I trust that it will expand so as to include South Dakota Democrats otherwise employed here.

In this connection, a thought occurs to me that I believe deserves emphasis. It concerns this much used and sometimes misunderstood word, "patronage." There has been so much humor—as well, at times, so much criticism—regarding patronage, that it is worth while to make sure that the word is better understood and explained. It is a serious mistake to look upon those who come to Washington from other parts of the country and receive Government appointments as being beneficiaries of favoritism and wirepulling. Their positions must not be considered "snaps." On the contrary, occupants of these appointments must possess ability, sincerity, loyalty, and honesty. The pay is generally substantial, but consistent work is required; and it cannot truthfully be said that any of the positions are "snaps." Most or all of you who hear me will agree that you have to render fair service in your various places.

An important phase of Federal appointments here is that they enable the appointees to take advantage of opportunities for education and research that they could not enjoy in any other city of the United States, except perhaps a few of the larger municipalities such as New York, Chicago, San Francisco, or Detroit. In some respects Washington is entirely unique. The Library of Congress has no equal the world over in the number of its books and the range of subjects they cover, except perhaps the library of the British Museum in London. The Washington Public Library and its numerous branches are also splendidly equipped.

The art galleries, scientific centers, and other institutions of culture and learning here are as a rule unexcelled. Many are the Government employees who utilize their spare hours after the workday in studies and research in these libraries, museums, and other institutions, or in the city's splendid schools and colleges. They are able to earn comfortable livings, to have pleasant quarters, and at the same time to gain educations that would be beyond their reach in almost any other city. A large percentage of them make full use of these fine opportunities. Those of you who hear me tonight can confirm my assertion. As an interesting example I may call attention to the number of elevator operators and Capitol policemen who in odd moments may be found poring over law books and other textbooks. Many times I have seen them deep in studies that would tax the minds of older persons. And often I felt proud of the part I had in enabling them to have such opportunities. I was glad to have been able to render such a service—to have helped place them where they might not only have good incomes and live well but acquire the priceless possession of broad knowledge.

In addressing Democrats it is not necessary to stress the grandeur and nobility of the philosophy of Democracy. It is because we recognize this that we are Democrats. We belong to the great party of Thomas Jefferson, Andrew Jackson, William Jennings Bryan, and Franklin D. Roosevelt because it embodies the hopes, aspirations, and ideals of humanity—because it is devoted to human rights and liberties as distinguished from the greed and selfishness of exploiters and profiteers. While we look with pride on the record of our party, we must at the same time recognize our deep responsibility and duty—the duty of keeping the party true to its principles and preventing what President Roosevelt characterizes the "forces of entrenched greed" from gaining control of it. Only rarely has the party drifted away from these principles. But the corrupt and insidious elements that thrive on legalized robbery and corruption are always active. They dominate the Republican Party and have done so almost from the moment of the death of Abraham Lincoln. They would dominate the Democratic Party also if they could—and in a few unfortunate instances they have succeeded. Happily in these days they have no prospect of success, although all of us know how bitterly and savagely they have assailed the President and other champions of Democracy that is really liberal, human, and progressive.

A week ago today was the anniversary of the birth of Thomas Jefferson. Let us take new inspiration from the glorious example of the founder of our party, and pledge ourselves to adhere at all times to the immortal doctrines he wrote in the Declaration of Independence and practiced throughout his life.

EXTENSION OF REMARKS

Mr. CASEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a statement setting forth the procedure in the selection of postmasters.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MICHENER. Mr. Speaker, reserving the right to object, may I inquire what it is the gentleman wishes to insert in the RECORD? Procedure by whom?

Mr. CASEY. By the Civil Service Commission. I have submitted this to the Civil Service Commission and they have given their approval. Instead of answering these inquiries by a long letter, I am going to send a copy of what I insert in the RECORD.

Mr. MICHENER. If the gentleman wishes to insert the procedure in reference to the selection of postmasters, he should, of course, include the procedure after the eligible list has been sent to the Post Office Department.

Mr. CASEY. That is correct.

Mr. MICHENER. This statement explains fully the persons contacted by the Department after the list of three has been submitted by the Civil Service Commission and before the recommendation is made to the President?

Mr. CASEY. It states it as fully as I know the procedure.

Mr. MICHENER. From whom did the gentleman get the information?

Mr. CASEY. From the Civil Service Commission.

Mr. MICHENER. The Civil Service Commission does not have the information, I take it, in reference to the action taken after the list reaches the Post Office Department. I shall not object, and, on the contrary, be very glad to have the gentleman insert the procedure, but I will object unless he inserts the procedure followed by the Post Office Department after the list of three eligibles is submitted.

Mr. VINSON of Kentucky. Does the gentleman from Michigan feel he should tell the distinguished gentleman from Massachusetts what he should insert in the RECORD in connection with a matter of this kind?

Mr. MICHENER. Yes; I do. If any of the procedure is given, all should be given.

Mr. VINSON of Kentucky. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MICHENER. Mr. Speaker, I object.

Mr. KENNEY. Mr. Speaker, I make the point of order that the objection comes too late.

The SPEAKER. The Chair does not think so. The gentleman from Michigan reserved the right to object.

Mr. KENNEY. I understood the request was granted when the gentleman from Michigan rose in the rear of the Chamber and started asking some questions.

The SPEAKER. The Chair thinks, perhaps, technically the gentleman may be correct, but the Chair does not wish to be too technical in the matter. The point of order is overruled.

SERGEANT BOIKO, THE REAL HERO

Mr. SMITH of Connecticut. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SMITH of Connecticut. Mr. Speaker and Members of the House, yesterday there was buried in Arlington National Cemetery one of the greatest heroes of the late war, Sgt. Michael Boiko. He was not so well known as some others perhaps, but was surpassed by none in bravery and devotion to duty.

Born in Russia, Sergeant Boiko came to this country as a youth and enlisted in our National Guard before he had finally qualified for citizenship. He served on the Mexican border in 1916 with the Connecticut National Guard and went to France with his unit, then part of the Twenty-sixth Division, in September 1917.

Through all the major engagements up to the armistice the division fought and through it all the bravery of Sergeant Boiko stands out. In one advance he volunteered to attempt to silence a machine-gun nest which was holding up the advance of his company, and, crawling forward alone, under heavy fire, he put the nest out of action, although armed only with his pistol.

On another occasion in an advance, after all his officers were killed or disabled, he took command of his company and continued to advance until there were left alive only 19 men of the 150 he started with. On different occasions he was gassed, his eyesight damaged by shell fragments, and his side pierced by machine-gun fire.

Our own and allied Governments decorated him with various citations and medals, including the Distinguished Service Cross, the Croix de Guerre, the Purple Heart, and the Silver Star. I quote from the citations which accompanied his decorations:

DISTINGUISHED SERVICE CROSS CITATION

Michael Boiko, former sergeant, One hundred and Second Infantry, Twenty-sixth Division: For exceptional heroism in action at Marcheville, September 26, 1918. When the advance of his company was temporarily halted by machine-gun fire, Sergeant Boiko volunteered to flank the nest and put the guns out of action. Although under intense fire, Sergeant Boiko, utterly disregarging his own personal danger, crawled out from the lines and worked his way to a favorable position where enfilade fire could be delivered and with his pistol silenced the guns, capturing them and a portion of the enemy gun crews, thus enabling his company to make further advance.

THE SILVER STAR CITATION

For gallantry in action near Bois de Ormont, north of Verdun, October 23 and 29, 1918.

THE PURPLE HEART CITATION

For wound in action July 22, 1918.

FRENCH CROIX DE GUERRE WITH PALM

He always displayed the greatest bravery. On October 25, 1918, in the Reine Wood, Verdun, having taken command of the company when the officer was wounded, he continued to lead the attack until all his men were either killed or disabled.

But, after the war, Sergeant Boiko found himself in a world which no longer wanted him. Partly disabled, not enough to receive compensation sufficient to support himself, his wife, and child, but disabled enough to prevent his obtaining employment in these hard years, he could see but one way out. His death would at least give his wife and child the benefit of his small amount of insurance.

The coroner's verdict was suicide.

The Veterans' Administration considers suicide misconduct and refuses pension to the widow of the veteran in such cases.

Mr. Speaker, the service of this Nation, the defense of his adopted country, caused the death of Sergeant Boiko just as surely as though it had occurred on one of the many battlefields where he fought so bravely. If the interpretation of the present law will not allow the payment of pension to his dependents, the law or its interpretation must be changed so that relief will be granted in these cases.

A WEST POINT FOR THE CIVIL SERVANT

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. DISNEY. Mr. Speaker, I offer as an extension of my own remarks an article by me appearing in the Christian Science magazine section on April 8 entitled "A West Point for the Civil Servant":

Feudalism, dueling, witchcraft, human slavery have gone by the board. We thought our way out of them. A few of our superstitions, too! It is inconceivable that we may, and inevitable that we must, think our way out of bigotry, hatred, war, and depression. Even the cynics would concede that the effort to do so is worth while—that there is glory even in trying.

The battle plan is not necessarily one of armies, navies, or air forces; mental and moral cooperation for a better world order is the prime requisite. From principle has flowed the world's mental progress, and from principle it will still proceed.

All over the land the cry has gone up for better service. Training for public service! For the Nation and the world! How noble and comprehensive it sounds! How can we apply it with wisdom and patience to the daily needs of people and nations? What practical suggestions offer to breast the opposition to things new and out of the regular channel?

The doctor, the lawyer, or the engineer is expected to undergo a long period of training before he practices his profession. The plumber, the carpenter, the bricklayer is expected to serve an apprenticeship before he is master of his trade. In this age of specialization the craftsman or the professional man, to be respected in his line, must qualify by training and experience. Before he can regularly engage in his occupation he must undergo intensive preparation. Complexity requires such skilled training, and all concede its desirability and its necessity.

But, through some strange and unaccountable quirk of the public mind, such reasoning does not apply to those engaged in public service. All sorts of obstacles stand in the way of the development of the profession of civil servant. The slow and expensive school of hit-and-miss experience has trained (or not trained) too many public officials. We have used the trial-and-error method—trial while one administration has been in office and error of the individual's being swept out later by the spoils system. For instance, local elections often turn on the supposed convictions of the candidates with regard to, say, war debts, the tariff, the League of Nations, prohibition, and other matters unrelated to the proper selection of the elective or appointive officer. Fitness is often forgotten.

The Army has its West Point and the Navy its Annapolis for the training and education of two of the most highly respected and efficient personnels to be found anywhere in the world. It is economic good sense to have similar and comparable training and education for those who administer our domestic affairs and treat the diplomatic issues abroad.

No system of training is found in our governmental scheme of things for the diplomatic and administrative career service comparable to the specialization for force on land and sea, exemplified by West Point and Annapolis. Incredible! But it is not enough to inquire why, but to point out how the lapse may be rectified.

I have proposed a national academy of public affairs to be located at Washington, the nerve center of the Government of the Nation.

West Point and Annapolis are world-wide in their implications and acceptance. The military leaders on either side of our only Civil War were graduates of West Point. In the World War a West Pointer commanded the Army, and Annapolis produced the admirals. The academy of public affairs, had it been established a few generations ago, conceivably would have produced the diplomatic brains for our part in the World War.

By the terms of the bill introduced by the writer (H. R. 11225) there would be established in Washington, where the Father of his Country visualized a great American university, a national academy of public affairs. Its function would be the education of young Americans in diplomatic and administrative career service—specialized civil servants. The school would be free of charge, coeducational, nonsectarian, and nonpartisan, operated by a board composed of certain Cabinet members; namely, the Secretaries of State, Treasury, Interior, Commerce, Agriculture, and Labor.

The Cabinet members, while politically selected, have almost uniformly in the last half century been appointed by reason of their attainments in various walks of life. Without exception, the Presidents of both political parties have sought to rise above party politics in the selection of their intimate advisers in the Cabinet. So the board of supervisors for the academy would be composed of outstanding American citizens with a broad comprehension of the needs of the Nation. This board would select the faculty, officers, would prescribe the course of study, entrance requirements, and regulate the conduct of the academy. It would

also determine whether the school should be a postgraduate institution, and fix the term required for graduation.

The general idea is to create an institution for metaphysical purposes, comparable in plan, form, and intendment to Annapolis and West Point, which are so high in public esteem in America and the world. Young America clamors for the honor and recognition of appointments to these two academies. Young America's parents are proud to have the honor conferred upon their sons. Visualize expectant American youth eager to enter the national academy of public affairs, an institution not of force but of mental defense.

The courses of study would, of course, be developed as the institution grew in public opinion and experience. It would be logical to anticipate that the curriculum would include language, history, and Government. Economic history, sociology, international law, the structure and functions of Government, both domestic and foreign, would naturally have a place. Political history, the study of political parties, statistics, the principles of public administration, and finance, also, social and economic planning, Government accounting, public-welfare administration, diplomatic study of public opinion, and world trends of civilization, modern, medieval, and ancient, would properly come within the range of study prescribed for students at the academy.

The selection of the students by the President, Senators, and Congressmen is provided. It cannot properly be said there is any political taint in that system. It has been in vogue for generations in the selection of candidates to West Point and Annapolis, and has been uniformly successful, producing a high order of scholarship. It guarantees a broad cross-section of the whole population of the States better than any other plan would or could. This tested means of selection has general public approval—it would not seem wise to deviate from such a plan. It has a historic background of national acceptance.

Why spend the public money in this manner? Why are not the endowed colleges and State universities doing or capable of doing the same training contemplated by the academy? There is a quick answer—we have many military academies in America—yet none of them approach the standing of West Point. The R. O. T. C. units in the college can never hope to compete with the Military Academy. West Point and Annapolis represent "the Government." National and world opinion would favorably receive an official institution and its graduates; it has been slow to accept the private or State institution and its product for the particular capacity under discussion. Training for "the Government" should be training by "the Government." The civil servant who would graduate from the academy would receive recognition the world over, because of the very fact that his training came under the direction of the Nation itself. In 150 years of national life, no college, no matter how popular it may have become along other lines, has achieved any considerable or outstanding reputation for the training of the civil servant.

The location of an academy of public affairs in Washington would assure the student ample contact with the realities of government and administration, and prevent overemphasis of the theoretic and academic. It would open up a large and highly important field to able young people. Thousands would dedicate their lives to the ideals which the institution would represent. Changing social conditions require new means of attacking new problems; changing world conditions justify another look in the direction for the public service. From the broad cross section of American life, from which it would be selected, the student body would represent imagination and foresight coupled with native ability, broad training and discipline in judgment, initiative, decision, foresight, and expression which would give the academy and its graduates a high place in thoughtful public opinion in America and in the world.

It should be one more nail in the coffin of the spoils system. The realist as well as the idealist should approve. Each administration has its "brain trusters" whose work is crippled by the political shafts aimed at them. Conceivably, we might by this movement, amongst others, develop an administrative personnel that would obviate the need to draft dollar-a-year men or "brain trusters" when serious emergencies arise.

Our Diplomatic Service is remarkably lacking in career-service personnel. To say the least, graduates of the academy of public affairs would have special training to fit them for the diplomatic service, and from that should grow outstanding examples of trained and poised American diplomacy. It has been said that America never lost a war nor won a conference. The day must come when she must attain success in the field of diplomacy as she has in war and in business.

Graduates of the institution would not necessarily remain in the service of the Federal Government. All graduates of the Naval and Military Academies do not. Many of them would likely enlist in the rank of municipal and State governmental service. Their training would make them desirable. There are foreign fields to which they might attain. We might even elect some of them to Congress or to governorships.

Fifteen hundred scholars run the British Government. The British civil service, impervious to politics, and by law forbidden to participate therein, has attained such a high standing that it is an insult to assert its integrity. Britain has arrived at this stage by slow and painful progress, when we think of the parliamentary corruption of, say, the time of the Pitts. America will, of course, come into her own in that regard, but the outstanding reputation of the academy would bring us to that stage decades sooner than otherwise, because in a few years it would be so entrenched in the hearts and minds of the American people that its atmosphere and its graduates would be accepted not only in America but the world over. It would soon couple the practical with the sentimental.

We are evidently undergoing a renaissance of political thought in America. One achievement of this renaissance might conceivably be the establishment of the national academy of public affairs. The end sought is not the education of human robots but leadership in the inevitable new world order.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SHANNON, indefinitely, to attend funeral of a friend.

To Mr. ROBSION of Kentucky, indefinitely, on account of illness.

To Mr. LARRABEE (at the request of Mr. GRISWOLD), indefinitely, on account of important business.

To Mr. ELLENBOGEN, for 3 days, on account of illness in family.

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

Mr. CASEY. Will the gentleman withhold that for a moment?

Mr. BANKHEAD. I withhold the motion so that the gentleman may submit a request.

PROCEDURE IN THE APPOINTMENT OF POSTMASTERS

Mr. CASEY. Mr. Speaker, I renew my request to extend my remarks in the RECORD and to include therein a statement setting forth the procedure in the selection of postmasters.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the RECORD by printing a statement of his own relative to the appointment of postmasters. Is there objection?

Mr. MICHENER. Mr. Speaker, reserving the right to object, I objected a moment ago because I asked the gentleman making the request whether or not he set forth the complete procedure followed by the Post Office Department after a list of three eligibles is submitted to the Post Office Department. He now states that the complete procedure is included, and the gentleman has shown me the statement which he desires to insert. It would appear that the procedure following the examination and after the names have been submitted to the Post Office Department is stated in full; therefore, I have no objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CASEY. Mr. Speaker, under the permission granted me to extend my remarks in the RECORD, I include the following facts which applicants and others who are interested in the appointment of postmasters should know:

CLASSES OF POST OFFICES

Post offices are divided into four classes: First, second, third, and fourth.

The fourth class are those offices where the business does not warrant a salary of $1,100 a year and where the postmasters are paid compensation dependent upon the stamp cancelation in the office.

The third class are those offices where the salary paid is $1,100 to $2,300 per year, inclusive.

The second class are those offices where the salary is $2,400 to $3,100 per year, inclusive.

The first class are those offices where the salary is $3,200 per year and above.

All appointments of postmasters of the first, second, and third classes are made by the President and are subject to confirmation of the Senate.

EXAMINATION OF APPLICANTS

The method of selecting these postmasters has been set forth in an Executive order issued by the President, dated July 12, 1933.

Briefly stated, this Executive order provides that post-office appointments shall be made in the following manner: When a vacancy occurs, notice of an examination in published

and all applicants must file, on or before a given date, an application with the United States Civil Service Commission. An examination and investigation is then conducted by the United States Civil Service Commission. Thereafter the United States Civil Service Commission certifies to the Post Office Department not more than three eligibles, which means the three applicants who receive the highest ratings in the examination conducted by the Civil Service Commission.

No applicant, however, can be considered eligible unless he has received a passing mark of 70 percent. If only one or two applicants have received a passing mark of 70 percent, then it may be possible for only one or two eligibles to be found in a given examination. The rule for certifying three eligibles applies where three or more have passed the examination, and in such a case the three highest are the eligibles submitted by the United States Civil Service Commission.

These examinations and investigations are conducted impartially without personal or political influence of any character.

In the case of postmasters for the first- and second-class offices, the Civil Service Commission, in addition to the requirement that each applicant file a comprehensive questionnaire, conducts a careful inquiry through the leading patrons of the post office as to the standing, as a representative citizen, of each applicant. This examination consists of obtaining information as to the extent of his acquaintanceship with the community, its problems, and its citizens, his influence and activities in the community, and the opinions of business men as to his character and ability—in a word, to learn the representative character of his citizenship.

In addition the questionnaire inquires carefully into the extent the applicant has had experience of an administrative character. It is the view of the United States Civil Service Commission that postmasters for first- and second-class offices should be not only representative citizens of the community but should have established a reputation for personal integrity, financial stability, and have had actual experience in an administrative capacity. Therefore, inquiries are made as to whether or not and how many persons have been employed by the applicant, what kind of business he has conducted, his experience in managing employees in order to protect the public against infractions of the discipline provided for postal employees, his knowledge of keeping bank accounts and records, and of the preparation of statements—financial, statistical, and so forth. After a survey of all these factors is made, each applicant is given a rating, and the three highest eligibles are certified to the Post Office Department.

As to postmasters of the third class, a somewhat different examination is conducted. In the third class it is assumed that the postmaster must be his own clerk, distributor of the mail, and perform the general duties within the post office. Therefore a written examination is conducted to test the training and clerical ability of each applicant for the purpose of finding out his mental capacity to perform the clerical and supervisory duties of the office. A third-class office may have no employees except the postmaster and a clerk, and therefore the postmaster must keep the records and perform practically all the other duties. It is not necessary to have more than a good general education in order to qualify. If one receives less than a passing mark in this class, it is a determination that he has not the capacity to perform efficiently the duties of the office, although he may or may not have received a majority of favorable reports as to his reputation and standing from those in the community where the post office is located.

FOURTH-CLASS OFFICES

Fourth-class postmasters come within the competitive classified civil service. On October 15, 1912, the President issued an order classifying under the Civil Service Act and rules fourth-class postmasters not theretofore so classified. That order was amended by the President on May 7, 1913 and again on June 3, 1921. The order, as amended, requires that all appointments (except those in Alaska, Canal Zone, Guam, Hawaii, Philippines, Puerto Rico, and Samoa) at fourth-class offices where the compensation is $500 a year or more shall be made from certification after examination by the Civil Service Commission; provided, that in the event there are fewer than three applicants the Commission may, in its discretion, authorize selection in the same manner as provided for offices with annual compensation of less than $500. Where the compensation is less than $500, all appointments shall be made on the recommendation of post-office inspectors after personal investigation, subject to prescribed regulations.

PROCEDURE FOLLOWING EXAMINATION

After the eligibles are certified by the Civil Service Commission to the Post Office Department, that Department is then ready to receive recommendations before making its nomination to the President. Usually recommendations from the Congressmen and Senators of the same political faith as the administration are invited. In turn Senators and Congressmen usually ask for recommendations from local committees, organizations, and citizens.

It should be borne in mind that no amount of personal or political influence is of any avail to a candidate until after the civil-service examination is reported, and even then no amount of personal or political influence will aid any candidate unless he is one of the three highest eligibles. The President has stated through his Executive order that he will appoint one of these three eligibles, someone from the classified civil service or the present postmaster. If the present postmaster is reappointed no further examination is necessary. If a person in the classified service is selected, such person must first be found eligible in a noncompetitive examination given by the Civil Service Commission.

The civil-service examinations give applicants an opportunity to meet the standards and requirements which the President has fixed for the guidance of the Civil Service Commission and as preliminary to receiving an appointment. These civil-service rules and regulations are a part of the Presidential order. While there have been some slight changes in them, in substance they are the same rules and regulations that have guided the appointments of postmasters since the latter part of the Wilson administration. Previous to that time the appointments of postmasters were made without any civil-service examination being required, the appointments being chiefly upon political recommendations.

AGE AND RESIDENCE QUALIFICATIONS

No one over 66 years of age and no one who has not been an actual resident patron of the post office—not necessarily a citizen of the township where several post offices are located—for 1 year before filing application, is eligible to compete in examinations.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 35. Concurrent resolution to provide for the printing of the revised edition of the Constitution of the United States of America (annotated); to the Committee on Printing.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 4387. An act conferring jurisdiction upon the United States District Court for the Western District of Michigan to hear, determine, and render judgment upon the claim of Barbara Backstrom.

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 3258. An act to amend section 304 of the Revised Statutes, as amended.

S. 3395. An act to authorize the acquisition of the railroad tracks, trestle, and right-of-way of the Gulf Power Co. at the naval air station, Pensacola, Fla.;

S. 3413. An act to give effect to the convention between the United States and certain other countries for the regulation of whaling, concluded at Geneva, September 24, 1931, signed on the part of the United States, March 31, 1932, and for other purposes;

S. 3669. An act providing for the suspension of annual assessment work on mining claims held by location in the United States;

S. 3720. An act to authorize the Secretary of the Navy to accept on behalf of the United States the bequest of the late Henry H. Rogers, and for other purposes; and

S. J. Res. 233. Joint resolution providing for the participation of the United States in the Great Lakes Exposition to be held in the State of Ohio during the year 1936, and authorizing the President to invite the Dominion of Canada to participate therein, and for other purposes.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 42 minutes p. m.) the House adjourned until tomorrow, Thursday, April 23, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

802. A letter from the chief examiner of the United States Civil Service Commission, transmitting a schedule of useless papers in the files of the Commission in Washington and in certain field offices which are not needed in the transaction of public business and which are of no permanent value or historic interest, with the request that appropriate action be taken to enable the Commission to destroy the papers described; to the Committee on Disposition of Executive Papers.

803. A communication from the President of the United States, transmitting for the consideration of Congress supplemental estimates of appropriations for the Treasury Department for the fiscal year 1936, $71,000, and for the fiscal year 1937, $265,000,000, amounting in all to $265,071,000, together with a draft of a proposed provision pertaining to an existing appropriation (H. Doc. No. 471); to the Committee on Appropriations and ordered to be printed.

804. A communication from the President of the United States, transmitting for the consideration of Congress a supplemental estimate of appropriation for the Department of the Interior for the fiscal year 1936 amounting to $24,000, together with a draft of a proposed provision pertaining to an existing appropriation (H. Doc. No. 470); to the Committee on Appropriations and ordered to be printed.

805. A communication from the President of the United States, transmitting for the consideration of Congress estimates of appropriations for the Social Security Board for the fiscal year 1937 amounting to $195,800,000, inclusive of amounts required for the remainder of the current year (H. Doc. No. 472); to the Committee on Appropriations and ordered to be printed.

806. A communication from the President of the United States, transmitting for the consideration of Congress a proposed provision pertaining to existing appropriations for the Navy Department for the fiscal year 1936, to authorize transfers, aggregating $24,000, from certain appropriations to the appropriation for the maintenance and operation of the naval training station at Norfolk, Va. (H. Doc. No. 473); to the Committee on Appropriations and ordered to be printed.

807. A communication from the President of the United States, transmitting for the consideration of Congress supplemental estimates of appropriations for the Federal Trade Commission and the General Accounting Office for the fiscal years 1936 and 1937, amounting to $509,000 (H. Doc. No. 474); to the Committee on Appropriations and ordered to be printed.

808. A communication from the President of the United States, transmitting, for the consideration of Congress, a supplemental estimate of appropriation for the Executive Office for the fiscal years 1936 and 1937, amounting to $78,000 (H. Doc. No. 335); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. THOMAS: Committee on Public Buildings and Grounds. H. R. 12076. A bill for the exchange of land in Hudson Falls, N. Y., for the purpose of the post-office site; without amendment (Rept. No. 2477). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. S. 1379. An act to amend section 103 of the Code of Criminal Procedure for the Canal Zone and section 542 of the Code of Civil Procedure for the Canal Zone; with amendment (Rept. No. 2478). Referred to the Committee of the Whole House on the state of the Union.

Mr. MERRITT of New York: Committee on Military Affairs. S. 3737. An act to authorize the Secretary of War to acquire by donation land at or near Newburgh, in Orange County, N. Y., for aviation field, military, or other public purposes; without amendment (Rept. No. 2479). Referred to the Committee of the Whole House on the state of the Union.

Mr. GILLETTE: Committee on Foreign Affairs. House Joint Resolution 499. Joint resolution authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes; without amendment (Rept. No. 2480). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. CARPENTER: Committee on Indian Affairs. H. R. 12408. A bill for the relief of Robert D. Baldwin; without amendment (Rept. No. 2481). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (S. 3516) for the relief of Alice D. Hollis; Committee on Claims discharged, and referred to the Committee on Foreign Affairs.

A bill (S. 3692) for the relief of William T. J. Ryan; Committee on Claims discharged, and referred to the Committee on Military Affairs.

A bill (S. 4135) for the relief of Helen Curtis; Committee on Claims discharged, and referred to the Committee on Foreign Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM: A bill (H. R. 12410) to amend section 8 of the act entitled "An act to establish a National Archives of the United States Government, and for other purposes", approved June 19, 1934; to the Committee on the Library.

By Mr. McANDREWS: A bill (H. R. 12411) to improve the efficiency of the Postal Service and increase the speed of its

operations; to the Committee on the Post Office and Post Roads.

By Mr. McGROARTY: A bill (H. R. 12412) to provide for the construction of a post-office building at Canoga Park, Calif.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 12413) to provide for the construction of a post-office building at Lancaster, Calif.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 12414) to provide for the construction of a post-office building at Burbank, Calif.; to the Committee on Public Buildings and Grounds.

By Mr. MARTIN of Colorado: A bill (H. R. 12415) to cancel a specific class of rehabilitation loans against farmers in the drought area as an obligation against the recipients and their property; to the Committee on Agriculture.

By Mr. THOMAS: A bill (H. R. 12416) to authorize funds for the prosecution of works for flood control against flood disasters along the Battenkill in New York; to the Committee on Flood Control.

By Mr. WHELCHEL: A bill (H. R. 12417) to prevent the Government from manufacturing and selling stamped envelopes; to the Committee on the Post Office and Post Roads.

By Mr. THOMAS: A bill (H. R. 12418) to authorize funds for the prosecution of works for flood control against flood disasters along the Mettowee River in New York; to the Committee on Flood Control.

By Mr. BLAND: A bill (H. R. 12419) to apply laws covering steam vessels to seagoing vessels of 300 gross tons and over propelled by internal-combustion engines; to the Committee on Merchant Marine and Fisheries.

By Mr. DINGELL: A bill (H. R. 12420) to amend chapter 61 of the act of February 7, 1920 (36 Stat. L. 901), and sections 450, 451, 452, 453, and 454 of the Tariff Act of 1930 (41 Stat. L. 402) so as to provide for the elimination of discriminations in payment of overtime as between employees of the Bureau of Customs on seaboards and on the Great Lakes, and for other purposes; to the Committee on Ways and Means.

By Mr. MONAGHAN: A bill (H. R. 12421) to amend the act approved June 19, 1934, entitled the "Communications Act of 1934"; to the Committee on Interstate and Foreign Commerce.

By Mr. CALDWELL: A bill (H. R. 12422) to cancel certain unpaid interest accrued on loans secured by adjusted-service certificates; to the Committee on Ways and Means.

By Mr. CONNERY: A bill (H. R. 12423) to provide equal opportunities under the 10-percent differential for night work and overtime pay for work in excess of 8 hours for employees of the Custodial Service of the United States Post Office Department, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. QUINN: A bill (H. R. 12424) to provide for examination and registration of those engaging in the occupation of beauty culture; to the Committee on the District of Columbia.

By Mr. SCOTT: A bill (H. R. 12425) to amend section 80 of chapter 9 of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898; to the Committee on the Judiciary.

By Mr. DEROUEN: A bill (H. R. 12426) authorizing the payment of certain salaries and expenses of employees of the General Land Office; to the Committee on the Public Lands.

By Mr. PETERSON of Florida: A bill (H. R. 12427) to provide for the establishment of a Coast Guard station at or near Pass-A-Grille Beach, Fla.; to the Committee on Merchant Marine and Fisheries.

Also, a bill (H. R. 12428) to provide for the establishment of a Coast Guard station at or near Clearwater Beach, Fla.; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACON: A bill (H. R. 12429) authorizing the President of the United States to award a medal of honor to Capt. Einar W. Sundstrom; to the Committee on Merchant Marine and Fisheries.

By Mr. COLDEN: A bill (H. R. 12430) granting a pension to Vera E. Bryant; to the Committee on Pensions.

By Mr. CROWTHER: A bill (H. R. 12431) granting compensation to John Voorhees; to the Committee on Claims.

By Mr. DISNEY: A bill (H. R. 12432) granting a pension to Ellen Thompson; to the Committee on Pensions.

Also, a bill (H. R. 12433) granting a pension to Caroline Danforth; to the Committee on Pensions.

By Mrs. JENCKES of Indiana: A bill (H. R. 12434) granting a pension to Elmer S. Laymon; to the Committee on Pensions.

By Mr. KENNEDY of Maryland: A bill (H. R. 12435) for the relief of Pompeo Ercolano; to the Committee on Immigration and Naturalization.

By Mr. McGEHEE: A bill (H. R. 12436) for the relief of Gulledge Lumber Co.; to the Committee on Claims.

By Mr. O'LEARY: A bill (H. R. 12437) to confer jurisdiction on the Court of Claims to hear and determine the claim of New York Harbor Drydock Corporation; to the Committee on Claims.

By Mr. SCHULTE: A bill (H. R. 12438) for the relief of Philipina Baca Klemencic; to the Committee on Immigration and Naturalization.

By Mr. SULLIVAN: A bill (H. R. 12439) for the relief of Herman Urist; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 12440) for the relief of Minnie Urist; to the Committee on Immigration and Naturalization.

By Mr. THOMAS: A bill (H. R. 12441) granting an increase of pension to Eliza Hoag; to the Committee on Invalid Pensions.

By Mr. WITHROW: A bill (H. R. 12442) granting an increase of pension to Louisa Reynolds; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10764½. By Mr. GOODWIN: Petition of 55 residents of the city of Kingston, N. Y., and vicinity, urging support of the Wheeler-Crosser bill (S. 4174 and H. R. 11609); to the Committee on Interstate and Foreign Commerce.

10765. By Mr. HAINES: Resolution from Farmer-Labor Party of York County, Pa., protesting against the policies of the Works Progress Administration and urging that all Works Progress Administration workers who lost their jobs be reinstated; to the Committee on Banking and Currency.

10766. By Mr. RICH: Petition of citizens of Bradford, Pa., favoring the Wheeler-Crosser bill (H. R. 11609); to the Committee on Interstate and Foreign Commerce.

10767. By the SPEAKER: Petition of the Brotherhood of Railway and Steamship Clerks; to the Committee on Interstate and Foreign Commerce.

SENATE

THURSDAY, APRIL 23, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, April 22, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Holt	O'Mahoney
Ashurst	Clark	Johnson	Overton
Austin	Connally	Keyes	Pittman
Bachman	Coolidge	King	Pope
Bailey	Copeland	La Follette	Radcliffe
Barbour	Couzens	Logan	Reynolds
Barkley	Davis	Lonergan	Robinson
Benson	Dickinson	Long	Russell
Bilbo	Dieterich	McAdoo	Schwellenbach
Black	Donahey	McGill	Sheppard
Bone	Duffy	McKellar	Shipstead
Borah	Fletcher	McNary	Steiwer
Brown	Frazier	Maloney	Thomas, Okla.
Bulkley	George	Metcalf	Thomas, Utah
Bulow	Gerry	Minton	Townsend
Burke	Gibson	Moore	Truman
Byrd	Glass	Murphy	Tydings
Byrnes	Hale	Murray	Vandenberg
Capper	Harrison	Neely	Wagner
Caraway	Hatch	Norris	Walsh
Carey	Hayden	Nye	White

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Florida [Mr. TRAMMELL] are absent because of illness, and that the Senator from South Carolina [Mr. SMITH], the Senator from Montana [Mr. WHEELER], the Senator from Oklahoma [Mr. GORE], the Senator from Illinois [Mr. LEWIS], the Senator from Pennsylvania [Mr. GUFFEY], and the Senator from Indiana [Mr. VAN NUYS] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce the necessary absence of the Senator from Delaware [Mr. HASTINGS].

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

CORRECTION

Mr. AUSTIN. Mr. President, I wish to correct an assumption made yesterday and appearing in the RECORD at page 5875. At that point I asked the Senator from New York the following question:

> Is not the Senator from New York aware that the Commissioner testified that approximately 90 percent of those cases contained in the number 2,860 were free from any crime at all; and if that is so, does not the Senator admit that, with the amendment adopted, all of those who have no crime attached to their records would come within the clemency granted by section 3?

I wish to correct that percentage. What I had in vague memory was a statement which appeared in the letter from the Secretary of Labor, Miss Perkins, on page 6, which was considered by the committee, as follows:

> Ninety-eight percent of the 2,862 cases which have been stayed involve cruel family separations, the punishment of innocent American citizens, and the imposition on our States and communities of the burden of caring for a new group of dependents.
>
> So far as our records and investigations show, these aliens are of good moral character. None have been convicted of a crime involving moral turpitude. None are anarchists or Communists. None are persons of the so-called immoral classes, such as procurers or prostitutes. The Kerr bill in the most explicit terms provides that such discretionary power as may be granted shall not apply to any of these groups.

That is what I referred to or intended to refer to.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution of the Pittsburgh, Pa., Central Labor Union, favoring the enactment of legislation creating a court of appeals for civil-service employees, which was referred to the Committee on Civil Service.

He also laid before the Senate a resolution adopted by the International Society of Master Painters and Decorators, at Chicago, Ill., favoring the utilization by the Federal Government of private channels of construction rather than Federal construction agencies, and so forth, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by Starke (Fla.) Townsend Club, No. 1, favoring the adoption of the so-called Townsend old-age revolving pension plan, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by Victory Lodge, No. 1233, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, of Milwaukee, Wis., favoring the enactment of the bill (S. 4174) to foster and protect interstate commerce by authorizing the Interstate Commerce Commission to approve or disapprove of the consolidation or abandonment of carrier facilities of public service, which was referred to the Committee on Interstate Commerce.

He also laid before the Senate a letter in the nature of a petition from Rev. Harry C. Goodman, of Washington, D. C., praying for the enactment of the bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, which was ordered to lie on the table.

Mr. ROBINSON presented a telegram in the nature of a petition from Hugh R. Carter, of Little Rock, Ark., praying for the making of an adequate appropriation for the Public Works Administration, which was referred to the Committee on Appropriations.

Mr. WALSH presented letters in the nature of petitions from Local Union No. 2446, of Millbury, and Local Union No. 2260, of East Douglas, both of the United Textile Workers of America, in the State of Massachusetts, praying for the enactment of House bill 11770, the so-called Ellenbogen national textile bill, which were referred to the Committee on Education and Labor.

He also presented the petitions of Edith Daby, of Houghton, and Townsend Club No. 1, of Baldwinville, in the State of Massachusetts, praying for the adoption of the so-called Townsend old-age revolving pension plan, which were referred to the Committee on Finance.

He also presented the petition of Home City Lodge No. 793, Brotherhood of Locomotive Firemen and Enginemen, of Springfield, Mass., praying for the enactment of the bill (S. 4174) to foster and protect interstate commerce by authorizing the Interstate Commerce Commission to approve or disapprove of the consolidation or abandonment of carrier facilities of public service, which was referred to the Committee on Interstate Commerce.

POLLUTION OF WATERS

Mr. WALSH. Mr. President, I present and ask to have printed in the RECORD and referred to the Committee on Commerce a letter which I received from the Commissioner of Public Health of Massachusetts, dealing with Senate bill 3958.

There being no objection, the letter was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

THE COMMONWEALTH OF MASSACHUSETTS,
DEPARTMENT OF PUBLIC HEALTH,
Boston, March 5, 1936.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR WALSH: If Senate bill 3958 were enacted, the National Resources Board of the Federal Government would have the power to—

(1) "SEC. 6. (a) * * * divide the area of the continental United States into * * * sanitary water districts.

"(b) * * * fix standards of purity for the waters of each such district; shall establish minimum requirements as to the treatment of polluting material before it is discharged into * * * waters * * *; promulgate regulations governing the discharge of any matter or materials into * * * waters."

(2) Establish district boards in each water district, which will have the power—

"SEC. 7. (b) (1) To prevent the pollution of waters within the district by voluntary methods so far as practicable."

(3) "To institute proceedings for the prevention and abatement of water pollution in * * * districts."

In addition, under this act Congress would declare the discharge or deposit of any waste or other substance, whether in a solid, gaseous, or liquid state, into any of the navigable waters of the United States or "into any stream from which the same may float or be washed into any of such navigable waters, in violation of regulations promulgated by the committee, if such waste or other substance is or may be injurious to public health, domestic

animals or poultry, fish or shellfish, or other aquatic life, migratory waterfowl, or other wild game, or impairs in any manner the utility of such waters for navigation purposes, to be against the public policy of the United States and to be a public and common nuisance. An action to prevent or abate any such nuisance may be brought in the name of the United States by any United States attorney, and it shall be the duty of such attorneys to bring such an action when requested to do so by the national resources committee or the district board of a sanitary water district. Such action shall be brought as an action in equity and may be brought in any court of the United States having jurisdiction to hear and determine equity cases."

At a meeting of the health officers of the New England States the following resolution was unanimously passed, and it was voted that copies be sent to each member of the New England congressional delegation:

"*Resolved*, That the Members of the United States Congress from New England be advised that the State health officers of New England are heartily in favor of steps to promote the betterment of New England streams and shore waters by antipollution measures and feel that the adoption by the New England States of interstate compacts to abate water pollution is the most satisfactory method of accomplishing that purpose. It is further the opinion of these State health officers that no extension of Federal control over streams is desirable, that the activities of the Federal Government should be restricted in the field of stream pollution to fact finding and coordination and stimulation of State and interstate programs and to directing the promotion of interstate compacts, with the cooperation of the interested States. The establishment of standards of water purity in particular areas and the enforcement of antipollution measures should be delegated to the States, as provided for in compact agreements."

Very truly yours,

HENRY D. CHADWICK, M. D.,
Commissioner of Public Health.

LOW-COST HOUSING

Mr. WAGNER presented a resolution of the Tampa (Fla.) Municipal Housing Board, which was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

Resolution of Tampa (Fla.) Municipal Housing Board unanimously adopted April 20, 1936, Tampa, Fla.

Whereas it has been proven that bad housing is detrimental to the health of the people in a community and that slums constitute an economic waste; and

Whereas it is an acknowledged fact that good housing for persons of low income cannot be provided through the ordinary channels of private enterprise; and

Whereas city, State, and National Governments have accepted the principles and acknowledged the obligation of governmental responsibility for the housing of persons who cannot be reached through private enterprise; and

Whereas it is necessary for the Government to bear a certain portion of the burden of financing the clearance of slums and the construction of low-rent housing: Therefore be it

Resolved, That the Tampa Municipal Housing Board endorses a bill introduced in the Senate by the Honorable ROBERT F. WAGNER, United States Senator from New York, and in the House of Representatives by the Honorable HENRY ELLENBOGEN, Congressman from Pennsylvania, which reads as follows:

"A bill to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the development of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes."

Be it further

Resolved, That a copy of this resolution be forwarded to Hon. ROBERT F. WAGNER, Senator from New York, and Hon. HENRY ELLENBOGEN, Congressman from Pennsylvania, and the following Senators and Representatives: Senator DUNCAN U. FLETCHER, Senator PARK TRAMMELL, Hon. J. HARDIN PETERSON, Hon. R. A. GREEN, Hon. MILLARD CALDWELL, Hon. MARK WILCOX, Hon. W. J. SEARS.

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a resolution of the Council of the City of Pittsburgh, endorsing the Wagner-Ellenbogen Housing Act of 1936. In view of the need for low-cost housing, coordination of government activities for that purpose, and protection from crime and disease which emanate from wretched tenement areas, I regard this resolution as a matter of importance to the Nation generally.

There being no objection, the resolution was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

Whereas it is the sense of the Council of the City of Pittsburgh that there is urgent need for the construction of low-cost housing for the working people of our city; and

Whereas there exists in the city of Pittsburgh an acute shortage of houses which are within the means of our working people; and

Whereas this situation has been greatly increased due to the recent flood, which inundated approximately 13,000 houses in the lower sections of the city, of which about 1,000 will never again be fit for occupancy; and

Whereas during the past year and a half more than 1,500 houses have been demolished by our public safety department, due to their dangerous and insanitary condition; and

Whereas the private building interests of our city have been unable to cope with the situation in the construction of houses that may be rented at a reasonable rental within the reach of our working people: Therefore be it

Resolved, That the council endorse the Housing Act of 1936, now under consideration in Congress and known as the Wagner-Ellenbogen bill, which provides for the financing and construction under Government supervision of low-cost housing projects; and be it further

Resolved, That the city clerk be requested to send a copy of this resolution to Franklin D. Roosevelt, President of the United States; Secretary Harold L. Ickes; Senator Wagner, of New York; and to each United States Senator and Representative in Congress from the State of Pennsylvania.

REPORTS OF COMMITTEES

Mr. BACHMAN, from the Committee on Military Affairs, to which was referred the bill (S. 4432) authorizing and directing the Secretary of War to lease land on the Fort Moultrie (S. C.) Military Reservation to the owners of certain cottages thereon, reported it with an amendment and submitted a report (No. 1920) thereon.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (H. R. 4159) for the relief of Anchorage Commercial Co., Inc., reported it with amendments and submitted a report (No. 1921) thereon.

Mr. SCHWELLENBACH, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 2467. A bill for the relief of Holy Cross Mission Hospital (Rept. No. 1922); and

H. R. 2936. A bill for the relief of J. H. Taylor & Son (Rept. No. 1923).

Mr. LOGAN, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 5491. A bill for the relief of the Bethlehem Fabricators, Inc. (Rept. No. 1924);

H. R. 5625. A bill for the relief of Sperry Gyroscope Co., Inc., of New York (Rept. No. 1925); and

H. R. 7867. A bill for the relief of Adolph Micek, a minor (Rept. No. 1926).

Mr. LOGAN, also, from the Committee on Claims, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

H. R. 9153. A bill for the relief of Evelyn Harriett B. Johnstone (Rept. No. 1927); and

H. R. 10565. A bill for the relief of Mr. and Mrs. William O'Brien (Rept. No. 1928).

Mr. GIBSON, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 399. A bill for the relief of A. F. Amory (Rept. No. 1929);

H. R. 6344. A bill for the relief of the estate of John A. McGloin (Rept. No. 1930); and

H. R. 7031. A bill for the relief of Georgiana Minnigerode, widow of Capt. Karl Minnigerode (Rept. No. 1931).

Mr. BENSON, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 7736) to provide for the establishment of the Whitman National Monument, reported it with an amendment and submitted a report (No. 1937) thereon.

He also, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3768. A bill for the relief of E. W. Jermark (Rept. No. 1932);

H. R. 1915. A bill for the relief of Henry O. Goddard (Rept. No. 1933); and

H. R. 3914. A bill for the relief of Oscar Gustof Bergstrom (Rept. No. 1934).

Mr. BENSON also, from the Committee on Claims, to which was referred the bill (S. 3956) for the relief of Jacob Kaiser,

reported it with an amendment and submitted a report (No. 1935) thereon.

He also, from the same committee, to which was referred the bill (S. 3808) for the relief of R. D. Stephens and Vera Stephens, reported it with amendments and submitted a report (No. 1936) thereon.

Mr. O'MAHONEY, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 4374) for the relief of Ruth Edna Reavis (now Horsley), reported it without amendment and submitted a report (No. 1938) thereon.

Mr. HATCH, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 4230) to amend section 28 of the Enabling Act for the State of Arizona, approved June 20, 1910, reported it without amendment and submitted a report (No. 1939) thereon.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on April 22, 1936, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 3258. An act to amend section 304 of the Revised Statutes, as amended;

S. 3395. An act to authorize the acquisition of the railroad tracks, trestle, and right-of-way of the Gulf Power Co. at the naval air station, Pensacola, Fla.;

S. 3413. An act to give effect to the convention between the United States and certain other countries for the regulation of whaling, concluded at Geneva, September 24, 1931, signed on the part of the United States, March 31, 1932, and for other purposes;

S. 3669. An act providing for the suspension of annual assessment work on mining claims held by location in the United States;

S. 3720. An act to authorize the Secretary of the Navy to accept on behalf of the United States the bequest of the late Henry H. Rogers, and for other purposes; and

S. J. Res. 233. Joint resolution providing for the participation of the United States in the Great Lakes Exposition to be held in the State of Ohio during the year 1936, and authorizing the President to invite the Dominion of Canada to participate therein, and for other purposes.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPPER:

A bill (S. 4521) to provide annuities for certain widows of employees and retired employees of the United States and the District of Columbia; to the Committee on Civil Service.

By Mr. MOORE and Mr. BARBOUR:

A bill (S. 4522) to lease an unused portion, useless for military purposes, of the Fort Hancock Military Reservation to the State of New Jersey for a public aquatic park and pleasure ground for the benefit and enjoyment of the people of the United States; to the Committee on Military Affairs.

By Mr. BACHMAN:

A bill (S. 4523) for the relief of Cecil E. Phipps; to the Committee on Claims.

By Mr. GIBSON (by request):

A bill (S. 4524) to provide a permanent government for the Virgin Islands of the United States, and for other purposes; to the Committee on Territories and Insular Affairs.

By Mr. NYE:

A bill (S. 4525) for the relief of Mrs. John Olson; to the Committee on Claims.

By Mr. O'MAHONEY:

A bill (S. 4526) to amend section 5, as amended, of the act entitled "An act to provide for the admission of the State of Wyoming into the Union, and for other purposes", approved July 10, 1890; to the Committee on Public Lands and Surveys.

(Mr. McADOO introduced Senate bill 4527, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

(Mr. TYDINGS introduced Senate bills Nos. 4528 and 4529, which were referred to the Committee on Territories and Insular Affairs, and appear under a separate heading.)

By Mr. WAGNER:

A bill (S. 4530) to amend the Subsistence Expense Act of 1926 by adding a new section to provide that section 259 of the Judicial Code providing for traveling expenses of circuit justices, circuit and district judges actually incurred, and maintenance expenses in an amount not to exceed $10 per day, shall not be construed to be modified or repealed in any respect by any section of the Subsistence Expense Act of 1936; to the Committee on the Judiciary.

PROPOSED INDEPENDENCE OF PUERTO RICO

Mr. TYDINGS. Mr. President, I shall send to the desk shortly a bill proposing to give the people of Puerto Rico the option of becoming independent as a result of a national referendum in the island on the question whether they would rather continue under the American flag or have independence. The bill will be introduced with the support of the administration. The reasons for introducing it are many, and time does not now permit a long review of them.

One reason why the option is proposed to be given to the people of Puerto Rico is that it is in line with present-day American policy, pan-American policy, the repeal of the Platt amendment, Filipino independence, and a wider measure of cooperation and democracy to the people who are associated with us and those who are under our flag as well.

There are other reasons, however, which impel the introduction of the measure at this time. First of all, the chief of police was recently assassinated in Puerto Rico. The conduct of trials in Puerto Rico has been the subject of some criticism not only outside of the island but in the island as well.

Then the election machinery in the island is not complimentary to the island at all, because the recent registration of voters in Puerto Rico shows that out of 852,832 persons over 21 years of age in the island, 852,904 of them are registered voters. In other words, there are about 100 more people registered in Puerto Rico and qualified to vote than there are people of both sexes over 21 years of age in the island.

It has always been the policy of this Government not to interfere in the local and internal affairs of any of the people who happen to be under our flag, but certainly so flagrant a case as this, which apparently is receiving no remedy in that island, makes us question the worth of American institutions as being adapted to the people of Puerto Rico and to the conditions under which they live.

I want to read a few of the election registration returns in a little detail. In Aguadilla there are 18,291 persons registered. There are in the Province only 15,583 over 21 years of age. In other words, 117 percent of the population is registered for voting purposes.

In Anasco there are 8,871 registered out of a population of 8,044, or 101 percent.

In Arecibo there are 30,939 registered out of a population of 31,716.

In Arroyo there are 4,878 registered out of a population of 4,864, just 100 percent.

In Bayamon there are 17,000 registered and only 15,000 in the province, 110 percent.

In Carolina there are 10,000 registered out of a population of 9,400, or 106 percent.

In Catano there are 5,339 registered out of a population of 5,173, or 103 percent.

I might read on, but let me merely call attention to one or two very flagrant examples. In Coamo there are 14,000 registered out of a population of 9,975, a registration of 144 percent of the population. I shall place the entire record of registration and population of Puerto Rico in the RECORD.

The elections in Puerto Rico are disgraceful, corrupt, and fraudulent. The registration is the most flagrant example of open fraud that has ever come to my attention, since it is scattered more or less over the island in rural sections and in cities and is not confined to any one locality.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. MINTON. Does the registration bear any relation at all to the people who live in the districts?

Mr. TYDINGS. Apparently there are either some people in the district registering more than once and under different names, or people who do not live in the district are brought in simply for registration and voting purposes.

Each of the three political parties in Puerto Rico blames this condition on the others. One is charged with having padded the election polls, and then it says it was not at fault, but the other two parties are the culprits in the case. The fact remains, however, that Puerto Rico, which has its own legislature, has not set about investigating the fraud or taken any substantial step to correct it. It is perfectly apparent that the election to be held this year is going to reek with fraud and will not be worthy of the name of an election, because in province after province, in division after division, more people who are over 21 years of age are registered than actually live in the precinct or division or district.

Facts such as those to which I have just called the attention of the Senate must lead us strongly to believe that the American system is not functioning adequately in Puerto Rico. There is an independent party in Puerto Rico which favors independence under certain conditions. What the bill would do would be to give the people of Puerto Rico a chance to say whether they want independence or whether they want to continue under the American flag.

Perhaps this measure would not be thought of now if, in addition to the frauds apparent in election registration, the American chief of police had not been shortly since assassinated. So far as I can learn, it is very difficult to convict anybody in Puerto Rico before a jury on the charge of murder. The courts in many instances have not lived up to the name of "court" insofar as the jury return is concerned. There have been several murder cases there in which convictions have not been obtained, and as to which a great mass of the people of Puerto Rico think there has been a miscarriage of justice.

America has been very generous to these islands—the Philippines, Puerto Rico, and some other islands. We acquired them as a result of our War with Spain. We have given to the Filipinos the right to say whether they shall continue under the American flag or be independent, and they have voted to become independent. It is the purpose of the proposed legislation which I am now introducing to confer the same right upon the people of Puerto Rico.

Since we have had the islands, and particularly in recent years, many, many million dollars have been poured into Puerto Rico from the Federal Treasury in all sorts of social campaigns, housing campaigns, W. P. A. and P. W. A. programs; and it seems as if the more we do the worse conditions become in the island. Although this is Federal money, there is a continual quarrel about how the Federal Government shall spend, not the money of the people of Puerto Rico but the money of the people of the United States of America.

Mr. President, this bill is not perfect. Undoubtedly it will have to be amended in many respects. It does, however, furnish the outline and the conditions of an independence act, if the people of Puerto Rico desire it. More safeguards will have to be thrown around the election to be held. Obviously, we do not wish to have a military election, where the marines supervise the voting. On the other hand, we must not have a Puerto Rican election, reeking as it does with fraud and corruption, as is demonstrated by the present registration lists of the island in comparison to the population there. So perhaps some system will have to be worked out whereby, under some sort of Federal supervision, an honest election can be held if the people of Puerto Rico themselves are not in a position to purge the legislative and registration lists.

Accompanying the bill for independence, which the people of Puerto Rico may adopt or reject, is another bill which has for its purpose the accomplishment of fair elections in the island. Many of the finest people in Puerto Rico, both rich and poor, are anxious for fair elections; but the parties down there have not seemed able, under the present Federal act, to safeguard the elections so that they shall be honest, and really reflect the will of the people. Therefore, accompanying the proposed independence bill, which has the support of the administration, is a bill for fair and honest elections in Puerto Rico. It is hoped that at the present session of Congress time may be found for consideration of each of these measures by the committee, and such action upon them by the Congress as may be desired and appropriate when they are reported.

I ask leave, out of order, to introduce the two measures to which I have referred, and to have printed in connection with my remarks a letter from the Director of the Division of Territories and Island Possessions and a table showing the municipalities, the total of registered voters, the inhabitants over 21 years of age, and the percentage of registered voters. This table shows that in many of the municipalities many thousands of persons are registered more than the number of persons actually living in them.

The VICE PRESIDENT. Without objection, the bills will be received and appropriately referred, and the letter and table referred to by the Senator from Maryland will be printed in the RECORD.

The bill (S. 4528) to regulate the conduct of elections in Puerto Rico; and

The bill (S. 4529) to provide for a referendum in Puerto Rico on the question of independence, to provide for carrying it into effect, and for other purposes, were read twice by their titles and referred to the Committee on Territories and Insular Affairs.

The letter and table presented by Mr. TYDINGS are as follows:

DEPARTMENT OF THE INTERIOR,
DIVISION OF TERRITORIES AND ISLAND POSSESSIONS,
Washington, March 9, 1936.

Hon. MILLARD E. TYDINGS,
United States Senate.

MY DEAR SENATOR TYDINGS: The result of the recent registration of voters in Puerto Rico for the election of November 1936 reveals a very large proportion of fraudulent voters on the lists. Unless this is corrected, it is feared that the election campaign will develop to an increasing accompaniment of violence and bloodshed. The man selected for chief of police by the Governor after the Riggs assassination—Col. Luis Raul Esteves, West Point graduate and colonel of the Puerto Rican National Guard—stated as a sine qua non condition for successful police administration, the enactment of fair-election legislation.

The leaders of all the political parties on the island admit the existence of the fraud and accuse each other of being responsible for it. Leaders of all parties are on record urging the desirability of correcting the fraud.

The legislative situation in Puerto Rico is such, however, that it is not to be hoped that the legislature itself will correct the situation. The leaders of the different parties will no doubt make gestures indicating their desire to correct the situation, but at the same time will be jockeying for special advantage. The desirability of a clean and trustworthy election in Puerto Rico is not open to question. Under present conditions it is believed that only Congress can provide adequate guarantees of a clean and trustworthy election.

Enclosed is a list comparing the number of registered voters in large towns with the number of persons over 21, according to the 1930 census corrected as of 1935. (All citizens over 21 years of age have the right to vote in Puerto Rico.) The correction has been made by including all persons who were from 15 years to 19 years old in 1930. Mortality, however, has not been discounted, so the figures are extremely conservative.

From this enclosed tabulation, it appears that in 28 out of the 80 districts which compose the island, there are more registered voters than there are persons over 21. In Aguadilla, for instance, the percentage of registered voters to persons over 21 is 117 percent; in Bayamon 110 percent; in Coamo 144 percent; in Culebra 124 percent; in the second Ponce district 119 percent; in Toa Alta 127 percent; and so forth. In the city of San Juan, comprising almost one-tenth of the population, the voting lists contain 73,000 names, while persons over 21 (without discounting mortality since 1930) number 75,000.

For the whole island the census shows that there are 852,832 persons over 21 and 852,904 voters on the lists, without subtracting noncitizens and mortality.

Senator Rafael Martinez Nadal, president of the Republican Party, has this to say in El Mundo of February 13, 1936:

"We are opposed to fraud (election fraud), and we fight it for two reasons: First, as a matter of principle; and, second, because our majority is so great that we do not need to appeal to other resources than our legitimate strength."

Senator Bolivar Pagan, acting president of the Socialist Party, and coleader of the coalition with Senator Martinez Nadal, has this to say in El Pais of February 6, 1936:

"There is no foundation in the charge that the election law is the cause of the scandalous fraud that, in truth, has taken place in the registrations that have just ended."

Senator Antonio R. Barcelo, president of the Liberal Party, has publicly complained of the fraud. Many minor leaders of all the above-mentioned parties have published statements recognizing the obvious fraud with which the election lists are vitiated and condemning it.

In seeking to correct this evil, it is thought that it would be desirable to apply a double check: First, by providing an honest list of voters; second, by providing the method of carrying out the actual election which shall eliminate all possibility of repeating and all impersonation of voters by nonvoters. The Federal Government has just finished taking the census of Puerto Rico. This census was begun last October in order to obtain reliable data on which to base economic policy. It has been taken under the supervision of the Federal Bureau of the Census and under the direct management of Mr. Starke M. Grogan, sent to Puerto Rico for this purpose. At no time has the idea of the census been connected in anyone's mind with the election; therefore it is the most reliable enumeration of the population that we have. It is suggested that this census be made the basis for the right to vote this year. The field work was completed a week ago, and all the data are now in the San Juan office of the census. Tabulation work is now beginning.

In order to guarantee the election process itself, it has been suggested by the commissioner of labor, Prudencio Rivera Martinez (who is also a prominent leader of the coalition), that all voters be gathered in the places where they are to vote before the voting begins; that at a given hour no more persons be allowed to enter said places; and that the voting then proceed in the usual manner by secret ballot. This will eliminate all possibilities of repeating, and it would practically eliminate all possibilities of nonvoters impersonating voters. This suggestion has been embodied in the enclosed proposed draft of a bill.

Mr. Rivera Martinez made public the following statement in El Mundo of February 14:

"I believe that it is a disgrace for the fraudulent vote to destroy the purposes and the intentions of the legal vote at the ballot box. I firmly believe in any effective measure to prevent and punish this fraud. Among the measures that have been proposed, I do not believe in that which proposes long lines of voters, but I do believe in the measure disposing the creation of as many polling places as may be necessary, to which the voters can come until a stated hour, each one being given a number according to priority of arrival. Then the voting can begin as per the order of arrival. I think that the best measure would be to destroy all election lists and make a new registration, but perhaps there would be insufficient time to do this. I do not see that there would be any difficulty in finding or preparing the number of places sufficient for 100 to 150 voters, men and women, concentrated in the form I have suggested."

Many responsible citizens of Puerto Rico have for a long time believed that certain minimum election guaranties should have been embodied in the organic act to end continuous partisan tampering with election legislation designed to give undue advantage to the party which at the moment happens to be in majority. Therefore the action now contemplated will not only be of great importance in averting violence and disorder this year but also in providing certain permanent minimum guaranties for all future elections.

Sincerely yours,

ERNEST GRUENING, *Director*.

Municipalities	Total of registered voters	Inhabitants over 21 years of age	Percent of registered voters
Adjuntas	9,571	9,919	96
Aguada	7,828	7,990	97
Aguadilla	18,291	15,583	117
Aguas Buenas	6,103	6,249	97
Albonito	7,388	8,578	86
Anasco	8,171	8,044	101
Arecibo	30,939	31,716	97
Arroyo	4,878	4,864	100
Barceloneta	8,108	8,257	98
Barranquitas	5,858	7,244	80
Bayamon	17,465	15,821	110
Cabo Rojo	10,907	12,649	86
Caguas	26,319	27,073	97
Camuy	7,595	8,265	88
Carolina	10,049	9,454	106
Catano	5,339	5,173	103
Cayey	17,146	15,979	107
Ceiba	3,388	3,966	85
Ciales	10,044	10,048	99
Cidra	5,296	9,652	54
Coamo	14,144	9,775	144
Comerio	7,698	8,267	93
Corozal	7,955	7,834	101
Culebra	481	387	124
Dorado	3,684	4,018	91
Fajardo	10,374	9,181	112
Guanica	5,757	5,676	101
Guayama	16,445	14,464	113
Guayanilla	8,051	7,388	109
Guaynabo	6,658	6,842	97
Gurabo	7,526	7,730	97
Hatillo	7,415	8,006	92
Hormigueros	3,187	2,844	112
Humacao	14,923	14,631	101
Isabela	10,667	12,070	88
Jayuya	6,761	6,334	106
Juana Diaz	9,922	11,547	85
Juncos	9,065	9,523	95
Lajas	6,111	6,684	91
Lares	14,467	14,351	100
Las Marias	3,540	4,717	75
Las Piedras	5,692	6,441	88
Loiza	10,308	9,603	107
Luquillo	3,438	4,115	83
Manati	12,091	13,267	91
Maricao	3,262	3,576	91
Maunabo	3,711	4,595	80
Mayaguez	38,595	35,148	109
Moca	8,785	8,999	97
Morovis	8,133	8,335	97
Naguabo	8,332	9,655	86
Naranjito	5,882	5,505	106
Orocovis	7,382	7,984	92
Patillas	5,163	7,811	66
Penuelas	7,120	7,067	100
Ponce	65,374	54,691	119
Quebradillas	4,724	5,262	89
Rincon	3,340	4,396	75
Rio Grande	7,436	7,188	103
Rio Piedras	25,423	23,227	109
Sabana Grande	6,393	6,538	97
Salinas	9,898	9,024	109
San German	13,701	13,726	99
San Juan	73,636	75,302	97.7
San Lorenzo	9,922	11,667	85
San Sebastian	12,125	13,158	92
Santa Isabel	6,116	5,625	108
Toa Alta	7,214	5,671	127
Toa Baja	5,904	5,473	107
Trujillo Alto	4,123	4,604	89
Utuado:			
Primero	18,926	19,779	95
Segundo	292		
Vega Alta	5,972	6,216	96
Vega Baja	11,669	10,596	110
Vieques	4,693	5,945	78
Villalba	5,718	6,310	90
Yabucoa	11,647	11,928	97
Yauco	15,250	15,612	97
Total	852,904	852,832	

JOINT COMMITTEE ON ARRANGEMENTS FOR THE INAUGURATION OF THE PRESIDENT-ELECT

Mr. NEELY submitted the following concurrent resolution (S. Con. Res. 38), which was referred to the Committee on Rules:

Resolved by the Senate (the House of Representatives concurring), That a joint committee consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, is authorized to make the necessary arrangements for the inauguration of the President-elect of the United States on the 20th day of January next.

AMENDMENT OF FEDERAL AID HIGHWAY ACT

Mr. GEORGE and Mr. RUSSELL submitted an amendment intended to be proposed by them jointly to the bill (H. R. 11687) to amend the Federal Aid Highway Act, approved July 11, 1916, as amended and supplemented, and for other purposes, which was referred to the Committee on Post Offices and Post Roads and ordered to be printed.

AMENDMENT TO BUILDING-PURCHASE BILL

Mr. HATCH submitted an amendment intended to be proposed by him to the bill (S. 2103) to authorize the purchase of existing buildings for governmental use, and for other purposes, which was referred to the Committee on Public Buildings and Grounds and ordered to be printed.

DEPORTATION OF ALIEN CRIMINALS—AMENDMENT

Mr. AUSTIN submitted an amendment intended to be proposed by him to the bill (S. 4011) to further reduce immigration, to authorize the exclusion of any alien whose entry into the United States is inimical to the public interest, to prohibit the separation of families through the entry of aliens leaving dependents abroad, and to provide for the prompt deportation of habitual criminals and all

other undesirable aliens, and to provide for the registration of all aliens now in the United States or who shall hereafter be admitted, which was ordered to lie on the table and to be printed.

IMMIGRATION POLICY—ADDRESS BY HON. JAMES J. DAVIS IN 1923

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject of an immigration policy for the United States delivered October 15, 1923, by Hon. JAMES J. DAVIS, then Secretary of Labor, before the American Legion convention at San Francisco, Calif.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We are faced in America with the necessity of determining upon an immigration policy. At present our immigration from all countries except those whose natives are barred from our shores, and except those in the Western Hemisphere is controlled under the 3-percent quota law. This law will expire on the last day of next June, and unless we write a new immigration law before that time, on July 1, 1924, we will have immigration without restriction.

The quota law is purely a numerical restriction, which limits the number of immigrants that may come to the United States in any 1 year from any nation to 3 percent of the number of aliens of that nationality in the United States in 1910. You of the American Legion in the consideration of this matter have proposed an absolute bar on all immigration over a period of 5 years. I am of the opinion that restriction should be placed not only as a matter of quantity, but also, and primarily as a matter of quality. I favor a selective system of immigration; and if we cannot have selected immigration, I would have none. I would admit to America only the alien who is able and willing to accept American customs, American ideals, American institutions, and who can contribute something to the advancement of our civilization. I would absolutely bar the alien who under our laws cannot win to citizenship, or who by mental, moral, or physical defect would lower the standards of America. I would take this stand now, and would adhere to it forever, no matter what numerical limitation might at any time be placed upon the immigrants to be accepted.

I favor an immigration program based on these points:

First. The examination of every prospective immigrant before he leaves his native land. By this means we would make sure that the applicant was eligible for admission to the United States before he started on a 3,000-mile ocean voyage. Thus we would end the sorrow and distress incident to the rejection of inadmissible aliens at our immigration stations. This matter could be attended to by the governments abroad, who would thus protect their departing nationals from embarrassment and distress. If these governments would issue passports only to their nationals who come within our laws, we would end the constant criticism of our immigration administration.

Second. The granting of power to United States consuls abroad to refuse to visa the passports of prospective immigrants when it is clear to the consuls that the individual is ineligible for admission.

Third. I would enroll every alien upon his arrival here, and would provide for an annual census of all aliens over a period of 5 years, during which period the alien would be subject to deportation if he was found to be in America illegally or for an unlawful purpose.

This program is simple, clear, and enforceable. It would provide better aliens for America and would make for a better America for both aliens and native born. Under this plan I would give preference to certain classes. For, so long as the youth of America declines to work with its hands and insists upon white-collar jobs, we must have aliens to perform our common labor. Last year we accepted some 70,000 Mexicans—for there is no quota limitation on immigration from countries of the Western Hemisphere. Would we not be better off with 70,000 sturdy, upstanding men from western Europe?

I am for an immigration that can be assimilated into our American national life. First, I would provide for the admission of the families of aliens already in the United States. Second, I would admit skilled labor, where labor of a like character cannot be found unemployed in the United States. Finally, I would admit the men who will come here to do our common labor. But I would subject every immigrant to the strict mental, moral, and physical tests which must be maintained if we are to keep up our American standard of health, intelligence, and living.

In order to appreciate the magnitude of the problem of the alien in America, both as it affects the alien and as it affects America, let us look at the results of our last census. We have a total white population of 94,820,915, of which number 58,421,957 are of native-born parentage. Of the remainder, 15,694,539 are of foreign-born parentage; that is, both parents were born abroad; 6,991,665 are of mixed parentage; that is, one parent was born abroad, and 13,712,754 are foreign born. This means that we have 36,298,598 individuals in the United States who in the present or the last generation are or have been linked with a foreign allegiance. The figures are even more striking when we consider our urban or city population. There are 24,556,729 native-born of native parents in our cities. But there are 26,063,355 of foreign birth or foreign stock in these centers, and of these 10,356,983 are foreign born.

Of our nearly 14,000,000 foreign born, less than half are naturalized American citizens. Our records indicate that the average alien is in this country 10 years before he assumes the duties and responsibilities of citizenship. Clearly there is something wrong with a system which permits this vast undigested mass of alien population to continue undigested for year after year.

During the early days of our history we asked no questions of arriving aliens. We did not even count the number who came. We extended the hand of welcome to everyone who arrived, regardless of who or what he might be or why he came. Beginning with 1820 we counted the arrivals, but that was about all we did. Practically all of our immigration legislation has been created since 1880. From that time until the present a great many types and classes of aliens have been added to the excluded classes. The first class to be excluded was the insane. Thereafter, rapidly the list was increased until the beginning of the present century, since which time we exclude, as a matter of law, every diseased person, every imbecile, idiot, feeble-minded person, insane person, criminals, and all those likely to become public charges. We have sought to protect our social and political organization by refusing admission to those who would lower our mental, moral, or physical level. How far we have succeeded was shown in a survey recently completed for the Committee on Immigration and Naturalization of the House of Representatives which covered our jails, almshouses, insane asylums, and other public institutions. The scientists who made the survey investigated State institutions housing the feeble-minded, the insane, the criminals, the epileptics, the inebriate, the chronically diseased, the blind, the deaf, the deformed, the crippled, and the dependent. He found that while the foreign-born make up 14.70 percent of the Nation's population, they furnish 20.63 percent of the population of these institutions housing our social inadequates. He estimated that 44.09 percent of the inmates of these institutions were either foreign-born or of foreign-born parentage.

I have been told that 47 percent of the inmates of New York State institutions for the care of public dependents are either foreign born or of foreign-born parentage.

This House committee has before it figures showing the mental level of some of the aliens who have been coming to us during the last generation. The intelligence tests applied to our soldiers during the World War have been worked out to index the intelligence rating of our whole population, including our foreign born. According to this calculation, which divided all those examined into seven classes or standards of mental ability, America's foreign-born population of 13,920,692 was indicated in the following classifications:

	Number	Percent
Very superior	153,128	1.1
Superior	403,700	2.9
High average	1,016,211	7.3
Average	3,702,904	26.6
Low average	2,296,914	16.5
Inferior	4,287,573	30.3
Very inferior	2,060,262	14.8

Thus, according to these figures, we have in America today 6,347,835 aliens, nearly one-half of our total foreign-born population, who are classified as of inferior or very inferior in intelligence. In other words, if we had applied these intelligence tests to our immigrants for the last generation and had admitted only those making the five higher ratings, we would have barred 45.6 percent of all the aliens who have come to us. And these people have come despite our vigorous efforts to bar those plainly deficient in mental, physical, or moral health.

One of the sources of this flood of social inadequates which fill our jails and penitentiaries, our insane asylums, and our homes for the feeble-minded is the underground network of devious paths by which aliens are smuggled into this country. We have found them coming by every means of transportation and in every guise. Our thousands of miles of land borders and our vast expanse of coast line with its myriad harbors offer wealth of opportunity for the hardy outlaw who, tempted by the vast profit in the traffic, engages to pour the poison of illicit immigration into the life stream of American civilization.

The actual number of surreptitious entries is difficult to determine. It has been conservatively estimated that 100 individuals a day are coming into the United States in violation of the law. Some well-informed authorities are of the opinion that at times it rises as high as 1,000 a day.

Every underground and overhead channel into America is crowded with the stream of illicit immigrants. We find thousands of them waiting in Cuba for an opportunity to take to the fast motorboats of the smugglers for a quick trip to the shores of Florida. We find them sneaking over unguarded points on the Mexican border by the hundred and losing themselves in the great Southwest. We find them coming by airplane and by automobile, by railroad and by steamship, by motorboat and by schooner. We find them running side by side with the illicit traffic in rum and with the vile commerce in narcotic drugs. There is no means of coming into the United States that is not utilized in this illegal traffic.

One of the chief means of smuggling immigrants today is devised as an evasion of the seaman's law, enacted some time ago to regulate the treatment of sailors in American vessels. Under this law a foreign sailor entering an American port and leaving his vessel may remain in the United States 60 days while he seeks a berth in an out-bound ship. It is literally true that there are thousands of so-called sailors in the United States today working at everything in the world and at nothing at all. They simply leave and desert their ships, wander away from the seacoast, and are lost sight of. We found hundreds of them not so long ago at work in a New Jersey industrial plant. Some months ago we happened upon a Portuguese schooner off the New England coast with a crew of 20 or more aboard. Seven men were her regular complement. Among the crew we found one woman. Upon investigation it developed that the whole outfit had shipped as sailors in order to get into the United States. The captain had been paid to let the crew work its way. That smugglers' fee of $500 or more a head is the motive power behind the whole illicit traffic.

The immigration authorities estimate that there are today in the city of New York more than 5,000 Chinese who are in this country illegally. We are almost without the means of rounding them up. We did gather together more than 150 of them in a series of raids within the last week or two. These aliens are liable to deportation, but it costs $200 a head to provide passage for them back to China. For 5,000 Chinese that would mean an expenditure of a million dollars.

For every smuggler that the officials intercept, dozens escape, and land their illicit cargoes. It is plain to me that it would take a patrol equal to a man to every yard of our thousands of miles of border and seacoast to put an end to the smuggling of aliens. If we put all the Army and all the Navy, and every police force in the country at the task, I hardly believe we would stop the trade. But there is a way to stop it, and that is to make it utterly useless for an alien to enter the United States illegally. If the alien knew that within a short time after his arrival, the authorities would discover him and deport him, he would not come surreptitiously. There is a practical, feasible, simple plan to accomplish this.

For I say to you that no good American comes to this country surreptitiously. We get no real upstanding American citizen out of the dregs of humanity that crowds itself into smugglers' holds, fit company for illicit rum and outlawed drugs. What kind of an American can be made out of the individual whose first experience of America comes through defiance of her laws and evasion of her authority? He comes through crime and he brings crime with him. He is an outlaw from the moment he lands on American soil. He has learned contempt for law and order, for all that stands for America.

Every undesirable alien who finds his way into the United States plays his part to prejudice all Americans against all aliens. The foreigner of low mental standard who comes to us automatically stirs the apprehension of the American people against every foreigner. He damages the standing of every good foreign-born resident or citizen who is seeking to make his way in this country. For this reason every upstanding alien, every citizen of foreign birth, should be alert to put our immigration on the highest possible plane. We should support every measure that will make for better immigrants. It is clear to me that we must Americanize the alien before the alien alienizes America.

To this end I propose that the Federal Government enroll every alien upon his arrival in this country and issue to him an identification card which will establish his right to be here. Over a period of years I would provide for an annual census of these aliens in order that we might offer to those legally here every opportunity to learn what America means, what its traditions are, and what life in America has to offer them. I would see that they were given every chance to become good American citizens, and if they proved worthy I would accept them through a simplified naturalization plan. If they proved unworthy I would send them whence they came.

It is plain to me that under this system we would have no difficulty in weeding out the illicit immigrant, the smuggled oriental, and the apostle of destruction who has found his devious way to America and to preach the downfall of American institutions, the destruction of all law and order. The alien unable to produce his identification card would be given a hearing, and if after a fair and impartial investigation he was unable to establish his right to be here, he could be summarily and promptly deported.

This enrollment plan is no radically new departure in our American scheme of things. Every American citizen under the law must register himself before he can exercise the right of suffrage under our laws. There has been some objection to the enrollment of the alien on the ground that it might develop into some sort of an espionage system. I cannot find any basis for this thought. The registration lists of our citizenship have never been used for such a purpose, and there is no more reason to believe that the enrollment of the alien would subject him to any surveillance that has not been imposed upon the citizen through our election registration plan. No man whose life is open and aboveboard could object to enrolling himself as a prospective good citizen any more than any American today objects to enrolling himself as a voter.

I would make the enrollment plan a means of helping the good alien and of eliminating the bad alien. I believe that it would operate to weld all of the foreign-born into a great organization similar to our fraternities, devoted to helping each other toward getting the best that they have to give. The alien enrollment card would be an evidence of good character, just as the card of any of our great fraternal orders is an evidence of membership. I would enlist in the work of helping these aliens to become better, stronger Americans, the efforts of every civic organization, every church organization, every great fraternal order, and every patriotic society. I would call for the aid of every honest American, in this highest of all duties, the making of better Americans for a bigger, better America.

You men have fought for America. What kind of an America did you fight for? What kind of an America have all those heroes fought for since the days when the fathers established in this new land a government based upon the principles of liberty and equality? The time has come to answer this question, for we are facing the necessity of determining just what America is and what America shall be.

Not long ago a distinguished member of a certain eastern European racial group in America was quoted as saying:

"This country is not a 'nation'; it is a gathering together of peoples from every corner of the earth. No one racial group, no matter how early settled in this country, can furnish more than one note in this vast symphony of nations."

This means only one thing. It means that this new American, and those whose minds run with his, believe that there is no real America. It means, if this idea is to prevail, that the history of this country, its traditions, its ideals will be forgotten. It means that this great country, stretching from sea to sea, is to be a mere jumble of racial groups, each preserving its own racial customs and its own racial language, without common language or ideals. It means that the whole fabric of social, economic, and political life, built up through the toil and suffering of the last 150 years on this continent, is to be shattered. It means that the principles of union and liberty for which millions have laid down their lives, from Bunker Hill to the Argonne, those principles for which you and your fellows took up arms and crossed 3,000 miles of sea, shall perish in a welter of discord like unto that which fell upon Babel.

That is not the America that I know. I trust it is not the America that my children shall know. It is not the America that my people came across the ocean to seek. My father came here to become an American, and he became one. When, as a lad of 8, I followed my mother as with her six children she came forth from the shadows of the old Castle Garden immigration station, I came to a new life. She did not bring her children here to preserve the language and customs and ideals of the land she had left behind. She visioned her sons growing up part and parcel of the great new civilization to which she had brought them. On the threshold of this country all that there was about that family of the Old World fell away, and it faced the future as a family of Americans, Americans in heart and Americans in soul. When those who come to us from abroad fail to consecrate themselves wholly and entirely to America, to American life, American institutions, and American ideals, then we will have lost the thing which has made America great.

We can have no divided allegiance, no double loyalty. An American must be for America against all the world.

BORAH VERSUS ROOSEVELT—ARTICLE BY WALTER LIPPMANN

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Walter Lippmann, published in the New York Herald Tribune of Saturday, April 18, 1936, entitled "Borah Versus Roosevelt."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of Apr. 18, 1936]

BORAH VERSUS ROOSEVELT

By Walter Lippmann

In interpreting the significance of the Illinois primary election, it is necessary to remember that over 1,000,000 voters were not heard from at all. For there appear to have been about 2,130,000 votes cast, whereas in 1932 the two major parties polled about 3,300,000 votes. Now on the face of the returns, the Democrats have well over 60 percent of the vote, a percentage which would be described as a landslide. In 1932 they had only 57 percent. Thus they could be defeated only if two-thirds of the stay-at-home vote on Tuesday goes over to the Republicans in November and if Senator BORAH's followers stay with the Republican candidate.

Yet when all possible allowances have been made for the stay-at-home voters, the verdict rendered in Illinois is still overwhelmingly decisive on one point. It is that conservative Republicanism is at a hopeless discount in Illinois. It was able to muster only about 1 vote out of 5 cast. It did not enlist the support of more than 20 percent of the electorate. Colonel Knox is by no means a reactionary, but he took his text, so to speak, from the Liberty League. Roosevelt alone outnumbered him better than 3 to 1. Roosevelt and BORAH combined outnumbered him perhaps 5 to 1.

This is a fairly conclusive evidence that Senator BORAH has been right in saying that the Republican Party would be disastrously defeated under the leadership of the Old Guard.

Insofar as Illinois is a fair sample of sentiment in the Mississippi Valley, the primary shows that the alternative to the New Deal is not Old Guard republicanism but a different kind of progressivism. Mr. BORAH, or a candidate who represented his general point of view, might defeat Mr. Roosevelt. A candidate who represented the general point of view of the Liberty League could, on the present showing, get nowhere at all.

Now there are many Republicans, especially in the East, who think there is no real difference between BORAH and Roosevelt. But there is a difference, it seems to me, and a very deep one. The two men are alike in their general feeling that large corporate wealth has exercised too much power. But they are radically different in their general feeling as to how to deal with the problem.

Senator BORAH is, in the main, apart from certain aberrations such as prohibition and the tariff, a lineal descendant from the earliest American liberals, an individualist who opposes all concentration of power, political or economic, who is against private privilege and private monopoly, against political bureaucracy and centralized government. It is the tradition of Jefferson and Lincoln, of Bryan and Wilson. It is grass-roots progressivism. Mr. BORAH believes in the Bill of Rights. He believes in the principle of the Sherman Act. He believes in widely distributed private property. He believes in competition. He believes in a government of limited powers, above all in the distinctively American theory that the Government itself is under the law and must be held to the law.

This general philosophy has always been, and is still today, the true alternative to a socialist order and an authoritarian state. In expounding that philosophy Mr. BORAH is frequently vague. But he holds it instinctively. It is the habit of his mind; and where the issue is clearly drawn he will almost always be found fighting in this historic tradition of American liberalism.

Mr. Roosevelt, on the other hand, has no such instinctive appreciation of American liberalism in this, its oldest and most authentic, sense. He is disposed to think that these old liberal principles no longer fit the modern world, that they belong to a horse-and-buggy age, and that the future is to bring a very highly organized society controlled by a very powerful government. Thus he is not much concerned about the old safeguards of liberty. What he is really concerned about is sufficient power to provide security and the good things of life for everybody.

Though it may horrify him to hear it said, he approaches the social problem in the manner of what in England would be called a Tory philanthropist, of one whose sympathy for the people expresses itself in a desire to help them rather than in a desire to let them help themselves. Thus he has tried to present the farmers with monopolistic privileges equal to those enjoyed by certain industrialists, to present wage earners with Government-created labor unions.

No one can doubt for a moment the sincerity of his passion to have privileges more widely shared. But his method of reform is generally, for, of course, he has not been consistent, to create new privileges to balance old ones; not to liquidate old privileges in order to provide more equal opportunity. His speech at Baltimore the other day shows that, though the N. R. A. is dead, its ghost still possesses him; and the essence of N. R. A. was to give everyone his little monopoly and then to have an all-powerful Government to keep all the monopolists in order.

The real issue of the near future lies between the kind of liberal individualism which Mr. BORAH represents and the kind of regulated monopoly which Mr. Roosevelt seems to believe in. The kind of thing represented by the Old Guard, in general, unregulated private monopoly, could become popular again only if Mr. Roosevelt's plans ended in another economic crisis and produced an unthinking but violent reaction.

The issue symbolized by BORAH and Roosevelt runs across all the existing party lines. Thus Senator BORAH is in his ultimate political faith far closer to Secretary Hull, to Senator GLASS, than he is, let us say, to a Republican progressive like Senator LA FOLLETTE or to a Democratic progressive like Senator WAGNER. He moves away from rather than toward a collectivist order and an increasingly powerful Government.

The issue he has raised within the Republican Party is no less an issue in the Democratic Party, and there are an untold number of Democrats, like Vice President Garner, who, contemplating Mr. Roosevelt's social philosophy, feel they are in a similar fix. The issue is whether the idealism of the country is to be realized through a removal of privileges in order to enhance the liberty of the individual or through the fostering of great organizations in which the individual is submerged. That is why those who really wish to oppose the New Deal will have to look for their inspiration in the general direction indicated by Senator BORAH.

AS LINCOLN SAID AT GETTYSBURG—ADDRESS BY EMANUEL HERTZ

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD portions of an exceedingly interesting address entitled "As Lincoln Said at Gettysburg", delivered by Emanuel Hertz, before the Covenant Club of Illinois on February 13, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In a recent film one of the actors in the course of a conversation made the significant statement: "As Lincoln said at Gettysburg." When asked what it was that Lincoln said at Gettysburg, he, in turn, asked: "What did Lincoln say at Gettysburg?" The person spoken to turned to the nearest man and asked the same question, until everyone in the room admitted his ignorance as to what Lincoln did say at Gettysburg. The English valet, who had memorized the address soon after he read it, then told what Lincoln said at Gettysburg in so impressive a manner that it disclosed his veneration for the short address, not unlike that of the editor of the London Standard in 1863—long before the full significance of the address dawned upon Lincoln's own countrymen. Lincoln himself was in doubt as to whether the address would "scour" as he said in an aside to Lamon. There was no applause—you would as soon think of applauding the recital of a psalm or prayer. But the English editor detected the eternal ring in the address the moment he read it. Again, in 1913—50 years later—Curzon, in a presidential address before the Oxford Union, compared it with the funeral oration of Pericles, the masterpiece of the ancient world. Referring to the Gettysburg address and to the second inaugural Curzon says: "They are among the glories and treasures of mankind."

We might ask the same question about a great many other important utterances of Lincoln and fare no better. There never was more general ignorance about the utterances of any other great American than there is about his. And yet he wrought many permanent changes in many important departments of our country and its policies; changes which not only made us great but which opened new avenues for our growth His mental stature enabled him to survey and detect the needs of his country in almost every phase of its retarded development, brought on by the attention which for three decades was almost exclusively given to the slave power and its inevitable companion, secession; all else was crowded out of the line of visibility. Lincoln saw the country as a whole. He had studied its needs during a lifetime of preparation, and he knew the problems of the people. "The dogmas of the quiet past", said he, "are inadequate to the stormy present; the occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew and act anew."

* * * * * * *

What did Lincoln say on March 4, 1861?

Coming to the end of his first inaugural, Lincoln concluded: "In your hands, my fellow countrymen, and not in mine is the momentous issue of civil war. The Government will not assail you. You can have no conflict without being yourselves the aggressors. You have no oath registered in heaven to destroy the Government, while I shall have the most solemn one to preserve, protect, and defend it." At this point he paused, for he had finished the argument. But Seward thought that there should be an imaginative appeal added to the address. Lincoln passed the address into the hands of Seward and asked him for a suggestion, and this is what Seward wrote: "I close. We are not, we must not be, aliens or enemies, but fellow countrymen and brethren. Although passion has strained our bonds of affection too hardly, they must not—I am sure they will not—be broken. The mystic chords which, proceeding from so many battlefields and so many patriot graves, pass through all the hearts and all hearths in this broad continent of ours will yet again harmonize in their ancient music when breathed upon by the guardian angel of the Nation." And this is what the paragraph became after it had passed the purifying fires of Lincoln's mind as he transformed it into his preoration: "I am loth to close. We are not enemies, but friends. We must not be enemies. Though passion may have strained, we must not break our bonds of affection. The mystic chords of memory stretching from every battlefield and patriot grave to every living heart and hearthstone all over this broad land will yet swell the chorus of the Union when again touched, as surely they will be, by the better angels of our nature."

The rail splitter took the great scholar's straggling paragraph and made it immortal.

* * * * * * *

Lincoln and education:

Justin S. Morrill introduced a bill to provide for the giving to the States certain tracts of public land in proportion to their representation in the lower House of Congress; the lands to be sold, when necessary, the proceeds to be turned into the State treasury as a perpetual fund, the income only to be used, for the endowment and support of at least one college in the State in which the primary object should be instruction in branches relating to agricultural and the mechanic arts—without excluding other literary and scientific subjects, including military tactics. That act passed both Houses of Congress in 1859, but was vetoed by President Buchanan. Morrill reintroduced the bill, and when it passed it was signed by Lincoln on July 2, 1862. The Morrill Act, or Land Grant Act, has been called the most far-reaching educational statute ever enacted by any legislative body in this country. Every State promptly accepted the provisions of the act. There is today in every State at least one land-grant college. About 39 percent of the collegiate students of the United States are enrolled in these colleges, which were made possible and which were chartered under the act signed by Abraham Lincoln on July 2, 1862. So that at the close of the year of 1935 there were 168,388 students and 14,065 teachers in these colleges.

* * * * * * *

What did Lincoln say to Greeley?

Lincoln was a powerful wrestler in his youth. The man was never found who could throw him on equal ground save the one Army captain, Lorenzo Dow Thompson. Once in his clutches, the strongest antagonist was broken and cast prone. Lincoln's method with a political opponent or a fault-finding editor was the same. Horace Greeley in the high noon of the war attacked Lincoln and demanded to know his meaning. Would he or would he not abolish slavery? Was he or was he not a friend of freedom? Why would he have a Union stitched together with bayonets? Why

not let the erring sisters go in peace? Would he answer the prayer of twenty millions? And this is Lincoln's reply: "If there be those who would not save the Union unless they could at the same time save slavery, I do not agree with them. If there be those who would not save the Union unless they could at the same time destroy slavery, I do not agree with them. My paramount object is to save the Union and not either to save or destroy slavery. If I could save the Union without freeing any slaves I would do it. If I could save it by freeing all the slaves I would do it, and if I could do it by freeing some and leaving others alone I would also do that. What I do about slavery and the colored race I do because I believe it helps to save the Union, and what I forbear I forbear because I do not believe it helps to save the Union. I shall do less whenever I shall believe that what I am doing hurts the cause, and I shall do more whenever I believe doing more will help the cause."

"Since the death of Thucydides", says Historian Ridpath, "there has not, I believe, been written another such paragraph as that. Talleyrand and Burke and Webster all sitting together could not have composed it." It is tougher than wrought steel; the precision of it is equal to the strength and the cogency and the comprehensive harmony of the diapason. It is well-nigh the unapproachable model of all that was ever done in human argument. No phalanx of bayonets ever went so level across the field against the enemy. It is a countercharge that goes over the redoubt without breaking a step. After that was said there was a profound silence in the sanctum of Greeley's Tribune.

* * * * * * *

Lincoln and the slave power:

To one who has given any thought to the rise and fall of the slave power on our continent from that day in 1619 when Rolfe made his now epoch-making entry in his ledger "came in the Dutch man-of-warre that sold us 20 Nagers", until the eve of the great whirlwind with the great Civil War and its attendant hatreds and suffering, which threatened to destroy all that had been established in the seven decades preceding, a scene witnessed by Roy Chapman Andrews is very illuminating. "Not long ago, exploring in the Gobi Desert, I saw an age-old tragedy reenacted. A huge mastodon, his monstrous shovel jaw dredging up masses of trailing grasses, worked his way slowly along the shore through the shallow waters into a deep well of mud. The succulent tubers, just beyond the water's edge enticed him farther and farther into the treacherous mud. Suddenly, amidst his greedy feeding he found that he could not lift his ponderous legs. He struggled madly, only to sink deeper and deeper into the mire of death. I heard his frenzied trumpeting echoing from the high shores. At last they ended in exhausted gurgles as the colossal beast sank below the surface."

Face to face with the mastodon of slavery as represented by the southern oligarchy of slaveholders, and Lincoln became adamant. Neither menace of rebellion nor final secession, nor fear of an engulfing and unending war, nor intervention by a threatening and hostile world frowning on triumphant democracy; neither treason in his own ranks nor foul abuse from friend and foe alike, stayed him from the predetermined completion of his self-appointed tasks—he resolved that, as far as was in his power, it be ordained by a victorious Union firmly reestablished, that racial enslavement cease on the American Continent. The small beginning in 1619 from which grew this mastodon of slavery from the seemingly harmless purchase of "20 Nagers", was thus for all time sunk into the mire of extinction and annihilation by the kind-hearted lover of his people—when he issued his declaration that all men must be forever free.

* * * * * * *

What did Lincoln say on August 26, 1863?

The Lincoln-Conkling letter was written at a crucial period in the history of the war. The emancipation proclamation had been in force since January 1 of the year; though Vicksburg had fallen and Gettysburg had been won, drafts had been forcibly resisted in many of the States, and the enemies of the Union were unusually active. Race riots were rampant, and New York City was in the hands of rioters subdued only after the arrival of Federal troops. The elections of the previous year had resulted disastrously to the administration, and the fate of the Republic seemed to be trembling in the balance. "Peace at any price" was shouted from the editorial rooms of the northern press. It was in this condition of affairs that Lincoln's friends conceived the idea of calling a great mass meeting of the Union men of Illinois who were in favor of a vigorous prosecution of the war. Lincoln was to have appeared in person before this monster mass meeting in Springfield, the attendance at which was estimated to have been between sixty and seventy thousand. Lincoln was unable to leave Washington, and wrote this letter to James C. Conkling, one of the leaders, and requested him to read the letter to the vast assembly. "I have but one suggestion, read it very slowly, and now, God bless you and all good Union men." Understanding the momentous character of the occasion where this letter was to be made public—and it was read from a score of platforms to the vast crowds—he threw into it all the power of persuasion and logical argument, of which he was a master. It is indeed a marvelously convincing argument that the only hope of the preservation of the Union is to suppress the rebellion by force of arms—to defend the emancipation proclamation to the utmost, to employ Negroes as soldiers, and then the letter closes with an enumeration of the encouraging signs of final triumph and an appeal to the patriotism of all—that stirred the hearts of the Union men not only in Springfield but throughout the Nation. "I certainly wish that all men could be free, while you, I suppose, do not. Yet I have neither adopted nor proposed any measure which is not consistent even with your view, provided that you are for the Union. I suggested compensated emancipation, to which you replied you wished not to be taxed to buy Negroes. But I had not asked you to be taxed to buy Negroes, except in such a way as to save you from greater taxation to save the Union exclusively by other means." * * *

"Is there, has there ever been, any question that, by the law of war, property, both of enemies and friends, may be taken when needed? And is it not needed whenever it helps us and hurts the enemy? Armies the world over destroy enemies' property when they cannot use it, and even destroy their own to keep it from the enemy. Civilized belligerents do all in their power to help themselves or hurt the enemy, except a few things regarded as barbarous or cruel. * * *

"I know that some of the commanders of our armies in the field, who have given us our most important victories, believe the emancipation policy and the use of colored troops constitute the heaviest blows yet dealt to the rebellion, and that at least one of those important successes could not have been achieved when it was but for the aid of the black soldiers. * * * I submit their opinions are entitled to some weight against the objections, often urged, that emancipation and arming the blacks are unwise as military measures and were not adopted as such in good faith."

* * * * * * *

"Humor", said Bacon, "is a sudden glory; as a glory, a heavenly benediction, it blesses him that gives and him that takes; and it will be found that the most lovable characters, those whose virtues we should do well to copy, are always these among whose main inspirations is also laughter. Their mirth shall be counted to them for righteousness sake, for without an alloy of humor there can be no salvation."

A local politician went to Washington to get an office which he felt sure only awaited his application. In a couple of weeks he came back. "Well, did you get your office?" his friends asked him. "No", said he. "Did you see the President?" "Yes, of course." "What did he say?" "Well, we went in and stated our errand. He heard us patiently, and then said, 'Gentlemen, I am sorry that I have no office for Mr. ———, but if I can't give you that, I can tell you a story.' We thought best to hear the story and let him go on. 'Once there was a certain king', he said, 'who kept an astrologer to forewarn him of coming events and especially to tell him whether it were going to rain when he wanted to go on hunting expeditions. One day he had started off for the forest with his train of ladies and lords for a grand hunt, when the cavalcade met a farmer, riding a donkey, on the road. "Good morning, farmer", said the king. "Good morning, King", said the farmer. "Where are you folks going?" "Hunting", said the king. "Lord, you'll get wet", said the farmer. The king trusted his astrologer, of course, and went to the forest, but by midday there came on a terrific storm that drenched and buffeted the whole party. When the king returned to his palace he had the astrologer decapitated and sent for the farmer to take his place. "Law's sake", says the farmer when he arrived. "It aint me that knows when it's goin' to rain, it's my donkey. When it's goin' to be fair weather that donkey always carries his ears forward, so. When it's goin' to rain he puts them backward, so." "Make the donkey the court astrologer!" shouted the king. It was done. But the king always declared that that appointment was the greatest mistake he ever made in his life.' Lincoln stopped there. 'Why did he say it was a mistake?' we asked him. 'Didn't the donkey do his duty?' 'Yes', said the President, 'but after that time every donkey in the country assembled in front of the palace and wanted an office.'"

* * * * * * *

What did Lincoln say in his second inaugural?

The second inaugural, coming so shortly before his death, formed unintentionally his farewell address. It has the tone of prophecy, for the Bible was its inspiration. The first two paragraphs ring like chapters from the poet seers of old. The concluding paragraph is an apostolic benediction.

An editorial in the Chicago Tribune of August 12, 1862, written by Horace White, inspired by a letter from Mrs. Mary E. Root, not only found a ready lodgment in Lincoln's mind but furnished him with some of the material from which he built that symmetrical structure which will always impress us with its grandeur and its beauty. Lincoln was a constant reader of the Tribune, and Joseph Medill, the editor and owner, for years had been his friend. The editorial is entitled "The Justice of the Almighty" and is as follows:

"It seems to be decreed that the American people must lose all that they have made or acquired from the sin of slavery, and suffer in their own persons all the anguish they have wrongfully put upon the African race. It is impossible to compute in dollars and cents the aggregate of the imposing balance sheet, but we cannot avoid the conviction that the sum total of profits that has been derived from slave holding, slave trading, and slave driving, from the first cargo of Africans which was landed at Jamestown down to the day when the last of the race shall be emancipated, is to be swept away in a vortex of civil war, with probably compound interest at 6 percent. If so, who shall gainsay the justice of the Almighty? But the dread account does not stop here. Dollars and cents can be replaced. The accumulation of wealth which the sun beholds in his course from the Atlantic to the Pacific today is a trifle in the lifetime of a nation. There is an account of bloodshed and tears, bodily torture, separation of husband and wife, parent and child,

extending over a period of 200 years. Have we nothing to balance it in our own sufferings, in the tale of every battlefield, in the mortality report which each day brings us from some quarter? We have used men and women as so much raw material to be worked up into cotton and sugar till we have been able to compute that the average life of a slave on a plantation in the cotton and sugar States is about 7 years. Do our hospitals on the Peninsula show nothing to correspond with this fact in the alarming waste of human life?

"There is a philosophy in this war which we will do well to comprehend. They tell us that England is on the eve of great calamities by reason of the war in America. England is entitled to great calamities for putting upon us the original sin. Let her take her just share and bear it as she may. 'I, the Lord thy God, am a jealous God, visiting the inquity of the fathers upon the children unto the third and fourth generation.' England gave us her slavery and took cotton for her pay. If she has made rope enough out of it to hang herself, let her cry aloud to God for mercy, and not rail at us for being the instrument in His hands to carry forward the pleas of everlasting justice.

"But what shall be the penalty of the slaveholders themselves in this general settlement? What is the balance due from them at the great clearing house? If those who are responsible accessories, those who long ago put away the sin from their own doors, suffer so much, what must be the reckoning for those who have trafficked in human flesh, wielded the scourge with their own hands, and taken the sword at last to perpetuate and extend the horrid crime?

* * * * * * *

A spiritual leader some years ago said that what happened to the fame of Lincoln is a vindication of human idealism. For if the leaders of the reconstruction period had become the heroes of America, then we would be justified in the conclusion that the evil that men do lives after them and the good is buried with them. But because it was Lincoln's fame which survived, because the Union became permanent, then we may declare that the eternal things, the great and infinite aims, live and endure. Because Lincoln touched eternity in his work he became eternal.

Lincoln, therefore, is the barometer of America's idealism in each successive age, understood and appreciated to a varying degree. In an age that is particularly materialistic, Lincoln begins to fade into vague memory. In an age that cherishes idealism, Lincoln becomes more real and comes closer to the hearts of man. This much is sure: that should America ever become so sunk in materialism and so forgetful of all that is noble that its soul will die, only then will Lincoln be forgotten. And that will be the tragic era of American history. But as long as idealism lives on among us, so long will his influence remain.

GRATITUDE IN POLITICS—WASHINGTON STAR EDITORIAL

Mr. CAREY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "Gratitude in Politics", published in the Washington Evening Star of April 21.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Star of Apr. 21, 1936]

GRATITUDE IN POLITICS

Gratitude too often is erased from the lexicon of politics. Senator HASTINGS, of Delaware, took occasion yesterday in the Senate to recall to certain Democratic leaders, who are today bitter in their denunciation, what they owed in the past to some of the members of the American Liberty League. He recalled, for example, that members of the Du Pont family in the past contributed large sums to the Democratic campaign chest; that these sums were contributed not only in the campaign of 1928 but also in the campaign of 1932. He mentioned the fact that John J. Raskob, at one time chairman of the Democratic National Committee, took hundreds of thousands of dollars out of his own pocket to help finance the Democratic national campaign in 1928, and that he continued his support of the Democratic organization thereafter when the Democratic Party was flat on its back.

These Democrats are now members of the American Liberty League, which is committed to the support of the Constitution of the United States and to the liberties guaranteed the American people under that great document. And yet it is charged by the New Deal Democrats that the men whose money was so gladly accepted by the Democratic National Committee in the past are actuated only by the basest of motives. If the followers of the New Deal are to be believed, these men are merely representative of "entrenched greed."

Senator HASTINGS compared the platform of the American Liberty League with the platform of the Democratic Party adopted in 1932, the platform on which President Roosevelt was elected. The Delaware Senator found them almost identic in the principles laid down, principles which declared for the preservation of American institutions, for economy in Government, for a sound fiscal policy and the maintenance of a sound and stable currency, for the restoration of employment, and for no unnecessary competition by Government with legitimate industry. As Senator HASTINGS pointed out, the platform of the American Liberty League is so nearly in line with the 1932 Democratic platform that it must be concluded that the league is being controlled by those who believe in the Democratic platform.

The trouble arose when these Democratic members of the American Liberty League refused, as Senator HASTINGS said, "to follow the New Deal into the morass of socialism and when it deliberately violated every Democratic principle for which all good Democrats stood when Mr. Roosevelt was nominated in 1932." The New Dealers have characterized the American Liberty League as "the miscalled American Liberty League, an organization of multimillionaires." There was no complaint when Irénée Du Pont sent a check for $5,000 to Chairman James A. Farley of the Democratic National Committee a month after the inauguration of President Roosevelt. The complaint came later, when the Democratic chairman declared the Du Ponts "ungrateful" to the Roosevelt administration, and added "they want the people of the United States to be just as ungrateful as they are." The people of the United States will determine for themselves whether they believe that they should be grateful to the New Dealers.

Senator HASTINGS called the roll of prominent Democrats who now are members of American Liberty League committees. He listed among them Alfred E. Smith, who was the Democratic standard bearer in 1928, and John W. Davis, who was the party nominee for President in 1924. He mentioned also the same Irénée Du Pont and John J. Raskob, who were generous in their contributions to the Democratic cause. He called the roll, too, of other prominent Democrats who have broken with the New Deal, among them former Senator Reed, of Missouri, the late Governor Ritchie, of Maryland, former Governor Ely, of Massachusetts, Lewis W. Douglas, the first Director of the Budget in the Roosevelt administration, Col. Henry Breckinridge, Judge William R. Pattangall, of Maine, James R. Warburg, and others.

The speech of the Delaware Senator was partisan and Republican. He spoke as a critic of the Roosevelt administration. The facts that he marshaled, however, are sufficient to indicate that the Democratic Party, united in 1932, is no longer united. The attacks launched upon the anti-Roosevelt Democrats by the new dealers are scarcely calculated to win these Democrats back into the fold.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 371. An act for the relief of G. Elias & Bro., Inc.;

S. 713. An act granting jurisdiction to the Court of Claims to hear the case of David A. Wright;

S. 929. An act for the relief of the Southern Products Co.;

S. 1062. An act for the relief of James R. Young; and

S. 1846. An act for the relief of the estate of Anton W. Fischer.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 12037) relating to compacts and agreements among States in which tobacco is produced providing for the control of production of, or commerce in, tobacco in such States, and for other purposes.

The message further announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 788. An act for the relief of the International Mercantile Marine Co.;

S. 790. An act for the relief of the Compagnie Generale Transatlantique;

S. 998. An act to carry out the findings of the Court of Claims in the case of George Lawley & Son Corporation, of Boston, Mass.; and

S. 1110. An act for the relief of A. Randolph Holladay.

The message also announced that the House had passed the following bills of the Senate, severally with amendments, in which it requested the concurrence of the Senate:

S. 267. An act for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of Nature;

S. 753. An act to carry out the findings of the Court of Claims in the case of Wales Island Packing Co.; and

S. 1138. An act for the relief of Art Metal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 796. An act for the relief of A. E. Clark;

H. R. 1365. An act for the relief of E. G. Briseno;

H. R. 1485. An act to pay the Printz-Biederman Co., of Cleveland, Ohio, the sum of $741.40, money paid as duty on merchandise imported under section 308 of the Tariff Act;

H. R. 2087. An act for the relief of the Delaware Bay Shipbuilding Co.;

H. R. 2163. An act for the relief of William Sulem;

H. R. 2213. An act for the relief of Charles P. Shipley Saddlery & Mercantile Co.;

H. R. 2259. An act for the relief of Addie I. Tryon and Lorin H. Tryon;

H. R. 3155. An act to confer jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of the Bankers Reserve Life Co. of Omaha, Nebr., and the Wisconsin National Life Insurance Co. of Oshkosh, Wis.;

H. R. 3286. An act for the relief of Albert W. Wright;

H. R. 3348. An act for the relief of Nathan A. Buck;

H. R. 3694. An act for the relief of Florence Byvank;

H. R. 3737. An act for the relief of George L. Stone;

H. R. 3866. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Emanuel Bratses;

H. R. 4060. An act for the relief of Jessie T. Lafferty;

H. R. 4942. An act for the relief of the estate of Patrick Henry Walsh;

H. R. 9213. An act to provide a preliminary examination of the Hillsborough and Withlacoochee Rivers and their tributaries, in the State of Florida, with a view to the control of their flood waters; and

H. R. 11302. An act to authorize the Secretary of War to lend to the reunion committee of the United Confederate Veterans 3,000 blankets, olive drab, no. 4, and 1,500 canvas cots, to be used at their annual encampment to be held at Shreveport, La., in June 1936.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 796. An act for the relief of A. E. Clark;

H. R. 1365. An act for the relief of E. G. Briseno;

H. R. 1485. An act to pay the Printz-Biederman Co., of Cleveland, Ohio, the sum of $741.40, money paid as duty on merchandise imported under section 308 of the tariff act;

H. R. 2087. An act for the relief of the Delaware Bay Shipbuilding Co.;

H. R. 2163. An act for the relief of William Sulem;

H. R. 2213. An act for the relief of Charles P. Shipley Saddlery & Mercantile Co.;

H. R. 2259. An act for the relief of Addie I. Tryon and Lorin H. Tryon;

H. R. 3286. An act for the relief of Albert W. Wright;

H. R. 3348. An act for the relief of Nathan A. Buck;

H. R. 3694. An act for the relief of Florence Byvank;

H. R. 3737. An act for the relief of George L. Stone;

H. R. 3866. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Emanuel Bratses;

H. R. 4060. An act for the relief of Jessie T. Lafferty; and

H. R. 4942. An act for the relief of the estate of Patrick Henry Walsh; to the Committee on Claims.

H. R. 9213. An act to provide a preliminary examination of the Hillsborough and Withlacoochee Rivers and their tributaries, in the State of Florida, with a view to the control of their floodwaters; to the Committee on Commerce.

H. R. 11302. An act to authorize the Secretary of War to lend to the reunion committee of the United Confederate Veterans 3,000 blankets, olive drab, no. 4, 1,500 canvas cots, to be used at their annual encampment to be held at Shreveport, La., in June 1936; to the Committee on Military Affairs.

ALTERNATIVE METHOD TO IMPEACHMENT FOR TRIAL OF INFERIOR FEDERAL JUDGES

Mr. McADOO. Mr. President, the impeachment trial of a Federal judge which has just been concluded in this Chamber centers attention upon a grave and important problem which now confronts the people of the United States. It is a truism that the integrity, the honesty, the fair-mindedness of our courts constitute the ultimate foundation upon which our Republic rests, upon which free institutions throughout the world are based, and without which liberty and order are alike impossible. No breath of scandal since the birth of our Government has touched the highest Court in the land, the Supreme Court of the United States, but it is not enough that that high tribunal alone should be above suspicion. The intimate contact of our citizens is with the lower courts. For every citizen immediately affected by a decision of the Supreme Court 10,000 may be affected by the decisions of the Federal circuit and district courts. Confidence of the citizen in the integrity, the incorruptibility, and the even-handedness of Federal justice depends directly upon his confidence in and his ability to have confidence in the lower courts whose action directly and immediately affects his rights, his liberty, and his property.

It is not perhaps generally realized to what an extent our lower courts, and particularly our lower Federal courts, are discretionary agencies charged not merely with the application of clear and definite rules of law laid down for them by Congress or by the precedents, but vested also with vast administrative powers, the exercise of which, in the nature of the case, cannot be governed and prescribed by rules, but which require the constant exercise of broad discretion. I am referring especially to their powers in connection with bankruptcies and receiverships, which make them to all intents and purposes the administrators of great properties and estates for the benefit of creditors and investors. These involve discretionary powers far broader and more important than those which attach to any other courts in the country.

It has been my experience to sit first as a member and subsequently as chairman of a special committee of this body to investigate receivership and bankruptcy proceedings and the administration of justice in the courts of the United States. Not alone the testimony to which I have listened in that capacity, but also the disclosures which have come to light and attracted widespread public attention during the past 10 years in relation to similar conditions in the Southern District of New York, in Illinois, in California, and more recently in Florida, as evidenced by the testimony in the impeachment proceeding which has just come to a close, have convinced me, and would, I believe, convince anyone who has had the same opportunity to become acquainted with conditions, that we are confronted with a problem which we can no longer neglect if public confidence in the courts is to be maintained. District courts in the exercise of their administrative discretion, in the management of insolvent properties and corporations, have been, in instance after instance, revealed as too frequently taking action, the effect of which has been to deprive creditors and investors of a proportionate share of the assets to which they are entitled, for the benefit of lawyers and receivers and other court officials. Favoritism and influence have too frequently ruled the selection of receivers and trustees appointed by the courts, and the integrity and ability of these officers of the courts have too frequently been disregarded for other considerations. Officers of the courts, such as referees in bankruptcy, receivers, trustees, and special masters, have too often disregarded the obligations imposed on them by their public trust. The rights of creditors and other parties interested in insolvent estates have, not infrequently, been grievously neglected. Where judges are entrusted, as are the judges of our district courts today, with the management and administration of billions of dollars in value of property through insolvency or bankruptcy proceedings, and where the effect of such management and administration is that the creditors and investors too often realize little, if anything, out of the properties, while attorneys' fees and the fees of receivers and trustees run into magnificent figures, the necessary result is to impair the confidence of the people in the administration of justice.

This situation cannot be corrected by mere multiplication of rules or law or by an attempt to deprive the judges of discretionary power.

Obviously, judges cannot be transformed into mere ministerial officers in respect of any of their functions and least of all in the exercise of the broad powers of supervision and management of estates committed to their care which have always formed a part of the historic jurisdiction of chancery. That jurisdiction is embodied in the Constitution itself and judges must of necessty continue to exercise the discretion which the jurisdiction comprehends. Instead of attempting the futile and impossible task of cutting down this discretion or attempting to cabin it within rigid rules, the only intelligent course would seem to be to prevent its abuse by holding the judges who abuse it to strict accountability and preventing further abuse by promptly and unhesitatingly depriving them of their judicial office.

The method upon which we now rely, and upon which we have relied throughout our history, to enforce such accountability upon our judges and to effect such removals is the process of impeachment. The Constitution definitely provides that judges shall hold their office only "during good behavior"; and the method of impeachment has been our traditional device for enforcing the requirement of good behavior and for removing the stain upon the ermine by unfrocking the faithless judges who have sullied it. That impeachment has been a prompt and efficient method for accomplishing this result, I do not believe anyone will contend. Our experience is proof to the contrary. In the 149 years since the Constitution was adopted only nine judges have been impeached. Of those nine, only four were found guilty and removed from office. Four removals in a period of 149 years! Within the past decade we have twice witnessed the spectacle of judges strongly suspected of improper conduct resigning under fire and thereby evading the consequences of the impeachment process. Not merely has impeachment been unproductive of results; but the nature of the process is such that, as evidenced in the recent proceedings, it seriously interrupts for long periods the necessary transaction of important legislative business, places an almost intolerable burden of hearing and weighing testimony upon Senators already charged heavily with other responsibilities, and for this reason alone is always resorted to with extreme reluctance, even in cases of flagrant misconduct. The pressure of other responsibilities on the time of the Senate, together with the inevitable increase in the number of Federal judges, is clearly bringing us close to the time when this body will find it a matter of sheer physical impossibility to conduct a sufficient number of impeachment trials to render the prospect of impeachment an effective deterrent to judicial misconduct. On the other hand, the practical certainty that in a large majority of cases misconduct will never be visited with impeachment is a standing invitation for judges to abuse their authority with impunity and without fear of removal.

In view of this situation, the time is clearly at hand when we must consider seriously the possibility of reenforcing the process of impeachment with some other and more certain, prompt, and effective method for dealing with the judges of the inferior Federal courts who abuse their office.

I wish to submit today such a method for the consideration of the Senate, in order that while the difficulties and the unsatisfactory character of the impeachment process are still fresh and vivid in our recollection, we may concentrate our attention on the consideration of a more effective way of dealing with a great and fundamental problem before the evil shall have passed beyond remedy.

The question which confronts us upon the very threshold of the inquiry is whether, under the Constitution, the impeachment process is exclusive; whether, in other words, the Constitution requires that judges guilty of improper conduct in office shall be removed by impeachment, and by impeachment alone.

I contend that the Constitution does not so require; that impeachment is not the sole constitutional method for the removal of faithless judges; and that the Constitution leaves the door open for legislative action by the Congress to provide supplementary and additional methods, if in its judgment, it should deem such action desirable.

This conclusion follows clearly from a scrutiny of the pertinent provisions of the Constitution itself.

Let it first of all be noted that, contrary to a widely prevailing idea to the contrary, there is no separate provision in the Constitution for the impeachment of judges as distinguished from other officers of government. The constitutional basis for impeaching judges is found in section 4 of article II which does not mention judges by name, but which applies equally to all civil officers of the United States. This includes judges only because they fall within the general description of civil officers. The language of the provision is as follows:

> The President, Vice President, and all civil officers of the United States, shall be removed from office on impeachment for, and conviction of, treason, bribery, or other high crimes and misdemeanors.

In view of the fact that the impeachment process thus applies to judges only because they are civil officers, it must follow, if we are to conclude that impeachment is the exclusive method for removing judges, that it is also the exclusive method for removing all civil officers. This is obviously not the case. Clearly, civil officers other than judges may be removed by other means than impeachment. This question, so far as relates to civil officers generally, was squarely presented to the Supreme Court in the case of *Shurtleff* v. *United States* (189 U. S. 311 (1902)); and the answer which the Court gave to it is as follows (at p. 317):

> By the fourth section of article II of the Constitution it is provided that all civil officers shall be removed from office on impeachment for, and conviction of, treason, bribery, or other high crimes and misdemeanors. No one has ever supposed that the effect of this section was to prevent their removal for other causes deemed sufficient by the President. No such inference could be reasonably drawn from such language.

Since it is thus settled that the provisions of section 4 of article II do not, in and of themselves, provide an exclusive procedure for removing from office civil officers, including judges, the only question which remains is whether, with respect to judges, there is some other and different provision of the Constitution which prevents the application to them of any process other than impeachment.

No such provision can be found anywhere in the Constitution.

Mr. CONNALLY. Mr. President, will the Senator permit me to interrupt him at that point?

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from California yield to the Senator from Texas?

Mr. MCADOO. I yield.

Mr. ASHURST. Mr. President, the remarks now being made to the Senate are uttered by two of the ablest lawyers in the Senate, but I am unable to hear what they are saying. Will they permit me to advance closer to them, or else speak louder? I am sure the Senate wishes to hear both Senators.

Mr. MCADOO. I shall be happy if the Senator from Arizona will move nearer if he feels so disposed. As he is chairman of the Judiciary Committee, I desire particularly to have him hear my remarks.

Mr. CONNALLY. Mr. President, I now have the strongest possible inducement to speak so that I may be heard. I thank the Senator from Arizona.

The Senator from California, I apprehend, is proposing some method of removal other than through the process of impeachment. May I ask him, Is there not much good to be derived from trying judges through the present method of impeachment, even though it may be cumbersome and toilsome and laborious? Does not the spectacle which is presented to the country of a high court of impeachment here in the Senate attract more attention, and does not the public look on it as a proceeding of more dignity and of more importance, and is there not a good to be accomplished through that process rather than by some process of trial by a committee or by a special court? And does not the decision of the Senate, in the final analysis, carry with it greater prestige and greater benefit to the public than the judgment of some lesser or subordinate tribunal?

For instance, while the proceedings which we had here 2 weeks ago interrupted the work of the Senate, yet when the Senate did act I feel confident that the decision went out all over the United States, and commanded respect, and, so far as I know, elicited very little opposition or criticism from the people of the country.

I merely suggest those considerations to the Senator with a view to having his reaction.

Mr. McADOO. I may say that the proposals I shall submit in this argument do not exclude the impeachment process. We may still resort to it if we wish to do so; but I think there are very grave objections to the cumbersome and inefficacious impeachment process, as illustrated throughout our history. It is extremely difficult to convict a judge by a two-thirds vote of this body, and it is also very difficult to secure the presentation of articles of impeachment by the House.

When we do get someone before the Senate for trial on an impeachment, the proceeding may be impressive. I grant that; but if, as a result of it, we effect only an impressive spectacle and do not administer justice, then I say we had better devise, as supplemental and additional to impeachment, some other method which may enable us to call and to hold judges to a stricter accountability. That is a thing which I believe is of imperative importance to the country.

I desire to say to my colleagues that I shall be more than glad to have questions propounded to me, but I shall appreciate it if I may be permitted to present this argument with continuity. After it has concluded, I shall be more than happy to answer any questions my colleagues may desire to propound.

In offering this suggestion I do not mean to be discourteous. I only mean that I think what I have to say will be more effective if its continuity may be preserved.

The Constitution clearly contemplates the removal from office of judges who betray their trust. This is evident from the explicit language of the very first section of article III, the judiciary article of the Constitution, which provides that judges shall hold their office "during good behavior", and thereby specifically looks to their removal from office for improper behavior. Nothing is said in this section as to the method of removal, since the section deals not with the removal process but merely with tenure. One method of removal is by the process of impeachment; but, as I have shown, that process is clearly not exclusive. The way is, therefore, open for implementing the requirement of good behavior by some other method of removal, provided one can be found which does not transgress some specific provision of the Constitution.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. McADOO. I yield.

Mr. ASHURST. Let me say that I have listened to the Senator with more than usual attention, because as to the subject involved there is some division of opinion in the Senate, and the Senator knows how highly I respect his opinions. Therefore I have listened closely; and I could not hear a while ago until the Senator elevated his voice.

Mr. McADOO. It is a question upon which there has been and is, I have no doubt, a wide difference of opinion; but I think that difference of opinion arises from the fact that for the past 149 years we have accepted the impeachment process as the only means of putting unworthy judges out of office, and I do not think we have ever explored the alternative methods. My hope is that in the argument I shall present to the Senate I may open a train of thought which may lead to some productive result. That is the sole object of this argument.

So far as relates to civil officers other than judges, it is the law under the most recent decisions of the United States Supreme Court that Congress, in creating the offices, may provide for the removal by the President for misconduct of the persons holding the offices, even in the case of quasi-judicial officers such as the members of independent administrative boards and commissions (*Humphrey's Executor* v. *United States*, 295 U. S. 672). Thus, although a member of the Federal Trade Commission might clearly be impeached for bribery under the impeachment provision of section 4, article II, Congress may nevertheless provide that he shall be removed from office by the President if he is found guilty of bribery or some other breach of duty.

I do not propose to enter upon a discussion of the question as to whether or not Congress could constitutionally confer on the President the power to remove judges of the lower Federal courts for cause, similar to the power which may be conferred upon him to remove quasi-judicial officers. Whatever might be the conclusion as to constitutionality—and, in view of our doctrine of "separation of powers", a serious constitutional doubt may be raised as to whether the President could be given such a power over the judiciary—I shall not discuss that question, because, apart from all questions of constitutionality, no President would care to be charged, or should be charged, with the responsibility of passing on the conduct of members of a great coordinate branch of the Government.

The Houses of Congress comprising the legislative branch have a well-recognized power to protect their integrity by the process of expulsion, which is in substance nothing but an exercise of the power of removal of their own Members for misconduct. Analogous to this is the power of the President, whether under statute or otherwise, to preserve the integrity of the administrative arm of the Government by exercising the power of removal with respect to subordinate executive officers. In view of these clearly established powers in both the legislative branch and the executive branch to remove their own unworthy members by different processes than impeachment, it seems clear that the judiciary may constitutionally be authorized to exercise a like power unless the obstacle of some specific constitutional provision stands in the way.

Two such obstacles may conceivably be suggested. In the first place, it is well established that courts of the United States erected under the judiciary article of the Constitution can exercise only judicial powers. The first question which arises, therefore, is whether the power to remove a judge for misconduct in office is a judicial power.

On this point we are necessarily without the benefit of direct precedents from the Federal courts, because no such power has ever been exercised, or even attempted; but it would seem entirely clear, both on principle and on the authority of the precedents drawn from the State courts, that such a power of removing judges is a judicial power. From the standpoint of principle, it is to be noted that the Supreme Court has held that where a statute authorizes the President to remove executive officials for specified causes, the power of removal is judicial in such sense that it cannot be exercised without notice to the official in question and until he has been given an opportunity to be heard (*Shurtleff* v. *United States*, 189 U. S. 311).

Mr. ASHURST. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Arizona?

Mr. McADOO. I yield, with pleasure.

Mr. ASHURST. I think the Senator is correct. Apparently, he draws the conclusion that an impeachment process is the exercise of a judicial power. I agree with the Senator. The Constitution of the United States, in my judgment, gives the Congress no judicial power whatever except with relation to impeachments and with relation to passing upon the qualifications of their own Members.

Mr. McADOO. I think the Congress has the power to create a judicial tribunal which may deal with judges accused of abuse of their trust.

In many States, and I may specifically name Maryland, Indiana, Louisiana, New York, and Texas, the upper courts are given authority to remove inferior judges for misconduct in spite of the fact that, in some of those States, the State Constitution is explicit in confining the courts to the exercise of purely judicial functions.

That the exercise of the power of removal from office for misconduct is not per se beyond the competence of the Federal courts is clearly proved by their well-established practice of exercising such a power in the matter of the disbarment of attorneys for misconduct, which is nothing more than the removal of officers of the court from office, because it is well

established that attorneys are "officers of the court." An attorney, an officer of the court, cannot be removed without trial, without opportunity to be heard, and without the exercise of judicial power.

It has long been recognized in the Federal courts that this power is a judicial power, and I may refer specifically to the case of *Ex parte Garland* (4 Wall. 333), decided in 1886, where the Supreme Court said that attorneys hold their office during good behavior and that "their admission and their exclusion are the exercise of judicial power."

A second objection which might conceivably be raised against the exercise by the Federal courts of power to remove members of the Federal judiciary is that under judiciary power of the Constitution—article III, section 2—it has been held that the courts are limited to the adjudication of cases or controversies "in law and equity." The question, therefore, arises whether a proceeding for the removal of a judge would be a case or controversy "in law and equity" within the meaning of the Constitution. The answer to this question would likewise seem to be clearly in the affirmative. The term "all cases in law and equity" as used in the Constitution has been held to include all types of proceeding known to the common law as the common law existed at the time of the adoption of the Constitution.

One of the historical forms of procedure at common law is the writ of quo warranto. This is the traditional common-law procedure for determining the right of a person or corporation to hold an office or franchise conferred by the State. The essential feature of quo warranto is that it results in a judgment of ouster from the office or franchise. While ordinarily quo warranto is used to determine the legal questions regarding title to the office, there is sufficient authority to the effect that it may also be used to oust a person from office for misconduct (*Commonwealth* v. *M'Williams,* 11 Pa. 61; *State* v. *Darnell,* 123 Kans. 643; *State* v. *Redman,* 183 Ind. 332).

The Indiana case which I have just cited is directly in point in the present connection. The Indiana Constitution provides that any judge who shall have been convicted of corruption or other crimes may be removed from office by the Supreme Court. The details of the procedure for such removal had not been provided by the legislature. It was held that the proper form of proceeding was one analogous to quo warranto, and that in such a proceeding the Supreme Court might remove a judge.

Since, as I have shown, the power to remove judges for misconduct is a judicial power, and since a proceeding for removal is directly analogous to quo warranto, which is a proceeding known to the common law prior to the adoption of the Federal Constitution, it follows that such a power of removal could validly be exercised by a Federal court established under article III of the Constitution.

With these points established, there exists no constitutional objection to the institution by Congress, in addition to the procedure of impeachment, of a method for the removal of faithless judges by the courts of the United States themselves. I raise no question here as to whether such a procedure could be entertained by the Supreme Court of the United States and whether that Court has, or could be given, the power to purge itself by the removal of a faithless member because the question with which I am dealing does not concern the Supreme Court. It relates only to the inferior Federal courts. I assert, therefore, that it would be constitutional for Congress to establish a procedure for the Federal courts to try members of the inferior Federal judiciary for misconduct and to remove them from office if found guilty.

Again, I say that if such a procedure should be adopted it would not exclude the process of impeachment, which could still be resorted to if the Congress desired that that method should be employed.

We now confront the question as to what form this procedure may most satisfactorily take. It seems clear that the Supreme Court of the United States could not be charged with original jurisdiction to hear and determine proceedings for the removal of a Federal judge, because the original jurisdiction of that Court is expressly limited to the classes of cases which the Constitution specifies and by the provision that all other exercises of jurisdiction by the Supreme Court shall be appellate in character. Accordingly, some other tribunal than the Supreme Court must be found. It would no doubt be possible to vest in the circuit court of appeals for each circuit the power to hear and determine removal cases with reference to judges within the circuit, but as a practical matter, in view of the relative unevenness in the distribution of business among the circuits and in view of the fact that in some circuits the dockets are grievously overburdened, it would seem, apart from other considerations, unwise to add this additional burden to the business of the regular circuit courts of appeals.

It would be entirely practical, and I therefore suggest that a high court be established by act of Congress, whose sole jurisdiction shall be to try charges of misbehavior which may be presented to it against judges of the inferior courts of the United States in the manner and through the channel I shall shortly propose.

This high court should be composed of 10 judges of the circuit courts of appeals of the United States, ranking in point of seniority in service, one to be drawn from each circuit, together with the chief justice of the United States District Court of Appeals of the District of Columbia, who should be the presiding judge or justice thereof.

The said court should hold annual or semiannual sessions in the city of Washington for the trial of such cases as may be presented to it; but the court should not be required to sit unless notified by the Attorney General of the United States 30 days in advance of the fixed date for such sessions that there is on the docket a case or cases for submission to the court.

The question now arises as to how and in what manner the charges shall be brought before the proposed court. Clearly the origination of the proceeding should be safeguarded in such manner that the judges would not be exposed to the danger of unmerited harassment through frivolous or unjustified complaints. The procedure must be solemn and dignified and vested in hands which can be trusted not to abuse it and which will act always with due regard to public responsibility.

Here again the analogy of the historic procedure by quo warranto points the way. Quo warranto is a proceeding brought in the name of the State by the attorney general acting in defense of the public interest. The Attorney General of the United States should be authorized and directed to receive and to make careful and thorough investigation of complaints which may be lodged with him against any judge or judges of the inferior Federal courts of the United States. If, as a result of such investigation or investigations, the Attorney General should conclude that a proceeding in quo warranto should be brought against any such judge, he should be required thereupon to file a complaint with the high court I have described and to prosecute the same before such court. It should be the duty of the said high court to proceed, without unnecessary delay, to hear and determine the charge or charges. The defendant judge should have the right to answer the complaint and to defend the same. The court, after having heard the case, should either dismiss the charge or charges for want of sufficient evidence, or upon grounds of law, or if the charge or charges should be proved, the court should enter against the defendant a judgment of removal from office. From such judgment the defendant should be entitled to appeal on questions of law to the Supreme Court of the United States.

I would suggest that the Congress should also have a right to set in motion such proceeding before the said court through a direction or instruction to the Attorney General to commence a quo warranto proceeding by resolution adopted by a majority of both Houses of the Congress.

It is my opinion that this procedure would be in all respects constitutional for the reasons I have outlined and would be fair, prompt, and efficacious in a far higher degree than the present method of impeachment. Practically the only objection to it would be because of its novelty or because it runs counter to our long-accepted theory of historical tradition

and exclusiveness of the remedy of impeachment. As contrasted, however, with the process of impeachment, it would, besides being more efficacious, be fairer to the accused and fairer to the courts. It would, at the same time, fully preserve the rights and powers of Congress aside from the fact that the impeachment procedure would still continue to exist and could be resorted to by Congress whenever impeachment should appear preferable.

The procedure I have outlined would be in all respects fair to an accused judge. It would give to him the benefit of a trial in a regular court of law, sitting exclusively to determine the question of his guilt or innocence, and unencumbered and uninterrupted by other duties during the period of the trial. The procedure would be fair to the courts, because it would place in their own hands the determination of the judicial question of the guilt or innocence of a member of the judiciary. It would not impose upon them the performance of any nonjudicial task and would invoke their cooperation in a matter in which they should be supremely interested, namely, the preservation of the honor and integrity of the judicial office.

At this point I wish to add that it is my firm conviction, after such studies as I have made of this subject, that the term "good behavior", as used in the Constitution, is a justiciable question, and that the Congress, under the authority conferred upon it, has the power to create a tribunal to try that issue whenever it shall be raised in a proper manner.

The procedure I am suggesting would in no way diminish or cut down the privileges or prerogatives of the Congress. The Congress would be free, whenever it so desired, to resort to the existing process of impeachment. At the same time the Congress could set in motion the alternative procedure by a majority vote of both Houses directing the Attorney General to institute a suit under the new removal method, as I have already stated, and I merely repeat it to emphasize the point. The freedom of action of the Congress would thus in all respects be preserved.

So far as relates to the power of the Attorney General to initiate such a proceeding, what I propose would in no way hamper or restrict the judiciary. All that the Attorney General could do would be to set in motion a procedure exclusively judicial in character, conducted entirely through the courts and depending for its results upon action by a court. The fate of the accused judge would be exclusively in the hands of the judicial department. The court which would be empowered to pass upon his guilt would be a court consisting of judges of high character, independence, and ability, thereby being vested with the fullest possible guaranty of its impartiality; and, finally, the accused would have the benefit, which he does not now have, of an appeal to the Supreme Court of the United States on any question of law involved. Surely no judge could object to the impartiality or the appropriateness of such a method for determining charges of misconduct brought against him.

With such a procedure in existence for the removal of judges guilty of misconduct, the administration of justice in our lower Federal courts would be held to a far higher standard of strict accountability than at present. No longer could judges, who are careless of their responsibilities, trade upon the uncertainties of the impeachment process and profit by the likelihood of never having to answer for their conduct before the bar of justice. That, in my opinion, is one of the most serious objections to the remedy of impeachment. No longer would this body face the prospect of having from year to year to devote an increasing amount of its time to sitting as a Court of Impeachment, and thereby having to neglect its already heavy responsibilities in other directions, if the purity of the Federal bench is to be maintained.

The time is upon us when we can no longer postpone the necessity of supplementing and reinforcing the process of impeachment by additional means to maintain the purity of the bench.

I therefore introduce and send to the desk a tentative draft of a bill embodying the suggestions I have made, and request that it be printed in the RECORD immediately following my remarks. I also request that it be referred to the Judiciary Committee of the Senate.

The PRESIDING OFFICER. Without objection, the bill will be received, printed in the RECORD, and referred, as requested by the Senator from California.

The bill (S. 4527) to provide for the judicial determination of charges of misconduct in office by judges of courts of the United States other than the Supreme Court of the United States, and for removal from office of justices against whom such charges shall be proved, was read twice by its title and referred to the Committee on the Judiciary, as follows:

A bill to provide for the judicial determination of charges of misconduct in office by judges of courts of the United States other than the Supreme Court of the United States, and for removal from office of justices against whom such charges shall be proved

Be it enacted, etc., That a court to be called the "High Court for the Trial of Judicial Officers" is hereby established, to be composed of 10 judges of the Circuit Court of Appeals of the United States, ranking in point of seniority in service, one to be drawn from each circuit, together with the chief justice of the United States District Court of Appeals of the District of Columbia, who shall be the presiding judge or justice thereof.

SEC. 2. The jurisdiction of the said court shall be confined exclusively to the trial and determination of charges which may be brought against judges of the inferior courts of the United States as hereinafter provided.

SEC. 3. The said court shall have all the powers of a district court of the United States to compel the appearance of witnesses and the production of documentary evidence: *Provided*, That the process of such court shall run throughout the United States and all Territories subject to jurisdiction thereof.

SEC. 4. The said court shall meet semiannually in the city of Washington, in the District of Columbia, on the first Monday in May and November of each year for the trial of such cases as may be on the docket of said court: *Provided, however*, That the said court shall not convene at the time and place hereinabove named unless the Attorney General shall, in writing, notify each member of the said court 30 days in advance of the regular sessions herein provided that there are on the docket of said court cases for the consideration of the court.

SEC. 5. Said judges are authorized to appoint a clerk and such other officers and employees as in their opinion may be needed; and the funds for the payment of such officers and employees and for the other expenses of the court shall be appropriated by the Congress.

SEC. 6. The Attorney General of the United States is hereby authorized to receive and to make careful and thorough investigation of complaints which may be lodged with him against any judge or judges of the inferior courts of the United States. If, as a result of such investigation or investigations, the Attorney General shall conclude that a proceeding in quo warranto should be brought against any such judge or judges, he shall thereupon institute proceedings in said court for the removal from office for misconduct or misbehavior of any judge holding office under the authority of the United States, other than a judge of the Supreme Court of the United States, and shall set forth the charges against the defendant judge and pray for a judgment of removal of such defendant from office; and thereafter the proceeding shall, so far as practicable, conform to the proceeding on an information in the nature of a quo warranto for ouster from office for misconduct.

SEC. 6. Said court may make rules and orders directing the return of writs and processes, the filing of pleadings, the taking of rules, the entering and making up of judgments by default, and otherwise regulate its practice as may be necessary or convenient for the advancement of justice and the prevention of delays in proceedings.

SEC. 7. At the conclusion of the hearing and argument in the cause it shall be the duty of the court to cause a written opinion to be filed in the cause, setting forth the specific findings of the court of the facts therein and the conclusions of the court upon all questions of law involved in the cause and to render judgment thereon. Such judgment shall be either for dismissal of the information and charges or for the removal of the defendant from office. In the event the judgment shall be for removal from office, the defendant may have an appeal to the Supreme Court of the United States on all questions of law, subject to such rules governing such appeals as the Supreme Court of the United States may prescribe.

SEC. 8. In the event that a judgment of removal shall have been affirmed by the Supreme Court or in the event that no appeal to the Supreme Court from the judgment of such high court shall have been taken within the period prescribed by any rule or regulation made in pursuance of this act, a certified copy of such judgment shall immediately be transmitted by the presiding judge to the President of the United States and upon such transmittal the office of the judge against whom such judgment shall have been entered shall at once become vacant and the President of the United States shall be empowered to appoint, by and with the advice and consent of the Senate, a successor to such judge.

SEC. 9. Removal of a judge from office under the procedure provided by this act shall not be a bar to criminal prosecution of

the judge so removed for any criminal offense which may have served as a basis for such judgment of removal.

SEC. 10. Nothing herein contained shall be construed to limit or impair the right and power of Congress to impeach judges for misconduct.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. McADOO. I yield.

Mr. CONNALLY. The Senator says that as a practical proposition the power of impeachment would still remain. Let us suppose a judge was tried before such a court as suggested by the Senator and that he was acquitted; then would it not be practically impossible successfully to impeach him regardless of the merits of the case? Would there not be so much moral force in the fact that the court had absolved the judge as to make it practically impossible to get a verdict against him?

Mr. McADOO. It is not my thought, I may say to the Senator from Texas, that there would still reside the power of impeachment after the court had acted. If the court first took jurisdiction clearly the impeachment power would not be resorted to. It would be exclusive of that. What I mean to say is that before the court takes jurisdiction and even upon the direction of Congress to the Attorney General that in any particular instance he must not file or that he should file a quo warranto under the proposed act, the House would still be free to consider a case and to present impeachment to the Senate, in which event the Senate would still be free to try it.

Mr. CONNALLY. Does not the Senator's proposal to turn over to the courts themselves the trial of inferior judges run counter to the whole theory of the constitutional provision regarding impeachment, which is that the Senate by reason of its being an independent branch of the Government is a check on the judiciary? If we turn over to the judiciary the supervision of its own conduct, are we not destroying one of the most wholesome provisions of the Constitution in that regard?

Mr. McADOO. I do not propose that that provision be destroyed. I am proposing an alternative. It seems to me it is clearly appropriate to confer upon a special court the power to discipline the judges of the inferior courts. Impeachment is rarely resorted to; and when resorted to, the result is involved in great uncertainty. As I have read the record of impeachments, I think several guilty judges have escaped. It is almost impossible to keep 96 judges in their seats to hear the evidence in impeachment cases and the arguments of counsel, and it is almost impossible for any political body to divest itself wholly of its legislative and political character and to assume effectively and successfully the judicial quality which I think is necessary in the determination of impeachment cases.

Mr. CONNALLY. Mr. President, let me state to the Senator that the theory of impeachment is a blending, as it were, of the judicial power and the very political power of which the Senator complains. That was the theory of impeachment from the beginning, as I understand it. Would it not be preferable for the Senate to delegate to a committee the hearing of the evidence, which we can do under the Constitution, and for the Senate to act upon the report of the committee, rather than to delegate that power to some court somewhere? I am in sympathy with the Senator's desire to secure more prompt action in impeachment cases, but still I approach the question probably from a conservative viewpoint, hesitating to abandon the old theory.

The Senator referred to the removal of subordinate officers. The theory of removal of subordinate officers is based on the idea that since Congress creates an office it may fix the tenure. In the Humphrey case that tenure was prescribed. It was prescribed that he could only be removed for certain causes. Therefore the Supreme Court held that until those causes arose and the facts were determined he could hold his office. The Senator will remember, however, that the original theory was that the President could remove all Government officers, but not the judiciary, of course, because the judiciary is provided for in a separate and specific article of the Constitution.

In the first Congress which met under the Constitution there was an extended debate, participated in by Mr. Madison and others, on the contention that the President had the right as an incident of the power to appoint, to remove all subordinate officers where the Constitution did not prohibit it. In the Constitution, however, it is provided that the President—

Shall nominate and, by and with the advice and consent of the Senate, shall appoint Ambassadors, other public Ministers and consuls, Judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law.

Under that provision, since we have the power to create the office, we have the power to determine its tenure. Therefore we could leave the period of tenure absolutely blank and allow the President, if we saw fit, to remove the officer at will. Of course, that does not apply to judges. However, in the case of judges the Constitution specifically provides that they shall hold office——

Mr. McADOO. During good behavior.

Mr. CONNALLY. During good behavior. Therefore they have a life tenure.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. McADOO. I shall be glad to yield in a moment. I do not agree with the distinguished Senator from Texas in some of his conclusions. I wish to repeat that I do not mean by any action we may take here to exclude resort to impeachment.

It is always within our power to resort to impeachment if the House prefers charges. I am proposing an alternative method which, I think, if adopted, would have the most salutary effect upon the courts of the United States, because it would assure prompt investigation of complaints, many of which are legitimate, against the conduct of judges who feel they cannot be held to swift, if any, accountability. When I say that, I do not mean by any means to imply that every judge is recreant to his duty. I think the great majority of judges are men of character and responsibility, and that they discharge their duties with a high conception of the obligations of their office; but so long as judges feel, as many undoubtedly do feel, that they have a life tenure and that they can do very much as they please on the bench, without accountability to anybody, abuses of a serious character occur in many instances, abuses which I think will be developed and presented to the Senate in due season by the committee of which I have the honor to be chairman.

Mr. LOGAN. Mr. President——

Mr. McADOO. I yield to the Senator from Kentucky.

Mr. LOGAN. I have listened to the suggestions of the Senator from Texas [Mr. CONNALLY] with much interest, and I have listened to the argument made by the Senator from California [Mr. McADOO] with even a greater degree of interest, because, it seems to me, he is dealing with a question that has been long neglected. If I understand the contention of the Senator from California, the plan which he proposes would in no way interfere with the impeachment of judges for high crimes and misdemeanors, but considering the section of the Constitution where we find the provision that judges shall hold office during good behavior, is it the opinion of the Senator from California that a judge might be guilty of misbehavior or be lacking in good behavior which would justify his removal although he might not be guilty of any offense that would justify his removal by impeachment?

Mr. McADOO. That is my decided opinion, I may say to the Senator from Kentucky.

Mr. LOGAN. How could a man be impeached because he was ignorant of the law and decided questions erroneously or because his mind had "gone bad" on him or his habits had become bad? That would not be ground for impeachment if there was nothing evil behind it all. But it is not good behavior on his part if he cannot discharge the duties of the office, and he might be removed under the plan suggested by the Senator from California without casting any stigma at all upon him or charging him with a criminal offense.

Mr. McADOO. Precisely. My view of the matter is that the jurisdiction of the proposed court should be confined solely to the question of good behavior of a judge, and not beyond, and that punishment should be confined solely to removal from office.

If in the course of investigation before the high court I have suggested it should be developed that the judge had been guilty of high crimes and misdemeanors, then, in conformity with the Constitution, he might be prosecuted in a court of competent jurisdiction and, upon conviction, punished under the criminal laws.

Mr. LOGAN. I fully agree with that, but I wonder if the Senator has considered this phase of the situation: The expression "during good behavior" has given me trouble for 40 years. I have wondered who is going to determine when a judge was of good behavior. I wonder if the Senator has thought that when the President appoints a man to a position as a judge he is appointed only during good behavior, and if the time comes when he is not of good behavior his tenure is over; and that the Senate is called upon to confirm the nomination of a judge, but he is only confirmed in office during good behavior? Would it be possible, may I ask the Senator, for the Senate of the United States to have such a committee as might be necessary to make investigation of the conduct of inferior judges, and submit a report to the Senate through its Judiciary Committee, and if it should be found that the judge was not of good behavior, could not the Senate withdraw its confirmation and thereby end the tenure of the judge?

Mr. McADOO. I doubt it, although I confess that I have not considered that question seriously. I doubt if the Senate could withdraw confirmation once made, because I do not think that the Senate by such procedure could properly render a decision of such distinctly judicial character. A committee of the Senate would have to conduct a trial under the Senator's suggestion, as I understand, to determine the validity of the charges.

Mr. LOGAN. It would do exactly what it does in the first place when a nomination is sent in. The nominee is not confirmed unless he is of good behavior. The Senate makes its investigations through its committees, and finding that the nominee is of good behavior and that he is fit for the office his nomination is confirmed, not forever, not during life, but during good behavior. Does the Senate have the power to limit that confirmation to such period of time as he is of good behavior; and if, upon investigation, the same authority finds he is not of good behavior, could it withdraw its confirmation and the judge be deprived of his office? We do remove them that way indirectly. The President can appoint a judge as soon as the present session of Congress adjourns; and the judge can enter upon the office and qualify and serve, and his acts are legal; but when Congress meets again, if the Senate should be of the opinion that he is not such a man as should be confirmed, and should refuse to confirm him, he would be at the end and would be removed from office by the Senate itself.

Mr. McADOO. In that event, of course, he would not have acquired complete title to the office; he would be holding it on sufferance as an interim appointee. I may say to the Senator that I think the fault of his argument consists in this—and the suggestion he has made is very interesting—that the Senate alone does not make the judges. It requires an Executive appointment in the first instance before the Senate can consider the nomination.

Mr. LOGAN. Oh, yes. I was going a little further, may I say? Somone must determine when a judge is guilty of misconduct or when he is not on his good behavior. The appointing power is in the President. Suppose he reports to the Senate that a certain judge is not of good behavior. Therefore his tenure is ended and the Senate then withdraws its confirmation. I am not saying that that can be done; I am merely suggesting that what the Senator has said this morning brings up some very interesting points and that I do want to consider them. I do not know whether or not the Senate could withdraw its confirmation, but we do not give a judge complete title forever to office when we confirm his nomination; we only give him title so long as he is of good behavior; and if we should determine that he was not of good behavior, I do not know but that we could withdraw the confirmation and end the term of the judge.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. McADOO. I will yield in just a moment. My feeling about it is, I may say to my able friend from Kentucky, that the "good behavior" as used in the Constitution, to repeat, is essentially a justiciable question, and the Congress, which creates the inferior courts has, since the foundation of the Republic, never attempted to assert its power by the creation of any authority to determine the question of good behavior in a judge. That is what I am contending we have the right to do, and that we should do now. Of course both Houses of Congress would have to enact such legislation. The power undoubtedly resides in Congress to create a tribunal to determine this justiciable question. As to that I am confirmed by my studies beyond a reasonable doubt. At the same time I do not mean to assert that my conclusions are infallible. It is an immensely interesting subject, and my chief purpose in making this presentation here today is to arouse a discussion of it.

It is, of course, a problem of growing and vital importance to the country. I think it is essential that some means shall be found to deal with it more efficaciously, more certainly, and more promptly than by the process of impeachment.

Now I yield to the Senator from Wyoming.

Mr. O'MAHONEY. Does the Senator's bill define "good behavior"?

Mr. McADOO. It does not.

Mr. O'MAHONEY. Then the Senator's bill would transfer the authority of determining what is good behavior to a court?

Mr. McADOO. It would, because, as I have previously said, I consider that a distinctly justiciable question, to be determined by the facts and law as presented in each case.

Mr. O'MAHONEY. Then the court, under the Senator's bill, rather than the Senate itself, would set up the rules which determine the tenure of judges?

Mr. McADOO. No; I do not say so; but I think if preferable to give judges a right of trial before an impartial court. If the plan I propose should be adopted, the judges would be tried before a high court, a dignified court, composed of men of ability and character, and that court would determine whether, upon the evidence presented, the case as made out justified a judgment of removal. The whole proceeding is in the nature of a quo warranto—that is what it gets down to—and I think it would be a more certain, effective, and expeditious method of dealing with the problem than by a trial before the whole Senate sitting as a Court of Impeachment.

Mr. O'MAHONEY. Does the Senator believe that under the Constitution a judge may be removed for reasons different from those for which any other civil officer may be removed?

Mr. McADOO. I think in that respect there is some limitation in the provision of the Constitution, because, although the term "good behavior" is so comprehensive that it includes, as the distinguished Senator from Kentucky said a moment ago, offenses which cannot be invested with the quality of a high crime or misdemeanor——

Mr. O'MAHONEY. I agree with the Senator on that.

Mr. McADOO. Yet neglect of duty, for instance, malfeasance, and many other things enter into the subject of good behavior that are not denominated offenses.

Mr. O'MAHONEY. Does the Senator believe that it would be preferable in legislation of this kind to define exactly what we mean by good behavior in order to prevent arbitrary or whimsical action, so to speak, upon the part of the removing court?

Mr. LOGAN. Mr. President——

Mr. McADOO. May I interject for a moment in reply to my good friend from Wyoming?

I think any attempt at definition of the term "good behavior" would be dangerous, because it might exclude many things that ought to be comprehended within the term.

Not only that, but I think under the Constitution we might not have the power to define "good behavior." We have the power to determine it under impeachment, as we have done in the cases which have been brought before this body.

I think in the case just tried many Senators voted—indeed, some Senators who are not lawyers have talked to me about it and said they voted "not guilty" on some of the counts because the charge was "high crimes and misdemeanors." They did not consider that phrase in the technical sense in which it is used among lawyers, but they would have voted "guilty", they said, if misbehavior alone had been charged in the count. We have the right to determine that, of course.

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from California yield to the Senator from Wyoming?

Mr. McADOO. I yield.

Mr. O'MAHONEY. If the constitutional Court of Impeachment cannot define "good behavior", how can it transfer the practical right of determining it to a Federal court?

Mr. McADOO. I say the Senate has a right to define it when the issue is brought before it, but I do not think we can define it by statute.

I am glad now to yield to my friend the Senator from Kentucky.

Mr. LOGAN. Mr. President, the word "removal" has been used frequently in connection with this argument. I do not think that is appropriate. Under the proceedings the Senator is proposing to set up, we would not remove a judge from office. We would simply notify him under proper procedure that his tenure was over, that his term was ended, and therefore he would just step out.

Mr. McADOO. The Senator would merely terminate his tenure?

Mr. LOGAN. That is all.

Mr. McADOO. Mr. President, I yield the floor.

DEPORTATION OF ALIEN CRIMINALS

The Senate resumed the consideration of the bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes.

The PRESIDING OFFICER (Mr. MINTON in the chair). The question is on the motion of the Senator from North Carolina [Mr. REYNOLDS] to recommit the bill to the Committee on Immigration.

Mr. KING. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Holt	O'Mahoney
Ashurst	Clark	Johnson	Overton
Austin	Connally	Keyes	Pittman
Bachman	Coolidge	King	Pope
Bailey	Copeland	La Follette	Radcliffe
Barbour	Couzens	Logan	Reynolds
Barkley	Davis	Lonergan	Robinson
Benson	Dickinson	Long	Russell
Bilbo	Dieterich	McAdoo	Schwellenbach
Black	Donahey	McGill	Sheppard
Bone	Duffy	McKellar	Shipstead
Borah	Fletcher	McNary	Steiwer
Brown	Frazier	Maloney	Thomas, Okla.
Bulkley	George	Metcalf	Thomas, Utah
Bulow	Gerry	Minton	Townsend
Burke	Gibson	Moore	Truman
Byrd	Glass	Murphy	Tydings
Byrnes	Hale	Murray	Vandenberg
Capper	Harrison	Neely	Wagner
Caraway	Hatch	Norris	Walsh
Carey	Hayden	Nye	White

The PRESIDING OFFICER. Eighty-four Senators have answered to their names. A quorum is present.

Mr. KING. Mr. President, the Senator from Vermont [Mr. AUSTIN] yesterday suggested an amendment to the pending bill. I am instructed by the members of the committee to accept the amendment.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Carolina [Mr. REYNOLDS] to recommit the bill.

Mr. REYNOLDS. Mr. President, I wish to say that it is my understanding that the question before the Senate is the motion made by me to recommit the pending bill.

The PRESIDING OFFICER. The Senator is correct.

Mr. REYNOLDS. I insist upon that motion.

The PRESIDING OFFICER. Of course, the motion is debatable.

Mr. REYNOLDS. Mr. President, without this being charged to my time, I assume that it was announced this morning, when the roll was called, that our beloved colleague the senior Senator from Illinois [Mr. LEWIS] is absent. I learned from the columns of the newspapers—although I knew it before—that the Senator from Illinois is in my State of North Carolina, where on last evening he addressed the Bar Association of Western North Carolina, at which time hundreds of the citizens of North Carolina were invited to be present and hear the address of the Senator from Illinois on the subject of International Affairs.

I take pleasure in availing myself at this time of the privilege of reading a press notice from Asheville, N. C., as to what the Senator said; and, incidentally, I may now address this body upon international affairs, as I understand that, in view of the fact that I have the floor, this statement cannot be charged to my time upon the pending bill.

Mr. KING. Mr. President, I should not accede to the statement made by the Senator, because, in my opinion, the understanding which we reached would preclude the Senator, while the bill is before the Senate, from occupying a period in excess of the time agreed upon. If the opposite were true, the Senator might speak upon a multitude of questions while the bill is under consideration, and, depending upon his physical ability, hold the floor for an indefinite period.

Mr. REYNOLDS. Mr. President, I should like to say to the Presiding Officer of this body that I did make an agreement with the Senator from Utah [Mr. KING] to the effect that I would confine the remainder of my remarks upon the pending bill to a period and duration of 3 hours, and I shall now undertake to answer the inquiry directed to me on yesterday by the Senator from West Virginia [Mr. NEELY], at which time he inquired why I had agreed to limit my argument to a period and duration of 3 hours. I did not answer the inquiry then, but circumstances now are such that I feel it my duty to myself and to those who are interested with me in the question before us, which is of more importance than any other question before the American Senate today, to reply.

Mr. KING. Mr. President——

Mr. REYNOLDS. I cannot yield now.

Mr. KING. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state the point of order.

Mr. KING. The Senator from North Carolina has 44 minutes to his credit. He may not, under the rules, under the guise of answering a question which relates to the agreement and to the subject under discussion, talk indefinitely. I raise the point of order that he is now consuming a part of his 44 minutes. I want to be fair to him, and advise him that such is the parliamentary status.

The PRESIDING OFFICER. The Chair will state to the Senator from North Carolina that he may talk on anything he desires to discuss, but his time started at 1 o'clock and 35 minutes.

Mr. REYNOLDS. I raise the point, Mr. President, that I have a perfect right at this time to speak upon any subject I desire to debate if I do not talk about the pending bill. I have the floor. I made an agreement to limit my argument upon the pending bill to 3 hours, and I will state to the Presiding Officer of this body that I did not make an agreement not to talk upon any other subject. I now state that I am ready to talk upon international affairs, world trade. Perhaps I will talk about the Great Smoky Mountain National Park of western North Carolina.

The PRESIDING OFFICER. The Chair will state to the Senator from North Carolina that in a parliamentary sense he is speaking on the bill.

Mr. KING. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KING. I desire to give notice that later during the day I shall move to reconsider the vote by which the so-called tobacco-compact bill was passed.

Mr. REYNOLDS. I make the point that I am talking about the Senator from Illinois [Mr. LEWIS], and I wish to read what the Senator from Illinois stated last night in his address in North Carolina.

The PRESIDING OFFICER. The Parliamentarian of the Senate informs the Chair that the Senator from North Carolina is speaking on the pending bill.

Mr. REYNOLDS. Then I shall not speak. [Laughter.] I prefer to wait until the Senator from Utah [Mr. KING] has spoken. I understand that I have 45 minutes left, and I desire to use all of the 45 minutes in answering the Senator from Utah, who favors the passage of the pending bill.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. REYNOLDS. I gladly yield.

Mr. NEELY. Mr. President, permit me to inquire from what law or rule the Chair or the Senate derives the power to enforce private agreements between Senators to limit debate in this body?

The Senate has not adopted and probably never will adopt a general rule to restrict the freedom of senatorial speech.

The distinguished Senator Underwood, of Alabama, vigorously and eloquently advocated the passage of the last practical cloture measure that was seriously considered by the Senate. That measure was so decisively defeated that from the day of its rejection until this hour no Senator has had sufficient temerity to attempt to amend the Senate rules so as to interfere with the freedom of speech in this Chamber.

The PRESIDING OFFICER. If the Senator from North Carolina entered into an agreement which he now does not wish to stand by, he is at liberty, of course, to reject the agreement.

Mr. NEELY. Mr. President, has either the Chair or the Senate any power to enforce any private agreement between Senators concerning debate in this body?

The PRESIDING OFFICER. The Chair will state to the Senator from West Virginia that the Chair has no such power, and if the Senator from North Carolina wishes to repudiate his agreement with the Senator with whom he agreed, that is up to him.

Mr. KING. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KING. The Senator from West Virginia has not stated the situation quite accurately. It was not an agreement alone with the Senator from Utah; it was an agreement with the leader on this side, and an understanding with other Senators, notably, the colleague of the Senator from North Carolina, who were anxious to have the tobacco-compact bill taken up, and we who are in favor of the pending bill consented to permit the tobacco bill to be taken up, providing the debate, so far as the Senator from North Carolina was concerned, was to be limited to 3 hours; and he was very glad to accede to that.

The PRESIDING OFFICER. There is nothing in the RECORD about the agreement, and therefore it is just a gentleman's agreement between Senators, and they can repudiate it, stick by it, or modify it.

Mr. REYNOLDS. Mr. President, in reference to the word the Chair employed, "repudiate", I desire to state that I have never given my word to any Member of this body at any time about anything that I did not keep it; and I declare to the Members of this body, all of whom I admire, and for all of whom I have deep affection, regardless of who they are, and all of whom I am constantly boosting and never knocking, that I will never repudiate anything I say to any Member or any gathering of Members of this body. I propose to stand by my word, which is my word of honor, and is as good as if I had sworn upon Holy Writ itself, to limit my discussion and debate on this matter to a period and duration of 3 hours.

I am now directing the attention of the clerk to the fact that I do not consider the time I am now taking to be chargeable to my remaining 44 minutes, but, in view of the fact that this matter has arisen, I desire to state to the Senate, so that my constituents in North Carolina may know, so that all of the patriotic societies of the United States, which include the Daughters of the American Revolution, 5,000 strong, who are assembled in the Capital today, my reason for limiting my argument to 3 hours upon this all-important subject.

I am glad the Daughters of the American Revolution are assembled here. I am glad that the mothers of this country, whose forefathers stood by the red, white, and blue of the flag which stands behind the presiding officer of the Senate at the present time, are in the Capital today in order that they may know where I stand on this question.

Mr. President, what is the question? It is, Do you, Senator REYNOLDS, stand for the American or do you stand for the alien? To all those who now sit within the sound of my voice I repeat, I stand for the American. Therefore, I stand here declaring to the world that I am against the Kerr-Coolidge bill, because, I repeat, unhesitatingly and unblushingly, it is an un-American bill.

Mr. President, I will tell the American Legion; I will tell the Veterans of Foreign Wars; I will tell the Disabled Veterans of the World War; I will tell half a dozen other World War veterans' organizations; I will tell the 500,000 members of the Junior Order United American Mechanics; I will tell 500,000 trainmen, brakemen, conductors, firemen, engineers; I will tell thousands upon thousands of Daughters of the American Revolution and their sons and daughters and grandsons and granddaughters; I will tell the Sons of the American Revolution and their sons and daughters and grandsons and granddaughters; I will tell the Patriotic Order of the Sons of America; I will tell the millions of members of the 110 patriotic societies of America, whose cause I am endeavoring in my feeble way to champion here today, why I have been limited to 3 hours. It is because I was forced into it against my will.

How did it happen? I desire to take this opportunity to thank the Members of the Senate who recognized the embarrassing position in which I found myself, through no fault of my own, who came to me voluntarily and said, "I see the predicament you are in. It is a personal predicament you are in. It is no fault of yours. I will help you out of it." I wish to thank them for volunteering their services to me, to help me get out of the embarrassing situation. But the time did not come when I could have a vote on my motion in the Senate. If there had been a vote on it, the motion I made would have carried, because I had the support of those who recognized the embarrassing position in which I was placed. What was it? On Friday, April 3, and Saturday, April 4, it is true that I consumed almost the entire session of the Senate talking about the immigration question, fighting the pending bill, and I say to my colleagues that I have no apologies to make to any Member of this body for that. I have no apologies to make, because I was talking for the men and women of America who are interested in holding up the standards set by your forefathers. I took up that time in an attempt to defeat the bill which is before us now, and I have no apologies to make for what I did.

But, lo and behold, like lightning out of the clear sky, the bill known as the tobacco-compact bill came before us. That bill came to us from the House. It had been passed by the House, according to my recollection, by a vote of about 190 to 116. It was immediately sent to the Senate, and, thanks to those in charge of the business of the Senate at that time, it was read twice so that a motion could be made to consider it. There are 97,000 tobacco farmers in North Carolina, and I know personally about 50,000 of them. I smoke cigarettes, Mr. President, and, according to what my colleague the Senator from Missouri [Mr. CLARK] said the other day, they are the best cigarettes on earth because they are

made in North Carolina, from North Carolina tobacco. I know 50,000 tobacco-growing farmers in North Carolina, because I have ridden up every 'possum trail and walked down every stream in my State.

I used to chew tobacco. We all have to learn the ways of our friends. With every chew of tobacco I took, however, I made a vote or two, and I have not forgotten how to chew tobacco. [Laughter.]

I knew that those 97,000 farmers in North Carolina wanted the tobacco bill passed, and I further knew that I wanted them to continue to be my friends, because I shall run again for the Senate two years from now. I wanted all 97,000 of them to be my friends, and I was willing to do anything I could to help those 97,000 farmers. But, lo and behold, I was caught. The immigration bill was before us for action, and then there came the tobacco bill from the House, having been passed there, and we had to pass that tobacco bill this week in order that the tobacco farmers of North Carolina might be availed the opportunity of profiting by it if they saw fit. It will be necessary to call an extra session of the Legislature in North Carolina in order to take action in connection with the tobacco bill. Thousands of farmers marched upon the capitol at Raleigh the other day demanding that the Governor of North Carolina call an extra session of the legislature.

The immigration bill was before us. My colleague the Senator from Utah [Mr. KING] wanted the immigration bill to be acted upon. I wanted the immigration bill laid aside until we could pass the tobacco bill, but I could not get that done. I would not agree to limit my argument upon this question; but, lo and behold, the tobacco bill was taken up. Then my colleague from Utah told me that he would filibuster against the tobacco bill; and I knew that would defeat the wishes of the 97,000 tobacco farmers of North Carolina; and they would promptly swear that BOB REYNOLDS was responsible. So I said, "If you will not filibuster I will agree to take just 3 hours." That is how the agreement happened to be made. That is how I happened to agree to limit my remarks to a period of 3 hours. My colleague the Senator from West Virginia [Mr. NEELY] made inquiry of me concerning that matter yesterday. I did not then want to tell the people about it, but the argument had been brought before the Senate concerning how much time I had and why I was limited, and some Members stated that I could not commit myself or anybody else to 3 hours. However, that is the way the limitation occurred.

Mr. President, having explained my position I desire to read what our dear friend the Senator from Illinois [Mr. LEWIS] said in North Carolina the other day. I am not taking this time out of my 44 minutes. The Senator from Illinois in addressing the members of the bar of western North Carolina made certain remarks which I should like incorporated in the RECORD. I wish to say that the Senator from Illinois is very popular in North Carolina. We are always anxious to have him there. We love him as much in North Carolina as do the people of Illinois. I happen to know they do love him in Illinois.

I was in Illinois last summer and talked with scores and scores of people of all classes, from the most humble citizen to those living in the finer sections of the cities, and they had nothing but love and affection and fine things to say about their Senator. I quote from the press dispatch:

LEWIS URGES ISOLATION

ASHEVILLE, N. C., April 23.—Senator LEWIS (Democrat), of Illinois, last night called for a new American foreign policy based on isolation from the League of Nations, promotion of an inter-American peace union, and promulgation of an unbiased international law acceptable to all nations.

Addressing the eastern division, North Carolina Bar Association, the veteran Senate Foreign Relations Committee member said:

"America should set forth a new doctrine of international law, holding all nations in balance through obedience to regulations which give no preference or special license."

I am happy to have had the opportunity to read that news dispatch, which in a sense brings to our mind the fact that a proposal was made on the floor of the Senate that we enter the back door of the League of Nations by way of the World Court, and I believe most of us recognize now that if we had been in the League of Nations, with Sir Anthony Eden directing the affairs of Great Britain, and every other country, incidentally, which has been affiliated with the League of Nations, probably oil sanctions would have been brought about with the aid of the United States, and we would have been involved in another world war, all of which would have been attributable to our endeavoring to keep Italy out of Ethiopia.

Mr. President, why is Italy in Ethiopia? Charge an additional minute to my time. Italy is in Ethiopia because she is conducting a war of conquest of territory in order that her surplus population, resulting from the annual increase in population of 750,000 may be placed in Ethiopia upon the soil of the African Continent. Such action has become necessary to Italy by reason of our having raised the immigration bars in this country. Before the American people raised their immigration bars almost 50,000 Italians came to the United States annually. When those gates were raised, however, with the aid of the Daughters of the American Revolution and the Sons thereof, the great American Federation of Labor, the American Legion, and other military organizations who saved the world for Christianity and democracy, Italy had to find a new outlet. So she went down into Africa to snatch off a slice of land about the size of the State of California to provide an outlet for the yearly increase in her population of 500,000 to 750,000. If we had not raised the bars against immigration to this country; if the Daughters of the American Revolution, the Sons of the American Revolution, and all the rest of the organizations that are fighting this vicious, un-American bill tooth and toenail, had not stood at the floodgates and closed them with all their might and all their strength, Italy never would have had a war with Ethiopia. She would have had no reason to do so, because she already owned Italian Somaliland.

I yield the floor for the time being.

Mr. SHEPPARD. Mr. President, for several years efforts have been made to break down vital provisions of the immigration laws, but Congress has refused so far to take away this protection from the wage earners of our country. Inasmuch as American wage earners are fundamentally affected by immigration policies it will not be out of place to call attention to the attitude of the largest labor organization in our country toward this measure.

I am advised that a committee appointed by the executive council of the American Federation of Labor made a thorough investigation of this measure and declared that under no circumstances would labor approve of section 3.

According to its sponsors this bill was the outcome of the report of what was known as the Ellis Island committee. Forty-eight residents of New York were appointed to make a thorough investigation of immigration with the view of submitting legislation to Congress. No representative of the American Federation of Labor was on that committee. Neither President Green nor any other officer of the American Federation of Labor was asked to detail a representative to act for the American Federation of Labor.

Based on the report of this committee five bills were introduced, each of them having some provisions to weaken the immigration laws. Members of Congress who believe that the immigration laws should be tightened instead of weakened fought these bills until finally one measure was written, and it is now before the United States Senate for action.

The outstanding feature of the bill is the provision leaving it to the discretion of an interdepartmental committee as to whether any illegal entrant shall be deported. Section 3 provides that the interdepartmental committee may permit to remain in the United States any alien who entered the country illegally other than those deportable under the law enacted relating to prostitutes, procurers, or other like immoral persons, if the alien is of good moral character and has not been convicted of a crime involving moral turpitude.

If I am correctly advised, no such power, in our past history, has ever been given to any representative of the Government.

Under this bill three persons, appointed by the Secretaries of Labor, State, and Justice could permit, as they saw fit, anyone who has entered the country illegally to remain here if he—

(1) Has lived continuously in the United States for a period of not less than 10 years; or

(2) Has lived continuously in the United States for at least 1 year and has living in the United States a parent, spouse, legally recognized child, or, if a minor, a brother or sister, who has been lawfully admitted for permanent residence or is a citizen of the United States.

This bill provides that any alien not ineligible to citizenship as to whom there is no record of admission for permanent residence who has been permitted to remain in the United States in accordance with subdivision (a) of this section shall be recorded as admitted to the United States for permanent residence as of the date of the order permitting him to remain upon payment of a fee of $18 to the Commissioner of Immigration and Naturalization, such fees to be deposited in the Treasury of the United States as miscellaneous receipts.

It must not be forgotten that under present law illegal entry is a prison offense, and undoubtedly that provision would be repealed if the authority proposed were granted to the committee. If the bill becomes a law the deportation provisions of the immigration laws will be made discretionary instead of mandatory.

There are still millions of the unemployed in the United States, and I cannot understand how anyone can advocate legislation that will put a premium on the illegal entry of aliens. It is a permanent law that is proposed, and after 3 years it will be enforced by the Bureau of Immigration. There are millions of persons in foreign countries who are anxious to come to the United States, even under present conditions. If this bill is enacted it will be possible for many of them to steal into the country, hoping for security in the power given the interdepartmental committee by section 3.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. MOORE in the chair). Does the Senator from Texas yield to the Senator from Vermont?

Mr. SHEPPARD. Gladly.

Mr. AUSTIN. Has the Senator seen the amendment that was adopted by the committee and reported to the bill which limits that authority to 3 years? Does the Senator realize that the interdepartmental committee will not exist after 3 years?

Mr. SHEPPARD. I understand that, but I can anticipate that this limitation may be dissipated before the 3 years are over by additional legislation if the camel once gets his nose under the tent.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. SHEPPARD. Yes, sir.

Mr. REYNOLDS. In other words, if he gets his foot in the door, he is going to open the door?

Mr. SHEPPARD. Yes.

Mr. REYNOLDS. Does the Senator know how many aliens there are in this country today who are subject to deportation?

Mr. SHEPPARD. I do not know the exact number.

Mr. REYNOLDS. Of course not, because we have no registration; but would the Senator give us an estimate as to the number of aliens who are in this country today who are not entitled to be here?

Mr. SHEPPARD. I think it would require a special census to determine the number. If I am not mistaken, the bill of the Senator from North Carolina has some provision of that kind.

Mr. REYNOLDS. Would the Senator say there are anywhere from a million on?

Mr. SHEPPARD. Easily.

Mr. DAVIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Pennsylvania?

Mr. SHEPPARD. I yield.

Mr. DAVIS. Is the Senator of the opinion that we ought first to ascertain the number who are here illegally before we delegate any power?

Mr. SHEPPARD. Most certainly.

Mr. DAVIS. Especially when statements are being made that there are a million or more here illegally?

Mr. SHEPPARD. Undoubtedly.

Mr. REYNOLDS. Mr. President, will the Senator yield for a question?

Mr. SHEPPARD. I yield.

Mr. REYNOLDS. Does the Senator understand that the interdepartmental committee, which it is proposed to set up under one of the sections of this bill, will have 3 years in which to pass upon the question of whether or not an alien shall stay or be deported?

Mr. SHEPPARD. That was the statement of the Senator from Vermont.

Mr. REYNOLDS. Excuse me; I did not hear the Senator from Vermont.

Mr. SHEPPARD. I believe the Senator from Vermont made the statement that an amendment had been proposed limiting the authority of the committee to 3 years.

Mr. AUSTIN. Yes.

Mr. REYNOLDS. Does the Senator understand that the interdepartmental committee which, in all probability, will be functioning by way of clerks from each of the Departments of State, Labor, and Justice, will have an opportunity to pass upon thousands upon thousands of other cases?

Mr. SHEPPARD. Unquestionably.

Mr. REYNOLDS. Does the Senator understand that this bill does not merely affect the small number of 2,862? Does not the Senator understand that the 2,862 cases are merely a come-on, or sugar?

Mr. SHEPPARD. According to my understanding of the situation the Senator is correct.

Mr. President, is it possible that the United States Senate will approve a measure that will increase the number of unemployed in the United States? Can it be possible that the misunderstanding that has existed for months in reference to this measure has influenced any Member of the Senate to give it approval?

Mr. SCHWELLENBACH. Mr. President, the original discussion by the committee concerning this bill occurred so many weeks ago that I wish, on behalf of the committee, very briefly to discuss the provisions of the measure in order that we may recollect, despite what I consider to be very misleading suggestions which have been made about it, exactly what this bill is about.

Senators who have spoken in opposition to the bill have very carefully avoided discussing the portions of the bill which not only do not permit aliens to enter or to remain but which very definitely provide for the deportation of criminal aliens. Section 1 of the bill refers exclusively to a tightening of the present deportation laws so as to enable the Government to deport criminal aliens.

The Department of Labor estimates that there are available for deportation on the ground of criminal activity an average of 4,000 a year, and that at the present time, because of defects in the present law, we are able to deport only 1,700. Under the provisions of this bill, if enacted, there would be made immediately available for deportation a total of 20,000 criminal aliens now in this country, and it would mean that from the time of the enactment of the bill an average of 2,300 more per year would be available for deportation than are available at the present time. So when Senators talk about this bill as being one which opens up the gates, as being one which makes it possible for aliens to remain here who are not entitled to remain here, they are not presenting the actual facts about the bill, because, under the terms of the bill, 20,000 criminal aliens will be immediately available for deportation, and, in addition, 2,300 each year.

Mr. DAVIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Pennsylvania?

Mr. SCHWELLENBACH. I yield.

Mr. DAVIS. The Senator is making the statement that 20,000 will be deported. Will he also tell us the number that

would be left behind? An alien engaged in the narcotic business or the bootlegging business and deported would probably leave behind a wife and a family.

Mr. SCHWELLENBACH. Does the Senator from Pennsylvania mean to intimate that he is objecting to this bill because of the fact that, if enacted, it would leave behind the relatives of criminal aliens?

Mr. DAVIS. Oh, no.

Mr. SCHWELLENBACH. Then why is the Senator raising the question?

Mr. DAVIS. I am asking the Senator if he can give us an estimate as to the number.

Mr. SCHWELLENBACH. No; I cannot give an estimate. The Senator from Pennsylvania was Secretary of Labor for a number of years; nothing was done about this subject during that period of time, and I cannot give him an estimate.

Mr. DAVIS. Mr. President——

Mr. SCHWELLENBACH. Until I get through I will not yield. The attempt, in connection with this bill, to raise a camouflage, the attempt to raise a smoke screen about a condition of affairs which the Senator from Pennsylvania had more of an opportunity to correct than did anyone else in this country, is not justified. The Senator from Pennsylvania occupied the position of Secretary of Labor for a longer period than anybody else has occupied it, and because he did not take action during the time of his administration and did not do anything about it when the Republican Party was in power, now to try to raise that as an objection to this bill, in my opinion, does not evidence any degree of logic. This bill is a deportation bill. If it is desired to pass the bill the Senator from North Carolina [Mr. REYNOLDS] has introduced providing for the registration of aliens, the committee would say to the Senator from North Carolina that they will be glad to hear him on that bill, they will give him plenty of time and opportunity to bring in all his witnesses, but he will not take advantage of that. For the last 4 weeks the pending bill——

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. Yes, I yield; but I ask the Senator from Pennsylvania to refer to this bill and not to some other bill that has not anything to do with it.

Mr. DAVIS. I am referring particularly to this bill, and I ask the Senator if the number who would remain behind——

Mr. SCHWELLENBACH. I have said I do not know the number.

Mr. DAVIS. Could not go to the interdepartmental committee with their plea for justice and ask the committee to permit the criminal aliens in whom they were interested to remain or come back?

Mr. SCHWELLENBACH. Mr. President——

Mr. DAVIS. Just a moment. I want to ask the Senator about deportation.

Mr. SCHWELLENBACH. I am not going to yield to the Senator from Pennsylvania if he is going to make misstatements like that, and not give me an opportunity immediately to answer them. There is nothing in this bill that so provides, and the opponents of the bill know that there is nothing in it that so provides.

Mr. DAVIS. I know that there is. I want to follow the matter further with the Senator.

Mr. SCHWELLENBACH. The Senator will have ample opportunity in his own time to make statements and attempt to prove them. There is nothing in this bill which provides for that.

Mr. DAVIS. I will prove that to the Senator if he will give me an opportunity. The Senator made the statement that I did not take advantage of the opportunity to bring about the deportation of criminal aliens.

Mr. SCHWELLENBACH. Mr. President, I have the floor and I decline to yield. The Senator has raised a question as to the knowledge we may have today in reference to aliens in this country. That was the question the Senator raised and it was that about which I was talking. I said that when he, as Secretary of Labor during all those years, did not attempt to have Congress pass a bill providing for registration of aliens, I could not see how there could be any logic in his position today in coming here and talking about that matter when we have before us for discussion a bill which has nothing whatsoever to do with that subject.

Mr. REYNOLDS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from North Carolina?

Mr. SCHWELLENBACH. I yield.

Mr. REYNOLDS. In order that I may answer the challenge made by the Senator from Washington to the Senator from Pennsylvania by way of statement that the Senator from Pennsylvania did not do anything, I ask unanimous consent that there be published in the Appendix of the daily RECORD a speech delivered by Hon. JAMES J. DAVIS, Secretary of Labor, before the American Legion convention in San Francisco, Calif., October 15, 1923, which speech I obtained from the files of the American Legion, and in which speech the present senior Senator from Pennsylvania [Mr. DAVIS] then advocated, more than 10 years ago, everything that I am advocating today, and at the time he made that speech in San Francisco the Honorable HIRAM W. JOHNSON, of California, welcomed——

Mr. SCHWELLENBACH. Mr. President, I did not yield to the Senator for a speech. I have the floor. If the Senator from North Carolina wants to have something printed in the RECORD, that is all right, but I do not want it in the RECORD as a part of my speech.

Mr. REYNOLDS. I have asked that the speech might be printed in the Appendix of the daily RECORD.

The PRESIDING OFFICER. If there is no objection, the speech referred to will be printed in the Appendix of the daily RECORD.

(The speech referred to appears on p. 5928.)

Mr. DAVIS. Mr. President, I want to answer that portion of the statement of the Senator from Washington with reference to deportation, in which he suggested that I did not do anything about it at the time.

Mr. SCHWELLENBACH. Mr. President, I shall not yield for a speech by the Senator from Pennsylvania. He and the Senator from North Carolina have taken much of the time of this body for the last month, and they are not going to keep me standing here now while they occupy our time all afternoon. I am discussing the bill. I am willing to yield to the Senator from Pennsylvania if he wants to ask me a question, but I am not going to yield to enable him to make an argument, because this is nothing more nor less than a filibuster, and I am not going to let him filibuster in my time.

The PRESIDING OFFICER. The Senator from Washington declines to yield.

Mr. DAVIS. Mr. President——

Mr. SCHWELLENBACH. I refuse to yield.

Mr. DAVIS. I have not taken 5 minutes——

The PRESIDING OFFICER. The Senator from Washington declines to yield.

Mr. DAVIS. Does the Senator refuse to yield?

Mr. SCHWELLENBACH. I said I refused to yield to permit the Senator from Pennsylvania and the Senator from North Carolina to filibuster against the bill. I think that is perfectly understandable.

Mr. DAVIS. I want the Senator to understand perfectly that I am not filibustering. I am trying to give the Senator from Washington some information with reference to the bill, but it seems that he does not want any information.

Mr. SCHWELLENBACH. I refuse to yield further. If the Senator from Pennsylvania insists upon talking despite my refusal to yield, there are methods by which he might be stopped from talking. I have the floor.

Mr. DAVIS. If the Senator from Washington refuses to yield, I shall take my seat.

The PRESIDING OFFICER. The Senator from Pennsylvania is out of order because he is talking when the Senator from Washington has declined to yield. The Senator from Washington has the floor.

Mr. SCHWELLENBACH. I am still willing to yield for a question, but only for a question.

Mr. DAVIS. Will the Senator yield to receive some information?

Mr. SCHWELLENBACH. No; I shall not yield, because I am not going to permit the Senator from Pennsylvania and the Senator from North Carolina to filibuster against this bill in my time.

Mr. DAVIS. The Senator from Pennsylvania is not filibustering.

The PRESIDING OFFICER. The Senator from Pennsylvania is out of order. The Senator from Washington has the floor and will proceed.

Mr. SCHWELLENBACH. Section 1 of this bill, as I said before I was interrupted to discuss a subject which is in no way germane to the subject of the bill, provides for the deportation of criminal aliens, and despite all the talk that may be made about the fact that this bill opens up the floodgates to immigrants and permits aliens to remain in the United States who should not remain here, it will result, if enacted, in the deportation of 20,000 criminal aliens at once, and an increase in the number which may be deported to 2,300 per year.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield for a question only.

Mr. DAVIS. Section 1, paragraph 2, as I see it, makes it possible to deport an alien for a legitimate fisticuff, for the most trivial affair——

Mr. SCHWELLENBACH. I yield for a question only. If the Senator from Pennsylvania wants to be discourteous I shall refuse to yield at all. I have yielded for a question and for nothing else.

Mr. DAVIS. Very well. Does section 1, paragraph 2, make it possible to deport an alien for a legitimate fisticuff?

Mr. SCHWELLENBACH. I cannot understand the Senator's last word—a legitimate what?

Mr. DAVIS. For a legitimate fisticuff—two fellows getting together and one cuffing the other.

Mr. SCHWELLENBACH. Does the Senator mean a brawl, an ordinary fist fight?

Mr. DAVIS. I would not say an ordinary fist fight. I mean just two men meeting for a discussion and one punching the other. Could he be deported under that particular provision of the bill?

Mr. SCHWELLENBACH. I think if the Senator from Pennsylvania would only read the bill he would have a better understanding of it. I will read clause 2 of section 1:

> * * * has been convicted in the United States, within 5 years of the institution of deportation proceedings against him, of a crime involving moral turpitude.

An ordinary brawl or fist fight does not involve moral turpitude, and therefore the answer to the question of the Senator from Pennsylvania is "No."

Mr. DAVIS. But it goes on further to say——

Mr. SCHWELLENBACH. I have answered the Senator's question.

Mr. DAVIS. I shall not interrupt the Senator during the rest of his discussion.

Mr. SCHWELLENBACH. I thank the Senator very much. I appreciate that promise.

Section 2 of the bill is a further limitation upon the power of the court to excuse a person convicted of a crime from the penalty of deportation. At the present time the court itself has the power, as a part of its sentence or within 30 days thereafter, to determine whether the particular person convicted shall be subject to the penalty of deportation. This amendment provides that that power shall be subject to the acquiescence and the affirmation of the Commissioner of Immigration. It extends the time, it is true, from 30 days to 90 days; but, nevertheless, it is a restriction upon the power and tends rather to increase deportations than to decrease them.

We come now to section 3, about which there has been the most discussion. It is the section as to which many witnesses appeared.

The question before the Senate at the present time is whether or not this bill shall be recommitted to the committee. It is my personal theory that where a committee of this body has given due and complete consideration to a bill and then has reported the bill as the result of evidence taken and investigation made and consideration given, it should not be attempted to defeat the bill by resort to the parliamentary procedure of recommitting it to the committee. Personally I have never been willing to vote to recommit a bill just because I was opposed to it. I think that is not the proper way to legislate. The particular bill has received full and complete consideration by our committee. I do not know how many dozens of witnesses we have heard. We have held four public hearings occupying four different periods of time on four different days. We heard every witness who wanted to be heard, and we heard dozens of them.

An interesting thing about the bill is that one group of witnesses was opposed vigorously to one part of the bill on the ground that it was too lenient and too liberal. I think the expression made by the representative of the American Bar Association, Mr. Justin Miller, who spoke on behalf of the American Bar Association, pretty well describes that condition. In speaking in favor of the bill, in behalf of the American Bar Association, he said:

> It has been attacked by some because of some provisions, with the statement that they approve others. It has been attacked by others who say that they approve those parts disapproved by the first group, and vice versa.

Our committee, after hearing the witnesses, met on two different occasions; and I call to the attention of the Senate the fact that the bill appears as a committee substitute. In other words, so many amendments were made by the committee, as a result of suggestions we had received, that we decided that the bill could not be written in the ordinary way with the amendments in italics, and had the whole measure reprinted as a substitute. The bill has received thorough consideration from the committee, and there is absolutely no value to sending it back to the committee. It is not an immigration bill.

The Senator from North Carolina has a bill here, the Reynolds-Starnes bill, which is an immigration bill. It provides for registration of aliens and certain further restrictions on immigration. That bill has nothing to do with the bill which the Senate today is considering. That is an immigration bill. This is a deportation bill.

As to section 3, many persons felt that it was too stringent, and many felt that it was too lenient.

Something has been said about the American Federation of Labor being opposed to the bill. The American Federation of Labor appeared before the committee by their legislative representative, who is personally opposed to the bill. He submitted, however, a statement made by a special committee appointed by the American Federation of Labor to consider the bill. They wrote a letter in which they reported to Mr. William Green, the president of the federation, on February 19. In that letter they said:

> With reference to section 1, our committee does not object to this section in principle; to the contrary, it believes it an improvement upon the existing law.

They suggested certain changes which they thought were desirable, and the Committee on Immigration has very largely adopted those changes.

> With reference to section 2, no objections were urged on our part; to the contrary, we approved the general purpose and objective embraced.
>
> * * * * * * *
>
> Section 3, your committee disapproved.
>
> * * * * * * *
>
> Section 4 relates to change of status of the alien. * * * Your committee does not object to this section in principle.
>
> * * * * * * *
>
> Section 5 is heartily concurred in.

In other words, as to the five sections of the bill, the American Federation of Labor was not only not in disagreement with four of them, but was in a spirit of approving them; and in one of them the Federation of Labor heartily concurred.

What is section 3?

The amendment we agreed to accept today, proposed yesterday by the Senator from Vermont [Mr. AUSTIN], changes the provisions of section 3 as compared with the discussion of the Senator from Texas [Mr. SHEPPARD] in reference to it. It provides for what are called hardship cases. It provides that in the case of noncriminal aliens who have come in here, and who are guilty of the crime of illegal entry but are guilty of no other crime, under the amendment of the Senator from Vermont—that means of any crime either before or after they came into this country—who are persons of good moral character, who have been here for 10 years, or who have, at least a year prior to the time of enactment of the bill, married, acquired a family, have children or parents in this country who are citizens of this country, the interdepartmental committee shall have power to pass upon the question as to whether or not they shall be entitled to remain in this country.

In all the discussion before the committee, out of all the persons who appeared in opposition to section 3, there were none who said that the United States of America should take the most inhumane attitude and throw out all of these aliens. The objection which was raised to section 3 by all the opponents of the section before the committee was that they felt that it gave too much power to an interdepartmental committee.

Recognizing to a certain extent that objection, the committee in their final meeting adopted two changes in section 3: First, that it shall apply only to those who came into the country prior to the enactment of the bill; second, that the interdepartmental committee shall exist for a period of 3 years only, and that after that time section 3 shall be absolutely of no further force and effect.

I appreciate the argument made by the Senator from Texas [Mr. SHEPPARD] that once an organization is created there is the possibility that it may continue. However, in the consideration of section 3 we do have to recognize the fact that the policy of this Government from the time of its beginning has been one of friendliness toward immigration. We have built up our country upon the basis of immigrants. All of us look back to somebody who was an immigrant—a grandfather or grandmother or great-grandfather or great-grandmother somewhere back in our family history. This country has been developed by immigrants. Comparatively few years ago we in this country changed our policy. We reached a point in our economic development where it was necessary to change our policy. Our labor supply became such that we could not leave the gates open any longer, and we closed them.

As a part of this change of policy and a difference of attitude of the people of this country toward immigration we have in this country today many persons who have come in illegally. We may call them criminals if we desire. They have violated the entry law. In my personal practice I have had a large number of persons come to me—and I never specialized in immigration work—who have said, "I thought I was in this country legally. I went up and tried to be naturalized, and I find that I am not here legally. I did not do a certain thing which I should have done when I came in. What can I do about it?" I have had to tell them that they probably would have to go out and come back into the country again. Before the enactment of the quota laws there was no difficulty about that, but since the enactment of the quota laws there has been difficulty.

We have changed our policy, and we have in this country today, so far as the efforts of the Department of Labor are concerned, 2,862 known cases of persons whose families would be subjected to very extreme hardship if deportation should occur. I do not think there is anybody here, I do not care what his attitude may be upon the question of immigration, who feels that there should be deportation in a case where a father came into this country 11 years ago, he has two or three children born after that time, 1, 2, 3, 4, 5, or 6 years of age; they are citizens of this country, and he, because of the fact that he failed to comply with some provision of the immigration law, finds himself now subject to deportation. He may be sent back to Italy, but the children cannot go to Italy. They are citizens of this country. The wife and family stay here; the father is sent back to Italy, and they become public charges.

The Senator from North Carolina [Mr. REYNOLDS] pointed out a certain number of these cases and, as I remember, he talked probably 5 or 6 hours about three or four of them where, according to the Senator from North Carolina, the persons were not of good moral character. They have been guilty of certain violations of law. I have here the answer of the Commissioner of Immigration and Naturalization to the arguments made by the Senator from North Carolina, in which he denies those statements, but I am not going to attempt to put the matter upon that basis. I think we may rest assured that with all the diligence of the opposition to this bill, and the fact that the list of cases has been available in the House for a considerable period of time, with all the ability and diligence of the Senator from North Carolina, he brought to us all the cases which were subject to criticism.

Let us assume that out of the 2,862 cases there were 28 cases where mistakes were made. They have not that many. I do not know how many cases the Senator discussed, but something like four or five or half a dozen cases. Assume, however, that 1 percent of the total number were wrong. Let us assume that in his investigation the Commissioner of Immigration and Naturalization made a mistake in 1 percent of the cases. That does not argue that the other twenty-eight hundred and thirty or forty should be subjected to hardship because of the fact that the Commissioner made a mistake in the few cases I have mentioned. I do not say that he admits having made a mistake. He answers directly the arguments made by the Senator from North Carolina; but I do not propose to be diverted, and I do not think we should be diverted from the issue by getting into a discussion as to who is right about that. Let us assume that in 28 cases, persons who were guilty of crime did get on this list of 2,862. That is simply a percentage of error upon the part of the administrative department, and we have to accept that. The Senator has pointed out only four or five or six of them, assuming that he is correct about it.

The Senator from North Carolina said day before yesterday, however, that this would mean that millions of persons would be entitled to come in. I asked him how. "Well", he said, "because if this hardship-case alien is permitted to stay here, his family can come in." It is true that his family would have a preference in coming in, but it would simply be a preference under the quota. The only persons entitled to come in as the result of that, under section 4 of the old act are nonquota immigrants, who are defined as follows: An immigrant who has an unmarried child under 21 years of age, or the wife of a citizen of the United States or the husband of a citizen of the United States by a marriage occurring previous to June 1, 1928.

Calling your attention to the fact that it is the fact of having a wife or a child here in this country who is a citizen, the only persons who could come in would be the children of these 2,862 who were born in foreign countries prior to the time the immigrants got here. I think it must be agreed that if the Senator from North Carolina is anywhere near correct in his contention that this would permit millions to come in, he must conclude that these gentlemen, the 2,862 of them, were certainly very prolific before they left their home lands in order to have millions of children waiting to come in now. [Laughter.] There is nothing whatever to that argument.

Let us assume, however, as I do, that the Commissioner of Immigration has made a mistake. The pending bill merely provides that an interdepartmental committee will then pass upon the 2,862 cases, and that for a period of 3 years, in respect to the cases which are discovered by the Immigration and Naturalization Service, this interdepartmental committee will have a discretionary right to pass on them. As I said, I do not believe even the Senator from North Carolina would

want us to deport all of these cases. One argument that is made is that Congress should not delegate this authority to a committee, to the administrative branch of the Government, but that we should pass on each case in the Congress as a separate matter.

It seems to me that all we need do is to consider what would happen if that were the practice. Suppose there should be introduced in the Senate 2,862 bills right now to determine whether or not those people were to be allowed to remain in this country.

Mr. KING. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield.

Mr. KING. I may say that both in this branch of the Congress and in the House of Representatives a large number of bills are pending to deal with some of these cases, separate bills, introduced by Representatives and Senators.

Mr. SCHWELLENBACH. I thank the Senator. If the contention of the opponents is correct, that we should have separate bills, I appeal to any Member of the Senate as to what would happen. Senators know how much consideration these cases would get if tomorrow we should have 2,862 of these bills dumped in and referred to the Committee on Immigration. There would be dozens on dozens of cases referred to each member of the committee, the bills would come before the Senate, and it would be absolutely impossible to clean up the situation by that method. The purpose of the pending bill is to clean up the situation during the period of the next 3 years.

As I have said, in the committee as it met there were many divergent views. There were many things in the bill of which I did not approve. The Senator from Georgia presented many objections to the bill, the committee accepted a number of very valuable suggestions he made, and the amendments which are in the bill are very largely the result of his suggestions.

There is a condition under which there are in this country this number of people. There is talk about breaking down immigration, and about the patriotic societies objecting to it, that it is something which will destroy America, and all that. No honest, candid discussion of this subject can present that point of view, because certainly nobody can claim that the permission to a department to deal humanely with 2,862 people is going to break down the standards of America. If the opponents of the bill think that America is on such tenuous ground that the enactment of a measure of this kind is going to destroy it, I do not think they have very much confidence in the future of the country.

Going briefly through the other parts of the bill, section 4 is the provision relating to an alien who is in this country legally; he may come in as a student, for example, get a temporary right to come into the country, and then may wish to change his status from that of a temporary resident to that of a permanent resident. Under the present procedure he has to go from this country back to his own country and reenter, come in under the quota. That is silly; it is foolish. If I am an immigrant in this country, coming even from Canada, and I desire to change my status, there is no reason in my having to go back to Canada. If I am from a quota country, there is no sense in making me go back, because the quota can be charged just as well by having my status changed here as by making me take the trip back home and come to this country again. That is the situation with which section 4 deals. It would not increase the number of immigrants who might enter. It would charge them to the quota. It merely provides that instead of making a foolish and unnecessary trip, an immigrant who has entered legally and is in the country legally, may change his status by simply making application, and, on the granting of the application, having his status changed.

Section 5 refers to the registry of aliens and would give to those who desired to register and who entered prior to July 1, 1924, the same right as that possessed by those who entered prior to July 3, 1921.

Section 6 is simply procedural, having to do with the burden of proof.

Section 7 is simply a provision for fees.

Section 8 is a provision which gives to the Bureau of Immigration and Naturalization the power to pick up criminal aliens. At the present time the Department estimates that some 2,500 aliens a year are escaping detention because of the fact that they are not able to pick them up. They see some alien whom they suspect, and they have to get a warrant, and during the time taken to do that the alien disappears. This measure would give to certain designated employees of the Department the right to pick up the aliens and hold them for not more than 24 hours, and immediately report to the Commissioner of Immigration. It is a strengthening of the law rather than a weakening of it.

Section 10 is simply a routine provision.

Section 11 sets up an interdepartmental committee, which, under section 3, can exist for only 3 years.

Section 12 is purely a procedural matter.

Section 13 is the only immigration feature of the bill. When the quota laws were enacted it was provided that certain preferred quotas should be given for those engaged in agriculture, the thought being that we needed agricultural labor in this country. It has been found that that condition no longer exists, and the last section of the pending bill merely repeals that feature of the law and is a further restriction upon immigration.

Stripped of all the talk about "American", about patriotic organizations, and things of that kind, stripped of all that talk, the bill gets down to some very practical facts. Under it we could deport 20,000 people immediately. We could pick up annually 2,500 criminal aliens in this country, who, the Department says, are not subject to being picked up at the present time. Under it we could send out 2,300 a year more than we can under the present law. It would be a strengthening of the deportation law.

Section 3 does not provide that these people shall remain in this country, but it does say that in interdepartmental committee, which can consider all the facts in relation to those who are not criminals, who are of good moral character, and who come within certain classifications, shall have the right to say to them, as some similar agency in every other country in the world has a right to say to such people, "We will not separate your families. We are not going to subject you to these conditions."

As I said before, there are some of the cases, undoubtedly, in which the Commissioner of Immigration has been in error. The purpose of the bill will be to submit the findings in those cases to the interdepartmental committee, a committee consisting of a representative of the Department of State, a representative of the Department of Labor, and one of the Department of Justice, and let this country get in line with all the rest of the countries of the world in humane treatment of those who desire to enter the country.

Just one other word. Personally, I believe that the bill in its ultimate effect would result in a decrease in the number of aliens in this country. The Senator from North Carolina has a bill here, and I am very much in favor of many of its provisions. It is an immigration bill. The committee is perfectly willing to have a hearing on it, and to give the Senator an opportunity to be heard. But to send the pending bill, which has been thoroughly considered, back to the committee in order to get it mixed up with an immigration bill just is not proper legislative procedure, and there is no logic to it. If the Senate does not believe in the pending bill, it can vote it down, but certainly it should not attempt to send it back to try to get some sort of a hybrid bill which would be half immigration and half deportation. There is no reason why we should attempt to do that.

Mr. AUSTIN. Mr. President, assuming that a vote is about to be taken on the pending question, I wish to make a statement with respect to my position. In view of what the RECORD shows to be the attitude of the committee with respect to my amendment—that is, that they will accept the amendment—I shall, of course, not vote to recommit the bill to the committee, but my position must be understood to be

exactly what it was yesterday, when I stated, as appears at page 5871 of the RECORD:

I say frankly I favor the Reynolds bill over the bill reported by the committee, even with my amendment adopted. But I say also that if the Reynolds substitute should not be accepted by the committee, I would vote for the bill reported by the committee, provided my amendment should be adopted, because of those two things, namely, increasing the power of the Government to deport criminals and giving the power of clemency to the Government to protect hardship cases where the person involved is not a criminal.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Carolina to recommit the bill.

Mr. MCNARY and Mr. KING rose.

Mr. KING. Mr. President, does the Senator from Oregon desire to address the Senate?

Mr. MCNARY. No, Mr. President. I thought a vote was about to be taken. I was about to suggest the absence of a quorum.

Mr. KING obtained the floor.

Mr. WALSH. Mr. President, will the Senator yield in order that I may suggest the absence of a quorum?

Mr. KING. Mr. President, Senators have evinced no particular interest in the bill. However, I shall yield for a quorum call.

Mr. WALSH. I raise the point of no quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Holt	O'Mahoney
Ashurst	Clark	Johnson	Overton
Austin	Connally	Keyes	Pittman
Bachman	Coolidge	King	Pope
Bailey	Copeland	La Follette	Radcliffe
Barbour	Couzens	Logan	Reynolds
Barkley	Davis	Lonergan	Robinson
Benson	Dickinson	Long	Russell
Bilbo	Dieterich	McAdoo	Schwellenbach
Black	Donahey	McGill	Sheppard
Bone	Duffy	McKellar	Shipstead
Borah	Fletcher	McNary	Steiwer
Brown	Frazier	Maloney	Thomas, Okla.
Bulkley	George	Metcalf	Thomas, Utah
Bulow	Gerry	Minton	Townsend
Burke	Gibson	Moore	Truman
Byrd	Glass	Murphy	Tydings
Byrnes	Hale	Murray	Vandenberg
Capper	Harrison	Neely	Wagner
Caraway	Hatch	Norris	Walsh
Carey	Hayden	Nye	White

The PRESIDING OFFICER (Mr. ADAMS in the chair). Eighty-four Senators having answered to their names, a quorum is present.

Mr. KING. Mr. President, in view of a statement made a few moments ago by the Senator from North Carolina [Mr. REYNOLDS], I deem it proper to present the facts with respect to what has occurred in connection with the consideration of the pending measure. I might add that though it is not germane to the bill, I do not think that the Senator's statement to the effect that he had been limited to 3 hours for a discussion of the bill should pass without comment and without the presentation of what I regard as the facts in connection therewith.

The bill has been before the Senate for a long time. It has been discussed upon a number of occasions by the Senator from North Carolina, and no effort whatever has been made to deny him or any other Senator every opportunity to discuss the bill. On the 13th of February the Senator from North Carolina occupied more than an hour and a half in discussing the question of immigration. On the 17th of March the Senator offered a resolution dealing with immigration, and addressed himself to the same for an hour. On April 3 the Senator consumed approximately 3 hours in discussing the so-called Kerr-Coolidge bill, and on April 4 he devoted more than 2½ hours to a discussion of the bill. On April 21 he discussed the bill for 2½ hours, and on April 22 he occupied the floor in a discussion of the bill for substantially the same period.

Today the Senator referred to his motion to recommit the bill and then occupied the floor for perhaps one-half or three-quarters of an hour. An examination of the RECORD upon the days referred to, will, I believe, furnish convincing evidence that the Senator has spoken upon the bill for at least 12 hours.

In my opinion the Senator from North Carolina and the Senator from Pennsylvania [Mr. DAVIS] gave evidence of their purpose to prevent a vote upon the bill even if it was necessary to filibuster to bring about that result. My friend from Pennsylvania, who sits on the other side of the Chamber, stated to me but a few days ago, when pointing to two large volumes on his desk, that he intended to speak for 2 days and to avail himself of the books mentioned. Perhaps he was jesting. However, his statements to me then and subsequently led me to believe that it was the purpose of the Senators referred to to prevent a vote upon the pending bill. During the addresses of the Senator from North Carolina he read for several hours what he claimed to be facts in regard to several aliens who would be the beneficiaries of the bill before us if it should become law. I could not refrain from believing at the time he was challenging attention to these cases, that he intended to defeat the bill. Statements were made by him indicating that the debate upon the measure before us would be continued until the Senate, by reason of the pressure of business, would feel constrained to displace the pending measure and proceed to the consideration of other bills.

In the discussion today the Senator claimed that he was limited to 3 hours in which to discuss the bill. I cannot help but believe that the Senator desired the inference to be drawn from his statement that an improper limitation had been imposed upon him and that he desired the public, and the people of North Carolina and patriotic organizations of the United States, to believe that he had been denied an opportunity to discuss the bill. I leave it to the Senate and the RECORD to determine whether any effort has been made upon the part of the proponents of the bill to deny the Senator from North Carolina, or any other Senator, the fullest opportunity to point out the weaknesses or the virtues of the bill before us.

The Senator from North Carolina alluded to the fact that the tobacco bill was before the Senate the other day and that he was forced into an embarrassing situation, which resulted in his consenting to restrict to 3 hours any further arguments upon his part on the deportation bill. May I be permitted, in view of the fact that the Senator has elaborated his view regarding that incident, to give what I believe are the facts, or at any rate my recollection of the facts.

The deportation bill was under consideration and, as I have stated, has been before the Senate upon various occasions since February 13. Senators know that toward the closing hours of the session there are many important bills which should be considered. Senators upon both sides of the aisle have appealed to the leader upon this side of the Chamber for opportunities to take up their bills, and in every possible way he has conformed to their wishes and undoubtedly has often subordinated his own views in order to meet the desires of his colleagues.

We know that as we approach the end of the session—and God speed the day when we may adjourn—there will be greater pressure to pass pending measures. After the deportation bill had been before the Senate for several days, and the Senator from North Carolina had spoken for many hours—and I am not criticizing him—and the bill was still under consideration before the Senate, and the desire, at least upon the part of the proponents of the bill, without interfering at all with legitimate debate, was to secure a vote on the bill, the Kerr tobacco bill was brought before the Senate.

Mr. REYNOLDS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. KING. I yield.

Mr. REYNOLDS. Will the Senator agree that he stated that unless I agreed to 3 hours on the immigration bill he would filibuster on the tobacco bill?

Mr. KING. No; that was not my statement.

Mr. REYNOLDS. May I ask the Senator what he did state?

Mr. KING. If the Senator will wait until I shall have concluded my observations I think he will be satisfied with the accuracy of my statement. The junior Senator from North Carolina and his colleague, as I recall, conferred with a number of Senators favorable to the pending bill, with a view to ascertaining whether the deportation bill could be laid aside in order to consider the tobacco bill—a measure which was regarded as of great importance to North Carolina and other tobacco States.

I regarded the tobacco bill as one presenting legal questions, as well as those of economic importance. It seemed to me that the importance of the questions involved merited several hours for proper consideration. The Senators from North Carolina stated that it was important that the tobacco bill be taken up and passed that day; indeed, the junior Senator stated there would be a meeting at Raleigh, N. C., at 2 or 3 o'clock that afternoon and he was anxious to have the bill passed by that hour if possible, but certainly before the meeting adjourned. I told him that I, too, was desirous of having the tobacco bill considered, and, so far as I was advised, passed after due consideration, but I stated that as the deportation bill had been laid aside upon a number of occasions for consideration of other measures I did not feel warranted, without the consent of the members of the Committee on Immigration, to consenting to have it again laid aside for the consideration of any other measure, particularly in view of the fact that there was evidence in part based upon the position of the Senator that the debate on the deportation bill would be prolonged perhaps for an indefinite period.

Both Senators again conferred with me and I stated that if the debate upon the deportation bill was to be a filibuster then I would not consent to lay aside the deportation bill for the purpose of taking up any other measure. I spoke only for myself as a member of the committee. I further added that if the filibuster continued against the deportation bill it might provoke a filibuster or retaliation with respect to the tobacco measure, as well as other measures. That statement by me was based upon the attitude and statements of the junior Senator from North Carolina and the Senator from Pennsylvania [Mr. DAVIS], that the deportation bill would be defeated if it was within their power. I then stated that as the junior Senator from North Carolina had debated the deportation bill for several days, it seemed to me that if he had 2 or 3 hours more he ought to present his views upon the measure, and that with such an understanding, an understanding as to the time which would be devoted to the tobacco bill, I should have no objection to laying aside the deportation bill.

Mr. REYNOLDS. Will the Senator yield for a question?

Mr. KING. I think the junior Senator from North Carolina and the senior Senator from North Carolina stated that that would be satisfactory.

Mr. REYNOLDS. Let me asked the Senator a question.

Mr. KING. Very well; I yield.

Mr. REYNOLDS. If the junior Senator from North Carolina had failed to accept an agreement to speak 3 hours, may I inquire what the Senator from Utah would have done about the tobacco bill?

Mr. KING. We did not reach that contingency. If the Senator had said, "I am going to continue this filibuster and talk indefinitely", I am not sure what would have been the result.

Mr. REYNOLDS. May I ask what the Senator would have done?

Mr. ROBINSON. Mr. President, may I submit an inquiry? If gentlemen saw fit to make an agreement, what difference can it make after the agreement has been made?

Mr. KING. None; and I should not have adverted to it except for the implied criticism of my friend from North Carolina when he had the floor a few moments ago. It is always well to have the facts before us.

Mr. President, the Senator from Washington [Mr. SCHWELLENBACH] has just delivered an unanswerable argument in favor of the pending bill. It seems to me that those who had the privilege of hearing it will find it impossible to vote against the bill. The facts presented by him refute the arguments submitted by the opponents of the measure, and demonstrate that opposition to the bill is without merit and is founded upon a misunderstanding of the bill and the objects which it seeks to accomplish. Efforts have been made by those opposed to the bill to convince not only the Senate, but the country, that the measure we are considering is an immigration bill, and that it will undermine our restrictive immigration policy and open the gates of our country to an influx of aliens. I do not want to be critical, but I respectively submit that the campaign waged against the bill and the propaganda spread throughout the country have not been free from insincerity and have aroused wholly unjustifiable fears upon the part of many patriotic American citizens. The opposition to the bill has not infrequently rested upon the assumption that those who supported it were, perhaps, lacking in devotion to American ideals, if not to patriotic impulses. Undoubtedly, the erroneous and fantastic statements which have been circulated are responsible for much of the opposition to the bill. Members of several organizations who have indicated opposition to the bill, have been misled as to its purposes and to the results which will follow its enactment into law.

As I have stated, it is not an immigration bill but a deportation bill. Instead of the measure being injurious to labor or harmful to the American people, it will prove highly advantageous and beneficial to every field of activity and every branch of industry. Instead of liberalizing or broadening our immigration laws, it provides further restrictions; it will remove from the United States at least 20,000 aliens who are found in all parts of the United States, many of whom are competing in the fields of labor with American citizens. For a number of years the Department of Labor has urged a measure of this character in order that thousands of aliens who under existing law cannot be deported may be removed from our shores.

Mr. President, I am persuaded that those who are familiar with the bill and understand what it will accomplish will heartily support it. No one can charge that the Department of Labor, which has been so zealous, particularly under this administration, in protecting the American labor and all who are engaged in our industrial life, would urge a measure that would prove in the slightest degree inimical to the American people, and particularly to American labor. The Department of Labor is proving a faithful guardian of the rights, not only of labor but, so far as it is within its prerogatives, the rights of American citizens. If this bill shall be defeated, then labor can justly charge the opponents of the bill with the retention in the United States of at least 20,000 aliens, many of whom have criminal records, and some of whom will compete with American citizens in the fields of labor and industry.

The proposition is squarely presented: Shall 20,000 undesirable aliens be deported, or shall they remain in the United States? Shall approximately 2,800 aliens who may be deported under existing law—not because of crimes or because they are undesirables—be permitted to have their cases reviewed by a competent board for the purpose of determining whether they shall be permitted to remain in the United States? And as a part of the latter proposition, and as a necessary corollary to it, whether four or five thousand children born in the United States of American mothers shall be left without support because their fathers, under the strict and rigid application of existing immigration laws, may be deported?

The problem before us presents the question as to whether American mothers of these thousands of children shall be deprived of their husbands and have the burden cast upon them of attempting to feed and clothe and educate their children. It is obvious that this bill does not deal with immigration; it deals with present and immediate problems—problems involving the lives and welfare of several thousand people, many of whom are American citizens. The deportation of a limited number of aliens who are not

charged with crime, who are industrious and honest, and who are supporting their wives and their children, and who are a part of the industrial life of the Nation—this is one of the questions before us. The other question is that of obtaining authority to remove from our shores approximately 20,000 persons who are violators of law and whose presence is inimical to the peace and welfare of American citizens.

Those who oppose this bill in effect vote to keep these 20,000 aliens in the United States. Those who oppose this bill vote to deprive five or six thousand children of the support and companionship of fathers who have been in the United States for many years; whose wives and children are American citizens and who by their industry have not only supported their families but have found a place in the social and industrial life of our country.

Mr. WALSH. Mr. President, will the Senator yield to permit a few questions?

Mr. KING. I yield to the Senator from Massachusetts.

Mr. WALSH. As I understand the bill, aside from the last section, it merely deals with the method of treating certain aliens who are subject to deportation from this country. Am I correct?

Mr. KING. I think the Senator is correct.

Mr. WALSH. The Department of Labor has through the years discovered that there are aliens who originally entered this country illegally, and that economic, social, and domestic conditions have arisen which would result in grave hardships being imposed if the present deportation laws were carried out and the aliens in question were deported.

Mr. KING. As I understand the Senator, he accurately states the situation. He might add, however, that many of the aliens referred to were only guilty of a technical infraction of the law.

Mr. WALSH. And this bill is before us by reason of the fact that the Department of Labor believes that it is in the interest of charity——

Mr. KING. And humanity and justice——

Mr. WALSH. Yes; and humanity and justice and economy, not to impose the rigid provisions of existing law in certain cases. Is that correct?

Mr. KING. The Senator is correct.

Mr. WALSH. Among these cases are some similar in degree to the following. A man who originally entered this country illegally has married an American girl; they have had American children, varying in number; the American woman and the American children would be left without a father if the existing law, unmodified, were enforced and the alien father deported.

Mr. KING. They would become public charges, the mother and children—American citizens—and dependent upon their husbands and fathers—would be left unprotected, and the public would have the burden of supporting them.

Mr. WALSH. Yes. Some of the opposition to this measure is based on fear that the discretionary power that is granted under this bill might be improperly exercised.

Mr. KING. That fear has been expressed by some, but, in my judgment, it has no validity. The commission to be set up to examine the cases presented would consist of men of character who would not permit any unworthy alien to remain in the United States.

Mr. WALSH. There has to be some tribunal or agency to discriminate between the worthy and the unworthy cases growing out of the illegal entry of aliens into this country.

Mr. KING. Absolutely. I may say that we now give to our consuls abroad, some of whom do not have sufficient experience and adequate knowledge of economic conditions and the psychology of the people here and abroad, the discretion to pass upon applications of aliens who seek visas. Our consular representatives may now determine whether the applicant possesses all of the requisites to enter the United States. They decide whether the applicants for visas will become public charges. One consular agent may say that a man must have $50,000 before he can secure a visa, while other consular agents may say he need have but $10,000. That arbitrary discretion is vested in our consular representatives abroad, and it has been felt by some persons that they have not exercised it wisely in all cases. I mention that merely to indicate that in many of the activities in connection with the Federal Government discretion must be lodged somewhere.

Mr. WALSH. I understand that the Department of Labor has presented to the House—and it has been referred to here in the debate—some 2,800 cases of deportable aliens whom they label as meritorious.

Mr. KING. That is correct.

Mr. WALSH. Or, rather, as deserving——

Mr. KING. Of consideration.

Mr. WALSH. Of consideration, and that, in all probability, those aliens ought not to be deported because of economic and humanitarian conditions that would arise if they were deported.

Mr. KING. The Senator is correct; that is to say, the House has in its control the files in every case embraced within the 2,862.

Mr. WALSH. The able Senator from North Carolina [Mr. REYNOLDS] had an opportunity to study these cases, and on one occasion he exposed on the floor two or three of the cases, at least, that did not appear to me to be meritorious. That fact has raised in the minds of some Senators some doubt as to whether or not this discretionary power will be exercised wisely. What has the Senator to say about those cases? Are they merely isolated cases or are they representative types?

Mr. KING. The Senator from North Carolina asked for the files in 48 of the cases—and I have them here—and from the files he selected he mentioned five cases, and, while perhaps this is not an orderly method of presentation of the subject, yet, since the Senator has propounded the question, I will state the facts in connection with each of these cases.

Mr. WALSH. I should be glad to have the Senator do that later during the course of his address to the Senate. In the meantime I should like to ask him one or two more questions, and then I will end my inquiries. How long is this discretionary power to be exercised?

Mr. KING. For 3 years.

Mr. WALSH. Is the discretionary power to be applicable to aliens who are discovered to be illegally in this country after the passage of this bill?

Mr. KING. Not if they enter the United States after the passage of the bill.

Mr. WALSH. I want to thank the Senator, and I hope I have not interfered with his address to the Senate. I thought that many of the Senators could get at the gist of what is involved in this case by a few interrogatories such as I have made.

Mr. KING. The Senator has not interrupted me. I have no set address and arose only to submit a few observations, based upon some of the unwarranted and inaccurate statements made by the opponents of the measure, with which the country has been flooded in regard to the character of this bill.

Mr. WALSH. The Senator is most gracious and generous, and I am grateful to him.

Mr. ROBINSON. Mr. President, in connection with some of the questions which were asked by the Senator from Massachusetts, I should like to have the information, if it is available, as to what is the maximum number of persons unlawfully in the country who might be permitted to remain if the provisions of this bill should go into effect and the discretion sought to be vested in the interdepartmental committee should be granted.

Mr. KING. Mr. President, I am unable to definitely answer the Senator's question. After a careful and searching investigation it has been discovered that there are 2,862 persons whose deportation has been stayed because of reasons which were regarded as sufficient, and in order that Congress might, as it was believed it would, provide some relief in their behalf. As I have stated, these stayed cases

presented strong reasons for further consideration—such consideration as is provided in the pending bill. Appeals have been made to the Labor Department by prominent American citizens, including some Senators and Congressmen and officials in various States, in behalf of many of these 2,862 aliens. These appeals have largely rested upon humanitarian grounds, as well as upon established facts that the aliens involved had committed only technical breaches of immigration laws or regulations. The Labor Department, after a searching examination, has reported only 2,862 aliens who would probably, if this law were passed, avail themselves of its provisions and be permitted to remain in the United States.

I am informed by a representative of the Labor Department that Mr. Doak, when Secretary of Labor, stated that there were not to exceed 100,000 aliens in the United States who were subject to deportation. Since then, thousands of this number have voluntarily departed and 10,000 more have been deported. During the past 3 years the Department of Labor has scoured the country for the purpose of discovering the names and abodes of all aliens in the United States. A large force of competent representatives of the Department has been engaged in this task. Many of them for years have been acquainted with immigration problems, and have learned of the whereabouts of a large number of aliens. As Senators know, the Department has been exceedingly zealous in searching out those who are subject to deportation, and, as I have stated, have caused to be deported several thousand during the past 3 or 4 years. I should add that the Labor Department for a number of years prior to 1933 did not lack in diligence in invoking the deportation laws of our country. I cannot help but believe, however, that a considerable number of the 20,000 aliens who should be deported ought to have been apprehended prior to their obtaining a status which makes them immune from deportation under existing law. The Labor Department during the past 3 years has been diligent and aggressive in its efforts to learn the whereabouts of aliens and to discover those who were subject to deportation. In its aggressive campaign, the 2,862 cases which have been referred to during the discussion, were classified, and their residences and status determined.

My information is, however, that some on this list were persons whose identity and status had been ascertained under a previous administration, and whose deportation had been stayed because of reasons that would appeal to persons of humanitarian instincts. My attention has been called to a number of Chinese, 70 and 80 years of age, whose years were numbered, and whose names and whereabouts were known to the Labor Department, perhaps for 15 or 20 years. My information is that a number of illiterates subject to deportation were permitted to remain. They were old and infirm, but were cared for by relatives who were American citizens, and they could not under any circumstances become public charges. It has been known that there were some political refugees in the United States subject to deportation, and others who, because of humane and entirely valid reasons, were not deported. It is known that there are a number of persons among this 2,862 who could not reenter the countries of their birth; Turkey would not admit a number of Armenians who were born in Turkey, so that efforts to deport them would be unavailing.

I think the testimony before the committee and the facts which have been developed in connection with this bill prove that the Labor Department has been most diligent in enforcing the immigration laws, and in deporting aliens.

Mr. ROBINSON. Then, according to the statement, the bill would contemplate the deportation of approximately 20,000 criminal aliens?

Mr. KING. Of those who have been discovered.

Mr. ROBINSON. Of those who have been discovered, and permit to remain in the country a maximum of 2,862 who have been discovered and whose cases are regarded as meritorious?

Mr. KING. That is correct; but it is possible a few more cases may be discovered. But as I have stated, after a vigorous campaign conducted by the Labor Department to discover aliens in the United States, only 2,862 have been found to date whose cases are worthy of consideration and review for the purpose of determining whether they should be permitted to remain in the United States.

If this bill shall become law, each of the persons within the list referred to, must pass the scrutiny of the Board, and must meet all the requirements of section 3 of the measure before us.

Mr. President, I call attention to the testimony of Colonel MacCormack, Commissioner of Immigration and Naturalization, before the Senate Immigration Committee. He stated in substance that when he took office it was found that only about 8½ percent of the aliens deported were deportations of criminals; that under the law criminals were permitted to escape because the mandatory provisions of the law did not reach them. He further stated that in dealing with noncriminals the law was mandatory and exceedingly severe. He stated that a number of bills had been introduced in Congress to correct the situation, but none had been passed. He then stated that the Department had found that in the United States there were 20,000 alien criminals who had committed crimes within the past 5 years who could not be deported, but who could be deported by the Government if the bill before us were enacted into law. He added that during the past 5 years an average of between 1,800 and 1,900 criminals were annually deported, and that if this bill is passed the entire 20,000 can be deported.

In his testimony at page 16 of the hearings, he referred to some of the so-called hardship cases. With reference to persons who had infringed the law by some technicality, he stated that in some cases to deport such persons would mean that the family would be "left behind in the United States." He added—

> That it is not an uncommon thing to deport the husband to one country, his wife to a second country, and his child or children to a third country. If these children had been born in the United States they would be left here.

He stated that there is no country in the world that has ever acted so harshly as to separate families in the manner indicated. He added, however, that under this policy the Department has been obliged in some cases to take children from their mothers. He also stated that a child was brought into the United States from Canada in his mother's arms:

> The mother entered the country legally. The child was not registered at that time, or at any rate there was no record of legal entry into the United States. The father had entered the United States illegally and was arrested and deported. In the examination of the case we found that the wife had legally entered the United States but the child in his mother's arms had illegally entered. Under the present law, mandatory in character, deportation was required. The child was put on trial for having entered the country illegally in his mother's arms, and the child was ordered deported, taken from the mother and ordered to be sent to Canada to be placed in the poor farm.

The record of the 2,862 cases will reveal many hardship cases as cruelly tragic as the one just referred to.

Colonel MacCormack further testified that if the persons in the 2,862 group are deported they will leave nearly 7,000 members of their families in the United States, 4,600 of whom are American citizens and most of whom would become public charges.

Of the 2,862 cases which have been stayed, 98 percent would involve the separation of families, and, as I understand the testimony and the facts, those in this category subject to deportation have not been convicted of a crime involving moral turpitude; none are anarchists or Communists; none are persons of the so-called immoral classes. The great majority are cases of aliens who have entered the country illegally and involve regulatory provisions of the law as distinguished from the provisions which relate to the inherent undesirability of the individual alien.

I am repeating when I state that the primary reason for not deporting those in the class just referred to is because of the hardship it would work on the relatives left behind (most of whom are American citizens), and also upon the public. Deportation in these cases would not only create suffering and hardship for the innocent wives and children,

but would impose financial burdens upon the United States and the States. It should also be noted that most of the aliens within this category who would be deported, after the separation of families and after they had sojourned in the countries to which they were deported, would be entitled to return as nonquota or preference quota immigrants. Hence, their deportation would be largely futile, and could only result in the enforced interruption of the family life and well-being during the interim.

In the reports submitted by the committee are a number of typical cases of aliens subject to deportation who would be entitled to consideration under the bill. I ask that without reading, excerpts from the report may be inserted in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The excerpts are as follows:

One case concerns an alien but 4 feet tall and physically deformed—a hunchback. Her father, a rabbi, came to this country from Hungary 11 years ago. Later, his wife and four other children followed him. The alien did not reach the United States until 1929, when she came as a student. She has now completed her studies and must leave the country or be deported. Members of the family in this country are all employed. She has no near relatives in Hungary and no one to look after her there. The money which otherwise would be spent in supporting her in this country would have to be sent abroad and probably in an increased amount.

Another case is that of a man who came to the United States with his father, when a child, and has lived here continuously ever since. In 1924 he was arrested and deported. He later entered the United States without an immigration visa and without inspection. He has married an American woman and has two children. In 1933 he attempted to enter the country legally by proceeding to Canada and applying for admission in the regular manner. This attempt to regularize his status merely had the effect of causing his arrest in deportation proceedings. It developed at the hearing that he not only supported his family but also a homeless woman and her two American-born children.

Still another case concerns a 9-year-old boy, now subject to deportation. He was brought here as an infant by his mother who entered legally, but who, somehow, failed to register the entrance of her child. The father is under sentence of deportation to Rumania—the child to Canada. The mother, having entered legally, may remain in the United States. If she can find the means she may accompany her husband or her child, provided that Canada or Rumania will permit her to enter.

Mr. KING. Among the 2,862 persons are aliens who were legally admitted to the United States as nonimmigrants. Some were students or visitors who later were entitled to a nonquota preferential immigrant status. Among such cases is that of a Russian girl who fled to Manchuria where she met an American woman who agreed to finance her medical studies in the United States. Before completing her studies her patron was unable to continue, or withdrew, her support, and the girl thereupon married an American farmer. The husband and wife and their child, born in the United States, are happily married. Deportation proceedings have been instituted against the woman because she had not maintained her student status. The Commissioner of Immigration reports that:

* * * the whelming majority of the stayed cases have no charge against them other than that of having entered or remained in the country illegally. * * * Many who have crossed our land borders without proper inspection did not know the requirements of our immigration laws. This is especially true of children brought here to join relatives or friends.

The Commissioner, in his letter to the chairman of the Committee on Immigration of the Senate, under date of January 27, 1936, gives a number of illustrations of cases where aliens are subject to deportation, principally upon technical grounds. I ask permission without reading to have excerpts from the Commissioner's letter inserted in the RECORD at this point.

The PRESIDING OFFICER. Without objection it is so ordered.

The excerpts are as follows:

Deportation in the two following cases is mandatory on the sole ground of illegal entry.

FAMILY WOULD BE DISTRIBUTED OVER THREE DIFFERENT COUNTRIES

This is a case in which the present law would send the father to one country, the mother to a second, while the children remain in the United States. The alien father of this family came to Canada from Ireland in 1920, and 4 years later married a Canadian girl. The couple entered the United States illegally and during their residence in this country four children have been born. With deportation proceedings pending against them, this couple faces not only separation from their children but from each other as well. Canada will not receive the father, since he is a native of Ireland. The mother is a native of Canada and must be returned to that country. And they are the parents of four native-born American-citizen children, who in all probability must be left behind in the United States and separated from both their parents, and, in any event, must be separated from either their father or their mother.

MOTHER TO BE SEPARATED FROM HUSBAND AND CHILDREN, ALL CITIZENS

A Canadian woman, the mother of three children born in the United States, is subject to deportation because she went back to Canada to care for her sick father. She took her children with her and remained with her father 2 years because he had no one to care for him. Meanwhile her husband stayed in this country, where he had employment and contributed to his family's support. Finally he went to Canada to bring them home, but found that while he could bring in his three American-born children without difficulty, it would be necessary to obtain a visa for his wife and to pay a head tax for her. He did not have the money to do this, and returned to the United States, taking the children with him. The wife entered illegally and, because of her lack of the proper documents and her failure to pay head tax, is deportable despite her marriage to an American citizen and her three American-born children.

HONEYMOON TRIP TO CANADA BASIS OF DEPORTATION

An alien who has lived in this country 9 years went to Canada on his honeymoon. A year after his return he contracted tuberculosis and was treated in a State institution. He would not be subject to deportation but for a judicial construction that if an alien steps foot across the boundary, even momentarily, his return to the United States shall be considered the date of his entry. As the alien in question became ill within a year after his return from Canada, he was construed to have become a public charge within 5 years of his entry and is, therefore, subject to deportation. He has recovered and is supporting his wife and her father and mother who live with him, but there is no discretion in the existing law to relieve the hardship and injustice which deportation in a case of this character would cause.

FACES DEPORTATION AFTER 32 YEARS' RESIDENCE

A Canadian lived in the United States for 32 years, established a good reputation, and reared a family of five American children. He spent Christmas with his 75-year-old mother in Canada. Shortly after his return he suffered a mental disorder and was confined in a State institution. He is subject to deportation on the technical ground that he became a public charge within 5 years after his entry. Notwithstanding his 32 years' residence in this country, his filial visit in Canada renders him subject to deportation.

The following cases are illustrative of the deportations caused by the interpretation that an alien who has been a public charge for as much as a single day is mandatorily deportable.

GIRL WHO CONTRIBUTES TO FAMILY'S SUPPORT DEPORTABLE AS PUBLIC CHARGE

The first case is that of a girl who came to this country when 11 years of age. At 15 she suffered a nervous break-down and was treated in a State institution for a time. She recovered and now helps to support her family, who are legal residents of the United States. Deportation in this case is likewise necessary under the present law, as the interpretations are that if a person is treated in an institution maintained by public funds for even a day without paying for the treatment, he or she becomes a public charge, even if prior and subsequent thereto the alien has been self-supporting and the support of others.

NURSE DEPORTABLE BECAUSE OF TEMPORARY TREATMENT TO EXTENT OF $47

A Canadian nurse living in Pasadena, Calif., contracted tuberculosis and was treated for a brief period in a State institution. The total cost of the treatment was $52. She could pay but $5 at the time and did so, but was reported to us as having been a public charge to the extent of $47, requiring that proceedings be instituted for her deportation.

Deportation is often mandatory on grounds that are purely technical.

AGED FATHER SUBJECT TO DEPORTATION AFTER NEARLY 50 YEARS' RESIDENCE

This is the case of a man who lived here nearly 50 years, married, established his home, and brought up a family. In 1930 he went to Canada to look for work, failed to find it, and decided to return to the home of his sons. He was penniless, and crossed the border on foot without being inspected by the immigration authorities. He was detained, and despite his 50 years' residence in the United States is subject to deportation.

SEARCH FOR WORK IN CANADA MEANS YOUTH'S DEPORTATION

The alien lawfully entered this country with his mother when he was under 16. In 1932, because of the depression, he lost his job and decided to seek work in Canada. After 14 months there, he returned to his home in Astoria. He did not undergo inspection when he reentered and was apprehended near Mooers, N. Y., by the immigration border patrol. He must be deported to Scotland. The alien professes that he is ignorant of the formalities incident to admission.

PASSING THROUGH CANADIAN TERRITORY ON TRAIN CAUSES DEPORTATION

One of the most farcical of these cases is that of the secretary of a Ukranian benefit organization. He had entered without inspection before 1924 and, under the law, was not subject to deportation as long as he remained in the country. He attended a convention of his society in Rochester, traveling via the Michigan Central, which passes through Canadian territory. He never left the train in Canada, but nevertheless we must consider this a departure from the country and a reentry rendering mandatory his deportation and separation from his legally resident wife and children, two of whom were born in this country.

The family separations inevitable under the present law appear especially cruel in such cases as these:

DAUGHTER OF UNITED STATES VETERAN FORCED TO RETURN TO POLAND

An alien was left in Poland when her father came to this country about 20 years ago. In 1932 she came to join her father, traveling on a nonquota visa. Previously, through coercion, the alien had married.

She never lived with her husband, however, and the marriage was annulled by ecclesiastical authorities but not civilly. Because of this marriage she was not entitled to a nonquota status. She was admitted as a temporary visitor but cannot be permitted to remain permanently. The father is a naturalized citizen of this country. He served in the Army from 1913 until 1919 and saw action in France. He has a business in Homestead Park, Pa., and is a respected member of the community.

HUNCHBACK GIRL MUST BE SEPARATED FROM FAMILY

Another case relates to an alien but 4 feet tall and physically deformed—a hunchback. Her father, a rabbi, came to this country from Hungary 11 years ago. Later, his wife and four other children followed him. The alien did not reach the United States until 1929, when she came as a student. She has now completed her studies and must leave the country or be deported. Members of the family in this country are all employed. She has no near relatives in Hungary and no one to look after her there. The money which otherwise would be spent in supporting her in this country would have to be sent abroad and probably in an increased amount.

PLEDGE TO DEAD WIFE CAUSES DEPORTATION

A German who entered as a seaman in June 1924, who was not subject to deportation, was asked by his dying wife to take her body to Germany for burial. He did so. The fulfillment of his pledge to his dead wife brings him within the deportation net as constituting a new entry. He will leave behind him a legally resident wife and American-born child. We can take into account neither his fine character nor his family situation.

DEPORTEE LIVED HERE SINCE CHILDHOOD, SUPPORTS TWO FAMILIES

Another case is that of a man who came to the United States with his father when a child and has lived here continuously ever since. In 1924 he was arrested and deported. He later entered the United States without an immigration visa and without inspection. He has married an American woman and has two children. In 1933 he attempted to enter the country legally by proceeding to Canada and applying for admission in the regular manner. This attempt to regularize his status merely had the effect of causing his arrest in deportation proceedings. It developed at the hearing that he not only supported his family but also a homeless woman and her two American-born children.

Deportation inflicts special hardship on the young. The child who is deported is returned to a country of which he knows little or nothing and where there is frequently no one to care for him. From his standpoint he is being banished rather than deported.

NINE-YEAR-OLD BOY MUST BE DEPORTED

A 9-year-old boy is now subject to deportation. He was brought here as an infant by his mother who entered legally, but who, somehow, failed to register the entrance of her child. The father is under sentence of deportation to Rumania—the child to Canada. The mother having entered legally may remain in the United States. If she can find the means, she may accompany her husband or her child, provided that Canada or Rumania will permit her to enter. At the best she will be separated from one of them.

BOY 12 YEARS OLD TO BE SEPARATED FROM MOTHER

Another case is that of a Syrian boy, now 12 years of age. When he was 4, his father died and his mother emigrated to Mexico with him. She became seriously ill and sent for her brother who lived in the United States to take care of the child. He took him to his home in the United States without obtaining a visa for his admission. The mother later married an American citizen and entered the United States legally. Someone reported the child to us and we have been obliged to issue a warrant of deportation.

Since coming to this country the boy has attended school, where his record is excellent. Leaders in the community have protested against the cruelty of separating him from his family and sending him back to a country of which he knows nothing and where there is no one to care for him.

TWO MOTHERLESS LITTLE GIRLS FACE SEPARATION FROM FOSTER PARENTS

Two sisters, 9 and 10, natives of Canada, were brought to this country by their mother when infants, when she entered this country illegally in search of her husband who had deserted her. A year after the mother's entry she died. The children's father, who has since been deported, brought them to Lebanon, Pa., to the home of their uncle and aunt, who have cared for the motherless little girls as though they were their own children and wish to adopt them. Under the present law the deportation of these two children is mandatory.

These are the types of cases in which we believe and have recommended that there should be the possibility of exercising administrative discretion. These people are not criminals; they are not anarchists or Communists; they are not of the immoral classes. They are for the most part simple, honest folk, who, by the investigations of our own officers and of the welfare agencies, have been found to be respected, hard-working members of their communities and good citizenship material.

Mr. WALSH. Mr. President, will the Senator yield for a further inquiry?

Mr. KING. I yield.

Mr. WALSH. Am I correct in my understanding also that the interdepartmental committee, consisting of a representative of the Department of Labor, a representative of the Department of State, and a representative of the Department of Justice, cannot prevent the deportation of any alien unless it is found that "the alien is of good moral character and has not been convicted of a crime involving moral turpitude"; secondly, unless the alien "has lived continuously in the United States for a period of not less than 10 years"; and thirdly, unless the alien "has lived continuously in the United States for at least 1 year and has living in the United States a parent, spouse, legally recognized child, or, if a minor, a brother or sister, who has been lawfully admitted for permanent residence or is a citizen of the United States"?

Those conditions limit the authority and power of the interdepartmental committee, do they not?

Mr. KING. Yes.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. REYNOLDS. Upon what information does the Senator base his statement to the effect that there are 20,000 aliens in the United States today who are subject to deportation?

Mr. KING. I base it upon repeated statements made by the Department of Labor, by Commissioner MacCormack, Mr. Shaughnessy, and other representatives.

Mr. REYNOLDS. May I ask the Senator why those aliens have not been deported?

Mr. KING. Because they cannot be under the law; and if the Senator had read the evidence and read the reports, he would have discovered the reason why they have not been deported.

Mr. REYNOLDS. I will state to the Senator that I have read the evidence and I have read the reports. May I ask the Senator where these 20,000 alien criminals are now?

Mr. KING. They have been located and classified; many of them are in large cities such as New York, Chicago, Detroit, and San Francisco; they are scattered in various parts of the United States. With respect to the first question, I invite the Senator's attention to the hearings and to the supplemental report submitted with the substitute bill. The report states that a survey of the principal cities by the Immigration and Naturalization Service, with the cooperation of chiefs of police and directors of public safety, indicates that there are at least 20,000 alien criminals who are not subject to deportation under the present laws, who would be rendered deportable under the provisions of this bill. An alien convicted of a violation of the narcotic laws in any State, Territory, insular possession, or the District of Columbia under existing law cannot be deported. There are many persons convicted of narcotic violations under State laws; the records show that there are approximately 2,000 such cases.

The report shows that aliens who have had as many as 30 separate convictions, and others who have spent a great deal of their time in this country in prison, and aliens who have been guilty of serious offenses cannot, in many cases, be deported under the present law. By pleading guilty to a lesser offense, which will not call for imprisonment for 1 year, they are not subject to deportation; and, likewise, if given a suspended sentence or a sentence below the one required under present law for deportation. Persons who smuggle aliens into the United States are not deportable. The Immigration and Naturalization Service have a record of more than 500 cases in which aliens have been smuggled into

the United States—persons who will be subject to deportation under the bill before us—but the aliens who smuggled them in are not; and there are 500 such persons who would be subject to deportation if this bill becomes a law. Racketeers and gangsters convicted of carrying concealed weapons may not be deported, due to the requirement that deportation must depend upon conviction of a crime involving moral turpitude. A person stealing toys to give to a child may be deported because that is technically a crime involving moral turpitude; but under existing law one who is convicted for carrying concealed weapons cannot be deported because it is held that a conviction for such an act does not involve moral turpitude. Senators know that there are many aliens who have been convicted of carrying concealed weapons, but, as stated, they cannot be deported for that offense.

Mr. President, further replying to a question submitted to me by the Senior Senator from Arkansas [Mr. ROBINSON], a few moments ago I stated that after the most searching and thorough examination, made by hundreds of representatives of the Immigration Service and the Labor Department, they have been able to discover 20,000 persons who should be deported, but who, under existing law, may not be deported. They also discovered 2,862 persons whose position was such as to call for some clemency—for the exercise of some humanitarianism.

Let me give an illustration of one of the cases adverted to.

A young woman living in Pennsylvania—the State of one of the Senators who is opposed to this bill—had a brutal father, whose cruelty resulted in the passing away of the mother. The young girl, 18 or 19 years of age, was left with two small children.

Because she could not give them adequate care, she placed them in a children's home. She obtained work and contributed from her meager wages to the support of the children. Shortly thereafter she married an alien who resided in the city in which she lived. He entered the United States legally but remained beyond the period prescribed by law. He was industrious, was carrying on a profitable business, and was in every way a law-abiding citizen. He took the children from the children's home in which they had been placed and supported them, and also his wife, in a home which he provided. He is under the ban and will be deported unless the rigors of the present law are modified. Permit me to furnish another illustration of the justice of amending the present law. If Senators will turn to page 174 of the Senate hearings they will find a statement by Miss Evelyn Hersey, executive secretary of the International Institute of Philadelphia, Pa. I read from her testimony:

> I am executive director of a social agency of Philadelphia which has worked for 17 years now for the assimilation of the alien and the newly arrived resident in Philadelphia.

She went on to state the social activities and humanitarian activities in which she was engaged, helping to feed and to clothe alien immigrants, and to have them oriented as they come into the United States and become citizens. During this depression she has given her entire time to looking after those who are in need and in want.

Let me read further from her testimony:

> I would like especially to speak of section 3 very briefly from the point of view of a practical worker in a local community such as you gentlemen come from. I am not a national organization representative; I am a representative of a local organization that walks up and down the streets daily and sees these people.
>
> I was asked to and got in touch with some 25 of these famous 2,862 cases, and to me some of these people are not names, they are faces; I know them, I know their wives, I know their children, I know how terror stricken they are about their present situation, and how terrible they feel about their present status.
>
> Just before I came I pulled out of my file, just hit-or-miss, 5 of these cases of the 2,862.
>
> Senator RUSSELL. How many of them are there in Philadelphia?
>
> Miss HERSEY. I cannot answer that officially. I would say, to my knowledge, I think there are something under 100. I had some of the more difficult ones about whom there was some question, that they wanted me to look into, where there were some social problems, to see what could be done.

Mr. BONE. Mr. President, will the Senator yield for a little information?

Mr. KING. I yield.

Mr. BONE. I have listened to some of the arguments here. I have not heard all of it. I am wondering if the Senator from Utah can tell us, approximately, how many aliens in the United States would be subject to deportation under the provisions of the substitute reported by the Senator from Utah to Senate bill 2969, if it were very vigorously enforced?

Mr. KING. As has been frequently stated during the discussion, after searching examination by the Department of Labor to ascertain the number of aliens in the United States, whether subject to deportation or not, they have discovered 2,862 whose status is such as to differentiate them from the remaining aliens, 20,000 of whom are subject to and should be deported, but the records of these 2,862 present humane and practical reasons, it is believed, why they should not be deported. As I have stated, thousands of aliens have been deported and nearly 2,000 are being deported each year. I repeat, that the status of 20,000 aliens is known and that they should be deported, but under existing law all efforts to deport them would be frustrated. In my opinion, the Department of Labor is vigorously enforcing the immigration laws, and even those who are most hostile to aliens and most insistent upon stringent immigration and deportation laws, admit that the Department of Labor is aggressively enforcing the law to rid the country of undesirable aliens.

Mr. BONE. Mr. President, I hope the Senator will forgive me for interrupting him. I merely desire some information.

Mr. KING. I shall be glad to give the Senator any information I possess.

Mr. BONE. I am wondering if the Senator can tell us whether that represents somewhere near the maximum number; or is it the Senator's viewpoint that there may be a much greater number than that who are subject to deportation?

Mr. KING. Mr. President, I think I covered this matter in my former answer. However, I may add that thousands of aliens have departed from the United States during the past few years, many of them voluntarily, and several thousand of them because of proceedings instituted by the Labor Department. As I have indicated, a vigorous campaign has been conducted by the Labor Department for the purpose of ferreting out every alien in the United States. My understanding is that they have been very successful in discovering the whereabouts of aliens. They have discovered 20,000 whose records are such as to demand deportation. It is quite likely that other aliens will be found who should be deported and who, if this pending bill is enacted into law, will be deported.

In searching for aliens the Labor Department, as I have stated, has found 2,862 cases which, because of humanitarian and practical reasons, warrant consideration. They are what is called worthy cases, and possess such appealing qualities as to not only justify, but require, special treatment. That view was recognized by the House when it adopted a resolution August 23 of last year in which it was stated that during the two preceding years the Department of Labor had stayed the deportation of more than 2,000 cases technically subject to deportation, whose deportation would involve the separation of many families, and leave approximately 7,000 dependent relatives here, approximately 5,000 of whom were wives and minor children. The resolution also stated that the House Committee on Immigration and Naturalization on June 18, 1934, had unanimously adopted legislation urging the continued stay of deportation pending such time as the Congress required for a further opportunity to study the problem. The resolution further provided that in order that Congress might have adequate time to consider legislation the Secretary of Labor would be requested to continue the stay of deportations until March 1936, where the aliens were of good character and so forth.

As I have indicated, the Department has discovered 20,000 aliens who should be deported, and it is ready, if this bill shall become law, to launch a vigorous campaign for the deportation of these aliens, as well as any others that may be found subject to deportation.

Mr. BONE. When citizenship has been granted to a man who afterward became a confirmed criminal and went into the underworld of our great cities, and into those activities which are familiar to all of us who have practiced law, I have often wondered why steps were not taken to cancel his citizenship and deport him.

Mr. KING. A bill of that character is not before us.

Mr. BONE. I understand that.

Mr. KING. The Senator from Washington is a good lawyer, and his suggestion or question presents an interesting legal problem. I have heard it stated that such a law would be invalid. I express no opinion as to the authority of Congress to deprive a person of the rights and immunities of citizenship by an act declaring that his naturalization papers are canceled.

Mr. BONE. It is not an unusual thing to cancel citizenship, because that has been accomplished in our own district courts.

Mr. KING. Where it is obtained by fraud?

Mr. BONE. Yes; where there is some mental reservation on the part of the applicant for citizenship which can afterward be demonstrated at a hearing.

Mr. KING. I am inclined to think that where a person swears falsely to obtain citizenship and obtains his naturalization papers, they may be canceled upon proof of his perjury.

Mr. BONE. There probably would be no fraud where a man subsequently went into a life of crime.

Mr. KING. No. However, the question raised by the Senator cannot be determined now. I have been diverted, however, from the testimony of Miss Hersey, secretary of the Philadelphia Institute, who is devoting her life to humanitarian work, and to aiding aliens as well as impoverished citizens born in the United States. She says:

> Out of the 5 that I pulled out, just hit-or-miss, there were 22 individuals involved, 18 of whom were American citizens. I know that this is a small number, statistically speaking, but I was interested in the way they stacked up. Eighteen of these dependents were citizens, and 20 of these dependents, to all estimates that I could make, as an honest social worker, looking into resources, and so on, would be dependent on the community if these 5 men were deported.

These 5 men who will be deported if this bill fails, have families dependent upon them, and 18 are American citizens, all born in the United States.

Five fathers, 20 American children.

> They were the breadwinners. There were small children, reasons why the mother would have difficulty in supporting them. So Philadelphia would have to support those 20 people if these 5 were deported.

Mr. ROBINSON. Mr. President, will the Senator yield there?

Mr. KING. I yield.

Mr. ROBINSON. Those aliens wrongfully in the country, and liable to deportation within the innocent classes to which the Senator referred, are subject to deportation at any time.

Mr. KING. Absolutely.

Mr. ROBINSON. But unless the law is changed as is proposed in this bill, many criminals, by reason of statutes of limitations that have operated for their protection, will remain here, even though they may have been guilty of crimes of violence and other crimes of moral turpitude.

Mr. KING. The Senator has stated the matter accurately. Let me state what the result will be. If this bill is not passed, 20,000 criminals now subject to deportation will remain in the United States, and more than 5,000 children, American citizens, and their mothers will be thrown upon the public for support. So by passing this bill the fathers will be permitted to support their wives and 5 or 6 thousand children. If we fail to pass it, the communities in which they live will have them to support; and if we fail to pass it, the 20,000 aliens with criminal records, who should be deported, will remain.

Mr. BONE. Mr. President, may I interrupt the Senator again?

Mr. KING. Yes; I yield to the Senator from Washington.

Mr. BONE. Mr. President, the Senator has referred to 20,000 aliens who might be subject to deportation. I merely desire to get these figures in mind, as to whether it would be possible to deport 20,000 people who are of a criminal or quasi-criminal nature, who have done things which, in the normal course of events, would subject them to deportation. I understood the Senator to say, in answer to my first question, that some 2,800 had been brought together in this category.

Mr. KING. Yes. The 2,862 referred to have no criminal records, and are not in the same class as the 20,000 who have criminal records.

Mr. BONE. It is merely a case of illegal entry?

Mr. KING. That is correct, as I understand the facts. But under the amendment which we have just accepted, offered by the Senator from Vermont [Mr. AUSTIN], only those who do not have criminal records would have the benefit of the legislation, and their records could be further reviewed by the interdepartmental committee.

Mr. BONE. If there is anything in section 3 which we might legitimately object to, something which we think might invite the doing of something that would be a grievous wrong, is it not possible for us to make some slight amendment to section 3 which would overcome the difficulty? I am not suggesting the desirability of a change, but it has been mentioned on the floor a number of times that possibly under section 3 some grievous wrong might be done. Certainly it is possible to find some language which all might agree on, if it is desirable to make a change.

Mr. KING. I cannot conceive of any grevious wrong, or any wrong, which would or could result from the operation of the section referred to. Under existing laws these 20,000 aliens are protected from deportation, and unless this bill, or some similar bill, is enacted into law they will remain in the country.

Mr. BONE. Does the Senator from North Carolina want to have everybody of alien birth deported, or does he think 20,000 is enough to deport?

Mr. KING. Some who desire to defeat the bill apparently want to deport every unnaturalized alien. At any rate, if this bill were defeated, the result would be that the five men to whom Miss Hersey referred would be deported, and their wives and 18 children, all of whom are American citizens, would be deprived of support and probably would become charges upon the community.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. KING. I should like to finish reading this testimony, of the witness, but I yield to the Senator.

Mr. REYNOLDS. Does the Senator contend that these 2,862 are all of good character?

Mr. KING. If they are not, the committee will indicate that fact. If they are not of good character they cannot claim immunity, and will be deported.

I may say to the Senator that Colonel MacCormack testified that after they had gone over the cases again and again they did find a few, in excess of the 2,800, which they could not conscientiously place in this category, and they were thrown out, and will be deported if they have not already been deported and this proposed law would not save them.

I desire to save the American taxpayers from the necessity of taking care of five or six thousand little children and their mothers, who, if the breadwinners are deported, will become charges upon the communities or States.

Mr. President, let me finish with this statement I started to read four or five times, and have been compelled to make a detour because of interruptions, of which I make no complaint.

> That is just practical, not a sentimental point of view, as far as the community is concerned.
>
> Senator KING. Were those five breadwinners, so far as you could learn, reasonably good citizens, working?
>
> Miss HERSHEY. Yes.
>
> Senator KING. Law abiding and industrious?
>
> Miss HERSHEY. Yes; in fact, I was very much surprised when I went through this list. When you hear them discussed they sound

so far away. They are decent, ordinary, hard-working men, making a struggle to look after their families, with ordinary human problems such as every man has. They include a tall, lanky, dark-haired steeplejack, who works very hard, at long hours, and so on; a painter, a mechanic, a man who works in a radio place, and I cannot think of what the other man does.

Senator KING. They have been here a good many years?

Miss HERSHEY. Oh, yes; all of them. I think none of them, of this particular five, had been here under 9½ years. Of course, there were a few of them that have been here slightly less.

But as to this group of five I happened to pick out, I would like to make the point of view of the community; what is it going to do to the community when we take out this group of people?

In the first place, there are all the friends and relatives that we have to support and look after. In the second place, there is the feeling and the hardship involved. In the third place, practically what does it mean?

Some of these men are going back to their old country to try to save during a year and a day until they can write to the consul there to get permission to return. They are going to try to get enough money to come back to their families. In the meantime, we have supported their families, and they have struggled on, and you are back where you were in the first place, if the man gets back, with the waste of that 12 months or 14 months and the money that could have gone into the support of the family spent in traveling across the ocean and back again.

In the case of Germany and Italy—some of these people are Italians—in Italy those men are going to have to find their way into the Italian Army, and we are going to have those wives and children here forever. Frankly, it is a very serious situation socially.

For instance, take the young couple that I saw, with three small children. The young woman is a Roman Catholic. She does not believe in divorce. Her husband is separated forever from her. What is she going to do? What is he going to do, just socially speaking? It is a pretty difficult situation from the point of view of the community just as well as the family.

Mr. President, I wish I had time to read more of the testimony of Miss Hersey as well as the testimony of other persons who appeared before the committee.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. DAVIS. I did not quite get the answer of the Senator to the question about the statute of limitations. I was on the other side of the Chamber, and I could not hear the Senator's reply to some question about the statute of limitations expiring.

Mr. KING. I do not recall having heard the words "statute of limitations", or the suggestion of it. The nearest to it I can think of was the question propounded by the Senator from Washington as to whether or not, after the persons had obtained their citizenship papers, if they should be guilty of crime their citizenship could be revoked.

Mr. DAVIS. I refer to a question that was propounded by the distinguished leader of the majority just a few moments ago.

Mr. KING. I do not recall anything about the statute of limitations.

Mr. DAVIS. It referred to some limitation. I will get the question from the Official Reporter.

Mr. KING. Very well. The Senator from North Carolina, in his address yesterday or the day before, called attention to the case of Harry Carstans. He claims that he was an illegal entrant, and ought to be deported. The fact is that Mr. Carstans was investigated by the Department. I read from the information furnished by the Department in regard to that case. I am calling attention to this because it shows the assiduity of the Department of Labor in searching out all persons subject to deportation.

The principal file in this case is in New York in connection with habeas corpus proceedings. From the record now in this office it appears that a warrant of deportation was issued; that a request for a stay of deportation was denied; that thereafter Carstans instituted habeas corpus proceedings in New York City; that the writ was dismissed by the district court in New York; which action was affirmed by the Circuit Court of Appeals for the Second Circuit.

It further appears that Carstans was not delivered to the Immigration Service at the termination of court proceedings. The court bond has been declared breached. There are indications in the record that Carstans has proceeded to Canada, although it is not definitely known where he is at present.

The Senator from North Carolina calls attention to the case of Francisco Chavez. The Department says regarding that case:

Chavez was found to be subject to deportation because he was not in possession of an immigration visa when he entered.

It appears from the record that he had married an American-born woman who had lost her citizenship through marriage to an alien, but who had never left the United States, and that he had deserted her 2 months before the institution of deportation proceedings.

Chavez was authorized to depart voluntarily without issuance of warrant of deportation. It later developed that he had resumed living with his wife and action was suspended.

The Galveston district office have reported November 13, 1935, that they had closed the case, as Chavez could not be found and had apparently returned to Mexico in June of that year.

So he is out of the United States.

Another case is that of Marie Kolacek. She had lived in this country since she was a mere child. She was found subject to deportation on immoral charges. Deportation was at one time deferred before a plan had been formulated to care for certain aliens whose deportation would result in extreme hardship to members of their families lawfully within the United States. Because of the grounds of deportation, the stay was later revoked and efforts were made to effect this woman's deportation. The Immigration and Naturalization Service was unsuccessful for the reason that passport facilities were not available. The country of Marie Kolacek's nationality refused to recognize her as a citizen because she had married a citizen of the United States. There is presently outstanding a warrant of deportation against this woman.

I called attention the other day to one of the cases mentioned by the Senator from North Carolina which he lingered upon for a long time, and that was the Grenier case.

Mr. REYNOLDS. Mr. President, relative to that case there seems to be a difference of opinion between the Senator and myself. I should like to make a suggestion in respect to that case. Whether or not it could be done I am unable to state. Based upon records I have, I contend certain things, and the Senator from Utah contends other things. I may be wrong. I do not really know whether I am or not. I should like to ask that the original files be sent here from the department.

Mr. KING. I shall be very happy to ask that that be done. May I tell the Senator what the facts are? The Senator had, perhaps, some warrant for what he said. This young man, Grenier, told a fantastic tale in order to prevent deportation.

Mr. REYNOLDS. Was his statement made under oath?

Mr. KING. I do not know whether it was under oath or not. The fact is that he was never a French citizen, was never in the war, and never stole an airplane.

He was only a young chap, 20 years of age. When he was investigated looking to deportation he made up this fantastic story that he had fled from the French army in an airplane into Italy. The fact is that he belonged to the Greek nation, came here with a Greek name, but he changed the name to Grenier.

Mr. REYNOLDS. Mr. President, would the Senator contend that if he came to this country and perjured himself in order to avoid deportation, that after having committed perjury he should be permitted to stay here?

Mr. KING. I am not going to pass on that question. It will be left under the bill to the committee created by the bill. He was a boy 20 years of age. I have known, and the Senator as a lawyer knows, of many good men who under the threat of serious harm have not been careful about the truth. And in the courts they have not always respected their oaths and some of them later have been indicted by the grand jury because of their failure to state the truth.

I have here a copy of the letter of the French Ambassador to the effect that Grenier never was in the French Army. They have no record of him at all.

The Senator referred to another case. I may say to the Senator that I have examined scores of these cases, and I should be glad to show them to the Senate. This is, shall I say, one of the worst cases out of the scores that I have examined. The Senator dwelt upon that case with great earnestness.

The Branch case is one of a negro laborer without friends or influence. Fifteen years ago he married a woman in Canada who deserted him after 6 months. Seven years later, after the legal presumption of her death had arisen, he entered into a common-law marriage, which was permitted in the place where the marriage was entered into, in the State of New York. He followed this with a ceremonial marriage. Not only was there the common-law marriage, but there was a ceremonial marriage. He had a child during his common-law relationship, which died. Another child was born of his legal marriage and still lives. The charge that his child is an illegitimate one is, of course, incorrect.

The charges that he smuggled his mistress into the United States is equally without the slightest basis in fact. His common-law wife and the ceremonial wife never was in Canada. The woman involved was first his common-law wife and then his wife, as stated, by the ceremonial marriage. The wife was born in Tennessee, a citizen of the United States. The child was born in the United States. This is one of the cases that are rather the most revolting of the cases which I have examined out of the entire 2,800.

Mr. DAVIS. Mr. President, I have just gotten from the reporter the question by the Senator from Arkansas [Mr. ROBINSON].

Mr. ROBINSON. But unless the law is changed as is proposed in this bill, many criminals, by reason of statutes of limitations that have operated for their protection, will remain here, even though they may have been guilty of crimes of violence and other crimes of moral turpitude.

Mr. KING. The Senator has stated the matter correctly.

Mr. KING. They came in here under existing laws which would prevent deportation.

Mr. DAVIS. No statute of limitations exists since the act of 1924. Prior to the act of 1924, if I understand it correctly, if a person remained here 5 years illegally he could not be deported, but since the passage of the 1924 act the statute of limitations has been set aside, and he can be deported even if he has been here for 24 years, provided he came into this country illegally.

Mr. KING. Of course, if it is put upon the ground of when he may be deported, the act of 1924 practically legalized certain entrants up to that time, and I am speaking of anterior to the passage of the act.

Mr. DAVIS. Prior to 1924 the aliens had the right to register, and if they were not criminal aliens, they then would get a certificate that permitted them to remain in the country and make application for citizenship.

Mr. KING. If the Senator means they had to register, he is wrong.

Mr. DAVIS. They did not have to register; no. They were permitted to register by paying a fee of $20, was it not?

Mr. KING. I think it was $18.

Mr. DAVIS. No; they paid a fee of $20 at that particular time, but the present fee is $18. It has been reduced $2 since the 1924 act.

Mr. KING. Mr. President, the report of the committee states accurately the terms of the bill, and the injustices which would result and the things that would be accomplished. It makes deportable 20,000 persons, as I have indicated. Let me read from the report:

Racketeers and gangsters convicted of carrying concealed or dangerous weapons are not subject to deportation. This is due to the requirement that deportation be for convictions of crimes involving moral turpitude. A man who steals a toy to give to his child may be deported because that is a crime technically involving moral turpitude—

My attention has been called to a case of this character. A young man in a foreign country, when he and some of his playmates were getting ready to respond to the call of their country for military training, young men, had a little celebration and they purloined two or three chickens and cooked them and ate them in their little feast. The boys were all of good character. The boy in question came to the United States legally. When he applied for citizenship papers they asked him if he had ever been charged with any offense, and he said yes, and he told them about this little chicken episode. That was a crime involving moral turpitude, the stealing of a chicken by him and his associates. However, his own country regarded it merely as a little play activity upon his part and that of his associates and did not even prosecute him, but he is subject to deportation, and if we do not pass this bill he will be deported, although he has a wife and, I think he has two children, is a resident of this country and a good law-abiding citizen who cares for himself and for his family.

I could spend hours, Mr. President, calling attention to scores of these cases indicating the hardship and brutality which would result if we shall not pass this bill. If we are interested in American institutions, if we want to be patriotic, using the words of the Senator from North Carolina, it seems to me that we can show no higher evidence of our patriotism than in passing a bill to deport 20,000 criminals, though in so doing we will protect five or six thousand little children and their mothers, all of whom are American citizens, and let their fathers remain in the United States, where they are guilty of no crime, where they are breadwinners, and where they have earned the confidence of the communities in which they live.

It seems to me, Mr. President, that all of the arguments of humanity and legality are in favor of this bill. I desire to tell Senators if we do not pass this bill it is quite likely we will get no bill. These 20,000 criminals will remain. These five or six thousand little children will be deprived of their fathers, of their care and of their protection, and they will be thrust upon the public for the public to support. Where are the humanities, where are the equities, where is the injustice in this matter?

Mr. President, the Senator from North Carolina desires his bill to be considered. He has only to indicate it, and the committee will consider it. But this is not an immigration bill. The trouble is that the public has been confused. There has been an improper and unjust propaganda. Many so-called 200-percent Americans have tried to frighten the people and to deceive them as to the character of the bill which is before the Senate. They have been led to believe that this was a measure to open the flood gates for immigration. The only provision in it with respect to immigration is that it restricts more countries. Under the present law, persons may come in if they are qualified for work upon the farms. That is repealed. So we may not appeal to foreigners to come in to work upon our farms, they, of course, having the preference in the quota. That part is repealed. That is the only feature in the bill that might be denominated of an immigration character.

It is essentially a deportation bill, not an immigration bill. The matter has been confused and confounded and the public has been led to believe that it is a measure which would broaden our immigration policies and permit millions of people to come to the United States. Of course that is absurd. Restrictions now are imposed, and it may be in the near future we will further restrict the quotas of immigration. When an immigration bill is before the committee and before the Senate then we can consider the question of immigration, but not during the consideration of a deportation bill.

Mr. President, if this bill shall be recommitted, so far as I am concerned that would end consideration of legislation of this character during this session. May I say that the Secretary of Labor reports to us that if a similar bill had been enacted into law 2 or 3 or 4 years ago, as the Bureau of Immigration desired, 8,000 or 9,000 of the 20,000 criminals the Department of Labor finds to be in the United States would have been deported, and if we do not pass this bill those 20,000 will remain and we will have the question before us again. It seems to me that wisdom, prudence, justice, and a proper regard for the economic condition of our country compel us to vote against recommitting the bill to the committee and to pass the same at the earliest possible moment.

Mr. DAVIS obtained the floor.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Pennsylvania yield to the Senator from Oklahoma?

Mr. DAVIS. I yield.

Mr. THOMAS of Oklahoma. May I inquire of the Senator from Pennsylvania if he intends to address the Senate at some length?

Mr. DAVIS. For about 20 or 30 minutes.

Mr. THOMAS of Oklahoma. I was wondering if it would be agreeable to the Senator from Pennsylvania to suspend and permit the District of Columbia appropriation bill to be brought before the Senate for consideration?

Mr. DAVIS. I would rather proceed now if I may, although if the Senator thinks it is more urgent I should be glad to accede to his request.

Mr. THOMAS of Oklahoma. I shall not insist.

Mr. DAVIS addressed the Senate. After having spoken for 40 minutes, he said: Mr. President, I am willing to yield now, provided I may go on in the morning; and I ask that my speech be withheld so that it might be continued at that time.

Mr. DAVIS. Mr. President, I did not expect to speak upon this bill. Rather I preferred to ask what I thought were pertinent questions, to bring to the attention of other Senators such information as I have. For the information of the Senator from Utah [Mr. KING], and at his request, I brought the books to which he referred in order that he might interrogate me as to matters pertaining to the immigration law over a period of 15 years.

STATUS OF IMMIGRATION LAWS

March 4, 1921: On this date the restrictive immigration and deportation laws were:

The Chinese Exclusion Act.

The general immigration laws of 1917.

The Anarchist Acts of 1918 and 1920.

The passport law.

There were minor laws of limited application, principally modifications, but of sufficient importance to take the time to describe.

Chinese Exclusion Act: This, with amendments, has existed so long and is so generally understood as to need no comment. The passport and special anarchist laws referred to are adequate, in my opinion, on those matters so far as they can be controlled.

1917 act: This is the basic law setting physical, mental, educational, and moral standards, and contract labor restrictions; provides the machinery for administration of everything but the Chinese and Quota Acts, including admission and deportation.

Most of this act was a codification of earlier laws, the important additions being the reading test and barred zone.

The 1917 act, with a few technical exceptions, was not and is not difficult of enforcement. Most hardship cases arising out of it and coming to attention during the period from 1921 to 1931 were satisfactorily disposed of under the several limited powers of discretion granted. Most of the really difficult cases were those resulting from failure of administration of laws from 1912 to 1921, which included the period of the World War.

The highest record of immigration was in 1907, with about 1,300,000 admitted, but the average for the 10 years preceding 1914 was well over a million a year.

A few figures on immigration rejection at ports, and deportation, immediately before the World War are interesting. In the following short synopsis is given total immigration, total rejections, and total deportations upon warrants of deportation. Of the total deportations following are the figures showing aliens deported of the criminal and immoral classes:

I repeat the statement that there is ample power vested in the Secretary of Labor now to deport most of those in that list of 2,800 which has been presented here by the distinguished Senator from Utah [Mr. KING] and the distinguished Senator from North Carolina [Mr. REYNOLDS].

I invite attention to these statistics in order that the Senator from Utah may know that there has been ample power vested in the Department of Labor.

In 1913 immigration amounted to 1,197,892 persons who came into this country. There were rejected at the port 19,938. There were deported 3,461. Of that number, 551 were of the criminal class.

In 1914 immigration admitted into the country amounted to 1,218,480. There were rejected 33,041 and deported 2,088. Included in the latter number were immoral and criminal classes to the number of 862.

In 1915 the immigrants numbered 326,700.

It will be noted there was a reduction in the number coming into this country at that particular time on account of the war. The number of immigrants was 326,700. The number rejected was 24,111. There were deported 1,053, including of the immoral and criminal classes 471.

In 1916, the war being on at that time, there were admitted into this country under the immigration laws 298,826; rejected, 10,383; deported, 2,435, including immoral and criminal classes to the number of 249.

In 1917 those admitted under the immigration laws numbered 295,403; rejected, 15,028; deported, 1,853, including immoral and criminal classes to the number of 376; deportations suspended, 694, including immoral and criminal classes, 98, and insane, 347.

In 1918 the immigration was 110,618; rejected, 7,297; deported, 1,569, including immoral and criminal classes to the number of 199; deportation suspended on 1,045, including immoral and criminal classes to the number of 119; and insane to the number of 575.

In 1919 the immigration into the United States was 141,132; rejected, 8,626; deported, 3,068, including immoral and criminal classes to the number of 322. Deportation that year was suspended in the case of 182.

In 1920 the immigration was 430,001. Senators will notice that the war then was over, and immigrants began to come in. There were rejected 11,795; deported, 2,762, including immoral and criminal classes to the number of 477; and anarchists, 314.

In 1921 the immigration was 991,942; rejected, 13,779; deported, 4,517, including immoral and criminal classes to the number of 1,447; and anarchists, 446.

Mr. AUSTIN. Mr. President, will the Senator yield before he leaves his statistics?

Mr. DAVIS. Yes.

Mr. AUSTIN. I ask unanimous consent, and especially the consent of the Senator from Pennsylvania, to have inserted in his remarks at this point in the RECORD two tables—table A, aliens admitted to the United States under the provisions of the Immigration Act of 1924 during the past 5 years; and table B, aliens deported from the United States during the past 5 years.

Mr. DAVIS. I had intended to insert those tables in the RECORD later on. However, I have no objection to it.

The PRESIDING OFFICER. Without objection, the tables will be included in the RECORD at this point in the remarks of the Senator from Pennsylvania.

The tables are as follows:

TABLE A.—*Aliens admitted to the United States under the provisions of the Immigration Act of 1924*

[Compiled from official figures furnished by the U. S. Commissioner of Immigration and Naturalization]

	1931	1932	1933	1934	1935	Total
I. Quota immigrants	54,118	12,983	8,220	12,483	17,207	105,011
II. Nonquota immigrants:						
(a) Alien residents of United States returning from visit	91,442	67,057	62,616	55,169	51,081	327,359
(b) Students, admitted for temporary stay	1,538	1,266	877	1,048	1,377	6,106
(c) New immigrants	39,708	19,741	14,723	16,769	17,572	108,513
i. Husbands of citizens	527	296	1,232	1,021	705	3,781
ii. Wives of citizens	9,684	5,779	3,643	4,348	4,925	28,379
iii. Children of citizens	7,053	3,415	1,783	2,522	3,598	18,371

TABLE A.—*Aliens admitted to the United States under the provisions of the Immigration Act of 1924*—Continued

	1931	1932	1933	1934	1935	Total
II. Nonquota immigrants—Con.						
(c) New immigrants—Con.						
iv. Natives, nonquota countries [1]	21,139	9,328	7,475	8,183	7,661	53,786
v. Wives and unmarried children of natives, nonquota countries [1]	236	133	74	54	86	583
vi. Ministers, professors, their wives and children	943	660	380	475	458	2,916
vii. Women, formerly citizens	97	105	101	134	116	553
viii. Miscellaneous	29	25	35	32	23	144
III. Nonimmigrant aliens:						
(a) Government officials, families, servants, etc.	4,973	3,844	4,053	4,363	5,194	22,427
(b) Temporary visitors for business	17,150	13,741	11,360	13,068	13,166	68,485
(c) Temporary visitors for pleasure	38,486	26,724	25,539	36,765	48,467	175,981
(d) In continuous transit through United States	32,169	28,678	22,693	23,687	24,931	132,158
(e) To trade under treaty	1,095	837	653	552	726	3,863
SUMMARY						
New immigrants:						
Quota immigrants	54,118	12,983	8,220	12,483	17,207	105,011
Nonquota immigrants	39,708	19,741	14,723	16,769	17,572	108,513
Total, new immigrants	93,826	32,724	22,943	29,252	34,779	213,524
Other than new immigrants:						
Returning residents	91,442	67,057	62,610	55,169	51,081	327,359
Students	1,538	1,266	877	1,048	1,377	6,106
Nonimmigrant aliens	93,873	73,824	64,298	78,435	92,484	402,914
Total	186,853	142,147	127,785	134,652	144,942	736,379
Total, all admissions	280,679	174,871	150,728	163,904	179,721	949,903

[1] Natives of nonquota countries include persons born in Canada, Newfoundland, Mexico, Cuba, Haiti, Dominican Republic, Canal Zone, or independent countries of Central or South America. The separate classification for their wives and children shows only those who were born in quota countries, but come in under the man's nonquota status.

NOTE.—The official figures for new immigrants admitted for permanent residence always differ slightly from figures developed as above. This is because in establishing these figures, it is necessary to take into account laws prior to the 1924 act in the classification, even though all admissions actually occur under the provisions of the 1924 act. The official figures for immigrants admitted for permanent residence are: 1931, 97,139; 1932, 35,576; 1933, 23,068; 1934, 29,470; 1935, 34,956; 5-year total, 220,209.

TABLE B.—*Aliens deported from the United States*

	1931	1932	1933	1934	1935
Criminals	1,773	1,709	1,770	1,569	1,632
Federal narcotic-law violators	44	138	167	122	111
Anarchists, etc.	18	51	74	20	17
Immoral classes	884	906	785	383	413
Mental or physical defects	952	1,107	1,056	662	510
Remained longer than permitted	2,835	3,284	3,148	986	786
Entered without proper visa	6,205	8,167	9,099	3,611	2,824
Likely to become public charge	1,240	187	166	98	33
Unable to read (over 16 years old)	2,066	1,403	1,393	539	416
Under Chinese Exclusion Act	207	516	249	101	77
Had previously been deported	1,003	1,202	1,010	359	933
Miscellaneous causes	915	756	948	429	567
Total deported	18,142	19,426	19,865	8,879	8,319
Deportable aliens allowed to depart voluntarily at own expense	11,719	10,775	10,347	8,010	7,978
Grand total	29,861	30,201	30,212	16,889	16,297

Mr. DAVIS. The table of statistics presented by the Senator from Vermont [Mr. AUSTIN] gives the number of aliens entering this country by Executive order which I recommended to President Hoover at the beginning of the depression in 1930.

If I remember correctly, 150,000 was the total number coming from Europe at that time, which was practically reduced to 10 percent of that number. This Executive order became effective at the time when unemployment was growing with great rapidity.

That Executive order, as I understand it, is still in effect.

Mr. President, from the table from which I have been reading it will be noted that prior to the World War deportations after entry amounted to 3,461 and 2,088 for the fiscal years ended June 30, 1913, and June 30, 1914, respectively, no part of which was during the war; and during those years, of those deported, only 551 and 862, respectively, were aliens of criminal and immoral classes. Immigration in both of these years was on a high level.

Beginning in 1916, because of war conditions, deportation was suspended in a considerable number of cases, including for 3 years 294 of the criminal and immoral classes and 1,316 insane persons. There were also included some epileptic, feeble-minded, and imbecile aliens not classified as insane.

One of the most difficult problems after the close of the war was ridding the country of the insane and other mentally defective aliens, as well as those of the criminal and immoral classes, whose deportation was stayed. It will also be noted that during the fiscal years 1920 and 1921 there were deported 760 anarchists, and during 1921 the largest number of aliens of criminal and immoral classes theretofore deported in any one year of our history, amounting to 1,447.

During the fiscal year 1921 immigration almost reached the million mark and indicated conclusively that, unless some restriction were placed upon numbers, all previous records of immigrants admitted would be broken in 1922 and subsequent years.

I now desire to have placed in the RECORD the immigration and deportation figures from 1922 to 1935.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Year	Total immigration	Rejected	Deported with warrants		Expulsions without warrants	Total expulsions
			Total	Criminal and immoral		
1922	309,556	13,731	4,345	709	----------	----------
1923	522,919	20,619	3,661	717	----------	----------
1924	706,896	30,284	6,409	864	----------	----------
1925	294,314	25,390	9,495	1,015	----------	----------
1926	304,488	20,550	10,904	1,286	----------	----------
1927	335,175	19,755	12,055	1,579	14,619	26,674
1928	307,255	18,839	11,625	1,841	19,946	31,671
1929	279,678	18,127	12,908	1,856	25,888	38,796
1930	241,700	8,233	16,631	2,456	11,387	28,018
1931	97,139	9,744	18,142	2,719	11,719	29,861
1932	35,576	7,064	19,426	2,753	10,775	30,201
Total	3,434,696	192,346	125,601	17,795	94,334	185,221
1933	23,068	5,527	19,865	2,712	10,347	30,112
1934	29,470	5,384	8,879	2,074	8,010	16,889
1935	34,956	5,558	8,319	2,156	7,978	16,297
Total	87,494	16,469	37,063	6,942	26,335	63,298
Grand total	3,522,190	208,815	162,664	24,737	120,669	248,519

Mr. DAVIS. I desire to read just a few of these figures.

It has been charged that under the present law we cannot deport these aliens. I believe I have had as much experience as any other administrative officer in the deportation of aliens. I have said on the floor of the Senate, and I say again, that the hangman's job is an easy one compared to that of Secretary of Labor when he has to enforce the deportation law, especially with regard to certain cases that arouse all the sympathy that is within a man's soul.

I remember the case of a smuggled alien's family, and I think it hardened me a little bit when we had a report on that particular family. In one of our Midwestern States this family had smuggled in one of its children who could not pass the medical examination at the port. The child was smuggled in, and they sent it to a school. The child had scalp disease. When we found this out and brought in the child for examination, and put it in the bureau of health, we found that the child had transmitted that loathsome disease of ringworm of the scalp to nearly all the children in that schoolroom in the public school to which she was sent.

Then I began to think in terms of the children legally here. When we had to deal with the insane and with those persons

requiring medical attention I began to lose some of my sympathy for cases of that particular kind and to think in terms of the children we had in the schools of America. I believe we ought to enforce law, especially the part of it pertaining to medical inspection, with all the power of the Government.

It is said that this law cannot be enforced. Let me read to you some figures; and I am reading them because the distinguished junior Senator from Washington [Mr. SCHWELLENBACH] made a statement with reference to the administration of the act during the time I was Secretary of Labor.

In 1922, the first year for which I made a report to Congress, the total immigration was 309,556. We rejected at the ports 13,731 aliens who came under the classification that was inserted in the RECORD by the Senator from Vermont [Mr. AUSTIN]. We deported that year criminal aliens to the number of 709.

I am not going to read the total of each and every year during that time; but the total number of aliens who came in during that particular time was 3,434,696. There was practically no organization of the immigration staff when I assumed the duties of Secretary of Labor. The immigragration staff had to be reorganized, from top to bottom. We rejected at the ports from 1922 to 1932, 192,346 persons. We had a total of rejections or aliens deported with warrants of 125,601. We had criminals who were deported during those particular 10 years to the number of 17,795. The number of expulsions without warrants was 94,334. Those aliens were given the right to leave without cost to the Government, because it costs from $100 to $200 to deport every alien who is in the United States illegally, or who comes here and is unable to pass inspection. We deported without warrants 94,334, and the total expulsions were 185,221.

Mr. President, I wish to say a word in reply to what the Senator from Washington [Mr. SCHWELLENBACH] said about the Republicans being negligent in their duty. I made the recommendation when I was Secretary of Labor, and I brought the records here to support my plea, that the Congress of the United States provide for the enrollment of aliens. I recommended that in 1922, but when the 1924 act was passed it gave the right to all those aliens who were illegally here, if they could pass the regular test, the right to enroll in a sort of way, and by the payment of a fee of $20 they were enabled to get a legal status as the first step in becoming citizens. That law was passed upon the recommendation of the Secretary of Labor at that particular time.

The Secretary of Labor also called to the attention of the Congress the fact that we ought to have an enrollment of aliens because at that particular time the illegal immigrants were coming across the Mexican border by the thousands, and we did not have jails enough to put them in. We had to shoo them back just like chickens.

Mr. President, there are some parts of the pending bill I like; but there ought to be something to put a stop to the possibility of insulting aliens in this country by saying to them, "You are here illegally, and have not anything to show that you have a right to be here."

When I became Secretary of Labor, I found that the naturalization law permitted the Secretary to issue a certificate to the alien upon his arrival showing he was legally in the United States. I presented the matter to the solicitor of the Department and he concurred, so instead of permitting them to be taken off ships like sheep, we issued to each alien a certificate to take with him to show that he was legally in the United States, so that those who had charge of the immigration law would not cause someone who did not understand our language and customs any inconvenience when they were investigating those who were legally here.

Mr. President, I desire at this point to insert in the RECORD a table showing the number of immigrants admitted, rejected, and deported during the years 1913, 1914, 1915, 1916, 1917, 1918, 1919, 1920, and 1921, with comment on the tables submitted.

There being no objection, the table and comment were ordered to be printed in the RECORD, as follows:

1913:	
Immigration	1,197,892
Rejected	19,938
Deported (including immoral and criminal classes, 551)	3,461
1914:	
Immigration	1,218,480
Rejected	33,041
Deported (including immoral and criminal classes, 862)	2,088
1915:	
Immigration	326,700
Rejected	24,111
Deported (including immoral and criminal classes, 471)	1,053
1916:	
Immigration	298,826
Rejected	10,383
Deported (including immoral and criminal classes, 249)	2,435
1917:	
Immigration	295,403
Rejected	16,028
Deported (including immoral and criminal classes, 376)	1,853
Deportation suspended (including immoral and criminal classes, 98; insane, 347)	694
1918:	
Immigration	110,618
Rejected	7,297
Deported (including immoral and criminal classes, 199)	1,569
Deportation suspended (including immoral and criminal classes, 119; insane, 575)	1,045
1919:	
Immigration	141,132
Rejected	8,626
Deported (including immoral and criminal classes, 322)	3,068
Deportation suspended [1]	182
1920:	
Immigration	430,001
Rejected	11,795
Deported (including immoral and criminal classes, 477; anarchists, 314)	2,762
1921:	
Immigration	991,942
Rejected	13,779
Deported (including immoral and criminal classes, 1,447; anarchists, 446)	4,517

[1] Deportation suspended because of war conditions.

From the above tables it will be noted that prior to the World War deportations after entry amounted to 3,461 and 2,088 for the fiscal years ended June 30, 1913 and 1914, respectively, no part of which was during the war, and during those years, of those deported only 551 and 862, respectively, were aliens of criminal and immoral classes. Immigration in both of these years was at a very high level.

Beginning in 1916, because of war conditions, deportation was suspended in a considerable number of cases, including for 3 years 294 of the criminal and immoral classes and 1,316 insane persons. There were also included some epileptics, feeble-minded, and imbecile aliens not classified as insane. One of the most difficult problems after the close of the war was ridding the country of the insane and other mentally defective aliens as well as those of criminal and immoral classes whose deportation was stayed.

It will also be noted that during the fiscal years 1920 and 1921 there were deported 760 anarchists and during 1921 the largest number of aliens of criminal and immoral classes theretofore deported in any year of our history, amounting to 1,447.

During the fiscal year 1921 immigration almost reached the million mark and indicated conclusively that unless some restriction were placed upon numbers that all previous records of immigrants admitted would be broken in 1922 and the subsequent years.

Mr. DAVIS. Mr. President, during the course of my remarks the Senator from Vermont [Mr. AUSTIN] was permitted to insert some statistics in the RECORD, and they show that in 1933 the total immigration amounted to 23,000. There were rejected at the ports 5,527. There were deported as criminal aliens 2,712. There was a total of aliens admitted, all told, of 24,737.

We are confronted today with the problem of acting on a measure under which it is expected that within 3 years the aliens illegally in this country will be rounded up. They cannot be rounded up with the present force in 3 years. It cannot be done, Mr. President, in 3 years. We have no adequate enforcement law. I contend, therefore, that the law will not be enforced, except at tremendous expense.

As I was about to point out, when I was Secretary of Labor, it was necessary to establish a border patrol on the Canadian and Mexican borders. We had to establish new officers under the Immigration Service in every port of this country. Practically all appointees are under the civil service. It was necessary to make new districts. We were confronted with a disorganized force with which to enforce restricted-immigration law.

Mr. President, this law cannot be enforced with a border patrol of five or six hundred men. If I remember correctly—and I am speaking from memory—there was one patrolman to every 400 miles.

As I have already pointed out, our idea was to have the alien, after he had been here a year, go with his passport to the county clerk or the postmaster or someone designated by the Commissioner General of Immigration, with the approval of the Secretary of Labor, and to pay a small part of his fee, $1, on enrollment day, and that dollar would have paid the running expenses of the Immigration and Naturalization Bureaus.

Mr. President, I predict now on the floor of the Senate that this measure could not be enforced with the present staff. I have appeared before congressional committees begging for money to enforce the law, and I could not get it. I am not going to say that the Republicans refused to make the appropriations or that the Democrats refused, because most of the men on the other side of the Chamber were voting for it, while on my own side of the Chamber they did not approve it.

O Mr. President, I wish to repeat that the hangman's job is a gentleman's job compared with the job of the Secretary of Labor in these hardship cases. I have sympathy for these 2,800 people. I would have no objection to extending the great warm hand of friendship to them if I believed for a moment that that would end the matter; but it would not. It is so easy to get across the border, it is so easy to enter this country through the seamen's law, it is so easy to enter in so many ways, that if this measure shall be enacted, in 3 years there will be a demand for more legislation, for an extension of the time for some sympathetic soul who wants to come in, perhaps some mother with a sick child and a dozen others will sneak in because we let our hearts go out to the mother and her child.

No man has more sympathy with the alien than have I. I am an alien-born myself. I came into this country as a child, holding to my mother's apron strings. I see all of these aliens coming in, and I know that if we permit them to come in, sneaking in under the immigration law, cheating their way in, and then being given citizenship, we might just as well repeal the Immigration Act, leave the doors wide open, for all to come in.

The idea of an interdepartmental committee is all wrong. It is the job of the Secretary of Labor, under the law, to do what is here proposed to be turned over to a committee. The Secretary has a board of review of five or six important men, many of them with good legal minds, many of them with hearts as big as any heart in this Chamber, and I think the responsibility ought to be there, and not elsewhere. I have enough faith in the people to know that you may fool the people once in a while, but you will never be able to fool them all the time.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. DAVIS. I should prefer not to yield now, unless it is for some very important question. I am now going to discuss the bill. Does the Senator from New York desire to put something in the RECORD?

Mr. COPELAND. I desire to ask the Senator a question, but I do not wish to divert him. I do not see why we have to be so distressed over the pending bill.

Mr. DAVIS. I will tell the Senator in a few moments, if he will just wait.

Mr. COPELAND. Very well. I shall be glad to wait, because I should like to find out why Senators should be so distressed over the bill. I have not been able as yet to ascertain.

Mr. DAVIS. For the time being I am answering the question asked by the Senator from Washington [Mr. SCHWELLENBACH].

It has been said on the floor of the Senate that the American Federation of Labor is not opposed to the bill. To make sure of that, I called up President Green, of the American Federation of Labor, this afternoon. The part of the bill to which he is opposed is the only part of the bill to which I am opposed. It is something to which I was opposed when I was Secretary of Labor.

I am now going to discuss the bill.

Section 1 (1) is in keeping with the recommendations in the reports of the Secretary of Labor for 1925 and 1927. I desire the Senator from New York to pay particular attention to this, because I know he is a home-loving man; he is kind; he is generous; and any sympathetic plea touches his heart. He is interested in the matter from that particular point of view.

Section 1 (2) makes it possible to deport an alien for a legitimate fisticuff. I desire the Senator from New York to pay particular attention to this point. I have discussed this matter with men who served in the Immigration and Naturalization Service, and what I am now about to say is what they have reported to me concerning the bill. Section 1 (2) makes it possible to deport an alien for a legitimate fisticuff, for the most trivial offense, even though the court finds it justified by refusing to impose sentence. It must be remembered that pleading guilty to a very minor charge results in conviction, though the court finds the act justifiable.

Section 1 (3) carries out the purpose of the recommendation of the Secretary of Labor to Congress made in 1925.

Section 1 (4) provides deportation of any alien who is convicted of carrying any dangerous weapon—whatever that may be—even though he is not sentenced. The same comment applies to section 1 (2). If a judge is prejudiced against an alien and fines him for the most trivial offense, the Commissioner of Immigration and Naturalization, if he lives up to his oath of office, will have to deport the alien.

As I see the matter, Mr. President, the worst part of it all is that there is no appeal from the Commissioner's action. He will be the dictator of American immigration laws.

Those are the sections to which I am opposed.

Deportation may be had, in the cases I have just referred to, even though the crimes are not sufficient to justify a court in passing sentence. Discretion is left in the hands of a committee which may be composed of clerks or representatives of the Secretary of Labor. How much attention is the Secretary of State going to give to the work of the interdepartmental committee? How much time is the Attorney General going to give to it? How much time is the Secretary of Labor going to give to it? With the power vested as it is, there is no responsible head of the committee. If the power is to be lodged anywhere, let it be lodged with the Secretary of Labor. Let us not be influenced by consideration of who shall be Secretary of Labor. Whoever he or she is, he cannot go far wrong.

The recommendations of the Secretary of Labor in 1925—and I say this for the benefit of the Senator from Washington—eliminated the qualification "involving moral turpitude", and, instead, made an alien deportable for (1) any offense for which he is sentenced to imprisonment for a year or more, or (2) conviction of several offenses for which the total of one or more previous sentences amounts to 18 months or more.

The Secretary of Labor, as I pointed out, already has a board of review under the direction of a responsible officer; namely, the Secretary of Labor himself. This board was created in 1922 by the then Secretary of Labor. The board sits to determine whether or not under the law there is a right to deport. I say that under this bill we are delegating to one person the power to enforce the immigration law in matters of this kind, especially under the bill as it first came out.

Section 2 of the bill proposes to allow judges to make recommendations against deportation within 6 months, instead

of 30 days, provided the Interdepartmental Committee approves the judges' recommendations. It also proposes to give effect to pardons upon the same condition of approval by the committee.

What is then going to happen to the Senators and Members of the House of Representatives? They will be asked to intercede with these judges. We shall be traipsing down to the Secretary of Labor. I should not want to be Secretary of Labor under such circumstances, and have to listen to the appeals that are going to be made to him.

Increasing the period of judicial recommendation seems just in view of the intended addition of very minor crimes or misdemeanors to the deportation penalty; but it should be remembered that these crimes will for the most part be State offenses. If any right is given the State to recommend against deportation for a violation of its own statutes, why should that action be reviewable by a Federal committee, which may be composed only of minor officers in a department?

Section 3: It will be noted by this section that the committee can use its discretion only if the alien has lived in the United States 10 years or has a certain relative or relatives in the United States, and is an alien not ineligible to citizenship, and has not been convicted of a crime involving moral turpitude. In other words, even with proper family connections, if the alien comes within section 1, he cannot remain or be registered, although in section 1 the committee may restrain from deportation. Here obviously is an ambiguity.

From year to year from 1922 to 1931 the Secretary of Labor advocated the registration or enrollment of aliens in order that they might be assisted to citizenship. At no time, however, has it been deemed expedient to force an alien to become a citizen.

Subdivisions (c) of section 3 and (b) of section 5 should be eliminated. It must be remembered that an alien is subject to a check on his deportment. If given facilities to become a citizen and he is naturalized he may become a good citizen, but an alien driven to naturalization under threat of deportation is a menace to our Government.

Section 4: This provides for adjustment of status and quota for persons of preference or nonquota status in the United States and those admitted as students under proper conditions.

Comment: This is in substance what has previously been requested in asking for administration discretion. On several occasions requests for authority to adjust hardship cases were submitted. See especially the report of the Commissioner General, 1927, page 23.

Section 5 (a): This is to register aliens arriving prior to July 1, 1924. This was specifically requested in the Secretary of Labor's report of 1926 and in subsequent requests.

Subdivision (b) requires registrants to become citizens or be deported. See comment after section 3 (c).

Section 6 is administrative and provides for charging quotas with adjustments.

Section 7 changes fee for registration from $10 to $18.

Section 8 authorizes the Secretary of Labor to designate officers throughout the service to issue warrants of arrest.

Comment: This is not unreasonable. It is a request frequently discussed during all years past with the chairman of the Immigration Committee of the House. Heretofore it has been deemed advisable by Congress not to heed the requests. Instead, it will be recalled, additional assistants to the Secretary of Labor were granted.

Section 9 authorizes detention of aliens without warrant for 24 hours.

Section 10 authorizes rules and regulations.

Section 11 states the interdepartmental committee shall be representatives of the Departments of Labor, State, and Justice. It does not state who they shall be or how appointed.

Comment: If the Secretary of Labor is not the proper authority in which to vest discretion, why not have a legitimate court?

Section 13 abolishes preferences for agriculture. This has been dead for years, and its fallacy officially called to the attention of Congress by the Secretary of Labor in his annual reports of 1927 and 1928.

Mr. President, I desire to present and have printed in the RECORD a letter in the nature of a digest of the pending bill submitted to me by one who served the Department of Labor for 12 years, and served at a time when the reorganization of the Department was being made with respect to the change from open to restrictive immigration.

The PRESIDING OFFICER. Without objection, the letter will be printed in the RECORD.

The letter is as follows:

FEBRUARY 20, 1936.

Senator JAMES J. DAVIS,
Washington, D. C.

DEAR SENATOR: After making a study of S. 2969, attached, with a view of preparing amendments, it is my candid opinion that I would not undertake to amend it. The bill as a whole is vicious and should be defeated.

Section 1 relates to subjects covered in whole or in part by statutes. This section is intended to convey the impression that the present laws are grossly inadequate to meet conditions. The truth is that if the law extends the authority to cover violations of State narcotic laws and for carrying concealed weapons, etc., as provided for in this section, the increase in the number deported would be negligible.

Section 2 refers principally to the right of judges to prevent deportation. The judges already have this right, but seldom exercise it. From my 10 years' experience in deciding immigration cases, I know that this right was exercised in so few cases as to present no administrative problem. The only purpose I can see in the proposed provisions in this bill is to give time to those interested in the deportable alien to intercede in behalf of the alien and in this way thwart the deportation order.

Section 3 is very cleverly designed to create a further loophole in our restrictive immigration laws. The request is based upon the much-abused use of the slogan "to relieve unusual hardship cases."

The responsibility for the enforcement of our immigation laws now rests squarely upon the shoulders of the Secretary of Labor, a high and responsible official of our Government. This is as it should be. For 10 years you carried this responsibility and I assisted, and we know that while hardship cases arose, yet they were few in number in comparison with the thousands passing over our desks. We know also that we were able to handle all of the "unusual hardship cases" in a just and humane way.

The number of hardship cases submitted in the committee report obviously includes cases that would come under the provisions of this proposed legislation and are not cases arising under the present law. There would be no such array of cases if the present officials had performed their duty as required under their oath of office.

Section 5 primarily extends the date for registration of aliens who are here illegally from June 1, 1921, to July 1, 1924. If this was all, there would be no particular objections, but that is not all. Paragraph C of this bill, as well as other sections, undertakes to force citizenship upon various classes of aliens.

Citizenship is the greatest gift we have to offer those of foreign birth. Surely this great gift should not be forced upon reluctant aliens. What value do the sponsors of this kind of legislation place upon citizenship? Apparently they hold it in light esteem and consider it of no value.

Citizenship should only be bestowed upon those seeking it of their own initiative. What kind of a citizen will an alien become who has been forced to take this step lest he lose his right to remain here?

Section 11 creates a so-called interdepartmental committee, composed of representatives of the Departments of Labor, State, and Justice.

This committee is to administer all discretionary authority. This appears to be the main objective of this bill.

This bill in one form or another has been before Congress for the past several sessions. Originally the discretionary authority was to be lodged in the Commissioner of Immigration and Naturalization. Congress refused to grant such authority to the Commissioner, and now this same discretionary authority is asked for an interdepartmental committee. It is a cheap subterfuge.

Note the wording of the paragraphs creating the interdepartmental committee. Nothing said as to who is to select the representatives. No tenure of office mentioned. No responsible officers are named to be members. Nothing to indicate the number. No limit as to number. If this bill should become a law, this committee will be composed of subservient clerks, and we will have the spectacle of a committee of irresponsible clerks handling this great and vital matter with the real administrators hiding behind its skirts.

If Congress wishes to take the responsibility for the enforcement of our immigration laws away from the Secretary of Labor, it should create an immigration court composed of a definite number of judges to be appointed by the President, by and with the consent of the Senate. Fix their compensation. Define its jurisdiction and remove its members out from under the influence of politics.

This bill should not become a law. It is my sincere belief that there is no real need for such legislation; that the laws already

on our statute books provide ample authority for the deportation of the undesirable aliens in our midst, after they are once apprehended.

The one thing needed is a mandatory registration law for all aliens in this country. This for the purpose of enabling immigration officers to locate those who have no right to be and remain here.

This bill is an obvious attempt to broaden the authority of an executive who is irking under the necessity of enforcing the laws as they now stand.

Mr. DAVIS. Mr. President, for the information of the Senator from Washington [Mr. SCHWELLENBACH], I present and ask to have printed in the RECORD a digest of the several reports of the Secretary of Labor from 1921 to 1930 on immigration, with some general comments on the immigration law from 1921 to 1935.

There being no objection, the digest and comments were ordered to be printed in the RECORD, as follows:

ADMINISTRATION LEGISLATION AND RECOMMENDATIONS DURING AND AFTER 1921

1921: The first proposal by Congress to limit immigration by numbers was vetoed by inaction of President Wilson in the closing days of his administration.

During the special session of Congress called by President Harding limitation by quota was enacted by the Congress and became law June 3, 1921, just 28 days before the close of the fiscal year. Consequently its effect is not shown until 1925.

It was anticipated that 350,000 immigrants would be admitted under it and the horribe condition then existing in the physical plant at Ellis Island eliminated. An estimate of $1,008,000 to recondition the place was asked, of which $123,470.75 was submitted to the Congress by the Bureau of the Budget.

1922—Admissions—Laws: The backbone of the immigration laws, which furnishes most of the physical, mental, and moral standards for immigrants, is the act of 1917. There has appeared little need for changing that act. In 1922 there was added to the classes of deportable aliens those convicted under certain provisions of the narcotic laws. In that respect this was strengthened again in 1931 upon requests of the Secretary of Labor, several times contained in annual reports.

The year 1922 saw the first full year of operation of the then temporary 3-percent restrictive law. In that year immigration dropped from nearly a million (1921) to 309,556. Immigration from Canada and Mexico was little affected.

Deportations: It will be noted that deportations began to increase following the war, in 1922 amounting to 4,345, of which 709 were of criminal and immoral classes. There were real hardship cases then. In the Secretary's report of 1922 is found the following:

"By a course of firm conduct and impartial dealing, the Department has succeeded in eliminating from the country a majority of the mental defectives that had accumulated, and progress is being made in eliminating the others. It makes one's heart bleed with compassion to deal with many of these unfortunates and makes an officer wish that he might trade places with a hangman."

At pages 98 and 99 will be found more details on the handling of hundreds of mental cases suspended in the previous administration, including over 900 insane, in addition to other less serious mental cases. Rejections did not show a decrease until economic adversities beset us, and until after July 1, 1924, both at sea and land ports there was no way of preventing aliens applying whether quota was open or closed. While fines were placed upon steamship companies, there were always some who were willing to take a chance of getting their passengers in under the line. Hence the greatest steamship races in history took place in that year.

Appropriations for enforcement were cut so that at the ports personnel was reduced nearly one-half. At the same time, as noted in the Secretary's report for 1922 (p. 85), the quota law, while reducing immigration vastly increased the work of the ports. Administratively the Board of Review in Washington was created to expedite the handling of appeals under the direction and supervision of the Secretary of Labor.

Recommendations for selection of immigrants: The first quota law exempted from restriction not only natives of the Americas but also residents of 1 year. The amendment of 1922 changed that to natives and residents of 5 years, but even then immigration outside of quota grew, and greater opportunities for fraud offered. Fraudulent documents of birth and residence were numerous.

In the report for 1922 the passport system then in use was condemned. It stated:

"The passport system at the present time, with reference to immigration, ill adapted to our needs. * * * Those qualified to enter should be selected on the other side and given our certificate of qualification. To accomplish this purpose legislation should be enacted providing for the examination abroad of prospective emigrants."

1923.—General comment: No new laws were given for enforcement in this year, yet notwithstanding the further restrictive amendment to the quota act of 1921, in 1922 immigration increased to more than half a million. Rejections also increased from 13,731 to 20,619 with formal deportations amounting to 3,661, of which 717 were of criminal and immoral classes. It will be noted that constantly the aim was to rid the country of the most highly undesirable. That deportation was not still further accelerated was caused by the failure of Congress to realize the enormity of the task then imposed by trying to keep out the increasingly large number of "gate crashers."

The annual report of 1923 again called attention to the need for funds and enforcement officers. A codification of all alien laws, including specific amendments, was requested. While no codification has ever been made the 1924 act—requiring visas, giving American consuls the authority to refuse, and providing some penalties in the fiscal year 1925—were beneficial. A recommendation was also made for the enrollment of all aliens so that their identity and status could always be determined without embarrassment to them.

1924.—General comment: In this year nearly three-quarters of a million immigrants were legally admitted. More than 30,000 were rejected and over 6,000 (nearly twice the previous year), including 864 criminal and immoral aliens, were deported.

This was an enormous job, considering that restriction had by this time set up well-organized movements of smuggling and surreptitious entries. Still no substantial relief by appropriation was granted, and again definite plans were presented.

Molded after the pattern presented by the Secretary of Labor to the House Committee on Immigration, the Immigration Act of 1924, requiring immigration visas, enlarging the penalties to steamship companies, and further restricting by numbers to 2 percent, this law in the following year had marked effect. Tentative agreements were, in the fiscal year 1924, had with appropriate offices of some European countries that they would consent to a preliminary examination of aliens by American consuls to determine admissibility. While the 1917 act authorized the making of agreements of this character, it had until that year been announced by members of the Immigration Committee of the House and officers of the Department of State that no government would ever consent to this control of immigrants from abroad. But it was done, and the act of 1924 was drafted after the consents were had.

Enrollment of aliens—Compulsory naturalization: Again in 1924 a recommendation for enrollment of aliens was submitted. As previously asserted, and as I still am firmly convinced, when an alien immigrant is within our gates, we should provide a program of Americanization. I do not, however, believe in compulsory naturalization.

1925—General comment: The fiscal year of 1925 was notable for several reasons. It was the first year of operation of the 1924 Immigration Act, the present basic law for numerical limitation. Immigration was reduced to 294,314, and rejections at seaports dropped because of the discretion given to consular officers in granting visas. Land-border rejections, however, were still high, because penalties, such as to steamship companies coming to seaports, were not generally applicable.

Border patrol: The second notable event was the granting by Congress of an appropriation of $1,000,000 for a land-border patrol. Previously hundreds of miles of border without officers to prevent offered opportunities for wholesale crossings. While the 500 patrol officers thus provided was but a nucleus of a really effective enforcement agency, it helped a great deal.

Deportations increased: Deportations by warrants increased to 9,495, including a larger number of criminal and immoral persons, namely, 1,015.

Recommendations: In the 1925 report of the Secretary of Labor was incorporated a review of some of the previous and new recommendations for legislation. These included the enrollment plan, a codification of alien laws, a strengthening of deportation laws to include in principle some of the changes which are now requested by the present Secretary of Labor but, at the same time, giving to aliens every reasonable protection against overzealous administrators. The program of deportation recommendations had been incorporated in a deportation bill, H. R. 11796, which passed the House but not the Senate. Fourteen classes were included, of which, however, two had only recommended in principle and not in the broad language provided. If that program had been followed, it would be unnecessary to consider any of the proposals now presented for a deportation program, and with which I am not wholly in accord. Pages 115 to 117 of the report of the Secretary for 1925 contain this deportation program.

Technical advisers: In that year also preliminary arrangement for a trial of physical and mental examinations before issuance of visas was agreed to, and generally put into effect in later years. This technical adviser service to consulates has probably done more than any other one thing ever did do to improve the quality of immigrants received.

The uniting of families: The uniting of families by certain preferences was also recommended, and in subsequent years this program was adopted by Congress.

1926—General comment: The fical year 1926 was the most satisfactory in the administration of the immigration laws. The technical adviser service abroad was in working order, and the number of rejections at seaports was almost nil because of the preliminary precautions taken in examinations abroad. Yet 304,488 immigrants were admitted, and all had to be properly documented before application for admission.

However, because of pressure on the land borders, and because of the practice which had from time immemorial existed in permitting persons in Canada and Mexico to cross daily to work in the United States, the work of examination was no less difficult.

Over 20,000 were rejected.

Deportations on warrants increased to 10,904, including 1,286 criminal and immoral—a new record.

The border patrol in that year became an effective organization, and I believe that the upward trend in illegal entrances of aliens was halted.

Relieving hardship cases: Prior recommendations were renewed, together with new ones relating to the more humane aspects of regulation, including methods of preventing separation of families and an allotment of a few visas for hardship cases to the Secretary of Labor. As pointed out in the 1926 report (p. 120), every immigrant inspector and each member of the Board of Review was being trained to the principle that, as they were dealing with the rights of human beings, every principle of equity should be available to the alien as well as to the Government, to the end that no one should suffer unjustly in the administration of this most difficult set of laws.

1927 to 1930—General comment: During these years the number of immigrants admitted did not vary appreciably, being from 335,175 to 241,700, and with the assistance of the border patrol deportations became more and more effective. Also, a policy was adopted to encourage the departure of aliens, not of the criminal and immoral classes, without warrants of deportation. Total expulsions amounted to 26,674 in 1927, 31,671 in 1928, 38,796 in 1929, and 28,018 in 1930. Of these an average of over 12,000 were on formal warrants, and deportation of criminal and immoral classes increased from 1,579 in 1927 to 1,841 in 1928, 1,856 in 1929, and 2,456 in 1930.

Recommendations: Included in recommendations in the annual report of 1927 were suggestions for reuniting families, preventing separations, and a certain amount of discretion in administrative authority. As in several years past, also, penalties for surreptitious entries were requested. The 1928 report also reiterated these needs. The uselessness of the preference granted by the 1924 act in favor of immigrants skilled in agriculture was also pointed out.

Canadian border crossings for labor: During these years was evolved a policy of forbidding the entrance as business "visitors" aliens residing in foreign contiguous territory, to labor in the United States. On April 1, 1927, an administrative order was put into effect barring from such crossing aliens who were not legally admitted residents of the United States. A program was worked out, however, whereby, through the cooperation of the State Department, worthy cases of nonresident aliens secured proper visas.

This restriction, however, was a blow to the large number of aliens residing in Canada, because they could not qualify for admission as immigrants, and yet enjoyed the privilege of working here. It was fought in court, and finally, on April 8, 1929, the Supreme Court of the United States affirmed the viewpoint of the Secretary of Labor. In the report of 1928 is stated:

"If its (the Supreme Court) decision is against the Government, then the present restrictive immigration law will no longer be of any effect as a protection to the wage earners of the United States against alien labor of foreign countries."

This instance shows how effective can be an administrative action:

Legislation of March 1929: On March 2 and 4 of 1929 a part of recommendations were approved. The act of March 2 authorized a voluntary registration of certain aliens who arrived before June 3, 1921; and the act of March 4 made criminal the surreptitious entry of an alien, his return after deportation, and made deportable some criminal aliens that previously it had been impossible to reach. These acts, however, were more stringent than requested, and were later modified, upon recommendation, to relieve some of the extreme hardships created. In the meantime certificates of lawful admission were provided incoming immigrants, another step toward the ultimate registration of all aliens.

The operation of the border patrol, and the coordination of activities of the Immigration Service, with the additional help of penalties provided, made it possible in the annual report of 1932 to report (p. 15) that "illegal entries over the boundaries have been materially checked" and "that the purposes of immigration laws are reasonably well carried out."

1931 to 1933—General comments: During these years, except for the volume of immigration, the results of enforcement were similar to the immediately preceding years. However, the reputed "drives" to round up aliens believed to be subject to deportation resulted in little difference in actual expulsions and deportations, in 1931 being 29,861; in 1932, 30,201; and 1933, 30,112; practically all the deportations in the fiscal year 1933 occurring prior to March 4 of that year. It will be noted also that the level of deportations of criminal and immoral classes have remained at about the same level of about 2,500 up to 1935.

1934 and 1935—General comment: While no reasons are assigned, during the period from July 1, 1933, to June 30, 1935, deportations and total expulsions declined by about 50 percent, from an average of 19,500 formal warrants in the 2 preceding years to an average of about 8,500 in 1934 and 1935, with total expulsions with and without warrants declining by some 14,000 a year. These are not accounted for in the total of some 2,800 cases said to be now held in abeyance as accumulated over the period of more than 2 years.

Mr. DAVIS. Mr. President, the restriction of immigration has been a serious problem to my knowledge over a period of more than 40 years.

I remember very well the agitation for restrictive legislation against orientals, which was passed in 1882, and at that time the people of America believed that a solution was had of their immigration problems.

This was not true, however, for, while the restriction of orientals brought a slight reduction in agitation, there immediately began a more serious problem during the late eighties and early nineties in the development of the major industries of the country. There was a press for cheap labor and the corporations went out into the farming communities and through the countryside in central Europe to recruit the common labor which could not be found in the United States. So great was the competition in the securing of this labor that agents were sent abroad and railroads and steamship lines were subsidized by industry to such an extent that in many instances the fare of an immigrant from central Europe to Chicago was as low as approximately $10, and this amount was frequently advanced by the employers to be deducted from the wages after the immigrant's arrival. The conditions on ships were such that every available inch of space was used for steerage, and it was a common expression that immigrants in the holds of ships were referred to as being packed like sardines in a box.

The wages which were paid to these immigrants thus recruited were very low, and it can be easily seen that the corporations which were formed with large issues of common stock had to make their profits out of the cheapness of the labor which they imported in this manner.

The immigrants who came to do this work were from every part of central Europe, and in communities where I have lived I have heard every language of Europe spoken where English was little, if any, understood. These immigrants came in colorful groups as they arrived at our shores in their native costumes. They were of the plain kind of countryfolk, generous in spirit, noble in thought, hardy, and with great endurance. They came with one thought in mind, and that was to find a better place for themselves and to help build a great Republic for their posterity.

To get a full and complete picture of these great migrations one has only to read the reports and recommendations, both of the majority and minority, of the Immigration Commission, referred to as the elder Roosevelt Commission, and headed by the late Senator from Vermont, Walter P. Dillingham.

Keen partisanship grew out of this situation because developing industry felt it needed to continue this importation of cheap labor, and it became a partisan issue. Those who believed that the country could only prosper by continued unrestricted immigration were very persistent. During this period between the eighties and up to the time of this Commission's report, the wage earners began to feel the very slimness of their wage and began to demand the American standard which they saw about them. Naturally strikes resulted, and to break these strikes the same corporations used the additional supply of what we might call "raw labor", which was coming in in large numbers at that time. In fact, one of the earlier of our immigration laws is the contract-labor law, which prohibited the contracting for this labor abroad, but this was of little effect when the bars were down and the migrations had started, with the cost of railroad and steamship passage being so low as to present no obstacle to the migration of these millions of people.

The peak of immigration was reached just before the World War when nearly a million and a half immigrants were admitted, but the World War gave us the only breathing spell or any restriction upon immigration that we had after the great migration started. Because of the disturbed conditions in Europe and the unavailability of ships for immigrants we had a breathing spell, during which the 1917 Immigration Act was formulated and which gave us the first real standard by which to bar immigrants and impose restrictions on immigrants from certain oriental countries and the educational or reading test which was applied to all those who thereafter sought entry.

Following the war, however, immigration immediately resumed in great numbers, and we were well on our way to reach or pass the peak previously marked before the war. Nearly a million immigrants entered in the year from July 1, 1920, to June 30, 1921, and it was reported that millions and millions

of immigrants—residents of wartime Europe—were breaking up their homes and flocking to ports seeking passage on ships as soon as they were available after being released from wartime service.

This condition brought to attention the necessity for a numerical restrictions of immigration. The first restrictive act was rushed through at the first special session of Congress called in 1921, and the 3-percent restrictive law was passed. Against this restriction there were numerous exceptions, and the total of immigration dropped considerably and gradually increased until it reached again the three-quarters of a million mark.

There was a real battle to get the 3-percent restrictive act, and the battle continued until the passage of the 1924 act, which is the basic restrictive law at the present time, the wisdom of which I believe is now clear to all.

Mr. President, during the time I was administrator of the immigration laws, I tried to temper justice with mercy. My sympathies are naturally with the immigrant who is legally here because I came here myself as an alien boy of 7½ years. This country has treated me well, and now that it has placed me in a position of trust I want to return the benefit to the best of my ability.

Like all other aliens, we came here to improve our condition. During that time aliens were coming to this country because there was a great demand for their services. When they came, they brought with them a knowledge of skills and technical aptitudes which has helped to make this country strong. There was much in the lands they left for which they have a true and natural affection. They came here because of the opportunities of the average man on American farms, in mills, mines, and factories. At the time we came here there was a great demand for workers, and American agents had been sent abroad to recruit labor for American agriculture and industry. Immigrants poured in by the millions. They added color and strength to American life.

Now the need for labor has been replaced by the need for employment. Therefore, it was necessary to change the immigration policy of the country so that the millions of unemployed now within our borders may have the right to work.

This country has ever been regarded as a refuge for the persecuted of other lands, and we have sheltered thousands of men and women who found the Old World customs oppressive to them, and how fortunate are all of us who came to this country as we now enjoy a freedom of speech and the guiding of individual conscience that is denied to many in the lands of their birth. While they have a policy of restrictive immigration, I trust that those who come under this policy will be the noble men and women whose ideals of democracy, constitutional government, and protective genius naturally draw them to this land. Under the limitations of immigration now in effect we may expect that those who come to us will bring with them those things necessary to help give employment to the unemployed.

Mr. REYNOLDS. I ask to have printed in the RECORD as a part of my remarks at this point a digest which I have prepared relative to the three sections of the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Section 1 (1): I am wholly in accord with the provisions of this subsection.

Section 1 (2): This subsection still embodies the vices which the Commissioner of Immigration and Naturalization alleges exist in the Act of 1917 through the inclusion of time limitations. There is precisely the same temptation for an alien to plead guilty to a lesser offense than that for which he is charged involving moral turpitude in order to escape the penalty of deportation. As the Commissioner says, there is an inducement to have a case nol-prossed. Cases are nol-prossed, of course, through the exercise of political pressure in order to prevent an habitual alien criminal from being deported. An alien may be released on bail which he can jump, or he may be given a suspended sentence. Under this subsection as it now stands, there is a particular temptation to secure the exercise of political pressure in order to get a suspended sentence, because the Commissioner of Immigration and Naturalization is granted discretionary power to exempt the alien from deportation under such conditions. There remains under this provision the same temptation to secure a recommendation from the judge or magistrate against deportation as in the present law, although to be sure under S. 3969 section 2 gives discretion to the Secretary of Labor as to the desirability of accepting this recommendation. In other words, we still have under this subsection a large amount of discretionary power, and what is worse, we no longer have a provision that aliens with a long record of crime, against whom it is not possible at the moment to bring deportation proceedings because the last offense involving moral turpitude occurred over 5 years ago. It may be pointed out in this connection that here again is a vast temptation to use political pressure to secure a conviction for a crime of lesser moment than that charged in order to escape deportation, and under this subsection that temptation is continuing throughout the entire residence of the alien in the United States. Under the existing statute, if by chance any alien committed a second offense involving moral turpitude, he is mandatorily deportable at any time after his entry into the country. The subsection as now drawn, therefore, grants amnesty to a vast class of habitual criminals who can continue to prey upon the community so long as they avoid an offense involving moral turpitude. (Senators will please read from Fruit of the Family Tree, pp. 8, 16, 186, and also read the report of the Commissioner of Immigration to accompany list of stayed deportation cases dated Jan. 15, 1936, H. Doc. 392.)

Section 1 (3): It is preposterous to continue the embodiment of the provision in this subsection that in order to secure deportation the Government shall prove that an illegal entry was induced, assisted, or aided for the purpose of gain. There is no reason in morals or in law why an alien should be exempt from the penalties to which a citizen is exposed by being an accessory to the commission of a crime. It is a very grave crime to promote illegal entry into the United States, because a reference to section 22 of the Immigration Act of 1924 discloses the character of crimes an alien commits in order to secure entry into the United States by illegal methods, and the penalty imposed by Congress for the perpetration of the crime of illegal entry under the provisions set forth in section 22 carry a penalty of $10,000 fine or 5 years in jail. At the very least the act of March 4, 1929, section 2, provides that any alien who hereafter enters the United States at any time or place other than as designated by immigration officials, or eludes examination, etc., shall be punished by imprisonment for not more than 1 year or by a fine of not more than $1,000. In order to bring an alien within the provisions of the statutes as this subsection is now drawn, the promotion of illegal entry would have to become a habit, because it is only upon proof that illegal entry has been promoted on more than one occasion that the alien becomes mandatorily deportable.

Section 1 (4): I object to this subsection for two reasons. First, it contains the vicious limitation as to time which has been discussed in connection with subsection 1 of this section; and secondly, it gives broad discretionary power to the Commissioner of Immigration and Naturalization to release the alien if he thinks it to be in the public interest; that means in substance that the alien is released if enough political pressure can be exercised to save him from deportation. In connection with this subsection I want to call your attention to the fact that in the Uniform Crime Reports, issued by the Bureau of Investigation of the Department of Justice of the United States (last issue), it will be noted that the rate of arrests of aliens for criminal homicide exceeds that of the native-born persons.

Section 2: This section extends the period of time during which the judge may make a recommendation that an alien convicted in his court be not deported as a consequence of such conviction. The obvious result, if indeed it is not the purpose of this extension of time, is to permit the alien to muster political pressure whereby a recommendation for exemption from deportation may be forced from the judge. The provision in the section that the recommendation of the judge must be accompanied by the Commissioner of Immigration and Naturalization is meritorious to the extent that makes it incumbent on the persons exercising political pressure to force attention on the Commissioner of Immigration and Naturalization, in addition to the judge. It is hardly conceivable that if the alien can secure a recommendation that he be not deported from the judge that the Secretary of Labor will nevertheless deport him.

Section 3 (a): This section relates to the 2,862 aliens whose deportation has been suspended by the Department of Labor in defiance of the existing statutes, and which, of course, extends amnesty to all aliens of a similar class who may be subsequently apprehended. The grant of discretionary power conferred by this section extends for 3 years and it not only makes possible a grant of amnesty to any alien illegally entered in the past, but who falls within the scope of its exemption, but also grants amnesty to prospective violators of the law for a period of 3 years. It is, of course, inevitable that when such a provision as this is written into the law the alien blocs will force all the political pressure they can assemble in the next 3 years for its indefinite extension, and leave the Congress no peace or establish any permanency in our immigration policy. The beneficiaries of this provision are those who have successfully hidden themselves in the community for 10 years, or have succeeded in escaping detection for 1 year, and have living in the United States a parent, spouse, legally recognized child, etc. Inasmuch as probably 80 percent of the aliens in the United States have a relative belonging to one or other of the classes mentioned in this subsection, the vast scope of this discretionary power is at once apparent, but worse than that it holds out to the alien the temptation to recognize an illegitimate child or adopt a child in order to escape deportation. This section raises directly the question as to the moral character of an alien who illegally enters the United States. The Department of Labor and the Commissioner

of Immigration in particular has repeatedly set forth the view that illegal entry is not in itself any evidence of bad moral character, although, as has already been pointed out, certain classes of illegal entrants are subject to the penalty of $10,000 fine and 5 years in jail, or the lesser penalty under other circumstances of $1,000 fine or 1 year in jail. Section 3 is strongly objected to by the Federation of Labor, the Brotherhood of Locomotive Firemen and Enginemen. (See testimony of Hushing before Senate committee.)

Section 4 (a): Inasmuch as aliens who have entered the United States illegally and who may or may not legalize their position in the United States under the provisions of this section are entitled to the privileges of the National Security Act, and also inasmuch as the provisions of the Executive order of May 20, 1935, prescribing rules and regulations for the enforcement of the Emergency Relief Act is so drawn as to make it impossible now to exclude the alien legally entered or illegally entered from the benefits of the Emergency Relief Act, we are holding out through this section a tremendous bonus to any alien abroad to enter the United States, legally, if possible, or illegally, if not possible, in order to enjoy benefits not conferred in any other country in the world upon the foreigner.

Section 4 (b): I regard the provisions of this section as vicious, inasmuch as it puts a premium on an alien using the easier method of entering the United States by declaring himself to be a temporary visitor in order to avoid the more stringent requirements for entry under the quota. It is inevitable that an alien once in the country under the provisions of this section, which is closely linked with section 3 in its application, can evade the restrictive provisions of our immigration statutes much more easily than if he subjected himself to an examination abroad. The Government is deprived of an opportunity to have the consul pass judgment at the moment of application for entry as to whether the immigrant would qualify as a quota immigrant or for a preference within the quota. Furthermore, the provisions granted under this section are distinctly unjust to the honest and law-abiding alien who seeks to enter for permanent residence in accordance with the provisions of the existing statutes. We further object to this section on the grounds that it confers on the Commissioner of Immigration and Naturalization the right to change the status.

Section 5: The purpose of this section is to establish the legality of entrance of any alien who entered the United States prior to July 1, 1924, of whom there is no record of entry. It has been estimated that this provision, which has been embodied in a series of bills offered from time to time in Congress, would legalize the entry of some 250,000 illegal entrants who entered between 1921 and 1924. There is no possible method of ascertaining the number of direct beneficiaries under this section, but it must be borne in mind that every beneficiary whose entry is legalized acquires the privilege, upon establishing citizenship, of bringing in nonquota immigrants who are relatives. There can be no question but what the enactment of this provision would increase the number of immigrants coming into the United States during this period of depression.

Section 6 (a): My position in regard to this section is that the burden of proof should be upon the alien in every matter which arises in connection with the enforcement of the provisions of this act.

Section 6 (b) and (c): Being dependent upon sections 3, 4, and 5, in my opinion, should be deleted along with those sections. At any rate, any immigration act which Congress would pass should require that the burden of proof be borne by the alien. Of course, it is recognized, if Congress yields to the alien bloc by enacting these sections, provisions such as are embodied are necessary.

Section 7: Is dependent upon the action which Congress may take in respect to section 4.

Section 8: I approve section 8 as is embodied in my bill.

Section 9: I approve section 9 as is embodied in my bill.

Section 10: The reckless abuse of power by the Commissioner of Immigration and Naturalization in the course of the past 2 years and 8 months convinces me that in any grant of power to make rules and regulations, there should be added a proviso that these rules and regulations must be wholly in accord with the fundamental purpose expressed in the act and be wholly opposed to grant of broad discretionary power by way of rules and regulations.

Section 11: Provides for the establishment of an interdepartmental committee and stands or falls on the proposition that a grant of discretionary power be given to it.

ORDER OF BUSINESS

Mr. ROBINSON. Mr. President, I desire to submit a request for unanimous consent relating to the procedure of the Senate. The request which I am about to make is approved by the leader of the minority, the Senator from Oregon [Mr. McNARY].

I ask unanimous consent that the unfinished business be temporarily laid aside; that the Senate proceed to the consideration of the District of Columbia appropriation bill; that when the Senate shall have concluded its labors today it adjourn until 12 o'clock noon tomorrow, and after the conclusion of routine morning business and until the hour of 2 o'clock tomorrow the Senate shall proceed to the consideration of unobjected bills on the calendar.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request submitted by the Senator from Arkansas?

Mr. AUSTIN. Mr. President, is it contemplated that at the conclusion of today's business the Senate shall adjourn until noon tomorrow?

Mr. ROBINSON. Yes.

Mr. FLETCHER. Mr. President, may I ask the Senator to add to his request that after the conclusion of the call of the calendar the Senate shall proceed to the consideration of Senate bill 4023?

Mr. ROBINSON. I will state to the Senator from Florida that my request as now submitted is rather a lengthy one, and I have not had an opportunity to confer with the leader of the minority as to the feature suggested. I shall cooperate with the Senator from Florida in order to secure early consideration of the bill to which he has referred. I should not at this time like to include it in my request for the reason I have indicated.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request submitted by the Senator from Arkansas? The Chair hears none, and it is so ordered.

DISTRICT OF COLUMBIA APPROPRIATIONS

Mr. THOMAS of Oklahoma. Mr. President, under the agreement just entered into, I ask that the Senate proceed to the consideration of the District of Columbia appropriation bill.

The PRESIDING OFFICER. Under the agreement the Chair lays before the Senate the District of Columbia appropriation bill.

The Senate proceeded to consider the bill (H. R. 11581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that the bill be read for amendment, committee amendments to be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will state the first amendment of the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, on page 2, line 8, after the word "addition", to strike out "$2,700,000" and insert "$5,700,000", so as to read:

That in order to defray the expenses of the District of Columbia for the fiscal year ending June 30, 1937, any revenue (not including the proportionate share of the United States in any revenue arising as the result of the expenditure of appropriations made for the fiscal year 1924 and prior fiscal years) now required by law to be credited to the District of Columbia and the United States in the same proportion that each contributed to the activity or source from whence such revenue was derived shall be credited wholly to the District of Columbia, and, in addition, $5,700,000 is appropriated, out of any money in the Treasury not otherwise appropriated, to be advanced July 1, 1936, and all of the remainder out of the combined revenues of the District of Columbia, namely:

The amendment was agreed to.

The next amendment was, under the heading "General expenses—Executive office", to increase the appropriation for personal services under the building inspection division from $113,360 to $122,860.

The amendment was agreed to.

The next amendment was, on page 4, line 2, after the word "services", to strike out "$37,390" and insert "$43,690", and in line 3, after the words "in all", to strike out "$37,690" and insert "$43,990", so as to read:

Plumbing inspection division: For personal services, $43,690; two members of plumbing board at $150 each; in all, $43,990.

The amendment was agreed to.

The next amendment was, on page 4, line 10, after "(49 Stat., p. 653)", to strike out "$11,000" and insert "$18,000", so as to read:

Smoke regulation and control: For personal services, equipment, instruments, supplies, transportation, and other contingent ex-

penses necessary for the enforcement of the act entitled "An act to prevent the fouling of the atmosphere in the District of Columbia by smoke and other foreign substances, and for other purposes", approved August 15, 1935 (49 Stat., p. 653), $18,000.

The amendment was agreed to.

The next amendment was, on page 4, at the end of line 26, to increase the appropriation for personal services under the collector's office from $45,900 to $47,900.

The amendment was agreed to.

The next amendment was, under the subhead "Office of corporation counsel", on page 5, line 10, after the word "services", to strike out "$99,520" and insert "$104,120", so as to read:

Corporation counsel, including extra compensation as general counsel of the Public Utilities Commission, and other personal services, $104,120.

The amendment was agreed to.

The next amendment was, on page 5, line 17, after the word "exceeding", to strike out "$500" and insert "$1,000", and in line 20 to strike out "$39,900" and insert "$40,400", so as to read:

ALCOHOLIC BEVERAGE CONTROL BOARD

For personal services, streetcar and bus transportation, telephone service, not exceeding $1,000 for the purchase of samples, not exceeding $100 for witness fees, and other necessary contingent and miscellaneous expenses, $40,400.

The amendment was agreed to.

The next amendment was, under the subhead "Coroner's office", on page 5, line 24, to strike out "$10,180" and insert "$10,600", so as to read:

For personal services, including deputy coroners, in accordance with the Classification Act of 1923, as amended, $10,600.

The amendment was agreed to.

The next amendment was, under the subhead "Public Utilities Commission", on page 7, line 12, after the word "services", to strike out "$69,000" and insert "$75,000", so as to read:

For two commissioners, people's counsel, and for other personal services, $75,000, of which amount not to exceed $5,000 may be used for the employment of expert services by contract or otherwise and without reference to the Classification Act of 1923, as amended.

The amendment was agreed to.

The next amendment was, under the subhead "Surveyor's office", on page 8, line 8, after the word "services", to strike out "$73,260" and insert "$80,000', so as to read:

For personal services, $80,000.

The amendment was agreed to.

The next amendment was, on page 8, line 11, after the figures "$2,500", to strike out the colon and the following proviso: "*Provided,* That the amount to be expended from the appropriation herein for personal services, Surveyor's Office, shall not exceed an amount greater than the estimated receipts for the fiscal year 1937 from the work of such office", so as to read:

For rebinding and repairing record books in the office of the Surveyor of the District of Columbia, showing properties in the District of Columbia, $2,500.

The amendment was agreed to.

The next amendment was, under the subhead "Department of vehicles and traffic", on page 9, line 23, after the word "services", to strike out "$69,600" and insert "$74,640", so as to read:

For personal services, $74,640.

The amendment was agreed to.

The next amendment was, under the subhead "Recorder of deeds", on page 10, line 22, after the word "services", to strike out "$97,380" and insert "$104,580", so as to read:

For personal services, $104,580.

The amendment was agreed to.

The next amendment was, under the heading "Contingent and miscellaneous expenses", on page 11, line 13, after the word "exceed", to strike out "$1,000" and insert "$2,000"; and in line 22, after the word "offices" and the semicolon, to strike out "$26,000" and insert "$27,000", so as to read:

For checks, books, law books, books of reference, periodicals, newspapers, stationery; surveying instruments and implements; drawing materials; binding, rebinding, repairing, and preservation of records; ice; repairs to pound and vehicles; traveling expenses not to exceed $2,000, including payment of dues and traveling expenses in attending conventions when authorized by the Commissioners of the District of Columbia; expenses authorized by law in connection with the removal of dangerous or unsafe and insanitary buildings, including payment of a fee of $6 per diem to each member of board of survey, other than the inspector of buildings, while actually employed on surveys of dangerous or unsafe buildings; and other general necessary expenses of District offices; $27,000.

The amendment was agreed to.

The next amendment was, on page 12, line 3, after the word "binding", to strike out "$40,000" and insert "$43,000", so as to read:

For printing and binding, $43,000, and the last proviso of this paragraph shall not apply to work which can be performed at a lower cost in the central duplicating section of the District of Columbia or the printing plant at the reformatory at Lorton, Va.

The amendment was agreed to.

The next amendment was, under the subhead "Central Garage", on page 12, line 20, after the word "services", to strike out "$58,340" and insert "$60,467"; and in line 24, after the figures "$800" and the semicolon, to strike out "in all, $72,980" and insert "executive office, three, $6,300; and one ambulance for the Board of Public Welfare, $1,660; for purchase of two passenger-carrying automobiles, $1,160, and two station wagons, $1,500; in all, $85,727", so as to read:

For maintenance, care, repair, and operation of passenger-carrying automobiles owned by the District of Columbia, including personal services, $60,467; for purchase (including exchange) of passenger-carrying automobiles, $13,840; and for purchase (including exchange) of a passenger-carrying automobile for the assessor's office, $800; executive office, three, $6,300; and one ambulance for the Board of Public Welfare, $1,660; for purchase of two passenger-carrying automobiles, $1,160, and two station wagons, $1,500; in all, $85,727.

The amendment was agreed to.

The next amendment was, on page 14, line 10, after the word "of", to strike out "$9,500" and insert "$10,400", so as to read:

The Commissioners are authorized, in their discretion, to furnish necessary transportation in connection with strictly official business of the District of Columbia by the purchase of streetcar and bus fares from appropriations contained in this act: *Provided,* That the expenditures herein authorized shall be so apportioned as not to exceed a total of $10,400: *Provided further,* That the provisions of this paragraph shall not include the appropriations herein made for the fire and police departments.

The amendment was agreed to.

The next amendment was, on page 16, line 6, after the word "Commissioners", to strike out "$1,500" and insert "$2,500"; and in line 9, after the word "such", to strike out "investigations" and insert "purposes", so as to read:

EMERGENCY FUND

To be expended only in case of emergency, such as riot, pestilence, public insanitary conditions, calamity by flood or fire or storm, and of like character, and in all other cases of emergency not otherwise sufficiently provided for, in the discretion of the Commissioners, $2,500: *Provided,* That the certificate of the Commissioners shall be sufficient voucher for the expenditure of not to exceed $1,000 for such purposes as they may deem necessary.

The amendment was agreed to.

The next amendment was, under the heading "Free Public Library", on page 17, line 20, after the word "librarian", to strike out "$352,020" and insert "$354,020", so as to read:

For personal services, and for substitutes and other special and temporary services, including extra services on Sundays, holidays, and Saturday half holidays, at the discretion of the librarian, $354,020.

The amendment was agreed to.

The next amendment was, on page 17, line 23, after the word "publications" and the comma, to strike out "$40,000" and insert "$60,000", so as to read:

Miscellaneous: For books, periodicals, newspapers, and other printed material, including payment in advance for subscription books, and society publications, $60,000.

The amendment was agreed to.

The next amendment was, under the heading "Street and road improvement and repair—Gasoline tax, road and street improvements and repairs", on page 20, after line 10, to insert:

Northwest: Runnymede Place, Broad Branch Road to Nevada Avenue, and Nevada Avenue, Runnymede Place to Western Avenue, $8,400.

The amendment was agreed to.

The next amendment was, on page 23, line 9, after the word "exceed", to strike out "$350,000" and insert "$450,000", so as to read:

For replacement of the superstructure, and such portions of the substructure as may be necessary, including relocation and reconstruction of approach roads of the Chain Bridge in accordance with plans and profiles to be approved by the Commissioners of the District of Columbia, including personal services, engineering and incidental expenses, $250,000; and the Commissioners are authorized to enter into contract or contracts for the completion of said bridge at a cost not to exceed $450,000.

The amendment was agreed to.

The next amendment was, on page 23, line 22, after the word "exceed", to strike out "$2,161,200" and insert "$2,169,600", so as to read:

In all, not to exceed $2,169,600, to be immediately available; to be disbursed and accounted for as "Gasoline tax, road, and street improvements and repairs", and for that purchase shall constitute one fund.

The amendment was agreed to.

The next amendment was, under the subhead "Wharves", on page 25, after line 21, to insert:

For construction of pier at fish wharf and market, including approaches, preparation of plans and specifications, and personal services, $20,000.

The amendment was agreed to.

The next amendment was, under the heading "Sewers", on page 26, line 20, after the word "work", to strike out "$226,820" and insert "$230,170", so as to read:

For cleaning and repairing sewers and basins; including the replacement of the following motor trucks: One at not to exceed $2,500; two at not to exceed $975 each; for operation and maintenance of the sewage pumping service, including repairs to boilers, machinery, and pumping stations, and employment of mechanics and laborers, purchase of coal, oil, waste, and other supplies, and for the maintenance of non-passenger-carrying motor vehicles used in this work, $230,170.

The amendment was agreed to.

The next amendment was, on page 27, line 24, after the word "vehicle", to strike out "$157,211" and insert "$190,403", so as to read:

Sewage treatment plant: For operation and maintenance, including salaries and wages of necessary employees, supplies, repairs to buildings and equipment, purchase of electric power, fuel, oil, waste, and other necessary expenses, including not to exceed $950 for the purchase of one non-passenger-carrying motor vehicle, $190,403.

The amendment was agreed to.

The next amendment was, under the heading "Collection and disposal of refuse", on page 28, line 23, after the word "expenses", to strike out "$825,000" and insert "$850,000", so as to read:

To enable the Commissioners to carry out the provisions of existing law governing the collection and disposal of garbage, dead animals, night soil, and miscellaneous refuse and ashes in the District of Columbia, including inspection; fencing of public and private property designated by the Commissioners as public dumps; and incidental expenses, $850,000.

The amendment was agreed to.

The next amendment was, under the heading "Public playgrounds", on page 29, line 8, after the word "services", to strike out "$116,000" and insert "$122,500", so as to read:

For personal services, $122,500: *Provided*, That employments herewith, except directors who shall be employed for 12 months, shall be distributed as to duration in accordance with corresponding employments provided for in the District of Columbia Appropriation Act for the fiscal year 1924.

The amendment was agreed to.

The next amendment was, on page 29, line 16, after the word "maintenance", to strike out "$39,000" and insert "$40,800", so as to read:

For general maintenance, repairs, and improvements, equipment, supplies, incidental and contingent expenses of playgrounds, including labor and maintenance, $40,800.

The amendment was agreed to.

The next amendment was, on page 29, line 24, after the words "school term", to strike out "$28,000" and insert "$29,700", so as to read:

For the maintenance and contingent expenses of keeping open during the summer months the public-school playgrounds, under the direction and supervision of the Commissioners; for special and temporary services, directors, assistants, and janitor service during the summer vacation, and, in the larger yards, daily after school hours during the school term, $29,700.

The amendment was agreed to.

The next amendment was, under the heading "Electrical department", on page 30, line 5, after the word "services", to strike out "$135,300" and insert "$142,500", so as to read:

For personal services, $142,500.

The amendment was agreed to.

The next amendment was, under the heading "Public schools", on page 32, line 8, after the word "superintendents", to strike out "$679,995" and insert "$691,795", so as to read:

For personal services of administrative and supervisory officers in accordance with the act fixing and regulating the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, approved June 4, 1924 (43 Stat., pp. 367–375), including salaries of presidents of teachers colleges in the salary schedule for first assistant superintendents, $691,795.

The amendment was agreed to.

The next amendment was, on page 32, line 10, after the word "employees", to strike out "$169,100" and insert "$193,400", so as to read:

For personal services of clerks and other employees, $193,400.

The amendment was agreed to.

The next amendment was, on page 32, line 21, after the word "twelve", to strike out "$6,962,240" and insert "and including $10,000 for health and physical-education teachers to supervise play in schools of the central area, bounded by North Capitol Street on the east, Florida Avenue on the north, the Mall on the south, and Twelfth Street on the west, $7,113,640", so as to read:

For personal services of teachers and librarians in accordance with the act approved June 4, 1924 (43 Stat., pp. 367–375), including for teachers colleges assistant professors in salary class 11, and professors in salary class 12, and including $10,000 for health and physical-education teachers to supervise play in schools of the central area, bounded by North Capitol Street on the east, Florida Avenue on the north, the Mall on the south, and Twelfth Street on the west, $7,113,640.

The amendment was agreed to.

The next amendment was, on page 33, line 14, after the word "schools", to strike out "$29,400" and insert "$32,400", so as to read:

For the instruction and supervision of children in the vacation schools and playgrounds, and supervisors and teachers of vacation schools and playgrounds may also be supervisors and teachers of day schools, $32,400.

The amendment was agreed to.

The next amendment was, under the subhead "Night schools", on page 34, line 10, after the word "schools", to strike out "$91,360" and insert "$94,180", so as to read:

For teachers and janitors of night schools, including teachers of industrial, commercial, and trade instruction, and teachers and janitors of night schools may also be teachers and janitors of day schools, $94,180.

The amendment was agreed to.

The next amendment was, under the subhead "Community Center department", on page 36, line 4, after the word "fixtures", to strike out "$50,000" and insert "$75,000", so as to read:

For personal services of the director, general secretaries, and community secretaries in accordance with the act approved June 4, 1924 (43 Stat., pp. 369, 370); clerks and part-time employees, including janitors on account of meetings of parent-teacher associations and other activities, and contingent expenses, equipment, supplies, and lighting fixtures, $75,000.

The amendment was agreed to.

The next amendment was, under the subhead "Care of buildings and grounds", on page 36, line 11, to strike out "$932,202" and insert "$937,730", so as to read:

For personal services, including care of smaller buildings and rented rooms at a rate not to exceed $96 per annum for the care of each schoolroom, other than those occupied by atypical or ungraded classes, for which service an amount not to exceed $120 per annum may be allowed, $937,730.

The amendment was agreed to.

The next amendment was, under the subhead "Miscellaneous", on page 36, line 17, after the word "pupils", to strike out "$22,000" and insert "$26,000", so as to read:

For transportation for pupils attending schools for tubercular pupils, sight-conservation pupils, and crippled pupils, $26,000.

The amendment was agreed to.

The next amendment was, on page 37, line 1, after the word "power", to strike out "$300,000" and insert "$325,000", so as to read:

For fuel, gas, and electric light and power, $325,000.

The amendment was agreed to.

The next amendment was, on page 37, line 10, after the word "exceeding", to strike out "$5,000" and insert "$6,800"; in line 11, after the words "in all", to strike out "$121,500" and insert "$124,500"; and in the same line, after the word "available", to insert a comma and "of which not to exceed $1,200 may be expended for tabulating school census cards either by contract or by day labor as the Commissioners may determine", so as to read:

For contingent expenses, including United States flags, furniture and repairs of same, stationery, ice, paper towels, and other necessary items not otherwise provided for, and including not exceeding $8,000 for books of reference and periodicals, not exceeding $1,500 for replacement of pianos at an average cost of not to exceed $300 each, not to exceed $1,000 for the purchase of one grand piano for the Armstrong High School, not exceeding $6,800 for labor; in all, $124,500, to be immediately available, of which not to exceed $1,200 may be expended for tabulating school census cards either by contract or by day labor as the Commissioners may determine.

The amendment was agreed to.

The next amendment was, on page 38, line 6, after the word "School", to strike out $90,000" and insert "$113,000"; and in line 10, after the words "in all", to strike out "$127,000" and insert "$150,000", so as to read:

For completely furnishing and equipping buildings and additions to buildings as follows: Anacostia Junior-Senior High School, $113,000; Armstrong High School gymnasium, $3,000; Eliot Junior High School addition, $12,000; Randall Junior High School addition, $10,000; Hardy School, second floor, $3,000; eight-room building on old John F. Cook School site, $9,000; in all, $150,000.

The amendment was agreed to.

The next amendment was, under the subhead "Buildings and grounds", on page 41, after line 6, to insert:

For construction of an addition to the Alice Deal Junior High School, including 10 classrooms and 1 gymnasium, $165,000.

The amendment was agreed to.

The next amendment was, on page 41, after line 9, to insert:

For a stadium and athletic field at the Woodrow Wilson Senior High School, $83,000.

The amendment was agreed to.

The next amendment was, on page 41, line 20, after the words "In all", to strike out "$1,402,500" and insert "$1,650,-500", so as to read:

In all, $1,650,500, to be immediately available and to be disbursed and accounted for as "Buildings and grounds, public schools", and for that purpose shall constitute one fund and remain available until expended.

The amendment was agreed to.

The next amendment was, under the heading "Metropolitan Police—Salaries", on page 44, line 2, after the word "department", to strike out "$3,286,100" and insert "$3,390,-200", so as to read:

For the pay and allowances of officers and members of the Metropolitan Police force, in accordance with the act entitled "An act to fix the salaries of the Metropolitan Police force, the United States Park Police force, and the fire department of the District of Columbia" (43 Stat., pp. 174–175), as amended by the act of July 1, 1930 (46 Stat., pp. 839–841), including compensation at the rate of $2,100 per annum for the present assistant property clerk of the police department, $3,390,200.

The amendment was agreed to.

The next amendment was, on page 44, line 3, to increase the appropriation for personal services under the Metropolitan Police from $121,700 to $129,260.

The amendment was agreed to.

The next amendment was, under the subhead "Miscellaneous", on page 44, line 23, after the word "patrol", to strike out "$67,750" and insert "$69,000", so as to read:

For miscellaneous and contingent expenses, including rewards for fugitives, purchase of gas equipment and firearms, maintenance of card system, stationery, city directories, books of reference, periodicals, newspapers, telegraphing, telephoning, photographs, rental and maintenance of teletype system and labor-saving devices, telephone service charges, purchase, maintenance, and servicing of radio broadcasting systems, purchase of equipment, gas, ice, washing, meals for prisoners, medals of award, not to exceed $300 for car tickets, furniture and repair thereto, beds and bed clothing, insignia of office, police equipments and repairs to same, and mounted equipment, flags and halyards, storage and hauling of stolen or abandoned property, and traveling and other expenses incurred in prevention and detection of crime and other necessary expenses, including expenses of harbor patrol, $69,000, of which amount not exceeding $2,000 may be expended by the major and superintendent of police for prevention and detection of crime, under his certificate, approved by the Commissioners, and every such certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended.

The amendment was agreed to.

The next amendment was, on page 45, line 21, after the word "another", to strike out "$46,000" and insert "$49,750", so as to read:

Uniforms: For furnishing uniforms and other official equipment prescribed by department regulations as necessary and requisite in the performance of duty to officers and members of the Metropolitan Police, including cleaning, alteration, and repair of articles transferred from one individual to another, $49,750.

The amendment was agreed to.

The next amendment was, on page 48, line 3, to increase the appropriation for personal services (salaries), under the health department, from $180,150 to $185,790.

The amendment was agreed to.

The next amendment was, on page 49, line 16, after the word "expenses", to strike out "$41,960" and insert "$45,-380", so as to read:

For the maintenance of a dispensary or dispensaries for the treatment of indigent persons suffering from tuberculosis and of indigent persons suffering from venereal diseases, including payment for personal services, rent, supplies, and contingent expenses, $45,380.

The amendment was agreed to.

The next amendment was, on page 50, line 15, after the word "clinics", to strike out "$70,760" and insert "$84,000", so as to read:

Hygiene and sanitation, public schools, salaries: For personal services in the conduct of hygiene and sanitation work in the public schools, including the necessary expenses of maintaining free dental clinics, $84,000.

The amendment was agreed to.

The next amendment was, on page 50, line 22, after the word "expenses", to strike out "$1,800" and insert "$3,300", so as to read:

For maintenance of laboratories, including reference books and periodicals, apparatus, equipment, and necessary contingent and miscellaneous expenses, $3,300.

The amendment was agreed to.

The next amendment was, under the heading "Courts", on page 52, line 12, to increase the appropriation for personal services (salaries) under the juvenile court from $59,940 to $65,380.

The amendment was agreed to.

The next amendment was, on page 53, line 6, to increase the appropriation for personal services (salaries) under the police court from $96,830 to $100,550.

The amendment was agreed to.

The next amendment was, under the subhead "Court of appeals", on page 56, line 6, after the words "in all", to strike out "$105,000" and insert "$111,800", so as to read:

Salaries: For the chief justice and four associate justices, five law clerks at $2,500 each, and all other officers and employees of the court; reporting service; and not to exceed $520 for necessary expenditures in the conduct of the clerk's office, in all, $111,800.

The amendment was agreed to.

The next amendment was, on page 58, line 6, to increase the appropriation for personal services under the Board of Public Welfare from $113,140 to $115,300.

The amendment was agreed to.

The next amendment was, on page 60, line 23, to increase the appropriation for personal services under the general administration, Workhouse and Reformatory, District of Columbia, from $408,800 to $416,300.

The amendment was agreed to.

The next amendment was, under the subhead "National Training School for Girls", on page 63, after line 22, to insert:

For construction, repair, improvement, and extension of buildings at the National Training School for Girls in accordance with plans to be approved by the municipal architect and the Commissioners; and for additional personnel and maintenance at that institution, $100,000.

The amendment was agreed to.

The next amendment was, under the subhead "Medical charities", on page 64, at the end of line 9, to increase the appropriation for Children's Hospital from $50,000 to $75,000.

The amendment was agreed to.

The next amendment was, on page 64, at the end of line 10, to increase the appropriation for Central Dispensary and Emergency Hospital from $55,000 to $65,000.

The amendment was agreed to.

The next amendment was, on page 64, at the end of line 12, to increase the appropriation for Eastern Dispensary and Casualty Hospital from $25,000 to $40,000.

The amendment was agreed to.

The next amendment was, on page 64, at the end of line 20, to increase the appropriation for personal services under the Tuberculosis Hospital and Sanatorium from $126,000 to $141,500.

The amendment was agreed to.

The next amendment was, on page 65, line 7, after the word "vehicles", to strike out "$75,000; in all, $78,000" and insert "$80,000; in all, $83,000", so as to read:

For repairs and improvements to buildings and grounds, including roads and sidewalks, $3,000; for furniture and equipment for the new sanatorium, including not to exceed $5,000 for motor-propelled trucks and passenger-carrying vehicles, $80,000; in all, $83,000.

The amendment was agreed to.

The next amendment was, on page 65, at the end of line 10, to increase the appropriation for personal services (salaries), including not to exceed $1,000 for temporary labor under the Children's Tuberculosis Sanatorium from $106,330 to $116,350.

The amendment was agreed to.

The next amendment was, on page 65, at the end of line 23, to increase the appropriation for personal services (salaries), including not to exceed $2,000 for temporary labor, under the Gallinger Municipal Hospital from $418,340 to $423,380.

The amendment was agreed to.

The next amendment was, under the subhead "District Training School", on page 67, line 2, to strike out "$84,000" and insert "$85,000", so as to read:

For maintenance and other necessary expenses, including the maintenance of non-passenger-carrying motor vehicles, the purchase and maintenance of horses and wagons, farm machinery and implements, and not to exceed $200 for the purchase of books, books of reference, and periodicals, $85,000.

The amendment was agreed to.

The next amendment was, under the subhead "Public assistance", on page 69, line 4, after the name "District of Columbia", to strike out "$1,506,020, of which not to exceed $177,800 shall be available for personal services" and insert "$1,656,200", so as to read:

For the purpose of affording relief to residents of the District of Columbia who are unemployed or otherwise in distress because of the existing emergency, to be expended by the Board of Public Welfare of the District of Columbia by employment and direct relief, in the discretion of the Board of Commissioners and under rules and regulations to be prescribed by the Board and without regard to the provisions of any other law, payable from the revenues of the District of Columbia, $1,656,200.

The amendment was agreed to.

The next amendment was, on page 70, after line 14, to insert:

NATIONAL LIBRARY FOR THE BLIND

For aid and support of the National Library for the Blind, located at 1800 D Street NW., to be expended under the direction of the Commissioners of the District of Columbia, $5,000.

The amendment was agreed to.

The next amendment was, on page 72, line 19, after "secs. 47–47f)" and the comma, to strike out "$15,000" and insert "$25,000", so as to read:

VOCATIONAL REHABILITATION

Vocational rehabilitation of disabled residents, District of Columbia: To carry out the provisions of the act entitled "An act to provide for the vocational rehabilitation of disabled residents of the District of Columbia, and for other purposes", approved February 23, 1929 (U. S. C., Supp. VII, title 29, secs. 47–47f), $25,000.

The amendment was agreed to.

The next amendment was, under the heading "Militia", on page 74, line 3, after the word "service", to strike out "$10,000; in all, $37,300" and insert "$15,480; in all, $42,780", so as to read:

For the following, to be expended under the authority and direction of the commanding general, who is hereby authorized and empowered to make necessary contracts and leases, namely:

For personal services, $21,500; temporary labor, $5,800; for expenses of camps, including hire of horses for officers required to be mounted, and for the payment of commutation of subsistence for enlisted men who may be detailed to guard or move the United States property at home stations on days immediately preceding and immediately following the annual encampments; damages to private property incident to encampment; reimbursement to the United States for loss of property for which the District of Columbia may be held responsible; cleaning and repairing uniforms, arms, and equipment; instruction, purchase, and maintenance of athletic, gymnastic, and recreational equipment at armory or field encampments, not to exceed $500; practice marches, drills, and parades; rent of armories, drill halls, and storehouses; fuel, light, heat, care, and repair of armories, offices, and storehouses; machinery and dock, including dredging alongside of dock; construction of buildings for storage and other purposes at target range; telephone service; printing, stationery, and postage; horses and mules for mounted organizations; maintenance and operation of passenger and non-passenger-carrying motor vehicles; streetcar fares (not to exceed $200) necessarily used in the transaction of official business; not exceeding $400 for traveling expenses, including attendance at meetings or conventions of associations pertaining to the National Guard; and for general incidental expenses of the service, $15,480; in all, $42,780.

The amendment was agreed to.

The next amendment was, under the heading "Water Service—Washington Aqueduct", on page 80, after line 7, to insert:

For purchase and erection of one 500,000-gallon capacity elevated water tank and appurtenances to replace the existing 138,000-gallon tank situated on District of Columbia property at Stanton School, $35,000, to be immediately available.

The amendment was agreed to.

The next amendment was, on page 85, after line 2, to strike out:

SEC. 6. No part of the funds appropriated in this act shall be available for the payment of the salary of any officer or employee of the District of Columbia whose salary as such officer or employee is $2,400 or more per annum who is engaged in any outside business or profession in addition to his official duties.

The amendment was agreed to.

The next amendment was, on page 85, line 9, to change the section number from 7 to 6.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. THOMAS of Oklahoma. Mr. President, on behalf of the committee, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 32, line 25, after "$7,113,640", it is proposed to insert a comma and the following:

Of which not exceeding $5,000 may be expended for compensation to be fixed by the Board of Education and traveling expenses of educational consultants, employed on special educational projects.

The amendment was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, on behalf of the committee, I offer a second amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 56, line 2, after "justices", it is proposed to insert "marshal, $3,600, whose appointment is hereby authorized"; and on page 56, line 6, it is proposed to strike out "$111,800" and insert in lieu thereof "$115,400."

The amendment was agreed to.

Mr. THOMAS of Oklahoma. On behalf of the committee, I offer an additional amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 65, line 18, after "$85,000", it is proposed to insert a colon and the following:

Provided, That pay patients may hereafter be admitted to the Children's Tuberculosis Sanatorium for care and treatment at such rates and under such regulations as may be established by the Commissioners of the District of Columbia, insofar as such admissions will not interfere with admission of indigent patients.

The amendment was agreed to.

Mr. THOMAS of Oklahoma. On behalf of the committee, I offer another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to insert the following new section:

SEC. —. Paragraph (7) of section 1 (b) of the District of Columbia Unemployment Compensation Act, as amended, is amended to read as follows:

"(7) Service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual."

The amendment was agreed to.

Mr. THOMAS of Oklahoma. On behalf of the committee, I offer an additional amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert the following new section:

SEC. 8. The Commissioners of the District of Columbia are hereby authorized and empowered to make and enforce regulations to require any person in charge or control of any lot of land, improved or unimproved, within the District of Columbia, fronting or abutting on a paved sidewalk, whether as owner, tenant, occupant, agent, lessee, receiver, trustee, executor, administrator, or otherwise, to remove and clear away or cause to be removed and cleared away any snow, ice, and sleet from any said sidewalk in front of or abutting on said lot of land; and, in case the snow, ice, and sleet on such sidewalk shall be frozen so hard that it cannot be removed without injury to the pavement, to require such person in charge or control of any such lot of land to cause said sidewalk to be made safe by strewing the same with such suitable material as the Commissioners may prescribe and to require such person in charge or control of any such lot of land to thoroughly clean said sidewalks of snow, ice, sleet, and such material as soon thereafter as the weather shall permit, and to provide penalties for the violation of such regulations not to exceed $25 for each such violation.

The act entitled "An act providing for the removal of snow and ice from the paved sidewalks of the District of Columbia", approved September 16, 1922, is hereby repealed.

The amendment was agreed to.

Mr. THOMAS of Oklahoma. On behalf of the committee, I offer a further amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert the following new section:

SEC. 7. The Commissioners of the District of Columbia are hereby authorized and empowered, in their discretion, to secure and to install, at no expense to the said District, mechanical parking meters or devices on the streets, avenues, roads, highways, and other public spaces in the District of Columbia under the jurisdiction and control of said Commissioners; and said Commissioners are authorized and empowered to make and enforce rules and regulations for the control of the parking of vehicles on such streets, avenues, roads, highways, and other public spaces, and as an aid to such regulation and control of the parking of vehicles the Commissioners may prescribe fees for the privilege of parking vehicles where said meters or devices are installed.

The Commissioners are further authorized and empowered to pay the purchase price and cost of installation of the said meters or devices from the fees collected, and thereafter such meters or devices shall become the property of said District and all fees collected shall be paid to the collector of taxes for deposit in the Treasury of the United States to the credit of the revenues of said District.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. THOMAS of Oklahoma. I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. THOMAS of Oklahoma, Mr. GLASS, Mr. COPELAND, Mr. NYE, and Mr. KEYES conferees on the part of the Senate.

Mr. THOMAS of Oklahoma. Mr. President, I think the law provides that a member of one of the legislative committees shall be on the conference committee. I ask unanimous consent that the Senator from Utah [Mr. KING] be appointed to represent the Senate legislative committee on the conference committee.

The PRESIDING OFFICER. Without objection, that order will be made.

WALES ISLAND PACKING CO.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 753) to carry out the findings of the Court of Claims in the case of the Wales Island Packing Co.

Mr. COPELAND. I move that the Senate disagree to the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. THOMAS of Utah, Mr. VAN NUYS, and Mr. BORAH conferees on the part of the Senate.

INTERNATIONAL MERCANTILE MARINE CO.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 788) for the relief of the International Mercantile Marine Co., which was, on page 1, lines 6 and 7, to strike out "to reimburse said company" and insert "in full settlement of all claims against the Government of the United States."

Mr. COPELAND. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

COMPAGNIE GENERALE TRANSATLANTIQUE

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 790) for the relief of the Compagnie Generale Transatlantique, which was, on page 1, lines 6 and 7, to strike out "to reimburse said company" and insert "in full settlement of all claims against the Government of the United States."

Mr. COPELAND. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

ART METAL CONSTRUCTION CO.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1138) for the relief of Art Metal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period, which were, on page 2, line 1, to strike out "1935" and insert "1936", and on the same page, line 5, to strike out "1935" and insert "1936."

Mr. COPELAND. I move that the Senate concur in the amendents of the House.

The motion was agreed to.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of Asst. Surg. Edward C. Lutton to be passed assistant surgeon in the United States Public Health Service, to rank as such from March 6, 1936.

The PRESIDING OFFICER (Mr. McGILL in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the calendar.

ADJOURNMENT

Mr. ROBINSON. I move that the Senate adjourn, pursuant to the order heretofore entered.

The motion was agreed to; and (at 4 o'clock and 58 minutes p. m.) the Senate, under the order previously entered, adjourned until tomorrow, Friday, April 24, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 23 (legislative day of Feb. 24), 1936

POSTMASTERS

CONNECTICUT

Robert M. Smith, East Haddam.
Edmond J. Jodoin, Jewett City.
Gertrude C. Wood, Noroton.
Thomas F. Murray, Noroton Heights.
Walter P. Moran, Norwich.
Arthur W. Carmody, Sandy Hook.
Daniel P. Hurley, Terryville.

DELAWARE

James L. Smith, Greenwood.

IDAHO

Stella Hurst, Carey.

INDIANA

James C. McKillip, Charlestown.
Oscar J. Fueger, Chrisney.
Merlyn R. Elliott, Dale.
Frank M. Davis, Fort Branch.
Eugene W. Felkner, Milford.
Lester B. Dickey, Parker.
Paul D. Pugh, Upland.
Thelma F. Shuff, Van Buren.
Russell J. Dunn, Waterloo.
Ruby G. Nusbaum, Winona Lake.

IOWA

Sydney B. Dailey, Allison.
Frances F. Baldwin, Cascade.
Charles J. Murphy, Chester.
Clarence L. Herren, Clarinda.
John F. Alexander, Conrad.
Herbert L. Smith, Dewitt.
A. George Ross, Doon.
Kathryn D. Finn, Dumont.
John J. Langenfeld, Earling.
Gerald Elias Faust, Earlville.
James N. Kinney, Elliott.
Paul E. Morf, Fredericksburg.
Loren L. Maher, Gilmore City.
Harry D. Hines, Humeston.
George Harder, Keystone.
Julia Loretta Hurley, Laurens.
Louis E. Maxfield, Malcom.
William Harry Thompson, Mapleton.
Mae K. Wilson, Monroe.
James D. Minnes, Moravia.
Mabel E. Buchanan, Plover.
Herbert Ward Alexander, Thornton.
Linus L. Powers, Vail.
Francis A. Gallagher, Walnut.
Charles E. Lynch, Waucoma.
Edward B. Wittrig, Wayland.
Bernice Green, Winfield.

NEBRASKA

Mina E. Andersen, Bristow.
Harry H. Row, Davenport.
Isaac D. Brownfield, Hershey.
Frederick J. Eichenberger, Kimball.

NEW YORK

Edward T. Morrissey, Baldwin.
Emma Reynolds, Brightwaters.
Jay C. Fox, Brocton.
George F. Green, De Kalb Junction.
George W. Seibert, Narrowsburg.
Patrick J. O'Leary, Perry.
Harry S. New, Valatie.
Jack Batt, Woodmere.

SOUTH CAROLINA

Henry N. Folk, Bamberg.

VERMONT

Patrick Mahoney, Burlington.
Roy P. Skinner, Newport.
Marjorie M. Duval, West Burke.

VIRGINIA

Andrew T. Organ, Chester.
Rudolph Shiffer, Claremont.
Charlotte E. Jackson, Ivanhoe.

WISCONSIN

Lawrence Willkom, Boyd.
Albert A. Beck, Dorchester.
Leonard P. Sheehy, Ettrick.
Aloys H. Vos, Kansasville.
Richard H. McCarty, Kaukauna.
William H. Brown, Laona.
Marion L. Shafer, Muscoda.
Lorraine M. Lannoye, Oostburg.
Raymond Novotny, Oshkosh.
Jennie C. Thomm, Oxford.
John M. Kippenhan, Slinger.
Hervey S. Northrup, Waupun.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 23, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Gracious God, author of our existence, the hope and inspiration of every perfect thing, look upon us, we beseech Thee. Like as a father pitieth his children, so the Lord pitieth them that fear him; for he knoweth our frame; he remembereth that we are dust. We wait, Father in Heaven, and appeal from Thy justice to Thy love. Confessing the sins we once cherished, we lift our hearts to Thee; Thou hast loved us, and will love us to the end. We pray Thee, let us know how good it is to distill goodness, sympathy, and the gladness of God from a self-centered life. Give us the courageous eye of faith which alone sees right; it overcomes evil tendencies and is truly all in all. Grant that wise cooperation of the Congress may secure the survival of the best. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with amendment, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 12098. An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes.

The message also announced that the Vice President had appointed Mr. BULOW and Mr. WHITE members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments", for the disposition of executive papers in the United States Civil Service Commission.

ORDER OF BUSINESS

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, after several weeks of preparation, we have now reached the point where the House is to take up for consideration and action what I regard as probably the most important piece of legislation to be considered at this session, the new tax bill.

Under the special order of the House, 16 hours has been provided for general debate on the bill, the debate to be confined to the bill. After conference with the Speaker of the House and the chairman of the Committee on Ways and Means, we have reached the decision that it is most important for us to go through with the consideration of this bill without interruption, and therefore I want to give notice that I trust no Member of the House on either side will submit any request for special consideration to speak or for permission to speak out of order or for special time outside of the consideration of the bill as now provided.

I think it only fair that I should make this statement, because we want to treat everybody fairly and impartially, but we consider it most imperative to consider and pass this bill as expeditiously as possible and I hope, therefore, that all Members on both sides will be governed accordingly.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. I yield.

Mr. COCHRAN. Does the gentleman's statement mean that the conference reports on the various appropriation bills will not be considered until after the tax bill has been disposed of?

Mr. BANKHEAD. No; I did not make that statement because, of course, that is a matter in the sound judgment and discretion of the Speaker, and I do not know what decision he may reach about that. My main purpose was to make a statement with reference to special orders.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. No; I have made my statement.

Mr. RICH. I should like to ask the gentleman if we are going to be notified when these conference reports will come before the House so we may have a little time to discuss them. They are very important and I think the gentleman will agree with my statement.

Mr. BANKHEAD. I may say to the gentleman from Pennsylvania it is rather difficult to anticipate when a conference report is going to be called up, if any are called up, by recognition of the Speaker during the consideration of this bill. I do not know whether it is in the mind of the Speaker to make any statement with reference to that matter at this time or not, but my statement was made purely for the reason I have stated with reference to special requests to address the House.

Mr. RICH. I appreciate that, but if we had a day fixed when we knew these conference reports were coming up, I think it would be very helpful and would be in the interest of the welfare of the country.

Mr. BANKHEAD. I cannot at this time give the gentleman any assurance whatever with reference to that matter.

THE ROOSEVELT ADMINISTRATION AND THE WELFARE OF THE AMERICAN NEGRO

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOUSTON. Mr. Speaker, the interests of the colored people have been and will continue to be best served by the Democratic Party, the party that stands for the common man, for human rights above property rights; and the leader of that party, Franklin D. Roosevelt, has given that race the greatest opportunity ever afforded under any administration.

From the close of the Civil War up to 1932, the Negro vote went to the Republican Party, but how much consideration did the race get for that allegiance? During the decade from 1920 to 1930 the colored farmers of the Nation lost 3,785,757 acres of land, and not one thing was done by the Federal Government to save these farm homes, the most part of which was good, rich farming land.

In contrast to that deplorable loss is the saving of 36,758,484 acres to colored farmers through the recovery program of President Roosevelt and the Democratic Congress. The colored farmers have access, on an equal footing, to relief afforded by the Farm Credit Administration, the Department of Agriculture, the Federal Emergency Relief Administration, and kindred agencies for financial aid. More than that, there are men of their own race to whom they can appeal. Prof. H. D. Hunt is with the Farm Credit Administration, while T. M. Campbell, of Tuskegee, and J. B. Pierce, of Hampton Institute, are the colored representatives with the Agriculture Department.

Mr. Roosevelt has appointed more Negroes to responsible governmental positions than the last three Republican administrations combined. Under this administration Dr. Thompkins, an outstanding Negro physician and a lifelong Democrat, has been appointed Recorder of Deeds of the District of Columbia. Robert L. Vann, lawyer and publisher, has been appointed Special Assistant Attorney General, with offices in Washington; L. A. Oxley, of North Carolina, is special assistant and adviser in the Department of Commerce; E. K. Jones, of New York, is special adviser in the Department of Labor; Lester A. Walton is Minister to Liberia; Theopholius Mann and William F. Hastie are special solicitors in the Department of the Interior; Forest B. Washington is adviser on Negro affairs to Harry L. Hopkins; Earl R. Moses is assistant statistician in the Bureau of Research. While these are individual honors, the colored citizens generally have benefited by the Roosevelt policies. In every law passed by Congress for direct relief or otherwise the Negro shares equally with his fellow citizens, and in addition to these material benefits, a new understanding and sympathy

have drawn the two races together, and former prejudices based on color are being dissipated.

Under the emergency measures put into effect by President Roosevelt in 1933 and enacted by Congress large sums of money have been spent for relief and economic rehabilitation of both white and colored; there has been no color line there; no discrimination as to creed, or race, or sex. Home owners' loans have been utilized by colored citizens as well as whites to save their homes. The Public Works Administration, the Civil Works Administration, the Works Progress Administration, and similar agencies assumed their obligations to aid the Negro as no less pressing than their duty to the white. Regulations of the National Recovery Act insured them against discrimination in wages and hours. The Agricultural Adjustment Act applied to all farmers regardless of color, and was the means of saving thousands of Negro farmers from foreclosure and ruin.

In addition to these temporary agencies, housing projects are being constructed throughout the country. Nineteen of the total of forty-seven projects will be predominantly tenanted by Negroes, and at least five others will include Negroes, making a total of one-half of all of these projects for the use of colored people, and resulting in thousands of Negro families having decent homes in which to live and rear their children. Negro architects and a fair proportion of skilled and unskilled Negro labor is being used in the construction of these buildings, and at the same wages as given whites.

The Negro must have more and better education than he has received in the past, and a larger proportion of the race must receive the fundamentals of a public-school education; they must receive the fullest possible educational opportunities. Largely as a result of the activities of Dr. Ambrose Coliver, special assistant to Harry L. Hopkins, the school terms for colored children in the South have been lengthened 2 months and the salaries of over a thousand school teachers were increased. Thousands of needy colored students have received from $8 to $20 a month each so they could continue their studies in 120 colored colleges. Hundreds of colored teachers, both men and women, received $100 a month for conducting adult classes in the drive to stamp out illiteracy. As a result of this drive it is estimated that at least half a million colored citizens and their children have been benefited.

Howard University and Freedmen's Hospital, Washington institutions, have received $2,000,000 from public-works funds for improvements and betterments. Wendell Phillips High School, in Chicago, was completed through an allotment of $500,000 from the same source.

Can those who are maliciously attacking the present administration point to comparable activities during the past three administrations? Ever since the Civil War the Republican Party has had the Negro vote pretty much in its vest pocket, and to a greater extent than many people realize, owes its long tenure of power to that very fact. In nearly every election during the last 20 years the Negro vote has represented the balance of power in such important States as Illinois, Indiana, Ohio, and not infrequently, in Missouri. The Negro voter has been of tremendous service to the Republican Party, but newer generations of Negroes who have had the benefit of a better education now wonder whether they still owe their gratitude to the party that has exploited their race for 70 years. They are awakening to the realization that under a Democratic administration they are receiving recognition of their social and economic rights as never before. In 1932 thousands of Negro voters finally came to the conclusion they had paid to the Republican Party whatever debt of gratitude was due from them and voted for the Democratic Party, which has fulfilled its promise of equal opportunity under the law.

The Honorable ARTHUR W. MITCHELL, a Negro and a member of the Democratic Party, representing a congressional district in Chicago, introduced during the first session of the Seventy-fourth Congress a bill providing for the creation of a permanent commission for the study of problems connected with the needs of the Negro. The proposed commission will consist of five members, appointed by the President, and at least three of them must be Negroes.

The duties of the commission shall be to study the economic conditions of the Negro; to study the labor problems in which the Negro is fundamentally interested; to stimulate and encourage thrift and industry among the Negroes of this country; to promote the general welfare of the Negro in industrial pursuits and to encourage his general uplift; to work out plans looking toward the solution of the different problems confronting the Negro race of the United States; to consider all questions pertaining to the Negro that may be referred to said commission by any department of the United States Government, and report a suggested solution of any and all problems that may be presented to the commission by any officer of the United States, the Governor or attorney general of any of the States, or labor department of any State in the United States; to recommend what may be necessary for the stability of labor in the different States; to discourage subversive doctrine and propaganda; to work toward the formulation of a policy for mutual understanding and confidence between the races; to report to Congress through the President of the United States all their acts and doings and to make such recommendations for the solution of any problem or problems affecting the Negro that they may deem advisable.

Mr. MITCHELL hopes that one important result of the studies to be made by this commission will be the formulation of a labor policy which will foster a better understanding between the two races. I share that hope. Too long have we looked with indifference upon the efforts of the Negro to raise himself above the plane in which the race existed at the end of the War between the States. Too few of us realize the marvelous progress made by the Negro in this brief period of 70 years. This bill, which has the endorsement and support of the large majority of good thinking people of both races, promises to meet a real need of the Nation, and to substantially safeguard and advance the interest of the largest minority group of our citizens, a group which has been true to our country and has always answered the call of the country in the most patriotic manner, but which group has been sadly and most shamefully neglected when it comes to sharing in full benefits of what we call American citizenship rights and opportunities.

And I wish to say a word of tribute to our colleague, the Honorable ARTHUR W. MITCHELL, the first Negro Democrat in Congress. His conception of duty to his congressional district, his State, and the Nation has shown him to be a leader among his race, and one of whom they can justly be proud. His breadth of vision and understanding, his fine grasp of current problems, and his unswerving devotion to the Democratic cause make all who know him hope that he will be returned to Congress, and thus be enabled to continue the fine work which he has so ably performed during the past 2 years. It requires genuine courage, in the light of the history of this Republic, for an American Negro to be a Democrat, and ARTHUR MITCHELL possesses that courage, thereby reflecting credit upon himself, his race, and the Democratic Party.

During the first session of the Seventy-fourth Congress, $3,000,000 was authorized to be spent by the Federal Government in connection with the Texas centennial celebration, most of which will be returned to the Government through amusement taxes. One justification, at least, for voting for this measure was that it affords a means for the display of the advancement of the Negro people of this country. It is my understanding that through this appropriation by Congress the Negroes will be given an opportunity to construct a building, designed by Negro architects and built by Negro labor, and in this building will be exhibits of the arts and sciences depicting the advancement of their race. It is my hope that thousands of Kansas Negroes, and thousands from other States, will avail themselves of the opportunity to attend the Texas centennial celebration and participate in this demonstration. It gave me great pleasure to cast my vote in favor of the appropriation in order that this exhibition might be possible.

From all this, I feel that the Roosevelt administration has given fair return to the Negro voters who supported it in the last two elections. For the first time in the history of the Nation the economic and social welfare of the colored citizens have been given the same consideration as all other citizens. The Negro Democrat looks to the rising sun of the future, and is not unaware of the living present. His opportunity today is equal to that of Booker T. Washington, the wisest spirit ever born of African blood.

OUR AIR-LINE PILOTS

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill (H. R. 11399).

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, the 650 pilots of scheduled air-liners in the United States are the best trained group of civilian airmen in the world. The kind of flying they are doing, day and night, summer and winter, through all kinds of weather, is unequaled anywhere; but this vast store of knowledge and experience is going to waste insofar as our national defense is concerned.

I recently introduced a bill, H. R. 11399, which provides that these men shall be a part of the Army Air Corps Reserve and will be given a month's training at an Army field once a year. This bill would make it possible for these pilots to keep posted on latest military developments and enable the United States to tap this source of supply in time of emergency.

With the training that they already have, these pilots could start out with a fleet of bombers, travel long distances to reach their objective with unerring skill and precision, regardless of the weather—whether snow, rain, or fog—that might intervene.

The experience and ability which these men have attained can be acquired in no other way except on the air lines. Collectively, they are familiar with every airport, every airway, and practically every foot of terrain in the United States and Alaska. The military value of these men is inestimable from every conceivable standpoint.

Most of them have already acquired all the Army had to offer in the way of military flying experience prior to taking up their duties on the air lines, for many of them, perhaps the majority of them, are graduates of our Army, Navy, or Marine Corps schools. After they leave the military service, with an experience of about 300 hours of flying, and become attached to some air line as copilot their real training for civil flying has just begun. Before they can qualify as a first pilot they must have attained 1,200 hours of solo flying or twice that amount of time as a copilot. (The copilot is permitted to log only half his actual time in the air.) As a rule, this apprenticeship on the air lines requires 3 to 4 years, during which time they are continually absorbing a knowledge of their profession from the old-timers who preceded them. Before they can become a full-fledged air-line pilot they must pass a rigid examination imposed by the Department of Commerce, which entitles them to a license known as a scheduled air transport rating, commonly referred to as an S. A. T. R. The qualifications for this rating are very severe.

In the first place, as we have seen, the pilot must have 1,200 hours of solo flying, of which 500 must have been spent in cross-country flying and 75 hours must have been spent in solo night flying over lighted airways. He must take a written examination on the Department of Commerce regulations governing scheduled operations of interstate air-line services and practical and theoretical use of directional radio and other available airway aids to navigation, including tests in meteorology with weather analysis and forecasting. He must also demonstrate his ability to fly blind by instruments. This flight test is given by an inspector of the Commerce Department. The plane used for this test is equipped with a hood so that the pilot may not see anything but his instruments. He is then required to execute a number of difficult maneuvers; and when the inspector has him completely lost, he must orient himself on the radio beam and with the help of his instruments and his radio navigate to the airport, locating himself at 200 feet over the edge of the field.

The air-line pilot of today seldom stops for weather, unless it happens that the airport of his destination is closed in. It is a common occurrence for him to take off and fly blind for hours at a stretch, or to fly above a fog for his entire run, then locate himself by instruments and radio at his destination and come down through directly over the airport.

It is only when radio or instruments fail that the pilot is in any serious danger; but, even then, the knowledge he has of his route and the judgment he has acquired through many hours of flying come to his aid, and, given an ample supply of gasoline, he can usually find his way to some alternate airport. It is in the emergencies when the navigation aids fail and the pilot is thrown on his own resources that his years of experience and knowledge of his route place him head and shoulders above the average pilot. It has often been stated that flying is 10 percent machine and 90 percent man. This still holds true. Navigation aids and especially radio have not been perfected to a point where they are infallible, but through long years of experience the air-line pilot is able to judge with accuracy the degree to which he can rely on them. Before he starts on his trip he studies the weather charts, and he knows beforehand the extent to which rain or snow will hinder the reception of the radio beam; he knows also that beam courses occasionally shift around at night. This is known as "night effect" and results in what are known as multiple courses. All of these characteristics and peculiarities of the particular beam he uses are known to him from constant use. It is not merely, as some think, a matter of relying entirely on one particular aid. The pilot must use all of them; he must know the weaknesses of each; and here is where personal skill and judgment enter in. This is the kind of knowledge that cannot be obtained in any other way except by constant flying and constant use of the available aids.

None of the military airmen can possibly approach the degree of efficiency of the air-line pilot unless they are permitted to go out and do the same kind of flying, day in and day out, and become thoroughly familiar with the quirks and idiosyncracies of radio beams, gyro compasses, automatic pilots, and all the other mechanical devices used on modern air lines.

Today, as in the past, the human element is of most importance in the safe operation of the air lines.

Flying instinct, which is developed to the highest degree in the air-line pilot, and which cannot be learned from textbooks, is a definite factor in both military and civil flying. This is the quality that saves the day when mechanical aids go wrong. It is this same quality which will turn defeat into victory in future aerial warfare. The air-line pilots are a national asset with definite military value. Why not take advantage of it?

H. R. 11399 provides the means to the end desired by all who believe in adequate national defense.

DEFENSE WITHOUT EXPENSE

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill (H. R. 5529), which passed the House a year ago and is now pending before the Senate.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, everybody wants peace. Everybody complains about the expense of adequate preparedness. We remember that the Democratic platform of 1932 mentioned the very expensive defensive organizations, the Army and the Navy, bewailing the fact that this expense is "fast approaching a billion dollars a year." The appropriations for the fiscal year ending June 30, 1937, will very probably realize this billion dollars. Adequate defense for such a large and powerful Nation is necessarily expensive.

Our defensive forces, especially in the air, are still inadequate. We must be defended, and under our high cost system it is necessarily expensive.

But, Mr. Speaker, a most important feature of adequate preparedness may be had absolutely without expense. All thinkers upon modern warfare agree that war can be properly conducted only by the combined economic, financial, agricultural, and moral forces of the Nation. In other words, the whole Nation must be at war if victory is to be achieved. The few men at the front doing the fighting are a very small fractional part in numbers of the total population that must be furnishing those men with munitions, implements of war, and supplies of food, clothing, medicine, shelter, and so forth. The eminent British military critic, Liddell Hart, in the magazine section of the New York Times on March 15, 1936, summarizes the situation in these few words:

> Moreover, the complexity is augmented by the increasing dependence of the fighting forces upon industrial resources. As a consequence all the countries are developing schemes of economic mobilization as a necessary foundation for their military, naval, and aerial mobilization.

Mr. Speaker, I hope it may not be presumptuous for a Member of the House of Representatives to speak on a bill which has passed the House and is now pending in the Senate. I refer to H. R. 5529, which passed the House more than a year ago by an overwhelming vote. I am not sure how many voted against it, but I think very few. Of course, there was much discussion and difference of opinion as to details during the week that the bill was before the House, but in the end practically all Members voted for the bill, thus approving it as a whole.

STOP PROFITEERING

H. R. 5529, the bill to take the profits out of war, consists of only about four pages and only nine short sections. The language is general, comprehensive, and therefore elastic in application so as to fit conditions that may arise but cannot now be properly anticipated in detail. It is true that section 8 was drawn hastily and might properly be amended by adding these words:

> Excess war profits are hereby defined to be that part of the profits of any person, firm, or corporation earned in any fiscal year during war which exceeds the average profits of such person, firm, or corporation for the 5 fiscal years immediately preceding such war or the average profits of such person, firm, or corporation for such time as it may have engaged in business, if less than 5 years.

PASS H. R. 5529 NOW

Mr. Speaker, naturally there is great difference of opinion about the details of such an important measure. But this bill ought to be passed and passed at this session of Congress. The members of the American Legion and the ex-soldiers of the country and practically all our citizens who have thought about it at all demand its speedy enactment into law. Ninety-five percent of our population condemn unreservedly profiteering in time of war. If any Member of Congress thinks that H. R. 5529 as it passed the House is not sufficiently strong in terms to correct the evil which all admit, then let us pass the bill now before we adjourn; and at the next session let Members who wish to amend it propose amendments; and if the amendments are in the interest of preventing the evil, then I will gladly cooperate in passing such amendments.

But we ought to pass the bill now as a fundamental, organic, and comprehensive declaration of policy. We ought to notify the people of this Nation that in the event of war there shall be no profiteering, and if some excess war profits do slip through, they will be immediately gathered up by the tax collector. Furthermore, we should notify by this law the rest of the world that America will be mobilized industrially, financially, agriculturally, and morally to fight as one man in the defense of our land, for the protection of our rights, and for the vindication of our national policies. To be prepared to mobilize industry is as important in a defense program as to have an adequate Navy and an adequate Army. The three must go together. We maintain an Army and a Navy as notice to the rest of the world that we will protect ourselves and our rights. If we will pass this industrial-mobilization law, that will be further notice to the world that we are better prepared to defend ourselves. Thus we will promote peace while at the same time we will prevent profiteering. This policy of promoting peace and preventing profiteering is a part of the defense program that we can have, and should have, and must have. Furthermore, it will be without expense. It will cost nothing to pass the law. Furthermore, it will reduce the expense of any future war by 50 percent. It will be a great measure of economy. So, Mr. Speaker, let us pass the law this session. I hope that I may be excused, by reason of my zeal and deep interest in this bill, from seeming to discuss a measure pending before the Senate. It is a matter close to my heart.

CELLER ANSWERS PATMAN

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in answer to the remarks of our colleague, the gentleman from Texas [Mr. PATMAN] concerning myself.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, in the RECORD of April 22, our colleague, Representative WRIGHT PATMAN, of Texas, says I have adopted in toto the objections to the Patman-Utterback-Robinson bill that have been set up by powerful mass-buying interests. I care not who adopts my point of view, so long as my point of view is sound. In the long run this bill, if enacted, will react disastrously to the small, independent dealer who is supposed to be helped by it.

Representative WRIGHT PATMAN states that I stand alone in my objections to the bill among the Members of the House Judiciary Committee, and cites in support thereof the fact that the minority report opposing the bill bore just one signature—my own.

I retort by asking Representative PATMAN to look at the majority report. He will find just one signature—that of Representative UTTERBACK. That does not mean that other members of the Judiciary Committee did not support the majority opinion. By the same token, members of the Judiciary Committee other than myself supported the minority report.

If the distinguished Representative from Texas wants evidence of opposition to this bill from very respectable and eminent authorities, I am very happy to give them to him.

Firstly, we have the opposition of Dr. Harold G. Moulton, of the Brookings Institution, who says:

> This bill, insofar as it would strike at all those who have heretofore been effective in reducing prices, to that extent will raise prices.

Then there is Prof. Malcolm P. McNair, of Harvard University, a rather eminent economist, who voices strong opposition to the bill and emphatically points out that it will not only raise prices to the consumer but will also force a realinement of manufacturing, with disastrous consequences to the small independent.

Prof. M. C. Waltersdorf, head of the department of economics of Washington and Jefferson College, expresses opposition to the same effect.

Prof. Shore Livermore, of the University of Buffalo, emphatically opposes the bill because it would be discriminating against all the present efficient retail distributors of the country.

From Dartmouth College, the department of economics, comes the word of Prof. William A. Carter, who expresses opposition because the bill attempts arbitrarily to classify distributors. He further holds that the bill is administratively unfeasible in regard to quantitative differentials.

Prof. H. L. Caverly, of the University of Michigan, and Dr. George Filipetti, professor of economics at the University of Minnesota, both claim the bill would run counter to reductions of cost of production and distribution, and that it would place a premium on inefficiency and would exploit the consumers.

Prof. C. C. Huntington, of Ohio State University, deplores the attempts to discourage lower prices through quantity discounts.

To the same effect are the words of Prof. T. R. Snavely, of the University of Virginia.

In my own city, we have the objections of Profs. Lewis H. Haney and Walter E. Spahr, well-known economists assigned to New York University.

Scores of other economists throughout the land are unalterably opposed to this bill. I have yet to see the name of a single well-known economist who approves it.

LABOR NOT HELPED BUT HURT BY THE BILL

This bill was originally written by the general counsel for the United States Wholesale Grocers Association, and is to take the place of the Grocery Code. But whereas a large number of N. R. A. codes attempted to fix prices, they did at the same time protect consumers, and particularly the laboring man, in the sense that there was labor representation on most of the code authorities so that there could be no exploitation of labor in the matter of hours and wages. This bill does not mention wages or hours of employment.

Economists agree that the bill will increase prices of goods to the consumer. Therefore, the standard of living of the laboring man would be reduced, because his wages, which will not be increased, will buy less. This reduced demand for goods will reduce the manufacturing volume, which, in turn, increases the cost of manufacturing. The inevitable result will be the lowering of real wages and the laying off of labor.

BILL WOULD DISLOCATE ALL INDUSTRY

The requirement of f. o. b. method of delivery—that is, outlawing all basing points—would seriously dislocate all industry. Regardless of the merits or demerits of this system of pricing, it must be remembered that another committee in Congress has been wrestling with this problem for some time and is about to report out a bill specifically addressed to this problem and based on careful and thorough study of its many ramifications. To interject such far-reaching legislation into this bill, which has had the benefit of no hearings on the subject whatsoever, since this is an entirely new provision, is most ill-advised and dangerous.

The method of pricing would have most serious and deleterious effects upon industry. It will mean that prices to the vendee will vary in accordance with distance and cost of transportation from the seat of manufacture or extraction, as in the case of coal or other minerals. All quotations must be f. o. b. manufacturing plants or mines. This restriction will localize all industry and manufacturing.

THE BUGABOO OF MONOPOLY

The Federal Trade Commission made an exhaustive report which cost the Nation $1,000,000, and in no uncertain language it denied that there is any monopoly in the field of distribution.

The allegation that monopoly is involved, or even remotely possible, in the distribution field is so obviously unsound that it hardly warrants consideration. Yet it is the allegation on which this bill is principally justified. The percentage of chain business to the total retail trade is only 25 percent, certainly far short of monopoly. Moreover, 87 percent of the chains are small sectional or intrastate chains of 25 stores or less. Sixteen thousand of the 20,000 chains in the country have but 3 stores or less. The large national chains, against which the agitation resulting in this bill is practically entirely directed, are but 8 percent of the total distribution of the country. Certainly monopoly cannot be spelled out of that. Even in the grocery field, in which the chain development has been most marked, voluntaries, or progressive independent storekeepers acting jointly in order to secure quantity discounts and other economies, have now as large a volume as the corporate chains, and their volume is growing rapidly. These and the other independents in the grocery field have now over 60 percent of the trade's entire volume. Speaking to his fellow grocers assembled in convention, the president of the National Association of Retail Grocers said only last June:

The position of the individual grocer today is sound. Speaking generally, he is meeting a public demand for distribution at absolute minimum cost, while preserving all the valuable features of our type of distribution. The independent retail-grocery business has in the last few years amply demonstrated its indestructible character by its ability to shape itself to successfully meet and absolutely check the keenest and most aggressive and ruthless competition. Without any advantage or even at a disadvantage, the independent grocer is not only surviving but is steadily forging ahead.

In the drug wholesale field, to make a comparison in a trade directly involved and urging passage of this bill, one concern—McKesson & Robbins, Inc.—alone does 30 percent of the trade's entire volume, and one association of drug wholesalers—the National Association of Wholesale Druggists—loudly proclaims in its prospectus, and solicits business from manufacturers thereon, that its members alone do 80 percent of the entire drug business handled by all the drug wholesalers in the country, and cover 97 percent of the entire 57,000 retail drug stores in the United States. Yet no suggestion is heard that monopoly exists in the wholesale drug field, while the wholesale druggists, along with a group of wholesale grocers, loudly maintain that this bill is imperative to check monopoly in the retail field, where the chain percentage is in gross, including the 130,000 completely sectionalized or localized chain stores with less than 25 stores, not over 25 percent of the volume involved, and in terms of national chain business in the fields most frequently cited, but 8 percent of national distribution. Certainly this in in reality a case of those who might actually attain a monopolistic position through organization attempting to handicap their principal competition.

So the allegation of monopoly in the retail trade is totally unsustainable, while the assertion that mass distribution may some day become monopolistic, amounts, under the circumstances, to the rankest type of sophistry. Anything might happen, but certainly among all the eventualities which might develop, few are less likely ever to happen than for the very minor percentage of the trade's business in the hands of mass distributors to expand until it becomes monopolistic. Competition is, moreover, keen in the retail field, both among the chains themselves and between the chains and the independents. It is not a matter of large capital to enter the retail business, and the danger of actual monopoly developing is therefore small indeed. Certainly, however, to legislate price increases upon the consumer with no justification whatsoever except that he may some day find himself served by a retail monopoly would not be either reasonable or intelligent. If a monopoly ever should develop, moreover, there is now on our statute books sufficient law to meet the situation.

I HOLD NO BRIEF FOR CHAINS

The chain stores are guilty of many sins. I am in favor of any provision that would stop certain predatory practices. I always was in favor of the Kelly-Capper bill for price maintenance on trademarks or copyright articles. I have spoken frequently in favor of a multiple chain-store tax bill in various States. But this bill goes far beyond the chain store. It would hurt manufacturers, large and small, and particularly the consumer. Ultimately it would hurt the independent dealer. To the latter the bill at the present time is but a snare.

In the beginning this bill, if passed, will create a maximum amount of disruption in the consumer-goods-manufacturing industry. This is no time to add to the derangement of business, particularly since we are emerging from a depression.

This bill will force the realignment of manufacturing and distributing so that the large mass buyers would be forced to buy exclusively from one set of manufacturers and the little set of fellows from another set of manufacturers. The first set of manufacturers would thus be enabled to sell mass buyers more cheaply. The small independents will be compelled to pay more for their goods. Therefore, this bill will ultimately result in the greatest disadvantages to them.

TO REQUIRE THE F. O. B. METHOD OF DELIVERY WOULD SERIOUSLY DISLOCATE ALL INDUSTRY

This bill provides that the word "price"—

Shall be construed to mean the amount received by the vendor after deducting actual freight or cost of other transportation, if any, allowed or defrayed by the vendor.

This is contained in subparagraph no. 5 of section 2. Regardless of the merits or demerits of this system of pricing, it must be remembered that another committee in Congress has been wrestling with this problem for some time and is about to report out a bill specifically addressed to this problem and based on careful and thorough study of its many ramifications. To interject such far-reaching legislation into this bill, which has had the benefit of no hearings on the subject whatsoever, since this is an entirely new provision, is most ill-advised and dangerous.

I believe the method of pricing this bill would prescribe would have most serious and deleterious effects upon industry. It will mean that prices to the vendee will vary in accordance with distance and cost of transportation from the seat of manufacture or extraction, as in the case of coal or other minerals. In other words, all quotations under the bill must be f. o. b. manufacturing plants or mines. The freight charges and railroad rates or water or highway charges must be superimposed specifically upon the basic price and clearly indicated on all invoices. This restriction will localize all industry and manufacturing.

For example, A manufactures shoes, say in New York City, and B manufactures a comparable product in St. Louis. A has been heretofore profitably selling X, his customer in St. Louis, and has been successfully competing with his competitor B, the manufacturer in St. Louis. He has been charging X the same price as quoted by B. He has done this despite the fact that he has been compelled to pay transportation charges from New York to St. Louis. The manufacturing costs of A are partly the result of his enjoying the business of X. If A is, under this bill, compelled to superimpose upon his price the transportation cost, he will lose the account of X, and B will get the business and A's costs will be increased. A ordinarily made up the transportation charges for shipping to X by means of mass production and other economies. He will be restricted in doing this under this bill. The effect therefore will be the following: A will be compelled to confine his activities to New York, and B, the manufacturer in St. Louis, will be compelled to confine his activities to St. Louis. Thousands of businesses will thus become parochial, because the circle of customers will be more and more definitely delimited. The result will be increases in manufacturing and distributing costs and a cutting off from customers of the full benefits of mass production and distribution. The consumer again will "pay the piper."

WHO OPPOSES THE BILL?

Representative PATMAN offers this query. Aside from the economists I have mentioned this bill is opposed by all voluntary groups of independent retailers, consumer cooperatives, and farm organizations, like the National Farm Bureau Federation; the Independent Grocers Alliance, alone representing 20,000 independent retail grocers; and the National Cooperative Council. At the present time the consumer cooperatives number 6,500, having a membership of over 2,000,000 individuals, 500 retail stores, 50 wholesale establishments, 1,500 farm supply houses, and 1,500 oil-supply stations. The cooperative movement is in its infancy in this country and is growing daily. The retailers have made great progress in meeting chain-store competition by pooling their orders to secure quantity advantages. Such "voluntaries" do as large a volume of business as the national chains.

There are over 100,000 independent retailers in the grocery field alone acting together in "voluntaries." This bill would hurt these "voluntaries" and in that sense would strengthen the chains.

G. ELIAS & BRO., INC.

Mr. MEAD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 371) for the relief of G. Elias & Bro., Inc., which is now on the Speaker's table, and in explanation, I may say that a similar House bill was passed in the omnibus-claims bill which was considered and passed yesterday. If this consent is granted, and the Senate bill passed, I shall ask that the proceedings by which the House bill was passed be vacated.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, as I understand the situation, we passed the House bill yesterday and a Senate bill had already been passed, and the gentleman is now asking to substitute the Senate bill for the House bill, the Senate bill being practically the same bill.

Mr. MEAD. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to G. Elias & Bro., Inc., out of any money in the Treasury not otherwise appropriated, the sum of $24,139.28, in full settlement for losses suffered by the said G. Elias & Bro., Inc., by reason of changes in the specifications and extra work from which the Government received the benefit but for which no pay whatever has been paid to the said G. Elias & Bro., Inc., under contracts W 535 AC–602 and W 535 AC–628 dated December 14, 1926, and January 28, 1927, with the Air Corps for furnishing certain airship parts and equipment to the United States Army Air Corps: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MEAD. Mr. Speaker, I ask unanimous consent that the proceedings by which the bill (H. R. 2674) for the relief of G. Elias & Bro., Inc., was passed on yesterday be vacated and that the bill be laid on the table.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

THE REVENUE BILL OF 1936

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. RICH. Reserving the right to object, I think it would be fine if the membership of the Committee had the bill read to them, because I think very few of them have had an opportunity to read it.

The CHAIRMAN. The bill will be read under the 5-minute rule. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from North Carolina [Mr. DOUGHTON] is recognized for 1 hour.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. DOUGHTON. Mr. Chairman, I also request that I be not interrupted until I have completed my main statement, after which, if I have time, I shall be glad to yield to such questions as may be propounded.

Mr. Chairman, H. R. 12395, entitled "A bill to provide revenue, equalize taxation, and for other purposes", is now before the House in response to the President's message to Congress of March 3, 1936. In proposing and supporting the pending bill, I do so with the full realization of the fact that it is never popular to impose taxes. However, I make no apology for the part I am taking in offering for the consideration of Congress the bill that is now before this body.

First, I shall discuss briefly the necessity for a tax bill at this time; and, second, the basic principles upon which the bill is predicated. Since the message of the President just referred to, the Treasury's needs for additional revenue, as well as the President's suggestions for meeting these needs, have been under consideration by the Committee on Ways and Means and have had careful study by that committee, especially by the subcommittee. In addition public hearings were held, based upon the report of the subcommittee of March 26, 1936. The present bill is the result of such consideration, study, and suggestions made in the course of the public hearings.

In the minority report it is stated:

> We have had no opportunity to examine the 236-page bill before today. We have not been permitted a part in drafting it. It was prepared by the Democratic majority behind closed doors, from which we were excluded. They must assume full responsibility for it.

True, when the work of the final draft of the bill was undertaken, the minority members were not invited. However, when the matter was first taken under consideration and at our first meeting, all members of the committee, including the minority, were invited. This meeting most of the members, both the majority and the minority, attended. At this meeting it was decided that the preliminary work could best be done by the subcommittee, and a motion was adopted to refer the matter to the standing subcommittee on revenue of the Ways and Means Committee with the request that they make a careful study of the matter and report to the full committee. This course was pursued and both the majority and minority members of the subcommittee attended and participated in the study and deliberation of the work assigned to them. Then, when the subcommittee's report was made, public hearings were held by the full committee, and everyone was given an opportunity to testify who made a request to be heard. By the time the hearings were concluded it was fully evident that the minority members would oppose any tax bill, or certainly any along the lines proposed in the subcommittee's report. In fact, this statement was frequently made by the minority members of the committee. This being true, the majority members realized that the full responsibility of the tax bill was upon them and that only useless political discussion and delay would result by having the minority members present. Therefore, we cheerfully accept the challenge to take full responsibility for the bill, and the minority must take full responsibility for opposing the raising of revenue to finance the farm program and take care of the obligations assumed by Congress for the immediate payment of the soldiers' adjusted-service certificates, and also for endeavoring to keep the ordinary Budget balanced, for which they profess such great solicitude, but oppose every effort to accomplish this purpose.

The minority report further says, "They were whipped into acceptance against their better judgment of proposals advocated by no one of experience or ability in the field of taxation." This statement must have been the result of the first lessons of the minority under the tutorship of the new "brain trust" recently employed by the chairman of the Republican National Executive Committee, as I feel certain that nothing so ridiculous and untruthful would originate in the brains and bosoms of the minority members. [Laughter.] They know full well that at no time during the present administration has our committee in any way been whipped or even urged to accept or do anything that did not conform to our own judgment. Nothing more than suggestions was offered to our committee as to how we should raise the needed revenue. Some of these suggestions were taken and some were not.

A complete refutation of that statement comes from a minority member, the gentleman from New York, an able, courageous member of the Committee on Ways and Means, Dr. CROWTHER, a man of whom the members of his own committee could not make a rubber stamp. I quote him in refutation of the statement that the Democratic members have been made rubber stamps:

> Mr. CROWTHER. I do not think that at any time since I have been on the committee—I do not think that even now, as much as the majority is being charged with it—there has been or is very much pressure from the administration that has any great effect on this committee. I do not know of a committee that has had more independence of thought, during my long experience with it, than the Ways and Means Committee of the House, or independence of action in using their own judgment.
>
> Their judgment has been guided largely by the knowledge that they gained from competent witnesses who appeared before us.

If any better denial can be made, if any more positive statement as to the lack of foundation for the statement of the minority members that the majority members have been whipped into line, I should like some one to formulate the language.

The necessity for substitute taxes at this time arises from the decision of the Supreme Court on January 6, 1936, outlawing or holding invalid the processing taxes levied under the Agricultural Adjustment Act, and also the additional annual charge that has been placed on the Treasury through the enactment of the Adjustment Compensation Payment Act. In specific terms, the President outlined the effect on the Budget of the events to which I have just referred. In short, the Supreme Court decision adversely affected the Budget in the amount of $1,017,000,000 during the fiscal years of 1936 and 1937, and the net effect of the enactment of the Adjusted Compensation Payment Act, is to add for a period of 9 years an annual charge of $120,000,000 to the $160,000,000 already in the Budget. To meet these needs, the President requested the Congress to raise $620,000,000 annually of permanent revenue and $173,000,000 annually as temporary revenue for a period of 3 years. So it will be seen that the revenue provided in this bill is primarily for the benefit of agriculture and to finance the agricultural program recently enacted by Congress and to take care of the additional burden placed upon the Treasury recently by Congress through the enactment of the Adjustment Compensation Act. Let it be said emphatically that for neither of these two causes is the President of the United States responsible. The benefits that have come to agriculture under the A. A. A. and the policies of the present administration are so manifest and evident that I cannot see how anyone would dare to refuse to aid in carrying forward a program for the benefit of agriculture.

In this connection, I deem it appropriate to review the record of the past several years relative to the plight of agriculture. Immediately following the inauguration of President Harding in 1921, a Republican Congress under the leadership of a Republican President, machinery was set in motion, the purpose of which it was claimed was to bring the farmer back to normalcy, and, if normalcy meant insolvency and bankruptcy, which it usually does under a Republican administration, the effort was superlatively successful. All during the period of the Harding, Coolidge, and Hoover reign, the American farmer was being driven to economic ruin and despair, while the forces of greed and privilege, so abundantly protected and cared for by these administrations, were entrenching themselves, not only in the control of American industry, but in the control of Government itself. Mergers, consolidations, and the like were carried on throughout the country, driving innumerable independent and small competitors out of business, while those in control of government sat idly and complacently by, viewing through rose-colored glasses only the economic conditions of the favored few, at the same time rejecting by veto after veto almost every proposal advanced by organized agriculture and such men as ex-Governor Lowden, of Illinois. The McNary-Haugen plan, the export debentures plan, and, in fact, every proposal of the farm leaders was discarded or disregarded with the blunt statement that these proposals were unsound and unworkable, just as the opponents of the pending bill are now charging.

Any legislation that does not conform to or comport with the ideas of the high command of the Republican Party is always denounced as unsound and unworkable. We have heard that in every tax bill that we have passed.

Instead of adopting any of the proposals for the advancement of the farmers they were given the Federal Farm Board with an appropriation of one-half billion dollars and the Hawley-Smoot-Grundy Tariff Act, which, we were told by

ex-Senator Watson, of Indiana, and others, would bring forth abundant prosperity, and the American standard of living would rise higher and higher on account of the work done by the then called best minds, of which they took unto themselves a complete monopoly. These best minds were doubtless similar to the new Republican "brain trust", 52 of whom have just been taken on to tell the Republicans how to write a platform, select a candidate, and doubtless criticize an equitable tax bill. This was the era when poverty was to be abolished, two cars were to be in every garage, and a chicken in every pot. We all know what happened to the farmers in those halcyon days of normalcy, prosperity, and full dinner pails. We saw the price of the farmers' products and the farmers' economic position and American life sink lower and lower, continuing in a tail spin, until President Roosevelt took over the control and righted the ship.

In that connection I would say, if it takes 52 college professors or "brain trusters" or "bone-head trusters", or whatever you call them, to tell the Republican Party how to select a candidate and write a platform, and if by any chance, if by an accident, if by any misfortune, we should be so unfortunate and should have such a calamity as the election of a Republican President, which I am sure the good sense of the American people will never allow and Divine Providence never permit—if it takes 52 to start them and write a platform and select a candidate, how many would it take to conduct a Republican administration? [Laughter and applause.]

Let us compare conditions under the Republican with that existing under the present administration. First, let us compare the record with respect to agriculture, since the revenues to be raised by the pending bill is made necessary if we are to continue aid to the farmers, to which end President Roosevelt promised there would be no retreat, knowing full well that by aiding agriculture of which about 23 percent of our population are actively engaged and an additional 17 percent are directly dependent upon, we will be helping to restore prosperity to our entire population, since added purchasing power in the hands of the farmers will inure to the benefit of business in all lines of endeavor. Our Republican friends opposing the enactment of this bill may desire to return to the old order, but I am confident the great mass of the American people favor continuing the New Deal and a square deal for the farmers.

One need only compare conditions in 1920 and 1932 with those existing today to see the beneficent results of President Roosevelt's policies.

In 1920 the gross farm income constituted 17 percent of our total national income, whereas in 1932 it was only 7.8 percent. In other words, the gross farm income dropped from $13,500,000,000 in 1920 under President Wilson to $5,200,000,000 in 1932 under Hoover, a decrease of more than 61 percent. This decrease of $8,300,000,000 was reflected in the increased number of unemployed and in the reduced pay envelope of those fortunate enough to have employment. If the farmers had had the same income they enjoyed during the last year of the administration of Woodrow Wilson, it would not now be necessary for us to make the large appropriations to administer to those in distress. In 1932 the cash income of the farmers amounted to $4,300,000,000; in 1933 $5,300,000,000, an increase of $1,000,000,000; in 1934 it was $6,200,000,000, an increase of $1,900,000,000 over 1932, and in 1935 the cash income amounted to $6,700,000,000, an increase of $2,400,000,000, or more than 55 percent increase over 1932.

To illustrate further, let us compare the last 3 years of Hoover with the first 3 years of Roosevelt with respect to the price of three of the basic farm crops—cotton, wheat, and corn.

UNDER HOOVER	UNDER ROOSEVELT
Cotton	*Cotton*
March 1, 1930, 15.10 cents per pound.	March 1, 1933, 5.90 cents per pound.
March 1, 1933, 5.90 cents per pound.	January 1, 1936, 11.35 cents per pound.
Decline of 61 percent.	Advance of 92 percent.
Wheat	*Wheat*
March 1, 1930, $1.16 per bushel.	March 1, 1933, 48 cents per bushel.
March 1, 1933, $0.48 per bushel.	January 1, 1936, $1.01½ per bushel.
Decline of 59 percent.	Advance of 111 percent.
Corn	*Corn*
March 1, 1930, 88.4 cents per bushel.	March 1, 1933, 24.12 cents per bushel.
March 1, 1933, 24.12 cents per bushel.	January 1, 1936, 60.87 cents per bushel.
Decline of 73 percent.	Advance of 152 percent.

The price of hogs, cattle, tobacco, and, in fact, all farm products shows similar and even greater increases.

In 1920 the total value of farm properties, including lands, buildings, and equipment amounted to $61,000,000,000, and in 1932 it had dropped to $34,200,000,000, a loss of $27,100,000,000, or nearly 45 percent. In 1920 the ratio of mortgage debt to farm properties was 11.8 percent, and in 1932 it had increased to 24.8 percent, and during this period thousands upon thousands of farms were lost through foreclosure and forced sale for payment of taxes, many of whom in desperation committed suicide. Under the administration of the Farm Credit agencies, the farmers have been saved approximately $55,000,000 a year in reduced interest charges.

This increase in the economic condition of American agriculture, achieved under the policies of President Roosevelt, has been one of the major factors in the improved condition of American industry and business; yet we find the Republican members voting, almost to a man, against measures designed to maintain and add to those gains.

Now let us compare the industrial and business conditions during the last 3 years of Hoover and the Old Deal, with those existing today under Roosevelt and the New Deal.

UNDER HOOVER					UNDER ROOSEVELT			
				Industry				
Industrial production	Jan.	1, 1930	110.4		Industrial production	Jan.	1, 1933	61.4	
(Index: 1926=100%)	Jan.	1, 1933	61.4	Decline 44%	(Index: 1926=100%)	Jan.	1, 1936	92.9	Advance 51%
Steel production	Jan.	1, 1930	2,903,012 gross tons		Steel production	Jan.	1, 1933	861,034 gross tons	
(Month ending)	Jan.	1, 1933	861,034 gross tons	Decline 70%	(Month ending)	Jan.	1, 1936	3,081,000 gross tons	Advance 257%
Auto registration	Jan.	1, 1930	161,830 units		Auto registration	Jan.	1, 1933	55,105 units	
(Month ending)	Jan.	1, 1933	55,105 units	Decline 66%	(Month ending)	Jan.	1, 1936	235,000 units	Advance 326%
				Commerce				
Wholesale prices	Jan.	1, 1930	92.5		Wholesale prices	Jan.	1, 1933	61.0	
(Index: 1926=100%)	Jan.	1, 1933	61.0	Decline 34%	(Index: 1926=100%)	Jan.	1, 1936	81.0	Advance 33%
Total exports	Jan.	1, 1930	$3,843,000,000		Total exports	Jan.	1, 1933	$1,675,000,000	
(Year ending)	Jan.	1, 1933	$1,675,000,000	Decline 56%	(Year ending)	Dec.	1, 1935	$2,228,000,000	Advance 33%
Total imports	Jan.	1, 1930	$3,061,000,000		Total imports	Jan.	1, 1933	$1,450,000,000	
(Year ending)	Jan.	1, 1933	$1,450,000,000	Decline 52%	(Year ending)	Dec.	1, 1935	$1,993,000,000	Advance 37%
				Securities				
Listed stocks	Mar.	1, 1930	60.52		Listed stocks	Mar.	1, 1933	15.20	
(Average)	Mar.	1, 1933	15.20	Decline 75%	(Average)	Jan.	1, 1936	35.62	Advance 134%
Listed bonds	Mar.	1, 1930	96.19		Listed bonds	Mar.	1, 1933	74.89	
(Average)	Mar.	1, 1933	74.89	Decline 22%	(Average)	Jan.	1, 1936	91.85	Advance 22%
				Public utilities				
Power production (Month ended)	Jan.	1, 1930	7.87 billion kilowatt-hours		Power production (Month ended)	Jan.	1, 1933	7.14 billion kilowatt-hours	
Power production (Month ended)	Jan.	1, 1933	7.14 billion kilowatt-hours	Decline 9%	Power production (Month ended)	Jan.	1, 1936	8.50 billion kilowatt-hours	Advance 19%

To eliminate seasonal differences where they are a factor, the corresponding months in calendar years are used

Since these statistics were compiled still greater improvement in business has been achieved, and one need only look at the signs of it in the financial page of the newspapers. I shall quote from a few appearing in recent days.

Here is one from the Washington Post of April 14, under a New York date line of April 13, showing that the—

National Industrial Conference Board estimates show an increase of 5,413,000 more persons were at work in December 1935 than in March 1933.

On the same page I find the following:

CHICAGO, April 13.—Chicago's Easter trade last week reached the highest peak since 1920, the Chicago Association of Commerce said today. Retail outlets reported sales from 10 to 40 percent above those of a year ago.

How is it, and how can it be, that more industries can run and more people can be given employment to man these industries and yet unemployment not be reduced? Of course, such an argument is absurd.

Mr. KNUTSON. Mr. Chairman, I rise to a point of order. It is my understanding that all remarks are to be confined to the bill under consideration.

Mr. DOUGHTON. Absolutely; and this bill under consideration is for the benefit of the farmer.

Mr. KNUTSON. I thought the gentleman was delivering the keynote speech of the next campaign.

Mr. DOUGHTON. I am sorry that the truth is always burdensome to the gentleman.

Here is another from the Washington Post of April 20:

STEEL OUTPUT 70.5 PERCENT, NEW HIGH MARK—FRESH DEMAND INCREASES OPERATIONS 4 POINTS DURING WEEK

CLEVELAND, OHIO, April 19.—Fresh commitments for iron and steel, mainly from automobile manufacturers and railroads, have taken up some of the recent slack in new buying, with the result that steel-works operations this week advanced 4 points to 70½ percent, says Steel today.

Taking up again the matter of the tax bill, the President, while recognizing the complete authority and discretion of Congress in the formulation or imposition of appropriate taxes to meet the needs of the Treasury for permanent and temporary revenues, did invite attention to several forms of taxation, which might be employed to meet these needs. In the main, the committee has found it desirable to adopt in principle the more important of these proposals. I shall not attempt to discuss the bill in its technical aspects, as this will be taken up in detail by the able chairman of the subcommittee, Mr. HILL, and other members of the committee, who will speak later on the bill. I shall, however, address myself to an explanation of the provisions of the bill and a review of some of the reasons which prompted their selection.

First, I shall take up the measures proposed by the committee to provide during the next 3 years temporary additional revenues, amounting to $517,000,000. This will require temporary taxes, bringing in about $173,000,000 per annum. The committee was not prepared to reach a final decision as to the measures to be adopted to raise the entire amount of the temporary revenue required, especially as it recognized that its decision might be affected by conditions which might arise between now and the next session. On the other hand, it recognized that not less than one-third of the required revenue should be raised during the fiscal year 1937.

Mr. Chairman, a great deal was said about those who opposed in our hearings the tax measure, but the hearings will disclose the fact that most of this opposition arose from a misunderstanding that we were going to reenact the processing tax, and a misunderstanding of what we were going to do with the windfall tax; but after they found out what our policy would be, most of them, or many of them, seemed satisfied.

To fulfill this need, your committee has recommended that the capital stock tax be continued for 1 year at one-half the rate provided in the Revenue Act of 1935, and that a "windfall" tax be enacted to put a special levy on the unjust enrichment arising as a result of the collection from the public of excise taxes which the taxpayers upon whom they were laid did not pay into the Federal Treasury. As appears from the committee's report, it is estimated that this procedure will result in additional revenue from the capital stock tax of $83,000,000 and from the "windfall" tax of $100,000,000. This gives a total of additional revenue for the next fiscal year of $183,000,000, an amount $10,000,000 in excess of that requested by the President.

The reasonableness of the so-called "windfall" tax, in my opinion, is beyond question, and great care has been exercised in its drafting to insure that its burden shall not rest upon income or taxpayers to which it is not justly applicable. Nevertheless, there has been considerable misapprehension in respect to the nature and purposes of the proposed tax. Perhaps this can best be cleared up by stating first what it is not. It is not a tax upon the amount of any impounded taxes, nor is it an attempt to collect processing taxes which have been invalidated by the Supreme Court. The tax is an income tax imposed on unjust enrichment accruing to any person from shifting to others the burden of Federal excise taxes. The tax applies to two classes of persons, (1) those who were supposed to be liable for the tax and shifted this burden to others, but who did not pay the tax, or who paid it and obtained a refund; and (2) dealers who included the amount of Federal excise tax in the price of goods sold by them, but who were subsequently reimbursed by their vendors for the amount of the tax. It is proposed that the tax be applicable to any taxable year ending with January 1935, or at any time thereafter. The tax is thus sufficiently retroactive to cover the unjust enrichment accruing as a result of the impoundment and nonpayment of processing taxes during 1935.

As I have stated, the tax has been carefully drafted from the point of view of equity, even to the extent of risking some of the revenue which the measure is designed to produce. To this end provision has been made against double taxation of the unjust enrichment income through the means of appropriate credits for the regular Federal income and the excess-profits taxes which such income may have borne. Thus, in effect, the total tax on the unjust enrichment is only the 80 percent provided for under title III of the bill.

The bill also makes appropriate provision for refunds under the Agricultural Adjustment Act and for floor stocks adjustment. These relate largely to refunds on exports and in connection with deliveries for charitable distribution or use, and to the treatment of floor stocks on hand at the time of the invalidation of the Agricultural Adjustment Act substantially as though the tax had been terminated by order of the Secretary of Agriculture under the provisions of said act. The provisions of this title relate more or less to technical matters which will be discussed by Mr. HILL.

My good friend from Pennsylvania, Mr. RICH, an ardent and able Member of the House, often asks, when we propose some measure that will require some expenditure, "Where are we going to get the money?" I will tell the gentleman where we are going to get it. We are going to get it from those who are best able to pay, and from a source where we will impose no unjust burden on anyone.

I come now to a consideration of the measure proposed to meet the permanent needs for additional revenue, estimated to amount to $620,000,000 annually. The President suggested consideration of some form of undistributed profits tax. In its report the committee has recognized the fact that the greatest defect in our present system of taxation is the fact that surtaxes on individuals are avoided by impounding income in corporate surpluses. It has recommended, therefore, a plan of taxation which taxes a corporation on the net income, but which fixes the rate in accordance with the proportion of the net income undistributed. In form title I

of the bill, as reported, is a restatement of the existing income-tax law with the changes necessary to effectuate the imposition of a tax on corporations at a rate which will depend on the ratio of the undistributed net income to the entire net income; or, stated in another way, on the ratio of dividends paid to the net income. Title II of the bill contains the necessary amendments in respect to the capital-stock and excess-profits tax. These taxes will be referred to again in connection with my discussion of the permanent tax proposal.

The President, in his tax message, invited the attention of Congress to the circumstances that the form of tax which you now have under consideration—

> Would accomplish an important tax reform, remove two major inequalities in our tax system, and stop "leaks" in the present surtaxes.

Stated another way, the measure is designed to provide a more equitable system of taxation, while at the same time producing the required additional revenue. The proposal is not new, nor was it adopted without serious and earnest consideration of all available sources of revenue. Taxation is a practical matter and must be governed largely by practical considerations. It lays a heavy hand upon our citizens, and it is unfortunately true that, no matter what tax may be devised, in its ultimate effect the tax must be paid by individuals, whether they be shareholders or wage earners. However, in selecting a form of taxation, we should be careful not to impose burdens upon those who are already carrying too heavy a tax load. So far as possible, we should follow the sound principle of ability to pay. We must also bear in mind that, apart from the levy on capital, taxes can only be paid from one of four principal sources: The first is receipts from business profits; the second, wages and salaries; the third, receipts from rents; and the fourth is receipts from interest.

The preliminary questions which were debated when the need for new revenue arose were, Where ought we to look for the added money and what form ought the tax to assume? This latter question was considered especially important, since the form and character of any additional tax would determine, in a large measure, which of the several income groups of our population will chiefly bear the burden. Among the possibilities were the following: (1) A general manufacturers' sales tax. Such a tax, although productive, would fall heaviest on the members of the lower income groups. In addition, the fact that some 61 percent of the total revenue for 1935 was obtained from consumption and similar excises weighed heavily against the recommendation of additional excises; (2) reduction in personal exemptions and increase in the normal tax rate. This was not recommended, because it was felt that no increases in the existing income-tax rates should be considered unless and until we were quite sure that all important sources of tax evasion or of tax avoidance in existing income-tax laws had been eliminated; (3) a drastic increase in the corporation tax or some other plan for imposing on corporate profits a fair tax burden.

We were impressed by the figures on corporate profits, because such figures as there are indicate that there has been no corresponding great increase during the years 1934–35 in rents, farm income, and factory pay rolls. These facts persuaded us that, if we were to raise the required revenue with any proper regard to equity, it would probably have to come from corporation profits. However, the decision did not rest upon revenue considerations alone, or even in the main upon such considerations. The decision was governed primarily by considerations of equity and by the fact that through applying this principle we could raise the required revenue from sources which so far have failed to carry their proportionate share of the tax load. This was clearly stated in that part of the President's tax message to which I have already referred.

The primary purposes of the proposal to substitute for our present corporation income, capital stock, and excess-profits taxes a corporation income tax based upon the corporate earnings retained by the corporation are, first, to eliminate the present inequalities of our taxation of business profits as between incorporated and unincorporated businesses; second, to remove a very important source of tax avoidance that inheres in our present income-tax laws; and third, as a consequence of the elimination of inequalities and sources of tax avoidance, to increase the Federal revenues to the extent necessary to balance the regular Budget—that is, to balance all Federal expenditures other than those made for purposes of relief.

As already stated, the committee proposal, in accordance with the substance of the President's suggestion, proposes to accomplish these purposes by substituting for the existing corporation taxes a graduated tax on corporation incomes, the graduation being based, first, on the size of the corporation income, and second, and more fundamentally, upon the portion of the corporation's net earnings that are retained in the business.

When distributed to stockholders, corporation earnings become a part of the incomes of the individual stockholders and are subject to the graduated surtaxes. Corporation earnings which are not currently distributed in dividends now escape the surtaxes for long periods, or altogether, thereby creating an unfair discrimination. All earnings of a partnership or an enterprise owned by a single individual, whether reinvested or not, are now currently subject to surtaxes.

The earnings withheld by corporations add no less to the wealth of the shareholders than the earnings distributed in dividends; for the reinvestment of corporate earnings becomes reflected in the stockholder's share of the net worth of the corporation and in increased earning power. It is worthy of note that the process of reinvestment of earnings frequently results in very large capital gains that escape capital-gains taxes. The accrued capital gains of a lifetime, if obtained through the retention and automatic reinvestment of corporate earnings, escape all capital-gains taxation, because the law does not provide any tax on the increment between cost and market value at the time of death, the entire estate being subject only to the ordinary estate taxes, on the market value, that are paid by all estates. Thus no special compensation is received by the Federal Government for the loss in revenues suffered during the lifetime of the owner by reason of his use of the corporate form.

Shareholders in corporations that pursue liberal dividend policies are now discriminated against, because they are not permitted to reinvest tax-free the corporate earnings that they receive as dividends; whereas the stockholders in corporations that retain the bulk of their earnings are permitted under the present law to reinvest their share of the corporate earnings, in effect, without payment of individual income taxes thereon.

Further, the present ability of the controlling stockholders of corporations to choose the timing of dividend distributions without any effect upon the corporation's tax liability and without reference to current earnings is resulting in tremendous losses of revenue to the Federal Government through an unjust avoidance of taxation by stockholders of large personal incomes. The earnings withheld by a corporation would, if distributed, materially raise the surtax brackets of many stockholders, thereby putting the stockholders in the surtax brackets where they really belong. When withheld for a time and then paid out in years when the other income of important stockholders is smaller such earnings escape the higher rates to which they would have been subject. Individual businessmen and partnerships possess no corresponding choice for the timing of the distribution of earnings for income-tax purposes.

The present law discriminates against stockholders with small incomes. The corporation earnings are subject to the graduated 12½- to 15-percent corporation income tax, as well as to capital-stock and excess-profits taxes. As against these rates of 12½ to 15 percent taken out of earnings, plus the capital-stock and excess-profits taxes, amounting on the average to about an additional percent, the stockholders' dividend receipts are exempted only from the 4-percent normal tax. Under the pending bill it would be impossible

for a corporation to avoid income taxes altogether, and the small stockholder would pay only the normal tax of 4 percent on his dividends or no tax at all, according to his total income, instead of in effect the present corporation income, capital-stock, and excess-profits taxes.

On the other hand, the present law sometimes favors the partnership as against the small corporation. There are many corporations whose earnings, if wholly distributed among the shareholders, would not be subject to individual income taxes averaging from 12½ to 15 percent, because the shareholders of those corporations do not fall into sufficiently high surtax brackets. The corporate form of business organization is, nevertheless, desired by numerous small and medium-sized enterprises for reasons of convenience, flexibility, limitation of liability, and the like. Discrimination in taxation against the corporate form of business enterprise, as well as discrimination in its favor, would be removed by the present proposal.

In substance, two major results would be accomplished by the proposed measure: First, all business, whether incorporated or not, would be placed on substantially the same basis for income-tax purposes; second, we would apply throughout our income-tax law the principle of taxation according to ability to pay.

In final analysis, ability to pay rests with the individual, and not with the corporation. When we tax the corporation itself we are really taxing an artificial entity representing an aggregate of individuals in almost every degree of economic condition and owning all the way from a few shares of stock to blocks representing hundreds of thousands of shares. Obviously, then, no tax (with the exception, perhaps, of a withholding tax which would be administratively very difficult) could be devised, which collected from the corporation, would equalize the tax burden with the ability of the individual shareholder to pay. This being true, we can never have equitable taxation of business income so long as we ignore the real ownership of the corporate income and continue to tax the corporation as an entity very much as if it were an individual. Ability to pay rests with the individual and the individual should be the basis, so far as possible, on which income taxation is applied.

That the proposed measure will carry out the principle of ability to pay is apparent from the fact that these additional revenues will come mainly from the real owners of business income now avoiding the surtaxes thereon. Studies supplied to the committee indicate that if corporations were to distribute to their shareholders all of their 1936 earnings, the taxable income of individuals would be increased by approximately $4,000,000,000. Of this large sum, more than 71 percent would be received by individuals with net incomes of more than $25,000 a year, and about 45 percent by individuals with net incomes in excess of $100,000 a year—individuals, in other words, who are subject to the higher surtax rates in our income-tax schedule. To the extent that corporations do not disburse their current earnings, the additional revenues will be obtained from higher corporation income taxes, corresponding as near as may be on the average to the rates that would have been paid by their shareholders if corporate earnings were fully distributed. At this time I ask that there be inserted in the record an estimated distribution of individual income as prepared by the Treasury Department.

The minority says that this will undermine business. We have taken all of the pains possible that we could, with any degree of equity and justice, to provide for corporations that may be in distress or in debt or that may need larger surpluses. I will ask the gentleman from Washington how many corporations can retain up to 40 percent of their net earnings and pass it on to surplus without paying any more or as much tax as they pay today?

Mr. SAMUEL B. HILL. Two hundred and fourteen thousand out of a total of 257,000—214,000 having an income of $10,000 or less, out of a total number of 257,000.

Mr. DOUGHTON. So those with smaller earnings will pay less tax under our plan than under the present law?

Mr. SAMUEL B. HILL. That is correct.

Mr. DOUGHTON. In the drafting of this measure great care has been taken to make ample provision for the practical requirements of corporate business. Indeed, as I have stated in another connection, practical considerations have been governing throughout our consideration of this and the other tax proposals. There is no intention or desire whatever to interfere with the internal management of business enterprises. The object of this revenue measure is not to tell corporate managements what proportion of earnings they shall distribute and what proportion they shall retain. The object is rather to see that, whatever the decisions of corporate managements, the Federal Government shall not be unreasonably and inequitably deprived of necessary revenues and that the tax burden is equitably distributed. Likewise, it is not the policy of Congress to dictate whether business shall be carried on as individual enterprises or partnerships, on the one hand, or as corporations on the other hand. The present laws go a long way toward doing so by making the use of the corporate form unduly expensive for the little fellow and by offering a source of tax avoidance for the big fellow. It is proposed to remove this inequality.

Some fear has been expressed that the effect of this proposal will be to perpetuate the existing set-up of industry, so that the big will stay big and the little will stay little. This seems to imply that under the present system of corporate taxation the small corporations have equal opportunity to grow into competitive strength with the larger corporations. This would be interesting if true. The fact is that the existing method of taxation has a tendency to increase the competitive advantages of the larger corporations, of which advantages, our experience shows, they have not failed to avail themselves. We do not pretend that this tax measure will remove all inequalities. However, we do claim that it will remove two major inequalities of our tax system while at the same time removing an important source of tax avoidance.

In concluding, I desire to emphasize that the proposed new method of taxing corporation incomes provides a basis for an excellent and productive permanent revenue measure. Its merits are clear: First, it will remove great existing inequalities in the taxation of incorporated and unincorporated businesses; second, it will permit a nearer approach to establishing taxation on the basis of ability to pay; third, it will increase the Federal revenues mainly by removing important sources of tax avoidance rather than by increasing existing tax rates or imposing new taxes; and, finally, this proposal appears to be greatly superior to all alternative proposals that have been suggested. [Applause.]

Before I conclude I should like to read one statement made by Mr. Helvering, Commissioner of Internal Revenue, which shows very clearly the inequality and injustice that exists now in many cases under our present corporation-tax laws. This is from the top of page 20 of the hearings:

> If, for example, a partnership composed of four equal partners earned $1,000,000, the Federal Government would receive $517,136 of those earnings in individual income taxes, assuming that the partners were single men and had no other taxable income. If these same men conducted their business as a corporation and paid themselves salaries of $25,000 each but no dividends, the Federal Government would receive only $145,656 in income taxes—a difference of $371,480. Even if this corporation distributed 50 percent of its earnings, after the payment of $100,000 in salaries, in dividends, the Federal Government would still receive $174,400 less in taxes than it would receive if the business were conducted as a partnership.

Now, if anyone can justify a system of taxation that discriminates to such a degree among its citizens engaged in business, those engaged in business as a corporation and those engaged in business as a partnership, he has a mind that works entirely different to mine. There is no equality, there is no justification whatever for a system of taxation of that kind. This needed reform has been postponed entirely too long.

In conclusion, there are two primary purposes in this bill: First, to raise needed additional revenue. We all admit that. No one will deny that it is needed.

Mr. COOPER of Tennessee. Mr. Chairman, I ask unanimous consent that the gentleman may proceed to the conclusion of his statement.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DOUGHTON. Thank you. I will be through shortly.

The second purpose is to so arrange our corporate-tax laws that the Government will occupy a neutral position as between the taxpayers, or between those who pay taxes as corporations and those who pay taxes as individuals or as partnerships. In other words, the secondary purpose is to bring about a condition of fundamental equality. Moreover, in raising this additional revenue to finance the farm program and to take care of the additional expense placed on the Government by the passage of the soldiers' adjusted-service-certificate act the revenue will be raised where it will impose the least hardship and the least burden. Those are the two fundamentally sound reasons, in my judgment, why this bill should not only commend itself to every fair-minded Member of this House but to every taxpayer. We are striving for the same objective; that is, honest, efficient government as far as possible under existing conditions. I say you cannot challenge the statement truthfully and successfully that this bill is based on fundamental justice, and that any burdens imposed by this law will be placed where they will impose the least hardship.

I thank you all for your most courteous and careful consideration. [Applause.]

I had expected to refer to one other statement contained in the minority report during the limited time at my disposal, so will do so under the leave granted me to extend my remarks.

The minority report, in referring to the opponents of the President's suggestions and the report of the subcommittee during the hearings, states:

> This opposition was based wholly on the vicious character of the proposal, and not on any selfish effort to shift the burden of increased taxes to other groups.
>
> Among those conspicuously absent were the really big-business interests of the country who, by reason of their adequate existing surpluses, view the proposal with equanimity because it will relieve them of their present tax burden and at the same time crush their smaller competitors.

Being a Democrat, I must admit that I have not had the close contact with "the really big business of the country", so I cannot qualify as an expert on what constitutes bigness, and am at a little disadvantage in taking issue with my Republican friends.

During the hearings the committee was favored with the presence of several familiar faces who in the past have always appeared in opposition to practically every tax proposal advanced. Among them were the representatives of the National Association of Manufacturers and the United States Chamber of Commerce, whose representatives appeared in the role of spokesmen for the small businessmen of the country and as stanch opponents of monopoly. They, as usual, told us that the President's suggestions were economically unsound and unworkable and that they would drive the small corporations and businessmen out of business and create and breed monopoly. It was indeed a dismal and tragic picture they painted as to the future of those they represented.

During the testimony of Mr. Sargent, secretary of the Manufacturers' Association, it developed that their board of directors had arrived at their decision to oppose the President's suggestions prior to the printing of the subcommittee's report, they having met in New York on March 25. The directors present at that meeting reads like a membership list of the American Liberty League, whose financial angel was also one of those determining the attitude of the United States Chamber of Commerce, and who, incidentally, has just recently been identified as the financial angel of a so-called grass-roots convention recently held down in Georgia, and whose main activity to date has been the distribution of literature designed to arouse racial prejudices and hatreds.

Only 29 of the 69 members of their board of directors were present at this meeting, and who, according to the last edition of Poor's Register of Directors, are either officers or directors of 164 corporations. Seventeen of those present, according to the report to Congress on corporate salaries in excess of $15,000, received salaries and bonuses ranging from $21,000 to $125,219.92, or a combined total of $905,176.08, an average of $53,245.65 plus, and one of the companies thus represented paid its president $364,432.20. These are the small businessmen whose welfare our Republican friends place over and above the men who till the soil.

The other group of small businessmen, the United States Chamber of Commerce, after taking about 16 days to make up their minds, finally sent representatives to the hearings. They were, as usual, positive and emphatic in their opposition on the ground that the proposals were economically unsound and unworkable, and that the same would drive small corporations out of business and breed monopoly.

Before referring to the personnel of the chamber's finance committee who determined the policy and attitude of the United States Chamber of Commerce, it might be well to refer to a recent article appearing in the Washington Herald in the copyrighted article daily appearing under the heading of "The Washington Merry-Go-Round", by Drew Pearson and Robert S. Allen. This article quoted Harper Sibley, president of the United States Chamber of Commerce, as having said, in connection with the question as to whether or not Secretary of Commerce, Mr. Roper, would be invited to address their annual meeting to be held in the near future. Mr. Sibley was quoted as saying:

> I'm in the middle between two camps. One group, the ultra-hardshell Tories, are opposed to any overtures to the administration. The other, made up chiefly of small businessmen, are on the whole for friendly relations. But it is the first group that controls the chamber.

The finance committee of the United States Chamber of Commerce is as follows:

Fred H. Clausen, of Horicon, Wis., manager of the Van Brunt Manufacturing Co., one of 17 subsidiaries of Deere & Co.

Ellsworth C. Alvord, of the law firm of Alvord & Alvord, Washington, D. C., and former special assistant to Andrew W. Mellon, former Secretary of the Treasury.

Raymond H. Berry, of the law firm of Berry & Stevens, and chairman of the tax committee of the Detroit Board of Commerce.

W. Dale Clark, president, National Bank of Omaha, Omaha, Nebr.

Roy C. Osgood, vice president, First National Bank, Chicago, Ill.

Fred R. Fairchild, professor of political economy, Yale University.

H. B. Fernald, senior member of accounting firm of Loomis, Suffern & Fernald, New York.

Edwin G. Merrill, chairman of board, Bank of New York & Trust Co.

H. S. Wherrett, president, Pittsburgh Plate Glass Co., one of the Mellon interests; and

Lammot Du Pont, president of E. I. du Pont de Nemours & Co., and chairman of board of General Motors Corporation, as well as the financial angel of the American Liberty League and the Talmadge-Kirby Grass Roots Convention.

Six of the above are identified, according to Poor's Register of Directors, with approximately 130 corporations, including their subsidiaries and affiliated companies, 5 of this committee, according to the report to Congress on corporate salaries in excess of $15,000, received salaries and bonuses ranging from $18,900 to $100,219.96, or an average of $52,065.65 plus, and 2 corporations represented by this group paid out in salary and bonus the sum of $8,211,853.74 to 216 persons. This group indirectly represent approximately 71 additional corporations, exclusive of subsidiaries, in which the members of the Du Pont and Mellon families are either officers or directors. A complete list of the corporate connections of those spokesmen for the smaller businessmen of the country say they will be driven out of business through

their inability to cope with monopoly, which they say will be created if the provisions of the pending measure are enacted into law is as follows.

These spokesmen were loud in their denunciation of the President's suggestions during the hearings, but were woefully weak in offering any constructive suggestions or alternatives. One of the witnesses appearing for the chamber of commerce in reply to a question as to where additional revenue receipts could be secured suggested that Congress should require semiannual returns instead of only a single return each year. The net result of such a ridiculous proposal, if carried out, would only bring added administrative difficulties and expense and not result in any increased revenue. Another advocated the reenactment of some form of processing taxes, at reduced rates, but stipulated that only such taxes as would be paid by the consuming public should be considered. The representative of the Manufacturers Association, who was so positive in his declaration that the President's suggestions were economically unsound, when asked what in his opinion was a sound corporate tax, gave the committee none.

Many other witnesses appeared during the hearings, among whom was former Representative Fort, of New Jersey, who I am fearful will be read into the Communist Party by my friend from Massachusetts, since he was far more in accord with the various suggestions contained in the subcommittee's report than the witness alluded to by the Republicans in their minority views.

Directors of National Association of Manufacturers attending meeting in New York, Mar. 25, 1936

Name	Address	Salary and bonus received in 1934	Salaries paid in excess of $15,000	
			Number	Total amount paid
C. M. Chester	New York	$84,380.00		
Chairman of board, General Foods Corporation				$842,172.51
Director:				
Putnam Trust Co				
Zonite Products Co				16,200.00
Pack and 45th St. Corporation				
Manning, Maxwell & Moore				41,559.96
Central Hanover Bank & Trust Co				768,041.69
Lehigh Valley Railroad				154,337.00
Robert L. Lund	St. Louis	48,000.00		
Executive vice president, Lambert Pharmacal Co				137,000.00
W. Gibson Carey, Jr	New York	23,597.17		
President, The Yale & Towne Manufacturing Co				60,312.33
C. L. Bardo	New York	31,500.04		
President and director, New York Shipbuilding Co				57,578.91
Director, Allis-Chalmers Manufacturing Co				60,031.28
Thomas E. Wilson	Chicago	81,258.40		
Chairman of board and director, Wilson & Co., Inc				123,803.40
F. N. Bard	Chicago	30,050.00		
President and director:				
Barco Manufacturing Co			1	30,050.00
Argyle Railway Supply Co				
Chibar Corporation				
Russell Watson	New Brunswick			
Vice president, Johnson & Johnson				
Walter Harnischfeger	Milwaukee			
President and director, Harnischfeger Corporation				
Harry A. Bullis	Minneapolis			
Vice President and director:				
General Mills, Inc				
Washburn Crosby Co				
Red Star Milling Co				
Larrowe Milling Co				
Oklahoma City Mill & Elevator Co				
Wichita Mill & Elevator Co				
Sperry Flour Co				
El Reno Mill & Elevator Co				
Frontier Elevator Co				
General Grain Co				
Gold Medal Flour Co. of Oklahoma				
Gold Medal Flour Co. of Texas				
Gold Medal Foods, Inc				
Great West Mill & Elevator Co				
Kalispell Flour Mill Co				
Kell Mill & Elevator Co				
Pacific Coast Elevator Co				
Perry Mill & Elevator Co				
Rocky Mountain Elevator Co				
Royal Milling Co				
Star Grain Co				
Coupon Services, Inc				
Washburn Crosby Co. Ltd				
Washburn Crosby Milling Co				
Frontier Mill Co				
American Research Products, Inc				
Howard Grain Co				
Red Bank Co., Inc				
Star and Crescent Milling Co				
President and director, Farm Service Stores, Inc				
F. B. Davis	New York	125,219.92		
President and director:				
United States Rubber Co			9	366,166.98
Sampson Corporation				
United States Rubber Products, Inc				
Director:				
Columbus Rubber Co. of Montreal, Ltd				
Hollandsch Amerikaansche Plantage Maatschappij				
Rubber Regenerating Co., Ltd				
E. I. du Pont de Nemours				3,141,191.29
General Rubber Co				
General Rubber Co., Ltd				
Rubber Manufacturers Association				
Malayan American Plantations, Ltd				
Meyer Rubber Co				
Si Pare Pare Rubber Matschappij				
United States Rubber plantations				25,512.16
Chairman of board and director:				
Dominion Rubber Co., Ltd				
Sampson Tire and Rubber Co				
Executive committee and trustee, New York Trust Co				442,950.00

Directors of National Association of Manufacturers attending meeting in New York, Mar. 25, 1936—Continued

Name	Address	Salary and bonus received in 1934	Salaries paid in excess of $15,000	
			Number	Total amount paid
F. W. Lovejoy	Rochester	$90,903.90		
President, general manager, and director, Eastman Kodak Co				$773,635.02
Director, Security Trust Co				36,000.00
Kemp P. Lewis	Durham, N. C.	49,762.70		
President and director:				
Erwin Cotton Mills Co			3	83,262.70
Erwin Yarn Co				
Bank of Harnett				
Director:				
Durham Cotton Manufacturing Co				
Fidelity Bank, Durham, N. C			1	16,200.00
Durham & Southern Ry			1	16,656.59
Locke Cotton Mills				
John J. Watson	New York			
President and director:				
International Agricultural Corporation				
Florida Mining Co				
Prairie Pebble Phosphate Co				
Director:				
Fidelity-Phenix Fire Insurance Co			2	44,341.13
Lawyers Title Corporation				
Phosphate Recovery Corporation				
Chairman of board and director:				
Republic Rubber Co				
Lee Rubber & Tire Co				
Henry Abbott	New York			
President and director, Calculagraph Co				
E. J. Barcalo	Buffalo			
President and director:				
Barcalo Manufacturing Co				
Six-Way Corporation				
Director:				
Buffalo, Niagara & Eastern Power Corporation				
Lake Erie Trading Corporation				
Trustee: Erie County Savings Bank				
Otto Ernest Braitmayer	New York	60,000.00		
Vice President and director, International Business Machines Corporation				627,432.20
Director, Weston Electrical Instrument Corporation			2	44,191.25
Harry L. Derby	New York			
President and director:				
American Cyanamid & Chemical Corporation				
Arizona Chemical Co				
Vice president and director, American Cyanamid Co				
Charles F. Stone	Atlanta, Ga			
President and director, Atlantic Steel Co				
Hollie B. McCormac	Winchester, Va			
President and director:				
Virginia Woolen Co				
Union Bank of Winchester				
Director:				
Berkeley Woolen Co				
Virginia Manufacturers Association				
Winchester Credit Corporation				
Southern Industrial Council				
Walter D. Fuller	Philadelphia	46,894.18		
President and director, Curtis Publishing Co			14	453,519.18
Director:				
John F. Clement Co				
First National Bank of Philadelphia			4	98,150.00
Trustee, Penn Mutual Life Insurance Co			8	230,600.00
George H. Houston	Philadelphia	81,740.00		
President and director:				
Baldwin Locomotive Works			8	288,180.00
Standard Steel Works Co			1	21,000.00
Baldwin-Southwark Corporation			1	20,400.00
Whitcomb Locomotive Co				
De La Vergne Engine Co				
I. P. Morris & De La Vergne, Inc				
Federal Steel Foundry Co				
Baldwin Locomotive Works of Cuba				
Baldwin Locomotive Works of Brazil				
Philadelphia Locomotive Works				
Chairman, executive committee, and director:				
Midvale Co			3	75,330.00
General Steel Castings Corporation			2	54,340.00
Cramp Brass and Iron Foundries, Corporation				
Pelton Water Wheel Co				
Director, Flannery Bolt Co			1	19,410.79
Evarts C. Stevens	Meriden, Conn			
Vice president and director:				
International Silver Co			1	20,000.00
Dime Savings Bank, Wallingford, Conn				
International Silver Co. of Canada, Ltd				
Director, Manning-Bowman & Co				
George F. Lang	Baltimore	27,627.31		
President and director, Carr-Lowery Glass Co			4	98,652.25
Director, National Central Bank				
Secretary, Dover Building & Loan Association				
William R. Webster	Bridgeport, Conn			
President and director, Automatic Machine Co				
Chairman of board and director, Bridgeport Brass Co			2	51,823.53
Trustee, Bridgeport-Peoples Savings Bank				
Edward C. Heidrich, Jr	Peoria, Ill			
Vice president and manager, Peoria Cordage Co				
Vice president and director, Peoria Finance & Thrift Co				
Director, Lincoln Fire Insurance Co. of New York				
Vincent Bendix	Chicago	45,129.55		
President and director:				
Bendix Aviation Corporation			1	22,629.55
Bendix Brake Co				
Pioneer Instrument Co				
Scintilla Magneto Co				

Directors of National Association of Manufacturers attending meeting in New York, Mar. 25, 1936—Continued

Name	Address	Salary and bonus received in 1934	Salaries paid in excess of $15,000	
			Number	Total amount paid
Vincent Bendix—Continued.				
President and Director—Continued.				
Bendix-Stromberg Carburetor Co				
Bendix-Westinghouse Automotive Air Brake Co				
Charles Cory Corporation				
Bendix Products Corporation			2	$47,250.00
Chairman of board and director, Automatic Products Co				
Director:				
First Bank & Trust Co., South Bend, Ind				
Hydraulic Brake Co				
Eclipse Machine Co				
Bendix-Cowdrey Brake Tester, Inc				
Delco Aviation Corporation				
Eclipse Aviation Corporation				
American Propeller Co				
Bragg-Kliesrath Corporation				
Eclipse Textile Devices, Inc				
Permutit Co				
Bendix-Eclipse of Canada				
Julius P. Friez & Sons				
Malcolm Muir	New York	$22,112.91		
President and director, McGraw-Hill Publishing Co				
Director:				
Business Publishers International				
McGraw-Hill Book Co				
Howard Coffin		36,000.00		
President and director, Sulflo Corporation				
Vice president, Turnsignal Corporation				
Chairman of board and director:				
Sea Island Co				
Southeastern Cottons, Inc				
Richard Harte	Easton, Mass	21,000.00		
President and director:				
Ames, Baldwin, Wyoming Shovel Co			1	21,000.00
Ames Shovel & Tool Co				
Director:				
State Street Trust Co			4	90,839.98
Atlantic Precision Instrument Co				
Chicago, Wilmington & Franklin Coal Co			1	20,000.00
First National Bank of Easton				
Waypoyset Manufacturing Co				

Members of finance committee, United States Chamber of Commerce

Name	Address	Salary and bonus received in 1934	Salaries paid in excess of $15,000	
			Number	Total amount paid
Lammot Du Pont	Wilmington, Del	$100,219.96		
President and director E. I. du Pont de Nemours			80	$3,141,191.29
Subsidiaries and affiliates:				
Canadian Industries				
Compania Mexicana de Explosives				
Compania Sud-Americana de Explosives				
Dupont Building Co				
Grasseli Chemical Co			9	338,355.26
American Zinc Products Co. of Indiana				
Dupont Film Manufacturing Corporation				
Dupont Securities Co				
Du Pont Cellophane Co				
Du Pont Rayon Co			13	463,557.93
Du Pont S. A. (Mexico)				
Du Pont Visculoid Co			5	118,202.43
Celastic Corporation				
Remington Arms Co., Inc			4	93,540.00
Remington Arms Union Metallic Cartridge Co				
Peters Cartridge Co				
Bayer-Semesan Co., Inc				
Nobel Chemical Finishes, Ltd				
Leathercloth Proprietary, Ltd				
Rokeby Realty Co				
Societi Francaise Duco S. A				
Societi Francaise Fabrikoid S. A				
National Ammonia Co				
American Glycerin Co				
International Freighting Co				
Old Hickory Chemical Co				
Kinetic Chemicals, Inc				
Pacific R. & H. Chemicals Corporation				
Krebs Pigment & Color Corporation				
S. A. du Pont do Brasil				
Chairman of board and director, General Motors Corporation			136	5,070,662.45
Subsidiaries and affiliates:				
Yellow Truck & Coach Manufacturing Co				
Ethyl Gasoline Corporation			9	273,094.56
Vauxhall Motors, Ltd				
Adam Opel, A. G				
Bendix Aviation Corporation			1	22,780.00
North American Aviation, Inc				
General Aviation Corporation				
Kinetic Chemicals, Inc				
National Bank of Detroit				
General Motors Acceptance Corporation				
Director:				
General Motors Acceptance Corporation				
Chemical Bank & Trust Co				
Wilmington Trust Co				

Members of finance committee, United States Chamber of Commerce—Continued

Name	Address	Salary and bonus received in 1934	Salaries paid in excess of $15,000	
			Number	Total amount paid
Wilbur Dale Clark	Omaha, Nebr.	$18,900.00		
President and director, Omaha National Bank				
Fred H. Clausen	Horicon, Wis.			
Manager, Van Brunt Manufacturing Co. (subsidiary of Deere & Co.)				
Deere & Co. subsidiaries:				
Fort Smith Timber & Land Co.				
Syracuse Chilled Plow Co.				
Van Brunt Manufacturing Co.				
John Deere Tractor Co., Waterloo, Iowa				
Dain Manufacturing Co. of Iowa				
John Deere Plow Co. of Moline				
John Deere Plow Co. of Syracuse				
John Deere Plow Co. of Kansas City				
John Deere Plow Co. of St. Louis				
John Deere Plow Co. of Lansing				
John Deere Plow Co. of Indianapolis				
John Deere Plow Co. of Columbus				
John Deere Plow Co., Ltd. of Winnipeg				
John Deere Plow Co. of Saskatchewan, Ltd.				
John Deere Plow Co. of Calgary				
Deere & Webber Co., Minneapolis				
John Deere Manufacturing Co., Ltd., Welland, Ontario				
Roy C. Osgood	Chicago	27,208.33		
Vice president, First National Bank of Chicago			28	$672,104.07
Treasurer and director, Albert Schwill & Co.			1	19,975.11
President and director, Upper Avenue Safe Deposit Co.				
Chairman of board and director, Upper Avenue Bank				
Director:				
American Food Products Co.				
United States Cold Storage Co.				
National Safe Deposit Co.				
St. Louis National Stockyards				
Edwin C. Merrill	New York	51,000.00		
Chairman of board, Bank of New York & Trust Co.			11	288,900.00
Director:				
Atlas Assurance Co., Ltd.			1	20,585.83
Atlanta & Charlotte Air Line				
Electric Bond & Share Co.			24	820,650.00
Globe & Rutgers Fire Insurance Co.				
Patriotic Insurance Co.				
State Mutual Life Assurance Co.			2	55,000.00
Sun Indemnity Co. of New York				
Detroit & Mackinac Ry.				
Sun Underwriters Insurance Co. of New York				
Western Union Telegraph Co.				
Virginia Iron, Coal & Coke Co.				
Subsidiaries:				
New York & Virginia Mining & Mineral Co.				
Doe Mountain Mining & Improvement Co.				
Doe Valley Association				
Colony Coal & Coke Corporation				
Vicco Fuel Corporation				
Member, board of finance of Caledonian Insurance Co. of Edinburgh				
Vice president and trustee, Greenwich Savings Bank				
H. S. Wherrett	Pittsburgh	63,000.00		
President and director:				
Pittsburgh Plate Glass Co. (Mellon interest)			18	548,612.50
Duplate Corporation				
Plate Glass Manufacturers Association				
Vice president:				
Southern Alkali Corporation (subsidiary of American Cyanamid Co.)			2	38,625.00
Other subsidiaries of American Cyanamid Co.:				
Amalgamated Phosphate Co.				
American Cyanamid & Chemical Co.				
The Calco Chemical Co.				
Chemical Construction Corporation				
Davis & Geek, Inc.				
Dillons-Klipstein, Ltd.				
Lederle Laboratories				
North American Cyanamid Ltd.				
Rezyl Corporation				
Director:				
Columbia Alkali Corporation			1	39,500.00
Ditzler Color Co.				
Pittsburgh branch, Federal Reserve Bank of Cleveland				
Westinghouse Electric & Manufacturing Co.			16	435,386.42
Westinghouse Electric & Manufacturing Co., subsidiaries (wholly owned):			4	104,062.75
Westinghouse Lamp Co.				
The Bryant Electric Co.				
Westinghouse Electric Elevator Co.				
Westinghouse X-Ray Co.				
Westinghouse Electric Supply Co.				
Westinghouse Electric International Co.			3	51,244.85
Interborough Improvement Co.				
Laurentide Mica Co., Ltd.				
Turtle Creek & Allegheny River R. R.				
Westinghouse Inter-Works Ry. Co.				
Electric Equipment Corporation				
Westinghouse Acceptance Corporation				
Westinghouse Gear & Dynamometer Co.				
A S National Industri S A				
Australian Westinghouse Electric Co., Ltd.				
Cia Electrica Westinghouse de Chile				
Cia Westinghouse Electric de Cuba				
Cia Westinghouse Electric International S A				
Westinghouse Electric Co. of Japan				
Westinghouse Electric Co. of South Africa, Ltd.				
Westinghouse Electric Co. of India, Ltd.				
Westinghouse Electric Products, Inc.				
Broadcasting stations:				
KDKA, Pittsburgh				
KYW, Philadelphia				
WBZA, Springfield, Mass.				

Members of finance committee, United States Chamber of Commerce—Continued

Name	Address	Salary and bonus received in 1934	Salaries paid in excess of $15,000	
			Number	Total amount paid
H. S. Wherrett—Continued.				
Director—Continued.				
Westinghouse Electric & Manufacturing Co., subsidiaries (wholly owned)—Continued.				
Broadcasting stations—Continued.				
WBZ, Boston				
W8XK, Pittsburgh				
W1XK, Boston				
Subsidiaries (majority controlled):				
East Pittsburgh and Wilmerding Coal Co				
Laboratorio Elettrotecnico Ing Luigi Magrini				
Ellsworth C. Alvord, attorney, firm of Alvord & Alvord, Munsey Building, former special assistant to former Secretary of the Treasury, Andrew W. Mellon.	Washington, D. C.			
Raymond H. Berry, member of law firm of Berry & Stevens, Penobscot Building, and member of Detroit Board of Commerce and chairman of its tax committee.	Detroit, Mich.			
Fred R. Fairchild, professor of political economy, Yale University				
H. B. Fernald, senior member of firm of Loomis, Suffern & Fernald (certified public accountants)	80 Broad St., New York, N. Y.			
Mellon family:				
Mellon National Bank			5	$130,000.04
Westinghouse Air Brake Co			4	92,000.00
Union Trust Co			6	229,687.50
Aluminum Co. of America			10	361,623.20
Koppers Co			4	148,599.96
Forbes National Bank, Pittsburgh				
Carborundum Co			3	83,593.32
Pullman, Inc			9	215,045.92
Milbank Corporation				
Pan-American Airways			3	48,550.00
Pittsburgh Aviation Industries, Inc				
Standard Securities Co				
Union Switch & Signal Co			2	47,700.00
Gulf Oil Corporation				
Pennsylvania R. R			26	671,327.13
National Union Fire Insurance Co			3	60,120.00
Pennsylvania Water Co				
Eastern Gulf Oil Co				
South American Oil Co				
Venezuela Gulf Oil Co			4	81,000.00
Gulf Pipe Line Co			1	21,500.00
Gulf Pipe Line Co. of Oklahoma				
Gulf Production Co			6	158,333.33
Gulf Refining Co			17	448,210.81
Gulf Refining Co. of Louisiana			1	25,000.00
Gypsy Oil Co			4	71,500.00
Westinghouse Electric & Manufacturing Co			16	435,386.42
Westinghouse Electric International Co			3	51,244.85
Monongahela Light & Power Co				
Monongahela Street Ry				
Pittsburgh & Birmingham Traction Co				
Ligonier Valley R. R				
Union Savings Bank			1	25,000.00
Philadelphia Co				
Union Spring & Manufacturing Co				
Western Gulf Oil Co			1	25,000.00
Standard Car Finance Co				
Osgood-Bradley Securities Co				
Columbian Petroleum Co				
Delaware Gulf Oil Co				
Gulf Building Co				
Gulf Pipe Line Co. of Pennsylvania				
Union Fidelity Title Insurance Co				
Gulf Exploration Co				
Mexican Gulf Oil Co				
Tidewater Oil Co			8	194,512.47
Pittsburgh Coal Co			6	199,798.50
Du Pont family:				
Florida National Bank of Jacksonville				
Almous Securities, Inc			3	250,000.00
Florida National Bank & Trust Co				
Gulf Coast Properties, Inc				
Indian Acceptance Co				
Du Pont Motors				
U. S. F. Powder Co				
Atlas Powder Co			4	103,509.00
Delaware Trust Co				
Greenacres Properties Co				
Traction Bus Co				
Francis I. du Pont & Co				
Membership New York Stock Exchange				
Equitable Office Building Co			2	30,690.00
Equitable Trust Co				
Empire Trust Co			5	218,490.00
Continental American Life Insurance Co			1	23,716.11
Sarawins Inc				
Prudential Investors, Inc				
T. W. A., Inc				
Reading Co			9	231,868.00
Ethyl Gasoline Corporation			9	273,094.56
Philadelphia National Bank			10	304,662.00

The CHAIRMAN. The gentleman from North Carolina [Mr. DOUGHTON] has consumed 1 hour and 1 minute.

The gentleman from Massachusetts [Mr. TREADWAY] is recognized for 1 hour.

Mr. TREADWAY. Mr. Chairman, I desire not to be interrupted. Will the Chairman be kind enough to notify me when I have consumed 20 minutes?

Mr. Chairman, there is an old adage which runs, "Least said, soonest mended."

This was never more truthful than as applied to the proposed tax measure.

I do not intend to discuss the demerits of this legislation at this time but will do so later on during the debate. Anyone who can analyze the drastic changes in our tax system

proposed by the bill, which has been public for only 48 hours, or who can intelligently discuss all of its complications and ramifications, has mental capacity that entitles him to be rated as a superman. Not only the complications involved but the lack of information provided, the inaccurate estimates, and the adverse testimony, all could be discussed indefinitely.

The majority, with the aid of all the Government officials and experts at their command, offer only a synopsis of the bill itself. I therefore urge both sides of the House to read the minority report in comparison. While our discussion was necessarily confined to the general principles involved, we invite Members to decide for themselves which report actually tells anything about the operation and effect of the law.

Let me call attention to a few quotations.

The President, in his tax message, said, among other things:

> Such a revision of our corporate taxes would effect great simplification in tax procedure, in corporate accounting, and in the understanding of the whole subject by the citizens of the Nation.

Unfortunately the President has suggested—he evidently no longer orders, as previously—has suggested a tax measure for simplification, reform, and revenue. Last year he also spoke of a "breathing spell."

In addition to this reference from the President, let me quote the following from the majority's report on the bill:

> * * * This will take care of the President's request until the next session of Congress, which can then act more intelligently in the light of then existing conditions.

I think there is no question but what the next Congress will act more intelligently than the present Congress, because it will be a Republican Congress. Possibly the Democratic majority have this in mind. But there is another reason. They want to put off as much of the tax burden as they can until after the election.

The next Republican Congress may have to levy increased taxes to pay for Democratic extravagance, but there is a possibility we can get along with the present taxes after Democratic waste has been eliminated.

What a great thing "simplification" is as today exemplified by this measure. I most heartily commend to the careful attention of the membership of this House and to the people of the country the contents of schedules I, II, and III of section 13. If this is simplification, give me complication!

This complicated legislation was originally worked out with algebraic formulas. The present tables of rates will prove to be more Greek than algebra to the unfortunate taxpayers. The only beneficiaries under this bill, aside from the large monopolistic corporations who will have their tax burden lifted by the bill, will be the high-priced lawyers and accountants who will be obliged to lead their clients through the maze which the subservient Democratic majority have created to further harass business and the taxpayer.

We pass to the word "reform", which is defined in the dictionary as meaning to "change from bad to good." No one can conceive of a greater contrast from actual definition and actual fact than in the statement that this measure is a change from bad to good. It has no good in it; it is all bad. We now have a tax system that has been built up and constantly improved over a period of 23 years. It may be slightly complicated, and possibly it could be still further improved, but certainly the bill presented to the House at this time falls short of any improvement, and falsifies the well-established definition of the word "reform." Any businessman examining its provisions will see how splendidly the "reform" is working in his behalf.

So far as revenues are concerned it must be admitted that the bill is disappointing. Not only are we giving up a certainty in the way of revenue for an uncertainty, but even the arbitrary estimates made by the majority in their report are admittedly a distinct reduction from the President's expectations. I call attention to the fact that the Treasury itself has not furnished a definite estimate of what the bill is expected to produce in the way of revenue, and even if it did the estimate would be no more than a guess. The Federal revenue is actually jeopardized by the bill when it abandons an assured collection of $1,132,000,000 from corporations in favor of a yield which at most is pure conjecture and which will undoubtedly be disappointing in amount.

The distinguished chairman of the committee has just presented this House with a forced explanation of the bill. I realize that he and his associates must on the surface appear to be wholeheartedly for this bill so that they may be enabled to keep their record intact of being administration "rubber stamps." They are, of course, "on the spot." If the truth were known we would find the gentlemen on the majority side of the House as violently opposed to this bill as we on this side. At least one of our Democratic colleagues on the committee, the gentleman from Ohio [Mr. LAMNECK], has the courage of his convictions and refuses to play "follow the leader" on this bill. He knows it is unsound and is going to vote accordingly. Why cannot the rest of you Democrats vote your convictions as well? The President made you enact his pet graduated income tax on corporations last year, and now he has left you "holding the bag" by abandoning the scheme even before it went into operation. How do you know he will not abandon this unsound scheme before adjournment and suggest some other experiment?

I could elaborate indefinitely on these matters, but I wish to direct the attention of the House and the country to the manner in which this bill was prepared.

In January we had the President's message saying, "No new taxes."

In March we had another message from the President requesting new taxes and suggesting certain methods of raising them. His major suggestion had to do with the proposal to revolutionize the corporate tax system and experiment with a new scheme.

The taxation subcommittee of the Ways and Means Committee immediately began a study of the President's suggestions. No bill had been prepared which could be considered. All the subcommittee had before it was the President's message and several professors from the Treasury Department, including Professor Oliphant, Professor Kent, and Professor Haas.

The reason no bill had been prepared was that these impractical and theoretical professors did not know how to work out a bill. They merely gave birth to the idea which the President left on the doorstep of Congress.

After laboring for nearly a month the subcommittee was unable to prepare a bill and simply submitted a list of recommendations to the full committee based on the proposals made by the Treasury officials.

I want to add that in my humble judgment, if it were not for the expert knowledge of the legislative drafting service and the expert tax adviser of Congress, Mr. Parker, you would not have a bill before you today embodying these ideas. They are the men who drafted the language of the bill. You had to wait until you went into private, executive Democratic subcommittee session with them before you could put a line of this bill on paper. I respect very greatly the tax knowledge of my colleagues on the committee, able men that they are, but when it comes to their getting up the phraseology and language in italics in this measure, give me Mr. Beeman and Mr. Parker. These gentlemen, of course, have nothing to say about what goes in the bill; they simply take orders from the majority. At a later time I propose to refer to Mr. Parker's views on the general theory of this kind of tax, to which he is on record as being opposed.

After the subcommittee submitted its report, hearings were then conducted by the full committee on the subcommittee's recommendations, with no bill before it.

I want to emphasize that there never was a meeting of the full committee until the bill was submitted to the full committee on Tuesday morning at 9 o'clock. It was reported out the same day. Did any of you Members, either Republican or Democratic, ever hear of an important piece of legislation coming onto this floor in such a manner? It is rubber-stamping, regimentation, autocratic control, and all

the rest of it run riot. We have seen a lot of it in the last 3 years, but the present procedure beats all the rest to a frazzle. There was never anything like it.

Outside of Treasury officials, only three witnesses appeared in favor of the proposed scheme—not bill—scheme—no bill, understand. Who were they? One was a young attorney who had a few theories of his own regarding taxation; one was a Government attorney for the Communications Commission, whom the Treasury "invited" to appear; and the other was a spokesman for the Communist Party.

Every other witness opposed the bill. Those in opposition were practically all businessmen, with experience and not theory to back up their judgment.

The Secretary of the Treasury was conspicuous by his absence. He became suddenly ill just before the hearings opened and, by recuperating at a fashionable southern resort, was able to return to the city, quite by coincidence, just as the hearings closed. It will be interesting to find out whether he will appear before the Finance Committee in the other body. Possibly he will have a relapse about the time they start their hearings. Humph! [Laughter and applause.]

The hearings were conducted by the majority in such a way as to frighten self-respecting people from appearing. Every witness who opposed the bill was browbeaten, and the majority even resorted to quoting from the salary report, sent up by the Treasury which was taken from the income-tax returns.

They were going around snooping. I used this word once before, and I am going to use it again. In the Ways and Means Committee room they went snooping around, instructing their clerks to find out the salaries being paid to men appearing before the committee. This is a fine way to treat people appearing, and it is a splendid way to induce witnesses not to appear. If this sort of procedure keeps up, the only way we will ever get any witnesses will be by subpena; they will not come voluntarily if this is the way they are to be treated by what is supposed to be one of the leading committees. Humph! [Laughter.]

It was apparent from the beginning that the majority had made up their minds to draft a bill along the lines of the President's suggestions; so there was no use for anyone to waste his time by appearing.

What effect does this bill have on the "breathing spell" we were told about? Well, good heavens! The taxpayers of the country will be all out of breath before there ever comes any breathing spell. That is about as near as we can depend on any promise coming from the other end of Pennsylvania Avenue. Breathing spell! Why, I would rather run up Capitol Hill and expect to have any breath left than to believe the business people of the country will have any breath left under the "breathing spell" that is being pushed on them.

We were told today that this bill is not sufficient, that we will have another measure next year. Thank God, though, it will be under Republican guidance. [Applause and laughter.]

Now, let us give a little further consideration to this matter of the preparation of the bill. We are asked to talk on the bill; yes. In the first place you cannot talk on its merits, it has not got any; and its demerits are so many that 8 hours of debate on this side is not sufficient time in which to begin to touch them. Let us, therefore, vary the program just a little. Two hundred and thirty-six pages!

Mr. VINSON of Kentucky. That is pretty close.

Mr. TREADWAY. I am mistaken; 249 pages. I am modest. I beg the gentleman's pardon. I am sorry I did not make it large enough. I will make it larger if it will help the gentleman any. This was available to the membership of this House 48 hours ago; still you gentlemen will be asked next week to cast your vote in behalf of your constituents with your honest judgment backing a study you are supposed to have made of this complicated measure.

Simplicity! Well, look over any page and any italics there and see how simple it is. Look at these schedules and tables and see how easy it is going to be for the experienced tax-expert lawyer to collect mighty heavy fees for keeping you men out of jail when you present your income-tax reports.

The CHAIRMAN. The gentleman from Massachusetts has consumed 20 minutes.

Mr. TREADWAY. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, it is the most complicated language which was ever presented to this House on a most complicated subject. Now, that statement stands. I shall be glad to take off my hat to any Democrat, and I will include my colleagues on the Republican side, who can stand on this floor and explain how you are going to make up your income-tax return when this bill goes into effect.

Let us, however, go back a little. We received from the President of the United States a message on March 3. The Subcommittee on Taxation of the Ways and Means Committee at once started to study the President's recommendation. The recommendation is in the RECORD before you, suggestions only, even going so far as to say "I would not venture to tell you wise legislators how to write a tax bill covering my views." That is what the President told us, and the reason no bill was prepared was the inexperienced and impractical theorists who suggested the plan to the President were not able to write it themselves. That is the reason no bill has been before you gentlemen. The very theorists who suggested this complicated bill could not put it into language. They had to come up here and get Mr. Beaman to write it for them. I am glad we have such a man able to carry on this task, but he has grown old in the last two weeks trying to put together any kind of language that would fit into the suggestions offered by the President on March 3.

We have criticized the White House and the theorists who assisted the White House for submitting ready-prepared measures in the past. They have not done so in this case purely on account of total lack of knowledge. They recognized that they could not draft this measure, and they knew but one man in the country who could do it and he was up here. So the President dumped these ideas into the lap of Congress and said, "We have the thought. You work it out."

Well, that is very kind of him and his theoretical professors or professional assistants, but it does not get us anywhere so far as legislation is concerned.

The system has never been tried in this country in the past. Similar suggestions have been made for the past 20 years, but never put into effect. It is more drastic and revolutionary than any system heretofore proposed. There is no precedent to go by, which makes the more difficult the drafting of a measure.

The subcommittee sat with the Treasury experts to study the plan outlined. I say "Treasury experts." I am passing out a very large boquet when I call them experts. Who are they? First, there is Professor Oliphant, to whom I referred previously. But I should like to quote from a statement that appears in the record. This occurred in a colloquy between Professor Oliphant and myself and shows just what kind of expert he is:

Mr. TREADWAY. You say as a private lawyer you have not had very much experience in the administration of tax laws?
Mr. OLIPHANT. That is right.
Mr. TREADWAY. But as a professor you have had a good deal?
Mr. OLIPHANT. Yes; I have worked on tax problems a good deal.
Mr. TREADWAY. In order to disseminate your knowledge to the students in your classes?
Mr. OLIPHANT. That is right.

Then I asked Professor Oliphant to furnish the committee with a memorandum covering the constitutionality of the windfall and corporation taxes. This colloquy will be found on page 622 of the hearings. He said:

Yes; I shall be glad to submit a memorandum on that.

It will be noted that no memorandum is inserted in the hearings, nor has any been submitted since the hearings, so far as I know.

Mr. Chairman, I think there is a mighty good reason for the absence of that memorandum on the constitutionality of this act. Neither he nor any of his assistants in the Treasury Department are able to prepare such a statement.

You would think that if the proponents had carried out the whole theory of the thing they would have at least studied its constitutionality before submitting the plan to the President to put into a message to Congress.

The colloquy referred to between Mr. Oliphant and myself occurred on April 6, and with all the white-collared, high-salaried attorneys that the Government seems to be employing nowadays, I think if there was any opportunity or any kind of excuse that could be made to call this constitutional they would have submitted it by this time. At any rate, Professor Oliphant did not keep his word when he promised to submit the memorandum.

One of our chief aides was the general counsel for the Bureau of Internal Revenue, Professor Kent. I had a somewhat similar interview with him. He admitted he was a high-grade college professor out in Chicago. The amount of his court experience was evidently a cipher. He never told us.

Our economist was another professor, Professor Haas.

The best witness we had was one of our former colleagues, the Commissioner of Internal Revenue, Mr. Helvering. I sometimes think it is well worth having served in Congress, because once in a while even the Democrats pick up a good ex-Congressman to put into a job because he belongs to their party, not because of his knowledge of tax matters. That is not expected.

Then we had a very skillful statistician, Mr. McLeod. If you asked him a question about his statistical figures or his maps, or anything else, he stated he had not looked up that particular point. His stock answer right along was that he had not looked into that detail. So far as what he prepared was concerned, if he understood it, that was more than the rest of the members did.

On top of that, of course, there is nothing back of his figures. There was absolutely no evidence submitted to the committee that his figures were in any way accurate. That completes the list of experts. Nevertheless, the Democrats went ahead under instructions and carried out the wishes of the administration.

After this hearing was closed the Democratic members had secret executive sessions, to which the Republican members were not invited and from which we were excluded. There has been something said—and I want to correct the statement—about the subcommittee having hearings and preparing this bill. The subcommittee consisted of four Democrats and three Republicans. The services of the three Republicans were not needed, so that statement ought to be "the Democratic members of the subcommittee" and not the subcommittee. We do not vouch for this bill one particle. Anything in italics in that print has the unanimous condemnation of the Republican members of the Ways and Means Committee.

Further than that, I want to criticize most severely the members of my committee, as much as I respect them, for the way in which they tried to bulldoze every witness that did not agree with them. No wonder we have a basketful of letters from people refusing to come to the hearings. There are respectable, high-grade businessmen who oppose this bill, but they will not attend a hearing and stand for this type of ridicule and the kind of inquiries that were poked at the various witnesses by the star interrogator of the committee, the gentleman from Kentucky [Mr. VINSON].

Mr. Chairman, my remarks today have been confined entirely to the method of preparation of this bill. At a later time during the debate I shall discuss the demerits of the bill itself, including its application and effect.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Chairman, when the President's message first came out requesting additional revenue, those of us who represent dairy districts met and consulted in order to see if there might not be some method by which we could protect the dairy interests of this country.

The executive committee of the dairy group, of which I happen to be chairman, after several discussions, passed a unanimous resolution that an effort should be made to place excise taxes on oleomargarine and on foreign fats and oils in this measure in order to protect the dairy farmers of the United States.

In accordance with this resolution I presented a request in writing to Mr. DOUGHTON, as chairman of the Ways and Means Committee. I shall not read this communication, but I ask unanimous consent, Mr. Chairman, to place it in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The letter referred to follows:

MARCH 30, 1936.

Hon. ROBERT DOUGHTON,
Chairman, Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR MR. DOUGHTON: At a meeting of the executive committee of the dairy group, comprising members of every political party represented in the House, it was voted that I should make certain requests in writing of your honorable committee.

On behalf of these Congressmen who have cooperated with the American Farm Bureau Federation, the National Grange, the National Cooperative Milk Producers' Federation, and the National Dairy Union, I desire to present certain requests before the Ways and Means Committee for their consideration in connection with a proposed tax bill.

The dairy farmers of this country feel that they are entitled to some consideration in this session of Congress, and the tax herein proposed would be of material benefit to dairy farmers and at the same time it would add to the revenues of the United States Government.

Dairy farmers are paying a substantial portion of the State and Federal tax burdens of this country. Oleomargarine manufacturers are paying no such tax and the tax which we propose would at least have the effect of equalizing in some degree the tax burden of this country as between dairy farmers and oleomargarine manufacturers.

(1) We desire to have incorporated into the tax bill a section which will levy a tax of 5 cents per pound on all oleomargarine manufactured in the United States wholly from domestic fats and oils and a tax of 7½ cents per pound on all oleomargarine manufactured in the United States in which any foreign ingredients are used. These taxes are to be in addition to all existing taxes on oleomargarine.

(2) We further request the imposition of a 4½-cent import tax (a) on perilla oil, tung oil, hempseed oil, and olive oil (sulphured and inedible). We request these taxes because these oils are in competition with American fats and oils, and the 4½-cent rate will make these oils pay the same import tax that is now levied on linseed oil. There should also be an equivalent rate of duty placed on these seeds and nuts from which these oils are extracted.

(3) In the Revenue Act of 1934 an excise tax of 3 cents per pound was placed upon the first domestic processing of coconut oil, palm oil, palm-kernel oil, sunflower oil, and sesame oil, with an additional 2 cents per pound on all coconut oil which does not come from the Philippines. We request that the tax on these fats and oils be increased to 5 cents per pound, and that there be added to this list kapok oil, babassu oil, and cohune oil. These last three oils are competitive with the oils already covered by taxes and they should be covered the same way as the oils in the 1934 act. All of these oils are directly competitive with domestic oils and fats, and despite the 3-cent tax imposed by the Revenue Act of 1934 imports of these oils continue to pour into this country at an alarming rate, thereby depriving the American farmer of a substantial market for his fats and oils.

The reciprocal-trade agreement with the Netherlands has bound the processing tax on palm oil at 3 cents per pound for the life of the agreement, and the reciprocal-trade agreement with Brazil not only binds babassu oil and nuts on the free list but also agrees that Congress will not impose any internal tax on this oil. In addition, the State Department has made substantial reductions in the tariff structure on dairy products, particularly on various types of cheese produced in this country. The dairy farmers of this country and representatives from dairy States are entirely out of sympathy with the activities of the State Department in carrying out the reciprocal-trade-agreement law.

In the light of the above actions on the part of the State Department we further request, on behalf of the dairy farmers of this country, that there be included in the proposed tax bill a section repealing immediately the Reciprocal Trade Agreement Act of 1934.

We would appreciate your committee designating a time during the hearings on the tax bill when we may appear and give testimony on the various items covered in this letter, so that your

committee may be fully advised on the present needs of American dairy farmers and of the economic principles behind the requests for legislation contained in this letter.

Very truly yours,

HARRY SAUTHOFF,
As Chairman of the Executive Committee.

Mr. SAUTHOFF. Briefly stated, this communication requests that an additional tax of 5 cents a pound be placed on oleomargarine manufactured from domestic fats and oils and a 7½-cent additional tax be placed on all oleomargarine manufactured from foreign fats and oils.

The committee ruled that any discussion on such a proposal was not germane to this particular measure, because it dealt with excise taxes, and no such provision was contained in the bill.

It is our hope now, and we are studying the matter carefully, to see if there is some method we can devise by which this bill may be amended so as to include such protection for our dairy farmers.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. SAUTHOFF. I yield.

Mr. TREADWAY. Will the gentleman be kind enough to state what the vote in the committee was and what motion was made as a substitute?

Mr. SAUTHOFF. Well, I do not want to be involved in a dispute between the Democratic and Republican Parties, not being a member of either of those parties, but the motion was made by Mr. TREADWAY that we be given an opportunity to be heard on this subject. The motion was voted down, the Democratic members voting against the motion and the Republican members voting for it.

Now, what is the situation in regard to foreign fats and oils at the present time? There are various foreign fats and oils that are making heavy inroads on the dairy industry, particularly in the manufacture of butter. There are other oils also which are invading other fields of agriculture. Perilla oil, tung oil, hempseed oil, and olive oil—sulphured and inedible—are quick-drying oils, most of which are generally used in the paint trade, but they compete in the American market with linseed oil, which is produced from American-grown flaxseed.

There is a tariff of 4½ cents on linseed oil, and in order to protect the domestic flax farmer against the rising flood of these paint oils, as well as giving the American fisherman protection against such oils, because fish oils are likewise used in the paint trade, an excise tax of 4½ cents should be put on perilla, tung, hempseed, and olive oil. There should also be an equivalent rate of duty placed on the seeds and nuts from which these oils are extracted.

During the year 1935 the following amounts of these oils were imported into the United States:

Perilla oil, 72,328,000 pounds in 1935, as against 25,164,000 in 1934, an increase of nearly 200 percent.

Tung oil, 120,059,000 pounds in 1935, as against 110,000,000 pounds in 1934.

Hempseed, from which hempseed oil is extracted, 12,443,131 pounds, a slight decrease from 1934 with 12,981,949 pounds.

Olive oil—inedible—19,743,452 pounds in 1935, as against 9,670,342 pounds in 1934.

Olive oil—sulphured—33,797,218 pounds, a slight decrease from 36,165,879 pounds imported in 1934.

Insofar as the tax on the oils used in oleomargarine and in soap making is concerned, we now have an excise tax of 3 cents a pound on coconut, palm, palm-kernel, sunflower, and sesame oil, with an additional 2 cents per pound on all coconut oil which does not come from the Philippines. There is also a 3-cent tariff on cottonseed oil.

This tax has increased prices received by American producers of fats and oils by at least $100,000,000. The excise tax, however, has not acted as an embargo, as indicated by the following imports of these oils in 1935, which has particularly affected the dairy farmer adversely:

Cottonseed oil: 166,687,000 pounds were imported in 1935, as against an almost negligible quantity in 1934.

Three hundred and fifty-three million three hundred and ninety-six thousand pounds of coconut oil, which was imported as oil and does not include copra, were imported in 1935, as against 314,802,000 pounds in 1934.

Copra imported in 1935 amounted to 454,134,000 pounds, which yielded 286,104,000 pounds of coconut oil.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. SAUTHOFF. Pardon me; I want to finish this statement and I have only a few minutes.

Two hundred and ninety-six million five hundred and two thousand pounds of palm oil were imported into the United States in 1935, as against 155,531,000 pounds imported in 1934.

[Here the gavel fell.]

Mr. BACHARACH. I yield to the gentleman 2 minutes more.

Mr. SAUTHOFF. Kapok oil, which competes with these other oils, and upon which the 3-cent tax is not imposed, accounted for imports in the form of seed of 12,655,000 pounds in 1935; babassu oil, which has just recently come into use in the oleomargarine field as a substitute for coconut oil and is imported duty free from Brazil, cannot be accurately given because it comes in the form of seed and is not separately classified by the Department of Commerce. The oleomargarine manufacturers began to use it, however, in October 1935, and in the 3 months of October, November, and December they used 1,838,000 pounds of this oil.

We feel that the tax on the paint oils, as has heretofore been stated, should all be fixed at 4½ cents per pound, in order to be compensatory with the present rate on linseed oil.

We feel that the tax on other oils used in oleomargarine and soap making should be placed at 5 cents per pound.

Since the agreement with the Netherlands has bound the processing tax on palm oil at 3 cents per pound, the tax should be placed at 5 cents and should be made effective as soon as the agreement with the Netherlands is terminated, because if a tax of 5 cents were placed on the other oils and palm oil was bound at 3 cents, it would simply mean a shift from the consumption of all other oils over to palm oil. The tax on babassu oil should be placed at 5 cents per pound, to take effect as soon as the reciprocal agreement with Brazil is terminated. Babassu oil comes from the nut of a tree. [Applause.]

It is estimated that there are at least 1,500,000,000 trees of nut-bearing age now available, and no doubt far greater numbers of these trees farther inland, to which roads have not yet been built. This nut yields 63 percent oil and is admitted duty-free.

Babassu oil is quoted at 6⅞ cents per pound at New York, and is three-eighths of a cent less, when processed, than coconut oil. Cohune oil is now coming in from Central America. It is made from the palm nut and is very cheap and comes into this country duty-free.

TOTAL OILS

The total amount of oil, both animal and vegetable, in this country in 1935, derived from all sources, was 10,274,000,000 pounds; the total consumption during the same year was 8,073,000,000 pounds, which leaves a surplus of over 2,000,000,000 pounds as a threat to menace the price structure of American butter. This oil carry-over can break the butter market any time that it is released in any quantity, and serves the oleomargarine interests in good stead.

DAIRY TAXES

A survey of New York State, which has just been completed, discloses that the dairy farmer of that State pays a tax of 6½ cents per pound on every pound of butterfat that he produces, which means a tax of 5.2 cents per pound on every pound of butter that the New York dairy farmer produces. No doubt the dairy farmer in my State of Wisconsin pays a similar tax. And yet, in spite of this contribution to the support and welfare of our Nation, our dairy farmers must face the competition of oleomargarine and other butter substitutes made from cheap oils brought in from foreign countries with only a slight tariff or perhaps none at all. How can this treatment of our dairy farmer be justified?

WISCONSIN'S LOSS

I have heard it said on the floor of this House that we are not suffering, but I want to point out to you what has already happened in Wisconsin. When the Canadian reciprocal-trade agreement went into effect the price of Wisconsin cheese dropped 2 cents per pound. That was on January 1, 1936, the very day that this treaty went into effect. Since that day it has dropped another cent per pound, making a total loss to the Wisconsin dairy farmer of 3 cents per pound since the first day of this year. In money it means a loss of $9,000,000, in round figures. Only this morning I read an editorial in the Wisconsin State Journal, a daily newspaper published in my home city of Madison, which paper has been waging an earnest and consistent fight for our dairy farmers, pointing out the drop in butter. I quote:

BUTTER NOW SLUMPS

Slumping in the price of butter is a cause of alarm to the dairy farmers of Wisconsin.

A fall of 4 cents in the price of butter since last week means a large loss to the milk producers of this State. Cheese prices are already low, and a dropping in the butter prices also cannot but have an eventual effect on the fluid-milk market.

Milk is Wisconsin's largest industry, and it behooves Wisconsin officials, not only Federal but State, to do all in their power to reestablish better prices for the farmers, whose milk is being sold in the butter and cheese market.

OUR PROPOSAL

It is the proposal of the dairy group in the House, whom I have the honor to represent, to protect the dairy farmer with additional tariffs on these cheap oils. We propose to raise the tax on oleomargarine 5 cents per pound, and we also propose to raise the tariff on foreign fats and oils 7½ cents per pound, which will make a total of 10½ cents per pound. We firmly believe that the home markets should be preserved for our farmers.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. FARLEY].

Mr. FARLEY. Mr. Chairman and Members of the Committee, we have been hearing some criticisms from the minority side of the House—that when this tax bill becomes a law business will be suspended throughout the country.

As a matter of truth the opposite is the fact. I have just returned from a highly developed industrial district, and I found that every branch of business is forging ahead in a way that it has not done for many years. They are experiencing the difficulty in obtaining the skilled workmen that they will need in the industry.

Taxes, to be sure, are not popular. They never have been from the beginning of time.

What information I have of this tax bill, I think we are to be complimented in having a group of men that can bring in such a measure. I am certain in the future the members of the committee, including those opposed to it now, will be happy that they had a part in the Revenue Act of 1936.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include therein an address I made in my home town of Auburn, Ind., on the 20th of this month.

The CHAIRMAN. Without objection, it is so ordered.

The address referred to is as follows:

Again I come before the people of the Fourth Congressional District to render an account of my stewardship as your Representative in the National Congress. The framers of our Constitution were wise in that the Representatives of the people in that lawmaking body should have to give an accounting of their acts every 2 years. In so doing, it will never be necessary in this land of the Stars and Stripes to resort to a change of government by force, as on any of the even years by the ballot box in a peaceable and intelligent manner the whole form can be changed. It is this question that I want to talk to you about.

We but have to look back to March 1933 when industry was paralyzed, multitudes were out of employment, and panic stricken, not knowing where their next meal was coming from, nor whether the morrow would bring the sheriff with eviction papers that would throw them out of their homes, and the breadwinner, together with his wife and children, would have to seek shelter and food from some charitable organization. Then in this awful crisis a leader arose, who by the help of a friendly Congress would lead the people of the United States from that panic-stricken wilderness of hunger, unemployment, and despair, back to the land promised by and purchased with the blood of our forefathers, to a state of certainty, employment, and happiness.

It was on this platform, with that great leader Franklin D. Roosevelt, that I was elected to the Congress of the United States in November 1932.

When I assumed the new duties as your Representative in Congress, I took seriously this pledge of cooperating in every detail to fulfill that promise and obligation. When the strong opposition press and cunning agents of special interest beckoned astray and took me to the mountaintops showing the rich valleys below if I would forsake the humanitarian principles of our President and serve them, I stood fast to my obligations and promise to my people to do everything within my power to bring back peace of mind and prosperity to our country. If you defeat me because of this, I shall leave to my children the heritage and name that I kept the faith.

It is true that the last 4 years have been most strenuous upon our President and Members of Congress; and having been carried into the torture chambers of the situation as it existed, we the Members of this Congress have had very little time to play politics, if we were to carry through the program that was necessary to reestablish confidence and happiness in America.

This was no easy job, as there were hundreds of plans submitted and it took hours and hours of deliberation to take from the plans that which was best and discard that which was not, to arrive at a plan for the general welfare of all the people of this country. After having arrived at a solution of this situation the battle had just begun as those who had gained most and profited the greatest through the sufferings and misery of the people during this depression, having grown wealthy on selling America short, were actively opposed to any measure of recovery, and immediately vast sums of money were used by that crowd to scatter propaganda to resist this program. You have but to read the CONGRESSIONAL RECORD to find that each and every recovery measure placed on the statute books of America was only placed there after a hard fight and after many long hours of debate and against the paid lobbyists of the depression profiteers actively against our forces. As time passes I shall have the peace and satisfaction of mind that I did not yield to the profiteers of misery, but gave the best I had in me, not only my vote but my heartiest support to those measures which would bring us back to that peace and state of mind that are so necessary to make us useful American citizens, and that the spirit of 1776 would again reign.

Even though you should see fit to transplant me with a record of sustaining those things and sacrifice me with a record of certainly by past performance for one untried and whose record in legislative matters is unknown, I today have the satisfaction of seeing those measures bear fruit. As I travel between Washington and home, it is with a great deal of pleasure that I feel I had a part in helping clean the cobwebs and bat nests from the smokestacks of industry, that again those furnaces and industrial plants which were laying in rust and idleness, are today belching forth smoke, that the rust of the machinery has been cleared away, and that willing hands are again employed and earning a living rather than suffering the embarrassment of daily begging their bread and shelter from some relief agency.

The task is not yet done. There is still a large army out of employment, and the work must be carried on. Those experiments which have been bad must be discarded, and other things done so that eventually we will be back to where depression and unemployment will be history.

You trusted me to begin this job, and I have conscientiously and faithfully given and devoted my entire time to the recovery measures which our President thought best to bring about recovery. I want to return to Congress and have a part in finishing the job, and inasmuch as I have kept the faith, and know the struggles of the American people and its problems from the beginning down to the present time, I do not believe you will forsake me. I do not believe, after the 4 years of education that I have received in congressional matters, and after 4 years of studying these problems, that the Fourth District will want to be represented by one unfamiliar with them, and one who, however earnest his intent may be at the present time, after a study of the situation might not be in accord with the programs inaugurated, and one who may fall a prey to the smooth-tongued lobbyists and the fiendish, pernicious propaganda circulated against the recovery measures.

I was able to withstand all of these temptations and was able to ignore the signposts at every cross road intended to lead us from the straight road. I will continue on that road, and the shining face and honest heart of Franklin D. Roosevelt shall be my guide, shall follow him in his recovery measures through to a complete success.

If you do not want the President sustained, but want to give him a Congress that will not follow his leadership, then you had better defeat me; but if you want one who has continually followed and will not upset the order of recovery, I ask that you return me to the Congress of the United States.

The early years of my life were given to build myself up in the business world and to the rearing of a family of five children, of whom I am very proud, with the hope always in mind that as I grew older I could devote the remaining years of my life to the services of the people and to my country.

Possibly I have made many mistakes with reference to the petty politics of the office, but I do not understand that I was elected for such purpose, and felt it would not be necessary to devote time to the petty politics of this office. Knowing the intelligence of the people of the Fourth District as I do, thought you wanted efficiency in office, a thorough study of Government, and a right

to vote on economic measures, and felt that if I devoted my time to this my people would be satisfied. I had rather be defeated attempting to do this than be returned to office by forsaking my obligations.

When Mr. Roosevelt was a candidate and nominated, and was later elected, it could not have been foreseen that the administration would be compelled to take the burden which was unloaded on it after he assumed office.

Local governments, including States, counties, cities, and regularly organized charitable institutions, had exhausted their resources. The load was heavier than ever before. Unusual means had to be taken to relieve this distressed situation. Many good and outstanding measures have been passed leading to this end.

When Franklin D. Roosevelt assumed office, nearly a million homes were on the verge of foreclosure. The Home Owners' Loan Corporation was organized and this distressed situation greatly relieved. This touched the modest home owner and saved the shelter for himself and family. Building trades and heavy industries, producing what are known as durable goods, were at a low ebb.

The Federal Housing Administration set up at the request of the President has greatly relieved that situation.

The commercial credit of America had nearly dried up when he took the oath of office. The Reconstruction Finance Corporation functions were enlarged to include almost all corporate enterprises, public and private, and since its organization up to and including December 31, 1935, this agency has distributed more than $10,000,000,000 for relief of American industry. One billion two hundred million were loans on farm products. There has been no more valuable and inspiring activity on the part of this administration than the work of these organizations.

From the start of this administration the outstanding attempt has been to improve general business conditions. Notwithstanding opposition statements that we are enemies of business, the opposite has been the rule and fact. As evidence witness the extension of the Reconstruction Finance Corporation authority, the Banking Acts of 1933 and 1935, the Home Owners' Loan Act, federal housing, and kindred measures. I have had a part in them, cooperated with the committee and with the Congress.

It is on my record as a Congressman and my promise of continued support of the policies of President Roosevelt and his administration that I ask for renomination to carry the banner for Democracy in this district in the fall election of 1936.

Mr. BACHARACH. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include therein two tables that I have prepared myself.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. TABER. Mr. Chairman, it is alleged that the bill before us will produce in taxes $630,000,000. No one is cognizant more than I of the necessity that this Government shall balance its Budget, but when we have had an opportunity to cut down on our expenses, and have failed to do so, I can see absolutely no jurisdiction and no excuse for a tax bill? I shall not myself be in the position of imposing additional taxes on the people when the Congress of the United States has not done its duty in cutting down expenditures. If I had the time, I should like to go into the merits of the taxes that are proposed to be carried in the bill, but I am going to leave that to others who have had more opportunity to study the bill itself. I shall develop my case along the line of the proposition that I first declared.

What is the situation with reference to appropriations that we have made in this Congress? When we came here, after about a week, the President of the United States set before us his Budget estimate calling for appropriations, including $1,000,000,000 for relief, which he said was a proximate figure, and which he said he would send up later, amounting to $6,649,000,000. It was the President's estimate that the expenditures for the next fiscal year would run approximately $7,752,000,000, including a little over $2,000,000,000 already appropriated and in his hands and available for expenditures for relief. What is the situation that we have before us at the moment? I have here a table for appropriations for the Seventy-fourth Congress, second session, and it is this. I shall not read the thousands and hundreds of dollars, because I shall put them in the table:

Independent offices appropriation bill, including reappropriations, $2,334,000,000.

Mr. WOODRUM. Mr. Chairman, will the gentleman yield at that point?

Mr. TABER. I shall yield when I have finished the table.

Supplemental deficiency, $368,000,000.

Legislative appropriation bill, $23,000,000; Agriculture, as it passed the House, $165,000,000; District of Columbia, as it passed the House, $42,000,000; Interior, as it passed the House, $81,000,000; State, Justice, Commerce, and Labor, as it passed the House, $115,000,000; Treasury-Post Office Departments, as it passed the House, $989,000,000; War, as it passed the House, $545,000,000; Navy, according to the Budget estimate—the bill has not yet been reported by the Committee on Appropriations—$549,000,000; deficiency, according to estimates that have been submitted by the Budget—that is, by the President through the Budget—$2,500,000,000; a total of $8,315,000,000. I figure that the least we can expect is we will probably have to surrender about one-half of the Senate's proposed increases. One-half will be about as follows: Agriculture, $16,000,000; Interior, $31,000,000; War, $33,000,000; with several items which I have not been able to go into in the State, Justice, Commerce, and Labor, prospective with reference to these and a number of others, making a total of $8,395,000,000. I imagine that the gentleman from Virginia [Mr. WOODRUM] was going to ask me a question with reference to the independent offices appropriation bill, and I imagine that his question was going to be whether there was not included within that something over $1,300,000,000 for the veterans' bonus—I have forgotten the exact amount.

Mr. BIERMANN. One billion seven hundred and thirty million dollars.

Mr. TABER. That was not the figure in the bill. That might have been the estimate. I do not think the figure was as large as that. Then there was $440,000,000 for soil conservation. It is true those items were not in the bill as it came out of the House, but they were required as a result of votes and Budget estimates sent here by the President. That means that with the appropriations that are in sight and probably will be a burden on the taxpayers, $8,395,000,000 as against the Budget estimates of $6,649,000,000, according to the original Budget. Every one of these items that are here practically has a Budget estimate at the present time. That means $1,750,000,000 more than the President's original idea when the Congress convened. You can see the way we have progressed, and you can see what a mere bagatelle $630,000,000 estimated to be raised by the present tax bill is toward meeting $1,750,000,000. It does not get anywhere, it does not get to first base.

The table in detail to which I have referred is as follows:

Appropriations Seventy-fourth Congress, second session

Independent offices	$2,889,751,905.00
Independent offices—reappropriations	45,000,000.00
Supplemental deficiency	368,234,514.10
Legislative	23,314,428.00
Agriculture	165,873,147.00
District of Columbia	42,573,283.00
Interior	81,221,330.05
State, Justice, Commerce, and Labor	115,012,400.00
Treasury-Post Office	989,673,829.00
War	545,226,318.00
Navy (Budget estimates, as bill is not yet reported)	549,591,299.00
Deficiency (Budget estimates, as bill is not yet reported	2,500,000,000.00
Subtotal	8,315,472,453.15
Plus one-half the Senate increases:	
Agriculture	16,000,000.00
Interior	31,000,000.00
War	33,000,000.00
Total	8,395,472,453.15

Many of the items in the above unquestionably could have been saved if this Congress had been as alert as it should have been. Take the fake soil-conservation bill, designed to force people in other parts of the country into the dairying business and put out of business those dairying farmers in the North and East who have been trying to earn a living through all this depression without any Federal aid. That amounts to $440,000,000. We could have saved that, and nobody would have been hurt, but the whole country would have been benefited. I believe that the independent offices appropriation bill, with the Federal Trade Commission, the Securities Exchange Commission, and the Labor Board, could have been cut down, together with a whole lot of other activities which

are absolutely beyond all reason and which are more destructive than constructive, because their overhead is so tremendous that it destroys the very purpose for which they were created. They are spending, many of them, double and treble what similar activities ever spent before. Three million dollars would be a very conservative saving out of that group. That would be $443,735,000 on that bill.

In the Interior Department bill there is the Guffey Coal Commission, $240,000, an unjustified increase for the Department's operation during the fiscal year 1937, an increase over the fiscal year of 1936 of $4,179,000, absolutely ridiculous and indefensible.

There are Senate increases which you are going to be called upon to vote for or against, amounting to $62,000,000 for reclamation projects, to increase the productivity of the soil, at the same time when our Department of Agriculture is paying farmers for keeping land out of production. Have you ever heard of such a ridiculous and such a silly operation?

In the Department of Agriculture bill we could save at least $10,000,000 by cutting down on some of these tremendous increases for many of these projects which do not have any merit at all.

In the War Department bill we could save $90,000,000 by reducing the river and harbor item from $150,000,000 as it is in the bill as it passed the Senate, down to $60,000,000, which was the normal amount for that bill to carry in the days when I served on that War Department appropriation bill a few years ago. That is plenty of money for the development of legitimate harbor activities. It is not money to go ahead with the development of rivers which cannot be made navigable or the development of other things that the country does not need, but it is plenty to keep the rivers and harbors in decent shape.

On the War Department bill I do not believe we have any business considering an increase in the Army beyond the figure at which it passed the House. We do not even have respectable housing to put those men in. It is absolutely ridiculous, to my mind, to increase the Army and not have any place to put them and have to put them in tents all over the country. Then, down at the War Department they have a departmental overhead that I believe can be cut $10,000,000 without injuring a single efficient operation of the Government. That makes $125,000,000 that can be saved in that bill. That alone is 25 percent of this tax bill.

In the State, Justice, Commerce, and Labor Departments bill we could get rid of a lot of activities. Among other things, we could get rid of the International Boundary Commission performance, costing $2,800,000. We could get rid of other unnecessary departmental expense and could easily save $4,900,000.

The Treasury Department appropriation bill has been built up and loaded up until it is tremendously top-heavy. At the present time there are upward of 400 lawyers down in the Treasury Department, many of whom never tried a case—let me go a little further—most of whom never tried a case. They are performing other functions and receiving a lawyer's pay. We could save $15,000,000 without turning a hair in that Department.

In the Navy Department, if we could reduce the top-heavy departmental expense and the navy-yard waste, we could save at least $15,000,000. Then we have these W. P. A. estimates and C. C. C. estimates. I believe we could save, and be very conservative in our saving, $550,000,000 on those things.

Now, if the Congress wants this country to recover it is not going to go on with this sort of thing and put a tremendous tax on the people without any possibility of recovery coming. Recovery cannot come that way. If an honest attempt were being made to cut down expenditures, to stop this foolish demoralizing of our people through such operations as the W. P. A. teaching men, instead of their usual customary habits of work, supporting themselves on their shovels, a lot of foolish and childish things, we would be pointing in some way toward recovery. Nothing in the world has been so demoralizing as the way in which these funds that we have turned over to the President without let or hindrance as to his allotment have been expended. Nothing in the world has been so demoralizing to our people, has done so much to prevent recovery, to prevent there being available sufficient skilled personnel to man the factories when they get started as that sort of thing. If people are going to work in factories, if they are going to learn to be skilled, if they are going to learn to be efficient—and that is the way folks always have succeeded in the past in America—they must be taught habits of thrift and of industry and not the demoralizing, destructive propositions such as this so-called made work.

It would be an easy job to cut off from these tremendous appropriations $1,230,000,000.

Under my leave to extend my remarks, Mr. Chairman, I am going to insert that table in the RECORD.

(The table referred to is as follows:)

	APRIL 20, 1936.
Independent offices:	
Fake soil conservation	$440,000,000
Labor Board	735,000
Unnecessary departmental expenses	3,000,000
	443,735,000
Interior bill:	
Guffey coal	240,000
Unjustified increases	4,179,000
Senate increases	62,000,000
	66,419,000
Agriculture bill:	
Forest	1,000,000
Agricultural extension work	4,000,000
Save one-half increase on account useless departmental increase	5,000,000
	10,000,000
War bill:	
Rivers and harbors, reduce to normal (was $60,000,000)	90,000,000
Could reduce $25,000,000 on military	25,000,000
Useless departmental expense	10,000,000
	125,000,000
State, Justice, Commerce, and Labor:	
Coast and Geodetic Survey	100,000
International Boundary Commission	2,800,000
Reduce unnecessary departmental expense	2,000,000
	4,900,000
Treasury: Reduce unnecessary top-heavy overhead	15,000,000
Navy: Reduce top-heavy departmental expenses and navy-yard waste	15,000,000
Deficiency bills:	
C. C. C. camps	50,000,000
W. P. A. estimates	500,000,000
	550,000,000
Total	1,230,054,000

Mr. TABER. It is absolutely ridiculous, when we have gone entirely out of control in passing appropriations, to come here with a tax bill providing for $630,000,000. I do not see how we can keep faith with the country, with the taxpayers, or with the workingmen who want to be restored to the jobs they had before, where an ordinary laborer was getting from $20 to $25 a week with steady work, instead of continuing on the dole or at made work at from $10 or $11 to $13 a week, as at present, unless we stop this extravagant spending. The workingman is not the man that the fellow back of this tax bill says he is shooting at, but the workingman is the man who is going to be hit. That is where the bullet is aimed. I, for one, do not propose to join in what I believe to be the passage of an unsound tax bill, which is bad for the whole country, and at the same time refuse to honestly cut down the ridiculous expenditures of the Federal Government. [Applause.]

The CHAIRMAN. The time of the gentleman from New York [Mr. TABER] has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Chairman, we are, of course, indebted to the gentleman from New York who has just taken his seat for his illumination of the pending tax bill, which he barely mentioned. We are also indebted to the gentleman from Massachusetts for his remarks. He made a statement to which I desire to make brief reply, not in my own language but in the language of one of the high priests in the Sanhedrin of the elect of this country, the president of the United States Chamber of Commerce.

The gentleman from New York says we will never get out of this depression and that there is no way to make any advance or take any steps toward recovery under the present regime and under the present program of this administration.

This same United States Chamber of Commerce was not only the chief critic of the provisions of this bill before the committee but through its wide membership and fine publicity arrangements has been the chief antagonist of the whole program of the New Deal. Now, what does this same Mr. Sibley, the president of the United States Chamber of Commerce, say within the last 24 hours with reference to our progress and recovery? Here is what he says in an interview, or statement, given out for this morning's paper—and particularly I want the attention of the gentleman from New York and the gentleman from Massachusetts. This is not my language, this is not the language of the advocate of the New Deal who is standing here in a humble capacity undertaking to represent its interests; this is a deliberate observation and statement of the president of the United States Chamber of Commerce. Without objection, I will read what he says.

Mr. Sibley said he observed very definite signs of active business recovery on a series of trips through the country in behalf of the chamber. I am just wondering what character of report this same Mr. Sibley could have made if he had made an extensive tour of the country along about the 1st of January 1933 with reference to the prosperity of this country when Mr. Hoover's administration was in charge of the affairs of the Government. He said:

A year ago the iron-ore mines of Michigan and Minnesota were struggling along on a part-time basis. Now they are working day and night crews.

I am sure this is very sad news to the gentleman from Massachusetts and the gentleman from New York—working extra shifts, working at nighttime! So great is this wave of prosperity that is sweeping over the country taking us out of the morass of the depression into which we were led by 12 years of Republican rule in this country. Remember, I am quoting Mr. Sibley, the president of the United States Chamber of Commerce.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. In a moment I may yield to my very distinguished friend from Pennsylvania.

Mr. Chairman, these are Mr. Sibley's words I am quoting. He said:

That sort of thing is happening all over the country—

This double-shift business he just referred to, reemployment of laboring men.

The gentleman from New York [Mr. TABER] said that the laboring man was the man we were shooting at in this tax bill. I am wondering if those laboring men who were out of employment under the Hoover administration, men we had to take care of under our relief system, are now complaining that under the progress of the recovery of this administration they have back not only their day jobs but also their night jobs in Minnesota, Michigan, and all over the country?

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 additional minutes to the gentleman from Alabama.

Mr. BANKHEAD. "Particularly encouraging," says Mr. Sibley, the president of the United States Chamber of Commerce—

Is the fact that there has been a very definite comeback in the industries which were operating on the lowest basis, such as steel.

Mr. Chairman, all economists of the United States tell us there is no finer barometer of business activity and stability in this country than the production of steel and steel ingots, one of the very basic and paramount industries of the country.

America's machine-tool plants are operating at capacity today.

Not half time, not part time, but full capacity under the present Democratic administration, although we are levying a little additional tax upon those people most able to pay it to help carry on the burdens of relief and the other legitimate agencies of recovery.

Particularly is it encouraging, he says, about the steel industry in American machine plants. He stated further:

Recent developments in the field of chemistry have resulted in vast orders—

Not trifling orders, not mere bagatelles, Mr. Chairman, but vast orders. This, I am sure, is very pleasing to the business friends of the gentleman from Massachusetts—not little orders but vast orders. For what?—

Soy beans and other farm products by industry for extraction of their oils and fibers.

Not only are we helping steel, mining, and machine tools, but, says Mr. Sibley, the president of this great United States Chamber of Commerce, these benefits are extending out into the field of agriculture, and the farmers of this country are also enjoying the beneficent profits of this restored prosperity which has been brought to them under the wise leadership of a great President and with the cooperation of a fairly decent Congress. [Applause and laughter.]

Mr. RICH. Will the gentleman yield?

Mr. BANKHEAD. I shall yield to the gentleman from Pennsylvania with one proviso.

Mr. RICH. Do not make any proviso.

Mr. BANKHEAD. I may get a little more time to answer the gentleman. But I want to lay a predicate before I yield to the gentleman. He has impaled me here for several weeks by the great inquiry as to where are we going to get the money? I thought I might have in a measure answered that question by saying to him that if he and his associates would restore to the Treasury of the United States six and one-quarter billion dollars that Mr. Hoover left as a deficit when the present administration took charge of the Government, our burden would not now be so great. The gentleman has not seen fit to answer that statement.

Mr. RICH. I will answer that right now, and I would be glad to answer it.

Mr. BANKHEAD. Now I yield to the gentleman from Pennsylvania for a question.

Mr. RICH. I would be glad to answer the gentleman's question, but I will not do it now. He would not give me the time. I will do so later.

Mr. BANKHEAD. I do not think the gentleman will ever be able to answer it.

Mr. RICH. I want to ask a real pertinent question of the leader of the House of Representatives.

Mr. BANKHEAD. Does the gentleman think he can ask a pertinent question?

Mr. RICH. If I interpreted the remarks of the gentleman from New York correctly, he was more desirous of trying to cut down Government expense to the extent of $1,200,000,000, believing this would be of greater interest to the people of the country than to place a tax bill involving six or eight hundred million dollars upon the people of the United States.

Mr. BANKHEAD. I thank the gentleman for his question.

Mr. RICH. Does the majority leader think that we ought to try to keep the expenses of government down to a minimum?

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BANKHEAD. Mr. Chairman, I may say to the gentleman from Pennsylvania that my nights have been sleepless and I have suffered somewhat from what might be called a species of fiscal insomnia, trying to go along with the mind of the gentleman from Pennsylvania with reference to the

economical administration of the affairs of the Government. Now, the gentleman from Pennsylvania, I think, has at least tried to be serious in his question, and I will undertake to answer it.

Mr. RICH. I tried to ask a sensible, serious question.

Mr. BANKHEAD. And, if the gentleman will be seated, I will try to answer him.

In the first place, we ought to be thoroughly candid about the expenses of government under recent conditions. I am not going to remind the gentlemen on that side of the aisle of the burden that we had to assume when we came into power in this country. Everybody knows about that. No man who had a heart in him or the vestige of humanity in his soul would have been content to allow the great Federal Government to fail in its attempt to afford some adequate measure of relief for the destitute, the suffering, the unhappy, and the hopeless people of America when the local authorities were unable to cope with the situation. This administration, mind you, was not responsible in any way for these conditions; so, in order to meet what our party and our administration thought was a paramount and impelling duty arising from a purely humanitarian standpoint, we did provide ways and means to take care of the people. I am not one of those, I may say to my friend, who will stand on this floor and say no mistakes have been made in our relief program.

Mr. RICH. I congratulate the gentleman on that statement.

Mr. BANKHEAD. I think we ought to discuss these matters fairly and lay the cards on the table. I do not make the claim that the President of the United States is infallible in his judgment any more so than are the Members of the Congress of the United States; but we have done the very best we could under the terrifying circumstances to meet the problems bravely and possibly extravagantly.

Mr. Chairman, our hope is that when this great wave of prosperity reaches its maximum, now indicated and prophesied by the president of the United States Chamber of Commerce, that the national income will be greatly increased from revenues and other business derivatives and, therefore, the money in the United States Treasury will be greatly augmented. We further hope that perhaps some of these temporary and emergency measures have served their usefulness, and I shall advocate that as soon as possible they shall be removed from the public service; but it has been impossible, I may say to the gentleman, to escape our responsibility as the representatives of our people.

Mr. Chairman, from the standpoint of our national debt, this country is not near the danger line, although I do not advocate any further governmental indebtedness nor any more than we can get along with as a minimum. When the tax rate in this country is compared to that of England, which was published a few days ago, it will be seen that the people of America are escaping with practically no taxation as compared to the situation existing in some of the governments in Europe. Although I am not the spokesman of this administration, the policy with reference to this matter shows that the time is approaching when we will be out from under the direful and distressing situation caused by the depression, at which time we may conservatively and prudently restore the Government to a more conservative and a more economical basis. I pray to God that the time may soon come, but until it does come, as one unit in the administration now in power, I am willing to go ahead and appropriate such money and to lay such taxes, to be legitimately levied, as will meet the necessities of this hour. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 1 hour to the gentleman from Washington [Mr. SAMUEL B. HILL].

Mr. SAMUEL B. HILL. Mr. Chairman, I had assumed that the gentleman from Massachusetts [Mr. TREADWAY] would make some specific criticism of this bill that might require an answer as to the merits of the proposed legislation. You could forget all he said in his remarks and you would be in the same status as to information about the bill that you were before he spoke. He did make some remarks about the procedure, about the employment of theorists in the study and framing of the bill, but even in those statements he was largely wrong.

It has been the practice of the Ways and Means Committee as far back as I know anything of its procedure, first to get the information through study and through hearings, and then write the bill. I recall in 1932, or probably we began in December 1931, with hearings on a tax bill before the Ways and Means Committee, which was then under the control of the party now in control, so far as the House was concerned, but so far as the national administration or the executive branch was concerned, it was under the control of the party of the gentleman from Massachusetts. Mr. Ogden Mills, the then Secretary of the Treasury, came as the representative of the executive department and advised the Ways and Means Committee of the need of additional revenues. He did not bring any bill. He brought suggestions as to where we could get the money. The Ways and Means Committee, regardless of partisanship, undertook to meet the revenue requirements as outlined by the then Secretary of the Treasury. Not only did the Secretary of the Treasury not bring a bill already prepared for the Ways and Means Committee but he came back repeatedly revising his estimates and asking for more money and asking the Committee on Ways and Means to find sources of additional revenue.

In every revenue bill since that time the same procedure has been followed. I am advised that the same procedure was followed prior to that time. I recall very distinctly that in 1929 and 1930, when a tariff bill was written, hearings were had before the bill was written, and until after the hearings were completed, the Republican members of the committee, who were then in control, excluded the Democrats and sat behind closed doors and wrote that bill.

When the bill was finally completed the entire committee was called into session, the bill consisting of a volume about as large as the hearings on the present bill. They laid this volume down on the table and said to the Democratic members of the committee, "Here is the bill." The ranking member of the committee moved that it be favorably reported by the committee, and it was not even read, and no opportunity given at all for examining it. It was passed in a few minutes—a tariff bill containing schedules running the entire gamut of the import duties of the country.

I am not criticizing them for this, but simply pointing out this is the practice of the Republican Members when they are in control and it is the practice of the Democratic Members when they are in control, especially when they have been forewarned that the minority Members are opposed to every part of the measure and every part of the proposed legislation.

So there is no significance in the statement that no bill was prepared before the hearings were held. Criticism of the method of preparing the bill was also made by the gentleman from Massachusetts. It is true that we rely upon the experts, including the drafting service; and we have, I think, as able men in this service as can be found, and we are glad to rely upon them. This is one good thing that we inherited, if I may use that term in connection with these noble men, from the regime which preceded us. They are experts.

They drafted the social security bill and all other highly technical bills that have been before Congress in the last two sessions.

I am somewhat surprised that the gentleman from Massachusetts should fall upon that particular item as a basis for his criticism. Of course, we rely on these men; we are glad to have them to rely upon. We determine the policy and they formulate the language.

Now, the gentleman from Massachusetts says that the proposal before us is the product of theory. He says that no practical man would ever have advanced the idea. The fact is this principle of taxation which we are embodying in this present bill is not a new principle. It did not originate with this administration. It did not originate with the Ways and Means Committee as at present constituted.

Back in 1861, or between 1861 and 1872, during the Civil War and immediately following the Civil War the Government was under the control of the party with which the

gentleman from Massachusetts is affiliated. Then Congress provided that the gains and profits of corporations should be included in the annual gain, profit, or income of any person entitled to the same whether divided or otherwise.

I now read from pages 23 and 24 of the hearings.

Shortly before and while the Revenue Act of 1921 was under consideration a proposal identical in principle with that incorporated in the subcommittee's report received the widespread attention of representatives of organized business, Members of Congress, and the Treasury staff.

In a somewhat modified form it was incorporated in a bill passed by the Senate in 1924.

If you will reflect, the Senate at that time was in control of the party with which the gentleman from Massachusetts [Mr. TREADWAY] is affiliated.

So eminent a taxation authority as the late Prof. T. S. Adams, of Yale University, former chairman of the Advisory Tax Board in the Bureau of Internal Revenue, and for many years a Treasury advisor, went on record in 1918 and subsequently in favor of the taxation of undivided profits at the rates that would apply if such profits were distributed to the shareholders.

That in principle is the same as the proposal in this tax bill.

Dr. Adams is quoted as saying—

Fiscal necessity—and personally I believe logic as well—requires the taxation of all profits whether reinvested or not. A similar recommendation was made by Secretary of the Treasury Houston in his annual report for the year 1920.

The gentleman from Wisconsin [Mr. SAUTHOFF] presented here a plea for protection to the dairy farmers. It is true that we declined to incorporate in this bill and open the hearings to the excise taxes which he desired to propose. There is not a single excise tax in the bill. The President suggested that certain kinds of processing taxes might afford a source of additional revenue, but they were omitted from the bill after the committee had thoroughly canvassed the situation and found there was such great opposition to it that in the opinion of the committee the House would not acquiesce in that type of tax. So we left off the suggested processing tax, and we are confining the bill for revenue in the main to the corporation-income tax. It is true that by a vote of the committee to determine whether the suggestion of Mr. SAUTHOFF should be received by the committee, the members of the minority of the committee voted in favor of such suggestion and the Democrats voted against it, but it is evident what the purpose of the minority members was in voting for that suggestion. They wanted to get excise taxes into the bill so that it would make it in order to introduce as an amendment before the committee and possibly before the House a general sales tax as a substitute for the provisions contained in the present bill. It is no new thing that those having large incomes and who are in the high surtax brackets favor a general sales tax over an income tax. It is also a matter of general knowledge that even though it should not be a complete substitute, those interests favoring a general sales tax feel that if they can once get that tax into the tax structure of the country, it will result in reducing the taxes on incomes. That was the obvious purpose of the minority members in voting to put these excise taxes in the hearings. Our purpose in voting against the suggestion was to keep excise taxes out and not open the entire field to excises and to import duties in the guise of excises.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. Yes.

Mr. VINSON of Kentucky. Was it not suggested by the gentleman from Wisconsin [Mr. SAUTHOFF] that while he favored certain excise taxes to which he referred, he was in opposition to other excise taxes upon farm commodities that had been suggested?

Mr. SAMUEL B. HILL. I do not recall personally what Mr. SAUTHOFF said about that, but he certainly was not there advocating these other excise taxes that the President suggested in his message.

Mr. VINSON of Kentucky. And he stated specifically that he opposed the excise taxes that we sometimes commonly refer to as processing taxes upon agricultural commodities, just as other members of the committee opposed them, and because of which opposition they are not in the bill.

Mr. SAMUEL B. HILL. I am sure the gentleman's statement is correct. The gentleman from Massachusetts [Mr. TREADWAY] says that only three persons outside of the Treasury officials came before the committee to advocate this character of tax legislation. There is nothing new in that. Taxpayers do not come before the Committee on Ways and Means as a rule advocating an increase in taxes. In all of the tax legislation in which I have participated, the hearings develop into a kind of a protest meeting. Only those whose pocketbooks are affected appear showing, in their opinion, why such taxes should not be levied upon them, and, of course, we must rely upon the Government officials, who have the expert knowledge, to come before the committee and give us the necessary data as a basis for tax legislation. The gentleman from Massachusetts said that only three outside of those officials came advocating the tax bill, and he made particular reference to a Communist, a gentleman named Bedacht.

That man did not support the bill. He was in favor of a number of things that we had especially excluded, and was opposed to some things in the bill. Just to keep the record straight, I shall read a few excerpts from his testimony:

Mr. REED. Is this recommendation in your platform? Was it in your party platform of 1932?

Mr. BEDACHT. No. The recommendations are embodied in five proposals. If you wish to review them, I can give them now.

Mr. REED. In your party platform did you advocate this principle—in your party platform?

Mr. BEDACHT. No; we did not.

Mr. WOODRUFF. To tax corporation surpluses?

Mr. BEDACHT. No; we did not.

Then later on in his testimony Mr. VINSON asked him some questions as follows:

Mr. VINSON. Then did I understand you to say that you were against abolishing the present corporation taxes?

Mr. BEDACHT. Yes.

We are abolishing the present corporate taxes and substituting the proposals in this bill. He said he was opposed to that.

Mr. VINSON. Well, you are against that anyhow?

Mr. BEDACHT. Yes.

Mr. VINSON. Are you against abolishing the capital-stock tax?

Mr. BEDACHT. We are against——

Mr. VINSON. That is the present tax that is on the capital stock of corporations.

Mr. BEDACHT. Yes.

We abolish the capital-stock tax under the provisions of this bill.

Mr. VINSON. $1.40 a thousand?

Mr. BEDACHT. Yes.

Mr. VINSON. Are you against the repeal or abolishing of the excess-profit taxes?

Mr. BEDACHT. Yes.

Mr. VINSON. Now, you say that this bill ought to tax present surpluses?

Mr. BEDACHT. Surpluses accumulated up to now; yes.

Mr. VINSON. The accumulated surpluses?

Mr. BEDACHT. Yes.

Mr. VINSON. And you think that they ought to be taxed?

Mr. BEDACHT. Yes.

Mr. VINSON. And I believe you say that you ought to tax tax-exempt securities?

Mr. BEDACHT. Yes.

On that particular point he was certainly in harmony with the gentleman from Massachusetts, but on these other points he was opposed to the provisions in the bill, and advocated some that were not in it.

Mr. DOUGHTON. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. DOUGHTON. I wonder if the gentleman from Massachusetts [Mr. TREADWAY] will abandon his position with respect to tax-exempt securities now, since he has found himself in company with a Communist? The gentleman accuses us of being in bad company. I wonder if he will abandon his position with reference to tax-exempt securities now that he finds himself in company with a Communist?

Mr. SAMUEL B. HILL. I think I will let the gentleman from Massachusetts answer that.

Now, I want to take up this bill and at least give you an outline of what is in it; but before I proceed with that I wish to say that for the fiscal year 1935, 61 percent of all the revenues received by the Federal Treasury came from consumption or excise taxes. We are now taxing heavily through the form of excises for the revenues of the Government 61 percent of the total amount of revenues coming from that source. We find that in the income-tax field there is an opportunity for raising additional revenue and at the same time equalizing the tax burden as between corporations and corporations, as between corporations and individuals, and as between corporations and members of partnerships.

This bill is divided into four titles. Title I deals with income taxes. It reenacts the individual income-tax schedules with the necessary changes therein to include the amendments which this bill makes upon the Revenue Act of 1934. It reenacts the corporation income taxes on the basis of taxing the net income bracketed according to the amount of retained net income withheld from distribution.

Title II amends the 1935 Revenue Act by reducing capital-stock tax from $1.40 per thousand on the declared value to 70 cents per thousand. It further amends the 1935 act by discontinuing the capital-stock tax after July 1, 1936, and by discontinuing the excess-profits tax after the close of the income-tax taxable year beginning in 1936 and not later than June 30, 1936.

Title III levies what is called windfall taxes, the tax on unjust enrichment.

Title IV provides for refunds in accordance with certain provisions of the Agricultural Adjustment Act which was invalidated by the decision of the Supreme Court, and also provides for refunds of taxes on floor stocks on hand on January 6, 1936, the date of such decision by the Supreme Court. The refund of taxes on floor stocks, however, does not apply to claims of processors for refunds on account of floor stocks still in their possession. Those refunds are taken care of in section 21 (d) of the Agricultural Adjustment Act, as amended, and we do not include it in this bill.

The most important part of this bill that we are presenting here today is that which is embraced in title I. We propose in that title to repeal all existing corporation taxes after December 31, 1935, and substitute for those taxes a plan of taxation based upon the net income of the corporation, measured by the amount of adjusted net income of the corporation withheld from distribution through dividends. We repeal the capital-stock and excess-profits tax under title II, so that corporation taxes, including corporation income taxes as now existing, and capital-stock and excess-profits taxes now upon corporations, are all repealed. We leave the individual income taxes as they are in the law today, except that, instead of exempting dividends from corporations in the hands of individual taxpayers from the normal tax, we impose the normal tax of 4 percent on dividends from corporations as well as upon income from other sources.

I now invite your attention to section 13, on page 13 of the bill, which makes this change from the existing corporation taxes to the new plan proposed in this bill. Section 13, at the bottom of page 13, shows the new plan of taxation on corporations.

We have classified corporations into two classes for the purposes of the imposition of this new tax. We have classified them into corporations having a net income of $10,000 or less in one class and corporations having a net income of more than $10,000 in the second class. We have prepared two schedules of rates, one for class 1 and another schedule of rates for class 2.

If you will turn to page 15 of the bill, you will find a table under schedule I entitled "Adjusted net income $10,000 or less." If you will read the paragraph immediately above the table and then follow it through the table, you will find just exactly how to compute the tax under schedule I, table 1, on all corporate net incomes of $10,000 or less, provided that the percentage retained or withheld from distribution is an even percentage.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. McFARLANE. While the gentleman is on that subject, I wish he would explain the wording of the provision both before and after the table on page 16.

Mr. SAMUEL B. HILL. I will read the provision just above the table:

If the undistributed net income equals a percentage of the adjusted net income shown in column 1 of the following table, then the tax shall be the percentage of the adjusted net income shown opposite in column 2.

Perhaps I had better give an example. Let us take a corporation having a net income of $10,000, and the corporation wishes to retain in its surplus $3,000, or 30 percent. Just bear those figures in mind—$10,000 income and the undistributed part of the net income $3,000. Now we will read:

If the undistributed net income—$3,000—equals a percentage of the adjusted net income—$10,000—shown in column 1 of the following table—

Now go down in column 1 to the figure "30"—

then the tax shall be the percentage of the adjusted net income shown opposite in column 2

That is the rate of tax. Multiply the $10,000 by 7.5 percent and you will get the amount of the tax.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. VINSON of Kentucky. And that would be $750 as compared to a minimum tax of $1,290 under existing law?

Mr. SAMUEL B. HILL. Yes; it would probably be $1,300 under existing law.

Mr. VINSON of Kentucky. The corporation would have to pay a minimum tax at the rate of 12½ percent on the first $2,000 and 13 percent on the next $8,000, totaling $1,290 tax. Then a capital-stock tax and perhaps an excess-profits tax.

Mr. SAMUEL B. HILL. Yes; that is true. Under this plan if the corporation wants to retain only $3,000 out of the $10,000, or 30 percent, from distribution, it will pay a tax of $750, and that will come out of the $7,000, not the $3,000. Under present law there would be a tax of 12½ percent on the first $2,000, 13 percent on $8,000, making total tax $1,290.

Mr. VINSON of Kentucky. Plus a capital-stock tax.

Mr. SAMUEL B. HILL. Plus a capital-stock tax of $1.40 per $1,000 on the declared value, and excess-profits taxes, if any.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield further?

Mr. SAMUEL B. HILL. I yield.

Mr. McFARLANE. I wanted the gentleman to point out just how we are going to raise this money we have in mind under the provisions of this bill.

Mr. SAMUEL B. HILL. I will try to get to that.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. BIERMANN. I quote from page 19 of the minority report. Referring to the present corporate taxes, the report says:

It abandons an assured revenue of $1,100,000,000 annually for one purely speculative and uncertain and which promises to be most disappointing in amount, thereby jeopardizing Federal revenue.

Can the gentleman inform us how much the corporate-tax provision of the new bill will yield in comparison with the present law?

Mr. SAMUEL B. HILL. Yes; I will try to get to that, but let me make this statement first: One reading the minority report, having heard the witnesses from the Chamber of Commerce of the United States and the National Association of Manufacturers, would think there was a very close relationship between the compilers of the minority report and the advocates representing those two organizations.

Mr. BIERMANN. Yes; that is true.

Mr. SAMUEL B. HILL. They would not have been before the committee had they thought this plan would not get the money. That is what they are afraid of. They do not want it to get the money, but they know it will.

Mr. BIERMANN. I am thoroughly in sympathy with the gentleman, and think he is accurate, but has the gentleman any information as to how much this bill will yield in place of the present corporate tax?

Mr. SAMUEL B. HILL. Yes, I have; we are not going around here blindly. If we repeal the present corporation taxes, including the capital-stock and excess-profits tax, we will lose $168,000,000 from the capital-stock and excess-profits tax and we will lose $964,000,000 from the corporate income tax, making a total of $1,132,000,000 we will lose by repealing these taxes if we did not substitute something for them.

Under this bill on the basis of 30-percent retention of net income of the corporation as an undistributed part of the income the corporations would pay under the new bill $1,065,000,000 as against $1,132,000,000 we would lose by repealing present corporation taxes.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. Yes; I yield.

Mr. VINSON of Kentucky. It might be well to point out that, allowing a 30-percent retention, there will be paid out in additional dividends for the taxable year 1936 $3,360,000,000, which, of course, would be subject to the normal tax as well as the surtaxes in the hands of the individual holders.

Mr. SAMUEL B. HILL. I thank the gentleman for his contribution. That is where we are going to get the increase.

While we lose on the corporate tax we gain on the individual income tax. Under existing law it is estimated that for 1936 we will get $1,153,000,000 of individual income taxes. Under the proposed law we will get $1,811,000,000 in individual income taxes, gaining by this operation $658,000,000. We lose $67,000,000 on corporation taxes; so, subtracting this from $658,000,000 gives us a net gain of $591,000,000 from the change in the corporate tax plan. I shall have some more figures to submit later in another connection. This $591,000,000 is the net gain in revenue under the proposed plan over the existing plan, without taking into consideration the additional revenues which I will refer to later and which amount to a total of $223,000,000.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. ROBERTSON. Touching corporate incomes of $10,000 or less, is there any provision respecting amounts paid on debts?

Mr. SAMUEL B. HILL. We have a provision touching that. I will reach that a little later.

Mr. ROBERTSON. That is in another section?

Mr. SAMUEL B. HILL. Yes.

Mr. MASSINGALE. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. MASSINGALE. The gentleman took as one of his illustrations a corporate income of $10,000, of which $7,000 is distributed and $3,000 undistributed. Will the gentleman explain the taxable status of the $3,000?

Mr. SAMUEL B. HILL. There is not $7,000 distributed, because the tax comes out of the $7,000.

Mr. MASSINGALE. I understand that.

Mr. SAMUEL B. HILL. What is the gentleman's question again?

Mr. MASSINGALE. What is the taxable status of the $3,000 which is held in reserve?

Mr. SAMUEL B. HILL. The tax has been paid on the basis of reserving $3,000 and not distributing it in the form of dividends. That may be laid aside to surplus. If at some subsequent time this $3,000 or some part of it is paid out in dividends, then it will become taxable in the hands of the distributees.

Mr. MASSINGALE. It becomes taxable at a subsequent time?

Mr. SAMUEL B. HILL. Yes; when it is distributed. The amount of the retention determines the amount of tax that the corporation itself shall pay. If it retains only 10 percent, it would pay a tax of 1 percent on its net income, or $100.

Mr. TAYLOR of South Carolina. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield to the gentleman from South Carolina.

Mr. TAYLOR of South Carolina. Referring to that $3,000, as long as it remains dormant in the corporation is it forever afterward immune from taxation?

Mr. SAMUEL B. HILL. As a corporation tax, yes. It is immune to a further corporation tax.

Mr. TAYLOR of South Carolina. What other tax would it have to pay?

Mr. SAMUEL B. HILL. If in the next year or subsequent years it should be paid out in dividends, then in the hands of a stockholder or stockholders, the man who receives the dividend, it would become taxable.

Mr. TAYLOR of South Carolina. Yes; I concede that, but what part will it play in succeeding years in figuring income?

Mr. SAMUEL B. HILL. None at all. Each year stands on its own current earnings.

Mr. TAYLOR of South Carolina. Whatever they retain after paying their taxes and so forth remains separate and apart from any future calculations?

Mr. SAMUEL B. HILL. It has nothing to do with the net income in any year except the year in which it was earned and for which the tax is being computed.

Mr. VINSON of Kentucky. It might be well to suggest at this point in connection with corporations having a net income of $10,000 or less, that 42 percent of their distributed net income may be retained and remain undistributed without the imposition of any tax in excess of existing law.

Mr. REILLY. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield to the gentleman from Wisconsin.

Mr. REILLY. Under this bill the corporations will pay a less tax and the stockholders more?

Mr. SAMUEL B. HILL. The gentleman is correct.

Mr. CASTELLOW. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield to the gentleman from Georgia.

Mr. CASTELLOW. Is it the opinion of the committee that 30 percent would represent the average retention by corporations?

Mr. SAMUEL B. HILL. The information on that is it would range from 25 to 30 percent.

Mr. VINSON of Kentucky. Over a period of 15 years, if I may suggest, the average was 25 percent. Over the past 10 years it is 30 percent.

Mr. CASTELLOW. If it was less than that, would the revenue which the Government would receive be increased or decreased?

Mr. SAMUEL B. HILL. If the retention is less, the corporation would pay less, but the individual taxpayer would pay more.

Mr. CASTELLOW. What would be the effect on the Treasury? Would the individuals pay as much or more than would be paid by the corporation?

Mr. SAMUEL B. HILL. That is the pivot upon which this plan is balanced. You get it either out of the individual taxpayer or you get it out of the corporation at an increased rate if the corporation holds back more than the average, we will say, which may be necessary for surplus in carrying on the business.

Mr. CASTELLOW. Suppose the corporation only retains upon an average 20 percent, would that increase or decrease the revenue which would be provided by this bill?

Mr. SAMUEL B. HILL. Under this bill as the rates now stand we will get more money on the distribution.

Mr. CASTELLOW. If it was decreased to 20 percent the Government would receive more revenue from the operation of the bill?

Mr. SAMUEL B. HILL. Yes; we would get more money in the surtax brackets.

Mr. WADSWORTH. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield to the gentleman from New York.

Mr. WADSWORTH. My concern, which is purely sentimental for the moment, has to do with small corporations which are just commencing business and with respect to which it is essential that they retain a very large proportion of their profits in the first 2 or 3 years after starting business in order to get themselves on a safe basis. May I ask the gentleman from Washington, because I cannot figure it out arithmetically from the bill, how much tax a corporation would have to pay with a net income of $10,000, we will say, if it wanted to retain the whole $10,000 for surplus?

Mr. SAMUEL B. HILL. It would pay a tax of 29.5 percent.

Mr. WADSWORTH. That is the maximum?

Mr. SAMUEL B. HILL. That is; a corporation with a surplus of $10,000 or less.

Mr. WADSWORTH. That is the maximum?

Mr. SAMUEL B. HILL. Yes.

Mr. WADSWORTH. May I ask another question?

Mr. SAMUEL B. HILL. Certainly.

Mr. WADSWORTH. The gentleman has stated that the Government will collect from the individual shareholder in the way of an individual-income tax which he will pay when these surpluses are distributed in the form of dividends. Did the committee ascertain the average holdings of the stockholders in all the corporations of the United States before it made this estimate?

Mr. SAMUEL B. HILL. Yes. Mr. McLeod, the statistician and Actuary of the Treasury Department gave us that information. I do not recall what page it appears on in the hearings. His testimony starts on page 26. If the gentleman will turn to Mr. McLeod's testimony in the hearings he will find some tables there together with the information he is requesting with reference to the number of shareholders in the $100,000 or more brackets, or less, and so forth.

Mr. VINSON of Kentucky. Pages 27 and 28.

Mr. WADSWORTH. I assume then, if the gentleman will be patient for a moment, that the gentleman will admit that this bill, applicable to corporations with a net income of $10,000 or less, will make it much more difficult for a brand new corporation to start out and build up a surplus than under the old law, in that such a new corporation would pay a tax as high as 29½ percent of its profits as compared with 13 percent today.

Mr. SAMUEL B. HILL. If it withholds all of its net income. However, a newly formed corporation usually has enough capitalization to finance its operations to begin with, and under this plan it can reserve 40 percent of net income each year without paying more tax than now.

Mr. WADSWORTH. Of course, and many of them have to do that.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. VINSON of Kentucky. Is the gentleman from New York referring particularly to a closely held corporation?

Mr. WADSWORTH. No; any sort of corporation.

Mr. SAMUEL B. HILL. A so-called personal-holding company, in other words.

Mr. VINSON of Kentucky. Or does the gentleman mean the ordinary small corporations where you have a few stockholders?

Mr. WADSWORTH. Any sort of corporation that starts on a small basis, as most of them do.

Mr. VINSON of Kentucky. Undoubtedly the closely held corporation can get the money back into its working capital without any trouble whatever under this bill.

Mr. WADSWORTH. Without paying the 29.5-percent tax?

Mr. VINSON of Kentucky. Yes; they can distribute the profit 100 percent, and if it is closely held, they can lend the money back to the corporation.

Mr. WADSWORTH. A method of evasion?

Mr. VINSON of Kentucky. No; the money goes through the tax mill. In other words, in the hands of the individual shareholder the Federal Government is paid the normal tax and the surtax.

Mr. WADSWORTH. Very well; the gentleman states they can lend the money back to the corporation, and that would mean the corporation would have an additional interest charge to carry.

Mr. VINSON of Kentucky. And they deduct the interest charge on next year's return.

Mr. WADSWORTH. Nevertheless, it has to be added to the price of their product.

Mr. VINSON of Kentucky. But they have the working capital and do not pay the 29.5-percent tax.

Mr. WADSWORTH. The gentleman from Washington indicates he is not certain the gentleman from Kentucky is right about that.

Mr. SAMUEL B. HILL. I was not following the gentleman and I am not sure I heard what the gentleman from Kentucky stated.

Mr. VINSON of Kentucky. I said they could lend the money back and thereby avoid paying the 29.5-percent tax. They would get the money at 6 or 7 percent, or whatever the stockholder is willing to take for his money.

Mr. SAMUEL B. HILL. Surely, that is correct. If they pay out all of the earnings, there is no tax at all to the corporation.

Mr. WADSWORTH. Assuming, of course, that the stockholders have the money to lend.

Mr. VINSON of Kentucky. The gentleman from New York certainly knows that when the money is paid in dividends by the corporation to the stockholder the stockholder has the same money less tax.

Mr. WADSWORTH. Then he is not to spend it; he is to put it back in the business.

Mr. VINSON of Kentucky. I am saying that if the business needs it and it is closely held corporation and they want to put their money into the working capital, they can do it without paying the 29.5-percent tax.

Mr. SAMUEL B. HILL. And there will be no tax evasion, because the distributee would pay his individual tax.

Mr. WADSWORTH. Depending, of course, on whether he is a taxable person.

Mr. SAMUEL B. HILL. Of course, depending on whether he comes within the taxable brackets; and while this measure will bring a great many additional persons within the taxable brackets, there will be some who will not be in the taxpaying brackets.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. COOPER of Tennessee. Further inviting the attention of the gentleman from New York [Mr. WADSWORTH], what happens now, in the case of an individual or partnership, if the individual or partnership now makes $10,000? What do they do?

Mr. WADSWORTH. They pay on it.

Mr. COOPER of Tennessee. This bill simply provides that the corporation pay a tax; that is all.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman from Washington permit a question?

Mr. SAMUEL B. HILL. Yes.

Mr. MARTIN of Colorado. As I understand it, the present accumulated surpluses are untouched and the tax operates in future.

Mr. SAMUEL B. HILL. That is correct.

Mr. MARTIN of Colorado. I have heard the objection made that this will penalize newly formed corporations in that they will not be enabled to accumulate surpluses.

Mr. SAMUEL B. HILL. Well, when a newly formed corporation can reserve 40 percent of its net earnings without paying any greater tax than it pays now, I think a very

liberal provision has been made for the building up of a surplus or reserve, and in addition to this, while I did not expect to go into this matter just now, all corporations have the same privilege as they have under existing law to build up a reserve for depreciation, depletion, and so forth, and such reserves amount to a rather staggering sum of money. That you may know just what these reserves amount to I will read from page 22 of the hearings an excerpt from the testimony of the Commissioner of Internal Revenue, as follows:

The proposal does not at all affect the liberal provisions of present laws for the deduction of ordinary operating reserves, such as those for depreciation, depletion, obsolescence, bad debts, and the like, from taxable income. All such reserve allowances will be deductible as at present from the taxable incomes of corporations.

Many people do not realize how important these deductible reserves are. Between 1926 and 1929, inclusive, the aggregate deductions from taxable income for depreciation and depletion reported by all corporations amounted to sixteen and two-tenths billions. During the succeeding 4 years, 1930–33, inclusive, the deductions for depreciation and depletion reported by all corporations aggregated sixteen and four-tenths billions. Taking the aggregate figures only for corporations reporting net incomes during these two 4-year periods, we find that between 1926 and 1929, inclusive, the aggregate deductions from taxable net income for depreciation and depletion amounted to a sum equal to 31.2 percent of the aggregate statutory net income reported. For the years 1930–33, inclusive, such deductions amounted to a sum equal to 49.9 percent of the aggregate statutory net income reported. In other words, the liberal provisions of the law with respect to deductions for depreciation and depletion—provisions which would be retained under the new plan—already permit very substantial operating reserves free from taxation.

The table on page 15, which I shall call table 1, approaches the question from the standpoint of how much the corporation wants to withhold from distribution, or how much it wants to put into reserve.

Mr. McLAUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. McLAUGHLIN. On the question the gentleman was just speaking of, can the gentleman give us any idea how much net revenue a $10,000 income corporation could retain without paying tax upon it, taking the 40 percent that is allowed under the bill and adding depreciation, depletion, obsolescence, and the like? How much of the net revenue could be retained without paying taxes?

Mr. SAMUEL B. HILL. Of course, the depreciation and depletion allowance depend upon the character of the plant which the corporation has; that is, the buildings, and so forth, or whether it is a mine or a business institution.

Mr. McLAUGHLIN. The gentleman stated he thought he would give us something on that later.

Mr. SAMUEL B. HILL. I have given it as to the total of such reserves over a representative period of time.

I can refer the gentleman to the chart and the various rates, but you must have the facts in the individual cases to give exact information as to such individual cases.

If you will turn to page 17 you will find another table, table 1–a, which approaches the question from the dividend end of the subject; in other words, if a corporation says it wants to pay out so much money in dividends and have, whatever is left to build a reserve, you can take the figures in table 1–a and get exactly the rate of tax on the net income that will produce the revenue that the Government will get out of the corporation at any percentage of the amount paid out in dividends to the adjusted net income.

Following each of these tables is what they call the interpolation provisions which tells you exactly how to calculate or compute the tax on any fraction of percentage.

So the tables are as plain as the English language can make them, and just as understandable as any provision can possibly be made.

The gentleman from Massachusetts dwelt upon the point that the bill was so complex in its language that nobody could understand it, and said it was more complicated than any provision in a tax law of the past.

Back in 1924, and you know under whose regime that was, they passed a reorganization plan for corporations whereby they could evade the tax. It was couched in language so complex that without the arbitrary construction by the Treasury Department no man could tell what it meant.

We have been trying to simplify the language and eliminate that part of it.

Mr. CARPENTER. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. CARPENTER. Will the gentleman from Washington give us an example under the table he has referred to?

Mr. SAMUEL B. HILL. Table 1–a?

Mr. CARPENTER. Yes.

Mr. SAMUEL B. HILL. Suppose you take a corporation with $10,000 annual income. What percentage do you want to pay out in dividends? I will let the gentleman select it.

Mr. CARPENTER. Thirty percent.

Mr. SAMUEL B. HILL. Well, look at column 1 and you find the figures "30." Opposite to that in column 2 you find "19.0323." You multiply $10,000 by that percentage and you get the tax.

That disposes of schedule I for corporations of $10,000 or less. Now, we come to schedule II for corporations with an income of more than $10,000. The rates are different in that schedule from those in schedule I.

On page 20 you will find the computation under schedule II. Then, if you will follow down column 1 to the figure immediately opposite, you will find the percentage retained or withheld from distribution, and just what the rate of tax is of the adjusted net income. There cannot be any possible mistake, because those rates are there. I now ask you to turn back in your bill to the first part of it, where you have the individual income-tax schedules, and compare those with this and see which is the simplest. I say this language is reduced to the simplest possible form, and anyone who can read and understand the English language can work out his tax rates. If you can get it in simpler language than that, you will do more than our committee could do.

Table 2–a corresponds to table 1–a in schedule I, and gives you the rate of tax based upon the amount of dividend distributed instead of upon the amount withheld from distribution. So you have the table here for your convenience and for the convenience of the taxpayer. If he wants to compute the tax from the point of view of the amount withheld from distribution, you have table 1 or 2, and if you want to compute the tax from the viewpoint of the amount of dividend distributed, you use table 1–a or 2–a, and the interpolations follow in each instance. We have then what we call the merger table, to take care of the transition between schedules I and II. For instance, if you have a corporation with a net income of $10,000, it pays at the rate, we will say, from 1 percent to 29½ percent depending upon whether you are retaining 10 percent or 100 percent. If another corporation has a net income of $10,001, that would come under schedule II and would immediately be taken out of schedule I and put under schedule II where the tax rate is 4 percent for 10 percent retained, and so to make the transition between these two there is schedule III, to make an even graduation between the rates in schedule I and schedule II.

That also is easily computed. If you will turn to the report of the committee you will find examples given there on page 6 of the report.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. Yes.

Mr. COOPER of Tennessee. It might also help to point out, for instance, that if a corporation had $10,001 net income, if schedule III were not employed and provided here, it would immediately go into schedule II, and the lowest rate would be 4 percent, while if it was just $10,000 the rate would start at 1 percent.

Mr. SAMUEL B. HILL. I have just been explaining that.

I am going to take example 3 in the committee's report on page 6, because it is all set out there. This will illustrate the merger between schedule I and schedule II, so that the

taxpayer will not be unjustly taxed by reason of the sudden change in the rates from 1 to 4 percent. We will say that 10 percent is retained. Example 3 is at the bottom of the page: A corporation has an adjusted net income of $20,000, which is under schedule II. It has as yet declared no dividends, but it decides that it wishes to retain $2,000 net in surplus, in undistributed net income. The percentage of undistributed net income to adjusted net income is, therefore, 10 percent. In such a case a corporation computes a tax under schedule II and under schedule III, and is subject to whichever tax is the lesser. It shows you there exactly how they compute it. The schedule II tax is readily determined from the rate table included in that schedule. The rate for an undistributed net income of 10 percent of the adjusted net income is 4 percent. That would be $800, 4 percent of $20,000. Therefore the dividend credit is $17,200. That is the amount that you would have for distribution.

A tax is now computed under schedule III. A tax is first computed under schedule I on the whole $20,000 of adjusted net income. With 10 percent retained, the rate is 1 percent and the tax is $200. To this tax is added a tax under schedule II computed on the amount by which the adjusted net income ($20,000 in this case) exceeds $10,000. This excess is $10,000, and the rate under schedule II for a 10-percent retention is 4 percent. Then this added tax is $400. The total tax under schedule III is, therefore, $200 plus $400, or $600. But the tax under schedule II alone was $800. Therefore, the taxpayer will have his tax computed under schedule III since that tax is the lesser—$600 as compared with $800. The effect of taking the tax computed under schedule III is to permit the $200 tax saving to be retained as a surplus free of tax. That makes a saving to the taxpayer of $200 in the case given.

Section 14 is one of the so-called cushions. It takes care of the deficit cases. Where a corporation is in the red, where it has exhausted its accumulated earnings and profits and has gone into its capital structure to the extent of $100—in other words, $100 in the red—and makes a net earning in the present current year of $500, then you add the minus $100 and the $500 net income, which leaves you $400, so that under this provision in order to enable the corporation to make up this deficit and apply $100 of its net earnings to the deficit, we tax the corporation on that $100, 22½ percent, and then put the other $400 under the general plan in this bill as a new base, under schedules I or II, as the case may be.

Mr. WADSWORTH. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. WADSWORTH. Do I understand the gentleman, in effect, to explain that this bill imposes a tax upon the payment of a debt?

Mr. SAMUEL B. HILL. No. It imposes a tax upon net income.

Mr. WADSWORTH. Upon net income used in the payment of a debt?

Mr. SAMEUL B. HILL. Yes. It does that now.

Mr. WADSWORTH. With corporations?

Mr. SAMUEL B. HILL. Yes. We have not changed the principle. We changed the rate from 15 to 22½.

Mr. WADSWORTH. That is very different.

Mr. SAMUEL B. HILL. But we have not changed the principle, but we give them a flat rate of 22½ on that part which is necessary to make up the deficit.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. VINSON of Kentucky. It might be well to call attention to the fact that 22½ percent of the amount that would go to make up the deficit might be very materially less than 15 or 16 percent of the total net income.

Mr. WADSWORTH. That might be so, but I prefer to discuss that in my own time. I have no right to impose upon the gentleman from Washington. It is a new idea to me.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield on the question just now under debate?

Mr. SAMUEL B. HILL. I yield.

Mr. CRAWFORD. Assume that a corporation at December 31, 1935, had an indebtedness of $500,000 and an accumulated surplus, not included in the 1935 profits of $200,000, which means to say there would be an excess of debt over accumulated surplus of $300,000, which the taxpayer desired to pay off over a period of 5 years; now, let us assume that the profits for 1935, the adjusted net income, is $160,000, could the gentleman give us an application of that problem to the tax bill, showing what would be taxed at 22½ percent?

Mr. VINSON of Kentucky. While we have not yet reached that point, $60,000 would be subject to the 22½-percent rate. In other words, the debt is $300,000, if it comes within the definition of "debt." The $300,000 is to be amortized in 5 years. Consequently with an adjusted net income of $160,000 you could put $60,000 to that debt of 22½ percent. Then after you reduced your $100,000 base by reduction of the tax, you would get a new base for the tax under the plan.

Mr. CRAWFORD. If on the $60,000 you paid a tax of $13,500 or 22½ percent, then the $13,500 would be deducted from the remaining $100,000?

Mr. VINSON of Kentucky. And you would have a new base of $86,500.

Mr. CRAWFORD. And that would be taxed under section 13?

Mr. VINSON of Kentucky. Yes; and if you made distribution of that, the corporation would not have any taxes other than the 22½ percent on the $60,000, or $13,500. Under existing law in such a case the present tax would be more than $24,000.

Mr. SAMUEL B. HILL. Now, that takes care of section 16 which we had not yet reached, but I am now going to call attention to section 15, which deals with contracts not to pay dividends. If a corporation as of March 3, 1936, finds itself in a position, by reason of a contract entered into with its creditors, not to pay dividends until it has paid its creditor his debt or has established a sinking fund, or otherwise provided means of paying the obligation, if it is under that handicap by reason of a written contract, then we allow the corporation a 22½-percent flat rate on that portion of the net income which it is unable to pay out, by reason of this contract, in dividends. Then you get a new base for the tax on the remainder under the general plan.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. HEALEY. Will that same principle apply in the case of a mortgage, where a corporation is paying off a mortgage on its property or a bond issue?

Mr. SAMUEL B. HILL. Provision 16, "debts", would probably take care of that situation, but this applies only in the case where, by reason of having entered into a contract not to pay dividends, a corporation is not in a position to pay dividends. These contracts must be in existence as of March 3, 1936.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield further?

Mr. SAMUEL B. HILL. I yield.

Mr. CRAWFORD. Would the gentleman briefly tell us the difference between the taxable year and the dividend year, and show how they mesh in together?

Mr. SAMUEL B. HILL. The taxable year we have not changed. In most cases it is the calendar year.

Mr. CRAWFORD. But you have brought into this new law a technical definition of the dividend year.

Mr. SAMUEL B. HILL. The dividend year commences 2½ months after the taxable year begins, and extends 2½ months beyond the end of the taxable year.

Mr. CRAWFORD. So that any distribution made during that dividend year out of the income of the taxable year would be exempt from taxation?

Mr. SAMUEL B. HILL. It would have a dividend credit; yes.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. BIERMANN. What is the idea of having a different taxable year from the dividend year?

Mr. SAMUEL B. HILL. It takes the corporation some time to cast up its accounts and determine just how much its net income is and how much it wants to distribute and how much it wants to withhold from distribution. If you make the dividend year coincide with the taxable year, they would have to have this all figured out before the end of the taxable year.

We have other provisions in the bill, but I will not have time to take them up in such a detailed way as I have been doing. I have, however, covered the most important features of this bill and, I think, the features in which the House is mostly interested.

We have dealt with some corporations such as trust companies, banks, and insurance companies on a different basis from those under the general plan. For instance, we leave out of the general plan banks, trust companies, and all insurance companies, both domestic and foreign, and put them on a straight 15-percent flat-rate basis; and we put on the straight 15-percent flat-rate basis corporations in receivership because the board of directors of the corporation has lost control and it is in the hands of the court.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. McFARLANE. Why is a separate rate made for banks, trust companies, and insurance companies?

Mr. SAMUEL B. HILL. Their business is largely that of keeping great amounts of reserves for the protection of their depositors and fiduciaries.

Mr. McFARLANE. This other question, if the gentleman will permit, how does the rate in the proposed bill compare with existing law?

Mr. SAMUEL B. HILL. We are making them pay 15 percent flat, and any dividends such corporations receive from other corporations goes in as part of their net income.

Mr. McFARLANE. And the present rate on them is what?

Mr. SAMUEL B. HILL. The present rate is from 12½ to 15 percent.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. DOUGHTON. There is this additional fact to be borne in mind, that under the proposed plan dividends will be subject to the normal tax, whereas under existing law they are not.

Mr. SAMUEL B. HILL. That is, dividends paid out by banks will be subject to the normal tax as well as dividends paid out by all other corporations.

We have placed under the 22½-percent rate, foreign corporations having a place of business in this country, and we have placed foreign corporations having no place of business here and not engaged in trade or business in the United States, on a flat 15-percent rate to be withheld at the source. We have placed a flat tax of 10 percent on nonresident aliens, that is, people not citizens of the United States and not residing in the United States; and this 10-percent tax is withheld at the source. We expect to get considerably more revenue out of both nonresident aliens and foreign corporations having no place of business or not engaged in trade or business in this country, than we have been getting under the present plan, because we are going to withhold it at the source, and not take a chance on their making a report of it, or having to send our representatives to some foreign country to find what their net income is, and seek to induce them to pay their tax. This 10-percent tax and this withholding of the 10-percent tax on nonresident aliens applies in all cases except as to dividends to a nonresident alien stockholder of a foreign corporation, which foreign corporation is doing business in the United States, and receives less than 75 percent of its income from sources within the United States. The tax so levied and withheld is on that part of the income allocable to sources within the United States. In case such corporation receives 75 percent or more of its income from sources within the United States we withhold the 10-percent tax on dividends to nonresident aliens. But in no other case do we withhold the tax on nonresident aliens as to dividends received from foreign corporations. Do not confuse foreign corporations with domestic corporations, because we withhold the tax on dividends which domestic corporations pay to nonresident aliens.

I think you understand the "windfall" tax pretty well. We call it a tax on unjust enrichment. Under the processing taxes, which the Supreme Court invalidated, a burden was placed upon commodities which the processor either did not pay or had refunded to him, but at the same time passed the burden on to his customer. This is an unjust enrichment, a straight-out bonus, and we propose to tax that 80 percent after allowing certain deductions necessary to be allowed to arrive at a proper net basis.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. MARTIN of Colorado. Is this going to involve a lot of lawsuits?

Mr. SAMUEL B. HILL. We have a lot of them anyway, so I do not think it will further complicate the matter.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. McFARLANE. I am wondering why we do not tax these "windfalls" 100 percent; why do we not take it all?

Mr. SAMUEL B. HILL. Does the gentleman think he could defend a tax which took all? I remember the gentleman at one time advocated a tax of 99½ percent, saying he did not want it thought he wanted to take all.

Mr. McFARLANE. That is right on the higher brackets, on incomes over $50,000. I think we ought to have a ceiling on personal-income tax where no individual under present circumstances will receive over $1,000 per week.

Mr. SAMUEL B. HILL. If the tax is 100 percent, we take all. Through the plan proposed we do not take all.

Mr. McFARLANE. I think we should take more than 80 percent. Why not take at least 90 percent; these processors are not entitled to keep 20 percent of this money they secured under A. A. A.

Mr. SAMUEL B. HILL. Title IV refers to refunds under certain provisions of the Agricultural Adjustment Act.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman from Washington 5 additional minutes.

Mr. SAMUEL B. HILL. Title IV provides also for the refund of taxes on floor stocks, but I am not going to take time to go into this, Mr. Chairman, for I think the Committee understand pretty well what it is.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. MARTIN of Colorado. Is this money in the hands of the court, the Government; or is this going to induce a lot of lawsuits?

Mr. SAMUEL B. HILL. The money that was paid has been refunded to the processor who paid the tax; they got the money.

Mr. TAYLOR of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. TAYLOR of South Carolina. In computing the net benefits derived under this unjust enrichment they will, of course, be allowed to show, if it be the fact, that they have passed the refund on to somebody else, will they not?

In other words, they would be allowed to show that the tax which was collected had been refunded on down the line?

Mr. SAMUEL B. HILL. Do you mean the Government would be allowed to show that?

Mr. TAYLOR of South Carolina. No; the individual or the manufacturer, for instance.

Mr. SAMUEL B. HILL. If the manufacturer has not paid the tax but has passed it on, of course he is the one we are

after. If he has paid the tax and absorbed it himself or refunded it we do not want to molest him.

Mr. TAYLOR of South Carolina. In other words, after this matter went into court, my information is that before a jobber or manufacturer could sell a contract he had to stipulate that if the tax were refunded to him he would in turn pass the refund on. If I am incorrect, the gentleman may correct me.

Mr. SAMUEL B. HILL. Does the gentleman mean the refund?

Mr. TAYLOR of South Carolina. Yes. That would enter into the computation?

Mr. SAMUEL B. HILL. Yes.

Now, Mr. Chairman, I want to call attention to the revenues which this bill will produce in addition to the $591,000,000 from the tax on the corporate and individual incomes heretofore mentioned. For instance, the so-called "windfall" tax is estimated to yield $100,000,000; the continuance of the capital-stock and excess-profits taxes for the period of the present fiscal year and present income-tax taxable year, respectively, is estimated to yield $83,000,000; and then there is a provision in this bill providing that corporations may liquidate within the next 2 years and have their capital gains computed under the graduated capital gains plan of the Revenue Act of 1934. From this provision it is estimated we will get $40,000,000 the first year, and $30,000,000 the second year. Hence, there should be added to the $591,000,000 the total of the last three items, $223,000,000, making the estimate of revenue which this bill will produce the sum of $814,000,000 the first year. [Applause.]

Under permission to extend my remarks, I incorporate an excerpt from the testimony of Hon. Guy T. Helvering, the Commissioner of Internal Revenue, at pages 20 and 21 of the hearings on this bill. This statement expresses admirably the philosophy and objectives of this legislation.

The excerpt is as follows:

When distributed to stockholders, corporation earnings become a part of the incomes of the individual stockholders and are subject to the graduated surtaxes. Corporate earnings which are not currently distributed in dividends now escape these surtaxes for long periods or altogether, thereby creating an unfair discrimination. All the earnings of a partnership or of an enterprise owned by a single individual, whether reinvested or not, are now subject to our income surtaxes.

If, for example, a partnership composed of four equal partners earned $1,000,000, the Federal Government would receive $517,136 of those earnings in individual income taxes, assuming that the partners were single men and had no other taxable income. If these same men conducted their business as a corporation and paid themselves salaries of $25,000 each but no dividends, the Federal Government would receive only $145,656 in income taxes—a difference of $371,480. Even if this corporation distributed 50 percent of its earnings, after the payment of $100,000 in salaries, in dividends, the Federal Government would still receive $174,400 less in taxes than it would receive if the business were conducted as a partnership.

The earnings withheld by corporations add no less to the wealth of the shareholders than the earnings distributed in dividends; for the reinvestment of corporate earnings becomes reflected in the stockholder's share of the net worth of the corporation and in increased earning power. It is worthy of note that the process of reinvestment of earnings frequently results in very large capital gains that escape capital gains taxes. The accrued capital gains of a lifetime, if obtained through the retention and automatic reinvestment of corporate earnings, escape all capital gains taxation because the law does not provide any tax on the increment between cost and market value at the time of death; the entire estate being subject only to the ordinary estate taxes, on the market value, that are paid by all estates. Thus, no special compensation is received by the Federal Government for the loss in revenues suffered during the lifetime of the owner by reason of his use of the corporate form.

Shareholders in corporations that pursue liberal dividend policies are now discriminated against because they are not permitted to reinvest tax-free the corporate earnings that they receive as dividends; whereas the stockholders in corporations that retain the bulk of their earnings are permitted under the present law to reinvest their share of the corporate earnings, in effect, without payment of individual income taxes thereon.

Further, the present ability of corporations and of their controlling stockholders to choose the timing of dividend distributions, without any effect upon the corporation's tax liability and without reference to current earnings, often results in a loss of revenue to the Federal Government and an unjust avoidance of taxation by stockholders of large personal incomes. The earnings withheld by a corporation would often, if distributed, raise the surtax brackets of stockholders, thereby putting the stockholders in the surtax brackets where they really belong. When withheld for a time, and then paid out in years when the other income of important stockholders is smaller, such earnings escape the higher rates to which they would have been subject. Individual businessmen and partnerships possess no corresponding choice for the timing of the distribution of earnings for income-tax purposes.

The present law also discriminates against stockholders with small incomes. The corporation earnings are subject to the 12½ to 15 percent corporation-income tax, as well as to capital-stock and excess-profits taxes. As against these rates of 12½ to 15 percent taken out of earnings, plus the capital-stock and excess-profits taxes, amounting on the average to about an additional percent, the stockholders' dividend receipts are exempted only from the 4-percent normal tax. Under the President's proposal, it would be possible for a corporation to avoid income taxes altogether, and the small stockholder would pay only the normal tax of 4 percent on his dividends or no tax at all, according to his total income, instead of paying the present corporation-income, capital-stock, and excess-profits taxes.

A further discrimination in favor of incorporated as contrasted with unincorporated business in the present law is to be found in the fact that an individual who reinvests in his business the large profits of 1 year, and subsequently experiences losses, is nevertheless subject in full to the income tax on the profits of his good year; whereas the stockholders of a corporation that similarly reinvest the large earnings of 1 year, and subsequently suffer losses, escape individual income taxes on the profits of the good years which have been wiped out.

On the other hand, the present law sometimes favors the partnership as against the small corporation. There are many corporations whose earnings, if wholly distributed among the shareholders, would not be subject to individual income taxes averaging from 12½ to 15 percent, because the shareholders of those corporations do not fall into sufficiently high surtax brackets. The corporate form of business organization is, nevertheless, desired by numerous small- and medium-sized enterprises for reasons of convenience, flexibility, and the like. Discrimination in taxation against the corporate form of business enterprise, as well as discrimination in its favor, would be removed by the present proposal.

In substance, a major result of the proposed measure would be to place all business, whether incorporated or not, on substantially the same basis for income-tax purposes.

Mr. BACHARACH. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. PITTENGER].

Mr. PITTENGER. Mr. Chairman, I am opposed to this tax bill because I think it is so very complicated that few can understand it, and in the second place, the way to balance the Budget is not to pass a new tax bill but cut out unnecessary expenditures.

Mr. Chairman, I wanted this time for another purpose, and I hope no one will make a point of order, because I will be through in a minute. I have had an honor thrust on me that properly belongs to the gentleman from Indiana [Mr. PETTENGILL], one of our able, hard workers. I am credited in a dispatch appearing in a newspaper under date of April 19 with being the author of H. R. 3263.

This newspaper article also states that "five representatives of railroad brotherhoods will meet in St. Paul Monday with Senator BURTON K. WHEELER, of Montana, to urge his support in the Senate of the Pittenger bill to modify the long- and short-haul clause of the Interstate Commerce Commission."

I want the newspapers to get this, please.

Then they say further:

The Pittenger bill, sponsored by WILLIAM A. PITTENGER, of Duluth, already has passed the House and is pending in Senator WHEELER's committee in the Senate. The measure would amend the Interstate Commerce Act to permit railroads, in order to meet water competition, to charge lower freight rates over a long haul than over a short haul on the same line. The act at present forbids this.

As a matter of fact, the reference should be to H. R. 3263, the Pettengill long- and short-haul bill. I am very glad to say that I cooperated with the able Representative from the Hoosier State in getting that bill through the House.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks, and to include a short letter that the gentleman from Indiana [Mr. PETTENGILL] wrote me in connection with this measure.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The letter referred to follows:

Hon. WILLIAM A. PITTENGER,
Member of Congress, House Office Building.

DEAR PITTENGER: I want to thank you for the splendid support which you gave to the long- and short-haul bill. In doing so you gave distinguished public service, not only to railway workers and those engaged in the production of railway equipment but also to the business and shipping interests of the district and State which you so ably represent.

So far as I am aware, this is the first bill since 1887 designed to place railways on terms of competitive equality with other carriers and reduce freight rates and distribution costs between producers and the great consuming centers of America.

Again with appreciation,
Sincerely yours,

SAMUEL B. PETTENGILL,
Member of Congress.

Mr. BACHARACH. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, this bill is to me the most revolutionary step which this country has taken, from the standpoint of an economic program or economic procedure, since the creation of the corporate entity. I enjoy working with and working on technical data and technical regulations, and this bill is technical. Simplicity was forgotten when this bill was drawn. It has complicated the making of corporate tax returns beyond the wildest dreams. I feel that this tax bill is the answer to the prayers of technicians in law, in tax procedure, in accounting, and in finance. As I read the bill and try to understand it, the corporation managements of the country will from now on, so long as this bill is in force, have to depend upon learned men in those fields I have just mentioned to assist them in managing the affairs of their corporations, whether large or small.

Everyone knows that the Members on both sides of the House have had very little time to analyze and comprehend what this bill covers; therefore, any statement that any Member not on the committee may make is subject to question until verified by careful research and study or by some Member of the committee. If any statements I make seem out of line, I hope some Member of the committee will correct me; and if I am thinking in the wrong direction, I hope someone will change my line of thought.

In going back and attempting to find where the philosophy of this bill originated, I found this book I hold in my hand, and which I secured in 1933 shortly after its publication. The name of the book is The Industrial Discipline, by Rexford Guy Tugwell. On page 208 I find three short paragraphs which, I think, deal specifically with this bill. Mr. Tugwell is here discussing the question of the allocation of capital and says:

> To meet this problem it is frequently suggested that a tax be imposed on funds, over and above replacement, which are kept for expansion purposes. If taxation forced these funds into distribution as dividends, they would have to seek reinvestment through the regular channels, and a concern's plans for expansion would be subject to check in the investment market. It might be said incidentally also that a salutary check upon present practices in issuing stock dividends and concealing earnings for manipulative purposes would follow. Once all funds were forced into the investment market, however, some other means of supervising their uses would be needed. This might be done through the Federal incorporations of businesses. For new capital issues, then, revision of original charters would be necessary.
>
> If funds were thus forced into the open investment market, and if there were control of new capital issues, the problem would be as adequately met as seems necessary to the advocate of the general idea. For funds from the other sources we have mentioned—individual savings, investment trusts, insurance companies, savings institutions, etc.—would come into the investment market in any case. There is no danger from self-allocation in these. The revenues of the Government are also normally subject to public supervision for expenditure. They might be better used than they have been in the past, to regularize industrial activity; but this is not a question of breaking ground for a new policy. It will be seen, then, that the control of investment is not so complex a matter, at least in principle, as it might at first seem. The principles involved would be only two: the forcing of all investment funds into an open market and the regulating of new capital issues. Neither of these seems impossible if we grant (1) the substitution of Federal for State incorporation, and (2) the correctness of using the taxing power to force surpluses into the market. The scheme is recommended as eminently practical by those who put it forward; certainly it would have far-reaching effects; it rests, however, upon an extension of Federal authority upon which we have, until now, been unwilling to venture.

Now, in my own simple way I take this statement from Mr. Tugwell's book as the basis for H. R. 12395, because, as I read this bill, questions of this type come into my mind. Why was the modern corporation created? How was it created? What motivating influence was back of its creation? Why did our people accept it? What caused its rapid growth? Is it responsible for the American standard of living or level of individual possessions having risen above that of any other race of people in the history of the world? What part does the creation of the modern corporation have in causing you or me in our desire to be in a liquid state or condition financially to take our savings and invest them in the bonds and stocks and debentures of the modern corporations which are listed on the stock and bond exchanges of the country and is it good that we thus invest our funds?

This tax bill, as I see it, strikes directly at the economic procedure and the industrial practices which have grown up in this country as a result, and by and through the modern corporation. This tax bill leads me into this realm. I take and check the amount of our estimated national wealth which we have invested in bank deposits or credits, which we have invested in stocks and bonds and debentures of corporations listed on our stock exchanges, and which we have invested in cash-surrender values of our life-insurance policies, and I add these things up and find that we have from 25 to 40 percent of our total estimated national wealth invested in what might be termed liquid assets, which in theory can be reduced to cash at any given time.

Now, I cannot take my interest in a farm and place it on the stock exchange and sell it by calling up my broker and saying, "Sell so many shares in such and such a farm." If I put my money in a farm, I am nonliquid. If I put it in the stock of the American Telephone & Telegraph Co., I am liquid. If I have it in bank credits and I can get my money on demand, I am liquid. If I have it represented by the cash-surrender value of an insurance policy, I am liquid. But if I have it invested in something for which there has been no mechanical means of liquidity created, I am nonliquid.

So, as I reason this thing out, I find that the American people have come to the support of the modern corporation, because if it is properly organized and safely managed, its stocks can be listed on the stock exchanges of this country and therefore the owner of shares of stock can at any time he so desires, in the absence of a panic or an economic washout, make himself liquid, insofar as his investment in that modern corporation goes.

Then, going on with this bill, I tried to see what effect, if any, good or bad, this bill will have on the operations of the modern corporation, the stocks and bonds of which are held by the people of this country who desire to be in a liquid position, and I get into a study something like I have here very quickly and roughly illustrated by the chart which I now present. If I had had more time I would have had these charts completed and they would have been much more intelligible than they are, but the chart I have will illustrate my point.

We will take the United States Steel Corporation, and we find that at December 31, 1934, it had a surplus of $528,000,000. At December 31, 1935, it had a surplus of only $252,000,000. Its operations for 1934 resulted in a deficit of $21,667,000. Its income in 1935 was $1,146,000.

I find that it paid dividends to the full amount in 1934, and to the full amount in 1935.

I very much desired to extend this study to show what happened in this particular corporation between 1929 and 1935, with reference to increase or decrease in surplus, incomes or deficits, dividends paid, and the debt structure, because as I read this bill it strikes directly, and deeply, into all operations which have to do with the financial management of corporations, whether with incomes of $10,000 or

less or $10,000 or more. So, as an illustration, here within 1 year a corporation's surplus shifts, and without carefully analyzing the report, wherein an accountant could easily dig out the cause of this, within 1 year the surplus shifts from $528,000,000 to $252,000,000, which no doubt is caused by a cleaning up of corporation adversities which took place between the beginning of the economic washout of 1929 and what happened at the time they started out of the deficit period.

Any sound management, if they are dealing with bankers, are very reluctant in a period of depression to debit their surplus accounts with extraordinary losses, because if they do that the banker says, "Well, we cannot handle your paper", or the investor says, "Well, I cannot take that paper unless you double the interest rates." So it would be very interesting to extend the figures on this chart for a number of years and explore into what might have happened to the United States Steel Corporation's operations for the period 1929 to 1935, both inclusive. Taking this tax proposal and applying its provisions to the operating results of corporations like United States Steel, the American Sugar Refining Co., the Great Western Sugar Co., the General Foods, General Mills, American Telephone & Telegraph, would all lead us into most interesting discussions with regard to this staggering program which we are about to adopt.

Mr. Chairman, after taking this tax proposal and applying it to actual results of operations of these larger American corporations, it would be just as enlightening to make an application to the operating results of the 43,000 other corporations which return net income in excess of $10,000 annually. Admitting that I have had very little time in which to explore the bill and make applications, I am sure that in scores of cases the direct result of the administration of this bill in its present form will be the financial death of scores of these corporations and thus move us more swiftly and completely toward a greater monopolistic control of American industry and commerce. A reference to the several volumes of Moody's Industrial Reports, which I have here on the table, will furnish numerous examples, I am confident, of the exactness and correctness of my statements. With the varying industrial, financial, geographical, seasonal, and credit conditions which exist throughout this land, how anyone familiar with the operating problems of the modern corporation can come to the conclusion that a "strait jacket" in the form of this tax bill is good for the "general welfare" is more than I can understand. It is my firm opinion this tax measure cannot be adapted to these corporate problems without creating havoc in fabrication, transportation, marketing, and financing.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. VINSON of Kentucky. Before the gentleman leaves the first pages of the charts it is evident—the gentleman's figures being correct, and I assume them to be—that in 1934 the Steel Co. paid no income tax under existing law.

Mr. CRAWFORD. That is right.

Mr. VINSON of Kentucky. And in 1935 if the proposed law were in effect they would pay no income tax?

Mr. CRAWFORD. That is correct.

Mr. VINSON of Kentucky. In other words, paying out in dividends more than the net income there would be no corporate tax?

Mr. CRAWFORD. That is correct.

(The time of Mr. CRAWFORD having expired, he was given 5 minutes more.)

Mr. BACHARACH. Will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. BACHARACH. It is true, as the gentleman from Kentucky says, but the persons receiving the dividends would have to pay the tax on their dividends.

Mr. VINSON of Kentucky. Under the existing law, if they are in the surtax brackets they pay taxes. Under the proposed plan they would pay the normal tax in addition thereto.

Mr. BACHARACH. We are not talking about "ifs", but I say that every person under the proposed law would have to pay the tax.

Mr. CRAWFORD. Now, the $7,205,000 came out of the surplus which was accumulated in prior years, while, in my opinion, this tax law will have more to do in preventing the accumulation of a surplus than anything that has ever been done to corporations in the way of Federal legislation. In this I may be mistaken; but if so, I trust the debate following will show wherein I am in error.

Now, let us take the American Sugar Refining Co. In 1911 their surplus was $21,000,000 and the income $14,000,000. In 1915 their surplus was $16,000,000 and the income $6,000,000. In 1921 there was a deficit of $586,390. In 1932 the income was $11,354,000, while in 1935 the income was $5,258,000, and my objective in showing these figures is to illustrate the great variation of operating results; to show the ebb and flow of earnings and losses; to show the increase and decrease of debt as we see it here rise from $3,415,000 in 1911 to $4,000,000 in 1915, and then to $35,470,000 in 1921. At that high point it was necessary for the corporation to make arrangements for new financing, but before accomplishing that the debt rose to $40,710,000 in 1922, and we find then a bond issue of $30,000,000 reflected in the balance sheet. That means bankers had to be consulted. Investors had to be found who would take the bonds. Interest rates had to be agreed upon. Commissions had to be paid. Prospective earnings had to be projected and a general tightening of belts all the way around was necessary. Often in such cases new managements are brought into the seats of the corporation. At such a time it would, no doubt, be absolutely disastrous if the corporation had to deal with a tax measure such as we are here considering in addition to all the other problems which such a situation would present.

In 1936 the outstanding corporations which paid dividends—I mean corporations which have 1,000 to 10,000 stockholders, the difference between 247,000 corporations and the 214,000 corporations.

Mr. COOPER of Tennessee. If the gentleman will allow me, that was a misprint. It should be 257,000 corporations, and those were the ones making an income-tax return.

Mr. CRAWFORD. Two hundred and fifty-seven thousand corporations making tax returns with an income subject to tax. Then there are 214,000 which have incomes of $10,000 or less. So the difference between the 214,000 corporations and the 257,000 corporations making returns is a small group made up largely of representative corporations that have thousands of stockholders, and here is a situation where you get the picture. What happens? Dividends drop to $3,000,000. The debt in 1911 is $3,000,000; in 1915, $3,999,000; in 1921 it jumps to $35,000,000; in 1935 it was paid down to $5,000,000. Where would that debt be today if a bill of this kind had been in operation, and how could they have liquidated this indebtedness that accumulated in 1920, 1921, and 1922? Within the short period of only 3 years a staggering debt increase of, roughly, $37,000,000 is built up simply because the corporation ran into an economic storm no management could foresee.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BACHARACH. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. Yes.

Mr. VINSON of Kentucky. In regard to your 1935 year, see if I have the figures correct. Your income is $5,000,000 plus and your dividends $4,000,000 plus. Under the proposed plan I submit to the gentleman that the rate of tax would be 6 percent upon the income of $5,000,000 plus, or $300,000, whereas under existing law the tax would be substantially $800,000.

Mr. CRAWFORD. Yes; but the point I am bringing out is during the great fluctuations in income and losses great cushions are needed in the way of accumulated reserves. I grant the tax would be about $300,000, instead of $800,000 under the present law, but in order to accomplish that result you must pay out in dividends 80 percent of your earnings. You are whipped into a living torment as you gaze at the percentage table, and this leads you into the unsound and de-

structive practice of dissipating all earnings in the form of dividends and leaves you without a cushion when the rainy day comes, and that is very bad. To escape the tax penalty you comply, and in that compliance you commit economic suicide.

Mr. VINSON of Kentucky. The gentleman must recognize, however, that when we take the difference in the tax under existing law, $800,000 plus, and the tax under the proposed plan of $300,000, you have a difference of $500,000 less tax for the year 1935, which can be added to surplus—$500,000 more than under existing law.

Mr. CRAWFORD. But the thing I have in mind all the time is where these large corporations have large incomes over and above their dividend payments, 57½ percent of that is going to be put into the tax box, and if it goes into the tax box you cannot build up corporate resources to take care of wash-outs.

Let us go to another sugar company. Here is something that will be interesting to the gentleman from Colorado. These figures are not confidential, because I take them out of Moody's industrial books, and they are public information. Here is a company that has a liquid surplus in 1930 of $30,000,000, in 1935 of $25,000,000. Income in 1933 of $2,500,000, in 1934 of $6,414,000, and in 1935 of $5,761,000. Dividends were paid every year. There is a debt, $823,303, in 1933, and in 1934 a debt of $936,788, and in 1935 a debt of $861,939. The running debt runs about constant, because all funded debt of every nature is absent on account of the liquid surplus. The management would be foolish to carry a debt with such a reserve of liquid assets. It does not carry a debt except running normal expenses. On the same street in the same town there is another company engaged in a similar line of business. They have a debt structure in the form of bonds, debentures, and acceptances several times the amount of their surplus. This second corporation is not blessed with a soft cushion in the form of a large surplus in liquid form. Before its management is the rocky road of the new tax proposal. Over it they must travel, and as they build that surplus or reserve sufficiently to meet a great operating problem such as they have just worked out of, staggering taxes must be paid on the portion to be carried to surplus. Corporation no. 2 gathers its raw material from the same State no. 1 draws its from. No. 2 sells its finished product in the same geographical territory, and its operating conditions in field and in factory are very similar to those of corporation no. 1. In the event of a series of bad years, it does not require two guesses to draw a conclusion as to what will happen to corporation no. 2. A tax proposal which imposes such burdens upon corporation no. 2 drives directly into a greater and greater control of American industry by the monopolistic tactics of strongly entrenched capital structures and corporate managements. Such a program can only lead to a heavy mortality among those corporations which at the beginning of this new type of race are not blessed with a reserve cushion in behalf of which they have not been heavily taxed.

In my opinion, this tax bill will certainly drive one company to bankruptcy and thereby turn the entire situation over to this strongly entrenched company, which has heretofore accumulated its surplus and is today in a liquid position, with all dividends paid and no debts of consequence. So I say that this bill is an indirect support of the creation of greater and greater monopolies and a direct death-dealing blow to corporations with debt structure and with nonliquid surpluses, in spite of the fact that it does give some relief from tax when debts are amortized.

I have many other figures here. Take the American Telephone & Telegraph Co. I was very anxious to go into that. I make some reference to it. As an illustration, in 1934 the dividends which the American Telephone & Telegraph Co. paid were $167,000,000, while its earnings were only $121,000,000. In 1935 the earnings were $125,000,000, while the dividends paid amounted to $167,000,000. Surpluses in each year being reduced by excess of outgo over income. And yet, Mr. Chairman, the claim is too often made that the large corporations withhold dividends from their stockholders. Too, the claim has been made that this bill is necessary to force large corporate enterprises to pay dividends. I do not believe the record will support such arguments. Granted, there are a few closely controlled corporations which attempt to circumvent or evade or avoid payment of taxes. But I ask, Is it necessary to pass such a destructive tax law simply in an attempt to make those few corporations conform; and especially do I ask why we should take a step like this before first reducing expenditures to the very minimum, and thus attempt to encourage industry and savings and bring the expenditures of Federal Government within the present national income derived under present tax laws?

So these are the reasons why I made the first observation that, in my opinion, this tax bill is the most revolutionary corporate taxing step we have taken in this country since the creation of the corporate entity, and my prediction is that it will bring about great dislocation of investments. It will greatly embarrass those who are now in charge of corporations; it will prevent others from going into business, creating industry and giving employment.

Mr. Chairman, the bill, in my opinion, tends to defeat the objective of all legitimate business enterprise. The Nation's business structure is not prepared for this blow at this time.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CRAWFORD] has again expired.

Mr. BACHARACH. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, I realize that the hour is getting late. It is now 4:30 and probably only 40 Members of the House of Representatives are present, one-tenth of our number. I presume the membership of the House is well acquainted with this bill and it is not necessary for most of them to spend a lot of time trying to digest it. That is not the case with me. The bill is just off the press, but I rise at this time primarily, Mr. Chairman, to answer the question of the majority leader [Mr. BANKHEAD], propounded earlier this afternoon. If I have time then I want to make some statements with reference to the tax bill.

The first defense of this tax bill was given to us this afternoon by the chairman of the Committee on Ways and Means [Mr. DOUGHTON] when he said the object of the present tax bill was to try to equalize taxes, giving an illustration of a partnership, wherein they would have to pay such great taxes under the present law, and there was such an injustice to them in comparison to a corporation. I want to say to the gentleman from North Carolina that I was a member of a copartnership up until 1930, and I realized the inequality and the injustice in taxation, so there was only one thing for us to do and that was to incorporate our business so that we could have the same manner of justice that corporations enjoyed.

I would suggest to the gentleman from North Carolina that if anyone who is in a partnership feels that there is an injustice to his business because of the fact that he is engaged in a copartnership, there is one thing he can do to get relief, and that is to incorporate his business. There is no reason why any business, regardless of what it may be, legal or any other manner of business, that cannot be incorporated, it would be a poor lawyer who would not so advise his client.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. RICH. I am not going to yield now, because I only have 15 minutes, and I probably cannot get any more time. It is hard for me to get time. There is no one in this House for whom I have greater respect than the gentleman from North Carolina, and I should gladly yield if I had time.

I am going to refer now to the statements made this afternoon by the majority leader [Mr. BANKHEAD]. I asked him a question about the operation of Government, and whether it would not be wiser for us, as Members of Congress, to cut down greatly our exorbitant expenditures of Government funds, running this Government into the greatest debt it has ever known in all time, rather than to be imposing this tax bill. Always the gentleman from Alabama is evasive. He does not want to answer, and the

membership of this House does not seem to want to answer. Where are you going to get the money? I think when the gentleman from New York [Mr. TABER] gave us information this afternoon, which he did, and which information is authentic, that we could cut $1,200,000,000 from our present appropriation, there is no reason, in my judgment, why the gentleman from Alabama should not make some effort on the part of the House of Representatives to cut down these expenses, and that he and the majority party should help do that, rather than to spend Government funds, much of it foolishly. It is one of the most important points that I want to make right now. I told the gentleman from Alabama [Mr. BANKHEAD] that I would answer his question later on, and this is the answer.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. RICH. I want to yield to the gentleman, but if I finish my statement I will yield. If they will give me a little time, second to the gentleman from North Carolina [Mr. DOUGHTON], I will yield to the gentleman from Alabama. I said I would yield to the gentleman from North Carolina first.

Mr. BANKHEAD. I only had 15 minutes, and I yielded to the gentleman from Pennsylvania.

Mr. RICH. Let me finish my statement and I will certainly yield to the gentleman from Alabama. The gentleman from Alabama then went on with the statement that is made so many times in the House of Representatives, as if we on the Republican side were only trying to conserve money and put it into the hands of a few people and let the great mass of people go hungry. Now, God forbid that we on the Republican side would have such hearts of stone. I do not know that the gentlemen on the Democratic side of the House are more desirous of trying to take care of the needy in this country than myself and the other Members on the Republican side. I believe in humanitarian principles. I believe in the Golden Rule and try to practice it. I do not think we could pass a more equitable tax law than one based on the proposition that the more a man makes the more he ought to pay. I am in sympathy with that principle, and no one will do more to put it into effect than I will. So when we hear that the great expenditure of Government funds has all been to take care of the needy, after we hear so much about the great extravagances under the W. P. A. and the P. W. A. and other agencies set up by Executive order, I wonder whether it is all made to give bread to the starving and clothing to those who are cold, or whether it might have sometimes a tinge of politics?

He quoted the president of the United States Chamber of Commerce as saying that business is good. In some lines of business this is so, and a lot of people are back to work. Thank goodness, it is so; but I wonder whether it has been brought about because of the laws passed in the last 3 years or because of the decisions rendered by the Supreme Court. Remember, I do not say this with any desire of trying to tramp on the Democratic administration; I say it because I am honestly convinced that many of the unconstitutional laws should never have been enacted, and I believe now the majority of the Members on the Democratic side of the House agree with me in this statement.

I shall quote now a statement not from the president of the United States Chamber of Commerce, but from the President of the United States, Mr. Roosevelt, in a speech made in Pittsburgh on October 19, 1932. I quote:

> Taxes are paid in the sweat of every man who labors, because they are a burden on production and can be paid only by production. If excessive, they are reflected in the idle factories, tax-sold farms, and hence in hordes of hungry tramping the streets seeking jobs in vain. Our workers may never see a tax bill, but they pay in reduction from wages in increased cost of what they buy or, as now, in broad cessation of employment. There is not an unemployed man, there is not a struggling farmer whose interest in this subject is not direct and vital.

I thought those words were sound when they were uttered by the President, and I think they are just as sound today. I congratulate the President on making that statement, and I do hope he will take to heart today these words he uttered in 1932. What has been the result? He says one thing and does another.

We know the operation of this Government is going to be successful only insofar as we operate it for the benefit of the people and operate it economically. It is a business, a great business, the biggest business in all the world. How much thought and how much time are we giving to the fundamental principles of Government operation? Are we thinking of the application of real, true business principles to the operation of the Government, or are we thinking of trying to operate the Government only from the political standpoint? If we are trying to operate the Government from the political standpoint only, then possibly you are making a success of it; but I cannot agree that we are applying sound business principles to the operation of Government and operating it for the good of the American people. When the Democrats took hold of the Government in 1932 there were 61 major departments the taxpayers were supporting. Since that time 41 new major operations of Government have been added, notwithstanding your promise to cut them down in number and consolidate departments. Now, get this point, that every time we increase our functions of Government they become larger and larger and each succeeding year it is more difficult for us to cut down expenses. Expenses always increase, because we add new enterprises and adopt new thoughts and new ideas, and these new activities and the people running them ask Congress for greater appropriations each year. It is like a snowball rolling down the mountain, it gets larger and larger the farther it goes.

So with the Government departments; they become greater and greater as time goes on, require larger personnel and greater annual expenses. It was shown here this afternoon by the gentleman from New York [Mr. TABER] that before the annual appropriation bills are finally passed by the House of Representatives the departmental estimates are going to be increased by almost $1,000,000,000 over what was granted them a year ago. Why, it is an astounding figure! Mr. Chairman, we ought to give as much time trying to cut down the expenses of government—more time, I should say—as the 4 or 5 days we shall sit here trying to raise six or seven hundred million dollars. When the conference reports come up for consideration, however, the leaders of the House say to us: "Here is the conference report; now you must agree to this conference report. This is what we want to enact into law." And recently without any consideration beyond a probable 5 or 10 minutes you voted to add sixty or seventy millions of dollars to an appropriation bill already passed by the House. Is this a sensible, sane thing for us to do? Think it over and call the Members of this House together and give them an opportunity when these conference reports come in to cut down these great expenses.

[Here the gavel fell.]

Mr. BACHARACH. Mr. Chairman, I yield 3 additional minutes to the gentleman from Pennsylvania.

Mr. RICH. I see I shall not have time to talk on the tax bill very much, although I should like to. It has been said here this afternoon that this tax bill is simple. I read from page 16, beginning in line 3, and then shall ask if any of you know what it means, even after you study the chart and all:

> If the undistributed net income is a percentage of the adjusted net income which is more than 10 and less than 20 (and such percentage is not shown in the foregoing table), the tax shall be a percentage of the adjusted net income equal to the sum of 1, plus one-fourth of the amount by which the percentage which the undistributed net income is of the adjusted net income exceeds 10.

It is my opinion that if I were to ask each of the 435 Members of this House when they figure out their corporate income if they know what it is all about, they would not. I have studied it, I have thought about it, and I do not know whether I know what it is about, I must confess. Do you?

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. RICH. Not now.

Mr. VINSON of Kentucky. I want to help the gentleman out of his embarrassment.

Mr. RICH. Mr. Chairman, I decline to yield.

Mr. Chairman, I am not going to have time to talk at great length on the merits or demerits of the bill; but before I yield the floor permit me to say that I cannot see the difference between a banking institution or insurance company which you permit to be exempt from the taxes you now propose and the manufacturing concern. The difference, as I see it, is that the banker looks after the depositor's money and then tries to make some money to pay to the stockholders of the institution. If anything happens to that bank, you Members who wrote this tax bill know that not only the stockholders of the bank but the depositors also are going to lose.

The depositor is an individual who has accumulated something by thrift, by saving, and through hard work. God knows we ought to protect him if possible. It is decided now in order to protect him we are going to let the banking institutions create a surplus.

[Here the gavel fell.]

Mr. BACHARACH. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. RICH. Mr. Chairman, the Congress wants to protect the banks now. The difference between a bank and a manufacturing establishment is that the manufacturing establishment gives employment to labor. If we are going to wreck the manufacturing establishment because it cannot create a surplus, we are going to wreck the employers of labor. I know this tax bill is going to do away with surpluses, insofar as people can get away from paying taxes, because nobody likes to pay a tax, but if we wreck the business institutions of this country then we wreck the business establishments that provide jobs to labor, which creates earning power for the people to live on, we kill some of the great institutions that made this country.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 3 additional minutes, if he will yield to me.

Mr. RICH. Mr. Chairman, we kill industry and we take away the jobs, the very things we want to create. The Department of Labor states that there are at the present time 12,000,000 men out of work. If you want to regulate industry today, govern mass production, and those 12,000,000 people will go back to work, and we will not have this national deficit. The gentleman from Alabama [Mr. BANKHEAD] asked me this afternoon about the six and a quarter billion dollars spent during the Hoover administration. That was the spending that turned the tide of the depression.

In the past 3 years the present administration has spent $12,000,000,000, more than twice as much. It may be said that it is only ten billion, but there are $2,000,000,000 not shown on the financial statement that I hold in my hand, issued by the Treasury Department; therefore the present administration is $12,000,000,000 in the red. Mr. BANKHEAD, you see you were twice as extravagant. More than 100 percent; think of it.

Mr. Chairman, I now yield to the gentleman from North Carolina [Mr. DOUGHTON].

Mr. DOUGHTON. The gentleman is aware of the fact that those doing business in the form of corporations have the advantage, so far as tax matters are concerned, over those who do business as partnerships. They can obtain relief through incorporation. But how about the individual, what would the gentleman do with him?

Mr. RICH. Let him take his wife and daughter and the three people organize a corporation. That is all that it is necessary for him to do under our laws, and we must obey the laws.

Mr. DOUGHTON. Where are you going to get the money? The gentleman wants more money, yet, under the plan he suggests, we would get less money, so he contradicts himself coming and going.

Mr. RICH. Oh, no; I do not.

Mr. DOUGHTON. They pay more as partnerships. The gentleman wants to know where they are going to get the money.

Mr. RICH. I was only trying to help the gentleman to satisfy the other fellow that is in the hole.

Mr. DOUGHTON. I am already out.

Mr. RICH. I say stop spending money! That is the place to raise the money, and if we do that we will be doing a good job, and you should help us stop our extravagant spending.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 15 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, our rehabilitation expenses have been staggering in their proportions. They were brought about not by choice but through crucial necessity. I have heard the gentleman from Pennsylvania say many times, "Stop spending money", just as he has today. Then I have heard him ask for more money for flood relief in his region. I have heard other gentlemen on the other side say, "We can reduce expenditures by so many millions here and so many millions there", but not one of them tells us what to discontinue or what to stop. On the other hand they have asked for an increase of expenditures for their emergencies. Again the gentleman from Pennsylvania [Mr. RICH] asks repeatedly, "Where are we going to get the money?" This tax bill is his answer. Of course, he does not like the answer. Nor do I. However, we have something to be thankful for. We find missing in this bill the processing taxes that were heralded. I have no quarrel with the windfall tax because no one should unjustly enrich himself. But I do not favor the corporate surplus income tax because it is unnecessary.

Mr. Chairman, I hesitate to approve of the Government extending a heavy hand—a heavy tax hand—upon the business of the country. When the Government goes to business for its revenues, it ought to extend its hand lightly and not heavily, because when the Government intervenes in business inordinately it becomes a burden upon business and the country generally.

The gentleman from Pennsylvania in the course of his remarks said he believes in the principle that the man who makes the most should pay the most. That is not refuted; but the principle has been superseded by the practice during late years of the men who make the most paying the least or nothing at all. So the Congress undertook by a tax bill that is still young to cure that situation and to make all pay more—individuals, corporations, everyone.

You say the tax revenue from this bill is not enough. New exigencies arose, and now we have brought in here again another tax bill, this bill designed primarily to reach corporate surpluses. Even while it is in the making it is said this bill will not be sufficient to raise the amount of money that it is intended to raise; that next year we may expect another tax bill.

Oh, how long will this Congress continue to reach out and tap—and when you tap you sap the economic resources of this country. None of us want to dry up the resources, the bulwarks of our institutions. Neither do we wish to discourage employment. Better for business to employ our people than have our Government do it. Business can do it more satisfactorily and to better advantage. What effect the bill will have on employment is uncertain. But if we are to have the bill, then we ought to make it attractive for business to absorb the unemployed. To this end I would propose an amendment to section 23 of the bill granting an exemption from the taxes to be imposed of such corporate surplus income as should be the equivalent of all money paid out to new employees engaged on and after the date of the passage of the bill, with a limitation that the exemption not exceed 20 percent of the current pay roll and that the production of the plant be not increased over 5 percent.

If the House will harken to me, Mr. Chairman, the membership cannot help but feel with me that this tax bill is not at all necessary. The object of it is to raise approximately $1,000,000,000. It is for the Committee on Ways and Means

and this House to say how we shall raise it. We can raise the money without resort to taxation. We can get the money from contributions—voluntary contributions—from all the people without hardship on anyone. We can strike out the enacting clause of this bill abandoning this corporation surplus income-tax measure and take up and pass my bill for a national lottery, which will give us the billion we seek.

With triple loads of National, State, and local taxes bearing down on our people, why do we not consider the efficacy of the lottery? Why do we not go back to the period before we had any tax system of our own?

Take, for instance, the time when we were engaged in the great Revolutionary War. When money was scarce and hard to get and insufficient to carry on the war George Washington fostered the lottery as a means to the end that we might become a free and independent people. He prevailed when the Continental Congress, in November 1776, adopted its historic resolution providing that the funds for the next campaign should be raised by lottery to be drawn in the city of Philadelphia.

When the war was won Alexander Hamilton, the first Secretary of the Treasury, proclaimed that having won our political independence we should forthwith establish our economic independence. As his contribution he proposed that we instruct our people in useful manufactures and pass effective legislation in their aid. His objectives were to supply the domestic market by means of a protective tariff and to follow through with a bid for world trade. Interesting important men of that time, he selected the northern part of my State as the center of industry of our country, causing to be incorporated under the laws of the State of New Jersey the Society for Useful Manufactures, a corporation which is still in existence, proposing for it the power to conduct a lottery to raise not over $100,000 in any one year. Hamilton, in referring to his plan, said the lottery would give a ready command of money—and there is no question about that from our present-day experiences—and would make up for first unproductive efforts—deficits.

Our experts now are engaged to provide against deficits, and if we ponder sufficiently we shall find that the aristocrat of all deficiency measures, all emergency measures, has been and still is the lottery, for the lottery, when conducted by the Government, is nothing more nor less than a voluntary contribution on the part of the great body of the people ready and willing to make a gift to their Government in an emergency, and the emergency of a huge national debt and annual outlay is still with us. A national lottery in this country will make unnecessary any harm that may come from the enactment of this bill, and no tax bill can be passed which will not work hardship on some.

Of course, it might not be amiss to tax great surpluses that make our business houses gigantic banks, but the process will in some degree clamp down and crack down on the backbone of the country's ordinary business, placing a burden upon business and the Nation.

Let me now remind this Congress, Mr. Chairman, that when the First Congress was called into session it had no meeting place. In the public dilemma the city of New York hospitably invited the Members to meet in the metropolis. So that they might have suitable arrangements and accommodations, the city improved and remodeled the city hall. As a result the city was faced with a deficit of £13,000, a huge amount of money in those days, and far beyond its power to pay. It could not be raised from ordinary sources, so the city went to the State legislature and secured permission for the operation of a lottery, which it conducted, and from its proceeds quickly paid its bill.

Again, when it was undertaken to construct the first buildings in the District of Columbia, this Congress gave the city of Washington the power to conduct a lottery for the purpose. That was in 1795. Washington was President and John Adams was Secretary of State. When the buildings were dedicated in 1800, John Adams, then President, praised in glowing terms the virtues of the citizens of the country who by their lottery participation had made possible the nucleus of this great Capital.

O Mr. Chairman, do you know that at the present time our people are participating in lotteries more than ever before in the history of the Nation. Between three and six billion dollars a year flow into channels that do not come within our economic realm, and if we are going to tap and harness any funds to meet our expenses, let us go beyond the economic sources, already strained, and harness and garner the moneys that are being lost to our country, our Government, and legitimate business, and make them serve our economic purposes.

Our lottery moneys are now going into the hands of racketeers and organized criminals at home or are finding their way to foreign countries. Billions are involved—billions. Let us reflect, too, on the fact that every form of government in the world has in operation a lottery conducted by or under the auspices of the government for worthy and needed purposes.

Yet we are standing idly by failing to take cognizance of the large, huge amounts of money that are passing from us when they are so necessary for the welfare of our own people.

The people of this country are ready and willing, as in all crises, to contribute small amounts of money which will aggregate a billion net to the Government for the purpose of surging forward on the road of sound economic recovery.

Business has gone ahead. It is ready to make further strides. We must not load it down with excessive taxation. Let us rather lighten the load. We have made great progress. Business is cooperating more and more every day. This cooperation is slowly but surely lifting the load of the Government. Let us give business another hand; let us reach out for the huge treasure of lottery moneys to help with the burden; let us recommit this bill and vote the national lottery bill, and thus raise the revenue sought by this bill, bringing into the economic realm the billions of dollars lost to us yearly to be employed for the economic use and welfare of our people. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes, and had come to no resolution thereon.

COINAGE OF 50-CENT PIECES FOR GREAT LAKES EXPOSITION

Mr. COCHRAN. Mr. Speaker, I reported a bill from the Committee on Coinage, Weights, and Measures authorizing the coinage of 50-cent pieces for the commemoration of the centennial celebration of Cleveland, Ohio, to be known as the Great Lakes Exposition. It is an emergency measure, and I ask for its immediate consideration.

The SPEAKER. The Clerk will report the title.

The Clerk read the title as follows:

S. 4335

An act to authorize the coinage of 50-cent pieces in commemoration of the centennial celebration of Cleveland, Ohio, to be known as the Great Lakes Exposition.

The SPEAKER. Is there objection?

Mr. RICH. Reserving the right to object, I would like to ask my colleague from Missouri how many of these new coinage bills are going to be brought into the House, and why do not they get together a dozen and put them on one bill?

Mr. COCHRAN. If the gentleman will agree to it, as far as I am concerned I would be very glad. Members on both sides of the aisle ask that these bills be reported out, and we have reported them. This exposition is to be held this year, and the gentleman from Ohio [Mr. CROSSER] says that if we do not get the authority to print the coins now it will be useless.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That in commemoration of the centennial anniversary in 1936 of the city of Cleveland, Ohio, to be known as

the Great Lakes Exposition, and to commemorate Cleveland's contribution to the industrial progress of the United States for the past 100 years, there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 50,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the treasurer of the Cleveland Centennial Commemorative Coin Association upon payment by him of the par value of such coins, but not less than 5,000 such coins shall be issued to him at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such Cleveland Centennial Commemorative Coin Association, and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

With the following committee amendments:

Page 1, line 9, after the word "not", insert "less than 25,000 and not."

Page 2, line 12, strike out the word "five" and insert "twenty-five."

The committee amendments were agreed to; and the bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection?

There was no objection.

THE FARM-TENANCY SITUATION

Mr. UTTERBACK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of the farm-tenancy situation.

The SPEAKER. Is there objection?

There was no objection.

Mr. UTTERBACK. Mr. Speaker, I want to call your attention to one of the most serious problems confronting American agriculture today. It is the problem of farm tenancy. According to the 1935 Census of Agriculture about 42 percent of all the farms in the United States were operated by tenants, and, in addition, approximately 10 percent more of all farmers in the country rented a part of the land which they farmed. When we total up the figures we find that more than half of our farmers rent all or part of their land, and almost half of all the farm land in the country is operated under lease. Agriculture has long been considered to be one line of endeavor in which the ownership of the land and capital was in the hands of the man running the business, but, as these figures clearly show, this situation is no longer true in America. The number of absentee owners of farms has become practically as large as the number of owner-operators.

This situation is not a thing that has developed during the depression; it is not a new or an emergency development. However, it is true that farm tenancy has been increased by the low farm prices and incomes of the last few years, and that some of the most undesirable features of the farm-tenancy situation have come to light during the depression. On the whole, however, the gradual increase of farm tenancy has been with us for many decades. In 1880, which is the first year in which census data became available showing the number of farm tenants in this country, we find that slightly more than 25 percent of all our farmers were tenants. With the passing of each decade since then there has been an increase in the number of farms operated by tenants, and, as the figures which I have mentioned above plainly show, we have now reached the stage where almost half of our farmers are operating without owning the land which they farm. In 1880 there were 4,008,907 farmers in this country. Today there are 6,812,350. In other words, we have had an increase in the number of farms during this period of 70 percent. In contrast to these figures, we find that in 1880 there were 1,025,000 tenant farmers in this country. In 1935 there were 2,865,000 tenants, or an increase in the number of tenant farmers since 1880 of 180 percent.

My colleagues, I want you to hold the following two figures in mind and give them your careful consideration. During the 55-year period from 1880 to 1935, the number of farms increased 70 percent, where during the same period the number of farms operated by tenants increased 180 percent. The tremendous gain in the number of tenant-operated farms as compared with the number of owner-operated farms clearly shows that America is fast becoming a Nation of absentee landowners, with its food and fiber being produced by tenants or landless farmers. This, Mr. Speaker, is in a country known the world over for its great natural resources, for its energetic population, and for its democratic form of government. As I have said, the problem is not a new one, but it has now reached staggering proportions. At the turn of the century 35 percent of all our farmers were tenants, and in 1920, immediately after the prosperous war period, and before the crash which came in the fall of that year, we find that 38 percent of all farmers were tenants, and today over 42 percent are tenants. Obviously this general problem is an important one.

Neither is the problem of farm tenancy a sectional or regional one; it is of Nation-wide significance. Some tenancy is found in every State of the Union. It ranges from 7 or 8 percent in New England to 45 or 50 percent in many areas of the Corn Belt and up to as high as 70 or even 75 percent in certain areas of the South. What is even more important than the present percentage of tenancy is the rate of change in the number of tenant farmers during the past few years. When we turn our attention to the changes in the proportion of farmers who are tenants we find that the increases have been greatest in the Corn and Wheat Belts of the Middle West and in the Mountain and Pacific States in the far West. Let me give you some illustrations of recent changes in the tenancy picture for the general area of the country with which I am not familiar. In my home State of Iowa, for instance, we find from published reports of the census that 42 percent of all farmers were tenants in 1930; 10 years later 47 percent of all the farmers were tenants; and today 50 percent of all Iowa farms are operated by persons who rent all of the land. In the adjoining State of South Dakota 45 percent of all farmers were tenants in 1930, and in 1935 the figure was 49 percent. In Nebraska 49 percent of all the farms are tenant operated. In Kansas and Illinois 44 farmers out of each 100 are tenants. In every one of these States there has been a substantial increase in tenancy during the last 3 or 4 decades.

If we turn our attention to the States farther west, we find there again that tenancy has been increasing. For instance, in Montana only 11 percent of the farmers were tenants in 1920; by 1930 the number had increased to 24 percent of all farmers; and there was a further increase between 1930 and 1935, so that now about 28 percent of all farms in Montana are operated by tenants. In Idaho 29 percent of all farmers are tenants, and there was a very substantial increase between 1930 and 1935. In Colorado 39 percent of all the farms are operated by tenants, whereas 15 years ago only 23 percent of all the farmers in the State were tenants.

I do not want to burden you with more of these figures. These are enough illustrations to show conclusively that tenancy is important in the North and West, and that it is rapidly increasing in these areas. The South has long been recognized as a section where tenant farming is predominant. If we take the average for the 16 Southern States, we find that 54 percent of all the farmers are tenants.

Although there was some slight tendency for the percentage of tenancy in the South to decrease during the 5 years between 1930 and 1935, there are now more tenants in absolute numbers in the Southern States than ever before in the history of the country.

I think I have given you enough figures now to show that farm tenancy is significant and important; that it is found in practically all areas of the country; and that it is rapidly increasing in most of the rich agricultural regions of the United States.

However, merely to show that almost half of our farmers are tenants and that the number and proportion of tenant farmers are rapidly increasing may not be an indication of the real significance of this problem. In other words, to show that something is important does not necessarily indicate that it is bad or undesirable. I believe, however, that I can bring before you a few facts which will convince you that this tremendous increase in farm tenancy is a very serious and undesirable situation for the future of American agriculture. Some people will ask: "Well, what if tenancy is increasing? What if half of our farmers are tenants? What difference does it make? Why is it not all right for one man to own the land and another man to furnish the capital and labor for operating the farm?" These questions are perfectly legitimate ones and deserve some very careful discussion. Each and every one of them has a perfect answer. From practically every aspect the answers indicate that tenant farming is undesirable, and that this country will have a decidedly different rural civilization from what it has ever known before if the rapid increase in farm tenancy continues.

I cannot take the time to discuss each of these questions as it should be considered, but, nevertheless, I can give you, in a very short time, facts of such a nature as to indicate that the leadership of this country had better awaken itself to the increasing trend in farm tenancy.

One of the important evils of our tenancy system is that it leads to a very high degree of specialization in cash-crop farming, which in turn has a tendency to decrease the fertility of the soil through heavy-cropping practices and to encourage erosion. At the same time it adds to the burdensome market surpluses of a few cash crops without giving us a well-balanced and diversified system of farming.

My attention has recently been called to a very splendid article in the Southern Agriculturist by Senator JOSEPH T. ROBINSON, of Arkansas. In this article Senator ROBINSON shows from studies that have been made by agricultural economists of various southern experiment stations that the ordinary farm tenant is much more of a one-crop specialist than is the farming owner. For instance, Senator ROBINSON reports the findings of a study made by the experiment station in his home State of Arkansas of a small cotton-growing community in the northeastern part of that State. This survey indicated that the average farm operated by its owners in that local community had 44 percent of its cropland in cotton, whereas tenant farms lying side by side with the owner-operated farms had 63 percent of their cropland in cotton. He quotes other studies made by the experiment stations in Mississippi, Georgia, and other Southern States, and shows that in every instance the tenant farmer has a greater proportion of his cropland in cotton than does the owner-operator on the same size and type of farm in the same local community.

I do not have the figures at hand to show that this high specialization in cash-crop farming by tenants is true all over the United States, but I am convinced from my observation throughout the Middle West that the situation holds there. In other words, in Iowa and other States of the Corn Belt, the tenant farmer turns his attention primarily to the production of corn. He mines the soil year after year with this one cash crop, and he helps add to the unbalanced condition of agriculture by specializing in this cash-crop production.

There is a good reason, my colleagues, for the tenant farmer being a one-crop man, and this reason is that he has no security—no assurance that he can remain on the farm for longer than the crop-growing season. For instance, a recent bulletin published by the agricultural experiment station of my home State reports on a survey of farms in the southern part of Iowa. This bulletin says in part:

> Of the 59 tenant farms surveyed, 48 of them, or 81 percent, are leased under a 1 year contract without any provision for extension or renewal.

Anyone can readily understand why a tenant farmer, who has no assurance from the landlord that he may stay on the farm for longer than 1 year, will not go into the production of livestock, hay crops, or enterprises other than those which can be planted, cultivated, and harvested during the 1-year period.

The length of time which a farmer expects to stay on the farm is very important in influencing his decisions about his farming practices and also his living conditions. Permanent conservation and the general maintenance of farm buildings, fences, and other structures requires that the occupant of the farm have some stability and security in his tenure. Yet the tenant farmer in this country positively does not have security of occupancy. The latest census figures which are available on the subject of farm occupancy are those from the 1930 census. They show that 51 percent of all the farm tenants in the United States in 1930 had occupied the farm they were on at the time the census was taken for less than 2 years. Almost a third of all the tenants had been on their farm for less than 1 year on April 1, 1930, which was the date of that census.

Now, we have heard a lot during the past year about the plight of the southern sharecropper, and it has been repeatedly stressed in many of the press articles about sharecroppers in the South that they have no security and that they are constantly moving from farm to farm. This may be true, but the fact I want to impress upon your minds is that this insecurity, and this great shifting about from farm to farm by the tenants of this country is not limited only to the sharecropper class of the South. According to the 1930 census, 39 percent of all the tenant farmers in the Northern States had been on the farms which they were occupying when that census was taken for less than 2 years, and almost 25 percent of the tenants in the North had been on their farms for less than 1 year.

Although instability may be a little worse in some areas of the South than it is in other areas of the country, it is not limited geographically, and I know from observation that it is a serious problem in Iowa. Let me quote again from bulletin no. 333, which I mentioned a few minutes ago as having been published by the agricultural experiment station in my home State, pertaining to this survey of farms in southern Iowa. The bulletin says:

> On farms operated for 1 to 2 years by the same man, 42 percent of crop land in corn and an erosion rating of 4.3 are found, as compared with 30 percent in corn and an erosion rating of 2.8 on farms for 3 or more years under the same operator. * * * This illustrates the notorious relationship between a rapidly shifting tenancy and a highly exploitive farming system.

This same bulletin lists 10 main economic and social factors which are obstructive to erosion-control work. Five out of the ten are directly connected with this general problem of farm tenancy. If America is going to conserve its soil, if it is going to have a well-balanced system of agriculture so that the individual farmer is not so highly specialized in the production of a single cash crop that he goes bankrupt with the least decline of prices, then we have got to have more stability and security for our farm operators than can possibly be obtained under our present system of farm tenancy.

The constant shifting about from farm to farm, which is so characteristic of our tenants, and the constant fear on the part of the tenant that he will be forced to move at the landlord's desire, or that his rent will be raised so that he cannot profitably continue his operations, is not only a very serious situation which is detrimental to bringing about the conservation of our soil resources, but it is also very detrimental to the formation of a closely knit social life in the community. Studies by the United States Department of Agriculture and by various State experiment stations have

repeatedly shown that the number of tenants moving from farm to farm tends to prevent the development of good schools, good churches, and cooperative associations. For instance, Dr. L. C. Gray, who is now Assistant Administrator of the Resettlement Administration, in his testimony before a subcommittee on agriculture in the Senate which was holding hearings on the Bankhead-Jones farm-tenancy bill during the last session of Congress, said:

A study in Oklahoma showed that 40 percent of the moves by tenants resulted in a change of school, 43 percent in a change of church, and 39 percent in a change of trade center.

He also referred to a study in the tobacco area of Kentucky, which indicated that the number of pupils leaving grade schools during the year was equivalent to 43 percent of the average net enrollment, and that 56 percent of the children who left school did so during the usual tenant-moving period, which in that area is about the middle of the school year.

I have tried to picture to you in a very brief way some of the major reasons why we should be concerned about the rapidly increasing number of farm tenants in this country. I have said that farm tenancy tends to bring about a mining of the soil by a one-crop system of farming; that it tends to add to the already heavy marketable surpluses of a few cash crops; and that, consequently, it does not give us a well-balanced and permanent agriculture. Moreover, I pointed out that the great insecurity and instability of farm occupancy which result from our system of farm tenancy are important factors in holding back the development of desirable rural communities with good schools, churches, libraries, and similar cooperative institutions.

But these are not all of the evils of farm tenancy in this country. Although I will not have time to discuss many more, I do want to call your attention to one which I consider to be of tremendous importance. Since its very inception, this country has been a model to all the world for its democratic principles and procedures. America has been the world's stronghold of democracy, and the farmers of this country have been one of the most important groups to have consistently fought for and maintained that democracy. Mr. Speaker, I am convinced that our democratic institutions will be seriously threatened if America continues to pile up a greater and greater proportion of landless farmers. It was one of the cardinal teachings of Thomas Jefferson that democracy could, would, and should flourish in a land where individual farms are operated by their owners, but that it would wither and die if the soil of the country fell into the hands of absentee owners with the result that the real operators of the farms had nothing more than a transitory interest or contractual right in the soil. If we want to see our democracy flourish and grow stronger, let us give these landless farmers of our country an opportunity to become owners. If we want to see our democracy decay, let us sit idly by while our best farm lands fall into the hands of absentee owners and an increasing percent of our farming classes fall into the status of tenants or farm laborers. This question of maintaining a democracy by promoting farm ownership is not one about which to make eloquent speeches and forget. It is a problem which demands action and leadership of a statesmanlike character.

When I was a boy growing up and working on my father's farm we never thought much about the tenancy situation, because at that day and time tenancy was a transitory step for most men toward farm ownership. I know many farm boys in my home community who started out as day laborers, and after a few years time had accumulated enough funds so that they could buy their own livestock and equipment and become tenants. Then, after working as tenants for a few years, they were able to become farm owners and take their place in the community as some of its leading farmers and citizens. In other words, tenancy for those men was a stepping-stone toward farm ownership. As long as it continued to be this, and as long as the period which a man had to remain as a tenant was not unreasonable, farm tenancy was not a serious problem. Today, however, the situation is different. And I believe that if you will look around you in your home communities you will agree with me when I say that during the past score or more of years there have been hundreds of thousands of capable, energetic farm boys who worked themselves from the status of a hired man into that of a tenant, but have never been able to go any farther and reach that goal of farm ownership which they had in mind when they started farming. The very fact that tenancy has been increasing so rapidly during the past decades is proof enough that thousands and thousands of farm boys have been unable to rise above the status of a man who rents his land. The 1935 census does not give us figures showing the age of tenant farmers. However, in 1930 at least half of the farmers between 35 and 44 years of age were tenants in Illinois, Iowa, and Nebraska. For the country as a whole there were 373,900 farm tenants who were over 55 years of age. These were men who had labored virtually all their lives hoping to become farm owners and yet have not accumulated 1 acre of land. If you will compare the census figures for 1910, 1920, and 1930, you will find that there has been an increasing number of farmers in the older age groups who remain as tenants, who, in other words, have not been able to become owners. If this situation continues, I say to you again that it represents a serious threat to democracy. When the young farmers of this country really wake up to the fact that a major portion of them are due to remain as day laborers and tenants throughout most of their lives, they will have much less respect for their Government, and may, in fact, become militant supporters of communism, fascism, or some other foreign system of government.

In closing, I want to point out that there are several methods which Congress might consider in seeking the best way to improve our tenancy situation; but the best way, it seems to me, is to promote the owner-operation of individual family-sized farms. Now, it is conceivable that we might follow the ideal principles laid down by Henry George or the principles laid down by the Socialists or the Communists, in which case we would have the Government take over the land and rent it out to the individual farmers. Under such a situation every man would be a tenant, but he would be a tenant of the Government, not of a private landlord. Another thing which might be done would be to set up a detailed system of regulations such as that being tried in England and Scotland and in other countries, in which a tenant is guaranteed continual security of tenure and compensation for any improvements which he makes to the farm, so that some of the evils of the tenant system have been done away with. We have tried regulating public utilities in this country, but we have never tried regulating the owning and renting of farm land. You can readily see the difficulties that would arise and that such a plan could not be instituted without numerous and uniform changes in the constitutions of our States and without amendment to our Federal Constitution.

Instead of searching for foreign ways to improve the tenancy situation in this country, I commend to you a better and an American way, namely, the promotion of individual farm ownership by the man who operates the land, and a continuing protection of that ownership so that the farm lands of this country will not fall into the hands of absentee landlords.

During the last session of this Congress the Senate passed the Bankhead-Jones farm tenancy bill, S. 2367, which proposes to face this situation that I have described to you, and to bring about a solution of the tenancy problem by a long-time program aimed at promoting the owner operation of family-sized farms. That bill was referred to the Committee on Agriculture in the House, which committee I understand will probably file a report in the near future. It is my sincere hope that we may have an opportunity during this session of Congress to discuss the measure here on the floor of the House. It is a measure aimed at solving one of the most important and most fundamental problems facing American agriculture, and moreover, it proposes to face this problem in a true democratic and American way. If this Congress will enact this law, it will have added to the other laws enacted in the interest of agriculture another great statute which will go down in history as one of the really important agricultural

measures of basic importance to our new national agricultural policy.

It has been my privilege and pleasure to support 100 percent the agricultural program of this administration. I am sure the measures enacted have been helpful and beneficial not only to those engaged directly in agricultural pursuits, but to labor and industry throughout the Nation. The tenancy problem is of great importance and should be given careful consideration at this session. I believe the growth of farm tenancy can be checked. We should try to check it. Then let us act on a farm tenancy bill this session.

JAMES BUCHANAN'S GREAT SPEECH ON FREE SPEECH AND PRESS AND INDEPENDENT BAR

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered by my colleague [Mr. HAINES.]

The SPEAKER. Is there objection?

There was no objection.

Mr. FADDIS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address recently delivered by my colleague from Pennsylvania [Mr. HAINES]:

This is the one hundred and forty-fifth anniversary of the birth of James Buchanan, of Pennsylvania, the fifteenth President of the United States (1857–61).

It is fitting that we celebrate one of the great achievements of Buchanan—his memorable fight in 1831 against judicial tyranny, which threatened free speech, free press, and the independence of the bar. It is conceded today that Thomas Jefferson's destruction of the alien and sedition laws is the only battle for free speech and free press of more importance than that led by Buchanan in 1831.

IMPEACHMENT OF JUDGE PECK

Federal Judge James H. Peck, of Missouri, had imprisoned for 24 hours an attorney named Luke Lawless and disbarred him for 18 months because he had criticized an opinion of the judge in the newspapers. The House of Representatives voted to impeach the Federal judge solely for this conduct by a vote of 123 to 49, with the latter admitting his conduct deserved censure. James Buchanan led the fight to impeach this judge and was one of the managers of the House in prosecuting the impeachment charges in the Senate trial. However, the Senate voted 21 to 22 to sustain the impeachment charges, with certain Senators not voting and due to pleas for mercy for the judge who had then become old and blind and due also to complications caused by Missouri, national, and senatorial politics. It is worth noting, however, that three men who became Presidents of the Nation voted for the impeachment of the Federal judge—Buchanan, of Pennsylvania; Polk, of Tennessee; and Tyler, of Virginia; as well as two men who shortly afterward became Justices of the United States Supreme Court—Woodbury, of New Hampshire, and McKinley, of Alabama; while the father of Chief Justice White, of this Court, also voted to impeach as a Member of the House.

BUCHANAN DRAFTS ACT OF MARCH 2, 1831

The result of this fight was the drafting by Buchanan of the famous act of March 2, 1831 (4 Stat. 487), which followed the language of the eleventh amendment in defining the constitutional and jurisdictional limits of Federal courts and declared the law, past, present, and future, to permit summary punishment only of direct contempts which actually obstructed justice and which prevented any interference with the right to criticize such Federal judges by citizens, newspapermen, and lawyers. The act is still in effect, the first section being now cited as Twenty-eighth United States Code, section 385, and the second section being in the criminal code. It was adopted practically unanimously, as the slightest opposition would have caused its rejection in the closing days of the session, and Buchanan's speech about 1 month before in the impeachment trial of Judge Peck is considered the historical interpretation of the act which he drafted and is a great summary of the constitutional limitations which protect the citizen, the editor, and the attorney from summary power of Federal courts to punish them for criticisms of such courts and a splendid vindication of free speech, free press, and the independence of the bar. The impeachment trial had awakened the whole Nation to the importance of protecting such rights from judicial invasions and nearly all of the States immediately passed acts which were based on Buchanan's Act of 1831.

It is an appropriate way to celebrate Buchanan's anniversary, therefore, to call attention to excerpts from his great arguments in favor of the constitutional rights to free press, free speech, and the independence of the bar, and to remember that even though these rights are continually under assault in some Federal and State courts that such assaults are illegal, unconstitutional, and constitute impeachable offenses.

MR. BUCHANAN'S ARGUMENT IN TRIAL OF JAMES H. PECK

"I shall now proceed to prove that the power claimed and exercised by the respondent is in direct violation of the letter and spirit of the Constitution. In order to demonstrate this proposition it is only necessary to contrast the provisions of the Constitution with the proceedings of the judge against Mr. Lawless. The Constitution declares that 'in all criminal prosecutions the accused shall enjoy the right to a speedy and public trial by an impartial jury.' What does this mean? Does it not extend to all criminal prosecutions? And is it not established that the prosecution of a libel as a contempt is a criminal prosecution? In criminal prosecutions the rights of a citizen are never to be taken away without a trial by an impartial jury. Impartiality is the attribute peculiarly required. But what does the law of contempts, as administered by Judge Peck, declare? That the dearest rights of a citizen may be taken away without any trial by jury, and by the sole authority of an angry, offended, and therefore partial judge. Need I add another word?

"Again, the Constitution provides that 'no person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces', etc. In England, where the power of punishing libels against judges as contempts came to the King's Bench from the Star Chamber, a man may be prosecuted criminally upon a mere information filed by the law officers of the Crown. But the Constitution of the United States explodes this doctrine, except in cases arising in the land and naval service. In all other cases a grand jury must pass upon the accused before he can be brought to trial. So careful has the Constitution been of the liberty of the citizen that it has blotted out forever the proceeding by information; although before any punishment can be inflicted, even by this mode, a petit jury must first have found the accused to be guilty. But what is the process in the case of contempts? Without either an information or an indictment, but merely on a simple rule to show cause, drawn up in any form the judge may think proper, a man is put upon his trial for an infamous offense, involving in its punishment the loss both of liberty and property. He is deprived both of petit jury and grand jury and is tried by an angry adversary prepared to sacrifice him and his rights on the altar of his own vengeance.

"The Constitution declares, 'that no person shall be compelled, in any criminal case, to be a witness against himself.' But I ask, Can the English language furnish plainer words than these? Did not the respondent know when he called upon Mr. Lawless to answer interrogatories upon oath, and on his refusal inflicted an additional punishment, that the Constitution protected him against any such inquisition? If the Constitution does not apply to a case of this kind, in the name of Heaven, when or where will it apply? By the common law of England the refusal to answer interrogatories is itself 'a high and repeated contempt, to be punished at the discretion of the court', and so thought Judge Peck; but the Constitution interposes its protection and secures the citizen against being called upon to answer. Even the courtly Blackstone, the apologist of every abuse under the British Government, declares 'that this method of making the defendant answer upon oath to a criminal charge is not agreeable to the genius of the common law in any other instance' (4 Com. 287). Now, I verily believe that when the framers of that sacred instrument inserted in it the provision 'that no person shall be compelled, in any criminal case, to be a witness against himself', they had this very case of contempt full in their view. The power which they have forbidden did in this case exist in England; but even there it 'is not agreeable to the genius of the common law in any other instance.' What case so proper could they have had in view when they inserted this clause? They could never have intended that notwithstanding the provision, unless the accused would humbly crouch at the foot of judicial power and swear that he had no intention to give the slightest offense to the judge, he should be liable to be severely punished. Such a doctrine would be repugnant to every feeling of a freeman.

"Even the miserable pretext which existed for exercising this power in Pennsylvania and Tennessee, that the constitutions of these respective States had sanctioned a preexisting 'law of the land', which prostrated the barriers erected by these very constitutions for the protection of civil liberty, has no existence here. No law of the land for the United States existed previous to the adoption of the Federal Constitution. It declares that no man shall be compelled to bear witness against himself on a criminal charge; and I put the question home to each member of this high and honorable Court, whether the language must not be construed to extend to cases of this nature. Is there anything else to which the provision can apply? This odious inquisition must certainly have been intended, as there is no other criminal accusation on which a man can, even by the common law, be required to bear witness against himself.

"Let me here bring into the view of the Senate a fact on which I shall comment hereafter. The counsel has told us that at first Judge Peck only intended to suspend Mr. Lawless; but in consequence of his refusal to have interrogatories filed, and answer questions upon oath, which might require him to bear witness against himself, and of his reading a paper to the court in the character of a protest or bill of exceptions, his punishment was aggravated by the disgrace of imprisonment.

"(Mr. WIRT. I spoke from the evidence.)

"Yes, sir. With this constitutional charter in his hand, the judge has branded Mr. Lawless with infamy (so far as his sentence of imprisonment could do so) for refusing to give evidence against himself. But I shall treat more fully of this point hereafter.

"The Constitution further provides that no person for the same offense shall be twice put in jeopardy of life or limb. But by the law of contempts, after a judge has first wreaked his own vengeance on the accused for the offense, considered as a contempt of

court, the unhappy victim may afterward be indicted for a libel, and thus again punished for the same offense.

"The Constitution of the United States does not contain the provision, which is to be found in almost every State constitution in the Union, that upon prosecutions for a libel, the truth may be given in evidence. The reason of this omission doubtless was that as this instrument did not confer upon Congress any power to punish libels there was no necessity for the introduction of such a clause. If the power exercised by the respondent does exist in the courts of the United States, I presume no man will be hardy enough to contend that the truth of an accusation against a judge cannot be given in evidence in a summary prosecution for a contempt. What a spectacle would then be presented on such a trial! For example, I believe that a judge has in a certain cause decided absurdly (and such a thing we know may happen). I review his decision in one of the public journals and prove that he has shown himself to be a weak man; or I charge him with having been wicked and partial. If such be the fact, I have a right to establish it anywhere, and the truth everywhere ought to protect me from punishment.

"I am called before this very judge, charged with a contempt of court, and the only issue to be tried by him is whether he himself is not weak or is not wicked, whether he has not made an absurd or a partial decision. What an exhibition would this be in a land of liberty. Could it ever have been intended to confer a power so absurd and so dangerous upon an American court of justice?

"I now advance a little further in this argument (although it is astonishing to me that any argument on such a subject can be necessary). That sacred aegis—the liberty of the press—a right which Congress, if they would, could not, and if they could, dare not infringe—shields every citizen of this land from the blow of such judicial tyranny. No free government can long exist without a free press. Power is constantly stealing on. One implication involves another, until liberty may be lost before the people know it is in danger. To preserve this invaluable boon, it ought to be watched with greater jealousy than ever was excited by the fabled guardian of the Hesperian fruit. Its safest protector is a free press, and the Constitution of the United States has therefore declared that 'Congress shall make no law abridging the freedom of speech or of the press.'

"What was the intention of this provision? The framers of the Constitution well knew that under the laws of each of the States composing this Union libels were punishable. They therefore left the character of the officers created under the Constitution and laws of the United States to be protected by the laws of the several States. They were afraid to give this Government any authority over the subject of libels, lest its colossal power might be wielded against the liberty of the press. They have guarded it with a wholesome and commendable jealousy.

"In open violation of this provision, the sedition law was passed in 1798. This law, after having destroyed its authors, expired in March 1801 by its own limitation. The gentleman who first addressed the Court in behalf of the respondent has mistaken the argument of the managers in relation to this law. None of us ever contended that it was cruel and unjust in its provisions. It was more equitable than the common law, because in all cases it made an indictment necessary, and it permitted the truth to be given in evidence. The popular odium which attended this law was not excited by its particular provisions, but by the fact that any law upon the subject was a violation of the Constitution. Congress had no power to pass any law of the kind, good or bad. It is now, I believe, freely admitted by every person—I, at least, have not for several years conversed with any man who had a contrary opinion—that Congress, in passing this act, had transcended their powers. I have no doubt that the motives of many of those who passed it were perfectly pure, but yet if any principle has been established beyond a doubt by the almost unanimous opinion of the people of the United States, it is that the sedition law was unconstitutional. Such is the strong and universal feeling upon this subject that if any attempt were now made to revive it, the authors would probably meet a similar fate with those deluded and desperate men in another country who have themselves fallen victims upon the same altar on which they had determined to sacrifice the liberty of the press.

"Well, sir, and what then? It is contended by the respondent that although Congress could not bestow upon the courts of the United States the power of trying and punishing libels, yet that by implication he may exercise this authority and dominion over all men who may dare to discuss his pretensions in the public newspapers. That power which the legislature who created him could not confer upon him by express grant he exercises by implication.

"Shall, then, a petty judge—a petty provincial judge (if it be lawful to use such language after the rebuke my colleague received), although Congress itself dare not pass a law for the punishment of libelers against its own Members or the President of the United States, be permitted to sit as the sole judge in his own cause, and, in palpable violation of the Constitution, fine and imprison at his own pleasure the author of a libel against himself? When the express power cannot be delegated, shall he take it by implication? Shall courts of justice exercise a power as a bare incident vastly beyond what their creators could confer upon them?

"If all courts do possess this authority, it may be wielded with vast power as an engine for the destruction of our liberties. We have always had in this country, and I suppose we shall always continue to have, angry political discussions. It would seem that such storms are necessary to purify the political atmosphere of the Republic (though they are sometimes much more violent than agreeable). Let me illustrate my views by putting a case in reference to the so much agitated question of our relations with the Southern Indians. This question has awakened intense feeling throughout the Union, and I doubt not has given birth to much honest difference of opinion. Some believe the President to be right in his views upon the subject, and others that he is entirely wrong. It would not become me here to express any opinion. But suppose the President of the United States were to institute suits against some one of the editors who have attacked his character and assailed his motives, in relation to his conduct on the Indian question, what might be the consequence? The question then to be settled by such a suit would be, are these attacks true or false? Now, you could not take up a paper in the District of Columbia which would not contain one or more articles discussing the general question, and having a direct bearing upon the public mind in relation to the cause pending. These publications upon the principles on which Judge Peck acted would all be contempts of court. You might as well attempt to stop the flowing tide, lest it might overwhelm the temporary hut of the fisherman upon the shore, as to arrest the march of public opinion in this country, because in its course it might incidentally affect the merits of a cause depending between individuals.

"Sir, is this a fancy picture? When a man, so distinguished as to be a prominent candidate before the people of the United States for the highest office in the country undertakes to redress his wrongs by an action for a libel, he attaches to himself the whole politics of the country, and thus all the publications in the papers of the United States on the subject out of which the suit arose and converted into contempts against the court in which it is pending.

"I know something about a Governor's election in New York and Pennsylvania. The liberty of the press is on such occasions carried to its utmost limits. Charges are very freely made and very freely urged against the opposing candidates, and all the people of the State are deeply interested in knowing their truth or falsehood. The candidate who fears the public discussion of any charge made against him has nothing to do but bring a suit, and then according to the doctrine of contempts now asserted, all future publications upon that subject become contempts of court, and may be punished with severity by the judges before whom the action is depending. The current of public opinion must be stopped—the merits or demerits of the candidate must not be discussed—there must be an awful pause to await the event of a little libel cause in an inferior court. Such a doctrine cannot exist in this country. Carry it out to its practicable consequences and it becomes appalling. By a politic application of it, every judge in the land may become the tool of Executive power, or the instrument of preventing all attacks against his political favorites who may be candidates for office. These are not mere fanciful cases. They may occur in practice, and if the power should be sanctioned and established by the decision of this Court, the day may arrive when it will be resorted to for the most dangerous purposes. The time may come when it shall be considered very necessary and proper to shield some future President from public discussion by the exercise of this power.

"Why, sir, at this very time, from one end of the Union to the other, we find the public papers of a particular complexion ringing with attacks on the character and conduct of the Chief Justice of the United States, in relation to the Indian question now pending before the Supreme Court. I think these attacks are unjust, but to check them, would you silence the public press? Would you say that the Supreme Court ought to drag before it every editor in the country, and thus put an end to the discussion? I know that even if the Court possessed this power it would never be invoked by the present Chief Justice—a man upon whom any eulogy of mine would be lost. But if he resembled a Scroggs or a Jefferies (and such men may yet hold that office) he would never rest content until he had inflicted vengeance, through the agency of this power, upon those who dared to attack his judicial character.

"I have been considering the consequence of this power in regard to cases pending; but it would be infinitely worse in its application to cases which have been decided. The Supreme Court of the United States is vested with power, in the last resort, to construe the Constitution. Constitutional questions are brought before it almost every term, involving great and extensive interests, and in some cases the rights of sovereign States. Its jurisdiction is coextensive with the Union, and from the very nature of things its decisions must agitate and inflame large masses of the people of this country. Judgment is pronounced, and the reasons for it go forth to the world in the form of an opinion. Is not this opinion as fair a subject of criticism as any other public paper? And will not and ought not such opinions to be freely criticized as long as liberty shall endure in this country? And yet upon the principles which governed the respondent's conduct, the Supreme Court possesses the power to bring all the editors throughout the Union before them who have dared to impute errors to their opinions, and punish them by fine and imprisonment at their pleasure. The bare attempt to exercise such a power would convulse the people of this country.

"I recollect a case in my own State which may serve to illustrate the absurdity of this claim of power. The chief justice of Pennsylvania delivered an opinion that the supreme court of that State had no right to declare a State law unconstitutional. A United States judge took up this opinion, and in one of the periodicals of the day handled it very severely; more so, beyond all comparison, than Mr. Lawless criticized the opinion of Judge Peck.

If such a power had existed, here was a case for its exercise. The supreme court might have brought the district judge of the United States before them on an attachment and sentenced him to fine and imprisonment for scandalizing the chief justice, and endeavoring to bring him into odiom and disgrace before the people.

"If a judge be corrupt or partial in his judicial conduct, or should chance to be a fool (a case which sometimes happens) it is not only the right but the bounden duty of his fellow citizens to expose his errors. If a man should be notoriously incompetent for the judicial station which he occupies, though this may be no ground for an impeachment, yet it is a state of things on which the force of public opinion may rightfully be exerted for the purpose of driving him from the bench. I admit that the case ought to be an extreme one to justify such a resort. But then, if this power to punish libels does exist, a judge may decide as he pleases without regard either to honesty or law; and then silence the public press in relation to his conduct by denouncing fine and imprisonment against all those, who shall dare to expose the errors of his opinion. In such a case, upon the hearing before the judge, the greater the truth the greater would be the libel. A weak judge, when his capacity is called in question, would always be the most cruel and oppressive.

"As I have already referred to the Supreme Court of the United States, let me do it again. That illustrious tribunal, in the honest and fearless discharge of its duties, has come into collision with many of the States of this Union—with Pennsylvania, with Virginia, with Georgia, with Massachusetts, with New York, and with Kentucky. It has been abused and vilified from one end of the continent to the other. This has been its history since the foundation of the Federal Government. Has any man ever heard that the judges of this Court claimed the power of punishing these revilers in a summary manner by fine and imprisonment? Have we at any period of its history heard the slightest intimation to that effect from any of these men? Not one. That Court has often been in the storm. It has been assailed by the winds and the waves of popular opinion, but it has gone on in an honest and fearless course and trusted for a safe deliverance to the good sense and patriotism of the American people. That tribunal needs no such power as has been claimed by this judge in Missouri and has never thought of resorting to the arbitrary and vindictive conduct which has brought him to your bar.

"I trust I have now succeeded in proving that the courts of the United States can neither derive this power from the common law nor from the Judiciary Act of 1789 nor from necessity, and that its exercise is in direct violation of the Constitution of the United States. Another question now presents itself, on which it may be proper to make some additional remarks.

"Had Judge Peck power in this case to suspend Mr. Lawless from practicing his profession? It is of importance to us who belong to the bar to know whether or not—and to have the decision of this Court upon the question. If he had, the members of a profession which has ever stood foremost in this country in the defense of civil liberty are themselves the veriest slaves in existence. I believe that I have as good a right to the exercise of my profession as the mechanic has to follow his trade or the merchant to engage in the pursuits of commerce. I want them to know whether henceforward I must humble myself and become the sycophant of a judge, whom I may despise, under the penalty of being deprived of the right to practice my profession before him. If a judge be weak, or if he be wicked, his judicial conduct is as fair a subject of discussion among lawyers as among any other class of citizens; and for exercising this right they incur no punishment which cannot be inflicted on any other person. If this proposition be not true, they become the mere creatures of the court. Instead of being the firm and fearless asserters of their clients' rights, often in opposition to the preconceived opinions of the bench, they must cringe and assent to any and every intimation of the judge at the risk of their ruin. The public have almost as deep an interest in the independence of the bar as of the bench. The rights of the citizens, under the complex systems of modern times, can only be asserted and maintained through the agency of the profession.

"Members of the profession may forfeit their right to practice, but this can only be done by the commission of some professional offense, or some crime of so black a character as shows them to be wholly unworthy to be trusted. For other offenses they are subjected to the same punishments as their fellow citizens. Their official and their private acts are entirely distinct from each other. To show that Judge Peck had no right to suspend Mr. Lawless, I need not go further than Second Petersdorff's Abridgement, 615, the book cited by the judge himself. It proves conclusively that the high prerogative of striking an attorney from the rolls has never been exercised, even in England, except for grossly dishonest professional misbehavior, or on a conviction of felony or other infamous crimes. This power has never been resorted to except in extreme cases. I admit that if, in this country, where the two professions of attorney and counsellor are generally united in the same person, an attorney in open court will manifest by his conduct a total want of respect for the judges and will pursue a course tending to obstruct the public business before the court, they must from necessity possess the power of suspending him from practice. But it is not pretended that Mr. Lawless has brought himself within this rule. Was it ever heard of in England, that an attorney was stricken from the rolls of the court for writing and publishing strictures no matter how severe upon the opinion of a judge? The research of the learned gentleman has not furnished us with a single case from the English books, nor a single dictum to that effect. If I write and publish an article, which a judge may choose to consider as a libel upon himself, is it not enough that he may appeal like other citizens to the laws of his country for redress, and have me fined and imprisoned for the offense? Shall he be permitted to take the law into his own hands and add to this punishment a forfeiture of my means of subsistence, by taking away from me my profession? Even the punishment of a libel as a contempt, by fine and imprisonment, would be mercy when compared with this power.

"The judge, in the same rule against Mr. Lawless, has embraced two things of an entirely different character. No two subjects can be more distanct in their nature than a rule to show cause why an attachment should not issue for a contempt, and a rule against an attorney to show cause why he should not be stricken from the rolls. In the first case the court must proceed without delay. Its process or its lawful command must be obeyed immediately, otherwise the progress of public business is arrested. If the order of the court be obeyed, either there is no punishment at all inflicted or it is generally very slight. The suspension of an attorney from practice is of another character. The question then to be decided is, Has his conduct been of such a character as to require his expulsion from the bar? This is a question which need not be determined in a day or in a month. The spirit which dictated that provision of the common law—that the tools of an artificer shall not be distrained—ought to prevail upon such an occasion. When a man's all is at stake, or rather the means by which his all is acquired, there ought to be no haste in the proceeding when no haste is necessary. But here this infuriated judge had decided, from the very first moment, that Mr. Lawless should be suspended; and it has been alleged that it was not till after his refusal to answer interrogatories that he determined to add the ignominous punishment of imprisonment.

"And now we come to the case of Judge Conkling, of which so much has been said. The eloquent counsel seemed to take so much pleasure in referring to the report of the Judiciary Committee, in this case, and to look at me with such significant glances that I had not the heart to interrupt his pleasure by letting him know that I had nothing to do with that report, having been absent from the city when it was made. I never saw the report until this morning, and till then was entirely ignorant of the principles on which it was founded. The gentleman on my left (Mr. Storrs) was also absent, as I am informed, having declined sitting upon the committee for personal reasons.

"But I shall not leave this report of the Judiciary Committee here. The case now on trial before the Senate, and that of Judge Conkling, are totally dissimilar. The good lady, Mrs. Bradstreet, or rather Mr. Tillinghast (I cannot tell which), charged Judge Conkling, before the House of Representatives, with no less than 38 judicial offenses. If we had brought such a list before this Court, and each of them were to consume as much time as the single charge against Judge Peck has done, we might be occupied for years in the trial. The Judiciary Committee were unanimous in rejecting 36 of these charges. Concerning the two which remained, relating to Mr. Tillinghast's suspension, there was a difference of opinion.

"It seems that Mr. Tillinghast, in open court, upon the trial of a cause, had drawn a most odious and revolting picture of a judge, which was intended by him, and understood by others, to be a delineation of the judge upon the bench. This was a direct and palpable insult publicly uttered to his face. The judge, however, either did not understand it as it was meant or determined to disregard it and suffer in silence. Tillinghast, some time after the session of the court had terminated, in a private conversation with the clerk, acknowledged that he meant the picture for Judge Conkling, and confessed the intentional indecorum of his language. The clerk warned him against using such expressions; but notwithstanding, he requested the clerk to tell this conversation to Judge Conkling. On an affidavit of these facts, Mr. Tillinghast was brought before the judge, and on refusing to make an apology was stricken from the rolls. For what? Was it for what he had said to the clerk out of court? No; but it was for the character which he had drawn in open court, in connection with the acknowledgment he had made to the clerk that it was intended as an insult to the judge. Though a majority of the committee expressed no opinion as to the legality of the judge's conduct, I am now willing to do so, and to declare that, in my judgment, it was illegal. If the picture when drawn was not so distinct in its features as to be recognized by the judge, or if he, perceiving the intended resemblance, chose to overlook the insult during the whole term at which it was committed, the time had passed by and the liberty of speech protected the offending attorney. The judge could not at a future term institute proceedings and strike him from the rolls in consequence of any private conversation he might have had with the clerk after the adjournment of the court. This is my opinion; but I never should have voted for an impeachment in such a case. Thirty-six of the charges were so frivolous as to be rejected unanimously by the committee, and the remaining two arose out of conduct well calculated to irritate and wound the feelings of the judge and to induce him unconsciously to pass the doubtful limits of the law in the punishment of the offender. From the circumstances of the case, I could not have supposed that an intention to transgress the law was so clearly established as to justify this tribunal in convicting the judge. Yet I believe that he acted improperly, and such should have been my report. In justice to myself I will also observe that I entirely dissent from most of the reasoning contained

in the opinion which he delivered at the time the name of Mr. Tillinghast was ordered to be stricken from the roll.

"A case has been cited from New Hampshire, and I would hope that there must have been some mistake in the report of it which has been read to the Senate. As stated, it presents a case of arbitrary oppression toward a member of the bar, unequaled even in English history. The judge I know to have been a very respectable man, and is therefore the more extraordinary. It seems that an attorney, whose name was Freeman, in a conversation at a public tavern, observed that Judge Livermore was very arbitrary, and that he abused the lawyers, the parties, and the witnesses. He also inquired whether the judge ever studied, and expressed a belief that he did not read his books. This was a mere idle, loose conversation. For this language, which was carried by some tale bearer to Judge Livermore, he struck the attorney from the rolls. Sir, what have we come to? In what state of society do we live when such an act as this is cited before the highest tribunal of the Nation in justification of the conduct of a judge of one of the district courts of the United States?

"I never had the pleasure of exchanging a word with the concluding counsel for the respondent before the commencement of the trial, but I think I might venture to ask him whether he had never, in familiar conversation, expressed opinions quite as derogatory to the character and attainments of judges as those uttered by Mr. Freeman in relation to Judge Livermore. And who would endure it, that for such a conversation the country should lose the distinguished professional services of that gentleman, and his family be deprived of his exertions for their support (if they depend on those exertions, which I hope they do not)? Yet this case has been gravely cited to prove that Judge Peck had a right to punish Mr. Lawless by suspension.

"As to the case from Tennessee, it probably arose from some misapprehension of the nature of the proceeding against Mr. Darby. The supreme court of that State, in their opinion, contend that according to the doctrine of the English books he had been guilty of a contempt in publishing a libel against them; but, instead of inflicting upon him fine and imprisonment, the only appropriate punishment for a contempt, they ordered his name to be stricken from the roll of attorneys.

"(Mr. Grundy said there was no proceeding in that case as for a contempt. Mr. Darby was stricken from the roll on motion.)

"Yes, sir; but the court placed it on the ground of a contempt. I understand that in that State the law gives to courts the express power to strike attorneys from the rolls; but whether in this case they exercised it properly, I neither know nor care. It can have no influence upon the present trial.

"What was the character of the libel against the court does not appear from the report of the case; but, from what I have heard, I entertain no doubt it was of a very aggravated nature.

"It is worthy of remark that the court rested their power upon a provision in the constitution of Tennessee similar to that contained in the constitution of Pennsylvania, which was used to shield C. J. McKean and the other judges in the case of Passmore. The bill of rights in both States declares that the accused shall not 'be deprived of his life, liberty, or property, but by the judgment of his peers or the law of the land.'

"But in concluding this part of my argument I would again observe that not a single case has been produced from England (and if the counsel could have found one they certainly would have urged it) in which the court of King's Bench or any other court of that country ever attempted to strike an attorney from the rolls for publishing anything derogatory to the court.

"Having thus shown that the respondent has violated the Constitution and laws of the country, I shall now proceed to discuss my second general proposition, which was that he has done so with a criminal intention. This necessarily leads me into a discussion of all the material facts and circumstances of the case as they have appeared in evidence."

THE PASSAMAQUODDY PROJECT—WHAT IT IS AND WHY—BY PASSAMAQUODDY PUBLIC RELATIONS ASSOCIATION

Mr. BREWSTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to incorporate therein a short article dealing with the Passamaquoddy project.

The SPEAKER. Is there objection?

There was no objection.

Mr. BREWSTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article by the Passamaquoddy Public Service Relations Association, dealing with the Passamaquoddy project:

The public relations board of the Passamaquoddy power project appreciates very much this opportunity to talk to you frankly about Quoddy. It means opportunity to state some true facts about the project—opportunity to offset certain widely circulated publicity that is both unfair and incorrect. Throughout we will try to confine ourselves to actual facts, to statements unbiased either by overenthusiasm or resentment.

In the last few months Quoddy seems to have been made the target for every sort of comment, ranging from careless ridicule to downright hostility. From one angle, at least, all this is rather encouraging. Looking back through history you will find that every new and amazing feat of human ingenuity that contributed vastly to human progress has passed through just this same phase of doubt, scorn, and ridicule. For example, the first locomotive, the flying machine, the talking machine. As to engineering projects, recall Niagara, the Union Pacific Railroad, the Panama Canal. All these in the early days of their development aroused storms of doubt and ridicule. The day after its completion the trans-Atlantic cable drew this editorial comment from one of the country's leading dailies: "Now that it's completed, what are they going to do with it?"

In a moment we'll get down to Quoddy facts. But first let's give a recent instance of such publicity on Quoddy.

Within the last 2 weeks a certain periodical published in Washington, and holding evident appeal to the rural sections, carried an article on Quoddy that tied it in to milking cows by the moon. It carried a map of Quoddy, claimed to be the magazine's own special map, showing for the first time the exact set-up of the Passamaquoddy power project. The map bore very little resemblance to the project, either in layout or in working principle. For instance, it showed a strange power-house dam 4 miles long that simply does not exist. The map's outline was incorrect. It showed a lake never heard of. The bulk of statements in the article itself showed not only complete lack of information about Quoddy history or background but of simple international geography.

Before we go on, let us outline, briefly as possible, the main points of Quoddy history. Quoddy was originated by Dexter P. Cooper. His brother, Col. Hugh Cooper, is probably the foremost hydroelectric engineer in the world. Together with his brother, Dexter P. Cooper has been connected with some of the biggest hydroelectric developments known—Niagara, Keokuk on the Mississippi, Muscle Shoals, the Dneiperstroy in Russia. Quoddy is over 10 years old. Begun as an international project, it involved waters on both sides the international boundary. Its State of Maine charter was granted in 1925, its Canadian charter about the same time. A few years later the job was reengineered to involve American waters only. Since then Quoddy has been an all-American project, with provision made, however, to extend this into the original international plan, if this later became possible. Work was progressing steadily under the all-American plan, when came the stock crash of 1929. This, with the ensuing depression, resulted in laying Quoddy temporarily aside.

In 1933 Quoddy's founder was in Russia supervising completion of the Dneiperstroy, the Russian project referred to. This completed, he returned to America and took up the matter of Quoddy with P. W. A. P. W. A. admitted its engineering, but did not see it as a private-interest venture. It was later offered to the Government as a reconstruction feature, slanted mainly at relief. The administration sent Secretary Ickes to Eastport to investigate. Secretary Ickes expressed himself as much impressed both with the project and the Quoddy country. He volunteered legal and technical assistance from Washington. He told the people not to give up their fight for Quoddy. Quoddy was finally approved in connection with the four-billion relief bill. Its allotment was officially announced in May 1935. Work was begun immediately.

Now, let's clear up Quoddy's status to there.

First, its founder's standing in international engineering should at least entitle this project of harnessing the tides to respectful consideration. This man achieved what the engineers of centuries had been trying to do without success. In those early years the project drew interest and support from the entire world. England had been working out a similar scheme on the River Severn; France on the Britanny coast. Passamaquoddy tides represented far more gigantic possibilities than either. Representatives of both these projects have said to the founder of Quoddy: "You lead, we will follow."

Now let's take the State of Maine's attitude. The people of Maine were wholeheartedly behind Quoddy. They are now. Quoddy's initial charter was referred to the people. In direct referendum the people of Maine put Quoddy's charter over by a vote of 10 to 1. Right here please mark this fact: That charter granted Quoddy full authority to ship power out of the State. Quoddy is the only power company in Maine holding that privilege. Quoddy can ship power to other States, and to Canada.

As to who was behind Quoddy in those days—we come now to one of the most convincing arguments in all Quoddy history. In those days Quoddy was sponsored and was being built by four of the leading power interests in America, if not in the world. Now, please don't underestimate that—the biggest names in American power. These interests entered upon the project only after a long period of exhaustive investigation covering its every phase. They were actually building the job. They had bought abutment and land options along the entire 20 miles of its course. A small army of engineers were at work on the preliminaries for over a year. A half million dollars had been spent on the job up to 1929, and depression. Now, why were they building it? Was it not solely because they found in Quoddy the possibility of developing cheap power on a huge scale? In other words, did it not look to them like a feasible and profitable investment?

Now, a brief statement of what has been done since Quoddy was actually begun. Then we'll take up its definite arguments, engineering, cost of power, sale of power, T. V. A., etc.

Quoddy was started in June of last year. A first problem was the matter of housing. A community of 120 houses was built for the housing of the small army of engineers and administrative force. Much has been said and printed about this feature of the project. This movement, however, was absolutely necessary.

Eastport itself had no possible means of caring for a population more than doubled. The building of these houses represented an actual economic investment. Rentals from employees will almost pay the cost of construction by the time the job is finished. Approximately $100,000 has actually been collected for these rentals to date.

And now, is it necessary to mention love seats and grandfather clocks? Press report on this has been absurd and unfair. As a bit of publicity we'll admit that grandfather clocks and love seats in connection with Quoddy were fatally irresistible. Actually, there were two tall clocks, cheap clocks, in one of the dormitories. Privately, just between you and me, you wouldn't really suffer to own one. And that goes for the simple maple settees, that were "love seats" only in the catalogs. The paintings of Old Masters cost 25 cents, $1.04 framed. Both buildings and furnishings of Quoddy village represent simplicity almost to bareness. Come and see for yourself.

At present Quoddy is going ahead briskly and actively. Two smaller dams are practically completed. Initial work on the great dams, involving railroad spurs, docks, excavations, rock fills, are well under way.

All right, now we come to the main points of Quoddy argument, over which there has been so much controversy.

First, Quoddy's engineering: It has been reported widely that the whole scheme of Quoddy was indefensible from an engineering standpoint. As a matter of fact, in all Quoddy history we can find no actual official doubt as to its soundness. Quoddy engineering has been subjected to the most exhaustive investigation all along the line. Years ago the War Department of the United States passed on its engineering. Two years ago, even P. W. A. conceded its engineering. If Dexter P. Cooper's own standing as an engineer holds no weight, may we offer one final argument along this line that must be convincing to everyone? It is this: Can it reasonably be supposed that the War Department of the United States. which has constructed some of the outstanding engineering jobs of American history, would undertake to build any project of which the engineering was doubtful or unsound?

Next: Cost of power.

The great question from power sources is, What is to be the cost of power? This we cannot answer. Now, just a minute. We cannot answer this question simply because it cannot be answered by anyone at the present stage of things. Due to many reasons, chiefly reasons of economy, the details of Quoddy construction changed somewhat from original plans. Certain details of final construction are still under discussion. Cost of power depends on cost of construction. For this reason it is not possible for anyone to definitely say at present just what will be the kilowatt cost of power.

Also, in the case of Quoddy, other elements enter into the cost of power. It has been intimated that part of Quoddy's construction cost would be charged to relief, part to defense, part to power. If this is so, the eventual cost of power can only be determined when the job is done—and by higher authorities than can be approached on the subject. One answer, however, can be made definitely here and now. Even with everything considered, Quoddy power will be cheaper than Eastport power. In connection with industrial development at source of supply, this is paramount.

Now, the sale of power.

The one great question hurled at Quoddy since the beginning is, What are they going to do with the power? In reply to this question let us make some brief statements which are facts. Mr. Cooper is a member of the National Power Policy Committee. He and his staff have been constituted a department to look up sale for power. Mr. Cooper states that in the last few weeks he has interested big industry in all the power the project would have to dispose of under present plans. The bulk of this has been negotiated for by big chemical interests alone located in three different sections of the country. In passing, this same interest of big industry happened when Quoddy was active before. Scouts of big industry from far and wide came to look up details as to possible location. Given competitive-priced power, the concerns mentioned are attracted to the Quoddy section by advantages of low-priced lands, attractive labor conditions, and more than all by the great advantages of salt-water transportation. These statements may not be discredited.

T. V. A.

The question has been asked, What bearing has T. V. A. on Quoddy? The answer is: none whatever. T. V. A. is a federally controlled project. Quoddy is intended as a State project. The intent of the administration was to loan to the State of Maine the necessary money to build—the project, on completion, to be operated by a Maine authority. The principle involved would be in the manner of a lease—the State to make certain returns to the Government only when the project should be self-sustaining to that extent. The State of Maine is not and would not be obligated for the repayment of funds in any way.

At present a new bill has been drafted by representatives of the Government itself for presentation at the next session of legislature. The provisions of this bill are so drafted as to safeguard every best interest of the people of Maine, with provisions so drawn as to be entirely satisfactory to the existing Maine power companies. In this connection Quoddy will not and cannot invade the rights or territory of existing power companies to their detriment. Quoddy is prevented from this by every restriction, legal and otherwise. For this reason, no single stockholder in any existing power company will lose a penny because of Quoddy.

Some interested inquirer has asked: "Why no mention of transmission lines for Quoddy?" Answer: Under present plans—covering industrial development at the source of supply, and also sale to existing public utility lines—extensive transmission lines may not be necessary, at least for some time.

Now may we offer some interesting data of our own.

There are 38 Federal dams in the United States. All the others are on rivers. Consequently their power output is affected by floods and droughts. Quoddy, damming the tides, can estimate its actual power output with absolute accuracy 10, 20, 100 years from any given hour. All the other 37 dams are designed for sectional development of the country. It is the opinion of high authority that Quoddy would be on a self-sustaining basis far earlier than some of the great dams in the West. Why leave Quoddy out?

Here are some of the other advantages held by Quoddy. Quoddy is located on tidewater on one of the three finest harbors in the country, open all the year round. Eastport is nearer to Europe than any other town in the United States. So located, it is easily and cheaply accessible to the basic raw materials of the world. Thus it holds great advantages over Niagara in this respect.

Quoddy is designed to achieve the permanent rehabilitation of eastern Maine. Already it has meant a wonderful benefit along the line of Maine relief. Upward of 5,000 workers were employed. These workers were reported to have sent their money home almost to a man. In fact, the bulk of Quoddy money goes out of Eastport itself, goes all over New England in fact. The local post office reports an average of $2,000 in money orders daily. Figures secured from headquarters show that Quoddy has paid to the city of Bangor, for instance, almost half a million dollars in labor and supplies. The city of Portland section, including outside contracts, has profited by almost a million. In the city of Boston, to 171 concerns Quoddy has paid $847,287.29 up to March 30. Accounts not yet paid will bring this to over a million. All this exclusive of labor, exclusive of huge outside contracts.

In closing, here's an odd one—we hope you get all it means: The question has been asked in withering accusation, "Why doesn't this project of Quoddy come out in the open?" The answer is so simple as to be staggering: Quoddy—didn't—have—the—gate money. By the open is meant publicity. To get into the press with favorable publicity Quoddy must run the gantlet of politics and power. Direct publicity costs money. Quoddy, of itself, the last 2 or 3 years has had no money. Naturally the Federal Government makes no provision for such activity. What favorable publicity on Quoddy has leaked through into the open, has been wrung out of the situation by a group of local individuals, men who were compelled to pass the hat for gas, stamps, and printer's ink.

And so we have tried to give you the true facts about Quoddy. In return, why not be fair? Eastern Maine has been licked—badly. Boulder Dam, Grand Coulee, all the other big projects are designed to rehabilitate their own sections, the same as Quoddy. But none of these has been attacked and ridiculed like the Quoddy project. Why not be fair?

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3531. An act to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928; to the Committee on Flood Control.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 12037. An act relating to compacts and agreements among States in which tobacco is produced providing for the control of production of, or commerce in, tobacco in such States, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 713. An act granting jurisdiction to the Court of Claims to hear the case of David A. Wright; and

S. 929. An act for the relief of the Southern Products Co.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. ANDREW of Massachusetts, indefinitely, on account of illness.

To Mr. BOILEAU, for the balance of the week, on account of illness.

To Mr. HARTLEY, for the balance of this week, on account of illness.

To Mrs. JENCKES of Indiana, for 2 weeks, on account of official business.

To Mr. UTTERBACK, for 8 days, on account of important official business.

THE LATE REPRESENTATIVE JOHN T. BUCKBEE

Mr. REED of Illinois. Mr. Speaker, word has just been received of the death this afternoon of our colleague, JOHN T. BUCKBEE, of Illinois. I offer the following resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 495

Resolved, That the House has heard with profound sorrow of the death of Hon. JOHN T. BUCKBEE, a Representative from the State of Illinois.

Resolved, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

The SPEAKER. The Chair will appoint the committee in the morning.

The Clerk will report the remaining part of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect this House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 5 o'clock and 6 minutes p. m.), in accordance with the order heretofore made, the House adjourned until tomorrow, Friday, April 24, 1936, at 11 a. m.

COMMITTEE HEARING

COMMITTEE ON THE PUBLIC LANDS

The Committee on the Public Lands will meet at 10 a. m. tomorrow, Friday, April 24, 1936, to consider the bill (H. R. 7086) to establish Mount Olympus National Park in State of Washington, and for other purposes. The hearing to be considered in the caucus room of old House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

809. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 20, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Woodmont Harbor, Conn., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

810. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 20, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Crooked and Indian Rivers, Mich., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

811. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 20, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Trask, Miami, Kilchis, and Wilson Rivers, Oreg., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

812. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 20, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Delaware River, between Easton and Stroudsburg, Pa., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

813. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 20, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Winter Harbor, Va., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

814. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 22, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Savannah River at Augusta, Ga., with a view of extending the present revetment work to the top of the levee and prevent erosion interfering with the navigation of the improved channel, authorized by the River and Harbor Act approved July 3, 1930; to the Committee on Rivers and Harbors.

815. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 22, 1936, submitting a report, together with accompanying papers, on a preliminary examination of lower Altamaha River and Darien Harbor, Ga., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MURDOCK: Committee on Indian Affairs. H. R. 11218. A bill to provide for the disposition of tribal funds now on deposit or later placed to the credit of the Crow Tribe of Indians, Montana, and for other purposes; without amendment (Rept. No. 2482). Referred to the Committee of the Whole House on the state of the Union.

Mr. WALTER: Committee on the Judiciary. H. R. 12162. A bill to create an additional division of the United States District Court for the Southern District of Mississippi to be known as the Hattiesburg division; without amendment (Rept. No. 2483). Referred to the Committee of the Whole House on the state of the Union.

Mr. WEAVER: Committee on the Judiciary. H. R. 11926. A bill to provide for a term of court at Durham, N. C.; without amendment (Rept. No. 2484). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. S. 2849. An act to provide funds for cooperation with Wellpinit School District No. 49, Stevens County, Wash., for the construction of a public-school building to be available for Indian children of the Spokane Reservation; without amendment (Rept. No. 2485). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. S. 3372. An act to provide funds for cooperation with the public-school district at Hays, Mont., for construction and improvement of public-school building to be available for Indian children; without amendment (Rept. No. 2486). Referred to the Committee of the Whole House on the state of the Union.

Mr. DELANEY: Committee on Naval Affairs. H. R. 10129. A bill authorizing an appropriation for the development of a naval air base at Tongue Point, Oreg.; with amendment (Rept. No. 2488). Referred to the Committee of the Whole House on the state of the Union.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 11369. A bill to authorize the construction of certain auxiliary vessels for the Navy; with amendment (Rept. No. 2489). Referred to the Committee of the Whole House on the state of the Union.

Mr. COCHRAN: Committee on Coinage, Weights, and Measures. H. R. 12397. A bill to authorize the coinage of 50-cent pieces in commemoration of the completion of the bridges in the San Francisco Bay area; without amendment (Rept. No. 2490). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 190. A bill granting authority to the Secretary of War to license the use of a certain parcel of land situated in Fort Brady Military Reservation to Ira D. MacLachlan Post, No. 3, the American Legion, for 15 years; with amendment (Rept. No. 2487). Referred to the Committee of the Whole House.

Mr. DARDEN: Committee on Naval Affairs. S. 158. An act authorizing the President to present a medal in the name of Congress to Johannes F. Jensen; without amendment (Rept. No. 2491). Referred to the Committee of the Whole House.

Mr. McFARLANE: Committee on Naval Affairs. S. 2517. An act to provide for the advancement on the retired list of the Navy of Walter M. Graesser, a lieutenant (junior grade), United States Navy, retired; without amendment (Rept. No. 2492). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. S. 3581. An act for the relief of Henry Thornton Meriwether; without amendment (Rept. No. 2493). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 12383) granting an increase of pension to Virgil O. Adams, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. EVANS: A bill (H. R. 12443) to authorize the coinage of 50-cent silver pieces in commemoration of the one hundred and fiftieth anniversary of the adoption of the Constitution of the United States; to the Committee on Coinage, Weights, and Measures.

By Mr. GREEVER: A bill (H. R. 12444) to amend section 5, as amended, of the act entitled "An act to provide for the admission of the State of Wyoming into the Union, and for other purposes", approved July 10, 1890; to the Committee on the Territories.

By Mr. MORAN: A bill (H. R. 12445) to provide for the establishment of a Coast Guard station on the coast of Maine, at or near Isle au Haut, Knox County; to the Committee on Merchant Marine and Fisheries.

By Mr. DOXEY: A bill (H. R. 12446) to promote sustained yield forest management, in order thereby (a) to stabilize communities, forest industries, employment, and taxable forest wealth; (b) to assure a continuous and ample supply of forest products; and (c) to secure the benefits of forests in regulation of water supply and stream flow, prevention of soil erosion, amelioration of climate, and preservation of wildlife; to the Committee on Agriculture.

By Mr. GOLDSBOROUGH: A bill (H. R. 12447) to amend certain provisions of the banking laws relating to the administrative powers of the Comptroller of the Currency, the conversion of State banks into national banks, the payment of dividends on common stock of national banks, and the election and duties of shareholders' agents, and for other purposes; to the Committee on Banking and Currency.

By Mr. DICKSTEIN: Resolution (H. Res. 492) to provide 1 legislative day for consideration of certain bills reported from the Committee on Immigration and Naturalization; to the Committee on Rules.

By Mr. McLEOD: Resolution (H. Res. 493) requesting the President of the United States to transmit to the House of Representatives the report submitted to the Administrator of the Works Progress Administration by Gen. Hugh S. Johnson upon completion of his term as New York City Administrator of the Works Progress Administration; to the Committee on Expenditures in the Executive Departments.

By Mr. GILCHRIST: Resolution (H. Res. 494) providing for the consideration of H. R. 10101; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHANDLER: A bill (H. R. 12448) for the relief of Burton P. Cordle; to the Committee on Claims.

By Mr. COOLEY: A bill (H. R. 12449) for the relief of Melvin Andrews; to the Committee on Claims.

By Mr. DARDEN: A bill (H. R. 12450) for the relief of Lt. David E. Carlson, United States Navy; to the Committee on Naval Affairs.

By Mr. DRIVER: A bill (H. R. 12451) for the relief of the dependents of W. R. Dyess; to the Committee on Claims.

By Mr. SAMUEL B. HILL: A bill (H. R. 12452) granting an increase of pension to Felix Shaser; to the Committee on Pensions.

By Mr. GREEVER: A bill (H. R. 12453) for the relief of Francesco Kovach, alias Frank Kovach, alias Joe Kalister; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10768. By Mr. SISSON: Petition of residents of New York City and vicinity, urging passage of House bill 9216, the National Income and Credit Act; to the Committee on Banking and Currency.

10769. By the SPEAKER: Petition of the Daughters of the American Revolution; to the Committee on Appropriations.

SENATE

FRIDAY, APRIL 24, 1936

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God and Heavenly Father, whose creative spirit is the source of all our aspirations, the guardian of our destinies: We thank Thee for the glory of this, another day, and as we set our faces toward our work, deepen, we pray Thee, our sense of oneness with Thee, that we may rejoice alike in the richness of our corporate life and in the sternness of our personal responsibility.

Grant unto these, Thy servants, insight, that instrument by which high spirits call the future from its cradle and the past out of its grave, that this day may be fruitful in permanent achievement for the welfare of our country.

Do Thou release all those whom a heavy weight of years hath chained and bound and raise up those who fall upon the thorns of life, that Thy children everywhere may be renewed by joyous thoughts of immortality which sometimes sleep but cannot die, as they are folded within their own eternity.

And when the sun is set at eventide and we go to our long home to meet Thy face, grant that this may be our requiem: "Peace, peace! He is not dead, he doth not sleep. He hath but wakened from the dream of life."

We ask it in the name and for the sake of Him who is the resurrection and the life, Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar day Thursday, April 23, 1936, when, on request of Mr. ROBINSON, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 713. An act granting jurisdiction to the Court of Claims to hear the case of David A. Wright;

S. 929. An act for the relief of the Southern Products Co.; and

H. R. 12037. An act relating to compacts and agreements among States in which tobacco is produced providing for the control of production of, or commerce in, tobacco in such States, and for other purposes.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolution:

On April 17, 1936:

S. 2336. An act granting compensation to Mary Weller;

S. 3125. An act for the relief of J. A. Hammond; and

S. 3445. An act to authorize the Secretary of Agriculture to release the claim of the United States to certain land within the Ouachita National Forest, Ark.

On April 20, 1936:

S. 2042. An act for the relief of Grace Park, a minor, the Westerly Hospital, and Dr. H. M. Scanlon.

On April 21, 1936:

S. J. Res. 230. Joint resolution amending paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Hayden	Pittman
Ashurst	Connally	Holt	Pope
Austin	Coolidge	Johnson	Radcliffe
Bachman	Copeland	Keyes	Reynolds
Bailey	Couzens	King	Robinson
Barbour	Davis	La Follette	Russell
Barkley	Dickinson	Logan	Schwellenbach
Benson	Dieterich	Lonergan	Sheppard
Bilbo	Donahey	Long	Shipstead
Black	Duffy	McAdoo	Steiwer
Bone	Fletcher	McGill	Thomas, Okla.
Borah	Frazier	McKellar	Thomas, Utah
Brown	George	McNary	Townsend
Bulkley	Gerry	Maloney	Truman
Bulow	Gibson	Minton	Vandenberg
Burke	Glass	Murphy	Wagner
Byrd	Guffey	Murray	Walsh
Byrnes	Hale	Neely	Wheeler
Capper	Harrison	Norris	
Caraway	Hastings	O'Mahoney	
Carey	Hatch	Overton	

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Florida [Mr. TRAMMELL] are absent because of illness; and that the Senator from South Carolina [Mr. SMITH], the Senator from Oklahoma [Mr. GORE], the Senator from Indiana [Mr. VAN NUYS], the Senator from Illinois [Mr. LEWIS], the Senator from New Jersey [Mr. MOORE], and the Senator from Maryland [Mr. TYDINGS] are unavoidably detained from the Senate. I further announce that the Senator from Missouri [Mr. CLARK] is detained because of illness in his family.

Mr. AUSTIN. I announce that the Senator from Rhode Island [Mr. METCALF] is necessarily absent from the Senate.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

COMMENDATION OF COAST GUARD

Mr. COPELAND. Mr. President, I send to the desk a short letter, which I ask the clerk to read.

The VICE PRESIDENT. The clerk will read, as requested.

The Chief Clerk read as follows:

UNITED FRUIT CO.,
New York, N. Y., April 23, 1936.

Hon. ROYAL S. COPELAND,
United States Senator from New York,
Senate Building, Washington, D. C.

DEAR SIR: We wish to draw your attention to another incident of excellent service rendered by the Coast Guard.

At 11:07 a. m., April 17, when the vessel was about 174 miles from Norfolk, we received a message from the United Mail steamship *Veragua* indicating that Second Officer Boyd had a ruptured appendix and required immediate hospitalization. The Coast Guard were notified and their cutter and plane service effected the transfer of the man to the Norfolk Hospital where an operation was performed at 4:30 p. m. the same day.

It is our sincere belief that the Coast Guard saved the life of Mr. Boyd, and we wish to express our appreciation of their prompt and efficient service.

Yours very truly,

H. HARRIS ROBSON.

Mr. COPELAND. Mr. President, I think we take pride in the achievements of the Coast Guard and in the bravery of the personnel of that fine organization. So it seems to me proper that a record should be made of the feeling of the steamship line involved in the case referred to in the letter.

DISTRICT OF COLUMBIA AIRPORT COMMISSION

The VICE PRESIDENT appointed the Senator from Utah [Mr. KING], the Senator from New York [Mr. COPELAND], and the Senator from Vermont [Mr. AUSTIN] as the members on the part of the Senate of the District of Columbia Airport Commission, created under the act to establish a commercial airport for the District of Columbia, approved April 21, 1936.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution of the Common Council of the City of Detroit, Mich., favoring the enactment of the bill (H. R. 12243) to release political subdivisions of States from the obligation to repay relief funds received under section 1, subsection E, of title I of the Emergency Relief and Construction Act of 1932, and to eliminate discrimination in the case of certain loans made under that act, and for other purposes, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution of the Council of the City of Columbus, Ohio, favoring the prompt enactment of the so-called Wagner-Ellenbogen low-cost housing bill, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the Forty-fifth Continental Congress of the National Society of the Daughters of the American Revolution, endorsing the proposed sesquicentennial project to commemorate the one hundred and fiftieth anniversary of the completion of the Constitution of the United States by the Constitutional Convention, which was referred to the Committee on the Judiciary.

Mr. ASHURST presented a resolution adopted by members of the executive committee of the Arizona Peace Officers' Association, protesting against the enactment of the bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, or similar legislation, which was ordered to lie on the table.

Mr. COPELAND presented a resolution of the Bookkeepers', Stenographers', and Accountants' Union, No. 12646, American Federation of Labor, of New York City, N. Y., favoring the enactment of legislation creating a court of appeals for civil-service employees, which was referred to the Committee on Civil Service.

He also presented resolutions adopted by the New York State Board of Housing and the Lower East Side Public Housing Conference of New York City, N. Y., favoring the enactment of the so-called Wagner-Ellenbogen low-cost housing bill, which were referred to the Committee on Education and Labor.

He also presented a petition of members of the New York Adult Blind Aid Association, of New York City, N. Y., praying for the enactment of the bill (H. R. 7122) providing for the granting of pensions by the Federal Government to certain blind persons, imposing duties upon the United States Treasurer in connection therewith, providing penalties, and making an appropriation, which was referred to the Committee on Pensions.

He also presented a petition of sundry citizens, being employees of the Kensington (Buffalo), N. Y., post office, praying for the enactment of the bill (H. R. 7688) to provide for the appointment and promotion of substitute postal

employees, and for other purposes, which was referred to the Committee on Post Offices and Post Roads.

REPORTS OF COMMITTEES

Mr. GEORGE, from the Committee on Finance, to which was referred the joint resolution (S. J. Res. 200) to extend the period of suspension of the limitation governing the filing of suit under section 19, World War Veterans' Act, 1924, as amended, reported it with amendments and submitted a report (No. 1940) thereon.

Mr. McADOO, from the Committee on Patents, to which was referred the bill (H. R. 11562) to renew patent no. 25909, relating to the badge of the United States Daughters of 1812, reported it without amendment.

Mr. BLACK, from the Committee on Claims, to which were referred the following bills, reported them each with amendments and submitted a report as indicated:

S. 2114. A bill for the relief of D. E. Woodward and Mrs. Murray A. Hintz; and

S. 2576. A bill for the relief of Manuel D. A. Otero as administrator of the estate of Teresita S. Otero, deceased (Rept. No. 1941).

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 4390) to amend the National Defense Act relating to the Medical Administrative Corps, reported it with an amendment and submitted a report (No. 1942) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 3879) for the relief of James W. Grist, reported it without amendment and submitted a report (No. 1943) thereon.

ADDITIONAL COPIES OF "ARKANSAS, A STUDY OF ITS GROWTH AND CHARACTERISTICS"

Mr. HAYDEN. From the Committee on Printing I report a resolution, which I ask may be read.

The VICE PRESIDENT. The clerk will read the resolution.

The resolution (S. Res. 290) was read, as follows:

Resolved, That 10,000 additional copies of Senate Document 191, current session, entitled "Arkansas, a Study of its Growth and Characteristics", be printed for the use of the Senate document room.

Mr. McNARY. Mr. President, what is the document referred to?

Mr. HAYDEN. The document is being issued because of a centennial celebration being held in the State of Arkansas. The document relates to the history and progress of the State of Arkansas.

I ask unanimous consent for the present consideration of the resolution.

There being no objection, the resolution was considered and agreed to.

COMMEMORATION OF THREE HUNDREDTH ANNIVERSARY OF HARVARD UNIVERSITY

Mr. BARKLEY. From the Committee on the Library I report back favorably, with amendments, Senate Joint Resolution 247, and ask unanimous consent for its immediate consideration. It merely authorizes the printing of a special stamp in commemoration of the three hundredth anniversary of the establishment of Harvard University.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. McNARY. Mr. President, it is always proper to read a proposal before asking unanimous consent for its consideration. I am not familiar with the joint resolution, or its contents or purpose.

Mr. BARKLEY. I have no objection to its being read.

The PRESIDING OFFICER. The joint resolution will be read by title.

The Chief Clerk read as follows:

A joint resolution (S. J. Res. 247) authorizing and requesting the President to extend to governments and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the founding of Harvard University, which marked the first formal beginning of higher education in the United States.

The PRESIDING OFFICER. Does the Senator from Oregon desire to have the resolution read at length?

Mr. McNARY. No; the title affords a sufficient outline of its object.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

The amendments of the Committee on the Library were, on page 2, line 3, after the word "That", to strike out "when, in the opinion of the President of the United States, it shall be appropriate for him to do so, the President be, and is hereby, authorized and requested to extend to such governments and individuals as he may determine an invitation to unite with"; in line 8, after the words "United States", to insert "unite with Harvard University"; in line 9, before the word "founding", to strike out the word "the" and insert "its", and in the same line, after the word "founding", to strike out "of Harvard University"; and on page 3, line 13, after the word "to", to strike out "such representatives of governments and other persons as may respond to the invitation of the President extended as hereinbefore provided" and insert "the delegates of foreign universities and other foreign learned bodies or individuals attending the celebration as guests of Harvard University."

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was amended as follows and was agreed to:

In the second whereas on page 1, in the second line, after the word "Harvard", to strike out "University" and insert "College"; in the third line, after the word "the", to insert "16th"; in line 5, before the word "in", to strike out the quotation mark; and on page 2, after the word "benefactors", to strike out the quotation mark, and to strike out the following:

Whereas a tercentenary theater to seat some 15,000 persons is being constructed for the occasion by said university; and

The joint resolution as passed is as follows:

Whereas there are to be held at Cambridge, Mass., and at other places during the year 1936 celebrations commemorating the three-hundredth anniversary of the founding of Harvard University, said university being the first college to be established in what are now the United States; and

Whereas, in accordance with resolutions of the president and fellows of Harvard College, there will take place in Cambridge, Mass., on the 16th, 17th, and 18th of September 1936 formal ceremonies of celebration of the tercentenary, in the presence of the governing boards, faculties, students, and alumni of the university, the delegates of other institutions, distinguished guests, and a large number of friends and benefactors; and

Whereas the Commonwealth of Massachusetts and the cities of Cambridge and Boston will be officially represented at the ceremonies; and

Whereas Harvard University endeavors to foster and maintain the ideals of truth and freedom so dear to Americans: Therefore be it

Resolved, etc., That the Government and people of the United States unite with Harvard University in a fitting and appropriate observance of the three hundredth anniversary of its founding, which marked the formal beginning of higher education in the United States.

SEC. 2. There is hereby established a commission to be known as the United States Harvard University Tercentenary Commission (hereinafter referred to as the Commission) to be composed of 15 commissioners, as follows: The President of the United States and four persons to be appointed by him, the President of the Senate and four Members of the Senate to be appointed by said President of the Senate, and the Speaker of the House of Representatives and four Members of the House to be appointed by said Speaker.

SEC. 3. The commission, on behalf of the United States, shall cooperate with representatives of Harvard University, the Commonwealth of Massachusetts, and the cities of Cambridge and Boston in the appropriate observance of such anniversary, and shall extend appropriate courtesies to the delegates of foreign universities and other foreign learned bodies or individuals attending the celebration as guests of Harvard University.

SEC. 4. The members of the commission shall serve without compensation and shall select a chairman from among their number, but the President of the United States shall be designated the "honorary chairman" of the commission.

SEC. 5. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to be expended by the commission for expenses, including

actual and necessary traveling and subsistence expenses, incurred while discharging its functions under this resolution. The commission shall have power to select, hire, and fix the compensation of such officers and employees as shall be necessary for the performance of its duties without regard to the provisions of other laws applicable to employment or compensation of officers or employees of the United States.

SEC. 6. Any vacancies occurring in the membership of the commission shall be filled by the President of the United States.

The title was amended so as to read: "A joint resolution authorizing the recognition of the three hundredth anniversary of the founding of Harvard College and of the beginning of higher education in the United States, and providing for the representation of the Government and people of the United States in the observance of the anniversary."

CONDITION OF AGRICULTURAL PRODUCERS—EXTENSION OF TIME FOR REPORT

Mr. WHEELER. Mr. President, from the Committee on Agriculture and Forestry, I report back without amendment House Joint Resolution 553, extending the time for the Federal Trade Commission to make an investigation and file final report with respect to agricultural income and the financial and economic condition of agricultural producers generally.

The resolution merely provides for an extension of Public Resolution 61 of the last session of Congress, which directed the Federal Trade Commission to make a study and investigation of "agricultural income and the financial and economic condition of agricultural producers generally."

Under that resolution the Commission was directed to make a final report to Congress not later than July 1, 1936. Due to the failure of passage of the deficiency appropriation bill in the last session, the money for the investigation was not actually appropriated until February 11, 1936. It has not been possible for the Commission to assemble this material for a report by July 1 and the resolution merely extends this date to October 1, 3 months. No additional money is appropriated and no additional authority is given the Commission hereunder.

I ask that a letter from the Chairman of the Federal Trade Commission to the chairman of the Senate Committee on Agriculture and Forestry may be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 2, 1936.

The Honorable ELLISON D. SMITH,
Chairman, Senate Committee on Agriculture and Forestry,
United States Senate, Washington, D. C.

In the matter of House Joint Resolution 553, Seventy-fourth Congress, first session. Joint resolution extending the time for the Federal Trade Commission to make an investigation and file final report with respect to agricultural income and the financial and economic condition of agricultural producers generally.

MY DEAR MR. CHAIRMAN: I beg to acknowledge receipt of your letter of April 1, 1936, enclosing copy of House Joint Resolution 553, which passed the House of Representatives March 30, 1936, in which you state that you will welcome a report on the legislation as soon as the Commission has had an opportunity to give it consideration.

In reply to your letter, I beg to state that the resolution is for the purpose of extending the time within which the Commission is directed to complete the investigation and to file final report, with recommendations for legislation, from July 1, 1936, to October 1, 1936, and the preamble to the resolution states the reasons for the proposed extension of time. The resolution further provides that any unexpended balance of the appropriation of $150,000 made in the Independent Offices Appropriation Act for the fiscal year 1936 for the purpose of making the investigation and the report thereon be also made available for like purposes to and including October 1, 1936.

For the reasons stated in the preamble, the Commission recommends the passage of the joint resolution.

I desire to thank you for referring the matter to the Commission for its consideration.

By direction of the Commission.

CHARLES H. MARCH, *Chairman.*

Mr. WHEELER. I now ask unanimous consent for the immediate consideration of the joint resolution.

Mr. McNARY. Mr. President, I inquire if the joint resolution has passed the House?

Mr. WHEELER. It has passed the House.

Mr. McNARY. Has it been reported favorably by the proper committee of the Senate?

Mr. WHEELER. It has been reported favorably without amendment.

Mr. McNARY. I understand its only purpose is to extend the time within which the Federal Trade Commission may submit a report on the subject matter.

Mr. WHEELER. It extends the time for 3 months, from July to October 1.

Mr. McNARY. Very well.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas the Federal Trade Commission was authorized under the provisions of Public Resolution No. 61, Seventy-fourth Congress, first session, approved August 27, 1935, to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally; and

Whereas the said Commission was directed to present an interim report to the Congress on January 1, 1936, describing the progress made and the status of its work under said public resolution, and a final report with recommendations for legislation not later than July 1, 1936; and

Whereas it appears that the appropriation for conducting this investigation carried in the deficiency appropriation bill failed of passage in the first session of the Seventy-fourth Congress, and was not actually made until February 11, 1936, although the resolution authorizing the investigation was introduced some 18 months prior to the date specified for the completion of the investigation and report, and was approved August 27, 1935; and

Whereas the extensive information called for under the terms of the said public resolution has caused frequent and numerous requests for extensions of time upon the part of persons from whom such information has had to be obtained, such extensions amounting to from 1 to 3 months in addition to 30 days' time originally allowed by the Commission; and

Whereas it is learned that much of the necessary information cannot be secured by July 1, 1936; and

Whereas it appears that it will be possible for the Commission to secure and present much more comprehensive data and to present a much more thorough and accurate study and report upon the same if the time within which it is directed to complete its investigation and to submit its final report thereon with recommendations for legislation be extended: Therefore be it

Resolved, etc., That the Federal Trade Commission be, and it is hereby, authorized and directed to proceed under the public resolution aforesaid and is directed to complete the investigation thereunder and to submit a final report to the Congress with recommendations for legislation not later than October 1, 1936.

It is hereby further provided that any unexpended balance of the appropriation of the $150,000 made in the Independent Offices Appropriation Act for the fiscal year 1936 in accordance with the authority contained in Public Resolution No. 61, Seventy-fourth Congress, first session, is hereby made available for like purposes to and including October 1, 1936.

The preamble was agreed to.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

A bill (S. 4531) for the relief of Alfred Y. Davenport; to the Committee on Military Affairs.

By Mr. COPELAND (by request):

A bill (S. 4532) to confer jurisdiction on the Court of Claims to hear and determine the claim of New York Harbor Drydock Corporation; to the Committee on Claims.

By Mr. BILBO:

A bill (S. 4533) granting the consent of Congress to the Mississippi State Highway Commission to construct, maintain, and operate a free highway bridge across the Pascagoula River at or near Wilkersons Ferry, Miss.; to the Committee on Commerce.

By Mr. BONE:

A bill (S. 4534) for the relief of Warner Smith; to the Committee on Patents.

By Mr. DAVIS:

A bill (S. 4535) for the relief of Roy S. Kostenbader; to the Committee on Claims.

A bill (S. 4536) to amend section 64 of the Bankruptcy Act of the United States; to the Committee on the Judiciary.

By Mr. RADCLIFFE:

A bill (S. 4537) granting a pension to Joseph Galonska; to the Committee on Pensions.

By Mr. OVERTON:

A bill (S. 4538) providing for an examination and survey for a deep-water channel from New Iberia, Parish of Iberia, La., to the Gulf of Mexico; to the Committee on Commerce.

By Mr. KING:

A bill (S. 4539) to amend the act entitled "An act to regulate the bringing of actions for damages against the District of Columbia, and for other purposes", approved February 28, 1933; and

A bill (S. 4540) to provide for the operation of bathing pools in the District of Columbia under the jurisdiction of the Secretary of the Interior, and for other purposes; to the Committee on the District of Columbia.

A bill (S. 4541) to reserve certain lands in the State of Utah for the Shivwitz, Koosharem, and Kanosh Bands of Paiute Indians; to the Committee on Public Lands and Surveys.

EDITORIAL ON RITTER IMPEACHMENT TRIAL

Mr. McKELLAR. Mr. President, I ask permission to have printed in the RECORD an editorial which was published in the Memphis Commercial Appeal of April 21, 1936, relating to the Ritter impeachment case.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Commercial Appeal, Memphis, Tenn., Apr. 21, 1936]

A WARNING TO JUDGES

Cumbersome though the process may be, the United States Senate, in returning a judgment against Judge Ritter, served notice upon Federal judges that general unfitness for office is quite as serious as a specific misdemeanor. In fact, the main conclusion to be drawn from the Ritter conviction is that while a judge may err in isolated cases, this will be overlooked if his general temperament and integrity are not too conspicuously involved.

Judge Ritter was acquitted of charges setting out particular offenses, but was caught on an article which enabled Senators to weigh his fitness and consider that fitness in connection with its effect upon the administration of justice.

Ritter should have never been named to the Federal bench in the first place. He lived in Colorado for 30 years, and showed up in Florida in 1925. A bare 3 years later President Coolidge named him to the bench. It was a political appointment and smacked too much of the carpetbaggism of other days to be a popular appointment. However, a vigorous and wholesome conduct of the court would have overcome all prejudices; but from the testimony presented to the Senate the conduct of the Court was quite the reverse of this.

Ritter's conviction is the fourth in the history of the country, the twelfth impeachment to be tried.

Already there is a movement on foot to simplify the process by providing that testimony may be taken by a select senatorial committee and presented to the whole body with such briefs and arguments as may be necessary. It seems out of date to tie up the Senate with details of the trial, even to the taking of testimany. This is especially true since the Senate sits, not as a jury, where it might be confined to certain rules, but as a Court where it is the sole judge of the law and the facts.

While the Constitution recites that judges may be impeached for the high crimes and misdemeanors, it has been generally conceded that such crimes need not be conclusively shown. This was evidenced by the Ritter judgment. This is a warning to judges that they will be held to a strict accountability in spite of the life term to which they are appointed or of the rare instances in which they are called to answer.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. JOHN T. BUCKBEE, late a Representative from the State of Illinois, and transmitted the resolutions of the House thereon.

The message announced that the House had passed the bill (S. 4335) to authorize the coinage of 50-cent pieces in commemoration of the centennial celebration of Cleveland, Ohio, to be known as the Great Lakes Exposition, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 12098) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. McMILLAN, Mr. CARY, Mr. TARVER, Mr. ANDREWS, Mr. RABAUT, Mr. BACON, and Mrs. KAHN were appointed managers on the part of the House at the conference.

CONSIDERATION OF UNOBJECTED BILLS ON THE CALENDAR

The VICE PRESIDENT. If there be no resolutions coming over from a previous day, under the unanimous-consent agreement the calendar is in order for the consideration of unobjected bills.

Mr. CAREY. Mr. President, I move that the Senate consider at this time Senate Resolution 229, requesting the Civil Service Commission to furnish the Senate certain information.

The VICE PRESIDENT. The Chair is advised by the parliamentary clerk that there are no resolutions coming over from a previous day.

Mr. CAREY. Can I not move to have the resolution considered?

Mr. ROBINSON. I make the point of order that under the agreement entered into yesterday the Senate must proceed at this time to the consideration of unobjected bills on the calendar.

Mr. McNARY. Mr. President, I was not present at the close of the session yesterday, but I thought we would have the ordinary routine morning business.

Mr. ROBINSON. We have had it.

The VICE PRESIDENT. The Senate has transacted its routine morning business.

Mr. McNARY. I am not familiar with the position taken by my colleague from Wyoming [Mr. CAREY]. I know his resolution does not come over from a previous day, but is on the table.

The VICE PRESIDENT. The resolution is on the table at the present time.

Mr. McNARY. It would require a motion to proceed to its consideration.

The VICE PRESIDENT. It would.

Mr. McNARY. Is the motion of the Senator from Wyoming excluded by virtue of the unanimous-consent agreement?

The VICE PRESIDENT. Under the unanimous-consent agreement, when the Senate concluded the routine morning business today it was to proceed to consider unobjected bills on the calendar. The clerk will state the first bill in order on the calendar.

BILLS PASSED OVER

The bill (S. 944) to amend section 5 of the Federal Trade Commission Act was announced as first in order.

Mr. VANDENBERG. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 213) to amend section 113 of the Criminal Code of March 4, 1909, 35 Statutes, 1109 (U. S. C., title 18, sec. 203), and for other purposes, was announced as next in order.

Mr. McGILL. I ask that the bill go over.

The VICE PRESIDENT. The bill was be passed over.

The bill (S. 1506) to change the name of the Pickwick Landing Dam to Quin Dam was announced as next in order.

Mr. McKELLAR. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 574) relative to Members of Congress acting as attorneys in matters where the United States has an interest was announced as next in order.

SEVERAL SENATORS. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 509) to prevent the use of Federal offices or patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends was announced as next in order.

Mr. ROBINSON. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching was announced as next in order.

Mr. ROBINSON and Mr. McKELLAR asked that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1452) providing for the employment of skilled shorthand reporters in the executive branch of the Government was announced as next in order.

Mr. KING. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 87) to prevent the shipment in interstate commerce of certain articles and commodities in connection with which persons are employed more than 5 days per week or 6 hours per day, and prescribing certain conditions with respect to purchases and loans by the United States and codes, agreements, and licenses under the National Industrial Recovery Act was announced as next in order.

Mr. VANDENBERG. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1460) to fix standards for till baskets, climax baskets, round stave baskets, market baskets, drums, hampers, cartons, crates, boxes, barrels, and other containers for fruits or vegetables, to consolidate existing laws on this subject, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 212) to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Farm Credit Administration, the Federal Reserve banking system, and creating a Board of Agriculture to supervise the same, was announced as next in order.

Mr. ROBINSON. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1476) to provide for unemployment relief through development of mineral resources, to assist the development of privately owned mineral claims, to provide for the development of emergency and deficiency minerals, and for other purposes, was announced as next in order.

Mr. VANDENBERG. I ask that that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 476) relating to promotion of civil-service employees, was announced as next in order.

Mr. McKELLAR. I ask that that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1952) extending the classified executive civil service of the United States, was announced as next in order.

Mr. NEELY. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2405) to provide for a special clerk and liaison officer, was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 916) to carry into effect the decision of the Court of Claims in favor of claimants in French spoliation cases not heretofore paid, was announced as next in order.

Mr. VANDENBERG. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2583) establishing certain commodity divisions in the Department of Agriculture, was announced as next in order.

Mr. KING. I ask that that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 379) to provide for the deportation of certain alien seamen, and for other purposes, was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2998) to control the trade in arms, ammunition, and implements of war was announced as next in order.

Mr. McKELLAR. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2825) to provide for the establishment of a National Planning Board and the organization and functions thereof was announced as next in order.

Mr. KING. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3072) to amend the Tariff Act of 1930, as amended, was announced as next in order.

SEVERAL SENATORS. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2665) to change the name of the Department of the Interior and to coordinate certain governmental functions was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1826) for the retirement of employees in the classified civil service to include employees in the legislative branch was announced as next in order.

Mr. THOMAS of Oklahoma. I ask that that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 8555) to develop a strong American merchant marine, to promote the commerce of the United States, to aid in national defense, and for other purposes, was announced as next in order.

Mr. McKELLAR. I ask that that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3420) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by aircraft in interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3393) to create a Federal Board of Foreign Trade was announced as next in order.

Mr. VANDENBERG. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 6772) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes, was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

BUREAU OF NAVIGATION AND STEAMBOAT INSPECTION

The Senate proceeded to consider the bill (H. R. 8599) to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board and increase efficiency in administration of the steamboat-inspection laws, and for other purposes.

Mr. COPELAND. Mr. President, it will be recalled that some days ago we partially perfected this bill when the Senator from Vermont [Mr. GIBSON] said he wished to prepare an amendment to it. He has done so, and the amendment is entirely satisfactory to the Commerce Committee. I inquire if the Senator from Vermont has a copy of it?

Mr. GIBSON. I have a copy of the amendment and desire to offer it at this time.

The PRESIDENT pro tempore. Does the Senator ask to have the amendment read?

Mr. GIBSON. I should like to have the amendment stated. I send a copy of it to the desk.

Mr. COPELAND. Mr. President, I may say the proposal is to strike out section 4, on page 3, and insert the language presented by the Senator from Vermont.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, after line 19, it is proposed to strike out down to and including line 13, on page 4, being section 4, and in lieu thereof to insert the following:

SEC. 4450. (a) There is hereby created a marine casualty investigation board, which board is authorized and directed, under such rules as such board may prescribe, to investigate and prepare written reports on all marine accidents and disasters resulting in loss of life and involving either any merchant vessel of the United States, or any ocean-going commercial craft of any sort whether designed to travel in the air or on or in the water, and, in the discretion of the board, any other marine accident or disaster, in order to determine whether any incompetence, misconduct, negligence, unskillfulness, or willful violation of law on the part of any licensed officer, pilot, seaman, employee, owner, or agent of such owner of any vessel involved in such accident or disaster, or any inspector, officer of the Coast Guard, or other officer or employee of the United States, or any other person, caused or contributed to the cause of such accident or disaster. The board shall consist of a chairman and two other members; the chairman shall be an officer or employee of the Department of Justice (learned in maritime laws) designated by the Attorney General; one member shall be a supervising inspector of the Bureau of Marine Inspection and Navigation designated by the Secretary of Commerce; and the other member shall be an officer of the United States Coast Guard designated by the Secretary of the Treasury. Neither the chairman nor any of the other members shall receive any salary by virtue of service on the board in addition to that received from the department to which he is attached. All reports shall be made to the Secretary of Commerce and such reports shall be public records and be open to inspection at reasonable times by any person. Copies of such reports shall be sent to the Attorney General and to the Secretary of the Treasury. The findings of this board with respect to the conduct of any officer, pilot, or person now or hereafter licensed by the Department of Commerce, and the record upon which such findings are based, shall be admissible in evidence in proceedings before the proper local board of inspectors for the revocation or suspension of the license of such officer, pilot, or person.

Mr. KING. Mr. President, I should like an explanation of the bill, including the reason for changing the name, and also an explanation of the amendment which has just been tendered. It seems to me the bill proposes to create an organization within an existing organization which is competent to deal with the subject.

Mr. COPELAND. Mr. President, the purpose of the bill is to promote safety at sea. Senators are aware that a great many newspaper articles are being published these days about the failure of the Federal Government and the Department of Commerce to provide adequate safeguards. The purpose of the bill is to enlarge somewhat the function of the Bureau of Navigation. It is proposed to change the name in order that it may conform more with similar organizations of other countries.

The amendment which has been presented by the Senator from Vermont [Mr. GIBSON] is, in my judgment, a wise amendment, because it provides for a permanent board in the Department instead of one created or appointed in each instance to deal with the accident. The trouble with the old plan was that the very department which was considered responsible for the defects in providing safety devices was the department which was to pass upon the accident and its cause. The amendment of the Senator from Vermont provides for a permanent board to investigate accidents, which board is to be presided over by a representative of the Department of Justice. That is very wise, because criminal acts are usually involved in these accidents. It is provided that the Department of Justice, the Department of Commerce, and the United States Coast Guard shall have representatives to constitute the board. This is without expense to the Government. It is simply an interdepartmental board.

Another matter which I wish to mention is that as this bill came to us the appointments in the Bureau were to be made without regard to the civil-service law. The Senator from Washington [Mr. BONE] presented an amendment placing them under the civil-service law, and the committee is of the view that that should be done. If the Senator from Utah is satisfied with the amendment presented by the Senator from Vermont, I shall suggest the other amendment relating to civil service.

Mr. McKELLAR. Mr. President, are employees to be put under the civil service?

Mr. COPELAND. Yes.

Mr. McKELLAR. And the members of the board, too?

Mr. COPELAND. No; not the members of the board. They will be outstanding members of the Government—the Attorney General, the Secretary of Commerce, and the head of the Coast Guard. They are not under the civil service, of course. The other amendment relates to other employees, who should be under the civil service.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. GIBSON].

The amendment was agreed to.

Mr. COPELAND. I ask that the amendment on page 2, in lines 3 and 4, be disagreed to.

The PRESIDENT pro tempore. Without objection, the amendment is rejected.

Mr. COPELAND. Now, I move, on page 2, in line 3, to strike out the words "without regard to the civil-service rules and regulations."

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 2, line 3, it is proposed to strike out the words "without regard to the civil-service rules and regulations", so as to make the sentence read:

There shall be seven supervising inspectors, who shall be appointed by the Secretary of Commerce.

The amendment was agreed to.

Mr. COPELAND. I ask now that the committee amendment on page 3, lines 3 and 4, be rejected.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 3, line 3, after the word "commerce", it is proposed to insert the words "without regard to the civil-service clause or the Classification Act of 1925, as amended", so as to read:

SEC. 3. That there shall be in the field service of the Bureau of Marine Inspection and Navigation in the Department of Commerce without regard to the civil-service laws or the Classification Act of 1925, as amended, not to exceed 10 principal traveling inspectors to be appointed by the Secretary of Commerce, the compensation of such principal traveling inspectors to be fixed by the Secretary of Commerce at not to exceed $5,000 per annum.

The amendment was rejected.

The PRESIDENT pro tempore. The next amendment of the committee will be stated.

The next amendment of the Committee on Commerce was, on page 4, to strike out:

(b) For the purpose of investigating marine casualties not involving loss of life and all cases of acts of incompetency or misconduct or any act in violation of any of the provisions of this title, or of any of the regulations issued thereunder, committed by any licensed officer or holder of a certificate of service while acting under the authority of his license or certificate of service, whether or not any of such acts are committed in connection with any marine casualty, the Director of the Bureau of Marine Inspection and Navigation, with the approval of the Secretary of Commerce, is hereby authorized and directed to appoint marine boards, each consisting of two principal traveling inspectors and a supervising inspector of the said Bureau.

And insert:

(b) The Secretary of Commerce shall establish rules and regulations for the investigation of marine casualties and accidents not involving loss of life, any act in violation of any of the provisions of this title or of any of the regulations issued thereunder, and all cases of acts of incompetency or misconduct committed by any licensed officer or holder of a certificate of service while acting under the authority of his license or certificate of service, whether or not any of such acts are committed in connection with any marine casualty or accident. The Secretary of Commerce shall classify marine casualties and accidents not involving loss of life according to the gravity thereof and in making such classification the Secretary shall give consideration to the extent of injuries to persons, the extent of property damage, the dangers actual or potential which such marine casualties or accidents may create to the safety of navigation or commerce. All such marine casualties or accidents classified as serious shall be investigated by a marine board appointed by the Secretary of Commerce, consisting of two principal traveling inspectors and a supervising inspector of the Bureau of Marine Inspection and

Navigation. Marine casualties or accidents classified as less serious shall be investigated by a marine board consisting of representatives of the Bureau of Marine Inspection and Navigation designated by the Director thereof.

The amendment was agreed to.

The next amendment was, on page 6, after line 12, to strike out:

(d) Immediately after the occurrence of a marine casualty, the appropriate board shall conduct an investigation into any acts of incompetency or misconduct or any acts in violation of any of the provisions of this title, or of any of the regulations issued thereunder, committed by any licensed officer acting under authority of his license, or by any chief or assistant steward, purser, or radio operator acting under authority of a certificate of service issued to him by the board of local inspectors of steam vessels, or by any seaman; and into all circumstances surrounding such marine casualty, and shall determine, so far as possible, the cause of such casualty, the persons responsible therefor, and whether or not United States Government employees charged with the inspection of the vessel or vessels involved and with the examination and licensing of the officers thereof have properly performed their duties in connection with such inspection, examination, and licensing.

And to insert in lieu thereof:

(d) All acts in violation of any of the provisions of this title or of any of the regulations issued thereunder, whether or not committed in connection with any marine casualty or accident, and all acts of incompetency or misconduct, whether or not committed in connection with any marine casualty or accident, committed by any licensed officer acting under authority of his license or by any chief or assistant steward, purser, radio operator, electrician, able seaman, or lifeboatman acting under authority of a certificate of service issued to him by the Bureau of Marine Inspection and Navigation, and all marine casualties and accidents and the attendant circumstances shall be immediately investigated by the appropriate board as provided in subsection (b) of this section. Such board shall determine, as far as possible, the cause of any such casualty or accident, the persons responsible therefor, and whether or not United States Government employees charged with the inspection of the vessel or the vessels involved and with the examination and licensing of the officers thereof have properly performed their duties in connection with such inspection, examination, and licensing. In all investigations conducted under the authority of this section, a full and complete record of the facts and circumstances shall be submitted to the Director of the Bureau of Marine Inspection and Navigation.

Mr. COPELAND. Mr. President, in order that the amendment of the Senator from Vermont may be properly referred to, I move to amend, on page 7, in line 18, by striking out "subsection (b)" and inserting "subsections (a) and (b)", so as to read, "Subsections (a) and (b)."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment of the Committee on Commerce was, on page 13, line 15, after the word "vessels", to insert the words "except as far as existing law places definite responsibility on the Bureau of Marine Inspection and Navigation", so as to make the proviso read:

Provided, That approved plans and certificates of the American Bureau of Shipping classed vessels may be accepted by the Director as evidence of the structural efficiency of the hull and the reliability of the machinery of such vessels, except as far as existing law places definite responsibility on the Bureau of Marine Inspection and Navigation.

The amendment was agreed to.

Mr. COPELAND. On page 13, beginning in line 17, the sentence ending with the word "calculations", in line 24, should be stricken out. I offer that as an amendment.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 13, line 17, it is proposed to strike out the following:

In the case of passenger ships building to class with the American Bureau of Shipping, certificates of the said American Bureau of Shipping certifying to the adequacy of the subdivision arrangement, on the basis of any regulations issued by the Department of Commerce, may be accepted by the Director, subject, however, to the submission to the Bureau of Marine Inspection and Navigation and the approval of the Director of all flooding calculations.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment of the committee will be stated.

The next amendment of the Committee on Commerce was, on page 17, after line 4, to strike out "the said extra compensation for overtime services shall be paid by the master, owner, or agent of such vessel to the" and to insert in lieu thereof the words "A fee of $25, for each 8 hours or fraction thereof that an inspector is engaged for overtime, holiday, or Sunday work, shall be paid by the master, owner, or agent of the vessel to the", so as to read:

A fee of $25, for each 8 hours or fraction thereof that an inspector is engaged for overtime, holiday, or Sunday work, shall be paid by the master, owner, or agent of the vessel to the local United States collector of customs or his representative, who shall deposit such collection into the Treasury of the United States to an appropriately designated receipt account.

The amendment was agreed to.

The next amendment of the Committee on Commerce was, on page 19, to insert a new section 8, as follows:

SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

The amendment was agreed to.

The next amendment of the Committee on Commerce was, on page 19, line 4, to change the section number from "8" to "9."

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (S. 2003) to amend section 13 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea" was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill?

Mr. ROBINSON. Mr. President, may I inquire if this is the general merchant marine bill?

Mr. COPELAND. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

TRANSFER OF POWDER AND OTHER EXPLOSIVE MATERIALS

The bill (S. 3646) to repeal an act of March 3, 1933, entitled "An act to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes" was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of Congress entitled "An act to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes", approved March 3, 1933, be, and the same is hereby, repealed.

BILL PASSED OVER

The bill (S. 3154) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases, and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

WILLIAM H. CLINTON

The bill (H. R. 3604) to place William H. Clinton on the retired list of the Navy was announced as next in order.

Mr. McKELLAR. Over.

Mr. DAVIS. Mr. President, will the Senator withhold his objection until I make an explanation?

Mr. McKELLAR. I understand the Department opposed the bill and ascertained that it would be vetoed if passed. However, I am willing to hear the Senator's explanation.

Mr. DAVIS. Mr. President, as I understand, William H. Clinton, an enlisted man in the Navy, was advanced to the rank of gunner during the World War and served on the destroyer *Sterrett* in the war zone.

During a severe storm at sea the personnel and the vessel itself became endangered due to heavy seas breaking over the ship, smashing lifeboats and other fittings about the ship. Clinton volunteered to clear away this wreckage, and while doing so another heavy sea came on board and he was pinned under the wreckage. With great difficulty he was extricated from this wreckage and carried below.

This small vessel carried no doctor; and no mention was made of the injuries received in his health record. However, an entry was made in the ship's log book that he was injured on this occasion. An affidavit to this effect has been furnished by the commanding officer of the vessel.

The Veterans' Administration finds this man to be 60 percent disabled and that the injury was received in line of duty. He is now drawing compensation from the Administration at the rate of $42.80 per month.

Regarding the unfavorable report from the Navy Department, it may be stated that they probably made their report on the medical record in this case—no medical record was made in this case, as the ship carried no doctor—and failed to consider the entry made in the ship's log book.

This bill merely authorizes this man to appear before a Navy retiring board, and he will not be placed on the retired list unless the board finds that he was permanently injured in line of duty.

The Committee on Naval Affairs reported unanimously in favor of the bill.

Mr. McKELLAR. Mr. President, I desire to insert in the RECORD at this point the report of the committee, including a letter from former Secretary of the Navy Adams, and after that shall have been done I will ask that the bill go over.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Report to accompany H. R. 3604

The Committee on Naval Affairs, to whom was referred the bill (H. R. 3604) to place William H. Clinton on the retired list of the Navy, having considered the same, report it to the Senate without amendment, with the recommendation that the bill do pass.

The House report which explains the merits of the bill and also contains the letter from the Secretary of the Navy is hereby made a part of this report.

[H. Rept. No. 601, 74th Cong., 1st sess.]

"The Committee on Naval Affairs of the House of Representatives, to whom was referred the bill (H. R. 3604) to place William H. Clinton on the retired list of the United States Navy, having considered the same, report it to the House with the recommendation that it do pass.

"A similar bill (H. R. 1845) was reported to the House in the Seventy-second Congress. A similar bill (H. R. 4079) was reported to the House, and passed the House, in the Seventy-third Congress.

"The purpose of this bill is to appoint William H. Clinton a warrant gunner and place him on the retired list as such, provided a naval retiring board finds that he incurred physical disability incident to the naval service while on the active list of the Navy.

"The records of the Navy Department show that after a period of over 8 years' service as an enlisted man, William H. Clinton was appointed a temporary gunner in the Navy on October 13, 1917, to rank from September 24, 1917, and served as such until April 28, 1920, when his resignation was accepted at his own request.

"It was established to the entire satisfaction of the committee that Mr. Clinton was seriously and probably permanently injured on December 17, 1917, while serving on the U. S. S. *Sterrett*, during a storm at sea, when the wreckage of a lifeboat and life rafts were thrown on his back. Through a mistake, no medical notation was made of this injury, but there was a notation of this fact made on the official log of the *Sterrett* and affidavits were presented from Captain Simpson and Lieutenant Commander Alexander showing that Clinton was seriously and probably permanently injured at the time. These statements are hereto attached and made a part of this report.

"3. The circumstances, in few words, are as follows:

"(a) A heavy gale was running.

"(b) At about 5 a. m. on the morning of December 17, while laying to, running before the gale, a sea came over and carried away the starboard lifeboat, which was properly secured in her cradle on deck. The same sea also carried away two small life rafts secured on deck. These loosened fragments were a menace to other fittings and possible safety of the ship. Manifestly, this wreckage was also a danger to the crew, should it become necessary to send a man down the deck to relieve the watch in the fireroom or engine room.

"(c) Lieutenant Alexander, Clinton, and I endeavored to clear the wreckage. There were volunteers from the members of the crew of the gun's crew, but it was considered the situation was too dangerous to allow too great a number out of shelter from the seas. While at work endeavoring to clear away the wreckage another sea came over. Lieutenant Alexander and I were able to grab the jackstay on the smokestack, but Clinton, not being near that, stooped down and held onto the fireroom hatch. A spud locker nearby, which had been partially cast adrift by the first sea, fell on Clinton's leg, pinning him to the deck. Another sea came aboard and threw the wreckage of the lifeboat and life rafts on his back.

"(d) It was with great difficulty and danger that Clinton was extracted from the wreckage and carried below. At the time he complained of his back, his right leg, and stomach being very sore.

"(e) During the stress of the weather, the force of which may be realized by the fact that all the boats were lost, the radio shack smashed in, and even both pipes to the oil-settling tanks carried away, a notation in Clinton's medical record was overlooked.

"4. It is a fact, however, that a notation was made in the official log over my signature, as follows:

" 'December 17, 1917. U. S. S. *Sterrett*.

" '5:15 a. m. starboard whaleboat carried away.

" '5:25 a. m. Gunner (T) W. H. Clinton, U. S. N., injured clearing away wreckage.'

"5. Clinton was laid up for some time and, in my opinion, uncomplainingly went back to duty before he had recovered from the effects of this injury. With his high sense of duty, it was characteristic of him not to complain or even to ask medical advice during the continuance of war, for fear that he might be laid up and not do what he considered his part.

"6. The injury to the spine received on this occasion, not being treated through the following years, naturally became aggravated and I understand giving him a great amount of trouble at the present time.

"7. It is trusted that the Veterans' Bureau will give Clinton the maximum compensation it can for this very deserving case; anything further I can do I will be only too glad to do so.

"G. W. SIMPSON."

"UNITED STATES FLEET,
"AIRCRAFT SQUADRON'S BATTLE FLEET,
"U. S. S. 'SARATOGA',
"Coronado Roads, Calif., May 8, 1929.

"WILLIAM H. CLINTON,
"Roslindale, Mass.

"DEAR CLINTON: I have learned with sincere regret that you have been having trouble from that injury you received while attached to the U. S. S. *Sterrett*. I also regret that a full and complete record was not made at the time. This was due, of course, to our not having a doctor on board and to the stress of those hectic days which followed.

"The incidents leading up to and following your accident are very vividly stamped on my memory for the reason that, on December 17, 1917, the *Sterrett* was being punished by seas, the magnitude of which I had never before (or since) seen a ship live in.

"I recall during our struggle with the loose gear on deck that morning the wave which smashed you up with the bread box, etc., also washed me along and after it passed, and not seeing you I feared that you had gone overboard. I was the one who called out "Where is the gunner?" When we got you onto the wardroom cot I was afraid your leg was broken and desired to cut your boot off rather than to compound a fracture.

"During the stress of weather which followed and getting the ship safely to port I am afraid we did not give you the attention and sympathy you deserved at the time, but we did the best we could except to log full and complete report, if, as you say, only the fact that you were injured was logged.

"I kept a personal diary all during the war and have an entry therein concerning the wave that hit us and your and my reception of same and a notation of your injury.

"As I recall your departure from the *Sterrett*, you still had a stiff leg and back when you left us. I cannot understand why the pharmacist failed to record injury to your back and leg in your medical record.

"As stated above, having you saved from going overboard that morning and due to the fact that you bore your misfortune silently and in a seamanlike manner without complaint are the only reasons I can give as accounting for such a brief entry in the log.

"I am prepared, if necessary, to furnish an affidavit to the effect that you received a severe injury to the leg and back on December 17, 1917, which caused you pain and severe stiffness of body and limb for over a period of 1 week or more (exact time I cannot recall).

"Having served with you under the acid test of war, I know you to be of the type and caliber of a man who would bear your troubles without complaint. If now, as a result of an injury incurred in line of duty, to which I personally assigned you, you are incapacitated, you can be assured that, if advised as to the

proper person to address, I will gladly forward any further information dealing on the subject of your injury or relative to your excellent performance of duty while serving with me on the *Sterrett*.

"With my sincere regret to learn of your misfortune, I am,

"Yours truly,

"J. T. ALEXANDER,

"Lieutenant Commander, United States Navy.

"Some years ago Clinton applied to the Veterans' Bureau for compensation and was rated 70 percent disabled, which rating was changed to 60 percent. He is receiving $42.80 per month.

"The Veterans' Bureau found that his present condition was service connected.

"As a result of these injuries he was operated on at the naval hospital in New York in 1919, and the medical record of the case states that the origin of the trouble was in line of duty. The operation was for appendicitis and hernia.

"The following letter from the Secretary of the Navy sets forth the Navy Department's views of the bill, and is hereby made a part of this report:

"NAVY DEPARTMENT,
"OFFICE OF THE SECRETARY,
"Washington, D. C., January 26, 1935.

"The CHAIRMAN, COMMITTEE ON NAVAL AFFAIRS,
"House of Representatives, Washington, D. C.

"MY DEAR MR. CHAIRMAN: The report and recommendations of the Navy Department on the bill listed below are the same as those previously submitted to the chairman, House Naval Affairs Committee on the date indicated:

"H. R. 3604, February 5, 1932.

"Sincerely yours,

"CLAUDE A. SWANSON.

"The letter above referred to is as follows:

"WASHINGTON, *February 5, 1932.*

"CHAIRMAN, COMMITTEE ON NAVAL AFFAIRS,
"House of Representatives, Washington, D. C.

"MY DEAR MR. CHAIRMAN: Replying further to the committee's letter of December 19, 1931, transmitting the bill (H. R. 1845) to place William H. Clinton on the retired list of the Navy, and requesting the views of the Navy Department thereon, I have the honor to inform the committee as follows:

"The purpose of the bill is to appoint William H. Clinton a warrant gunner and place him on the retired list as such, provided a naval retiring board finds that he incurred physical disability incident to the naval service while on the active list of the Navy.

"The records of the Navy Department show that, after a period of over 8 years' service as an enlisted man, William H. Clinton was appointed a temporary gunner in the Navy on October 13, 1917, to rank from September 24, 1917, and served as such until April 28, 1920, when his resignation was accepted at his own request.

"The only individuals who have been placed on the retired list in the rank temporarily held are those who contracted physical disability in the line of duty during the World War. The Navy Department is not aware of any permanent disability incurred in the service which would entitle Mr. Clinton to retirement, even were he still on the active list of the Navy. Further attention is invited to the fact that in a letter to the Bureau of Navigation dated February 28, 1921, requesting enrollment in the Naval Reserve Force, class 1, Mr. Clinton made the following statement:

" 'I am of the opinion that I am physically qualified to perform all the duties of a gunner on active duty at sea.'

"The bill, H. R. 1845, would, if enacted into law, result in an additional cost to the Government of approximately $1,512 per annum.

"In view of the above, the Navy Department recommends against the enactment of the bill H. R. 1845.

"Sincerely yours,

"C. F. ADAMS, *Secretary of the Navy.*"

The PRESIDENT pro tempore. On objection, the bill will be passed over.

VOCATIONAL EDUCATION

The bill (S. 2883) to provide for the further development of vocational education in the several States and Territories was announced as next in order.

Mr. GEORGE. Mr. President, I shall not ask for consideration of the bill under the present order, but it is expected that a motion will be made to make it a special order at an early date. I ask that it go over at this time.

Mr. McNARY. Mr. President, I feel considerable interest in the bill to which the Senator just addressed himself; but, because of confusion in the Chamber, I did not understand the remarks of the Senator. Did he ask that it be made a special order at a later date?

Mr. GEORGE. I did not ask it, but gave notice that it is expected to ask to have it made a special order at an early date. It could hardly be disposed of under the present order.

The PRESIDENT pro tempore. The bill will be passed over.

GOVERNMENT FOR AMERICAN SAMOA

The Senate proceeded to consider the bill (S. 3113) to provide a government for American Samoa, which was read.

Mr. ROBINSON. Mr. President, similar bills have passed the Senate three times heretofore. The measure was first introduced by the chairman of the Committee on Territories and Insular Affairs, the former Senator from Connecticut, Mr. Bingham, having been prepared by a commission, of which I myself was one of the members. Subsequently, I introduced the bill and it was passed; and I think similar bills have passed this body three times. No action has been taken on them in the House of Representatives. I think the bill might very well be passed again.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. COPELAND subsequently said: Mr. President, may I ask what happened to Senate bill 3113?

The PRESIDENT pro tempore. The bill has been passed.

Mr. COPELAND. I ask unanimous consent that the bill may be returned to the calendar. I was busy with another matter at the time it was reached.

Mr. ROBINSON. I do not object to that request, Mr. President.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KING. Mr. President, I may say—perhaps it is not quite germane—that similar bills have been before the Senate a number of times. I think most of us are familiar with the measure. It has received the approval of the Senate upon three different occasions.

Mr. COPELAND. At a future time I desire to present some argument relative to the matter.

The PRESIDENT pro tempore. The bill will be returned to the calendar.

BILLS, ETC., PASSED OVER

The joint resolution (S. J. Res. 205) providing for disposition of certain cotton held by the United States was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 3627) for the relief of Francis Gerrity was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

ALLOCATION OF RADIO FACILITIES

The bill (S. 2243) relating to the allocation of radio facilities was announced as next in order.

Mr. ROBINSON. Mr. President, there should be an explanation of that bill. It relates to an important subject.

The Senator who reported the bill is not present at this moment; and I ask that it go over for the present.

The PRESIDENT pro tempore. Without objection, the bill will be passed over.

Mr. WHEELER subsequently said: Mr. President, I ask unanimous consent to return to Calendar No. 1652, Senate bill 2243, relating to the allocation of radio facilities.

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Is there objection to the request of the Senator from Montana to return to Senate bill 2243?

Mr. McNARY. Mr. President, personally I have no objection. There are a number of absentees on this side of the Chamber, however.

Mr. WHEELER. Let me say to the Senator that I do not think there is any objection at all to the bill.

Mr. McNARY. There must have been objection, or it would have passed.

Mr. WHEELER. Some Senator objected to it and asked for a statement with reference to it.

Mr. McNARY. May I inquire of the Chair, if the clerk has the record before him, who asked that the bill go over?

The PRESIDING OFFICER. The Senator from Arkansas [Mr. ROBINSON] asked to have the bill go over.

Mr. WHEELER. I am sure the Senator from Arkansas would have no objection to the bill, because it is a bill which the Communications Commission itself asked to have enacted.

Mr. McKELLAR. My recollection is, if the Senator will yield, that the Senator from Arkansas asked for an explanation of the bill; and as the Senator from Montana was not here at the time, he then asked to have the bill go over.

Mr. WHEELER. That is correct.

The passage of this bill has been recommended by the Communications Commission. I introduced the bill. It came before the Committee on Interstate Commerce and was unanimously reported to the Senate by the committee.

Mr. McKELLAR. If I should be mistaken in my recollection and if the bill should pass, the Senator would not object to a reconsideration if the Senator from Arkansas should desire to have it?

Mr. WHEELER. Not at all. If any Senator desires reconsideration of the bill, I shall not object to it.

Mr. FLETCHER. What is the calendar number of the bill?

Mr. WHEELER. It is Calendar No. 1652.

Mr. KING. What is the purpose of the bill?

Mr. WHEELER. The purpose is to restore the provisions of the original act.

The original act contained practically the same provisions as the bill in question. Later there was an agitation to divide the country into various zones, and to provide that the Commission should allocate radio frequencies only to those particular zones. The engineers of the Commission and the Commission itself since that time have found many difficulties in allocating frequencies to particular zones; and they desire to have the matter left to their discretion, because the zone idea has tied them down on account of the contour of the country in some places, and so forth.

Mr. McKELLAR. Does the Communications Commission recommend the enactment of the bill?

Mr. WHEELER. Yes; the Commission has recommended it in language which I will read. I first read from the report of the committee:

> The legislation is recommended for practical reasons of administration by the Communications Commission, which has found that the drawing of artificial zone lines for guides in allocating radio facilities cannot satisfactorily be applied because of the physical laws governing radio transmission. As a consequence, the policy of Congress, to so distribute radio facilities that every section of the country will be adequately supplied, has been very difficult of effectuating.
>
> On May 23, 1935, the Chairman of the Communications Commission wrote the chairman of your committee as follows:
>
> "With further reference to S. 2243, which was introduced by you March 13, 1935, I beg to advise that this Commission favors its adoption for the following reasons"—

A similar bill was recommended for passage at the last session of Congress, as I recall, by the Communications Commission—

> "The existing law, which S. 2243 seeks to repeal, is contrary to natural laws and has resulted in the concentration of the use of frequencies in centers of population, and the restriction of facilities in sparsely populated States, even though interference consideration would permit the operation of one or more additional stations. Because of the size of the zones provided for by existing law, the distribution required by the Davis amendments has resulted in providing ample broadcast service in small zones and lack of service in large zones. The experience of the Federal Radio Commission and this Commission has proved that the Davis amendment is very difficult of administration and cannot result in an equality of radio broadcasting service.
>
> "This Commission is, therefore, in hearty accord with and favors the passage of S. 2243."

Let me say to the Senate that when the Davis amendment was adopted, the former Senator from Washington, Mr. Dill, and myself and other Senators from the West were very anxious that the bill should become law. Subsequently, however, we found that the operation of the so-called Davis amendment has discriminated against the West, because of the fact that the zones in the West are so large and the zones in the East are small. Consequently, the big cities of the country, such as those in New York, have found that the law works all right; but in the case of the larger zones in the West and Middle West it has hampered us in securing the facilities we ought to have to meet the demands of that section of the country.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill? There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate Commerce with an amendment, on page 1, line 12, after the word "provide", to strike out "an" and insert "a fair, efficient, and", so as to make the bill read:

> *Be it enacted, etc.*, That section 302 of the Communications Act of 1934 is hereby repealed.
>
> SEC. 2. Subsection (b) of section 307 of such act is amended to read as follows:
>
> "(b) In considering applications for licenses, and modifications and renewals thereof, when and insofar as there is demand for the same, the Commission shall make such distribution of licenses, frequencies, hours of operation, and of power among the several States and communities as to provide a fair, efficient, and equitable distribution of radio service to each of the same."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H. R. 3340) for the relief of Jessie S. Post was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3974) to amend the act entitled "An act to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States, and for other purposes", approved July 2, 1926, was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

EDUCATION, MEDICAL ATTENTION, ETC., FOR INDIANS

The Senate proceeded to consider the bill (S. 3452) to amend an act entitled "An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes", which had been reported from the Committee on Indian Affairs with amendments.

Mr. ROBINSON. Mr. President, I think there should be an analysis of this bill by its author.

Mr. THOMAS of Oklahoma. Mr. President, the bill proposes an amendment to what is known as the Johnson-O'Malley law, passed in 1934. Under the provisions of that law, the Bureau of Indian Affairs, acting through the Secretary of the Interior, is authorized to contract with the States for furnishing certain services to Indians. This bill proposes to modify and extend the provisions of the Johnson-O'Malley Act by making it possible for the Secretary to contract with the States for providing for the medical attention, relief of distress, and social welfare of the Indians.

The bill does one additional thing. The original act provided that the Secretary must contract with some legally authorized institution in the State for these services. Some of the States have not passed an enabling act on the subject, so the bill provides that the Secretary may contract with the Governor, and in some States the Governor may make the contract in the exercise of his inherent powers as Governor.

Those are the two things the bill does.

Mr. ROBINSON. I do not object to the consideration of the bill, Mr. President.

The PRESIDENT pro tempore. The amendment reported by the committee will be stated.

The amendment was, on page 1, line 5, after the word "education", to insert "medical attention, relief of distress, and social welfare of Indians", so as to make the bill read:

> *Be it enacted, etc.*, That the act of April 16, 1934 (48 Stat. 596), entitled "An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes", be, and the same hereby is, amended to read as follows:

"That the Secretary of the Interior be, and hereby is, authorized, in his discretion, to enter into a contract or contracts with any State or Territory, or political subdivision thereof, or with any State university, college, or school, or with any appropriate State or private corporation, agency, or institution, for the education, medical attention, agricultural assistance, and social welfare, including relief of distress, of Indians in such State or Territory, through the agencies of the State or Territory or of the corporations and organizations hereinbefore named, and to expend under such contract or contracts, moneys appropriated by Congress for the education, medical attention, agricultural assistance, and social welfare, including relief of distress, of Indians in such State or Territory.

"SEC. 2. That the Secretary of the Interior, in making any contract herein authorized, may permit such contracting party to utilize, for the purpose of this act, existing school buildings, hospitals, and other facilities, and all equipment therein or appertaining thereto, including livestock and other personal property owned by the Government, under such terms and conditions as may be agreed upon for their use and maintenance.

"SEC. 3. That the Secretary of the Interior is hereby authorized to perform any and all acts and to make such rules and regulations, including minimum standards of service, as may be necessary and proper for the purpose of carrying the provisions of this act into effect: *Provided*, That such minimum standards of service are not less than the highest maintained by the States or Territories within which said contract or contracts, as herein provided, are to be effective.

"SEC. 4. That the Secretary of the Interior shall report annually to the Congress any contract or contracts made under the provisions of this act, and the moneys expended thereunder."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CLAIM OF HEIRS OF JAMES TAYLOR

The Senate proceeded to consider the bill [S. 3301] to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the heirs of James Taylor, deceased Cherokee Indian, for the value of certain lands now held by the United States, and for other purposes, which had been reported from the Committee on Indian Affairs with amendments, in section 4, page 4, line 7, after the word "suit", to insert "or suits", and in line 8, after the words "Court of Claims", to strike out "is authorized to allow attorney's fees not exceeding 10 percent on the amount of the judgment which may be rendered in favor of plaintiff, if any, and the same shall be made a part of the court's decree" and to insert "shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 percent of the recovery, together with all necessary and proper expenses incurred in the preparation and prosecution of said suit or suits, to be paid to the attorney or attorneys employed by said claimant heirs of James Taylor, and the same shall be included in the decree and paid out of any sum or sums found to be due said claimants", so as to make the bill read:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims, both legal and equitable, notwithstanding any statutes of limitations, to hear, determine, and render final judgment upon the claim of the heirs of James Taylor, a deceased Cherokee Indian, named in his last will and testament dated the 7th day of October 1905 (codicil dated Jan. 7, 1907), as recorded in the office of the clerk of the Superior Court of Cherokee County, State of North Carolina, in Book of Wills, page 139 and the following, against the United States for the value of certain lands, including the value of all timber and other property taken therefrom and appropriated to the use and benefit of the United States since the 15th day of March 1869, and for the value of the use of such lands and other property by the United States since said date, March 15, 1869. The lands referred to are in the State of North Carolina and were the subject matter in Congressional Case No. 1344, James Taylor against the United States (H. Doc. No. 1344, 64th Cong., 1st sess.), described in a letter to the Secretary of the Interior dated May 5, 1933, signed by H. A. Wallace, Secretary of Agriculture (S. Rept. No. 875, 73d Cong., 2d sess., p. 6), and are now under administration by the United States as a part of the Nantahala National Forest.

SEC. 2. The Court of Claims shall consider the findings of fact reported to the House of Representatives, as found by said court in Congressional Case No. 1344, James Taylor against the United States (H. Doc. No. 187, 64th Cong., 1st sess), as evidence in any suit filed and prosecuted hereunder; but additional evidence and testimony may be submitted by the claimant heirs or by the United States. Records, deeds, correspondence, or other papers recorded or on file in any department of the United States Government or of the State of North Carolina, or certified copies thereof, may be used as evidence; and the departments of Government shall give access to and permit inspection of any such records, deeds, correspondence, or other papers by the claimant heirs of James Taylor or by their attorney in the preparation and prosecution of any suit filed under the authority of this act. It is the intention of this act that the said claim of the heirs of James Taylor against the United States shall be heard and finally determined on its merits and on the basis of justice and equity to both parties, and the Court of Claims is hereby authorized and directed to exercise unrestricted discretion to that end.

SEC. 3. Any suit filed hereunder shall make the heirs of James Taylor party plaintiff and the United States party defendant, and the petition shall be verified by one of the heirs named in the will mentioned in section 1 of this act, or by the attorney representing said heirs, or representing one of them for and on behalf of all of them, and no other verification shall be necessary. Petition hereunder shall be filed within 1 year from the date of approval of this act with right of amendment at any time before final judgment. The case shall be advanced on the court's docket for hearing; and the court shall have full authority by proper orders and process to bring in and make parties to such suit any or all periods or corporations deemed by it necessary or proper to the final determination of all questions and matters involved.

SEC. 4. Upon the final determination of any suit or suits filed hereunder the Court of Claims shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 percent of the recovery, together with all necessary and proper expenses incurred in the preparation and prosecution of said suit or suits, to be paid to the attorney or attorneys employed by said claimant heirs of James Taylor, and the same shall be included in the decree and paid out of any sum or sums found to be due said claimants.

SEC. 5. In the event judgment shall be rendered in favor of the heirs of James Taylor, and when the money shall have been appropriated to pay the same it shall be paid to the said heirs, less the attorney's fees, respectively or to their respective legal representative, or to the duly appointed and then acting administrator or executor of the estate of James Taylor, deceased, such payment to be made by the Secretary of the Treasury: *Provided, however*, That before making such payment the Secretary of the Treasury shall have delivered to him by the said heirs, or by a duly appointed and acting administrator or executor of the estate of James Taylor, deceased, a conveyance to the United States of all the right, title, claim, or interest of said heirs in and to the lands referred to in this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CLAIMS OF ASSINIBOINE INDIANS

The Senate proceeded to consider the bill (S. 3053) conferring jurisdiction on the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboine Indians may have against the United States, and for other purposes, which had been reported from the Committee on Indian Affairs with amendments.

The first amendment was, in section 1, page 1, line 5, after the word "notwithstanding", to insert "anything in the Judicial Code of the United States to the contrary, and without regard to", so as to make the section read:

Be it enacted, etc., That jurisdiction be, and is hereby, conferred upon the Court of Claims, with the right of appeal to the Supreme Court of the United States by either party, notwithstanding anything in the Judicial Code of the United States to the contrary, and without regard to the lapse of time, former adjudication or statutes of limitation, to hear, determine, adjudicate, and render judgment in any and all claims arising under or growing out of the Treaty of Fort Laramie of September 17, 1851 (11 Stat. L. 749), between the Government of the United States and the Assiniboine Indian Nation and other Indian nations therein specified, or any subsequent act of Congress, treaty, agreement, or Executive order or treaty with any other Indian tribe, or any nation that violates any of the rights of the Assiniboine Indian Nation, arising under or growing out of the said treaty, which said Assiniboine Nation or Tribe may have against the United States; and jurisdiction is hereby conferred upon the said court to determine whether or not any provision in such treaty has been violated or breached by the Government of the United States, by acts of Congress or otherwise; and if so, to render judgment for the damages resulting therefrom.

The amendment was agreed to.

The next amendment was, in section 3, page 3, line 18, after the word "sums", to strike out "heretofore"; and in line 19, after the word "Indians", to insert "prior to March 2, 1927", so as to read:

SEC. 2. Any and all claims against the United States within the purview of this act shall be forever barred unless suit be instituted or petition filed as herein provided in the Court of Claims within 5 years from the date of the approval of this act, such suit shall make the Assiniboine Nation or Tribe party plaintiff and the United States party defendant. The petition shall be verified by the attorney or attorneys employed to prosecute such claim or claims under contract with the Assiniboines, approved by the Commissioner of Indian Affairs and the Secretary of the Interior.

Official papers, letters, documents, records, including records of evidence heretofore taken before the Court of Claims pertaining to the subject matter of the suits herein authorized or certified copies thereof, may be used in evidence, and the departments of the Government shall give access to the attorney or attorneys of such Indian Nation to such treaties, papers, correspondence, or records as may be needed by the attorney or attorneys of said Indian Nation.

SEC. 3. That if any claim or claims be submitted to said court it shall determine the rights of the parties thereto, notwithstanding lapse of time or statutes of limitation or former adjudication and any payment which may have been made by the United States upon any claim so submitted shall not be pleaded as an estoppel, but may be pleaded as a set-off in any suit, and the United States shall be allowed credit subsequent to the date of any Executive order, law, treaty, or agreement under which the claims arise for any sum or sums paid or expended for the benefit of said Indians prior to March 2, 1927, including gratuities: *Provided, however,* That there shall not be set off or credited any sum or sums of money paid by the United States to or for the benefit of the Assiniboine Indian Nation for lands lying north of the Missouri River; nor any sum or sums of money received by the Assiniboine Nation or members thereof for surplus lands in the Fort Peck or Fort Belknap Reservations; nor any lands, nor the value thereof allotted to the Assiniboine Nation or members thereof in the Fort Peck or Fort Belknap Reservations, nor any land, nor the value thereof still held undisposed of in those reservations; nor shall there be set off or credited disbursements for agency building and repairs, miscellaneous agency expenses, pay of miscellaneous employees, pay of superintendents and agents, expenses of delegations, or pay of interpreters or Indian police.

The amendment was agreed to.

The next amendment was, in section 7, page 5, line 21, after the word "decree", to insert "and shall be thereafter subject to appropriation by Congress for the benefit of said Indians, including the purchase of land and building of homes, and no part of said judgment shall be paid out in per-capita payments to said Indians", so as to read:

SEC. 4. That if it be determined by the court that the United States, in violation of the terms and provisions of any Executive order, law, treaty, or agreement, set forth and referred to in section 1, has unlawfully appropriated or disposed of any money or other property belonging to the Indians, damages therefor shall be confined to the value of the money or other property at the time of such appropriation or disposal, with a minimum value of lands at $1.25 per acre. With reference to all claims which may be the subject matter of the suits herein authorized, the decree of the court shall be in full settlement of all damages, if any, committed by the Government of the United States, and shall annul and cancel all claim, right, and title of the said Assiniboine Indians in and to such money or other property.

SEC. 5. Upon final determination of such suit or suits, the Court of Claims shall have jurisdiction to fix and determine a reasonable fee for services heretofore or hereafter rendered the Assiniboine Nation not to exceed 10 percent of the recovery, together with all necessary and proper expenses heretofore or hereafter incurred in preparation and prosecution of the claims and suits, to be paid to the attorneys employed by said tribe or nation of Indians, who have heretofore prosecuted and shall hereafter prosecute said claims and suits and the same shall be included in the decree, and shall be paid out of any sum or sums found to be due said tribe.

SEC. 6. A copy of the petition shall, in such case, be served upon the Attorney General of the United States, and he, or some attorney from the Department of Justice to be designated by him, is hereby directed to appear and defend the interests of the United States in such case.

SEC. 7. The proceeds of all amounts, if any, recovered from said Indians shall be deposited in the Treasury of the United States to the credit of the Indians decreed by said court to be entitled thereto, and shall draw interest at the rate of 4 percent per annum from the date of the judgment or decree and shall be thereafter subject to appropriation by Congress for the benefit of said Indians, including the purchase of land and building of homes, and no part of said judgment shall be paid out in per-capita payments to said Indians. The costs incurred in any suit hereunder shall be taxed against the losing party; if against the United States such costs shall be included in the amount of the judgment or decree, and if against said Indians shall be paid by the Secretary of the Treasury out of the funds standing to their credit in the Treasury of the United States: *Provided,* That actual costs necessary to be incurred by the Assiniboine Indians as required by the rules of court in the prosecution of this suit shall be paid out of the funds of the Assiniboine Tribe in the Treasury of the United States.

SEC. 8. All laws and parts of law inconsistent with the provisions of this act are hereby repealed.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FURNISHING OF INFORMATION BY SECRETARY OF AGRICULTURE

Mr. ROBINSON. Mr. President, I am compelled at this time to leave the Chamber for a few minutes.

There is on the calendar Senate Resolution 265, Calendar No. 1824, a resolution introduced by the Senator from Michigan [Mr. VANDENBERG] which probably will be reached during my absence from the Chamber.

It is desired by a number of Senators that opportunity be afforded to discuss the resolution. I therefore ask that it be passed over for the present, and that on Monday next at 2 o'clock p. m. the Senate proceed to the consideration of the resolution.

Mr. McNARY. Mr. President, is it the purpose of the Senator to propose a unanimous-consent agreement to that effect at this time?

Mr. ROBINSON. Yes; I am asking such an agreement, because I shall probably be absent from the Chamber when the resolution is reached.

Mr. McNARY. At what hour and what date does the Senator desire to have the resolution considered?

Mr. ROBINSON. Next Monday. I suggested the hour of 2 o'clock p. m. I understand that that is satisfactory to the author of the resolution.

The PRESIDENT pro tempore. Without objection, it is so ordered.

BILLS, ETC., PASSED OVER

The bill (S. 2041) for the relief of Charles E. Wilson was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

ASSISTANT JUDGE ADVOCATE GENERAL OF THE ARMY

The bill (S. 3659) to promote the efficiency of the Judge Advocate General's Department of the Army was announced as next in order.

Mr. KING. Mr. President, I find that there is an adverse report with regard to this bill. Unless there is some explanation of the bill, I ask that it go over.

Mr. LOGAN. Mr. President, I made an explanation of this bill when it was reached on the calendar heretofore. It provides for the establishment of the office of Assistant Judge Advocate General in the Army, with the rank of brigadier general. It does not increase the cost to the Government further than about $20 a month.

The Judge Advocate General's Office think it very important that they have an officer to act in the absence of the Judge Advocate General, to be selected and appointed as provided by law for assistant chiefs of branches, because of the fact that under the present procedure the ranking officer usually acts when the Judge Advocate General is away, and he may or may not be very competent for this particular task. That is the only purpose of the bill.

Mr. KING. Mr. President, the letter of the Secretary of War concludes with this sentence:

This proposed legislation was submitted to the Bureau of the Budget, which reports that it is not in accord with the financial program of the President.

A paragraph before the one I have read from the letter of the Secretary of War says:

In drafting the act of June 4, 1920, careful consideration was given to the number of assistant chiefs required by the various branches. The organization then established has proven most effective and, in the main, adequate.

The next paragraph reads as follows:

Moreover, the War Department feels that the Congress in its last session, by enacting a bill providing accelerated promotion for the commissioned personnel of practically the entire Army, has done all it can reasonably be expected to do in regard to promotion for officers, and that no effort should be made toward the enactment of legislation providing increased promotion among the commissioned personnel, particularly of the higher ranks, in the absence of a pressing need therefor.

Obviously, if the bill should pass, the President would veto it.

Mr. LOGAN. I do not know whether or not the President would veto the bill. I do not know, however, that the Military Affairs Committee had that report before it when it considered all the facts; and the Military Affairs Committee thought, from talking with those who are members of the Judge Advocate General's Office and others, that the enactment of the bill is necessary. Of course, the Secretary of War recommended against the passage of the bill upon the ground that if it should be passed, perhaps other assistants would be called for; but the bill does not materially increase the cost to the Government, and I can see no particular reason why the Secretary of War should object to it.

The PRESIDENT pro tempore. Objection having been made, the bill will be passed over.

FRANZ J. FEINLER

The Senate proceeded to consider the bill (S. 2158) for the relief of Franz J. Feinler, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and to insert:

That the President of the United States is authorized to cause a War Department board of officers to review the case of Franz J. Feinler, including such additional evidence as may be submitted, to find whether the said Franz J. Feinler shall hereafter be held and considered to have been honorably discharged from the military service of the United States on April 20, 1918, and, if as a result of such review, it is found that it should be so held and considered and upon approval of such findings by the President, Franz J. Feinler shall be held and considered to have been honorably discharged on April 20, 1918: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 3726) to provide suitable rank for the Deputy Chief of Staff, United States Army, was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 8588) to authorize the deposit and investment of Indian funds was announced as next in order.

Mr. THOMAS of Oklahoma. Mr. President, in order that an amendment may be offered to this bill—and I am not now prepared to offer the amendment—I ask that the bill be passed over temporarily.

The PRESIDENT pro tempore. Without objection, that order will be made.

ELIZABETH HALSTEAD

The bill (H. R. 4638) for the relief of Elizabeth Halstead was considered, ordered to a third reading, read the third time, and passed.

CATHARINE I. KLEIN

The bill (S. 4019) for the relief of Catharine I. Klein was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Catharine I. Klein, the widow of Nelson B. Klein, a special agent of the Federal Bureau of Investigation of the Department of Justice, who was killed in the line of his official duty at College Corner, Ohio, August 16, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

RODMAN CHEMICAL CO.

The joint resolution (H. J. Res. 223) conferring upon the Court of Claims jurisdiction of the claim of the Rodman Chemical Co. against the United States was considered, ordered to a third reading, read the third time, and passed.

PETRA M. BENAVIDES

The bill (H. R. 1363) for the relief of Petra M. Benavides was considered, ordered to a third reading, read the third time, and passed.

BILL INDEFINITELY POSTPONED

The bill (S. 4025) to authorize a preliminary examination of the Republican River, with a view to the control of its floods, was announced as next in order.

Mr. NORRIS. Mr. President, a House bill to the same effect as this Senate bill having been passed by the Senate and House and signed by the President, I ask that this bill be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

VESSEL FOR RESEARCH WORK IN PACIFIC OCEAN FISHERIES

The bill (S. 3989) to provide for the construction and operation of a vessel for use in research work with respect to Pacific Ocean fisheries was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That when funds are made available as authorized by section 2 of this act, the Secretary of Commerce is authorized and directed (1) to cause plans and specifications to be prepared for the construction and equipment of a vessel for use in such research work with respect to Pacific Ocean fisheries as the Secretary finds will be useful to persons engaged in the fishing industry; and (2) to contract for the construction and equipment of such vessel. Such vessel shall be maintained and operated under the supervision of the Secretary of Commerce.

SEC. 2. There is authorized to be appropriated $500,000, or so much thereof as may be necessary, to carry out the purposes of the first sentence of section 1 of this act.

COLUMBIA NATIONAL FOREST, WASH.

The bill (S. 2694) to add certain lands to the Columbia National Forest, in the State of Washington, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, subject to any valid existing claim or entry, all lands of the United States within the areas hereinafter described be, and the same are hereby, added to and made parts of the Columbia National Forest, in the State of Washington, to be hereafter administered under the laws and regulations relating to the national forests; and the provisions of the act approved March 20, 1922 (U. S. C., title 16, secs. 486, 487), as amended, are hereby extended and made applicable to all other lands within the said described area:

Sections 1 to 3, inclusive, and 11 and 12, township 2 north, range 4 east; sections 1 to 3, inclusive, 6 to 8, inclusive, and 10 to 36, inclusive, township 3 north, range 4 east; sections 1 to 28, inclusive, 34 to 36, inclusive, township 4 north, range 4 east; all of township 5 north, range 4 east; sections 1, 2, 11 to 15, inclusive, 22 to 27, inclusive, and 33 to 36, inclusive, township 6 north, range 5 east; sections 4 to 9, inclusive, 16 to 21, inclusive, 28 to 33, inclusive, township 6 north, range 5 east, all in the State of Washington, Willamette meridian.

BILLS AND RESOLUTION PASSED OVER

The bill (S. 3580) granting and confirming to the East Bay Municipal Utility District, a municipal utility district of the State of California and a body corporate and politic of said State and a political subdivision thereof, certain lands, and for other purposes, was announced as next in order.

Mr. JOHNSON. I ask that that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The resolution (S. Res. 239) to investigate the circumstances attending the removal of Maj. Gen. Johnson Hagood from command of the Eighth Army Corps Area was announced as next in order.

Mr. KING. Mr. President, in view of the recent developments in the Hagood case, I inquire of the Senator who introduced the resolution whether he desires its consideration?

Mr. McNARY. Mr. President, the Senator from Rhode Island [Mr. METCALF], who introduced the resolution, is unavoidably absent. Under the circumstances I suggest that it go over for the day.

The PRESIDENT pro tempore. The resolution will be passed over.

The bill (S. 70) for the relief of agriculture, the producers of livestock, and the producers of raw materials generally, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

J. HAROLD ARNOLD

The joint resolution (H. J. Res. 179) authorizing the President to present in the name of Congress a Navy Cross to J. Harold Arnold was announced as next in order.

Mr. LOGAN. Let that go over.

Mr. VANDENBERG. Mr. President, may I call attention to the fact that the Navy Department's opposition to this measure was to the granting of a medal of honor? The joint resolution was changed in the House of Representatives so as to provide for granting a Navy Cross, which it seems to be generally agreed the man richly deserves. The Navy Department's second objection was that it would add $2 a month to the service compensation. The sum total of the compensation is $32.

Mr. LOGAN. Mr. President, I should like to confer with the Senator about the joint resolution and explain the situation as I understand it. Perhaps I will have no objection, but I should like to confer with the Senator about it.

The PRESIDENT pro tempore. Under objection, the joint resolution will be passed over.

PENSIONS

The bill (H. R. 9074) granting pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows and dependents of such soldiers and sailors, was announced as next in order.

Mr. KING. Mr. President, it would take some time to consider this bill, and it could not be explained and presented under the 5-minute rule. Let it go over temporarily.

The PRESIDENT pro tempore. The bill will be passed over.

RETIREMENT OF CIVIL AND LEGISLATIVE EMPLOYEES

The bill (H. R. 3044) to amend the act of May 29, 1930 (46 Stat. 349), for the retirement of employees in the classified civil service and in certain positions in the legislative branch of the Government to include all other employees in the legislative branch was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. NEELY subsequently said: Mr. President, during my temporary absence from the Chamber, consideration of Order of Business 1749, which is House bill 3044, was postponed. I ask unanimous consent to return to that bill in order that I may have read from the clerk's desk a relevant letter which I have received from Mr. Claude Babcock, president of the American Federation of Government Employees.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. Mr. President, again I may state that I have no personal objection, but the Senator who objected to the bill may not be present in the Senate at this time, and unless the record clearly indicates the name, I do not think it would be fair to recur to the bill.

Mr. NEELY. Let me inform the Senator from Oregon that the record does not show who objected to the bill. Does the Senator object to a return to it in order that the letter to which I have referred may be read?

Mr. McNARY. I do not object to that being done, but I think it should be the practice that when objection is made to a bill and then later a Senator comes in and asks to recur to the bill, unless the Senator who objected is present, I do not think any action should be taken. In this case the Senator from West Virginia is unable to ascertain from the clerk the name of the Senator who objected. Therefore, I think the record should be completed and the bill ordered to go over for the day.

Mr. NEELY. Mr. President, let me assure the Senator that it is not my intention to take advantage of the Senator who objected, or of any other Senator present, but I should like to have put into the RECORD Mr. Babcock's letter; and, in order to do that, I ask unanimous consent to return temporarily to the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia to return to the bill named by him? The Chair hears none.

Mr. NEELY. I ask that the clerk read the letter, which I now send to the desk.

The PRESIDING OFFICER. The clerk will read the letter.

The legislative clerk read as follows:

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES,
Washington, D. C., April 23, 1936.

The Honorable MATTHEW NEELY,
United States Senate, Washington, D. C.

MY DEAR SENATOR NEELY: There have come to my attention rumors to the effect that certain civilian employees of the executive branch of the United States Government have been quoted as being opposed to the passage of H. R. 3044, which was passed in the House and amended in the Senate by the substitution of your bill, S. 3205.

I have examined the bill with the substitution with considerable care and feel that I am authorized to say for all civilian employees that they should not have any objection to the passage of the measure as it left the Senate committee.

The employees of the executive branch have expressed themselves as desirous of favoring a solution of the troublesome problem of retirement for the legislative employees of the Government. They do not presume to express to the Congress that it should take any particular action with respect to such retirement privilege. In other words, we feel that the retirement of civilian employees of the legislative department of the Government should and may well be handled by the legislative authority without the criticism of employees of the executive branch.

My examination of your bill shows further that it did not confer upon the legislative employees any extraordinary or even substantial benefits not enjoyed by the executive branch employees.

May I not for a second review the substance of the civil-service retirement law? It provides two things: First, a deferred-payment plan to be financed and paid for by the Government which is not greatly different from the plan contained in your bill for legislative employees.

Secondly, it provides for an additional amount of annuity to be obtained from contributions from the salaries of executive branch employees.

There are serious reasons why it might not be advisable for the Congress to provide for the contributory part of the retirement act for legislative employees. Among these are the general short tenure of most of the employees and the extremely complicated bookkeeping costs which would result. Also the elimination of the contributory part of the Civil Service Act is not of material interest to the civil-service employee since it simply permits the civil-service employee to obtain a larger annuity for which he pays and since the payment or nonpayment by a legislative employee would not effect the civil-service employee I think it can be said that reasonably the civil-service employee can have no objection to the omission from the retirement law as effecting the legislative branch of the contributory portion.

Now, to return for a moment or two to the deferred-pay feature—your bill provides for deferred payment of these employees, in certain instances, of an amount usually $30 a month. The Civil Service Retirement Act provides for the same payment of the same amount in the usual case.

It is true that there is a slightly increased payment for the last five years of 30 years' service and there is restriction to $1,200 but that is compensated for in the Civil Service Retirement Act by Government contribution of the amount of the deficiency between $900 and $1,200 if contributions have not been sufficient to buy a $300 annuity.

In summary may I say that far from being a Treasury raid I am surprised at the modest requirements of your bill. I predict with all sincerity that there will not be built up under the bill any onerous charges on the Government and I dare assume that the payment per capita per employee-days or years will be less to the United States Government under your bill than under the civil-service retirement bill.

My purpose in forwarding this letter to you is to let you know that although rumors may be afloat concerning the fact that some special privilege is apparently to be given to legislative employees, in fact this is not true and the legislative retirement bill proposed by you will be less expensive per capita and certainly cannot be objected to by executive branch employees.

I assure you that this organization will be of what assistance it may in favoring the protection of legislative employees on the pure basis of equity to them and interest in them as other workers for Uncle Sam.

Respectfully,

CLAUDE BABCOCK, *President.*

Mr. NEELY. Mr. President, in view of the fact that objections to the consideration of the bill have been made on both sides of the Chamber I shall not insist upon its being taken up today, but I now give notice that at the earliest appropriate time I shall move that it be passed by the Senate.

The PRESIDING OFFICER. On objection, the bill will be passed over.

FACILITIES FOR RECREATIONAL-AREA PURPOSES

The bill (H. R. 10104) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof was announced as next in order.

Mr. ADAMS. Let that go over.

Mr. WAGNER. Mr. President, I hope the Senator will withhold his objection to the bill. It has been amended in such a way as that all of the objections raised when the bill was previously considered have been removed. It now limits the authorization to merely a study of parks, parkways, and recreational-area programs, and authorizes no transfer of property. This is a study which ought to be made, and I make an appeal to the Senator to withdraw his objection so that the bill may be passed today.

Mr. McKELLAR. Mr. President, may I ask the Senator what the survey would cost?

Mr. WAGNER. No appropriation at all is sought. The bill is limited to a study by the Department of the Interior of the park, parkway, and recreational-area programs. All the objections the Senator made when the bill was considered heretofore have been removed. Can I reach the heart of the Senator from Colorado at all in this matter?

Mr. ADAMS. I think the bill ought to go over, Mr. President.

Mr. WAGNER. Very well. At the first opportunity I shall move that the bill be taken up for consideration by the Senate.

The PRESIDENT pro tempore. Objection being heard, the bill will be passed over.

BILL PASSED OVER

The bill (H. R. 4886) providing for the employment of skilled shorthand reporters in the executive branch of the Government was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

WASHINGTON GAS LIGHT CO.

The Senate proceeded to consider the bill (S. 3977) to authorize the Washington Gas Light Co. to alter its corporate structure, and for other purposes, which had been reported from the Committee on the District of Columbia with amendments, on page 1, line 5, after the word "Company", to insert the word "may"; in line 6, after the word "purposes", to strike out the words "may, by vote of its directors" and to insert in lieu thereof the words "by a vote of two-thirds in number of the outstanding shares of stock of the company"; on page 2, line 23, to strike out the word "the" and insert in lieu thereof the word "The"; on page 3, line 1, to strike out "the" and insert in lieu thereof "The"; on line 4, to strike out "the" and insert in lieu thereof "The"; on line 6, to strike out "the" and insert in lieu thereof "The"; on line 8, to strike out "the" and insert in lieu thereof "The"; on line 16, to strike out "the" and insert in lieu thereof "The"; on line 17, strike out "the" and insert in lieu thereof "The"; on line 20, strike out "the" and insert in lieu thereof "The"; on page 4, line 4, after the words "District of Columbia", to insert the following proviso: "*Provided,* That said work and its incidents, including the replacement of pavement or roadway cut, shall be without cost or expense to the District of Columbia or to the United States: *Provided further,* That except as specifically provided in this act nothing contained herein shall be taken or construed as altering, repealing, or changing any provision of existing charter or franchise or rights of the Washington Gas Light Co. or of any statute, law, ordinance, or regulation pertaining thereto", so as to make the bill read:

Be it enacted, etc., That, provided the same shall be found by the Public Utilities Commission of the District of Columbia to be in the public interest, the Washington Gas Light Co. may, for lawful corporate purposes, by a vote of two-thirds in number of the outstanding shares of stock of the company, increase its capitalization and from time to time issue such additional stock, in such amounts, for such considerations, of such classes, either with or without par value, and with such rights, privileges, and conditions, as said Commission may approve.

All shares of capital stock of said company hereafter issued for which the agreed consideration shall have been paid to the company, and all shares of capital stock of the company heretofore issued, as well as shares into which such shares heretofore issued may be changed, shall be deemed and taken to be fully paid and nonassessable, and there shall be no liability to the company or to creditors of the company on the part of any subscriber to, or holder of, such shares.

Said company may, upon obtaining approval of said Commission, change all of the shares of its capital stock at any time outstanding into the same or a different number of shares issued pursuant to the provisions of this act, by following the same procedure and complying with the same requirements as are now prescribed in section 639a of the Code of Law for the District of Columbia, as amended (41 Stat. 1195), in respect of a change of name by a corporation.

SEC. 2. Provided the same shall be found by said Commission to be in the public interest, said company is further authorized to consolidate or merge with The Georgetown Gaslight Co., upon such conditions as may be approved by said Commission; and upon such consolidation or merger The Georgetown Gaslight Co. shall, without further proceedings, become dissolved and merged into the Washington Gas Light Co., and all property, rights, privileges, and franchises of The Georgetown Gaslight Co. shall, subject to encumbrances or liens thereon to secure the bonds or other securities issued by The Georgetown Gaslight Co., and to the payment of any valid claims against, or indebtedness of, The Georgetown Gaslight Co. existing at the time of such merger, pass to and be vested in the Washington Gas Light Co. as its property, with all the powers, rights, privileges, and franchises now possessed by either or both of said companies, including the right in the Washington Gas Light Co. to institute and prosecute in its own name any action in connection therewith: *Provided,* That pending actions against The Georgetown Gaslight Co. may continue against The Georgetown Gaslight Co. until the merger of said companies, and thereafter against the Washington Gas Light Co. Actions or claims against The Georgetown Gaslight Co. filed after the said merger shall be brought against the Washington Gas Light Co.

The Washington Gas Light Co., after such merger, shall have the full power and authority to manufacture, transmit, distribute, and sell gas in all parts of the District of Columbia and adjoining territory, for any purposes for which gas is now or may hereafter be used; and to lay, repair, and replace gas mains and pipes in any of the streets, avenues, and alleys of the District of Columbia: *Provided,* That said work and its incidents, including the replacement of pavement or roadway cut, shall be without cost or expense to the District of Columbia or to the United States: *Provided further,* That except as specifically provided in this act nothing contained herein shall be taken or construed as altering, repealing, or changing any provision of existing charter or franchise or rights of the Washington Gas Light Co. or of any statute, law, ordinance, or regulation pertaining thereto.

SEC. 3. All charters, statutes, acts and parts of acts, laws, ordinances, and regulations inconsistent with or repugnant to the provisions of this act, but only so far as inconsistent herewith or repugnant hereto, are hereby repealed.

SEC. 4. The right to alter, amend, or repeal this act is hereby expressly reserved to the Congress.

The amendments were agreed to.

Mr. JOHNSON. Mr. President, will the Senator from Utah state the purpose of this particular measure?

Mr. KING. Mr. President, I will state in brief, the important provisions of the bill. The Washington Gas Light Co. has a rather small capital structure, and has a rather large funded indebtedness, the bonds being held largely by the banks and local people. It needs additional money to meet its recurring obligations, and with such a small capital it finds greater difficulty in negotiating loans to meet its necessary obligations.

The PRESIDENT pro tempore. The question is the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 3486) to repeal the act entitled "An act relating to Philippine currency reserves on deposit in the United States" was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3744) to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes, was announced as next in order.

Mr. McNARY. Mr. President, there should be some explanation of this bill.

Mr. KING. Let it go over.

The PRESIDENT pro tempore. The bill will be passed over.

OPERATION OF FOREIGN AND AMERICAN SHIPS IN THE FOREIGN TRADE

The Senate resumed the consideration of the resolution (S. Res. 260) submitted by Mr. ROBINSON (for Mr. TYDINGS) on March 19, 1936, and considered and amended on March 27, requesting certain information concerning the operation of foreign ships and of American ships engaged in foreign trade.

The PRESIDENT pro tempore. The question is on agreeing to the resolution as amended.

The resolution, as amended, was agreed to, as follows:

Resolved, That the Secretary of Commerce is requested to furnish to the Senate, as soon as practicable, the following information: (1) A list of all the acts of Congress governing the operation of American ships in foreign trade; (2) a brief summary of the handicaps which confront American-flag ships when competing with ships of a foreign flag; (3) show how these handicaps result in higher operating costs to the American shipowner; (4) whether it is the general practice of American shipowners to purchase fuel and supplies in this country or abroad, and the approximate annual amount of such purchases for all foreign-trade ships of the American Merchant Marine; (5) whether it is the general practice of foreign shipowners to purchase fuel and supplies in this country or abroad, and the approximate annual amount of such purchases for all foreign-flag ships trading with the United States and its possessions; (6) the estimated percentage of the relative operating costs of ships flying the flags of Great Britain, Germany, France, Italy, and Japan, on the basis of 100 percent for ships flying the flag of the United States; (7) the percentage of American and trans-Atlantic cargo carried by American-flag ships and the percentage carried by foreign-flag ships during each year from 1918 to 1935, inclusive; (8) the percentage of American trans-Pacific cargo carried by American-flag ships and the percentage carried by foreign-flag ships during each year from 1918 to 1935, inclusive; (9) the profit or loss of each of the American lines operating American-flag tonnage for each of the years 1926 to 1935, inclusive; (10) the operating expenses of the same lines for the same years and their gross incomes for such years; (11) how many of such lines held mail contracts, either on a poundage of per-mile basis, and the aggregate amount of money paid to them under such contracts.

ADMISSIBILITY OF WRITINGS IN EVIDENCE

The Senate proceeded to consider the bill (S. 4197) relating to the admissibility in evidence of certain writings and records made in the regular course of business, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 3, after the word "That", to insert the words "in any court of the United States and any court established by act of Congress"; in line 7, after the word "admissible", to strike out the words "in evidence in proof" and insert in lieu thereof the words "as evidence"; and to add a new section at the end of the bill, so as to make the bill read:

Be it enacted, etc., That in any court of the United States and any court established by act of Congress, any writing or record, whether in the form of an entry in a book or otherwise, made as a memorandum or record of any act, transaction, occurrence, or event shall be admissible as evidence of said act, transaction, occurrence, or event, if it shall appear that it was made in the regular course of any business, and that it was the regular course of such business to make such memorandum or record at the time of such act, transaction, occurrence, or event or within a reasonable time thereafter. All other circumstances of the making of such writing or record, including lack of personal knowledge by the entrant or maker, may be shown to affect its weight, but they shall not affect its admissibility. The term "business" shall include business, profession, occupation, and calling of every kind.

SEC. 2. This act shall be prospective only, and not retroactive.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 11098) to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa., was announced as next in order.

Mr. ASHURST. This bill should not be considered at this time.

The PRESIDENT pro tempore. The bill is a special order for Wednesday, April 29, and will be passed over.

CONSTRUCTION OF A MODEL BASIN ESTABLISHMENT

The Senate proceeded to consider the bill (H. R. 10135) to authorize the construction of a model basin establishment, and for other purposes, which was read, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized to acquire a site at a cost not to exceed $100,000 in the vicinity of Washington, D. C., and to construct thereon a model basin establishment, with buildings and appliances, in which the Bureau of Construction and Repair of the Navy Department shall conduct the work of investigating and determining the most suitable and desirable shapes and forms to be adopted for United States vessels, including aircraft, and the investigation of other problems of ship design, at a cost not to exceed $3,500,000: *Provided*, That upon the authorization of the Secretary of the Navy experiments may be made at this establishment for private parties, who shall defray the cost thereof under such regulations as the Secretary of the Navy may from time to time prescribe: *Provided further*, That the results of such private experiments shall be regarded as confidential and shall not be divulged without the consent of such private parties, except that the right is reserved to the Secretary of the Navy to use data so obtained for governmental purposes, subject to the patent laws of the United States.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill?

Mr. WALSH. Mr. President, every country which maintains a navy and has a merchant marine has provided a model basin for testing the parts of ships before constructing a naval vessel or a merchant ship. Such basins are long basins, are filled with water, and in them miniature models of naval craft and of merchant ships are placed and tested. We have one such basin in this country, at the Navy Yard here at Washington. It is obsolete and useless.

The object of the bill is to provide a modern up-to-date model basin establishment where models of new ships, private as well as public, and aircraft may be tested for the purpose of securing the most efficient and economical design.

This establishment will be a highly technical laboratory wherein exact knowledge may be acquired for scientific use in the development of ship, high-speed boat, and seaplane construction.

There are such basins in England, Germany, France, Japan, and all other maritime countries. In the absence of a proper basin here the builder of a merchant ship must hire the use of a foreign basin for the purpose of making the necessary tests.

The Navy Department, the Shipping Board, the Coast Guard, and practically every other branch of the Government having to do with shipping recognize the importance of having a model basin suitable for the purposes of making proper tests in order that we may have the best equipment in the construction of merchant ships and naval craft.

When such basins are used by private individuals or companies that construct merchant ships, they must pay the Government for the use of the basins, so that it is expected that about 50 percent of the cost of maintenance will be paid by the uses private enterprise may make of the proposed basin. It is said that the basin at the Washington Navy Yard was paid for in a few years by reason of the advantages and benefits which came from the scientific experiments that were made there.

We are now building many naval craft and attempting to encourage private shipbuilders. Unless we have a basin of

this character and kind there can be no assurance that we will have the benefit of the latest and most scientific construction. The cost will be $3,500,000. A location has already been selected on the shore of the Potomac River in the vicinity of Cabin John Bridge.

Mr. KING. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. KING. I desire to ask the Senator whether this basin would be used principally by the Government for war vessels, or by commercial organizations?

Mr. WALSH. Mostly by the Government. Let me add that it will be used—and it is a very important use—in the construction of naval aircraft. They must be tested in a basin of this kind. The small models first must be built in order to determine the power and strength and scientific value of the completed craft.

The bill is considered of the utmost importance by the Navy Department and by all of the departments of our Government interested in ship construction. It is only an authorization bill, and opportunity will be given later to consider the wisdom of appropriating the money. I hope the bill will be passed.

The PRESIDENT pro tempore. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

EXTENSION OF BENEFITS OF CERTAIN ACTS TO ALASKA

The Senate proceeded to consider the bill (S. 3784) to extend the benefits of the Adams Act, the Purnell Act, and the Capper-Ketcham Act to the Territory of Alaska, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with amendments.

The PRESIDENT pro tempore. The clerk will state the committee amendments.

Mr. KING. Mr. President, before that is done, I should like to make an inquiry of the Senator from Washington [Mr. SCHWELLENBACH] with respect to the statement made by the Secretary of War, as follows:

> You are advised, however, that legislation authorizing additional aid in approximately one-half of the amounts proposed in the bill would not be in conflict with the financial program of the President.

From that, I assume that objection would be made to the other half.

Mr. SCHWELLENBACH. Mr. President, the committee amendments are all made to conform to that suggestion. The Secretary said objection would be made if the amounts were more than one-half those proposed; so the committee amendments are made to cover that objection.

Mr. KING. So the amendments are made to conform to his views?

Mr. SCHWELLENBACH. Yes.

The PRESIDENT pro tempore. The clerk will state the committee amendments.

The amendments of the Committee on Agriculture and Forestry were, on page 2, line 12, after the name "Alaska", to insert "to the extent herein provided"; in line 16, before the word "for", to strike out "1936, $10,000" and insert "1937, $5,000"; in line 17, before the word "for", to strike out "1937, $15,000" and insert "1938, $7,500"; in line 18, before the word "for", to strike out "1938, $20,000" and insert "1939, $10,000"; in line 19, before the word "for", to strike out "1939, $25,000" and insert "1940, $12,500"; in line 20, after "June 30", to strike out "1940, $30,000" and insert "1941, $15,000"; in line 21, after "June 30", to strike out "1941, $35,000" and insert "1942, $17,500"; in line 22, after "June 30", to strike out "1942, $40,000" and insert "1943, $20,000"; in line 24, before the word "for", to strike out "1943, $45,000" and insert "1944, $22,500"; in line 25, before the word "for", to strike out "1944, $55,000" and insert "1945, $27,500"; on page 3, line 1, before the word "for", to strike out "1945, $65,000" and insert "1946, $32,500"; in line 2, after "June 30", to strike out 1946, $75,000" and insert "1947, $37,500"; in line 3, after the words "equal to", to insert "one-half of"; in line 5, before the words "Purnell Act", to strike out "same" and insert "said"; in line 12, after the name "Alaska", to insert "to the extent herein provided,"; in line 15, after "June 30", to strike out "1936, $5,000" and insert "1937, $2,500"; in line 16, after "June 30", to strike out "1937, $10,000" and insert "1938, $5,000"; in line 18, before the word "for", to strike out "1938, $15,000" and insert "1939, $7,500"; in line 19, before the word "and", to strike out "1939" and insert "1940"; and in the same line, after the word "thereafter", to strike out "$20,000" and insert "$10,000", so as to make the bill read:

Be it enacted, etc., That the following acts, to wit, an act entitled "An act to provide for an increased annual appropriation for agriculture experiment stations and regulating the expenditure thereof", approved March 16, 1906, and known as the Adams Act; an act entitled "An act to authorize the more complete endowment of agricultural experiment stations, and for other purposes", approved February 24, 1925, and known as the Purnell Act; and an act entitled "An act to provide for the further development of agricultural extension work between the agricultural colleges in the several States receiving the benefit of the act entitled 'An act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts', approved July 2, 1862, and all acts supplementary thereto, and the United States Department of Agriculture", approved May 22, 1928, and known as the Capper-Ketcham Act, be, and the same are hereby, extended to the Territory of Alaska.

SEC. 2. To carry into effect the above provisions for extending to the Territory of Alaska to the extent herein provided, the benefits of the said Adams Act and the said Purnell Act the following sums are hereby authorized to be appropriated: For the fiscal year ending June 30, 1937, $5,000; for the fiscal year ending June 30, 1938, $7,500; for the fiscal year ending June 30, 1939, $10,000; for the fiscal year ending June 30, 1940, $12,500; for the fiscal year ending June 30, 1941, $15,000; for the fiscal year ending June 30, 1942, $17,500; for the fiscal year ending June 30, 1943, $20,000; for the fiscal year ending June 30, 1944, $22,500; for the fiscal year ending June 30, 1945, $27,500; for the fiscal year ending June 30, 1946, $32,500; for the fiscal year ending June 30, 1947, $37,500; and thereafter a sum equal to one-half of that provided for each State and Territory under the said Adams Act and the said Purnell Act: *Provided*, That no appropriations shall be made under this act until annually estimated as to funds and amounts by the Secretary of Agriculture, the estimates to be based upon his determination of the ability of the Territory of Alaska to make effective use of the funds in maintaining agricultural experiment stations.

SEC. 3. To carry into effect the above provisions for extending to the Territory of Alaska, to the extent herein provided, the benefits of the said Capper-Ketcham Act the following sums are hereby authorized to be appropriated: For the fiscal year ending June 30, 1937, $2,500; for the fiscal year ending June 30, 1938, $5,000; for the fiscal year ending June 30, 1939, $7,500; for the fiscal year ending June 30, 1940, and annually thereafter, $10,000: *Provided*, That no appropriations shall be made under this act until annually estimated as to funds and amounts by the Secretary of Agriculture, the estimates to be based upon his determination of the ability of the Territory of Alaska to make effective use of the funds: *And provided further*, That, whereas the said Capper-Ketcham Act provides that "at least 80 percent of all appropriations under this act shall be utilized for the payment of salaries of extension agents in counties of the several States to further develop the cooperative extension system in agriculture and home economics with men, women, boys, and girls", the several established judicial divisions of the Territory of Alaska, as the same shall exist from time to time, shall be considered as counties for the purpose of complying with the provisions of this act until a subdivision of the Territory of Alaska into counties is effected.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

POSTHUMOUS CONGRESSIONAL MEDAL OF HONOR TO WILLIAM MITCHELL

The Senate proceeded to consider the joint resolution (S. J. Res. 219) authorizing the President of the United States to award a posthumous Congressional Medal of Honor to William Mitchell, which had been reported from the Committee on Military Affairs with amendments.

Mr. DUFFY. Mr. President, I will say for the information of the Senate that the amendments to the joint resolution as it was proposed by the Senator from Arkansas [Mr. ROBINSON] are to make it conform exactly with the bill which has already been reported favorably by the House Military Affairs Committee.

The PRESIDENT pro tempore. The clerk will state the committee amendments.

The amendments were, in line 6, after the word "largely", to insert "in the World War"; in line 8, after the word "power", to strike out "for the defense"; and in line 10, after the word "has", to insert "thereby", so as to make the joint resolution read:

Resolved, etc., That the President of the United States is hereby authorized to award, posthumously, in the name of Congress, a Medal of Honor to William Mitchell, who died February 19, 1936, after having contributed so largely in the World War by his energy, his valor, and his vision to the development of aviation and of military air power of the United States; and be it further

Resolved, That the said William Mitchell has thereby deserved well at the hands of our Republic.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

REPEAL OF ACT FOR SALE OF PROPERTY IN NEWARK

The bill (H. R. 10985) to repeal Public Law No. 246 of the Seventy-second Congress was considered, ordered to a third reading, read the third time, and passed.

MEMORIAL DAY SERVICES AT ARLINGTON AND OTHER NATIONAL CEMETERIES

The bill (H. R. 10388) to aid the veteran organizations of the District of Columbia in their joint Memorial Day services at Arlington National Cemetery and other cemeteries on and preceding May 30 was considered, ordered to a third reading, read the third time, and passed.

CONTINUATION OF TRADING IN UNLISTED SECURITIES

The bill (S. 4023) to provide for the continuation of trading in unlisted securities upon national securities exchanges was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of that bill?

Mr. FLETCHER. Senate bill 4023 is a proposed amendment to the Securities Exchange Act of 1934. Senators will recall that the Securities Act of 1933 and the Securities Exchange Act of 1934 were outgrowths of the Banking and Currency Committee's investigation into stock exchange and banking practices.

At the time the Securities Exchange Act of 1934 was being drafted, however, the committee had not definitely decided what should be done with the then existing unlisted trading on the exchanges; hence, it recommended to the Congress a continuation of unlisted trading which enjoyed that privilege at the time but forbade an extension of this privilege. At the same time it directed that the Securities Exchange Commission make a study of trading in unlisted securities upon exchanges and to report the results of its study and its recommendations to Congress on or before January 3, 1936. At the same time Congress provided, in the event no further amendments were made to the law, that unlisted trading should cease at midnight on May 31, 1936. That time, of course, is very rapidly approaching, and it is very important to pass this measure now.

The report and recommendations of the Commission were submitted on January 3, 1936.

This bill has been drawn by the committee after deliberate consideration has been given to the report of the Commission, and after having held extensive hearings on the original language contained in Senate bill 4023. As a result of our hearings and deliberations the committee has stricken out all of the original language of Senate bill 4023, and recommends the passage of the amendments which are now drawn in the nature of a substitute.

The bill reported by the committee is designed to solve the essential problems presented in the report of the Commission and by witnesses heard in open hearings.

Section 1 would amend subsection (f) of section 12 of the Securities Exchange Act of 1934 to permit certain categories of unlisted trading.

As a practical matter, if we do not enact this piece of legislation, thereby leaving the present dead line of May 31, 1936, to stand, approximately 2,000,000,000 shares of stock, comprising 1,370 issues, will be driven off the exchanges. Moreover, 564 issues of bonds, having a total face value of approximately $7,000,000,000, will likewise be expelled at midnight of May 31, 1936. That is not desirable.

The first category to which I wish to call attention has to do with a continuation of trading in those unlisted securities which enjoyed the privilege prior to March 1, 1934.

These securities, though deemed to be "registered" for various purposes under the act, are not registered in any true sense; that is, full and continuing information concerning them is not filed pursuant to law. In consequence they constitute an unfortunate anomaly.

Under subsection (f) of section 12 of the Exchange Act, as amended by this bill, it would be the duty of the Commission by order to terminate such privileges for any particular security upon a finding of fact that, because of inadequate public distribution of the security in the vicinity of the exchange or of inadequate public trading activity therein on the exchange, or because of the character of trading therein on the exchange, such termination was necessary or appropriate in the public interest or for the protection of investors.

It may be expected, moreover, that the number of securities traded on this basis will gradually diminish through retirement, redemption, liquidation, reorganization, or the transition of seasoned securities to a listed status.

Thus this should lead to a gradual and orderly adjustment of the peculiar problem created by this category of securities.

The second category of securities which could, under this bill, be admitted to unlisted trading privileges on a national securities exchange would comprise securities duly listed and registered on another national securities exchange.

The third category of securities which could, under this bill, be admitted to unlisted trading privileges on a national securities exchange would include any security in respect of which there is available from a registration statement and periodic reports or other data filed pursuant to rules or regulations of the Commission under the Securities Exchange Act of 1934 or the Securities Act of 1933, as amended, information substantially equivalent to that available pursuant to rules or regulations of the Commission in respect of a security listed and registered on a national securities exchange.

Among securities which might qualify within this third category would be securities of an issuer any other security of which is listed and registered on a national securities exchange, as well as new issues of securities which fall within the scope of subsection (d) of section 15 of the Securities Exchange Act of 1934, as amended by the bill as reported. Subsection (d) of section 15, just referred to, begins at the top of page 16.

Any exchange seeking to admit any security in the second or third category to unlisted trading would have to meet the burden of proving to the satisfaction of the Commission that there existed in the vicinity of the exchange sufficiently widespread public distribution of, and sufficient public trading activity in, that security to render the admittance thereof to unlisted trading on that exchange necessary or appropriate in the public interest or for the protection of investors. In a measure, this requirement would make necessary a judgment by the Commission as to a future course of development—that is, as to whether the conditions of adequate public distribution and adequate public trading activity found to exist at the time of application would continue to exist after the admittance of the security to trading on the applicant exchange. Again, save in very exceptional situations in which the public interest appeared to the Commission to demand the creation of an unlisted exchange market for such a security, no such security would be eligible for unlisted trading if the issuer, or its officers, directors, or principal stockholders, would by the admission thereof to such trading, acquire the benefits of an exchange market therefor without assuming the same obligations, especially in regard to proxies and trading by officers, directors, and principal stockholders, as would arise if the security were listed and registered. Finally even if the foregoing conditions were satisfied, the Commission

would be required to deny an application to admit such a security to unlisted trading unless it found that such admittance would be in all other respects necessary or appropriate in the public interest or for the protection of investors. After such a security had been admitted to unlisted trading, the Commission would be under a duty to suspend or terminate such trading if it found, after proceedings instituted on the application of any person having a bona fide interest or on its own motion, that by reason of inadequate public distribution of the security in the vicinity of the exchange or inadequate public trading activity in the security on the exchange, or by reason of the character of trading in the security on the exchange, such termination was necessary or appropriate in the public interest or for the protection of investors.

It will readily be perceived that the second and third categories reflect the same basic approach. This approach may be described as an endeavor to create a fair field of competition among exchanges and between exchanges as a group and the over-the-counter markets and to allow each type of market to develop in accordance with its natural genius and consistently with the public interest.

Section 2 of the bill as reported would make unnecessary new applications by exchanges which have been permitted to continue unlisted trading privileges for securities of the first category under rules or regulations of the Commission adopted pursuant to subsection (f) of the Securities Exchange Act of 1934, prior to the amendment thereof by section 1 of such bill.

Mr. McKELLAR. Mr. President, did the Committee on Banking and Currency hold hearings on this bill?

Mr. FLETCHER. It held very extensive hearings on it.

Mr. McKELLAR. Were there any objections to the measure?

Mr. FLETCHER. I do not know of anyone presenting objections to it. The objections which had been raised were met by the amendments.

Mr. McKELLAR. I have no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and to insert:

That subsection (f) of section 12 of the Securities Exchange Act of 1934 is amended to read as follows:

"(f) Notwithstanding the foregoing provisions of this section, any national securities exchange, upon application to and approval of such application by the Commission and subject to the terms and conditions hereinafter set forth, (1) may continue unlisted trading privileges to which a security had been admitted on such exchange prior to March 1, 1934; or (2) may extend unlisted trading privileges to any security duly listed and registered on any other national securities exchange, but such unlisted trading privileges shall continue in effect only so long as such security shall remain listed and registered on any other national securities exchange; or (3) may extend unlisted trading privileges to any security in respect of which there is available from a registration statement and periodic reports or other data filed pursuant to rules or regulations prescribed by the Commission under this title or the Securities Act of 1933, as amended, information substantially equivalent to that available pursuant to rules or regulations of the Commission in respect of a security duly listed and registered on a national securities exchange, but such unlisted trading privileges shall continue in effect only so long as such a registration statement remains effective and such periodic reports or other data continue to be so filed.

"No application pursuant to this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved except after appropriate notice and opportunity for hearing. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the applicant exchange shall establish to the satisfaction of the Commission that there exists in the vicinity of such exchange sufficiently widespread public distribution of such security and sufficient public trading activity therein to render the extension of unlisted trading privileges on such exchange thereto necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (3) of this subsection shall be approved except upon such terms and conditions as will subject the issuer thereof, the officers and directors of such issuer, and every beneficial owner of more than 10 percent of such security to duties substantially equivalent to the duties which would arise pursuant to this title if such security were duly listed and registered on a national securities exchange; except that such terms and conditions need not be imposed in any case or class of cases in which it shall appear to the Commission that the public interest and the protection of investors would nevertheless best be served by such extension of unlisted trading privileges. In the publication or making available for publication by any national securities exchange, or by any person directly or indirectly controlled by such exchange, of quotations or transactions in securities made or effected upon such exchange, such exchange or controlled person shall clearly differentiate between quotations or transactions in listed securities, and quotations or transactions in securities for which unlisted trading privileges on such exchange have been continued or extended pursuant to this subsection. In the publication or making available for publication of such quotations or transactions otherwise than by ticker, such exchange or controlled person shall group under separate headings (A) quotations or transactions in listed securities, and (B) quotations or transactions in securities for which unlisted trading privileges on such exchange have been continued or extended pursuant to this subsection.

"The Commission shall by rules and regulations suspend unlisted trading privileges in whole or in part for any or all classes of securities for a period not exceeding 12 months, if it deems such suspension necessary or appropriate in the public interest or for the protection of investors or to prevent evasion of the purposes of this title.

"Unlisted trading privileges continued for any security pursuant to clause (1) of this subsection shall be terminated by order, after appropriate notice and opportunity for hearing, if it appears at any time that such security has heretofore been withdrawn or if such security is hereafter withdrawn from listing on any exchange by the issuer thereof, unless it shall be established to the satisfaction of the Commission that such delisting was not designed to evade the purposes of this title or unless it shall appear to the Commission that, notwithstanding any such purpose of evasion, the continuation of such unlisted trading privileges is nevertheless necessary or appropriate in the public interest or for the protection of investors. On the application of the issuer of any security for which unlisted trading privileges on any exchange have been continued or extended pursuant to this subsection, or of any broker or dealer who makes or creates a market for such security, or of any other person having a bona-fide interest in the question of termination or suspension of such unlisted trading privileges, or on its own motion, the Commission shall by order terminate, or suspend for a period not exceeding 12 months, such unlisted trading privileges for such security if the Commission finds, after appropriate notice and opportunity for hearing, that by reason of inadequate public distribution of such security in the vicinity of said exchange, or by reason of inadequate public trading activity or of the character of trading therein on said exchange, such termination or suspension is necessary or appropriate in the public interest or for the protection of investors.

"In any proceeding under this subsection in which appropriate notice and opportunity for hearing are required, notice of not less than 10 days to the applicant in such proceeding, to the issuer of the security involved, to the exchange which is seeking to continue or extend or has continued or extended unlisted trading privileges for such security, and to the exchange, if any, on which such security is listed and registered, shall be deemed adequate notice, and any broker or dealer who makes or creates a market for such security, and any other person having a bona-fide interest in such proceedings, shall upon application be entitled to be heard.

"Any security for which unlisted trading privileges are continued or extended pursuant to this subsection shall be deemed to be registered on a national securities exchange within the meaning of this title. The powers and duties of the Commission under subsection (b) of section 19 of this title shall be applicable to the rules of an exchange in respect of any such security. The Commission may, by such rules and regulations as it deems necessary or appropriate in the public interest or for the protection of investors, either unconditionally or upon specified terms and conditions, or for stated periods, exempt such securities from the operation of any provision of section 13, 14, or 16 of this title."

SEC. 2. Any application to continue unlisted trading privileges for any security heretofore filed by any exchange and approved by the Commission pursuant to clause (1) of subsection (f) of section 12 of the Securities Exchange Act of 1934 and rules and regulations thereunder shall be deemed to have been filed and approved pursuant to said subsection (f) as amended by section 1 of this act.

SEC. 3. Section 15 of the Securities Exchange Act of 1934 is amended to read as follows:

"SEC. 15. (a) No broker or dealer (other than one whose business is exclusively intrastate) shall make use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in, or to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) otherwise than on a national securities exchange, unless such broker or dealer is registered in accordance with subsection (b) of this section.

"(b) A broker or dealer may be registered for the purposes of this section by filing with the Commission an application for

registration, which shall contain such information in such detail as to such broker or dealer and any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, such broker or dealer, as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors. Except as hereinafter provided, such registration shall become effective 30 days after the receipt of such application by the Commission or within such shorter period of time as the Commission may determine.

"An application for registration of a broker or dealer to be formed or organized may be made by a broker or dealer to which the broker or dealer to be formed or organized is to be the successor. Such application shall contain such information in such detail as to the applicant and as to the successor and any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the applicant or the successor, as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors. Except as hereinafter provided, such registration shall become effective 30 days after the receipt of such application by the Commission or within such shorter period of time as the Commission may determine. Such registration shall terminate on the forty-fifth day after the effective date thereof, unless prior thereto the successor shall, in accordance with such rules and regulations as the Commission may prescribe, adopt such application as its own.

"If any amendment to any application for registration pursuant to this subsection is filed prior to the effective date thereof, such amendment shall be deemed to have been filed simultaneously with and as part of such application; except that the Commission may, if it appears necessary or appropriate in the public interest or for the protection of investors, defer the effective date of any such registration as thus amended until the thirtieth day after the filing of such amendment.

"The Commission shall, after appropriate notice and opportunity for hearing, by order deny registration to or revoke the registration of any broker or dealer if it finds that such denial or revocation is in the public interest and that (1) such broker or dealer, or (2) any partner, officer, director, or branch manager of such broker or dealer (or any person occupying a similar status or performing similar functions), or any person directly or indirectly controlling or controlled by such broker or dealer, whether prior or subsequent to becoming such, (A) has willfully made or caused to be made in any application for registration pursuant to this subsection or in any document supplemental thereto or in any proceeding before the Commission with respect to registration pursuant to this subsection any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact; or (B) has been convicted within 10 years preceding the filing of any such application or at any time thereafter of any felony or misdemeanor involving the purchase or sale of any security or arising out of the conduct of the business of a broker or dealer; or (C) is permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security; or (D) has willfully violated any provision of the Securities Act of 1933, as amended, or of this title, or of any rule or regulation thereunder. Pending final determination whether any such registration shall be denied, the Commission may by order postpone the effective date of such registration for a period not to exceed 15 days, but if, after appropriate notice and opportunity for hearing, it shall appear to the Commission to be necessary or appropriate in the public interest or for the protection of investors to postpone the effective date of such registration until final determination, the Commission shall so order. Pending final determination whether any such registration shall be revoked, the Commission shall by order suspend such registration if, after appropriate notice and opportunity for hearing, such suspension shall appear to the Commission to be necessary or appropriate in the public interest or for the protection of investors. Any registered broker or dealer may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any registered broker or dealer, or any broker or dealer for whom an application for registration is pending, is no longer in existence or has ceased to do business as a broker or dealer, the Commission shall by order cancel the registration or application of such broker or dealer.

"(c) No registered broker or dealer, or any other person, shall make use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in or to induce the purchase or sale of any security (other than commercial paper, bankers' acceptances, or commercial bills) otherwise than on a national security exchange, in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest to prevent fraud, concealment, unfair discrimination, or manipulative or deceptive practices or otherwise to insure to investors protection comparable to that provided by and under authority of this title in the case of national securities exchanges.

"(d) Each registration statement hereafter filed pursuant to the Securities Act of 1933, as amended, shall contain an undertaking by the issuer of the issue of securities to which the registration statement relates to file with the Commission, in accordance with such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors, such supplementary and periodic information, documents, and reports as may be required pursuant to section 13 of this title in respect of a security listed and registered on a national securities exchange; but such undertaking shall become operative only if the aggregate offering price of such issue of securities, plus the aggregate value of all other securities of such issuer of the same class (as hereinafter defined) outstanding, computed upon the basis of such offering price, amounts to $2,000,000 or more. The issuer shall file such supplementary and periodic information, documents, and reports pursuant to such undertaking, except that the duty to file shall be automatically suspended if and so long as (1) such issue of securities is listed and registered on a national securities exchange, or (2) by reason of the listing and registration of any other security of such issuer on a national securities exchange, such issuer is required to file pursuant to section 13 of this title information, documents, and reports substantially equivalent to such as would be required if such issue of securities were listed and registered on a national securities exchange, or (3) the aggregate value of all outstanding securities of the class to which such issue belongs is reduced to less than $1,000,000, computed upon the basis of the offering price of the last issue of securities of said class offered to the public. For the purposes of this subsection, the term 'class' shall be construed to include all securities of an issuer which are of substantially similar character and the holders of which enjoy substantially similar rights and privileges. Nothing in this subsection shall apply to securities issued by a foreign government or political subdivision thereof or to any other security which the Commission may by rules and regulations exempt as not comprehended within the purposes of this subsection."

SEC. 4. Subsection (a) of section 17 of such act is amended by striking out "every broker or dealer making or creating a market for both the purchase and sale of securities through the use of the mails or of any means or instrumentality of interstate commerce", and inserting in lieu thereof "every broker or dealer registered pursuant to section 15 of this title."

SEC. 5. Subsection (a) of section 18 of such act is amended by inserting immediately before the comma following "any rule or regulation thereunder" the following: "or any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title."

SEC. 6. Subsection (c) of section 20 of such act is amended by inserting immediately before the period the following: "or any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title."

SEC. 7. Subsection (f) of section 21 of such act is amended by inserting immediately before the period the following: "or with any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title."

SEC. 8. Subsection (a) of section 23 of such act is amended to read as follows:

"(a) The Commission and the Board of Governors of the Federal Reserve System shall each have power to make such rules and regulations as may be necessary for the execution of the functions vested in them by this title, and may for such purpose classify issuers, securities, exchanges, and other persons or matters within their respective jurisdictions. No provision of this title imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule or regulation of the Commission or the Board of Governors of the Federal Reserve System, notwithstanding that such rule or regulation may, after such act or omission, be amended or rescinded or be determined by judicial or other authority to be invalid for any reason."

SEC. 9. Section 32 of such act is amended by striking out "Sec. 32." and inserting in lieu thereof "Sec. 32. (a)"; by inserting immediately before the comma following the phrase "filed under this title or any rule or regulation thereunder" the following: "or any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title"; and by adding thereto a new subsection (b) to read as follows:

"(b) Any issuer which fails to file information, documents, or reports pursuant to an undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title shall forfeit to the United States the sum of $100 for each and every day such failure to file shall continue. Such forfeiture, which shall be in lieu of any criminal penalty for such failure to file which might be deemed to arise under subsection (a) of this section, shall be payable into the Treasury of the United States and shall be recoverable in a civil suit in the name of the United States."

SEC. 10. All brokers and dealers for whom registration is in effect on the date of enactment of this act in accordance with rules and regulations of the Commission prescribed pursuant to section 15 of the Securities Exchange Act of 1934 shall be deemed to be registered pursuant to section 15 of such act as amended by section 3 of this act.

SEC. 11. Nothing in this act shall be deemed to extinguish any liability which may have arisen prior to the effective date of this act by reason of any violation of section 15 of the Securities Exchange Act of 1934 or of any rule or regulation thereunder.

SEC. 12. This act shall become effective immediately upon the enactment thereof; except that clause (2) of subsection (f) of section 12 of the Securities Exchange Act of 1934, as amended by section 1 hereof, and subsections (a) and (d) of section 15 of such act, as amended by section 3 hereof, shall become effective

90 days after the enactment of this act, and that clause (3) of said subsection (f), as amended by section 1 hereof, shall become effective 6 months after the enactment of this act.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the continuation of trading in unlisted securities upon national securities exchanges, for the registration of over-the-counter brokers and dealers, for the filing of current information and periodic reports by issuers, and for other purposes."

BILL PASSED OVER

The bill (H. R. 7092) for the relief of Capt. Percy Wright Foote, United States Navy, was announced as next in order.

Mr. McKELLAR. Let that bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

REUBEN M. WRIGHT

The Senate proceeded to consider the bill (S. 4207) for the relief of Reuben M. Wright, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 6, after "Company", to strike out "L" and insert in lieu thereof "A", so as to make the bill read:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army, Reuben M. Wright, formerly a private, Company A, Eighteenth Regiment United States Infantry, shall be held and considered to have been honorably discharged on November 15, 1889: *Provided*, That no pension, bounty, back pay, or allowance shall be held to have accrued by reason of this act prior to its passage.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ENTRY UNDER BOND OF ARTICLES FOR EXPOSITION PURPOSES

The Senate proceeded to consider the bill (S. 3843) to provide for the entry under bond of exhibits of arts, sciences, and industries, and products of the soil, mine, and sea, and all other exhibits for exposition purposes, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That as used in this Act:

(a) The term "exhibition" means any permanent exhibition or exhibitions, expositions, fairs, or any temporary exhibition or exhibitions, expositions, or fairs of the arts, sciences, and industries, or of the products of the soil, mine, and sea, or of any hobby, or other like pursuits.

(b) The "Port Authority" means the Port of New York Authority, a municipal corporate instrumentality organized pursuant to a compact entered into on April 30, 1921, between the States of New York and New Jersey, and consented to by the Congress of the United States (ch. 77, U. S. Stat. L., vol. 42, pt. I, p. 174), and designated as the municipal corporate instrumentality of the said States for the purpose of effectuating said compact.

SEC. 2. All articles which shall be imported from foreign countries for the purpose of exhibit or display at an exhibition to be held at any time and from time to time by the Port Authority or by its tenants or licensees in the building known as the Port Authority Commerce Building, located on the block bounded by Eigthth and Ninth Avenues, Fifteenth and Sixteenth Streets, Borough of Manhattan, city and State of New York, upon which articles there shall be a tariff, or customs duty, shall be admitted free of such tariff, customs duty, fees, or charges under such regulations as the Secretary of the Treasury shall prescribe; but it shall be lawful, at any time during or at the close of any exhibition, exposition, or fair held pursuant to this act to sell for delivery at the close thereof any goods or property imported for and actually displayed at such exhibition, subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe: *Provided*, That all such articles, when sold or withdrawn for consumption or use in the United States, shall be subject to the duty, if any, imposed upon such articles by the revenue laws in force at the date of their withdrawal and to the requirements of the tariff laws in effect at such date: *Provided further*, That the Port Authority shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under the provisions of this Act, and that the actual and necessary customs charges for labor, services, and other expenses in connection with the entry, examination, appraisement, release, or custody, together with the necessary charges for salaries of customs, officers, and employees in connection with the supervision, custody of, and accounting for, articles imported under the provisions of this Act, shall be reimbursed by the Port Authority to the Government of the United States under regulations to be prescribed by the Secretary of the Treasury, and that receipts from such reimbursements shall be deposited as refunds to the appropriation from which paid, in the manner provided for in section 524, Tariff Act of 1930: *Provided further*, That all such articles shall, at the expiration of 2 years, be subject to the import duty when in force, unless the same shall have been sold or exported from this country prior to that time: *And provided further*, That nothing in this Act contained shall be construed as an invitation, express or implied, from the Government of the United States to any foreign government, State, municipality, corporation, partnership, or individual to import any articles for the purpose of exhibition at the said exhibitions.

PRODUCTION COSTS OF CERTAIN PELTS

The Senate proceeded to consider the resolution (S. Res. 250) directing the Tariff Commission to investigate the production costs of certain pelts, which had been reported from the Committee on Finance with an amendment, on page 1, line 6, after "Persian lamb pelts" and the comma, to insert "krimmer pelts, karakul pelts", so as to make the resolution read:

Resolved, That the United States Tariff Commission is directed, under the authority conferred by section 336 of the Tariff Act of 1930 and for the purposes of that section, to investigate the differences in cost of production of the following domestic articles and of any like or similar foreign articles: Dressed or dyed Persian lamb pelts, krimmer pelts, karakul pelts, Russian pony pelts, squirrel pelts, and mole pelts.

The amendment was agreed to.

The resolution, as amended, was agreed to.

A. J. WATTS

The bill (S. 3067) for the relief of A. J. Watts, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, or benefits upon persons who have served in the military forces of the United States, the disabilities of A. J. Watts, formerly a private, Battery B, Georgia Volunteer Light Artillery, shall be held and considered to have been incurred by him in the active military service of the United States during the Spanish-American War: *Provided*, That no compensation, retirement pay, back pay, or other benefit shall be held to have accrued by reason of this act prior to its enactment.

PAYMENT OF CERTAIN INTEREST TO AMERICAN WAR MOTHERS

The Senate proceeded to consider the bill (S. 3296) to provide for the payment to the American War Mothers of interest on the fund known as the "Recreation fund, Army", which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and to insert in lieu thereof the following:

That the Secretary of the Treasury is authorized and directed to set aside as a special fund in the Treasury the sum of $294,852.97, representing the unexpended balance of the sums transferred from the "Stars and Stripes fund" and "Other funds" by the act of March 4, 1933, to the fund entitled "Recreation fund, Army." The special fund created pursuant to this act shall be invested and reinvested by the Secretary of the Treasury in interest-bearing obligations of the United States.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay from the special fund created under this act to the American War Mothers, incorporated by the act entitled "An act to incorporate the American War Mothers", approved February 24, 1925, the sum of $20,000 a year, to be expended by said American War Mothers for such purposes as it sees fit.

SEC. 3. Said American War Mothers shall make a full and complete report to the Congress not later than February 1 of each year as to the purposes for which the sums paid to it under this act have been expended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize certain payments to the American War Mothers, Inc."

JOINT RESOLUTION AND BILL PASSED OVER

The joint resolution (S. J. Res. 242) authorizing and directing the Commodity Credit Corporation to facilitate the liquidation of loans to cotton producers was announced as next in order.

Mr. McKELLAR. Mr. President, I should like to have an explanation of the joint resolution. As the Senator in

charge of the measure is not present, I ask that it be passed over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 4105) authorizing the Secretary of Agriculture to convey certain lands to the Maryland-National Capital Park and Planning Commission of Maryland for park purposes was announced as next in order.

Mr. McKELLAR. Mr. President, I should like to have an explanation of that bill by the Senator from Maryland.

As the Senator is not present at the moment, I ask that the bill be passed over until we may have an explanation of it.

The PRESIDENT pro tempore. The bill will be passed over.

PAYMENT TO CERTAIN NON-INDIAN CLAIMANTS

The bill (S. 4298) to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933, was announced as next in order.

Mr. KING. Mr. President, may we have an explanation of this bill?

Mr. HATCH. Mr. President, the Senator from Utah will recall that the pending bill is the final bill relating to this subject. At the last session we passed a similar bill, and the Secretary of the Interior then reported that there were several claims as yet unsettled and which had not been investigated. Since that time those claims have been investigated. Some 20 claims were filed. Fifteen were approved by the Secretary. The pending bill makes allowances for those 15 claims amounting to about $3,000.

Mr. KING. Do the claims come within the category of the claims which Mr. Harrington was designated a commissioner to consider and pass upon?

Mr. HATCH. They are along the same general lines; yes. They have been fully approved by the Department, and the ones provided for in the bill are the final ones.

Mr. KING. I have no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sum to compensate white settlers or non-Indian claimants whose claims have been extinguished under the act of June 7, 1924 (43 Stat. L. 636), but who have been found by the Secretary of the Interior, in conformity with the proviso to section 3 of the act of May 31, 1933 (48 Stat. L. 108, 109), to be entitled to increased compensation by reason of errors in the amount of award previously allowed or entitled to original awards by reason of errors in the omission of legitimate claimants. The non-Indian claimants, or their successors, as found and reported by the Secretary of the Interior, to be compensated out of said appropriation to be disbursed under the direction of the Secretary of the Interior in the amounts found to be due them, as follows: Within the pueblo of Nambe, $456.40; within the pueblo of San Ildefonso, $141.88; within the pueblo of Cochiti, $936.55; within the pueblo of Sandia, $1,292.21; within the pueblo of San Juan, $244.20; in all, $3,071.24.

PROMOTIONS IN THE MARINE CORPS

The Senate proceeded to consider the bill (H. R. 4016) to repeal section 16 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes", approved May 29, 1934, which had been reported from the Committee on Naval Affairs with an amendment.

Mr. WALSH. Mr. President, I will explain the bill.

The purpose of this bill is to repeal section 16 of the Marine Corps selection law, which prevents the retirement of majors and lieutenant colonels who were not selected for advancement, and removes the restriction upon those advanced from receiving the pay of their advanced rank. It also provides that every officer of the Marine Corps shall have another opportunity of being selected before being placed upon the retired list. It further provides that officers of the Marine Corps (with certain exceptions) shall not serve on active duty in Marine Corps Headquarters in Washington, D. C., more than 4 out of any 8 consecutive years, unless the President so requires.

Under the present law, section 16 prevents the retirement of majors and lieutenant colonels who have been passed over, and they stay in that rank until they are 64 years of age, unless otherwise retired. This backs up promotion all down the line in the Marine Corps and prevents a reasonable flow of promotion and advancement of all officers below this rank. The repeal of section 16 is necessary for the efficiency and morale of the Marine Corps. The repeal of this section also removes the restriction upon officers properly advanced, from receiving the pay of their advanced rank, which under the present law is an unwarranted discrimination.

Section 10 of the Marine Corps selection law is also amended, and the effects and reasons for these amendments are contained in the House report which is quoted in part:

The primary purpose of this legislation is to remedy a situation brought about by what the committee believes to have been a too drastic application of the act above referred to and which is hereby amended.

The amendments to section 10 of the Marine Corps Personnel Act of May 29, 1934, as indicated in the first section of this bill provides:

(a) That until January 1, 1938, officers in the upper three-sevenths of the grades of first lieutenant, captain, major, lieutenant colonel, and colonel, will be eligible for consideration by selection boards without regard to length of service in grade; but that on and after that date, all officers subject to selection will be required to serve 4 years in grade (3 years for first lieutenants) before becoming eligible for consideration by selection boards, as is now the case with officers of the line of the Navy:

(b) That no officer of the Marine Corps will become ineligible for consideration for selection or for promotion by reason of length of commissioned service or by age without having been at least once considered by a selection board. This makes eligible for promotion captains in the Marines Corps who have been placed on a promotion list, approved by the President, even though they may become 45 years of age prior to being promoted;

(c) That officers of the Marine Corps of the grade of second lieutenant and above, except the Major General Commandant, the Assistant to the Major General Commandant, the heads of staff departments, and officers on eligible lists for appointment as head of a staff department, a maximum of eight officers, shall not serve on duty in Marine Corps Headquarters, Washington, D. C., more than 4 out of any 8 consecutive years unless the President shall determine that the public interests so require.

Section 2, repealing section 16 of the Marine Corps Personnel Act of May 29, 1934, provides for—

(a) The involuntary retirement of not more than 6 lieutenant colonels and 11 majors each year, who have been passed over for selection for promotion, and who have completed the designated periods of service prescribed in the basic Navy selection law;

(b) The placing of officers of all grades on the same status;

(c) A reasonable and regular flow of promotion;

(d) The removal of the unwarranted discrimination against marine officers in the matter of pay on promotion;

(e) Greatly increased morale and efficiency.

Mr. President, as the law now stands with respect to the Marine Corps, officers in the grade of colonel, captain, first lieutenant, who become ineligible for promotion by reason of nonselection, retire under the same conditions as officers of corresponding rank in the Navy. Officers in the grades of lieutenant colonel and major who are not selected may remain on the active list until they retire for age at 64 years. This condition is obviously most harmful to the morale and efficiency of the Marine Corps.

The primary purpose of the Marine Corps personnel bill was to provide a reasonable and regular flow of promotion in order that officers might serve in each grade at an age appropriate to the mental and physical requirements of the duties of the grade. Its enactment has already been of great benefit to the corps, but in order to derive the full benefit, section 16 must be repealed. The harmful effects incident to the retention on the active list of officers in the grades of lieutenant colonel and major who have failed of selection are obvious and cannot be overestimated. In addition, their retention clogs the wheels of the promotion system and impairs the very object of the bill, namely, a steady and uniform rate of advancement of officers of appropriate age through the various grades, thus eliminating stagnation of promotion and overage of officers in their grades. In fact, section 16 so stifles the promotion system as seriously to impair its other beneficial features.

The evil effects of this section are already taking shape, and the danger signal has appeared on the horizon. Theoretically this section, if not removed, will retard the promotion of a second lieutenant entering the corps 10 years in going to the grade of lieutenant colonel, placing him there at the age of 53, when he should be entering the grade at 43. However, practically speaking, an estimate of the present situation discloses that the actual condition will be far more serious, and unless this harmful restriction is removed the beneficial results already obtained will be wiped out, and in a short time we will revert to an impossible condition approximating that in effect prior to the passage of the present act. For example, of the 40 captains selected by the last board, all were under 45 years of age, averaging 41 years, and if section 16 is removed, only 3 will become 45 before being promoted, the junior about June 30, 1939. But if section 16 is not repealed, 37 of the 40 will become 45 or over prior to being promoted, the junior, at the age of 50, on or about October 1, 1944, a loss of retardation of promotion of 5 years and 4 months. If the effect of section 16 is thus pronounced on captain no. 73, one can well imagine what the effect will be on captain no. 318 by the time he comes up for promotion. This prediction is no exaggeration, and I feel sure that the members of this committee can appreciate this almost impossible situation and will lend a helping hand toward its alleviation.

The effect of the passage of this bill would, with certain necessary minor modifications, be to place the Marine Corps on exactly the same footing as the line of the Navy regarding personnel legislation and would permit the Marine Corps to obtain the full benefit of such legislation.

In all other branches of the national defense, officer on promotion to a higher grade becomes entitled to the pay of the higher grade, which is as it should be. In the Marine Corps the pay restriction in section 16 operates to retain them in the lower rate of pay for a considerable time after promotion. It works the greatest hardship, too, on officers promoted from the grade of second lieutenant, whose pay to begin with is the lowest of commissioned officers. Ensigns in the Navy and Coast Guard and second lieutenants in the Army are automatically promoted after 3 years' service and draw the pay of the higher grade. In the Marine Corps second lieutenants are also promoted after 3 years' service, but as long as section 16 remains in the law continue to draw the pay of second lieutenants. At the present time approximately 60 first lieutenants are drawing second lieutenants' pay. On an average, this condition continues for about 2 years in each case, at a loss of approximately $1,000 a year. A similar condition, differing only in degree, obtains in all higher grades.

Mr. President, let me now read from some testimony introduced at the hearing on this bill:

Senator WALSH. What is the average age of those men, of the lieutenant colonels who have not been selected?

Mr. VINSON. Colonel Arthur can testify better as to that.

Colonel ARTHUR. The average age of the majors is 43.8 years, and the average age of the lieutenant colonels is 53 years and 10 months.

Senator WALSH. What retirement fund would they receive?

Colonel ARTHUR. The major receives from $2,126 to $3,937. It so happens that these officers who will probably be retired have a great deal of service and they will probably run from $3,500 to $3,937 a year. That is based on longevity.

The lieutenant colonels, the minimum is $3,552, and the maximum is $4,312.

As it so happens, practically every lieutenant colonel will draw the maximum of $4,312 a year.

Senator WALSH. So this means that those men whom the selection board finds in both groups to be the lowest standard of efficiency for the Navy, will be retired if they are lieutenant colonels with $4,000 compensation every year for the rest of their lives.

Mr. VINSON. Yes.

Senator WALSH. It is pretty good pay for a man found by his superiors to be of the lowest efficiency in his rank. I wish we had it in civil life.

Mr. VINSON. I only wish Congress was as generous with the Members of the House when they retire as we are with the Army, the naval, and the Marine officers.

Senator WALSH. What does the retirement pay in the Navy run?

Mr. VINSON. I think this year it is carrying between seven and nine million dollars in the bill right now.

Mr. President, there is another very important provision in this bill. The selection bill would require that the selection board should consider four-sevenths of the group of officers. Four-sevenths of any one group would be the group that would be considered for selection. They could start at the top and select the top man, or they could select the man at the bottom, but the group they had to select was four-sevenths of the total number in that group.

We have amended that to help officers and keep them from being eliminated too rapidly by reducing that down to three-sevenths, and the selection board now is required to confine their group to three-sevenths.

Another thing that we considered highly important to eliminate the criticism of favoritism, as the Marine Corps is a very small organization and the officers are known quite intimately to each other, we have provided here that no officer of the Marine Corps can be stationed in Washington City longer than one tour of duty, or 4 years at one time, and that applies to every officer except the commanders or major general commandant and his assistant, and the four staff officers; in other words, to keep down a little clique from running the Marine Headquarters, and therefore have it said that they are taking care of their particular friends who happen to be stationed in Washington City, and we have put in this bill that he has got to be out of the city 4 years before he can come back 4 years.

Mr. President, this is an important bill. It will tend to greatly increase the morale and efficiency of the Marine Corps.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. BLACK. May I ask the Senator what provision is made as to the type of selection board to pass upon the qualifications of the officers?

Mr. WALSH. A selection board is to be set up immediately upon the passage of this bill, and between the time of its passage and the 1st of July another opportunity will be given to the officers passed over to be selected.

Mr. BLACK. Who will set up the board?

Mr. WALSH. I assume the Secretary of the Navy will do so.

Mr. BLACK. May I ask what provision is made for preventing the same board that acted upon the other officers from serving on this selection board?

Mr. WALSH. The Senator has in mind the selection board that was created a year ago?

Mr. BLACK. Yes, sir.

Mr. WALSH. For the selection of brigadier generals and major generals in the Marine Corps?

Mr. BLACK. Yes.

Mr. WALSH. Not to select officers in the grade of captain and major. The board referred to was selected by the Secretary of the Navy, as the Senator knows, but the Senator suspected that it was not an entirely disinterested board, because the selections were made from officers of the Marine Corps who were located here in Washington at the time of selection.

However, in the case of the Marine Corps, which is a comparatively small organization, it is difficult to select many officers of higher rank, because of the limited number available to serve on the selection boards.

I wish to say to the Senator, however, that this is a compromise measure, and we are doing what we have not done before, in that we are giving an opportunity for reexamination as to those who have not been selected in the grades referred to.

Mr. BLACK. The point I am interested in is that if the reexamination should be held by the same group of officers that passed upon the officers heretofore, in my judgment, it would not allay the criticism of promotions in the Marine Corps.

Mr. WALSH. I will say to the Senator that, so far as I have any influence as acting chairman of the Committee on Naval Affairs, and I know I may say as much for the chairman of the House Committee on Military Affairs, Mr. VINSON, our utmost influence will be used to see that an absolutely impartial board is created and that past criticisms made as to the attitude of selection boards shall be removed.

Mr. BLACK. And that it will not be the same board?

Mr. WALSH. I agree with the Senator.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. BYRNES. The only provision in the bill is that the selection board shall be constituted as provided by law. That is the provision in the bill.

Mr. WALSH. Yes, sir.

Mr. BYRNES. The effect of the bill, if enacted, would really be to accomplish a saving of from six to seven thousand dollars, would it not?

Mr. WALSH. Yes; the ultimate result would be a saving.

Mr. BYRNES. Over 4 or 5 years?

Mr. WALSH. However, its real purpose is to promote the younger officers whose promotion is retarded under existing law.

Let me remind the Senator that while section 6 remains unrepealed, officers who have been promoted from captain to major and from major to lieutenant colonel are not getting the salary which others of their rank receive. The repeal of section 16 of existing law alone will remedy this.

Mr. BYRNES. There is no reason for the discrimination.

Mr. WALSH. It is rank discrimination. I do not believe there is any question but that the Senate should pass this bill.

The PRESIDENT pro tempore. The amendment reported by the Committee on Naval Affairs will be stated.

The amendment was to strike out all after the enacting clause and to insert the following:

That so much of section 10 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes", approved May 29, 1934 (48 Stat. 811), as provides: "and officers in the upper four-sevenths of the grades below brigadier general, subject to selection as established by the first section of this act, shall be eligible for consideration by selection boards and for promotion without regard to length of service in grade: *Provided*, That no officer of the Marine Corps shall be ineligible for consideration for promotion by reason of completion of length of commissioned service until he shall have been once considered by a selection board", is hereby amended to read as follows: "and until January 1, 1938, officers in the upper three-sevenths of the grades below brigadier general, subject to selection as established by the first section of this act, shall be eligible for consideration by selection boards without regard to length of service in grade: *Provided*, That hereafter no officer of the Marine Corps shall be ineligible for consideration by a selection board or for promotion by reason of completion of length of commissioned service or because of age without having at least once been considered by a selection board, and any officer of the Marine Corps now on a promotion list shall be eligible for promotion unless removed from said list in accordance with existing law: *Provided further*, That officers of the Marine Corps of the grade of second lieutenant and above, except those appointed or serving as major general commandant, as assistant to the major general commandant, as the head of a staff department, or whose names appear on an eligible list for appointment as head of a staff department, shall not serve on duty in the Marine Corps Headquarters, Washington, D. C., more than 4 out of any 8 consecutive years unless the President shall determine that the public interests so require."

SEC. 2. That section 16 of the said act of May 29, 1934 (48 Stat. 811), be, and the same is hereby, repealed.

SEC. 3. That officers of the Marine Corps in the grades of lieutenant colonel and major, who prior to June 30, 1935, completed the designated periods of service for their respective grades, shall retain their eligibility for consideration for selection until June 30, 1936, and such officers who on that date are not on a promotion or retention list shall be transferred to the retired list: *Provided*, That a duly constituted selection board appointed as provided by law shall be convened immediately after the approval of this act, which board, in recommending for selection for promotion the number of officers of the grades of lieutenant colonel and major directed by the Secretary of the Navy in accordance with law, shall recommend, from the officers now on the active list in those grades, four officers of the grade of lieutenant colonel and nine officers of the grade of major, who held commissions in those grades, respectively, on May 28, 1934.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to amend section 10 and repeal section 16 of the act entitled 'An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes', approved May 29, 1934 (48 Stat. 811), and for other purposes."

WALKER RIVER INDIAN RESERVATION, NEV.

The Senate proceeded to consider the bill (S. 3805) to authorize the Secretary of the Interior to reserve certain lands on the public domain in Nevada for addition to the Walker River Indian Reservation, which had been reported from the Committee on Indian Affairs with amendments.

The first amendment was, on page 2, line 1, after the word "hereof", to insert the following proviso: *"Provided further*, That the Secretary of the Interior shall arrange, either by the maintenance of existing stock driveways or otherwise, to permit stock owned by others than Indians to cross the reservation at designated points", so as to make the section read:

That the Secretary of the Interior be, and he is hereby, authorized to set aside not to exceed 171,200 acres, or so much thereof as he may deem advisable, of the public-domain lands in townships 11, 12, 13, 14, and 15 north, ranges 27, 28, 29, 30, and 31 east, Mount Diablo meridian, Nevada, as an addition to the Walker River Indian Reservation: *Provided*, That the said withdrawal shall not affect any valid rights initiated prior to the approval hereof: *Provided further*, That the Secretary of the Interior shall arrange, either by the maintenance of existing stock driveways or otherwise, to permit stock owned by others than Indians to cross the reservation at designated points. Executive order of November 26, 1934, temporarily withdrawing public-domain lands for classification, etc., under the Taylor Grazing Act of June 28, 1934 (ch. 865, 48 Stat. L. 1269), is hereby revoked as to such of the above-described lands as may be designated by the Secretary of the Interior for addition to the said Walker River Indian Reservation.

The amendment was agreed to.

The next amendment was, on page 2, after line 11, to insert a new section, as follows:

SEC. 2. Title to all minerals in said lands is hereby reserved to the United States and shall be subject to all forms of mineral entry or claim under the public land mining laws: *Provided*, That the Paiute Indians of the Walker River Reservation shall be paid by mineral claimants for the loss of any improvements on any lands located or withdrawn for mining purposes under rules and regulations to be prescribed by the Secretary of the Interior: *And provided further*, That an annual rental of not less than 5 cents per acre shall be paid to the superintendent of the reservation to be deposited to the credit of the tribe as compensation for loss of use or occupancy of any lands withdrawn for mining purposes or mineral entry. No mineral patent shall be granted to any applicant who is delinquent in the payment of rental or in the payment of any damages due the tribe under the provisions of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CLAIMS OF KLAMATH, MODOC, AND YAHOOSKIN INDIANS

The Senate proceeded to consider the bill (S. 3797) to amend an act entitled "An act authorizing certain tribes of Indians to submit claims to the Court of Claims, and for other purposes", approved May 26, 1920, which had been reported from the Committee on Indian Affairs with amendments, on page 1, line 3, after the word "the", to strike out "suits" and insert "suit numbered E–346"; on the same page, after line 9, to insert "irrespective of any release or settlement, to reinstate and retry said case and"; on page 2, line 2, after the word "thereon", to strike out "irrespective of any release or settlement, and"; and on line 5, after the word "appeal", to insert "rather than by certiorari", so as to make the bill read:

Be it enacted, etc., That in the suit numbered E–346 heretofore instituted in the Court of Claims by the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians under an act entitled "An act authorizing certain tribes of Indians to submit claims to the Court of Claims, and for other purposes", approved May 26, 1920, jurisdiction is hereby conferred upon said court, and it is hereby authorized and directed, irrespective of any release or settlement, to reinstate and retry said case and to hear and determine the claims of the plaintiffs on the merits, and to enter judgment thereon upon the present pleadings, evidence, and findings of fact, with the right of appeal, rather than by certiorari, to the Supreme Court of the United States by either party: *Provided*, That any payment heretofore made to the said Indians by the United States in connection with any release or settlement shall be charged as an offset, but shall not be treated as an estoppel.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INDIAN RESERVATIONS IN ALASKA

The bill (S. 4420) to extend certain provisions of the act approved June 18, 1934, commonly known as the Wheeler-Howard Act (Public Law No. 383, 73d Cong., 48 Stat. 984), to the Territory of Alaska, to provide for the designation of Indian reservations in Alaska, and for other purposes, was announced as next in order.

Mr. THOMAS of Oklahoma. Mr. President, the House has passed an identical bill, which is now on the calendar, being Order of Business No. 1996, House bill 9866. I move that the House bill be substituted for the Senate bill and be considered at this time, after the passage of the House bill, I shall move that the Senate bill be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, the House bill will be substituted for the Senate bill and will be now considered.

Mr. KING. Mr. President, I should like to ask the Senator from Oklahoma whether this bill is approved by the Commissioner of Indian Affairs and by the Secretary of the Interior?

Mr. THOMAS of Oklahoma. It is approved by the Secretary of the Interior and by the Bureau of the Budget.

The bill (H. R. 9866) to extend certain provisions of the act approved June 18, 1934, commonly known as the Wheeler-Howard Act (Public Law No. 383, 73d Cong., 48 Stat. 984), to the Territory of Alaska, to provide for the designation of Indian reservations in Alaska, and for other purposes, was read, considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That sections 1, 5, 7, 8, 15, 17, and 19 of the act entitled "An act to conserve and develop Indian lands and resources; to extend to Indians the right to form business and other organizations; to establish a credit system for Indians; to grant certain rights of home rule to Indians; to provide for vocational education for Indians; and for other purposes", approved June 18, 1934 (48 Stat. 984), shall hereafter apply to the Territory of Alaska: *Provided*, That groups of Indians in Alaska not heretofore recognized as bands or tribes, but having a common bond of occupation, or association, or residence within a well-defined neighborhood, community, or rural district, may organize to adopt constitutions and bylaws and to receive charters of incorporation and Federal loans under sections 16, 17, and 10 of the act of June 18, 1934 (48 Stat. 984).

SEC. 2. That the Secretary of the Interior is hereby authorized to designate as an Indian reservation any area of land which has been reserved for the use and occupancy of Indians or Eskimos by section 8 of the act of May 17, 1884 (23 Stat. 26), or by section 14 or section 15 of the act of March 3, 1891 (26 Stat. 1101), or which has been heretofore reserved under any Executive order and placed under the jurisdiction of the Department of the Interior or any bureau thereof, together with additional public lands adjacent thereto, within the Territory of Alaska, or any other public lands which are actually occupied by Indians or Eskimos within said Territory: *Provided*, That the designation by the Secretary of the Interior of any such area of land as a reservation shall be effective only upon its approval by the vote, by secret ballot, of a majority of the Indian or Eskimo residents thereof who vote at a special election duly called by the Secretary of the Interior upon 30 days' notice: *Provided, however*, That in each instance the total vote cast shall not be less than 30 percent of those entitled to vote: *Provided further*, That nothing herein contained shall affect any valid existing claim, location, or entry under the laws of the United States, whether for homestead, mineral, right-of-way, or other purpose whatsoever, or shall affect the rights of any such owner, claimant, locator, or entryman to the full use and enjoyment of the land so occupied.

The PRESIDENT pro tempore. Senate bill 4420, being Order of Business 1831, will be indefinitely postponed.

EDWIN E. DAILEY

The bill (S. 3369) providing for the posthumous appointment of Ernest E. Dailey as a warrant radio electrician, United States Navy, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and directed to appoint, posthumously, Edwin E. Dailey, late a radioman, first class, United States Navy, a warrant radio electrician, United States Navy, and to deliver to the widow of said Edwin E. Dailey the warrant of such appointment. Such appointment shall be effective as of February 11, 1935.

ROSCOE M'KINLEY MEADOWS

The bill (S. 3715) for the relief of Roscoe McKinley Meadows was announced as next in order.

Mr. KING. Mr. President, may I ask the Senator from Virginia [Mr. BYRD] a question in regard to this case? I call his attention to the fact that the person who is seeking this benefit, namely, Roscoe McKinley Meadows, said at the time of his resignation from the Navy—I quote from the letter of the Secretary of the Navy in the report:

At the time of his resignation on June 30, 1920, he signed the following statement:

"I hereby certify that I have no injury or disability which would entitle me to compensation under the War Risk Insurance Act."

Then there is a further explanation by the Secretary of the Navy. As I understand, the Department does not approve the bill.

Mr. BYRD. Mr. President, let me say the Navy Department does not disapprove it.

Mr. KING. The person who is the applicant for the benefit resigned voluntarily; he stated that he had no disability whatever; and he is now seeking the passage of the bill which, if enacted into law, would result in additional cost to the Government of $1,950 per annum, chargeable to the Federal administration.

Mr. BYRD. I think the Navy Department, Mr. President, interposed no objection to the bill. It simply clears the record and provides that Mr. Meadows shall be considered to have served as an officer of the Navy of the United States during the World War other than as an officer of the Regular Navy.

Mr. KING. It means a pension for this man who resigned voluntarily from the Navy and had no disability whatever. Will the Senator let the bill go over until I may consult the Department regarding it?

Mr. BYRD. Very well.

The PRESIDENT pro tempore. The bill will be passed over.

BERNARD F. HICKEY

The bill (S. 4119) for the relief of Bernard F. Hickey was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bernard F. Hickey, a major, United States Marine Corps, retired, the sum of $1,587.25 in full satisfaction of all his claims against the United States for the loss of certain of his personal property on September 1, 1923, in the earthquake and fire at Kamakura, Japan, while serving as an assistant attaché of the American Embassy at Tokyo, Japan.

WILLIAM H. BROCKMAN

The Senate proceeded to consider the bill (S. 4233) for the relief of William H. Brockman, which had been reported from the Committee on Naval Affairs with an amendment, on page 1, line 3, after the word "the", to strike out "Secretary of the Navy" and insert "Comptroller General of the United States", so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to cancel the charges entered on the pay accounts of William H. Brockman, lieutenant (junior grade), United States Navy, in the amount of $317.34, and to pay to said William H. Brockman, out of money appropriated for the pay of Navy personnel, any amount heretofore deducted from his pay on account of such charges; such charges having been entered on the accounts of said William H. Brockman by reason of extra pay received by him for the performance of duty at submarine escape training tanks, and a subsequent ruling that he was not entitled to such extra pay because such duty was not actually performed on board a submarine.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CATHARINE I. KLEIN

The bill (H. R. 10575) for the relief of Catharine I. Klein was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Catharine I. Klein, widow of Nelson B. Klein, special agent of the Federal Bureau of Investigation of the Department of Justice, killed in line of his official duty at College Corner, Ohio, on

August 16, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. BAILEY subsequently said: Mr. President, may I inquire what action was taken with regard to Order of Business 1836, being House bill 10575?

The PRESIDENT pro tempore. The bill was considered, the amendment was agreed to, and the bill was passed as amended.

Mr. BAILEY. There is a difficulty there.

That was a House bill, but by reference to Order of Business 1708, on page 10 of the calendar, it will be found that a similar Senate bill was also passed. I think the Senate should reconsider the vote by which the Senate bill was passed and indefinitely postpone it, the House bill, as stated by the Chair, having been passed.

The PRESIDENT pro tempore. Without objection, the vote by which Order of Business 1708, being the bill (S. 4019) for the relief of Catharine I. Klein, was passed will be reconsidered, and, without objection, the bill will be indefinitely postponed.

AMENDMENT OF FEDERAL REGISTER ACT

The Senate proceeded to consider the bill (S. 4405) to amend section 11 of the Federal Register Act approved July 26, 1935 (Public, No. 220, 74th Cong.), which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 5, after the name "Congress", to strike out "is hereby amended so as to relieve from publication in the special or supplementary edition or issue of the Federal Register those Presidential proclamations and Executive orders that are of record in the General Land Office and relate to the public lands and which were issued or promulgated prior to the date documents are required or authorized by said act to be published in the Federal Register" and in lieu thereof to insert "be amended by substituting a colon for the period at the end of the section and adding the following proviso: *Provided, however*, That this section shall not require the General Land Office to prepare and file for publication in the special or supplementary edition or issue of the Federal Register those Presidential proclamations and Executive orders that are of record in the General Land Office and relate to the public lands and which were issued or promulgated prior to the date documents are required or authorized by said act to be published in the Federal Register", so as to make the bill read:

Be it enacted, etc., That section 11 of the Federal Register Act approved July 26, 1935 (Public, No. 220, 74th Cong.), be amended by substituting a colon for the period at the end of the section and adding the following proviso: *Provided, however*, That this section shall not require the General Land Office to prepare and file for publication in the special or supplementary edition or issue of the Federal Register those Presidential proclamations and Executive orders which are of record in the General Land Office and relate to the public lands and which were issued or promulgated prior to the date documents are required or authorized by said act to be published in the Federal Register.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BARBARA JAECKEL

The bill (S. 4400) for the relief of Barbara Jaeckel, was considered, ordered to be engrossed for a third reading, read the third time and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Barbara Jaeckel, widow of Theodore Jaeckel, late consul general, Victoria, British Columbia, the sum of $8,800, being 1 year's salary of her deceased husband who died while in the Foreign Service; and there is hereby authorized to be appropriated a sufficient sum to carry out the purposes of this act.

COINAGE OF 50-CENT PIECES—GREAT LAKES EXPOSITION

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 4335) to authorize the coinage of 50-cent pieces in commemoration of the centennial celebration of Cleveland, Ohio, to be known as the Great Lakes Exposition, which were, on page 1, line 9, after "not", to insert "less than twenty-five thousand and not"; and on page 2, line 12, after "than", to strike out "five" and insert "twenty-five".

Mr. BULKLEY. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

BILL PASSED OVER

The bill (H. R. 2119) for the relief of Mrs. E. L. Babcock, mother and guardian of Nelson Babcock, a minor, was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

N. N. SELF

The bill (H. R. 1265) for the relief of N. N. Self was considered, ordered to a third reading, read the third time, and passed.

ARCHIE P. M'LANE AND HANS PETER JENSEN

The bill (H. R. 3513) for the relief of Archie P. McLane and Hans Peter Jensen was considered, ordered to a third reading, read the third time, and passed.

M. M. SMITH

The bill (H. R. 4965) for the relief of M. M. Smith was considered ordered to a third reading, read the third time, and passed.

EDITH H. MILLER

The bill (H. R. 5753) for the relief of Edith H. Miller was considered, ordered to a third reading, read the third time, and passed.

MRS. EARL POYNOR

The bill (H. R. 6669) for the relief of Mrs. Earl Poynor was considered, ordered to a third reading, read the third time, and passed.

DR. J. C. BLALOCK

The bill (H. R. 8094) for the relief of Dr. J. C. Blalock was considered, ordered to a third reading, read the third time, and passed.

JOHN W. HUBBARD

The bill (S. 3080) conferring jurisdiction upon the Court of Claims, to hear, determine, and render judgment upon the claim of John W. Hubbard was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction is conferred upon the Court of Claims to hear, determine, and render judgment upon the claim of John W. Hubbard, of Pittsburgh, Pa., against the United States for damages for injury to the steamboat *Senator Cordill*, and its cargo, on February 5, 1934, when such steamboat struck a submerged wicket of United States Dam No. 14, on the Ohio River and sank.

SEC. 2. Such claim may be instituted at any time within 1 year after the date of enactment of this act, notwithstanding the lapse of time or any statute of limitation. Proceedings for the determination of such claim, and appeals from, and payment of, any judgment thereon, shall be in the same manner as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

RASMUS BECH

The bill (H. H. 11231) for the relief of Rasmus Bech was considered, ordered to a third reading, read the third time, and passed.

J. EDWIN HEMPHILL

The bill (H. R. 7963) for the relief of J. Edwin Hemphill was considered, ordered to a third reading, read the third time, and passed.

JOSEPH MOSSEW

The bill (H. R. 10521) for the relief of Joseph Mossew was considered, ordered to a third reading, read the third time, and passed.

STATE OF NEVADA

The bill (S. 3907) for the relief of the State of Nevada was announced as next in order.

Mr. McNARY. Mr. President, I think we should have an explanation of the bill. I think it very appropriate that the explanation be made by the Senator now occupying the chair.

Mr. LOGAN. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. McNARY subsequently said: Mr. President, when Senate bill 3907 was reached, a bill for the relief of the State of Nevada, I asked for an explanation of it. At the time the able Senator from Nevada [Mr. PITTMAN] was in the chair, and, of course, he felt some embarrassment and did not make, as he could have made, a statement regarding the bill. Meantime, I have examined the measure and find that it is very meritorious.

At this time, therefore, I ask unanimous consent to recur to Calendar No. 1851, Senate bill 3907.

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Is there objection to the request of the Senator from Oregon?

There being no objection, the Senate proceeded to consider the bill (S. 3907) for the relief of the State of Nevada, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 3646, as amended, of the Revised Statutes of the United States, the Chief Disbursing Officer of the Treasury Department is authorized and directed to issue, without the requirement of an indemnity bond, a duplicate of original check no. 81257, drawn September 6, 1935, in favor of "State treasurer of Nevada, trust fund" for $3,978.97 and lost after delivery.

Mr. PITTMAN. Mr. President, I thank the Senator from Oregon.

F. L. FORBES ET AL.

The Senate proceeded to consider the bill (S. 3241) authorizing adjustment of the claims of F. L. Forbes, John L. Abbot, and the Ralph Sollitt & Sons Construction Co., which had been reported from the Committee on Claims with an amendment to insert at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claims of F. L. Forbes for $1,035.30 as amount of judgment and costs in his favor, in the United States District Court at Lynchburg, Va., against Ralph Sollitt & Sons Construction Co., contractor for the construction of a Government building under contract Tisa–3198, dated May 26, 1932, concerning a party wall; a claim of John L. Abbott for $350 as attorney's fees for assisting in the defense of Ralph Sollitt & Sons Construction Co. in such suit; and the claim of Ralph Sollitt & Sons Construction Co. for a balance of $248.30 on account of its costs in connection with the matter, and to allow said amounts in full and final settlement of their respective claims. There is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $1,633.60, or so much thereof as may be necessary, for the payment of said claims: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RANDALL KRAUSS

The bill (S. 3839) granting a pension to Randall Krauss was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws, the name of Randall Krauss, a minor child, and pay him a pension at the rate of $100 per month until he becomes 21 years of age, all the other members of the family of the said Randall Krauss having been killed when their automobile was struck by a United States Army airplane at Griffith Park, Calif., on June 20, 1935.

ROBERT C. E. HEDLEY

The bill (H. R. 4660) for the relief of Robert C. E. Hedley was considered, ordered to a third reading, read the third time, and passed.

ALBERT THESING, JR.

The bill (H. R. 3823) for the relief of Albert Thesing, Jr., was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the parents of Albert Thesing, Jr., Rochester, N. Y., the sum of $2,500, in full settlement of all claims against the Government of the United States for the death of the said Albert Thesing, resulting from an explosion and fire, caused by agents of the Bureau of Prohibition during a raid in the city of Rochester, July 7, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The title was amended so as to read, "An act for the relief of the parents of Albert Thesing, Jr."

BILLS PASSED OVER

The bill (H. R. 5867) for the relief of E. C. Willis, father of the late Charles R. Willis, a minor, was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 8089) for the relief of Joseph J. Baylin was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

ANN RAKESTRAW

The Senate proceeded to consider the bill (S. 3932) for the relief of Ann Rakestraw, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out the numerals "$5,000" and insert in lieu thereof "$3,500", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ann Rakestraw the sum of $3,500 in full and final settlement of any and all claims against the Government for personal injuries suffered by her when the automobile in which she was riding was struck by a Navy ambulance on September 13, 1935, at the intersection of Twenty-second and M Streets NW., Washington, D. C.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GEORGE E. WILSON

The Senate proceeded to consider the bill (S. 3652) for the relief of George E. Wilson, which had been reported from the Committee on Claims with amendments, on page 1, line 6, to strike out "$500" and insert in lieu thereof "$300", and

at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George E. Wilson the sum of $300, representing the amount paid by him on December 12, 1928, to the United States District Court for the Southern District of Mississippi as surety on the forfeited appearance bond of one Ed Ward, who willfully defaulted on a charge of violation of the liquor law but who was subsequently rearrested and convicted through the efforts of the said George E. Wilson: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JAMES MURPHY MORGAN

The Senate proceeded to consider the bill (H. R. 7253) for the relief of James Murphy Morgan, which had been reported from the Committee on Claims, with an amendment to strike out all after the enacting clause and in lieu thereof to insert the following:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James Murphy Morgan, of Miami, Ariz., the sum of $10,000, and to Blanche Copelan, of Claypool, Ariz., the sum of $750. Such sums shall be in full settlement of all claims against the United States for permanent personal injuries, medical expenses, property damage, and loss of wages sustained by the said James Murphy Morgan and Blanche Copelan when they were injured in an automobile collision with a United States owned truck (Civilian Conservation Corps truck) near Claypool, Gila County, Ariz., on November 18, 1934: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claims. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claims, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read "An act for the relief of James Murphy Morgan and Blanche Copelan."

MISSISSIPPI RIVER BRIDGE, NATCHEZ, MISS.

The bill (S. 4208) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Natchez, Miss., and for other purposes was announced as next in order.

Mr. McKELLAR. On the calendar is a House bill of identical nature. I suggest that the Senate bill be indefinitely postponed and the House bill placed upon its passage.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Tennessee?

There being no objection the bill (H. R. 11729) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Natchez, Miss., and for other purposes was considered, ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 4208, bearing the same title, is indefinitely postponed.

FLOOD CONTROL ON SABINE AND NECHES RIVERS

The Senate proceeded to consider the bill (S. 4214) to authorize the preparation of a comprehensive plan for controlling the floods, regulating the flow of waters, land reclamation, and conserving water for beneficial uses, in the basins of the Sabine and Neches Rivers, and for other purposes, which has been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert in lieu thereof the following:

That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Sabine and Neches Rivers, and their tributaries, with a view to controlling their floods and regulating, conserving, and utilizing the waters thereof, in accordance with the provisions of section 3 of the Act entitled "An Act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1912, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for a preliminary examination of the Sabine and Neches Rivers, with a view to controlling their floods and regulating, conserving, and utilizing the waters thereof, and for other purposes."

CONNECTICUT RIVER BRIDGE, NORTHAMPTON, MASS.

The bill (S. 4326) granting the consent of Congress to the Department of Public Works of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at or near Northampton, Mass., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Department of Public Works, Commonwealth of Massachusetts, to construct, maintain, and operate a free highway bridge and approaches thereto across the Connecticut River, at a point suitable to the interests of navigation, at or near the city of Northampton, Mass., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

ST. LAWRENCE RIVER BRIDGE, ALEXANDRIA BAY, N. Y.

The bill (H. R. 10631) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y., was considered, ordered to a third reading, read the third time, and passed.

WACCAMAW RIVER BRIDGE, CONWAY, S. C.

The bill (H. R. 11043) to extend the times for commencing and completing the construction of a bridge across the Waccamaw River at or near Conway, S. C., was considered, ordered to a third reading, read the third time, and passed.

CURRENT RIVER BRIDGE, SHANNON COUNTY, MO.

The bill (H. R. 11073) granting the consent of Congress to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge across the Current River at or near Powder Mill Ford on Route No. Missouri 106, Shannon County, Mo., was considered, ordered to a third reading, read the third time, and passed.

DELAWARE RIVER BRIDGE, DELAWARE WATER GAP

The bill (H. R. 11402) authorizing the Delaware River Joint Toll Bridge Commission of the State of Pennsylvania and the State of New Jersey to construct, maintain, and operate a toll bridge across the Delaware River at a point near Delaware Water Gap was considered, ordered to a third reading, read the third time, and passed.

MISSISSIPPI RIVER BRIDGE, ST. LOUIS, MO.

The bill (H. R. 11478) to extend the times for commencing and completing the construction of a bridge across the Mississippi River between St. Louis, Mo., and Stiles, Ill., was considered, ordered to a third reading, read the third time, and passed.

TENNESSEE RIVER BRIDGE, ALABAMA

The bill (H. R. 11613) to extend the times for commencing and completing the construction of a bridge across the Tennessee River between Colbert County and Lauderdale County, Ala., was considered, ordered to a third reading, read the third time, and passed.

MISSISSIPPI RIVER BRIDGE, ST. LOUIS, MO.

The bill (H. R. 11644) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Morgan and Wash Streets in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill., was considered, ordered to a third reading, read the third time, and passed.

Mr. KING. Mr. President, I should like to ask the Senator from Texas [Mr. SHEPPARD], in view of the number of measures we are now considering calling for bridge surveys, whether in the bill we passed some time ago carrying $187,000,000 for flood-control examination of streams with a view to their development, these cases were not included, or whether under that bill these surveys might not be made?

Mr. SHEPPARD. Mr. President, these bills provide only for preliminary examinations and for reports back to Congress as to the desirability and cost of a survey. These will not be included in any measure until the Government engineers report the results of the preliminary examinations.

Mr. McKELLAR. Mr. President, are all these bridge bills in like form, and do they contain the necessary precautions for the protection of the Government?

Mr. SHEPPARD. Yes; they are in the usual form. They are the usual bridge bills. The interests of the Government are taken care of.

OHIO RIVER BRIDGE, SISTERSVILLE, W. VA.

The bill (H. R. 11772) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Sistersville, W. Va., was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF COSATOT RIVER, ARK.

The bill (H. R. 9235) to provide for a preliminary examination of the Cosatot River in Sevier County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements, with a view to the controlling of floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF RED AND LITTLE RIVERS, ARK.

The bill (H. R. 9236) to authorize a preliminary examination of the Red and Little Rivers, Ark., insofar as Red River affects Little River County, Ark., and insofar as Little River affects Little River and Sevier Counties, Ark., to determine the feasibility of leveeing Little River and the cost of such improvement, and also the estimated cost of repairing and strengthening the levee on Red River in Little River County, with a view to the controlling of floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF LITTLE MISSOURI RIVER, ARK.

The bill (H. R. 9249) to provide for a preliminary examination of the Little Missouri River in Pike County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF PETIT JEAN RIVER, ARK.

The bill (H. R. 9250) to provide for a preliminary examination of the Petit Jean River in Scott and Logan Counties, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF BIG MULBERRY CREEK, ARK.

The bill (H. R. 9267) to provide for a preliminary examination of Big Mulberry Creek, in Crawford County, Ark., from the point where it empties into the Arkansas River up a distance of 8 miles, to determine the feasibility of cleaning out the channel and repairing the banks, and the cost of such improvement, with a view to the controlling of floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF CADRON CREEK, ARK.

The bill (H. R. 9874) authorizing a preliminary examination of Cadron Creek, Ark., a tributary of the Arkansas River, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF PASSAIC RIVER, N. J.

The bill (H. R. 11806) to authorize a preliminary examination of Passaic River, N. J., with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF THE MATANUSKA RIVER, ALASKA

The bill (H. R. 11042) authorizing a preliminary examination of the Matanuska River in the vicinity of Matanuska, Alaska, was considered, ordered to a third reading, read the third time, and passed.

SURVEY OF LOWELL CREEK, ALASKA

The bill (H. R. 10487) to authorize a survey of Lowell Creek, Alaska, to determine what, if any, modification should be made in the existing project for the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

MISSOURI RIVER BRIDGE, WELDON SPRING, MO.

The bill (H. R. 9273) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Weldon Spring, Mo., was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF MARIAS DES CYGNES RIVER, KANS.

The bill (H. R. 8301) to authorize a preliminary examination of the Marias des Cygnes River, in the State of Kansas, with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF GREENBRIER RIVER, W. VA.

The bill (H. R. 3383) to provide a preliminary examination of the Greenbrier River and its tributaries, in the State of West Virginia, with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF CHEAT RIVER, W. VA.

The bill (H. R. 3384) to provide a preliminary examination of the Cheat River and its tributaries, in the State of West Virginia, with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF POTOMAC RIVER AND TRIBUTARIES

The bill (H. R. 3385) to provide a preliminary examination of the Potomac River and its tributaries, with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF CHICKASAWHA RIVER, MISS.

The bill (H. R. 8694) to provide a preliminary examination of the Chickasawha River and its tributaries in the State of Mississippi, with a view to the control of their floods was considered, ordered to a third reading, read the third time, and passed.

MISSISSIPPI RIVER BRIDGE, LOUISIANA

The bill (S. 4002) to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La., was announced as next in order.

Mr. OVERTON. Mr. President, the House has passed a similar bill, being House bill 11103, Calendar No. 1993. I ask unanimous consent to substitute the House bill for the Senate bill.

The PRESIDENT pro tempore. Without objection, the House bill will be substituted for the Senate bill and will be considered at this time.

The Senate proceeded to consider the bill (H. R. 11103) to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La., which was read, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La., authorized to be built by George A. Hero and Allen S. Hackett, their successors and assigns, by an act of Congress approved March 2, 1927, heretofore extended by acts of Congress approved March 6, 1928, February 19, 1929, June 10, 1930, March 1, 1933, March 5, 1934, and June 3, 1935, are hereby further extended 1 and 3 years, respectively, from the date of approval hereof.

Mr. OVERTON. Mr. President, I send to the desk an amendment to the House bill, which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 1, line 12, after the period, it is proposed to add the following:

Provided, That the State of Louisiana, or any agency or authority created by it, may construct the bridge herein authorized.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. OVERTON. I now move that Senate bill 4002 be indefinitely postponed.

The motion was agreed to.

PEARL RIVER BRIDGE, MONTICELLO, MISS.

The bill (S. 4095) granting the consent of Congress to the State Highway Commission of Mississippi to construct, maintain, and operate a free highway bridge across Pearl River at or near Monticello, Miss., was announced as next in order.

Mr. McKELLAR. Mr. President, this bill is similar to House bill 11738, Calendar No. 1902. I ask that the House bill be substituted for the Senate bill, and if the House bill shall be passed I will then move that the Senate bill be indefinitely postponed.

The PRESIDENT pro tempore. The Senator from Tennessee asks unanimous consent that the Senate proceed to the consideration of House bill 11738 in lieu of Senate bill 4095.

There being no objection, the bill (H. R. 11738) granting the consent of Congress to the State Highway Commission of Mississippi to construct, maintain, and operate a free highway bridge across Pearl River at or near Monticello, Miss., was considered, ordered to a third reading, read the third time, and passed.

Mr. McKELLAR. I now move that Senate bill 4095 be indefinitely postponed.

The motion was agreed to.

WEST PEARL RIVER BRIDGE, TALISHEEK, LA.

The bill (S. 4276) to revive and reenact the act entitled "An act granting the consent of Congress to the Lamar Lumber Co. to construct, maintain, and operate a railroad bridge across the West Pearl River, at or near Talisheek, La.", approved June 17, 1930, was announced as next in order.

Mr. LOGAN. Mr. President, the House has passed House bill 11476, which is Calendar No. 1899, a similar bill; so I ask unanimous consent that the House bill be substituted for the Senate bill and passed, and if that shall be done I will then move that the Senate bill be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The bill (H. R. 11476) to revive and reenact the act entitled "An act granting the consent of Congress to the Lamar Lumber Co. to construct, maintain, and operate a railroad bridge across the West Pearl River, at or near Talisheek, La.", approved June 17, 1930, was considered, ordered to a third reading, read the third time, and passed.

Mr. LOGAN. I now move that Senate bill 4276 be indefinitely postponed.

The motion was agreed to.

WABASH RIVER BRIDGE, MEROM, IND.

The Senate proceeded to consider the bill (S. 4271) to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind., which had been reported from the Committee on Commerce with an amendment, in section 1, page 2, line 2, after "April 30", to strike out "1935" and insert "1936", so as to make the bill read:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Wabash River, at or near Merom, Sullivan County, Ind., authorized to be built by Sullivan County, Ind., or any board or commission of said county which is or may be created or established for the purpose, by an act of Congress approved February 10, 1932, heretofore extended by an act of Congress approved April 30, 1934, and June 27, 1935, are hereby extended 1 and 3 years, respectively, from April 30, 1936.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF DELAWARE RIVER

The bill (S. 4355) to authorize a preliminary examination of the Delaware River with a view to the control of its floods was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Delaware River with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

YAKIMA AND WALLA WALLA RIVERS, WASH.

The bill (H. R. 8414) to provide a preliminary examination of the Yakima River and its tributaries and the Walla Walla River and its tributaries in the State of Washington, with a view to the control of their floods, was considered, ordered to a third reading, read the third time, and passed.

JOSEPHINE RUSSELL

The Senate proceeded to consider the bill (S. 4416) for the relief of Josephine Russell, which had been reported from the Committee on Claims with an amendment to add at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the Employees' Compensation Commission be, and it is hereby, authorized and directed to receive and determine the claim of Josephine Russell for disability resulting from injuries sustained by her on or about June 19, 1933, while employed by the Bureau of Indian Affairs, Department of the Interior, as a nurse in the Pine Ridge Hospital, Pine Ridge S. Dak., under the provision of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, except that the time limitation in sections 15 and 20, inclusive, of said act are hereby waived: *Provided*, That no benefits shall accrue prior to the approval of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOHN C. CROSSMAN

The bill (S. 3191) for the relief of John C. Crossman was announced as next in order.

Mr. McKELLAR. Let that go over.

Mr. SHEPPARD. Mr. President, the records show that the beneficiary of this bill, John C. Crossman, was a sergeant in the National Guard, regularly on duty at a Federal camp. He was called into a supply camp to assist in lighting a gasoline lamp which was supplied by the Government. This particular lamp was an old-style affair. He worked with the lamp for some time, and was pouring some gasoline into it when it exploded. There was a considerable amount of explosives in the camp; and in order to prevent a further explosion, and avoid injury or death to a number of other men, Crossman courageously picked up the lantern

and carried it outside. The result was that he was severely and permanently burned, and will always suffer disability. The committee believes this to be a very meritorious bill.

Mr. McKELLAR. Mr. President, I observe that the Secretary of War reports, in part, as follows:

As the National Guard is in the State service, and not in the Federal service, when participating in field training, there is no provision of law under which further compensation may be paid by the Federal Government in Sergeant Crossman's case, or in similar cases of injury to members of the National Guard. Therefore the enactment of this legislation would single out an individual of a class for preferential treatment not accorded others of that class, to which the War Department is opposed, and would set up a precedent for the payment of all similar claims.

Mr. SHEPPARD. This was such an unusual act of heroism that the enactment of the bill could hardly be considered a precedent. Besides, this is the usual objection which the War Department makes to bills of this character.

Mr. McKELLAR. Well, Mr. President, the Senator from Texas always has an undue influence over me, and I am going to withdraw any objection.

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Claims, with an amendment, on page 1, line 4, after the word "money", to strike out "in the Treasury not otherwise appropriated" and insert "appropriated for the support of the National Guard for the current fiscal year", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money appropriated for the support of the National Guard for the current fiscal year, to Sgt. John C. Crossman the sum of $5,000 in full settlement of all claims against the Government for injuries sustained by him while in the performance of his duties at Camp Hulen, Palacios, Tex., August 10, 1933, caused by the explosion of a gasoline lantern: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PURCHASERS OF LAND IN BROOKLAWN, N. J.

The bill (H. R. 11573) to amend the act entitled "An act for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey", approved August 19, 1935, was considered, ordered to a third reading, read the third time, and passed.

C. T. HIRD

The Senate proceeded to consider the bill (S. 3441) for the relief of C. T. Hird, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the numerals "$839.22", to strike out "together with interest at the rate of 6 per centum per annum from May 1, 1927", and at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. T. Hird, of Dubuque, Iowa, the sum of $839.22, in full satisfaction of the claim of said C. T. Hird against the United States for a refund of income taxes erroneously assessed against him and paid by him under protest, which claim was disallowed on the ground of failure to file within the statutory period of limitation: *Provided*, That no part of the amount appropriated in this act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WABASH RIVER BRIDGE, INDIANA

The bill (H. R. 11685) to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind., was considered, ordered to a third reading, read the third time, and passed.

SAN DIEGO RIVER, CALIF.

The bill (H. R. 10583) to authorize a preliminary examination of the San Diego River and its tributaries in the State of California, with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

EXAMINATION OF CREEKS IN CALIFORNIA

The bill (H. R. 11793) to authorize a preliminary examination of various creeks in the State of California, with a view to the control of their floods, was considered, ordered to a third reading, read the third time, and passed.

LOANS SECURED BY NATIONAL FOREST RESERVES RECEIPTS

The Senate proceeded to consider the bill (S. 3762) to authorize the Reconstruction Finance Corporation to make loans secured by receipts on account of national forest reserves, and for other purposes, which had been reported from the Committee on Banking and Currency with an amendment, on page 3, line 5, after the word "expended", to strike out the words "as the legislature of such State or Territory may prescribe, for the payment of general expenses, bonds, or other indebtedness of any county, or of any school district or other political subdivision thereof, to which any such funds may be paid under existing law" and to insert in lieu thereof the words "by any county, school district, or other political subdivision to which any such funds are payable for the repayment of any loan made to it by the Reconstruction Finance Corporation under this act", so as to make the bill read:

Be it enacted, etc., That the Reconstruction Finance Corporation is authorized to make loans out of the funds of the Corporation to any county, or to any school district or other political subdivision thereof, in any State or Territory in which is situated national-forest reserves, such loans to be secured by the assignment or pledge to the Reconstruction Finance Corporation of the future annual receipts of such county, school district, or other political subdivision on account of national-forest reserves situated therein, or by bonds issued under authority of State law secured by such receipts: *Provided*, That no such loan shall be made unless (1) the county, school district, or political subdivision applying for the loan is authorized by the laws of the State or Territory in which it is located to use such receipts as security for such loan; (2) at least 40 percent of the area of such county, school district, or other political subdivision is in Federal ownership; and (3) the loan is amortized over a period of not to exceed 20 years: *Provided further*, That no such loan shall be made in an amount in excess of 10 times the amount of the average future annual share of such county, school district, or other political subdivision, in such receipts during the period of the loan, as estimated by the Department of Agriculture. Each such loan shall bear interest at a rate not to exceed 4 percent per annum. Notwithstanding any other provision of law, in any case in which a loan is made pursuant to the provisions of this act, the Secretary of the Treasury is authorized and directed to pay to the Reconstruction Finance Corporation the amount of all such receipts which are due to the county, school district, or other political subdivision making the loan until the full amount of the principal and interest of such loan is paid.

SEC. 2. In addition to the purposes for which the funds payable under existing law to any State or Territory on account of national-forest reserves situated in such State or Territory may be expended, such funds may hereafter be expended by any county, school district, or other political subdivision to which any such funds are payable for the repayment of any loan made to it by the Reconstruction Finance Corporation under this act.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill?

Mr. FLETCHER rose.

Mr. McNARY. Mr. President, is this the bill the Senator from Florida stated earlier he desired to have taken up under a special order?

Mr. FLETCHER. No; that bill has been passed. This is not the same bill.

This bill would authorize the Reconstruction Finance Corporation to make loans to counties, school districts, and political subdivisions of States or Territories in which are situated national forest reserves, such loans to be secured by the assignment or pledge to the Corporation of the future annual receipts on account of national forest reserves situated therein, or by bonds issued under authority of State law secured by such receipts.

The fiscal situation of numerous counties, cities, school districts, and other political subdivisions of States and Territories is somewhat as follows. In some instances, these national forest reserves impose tremendous burdens upon some political subdivisions, for the reason that all of these reserves are tax exempt, thereby throwing a tremendous burden upon other taxable properties.

On the other hand, the Federal Government has pledged a certain percentage of the future income which will be derived from these reserve areas to the local tax district. Under the provisions of this bill, the local taxing unit will be permitted to borrow from the Reconstruction Finance Corporation by pledging those future revenues, thereby making it possible for the local subdivisions to avoid the levying of confiscatory taxes on what little private property remains in the district, and at the same time adequately support its schools and other indispensable public services.

On page 3 the committee recommends the adoption of its amendment, which would restrict the use to which these funds, payable under existing law, may be put, and provides that the additional purposes for which such funds might be expended should be limited to the repayment of loans made by the Reconstruction Finance Corporation under the act.

Mr. McKELLAR. Mr. President, the present law does not permit any loans to counties or other subdivisions of States, does it?

Mr. FLETCHER. Not in circumstances like those of this case.

Mr. McKELLAR. Will not this just open the door to all such loans?

Mr. FLETCHER. Loans are now made to districts, counties, and cities, but under different circumstances.

Mr. McKELLAR. Loans are authorized now to counties and cities?

Mr. FLETCHER. Yes.

Mr. McKELLAR. I did not know the law provided for such loans. What is the nature of the security in this case?

Mr. FLETCHER. The bill provides—

No such loan shall be made unless (1) the county, school district, or political subdivision applying for the loan is authorized by the laws of the State or Territory in which it is located to use such receipts as security for such loan; (2) at least 40 percent of the area of such county, school district, or other political subdivision is in Federal ownership; and (3) the loan is amortized over a period of not to exceed 20 years.

There are specific instances to which the measure would apply, which the Senator from Minnesota [Mr. BENSON] can give.

Mr. McNARY. Mr. President, I do not understand clearly the position of the Senator from Florida because of the confusion in the Chamber. Was this bill reported favorably by the committee?

Mr. FLETCHER. Yes; with the amendment I have suggested.

Mr. McNARY. Was it brought here by the Reconstruction Finance Corporation?

Mr. FLETCHER. No; it is not brought here by them. They appeared before the committee and we discussed it with them and they are agreeable to it.

Mr. McNARY. Do they favor the enactment of the bill?

Mr. FLETCHER. Yes; they are favorable to it. They appeared before the committee and we had a hearing on it. The officials of the Reconstruction Finance Corporation are agreeable to it; they raise no objection to it.

The Senator from Minnesota [Mr. BENSON] knows of specific instances where this relief is very much needed and would apply, and I yield to him.

Mr. BENSON. Mr. President, if any of the Senators have questions regarding the operation of the measure, I should be glad to answer, if I can.

Mr. McNARY. I think I am in favor of the general purpose of the bill. I simply desire to know whether the Reconstruction Finance Corporation are asking for an enlargement of their activities. Are the officials of the Reconstruction Finance Corporation bringing the measure here, or who promoted the proposed legislation?

Mr. BENSON. I introduced the bill at the request of county officials in Cook County, Minn., the landed area of which has been more than 60 percent taken over by the National Government for national-forest purposes, and the county now finds itself in an embarassing position, because land which was formerly taxed is now owned by the Federal Government. Awaiting the time when they will receive returns from this forest area, they want to pledge those returns and borrow from the Reconstruction Finance Corporation, if the assets seem sufficient.

Mr. McNARY. Do those unfortunate communities desire and propose to reforest these lands and mortgage the future income from sales of timber?

Mr. BENSON. In the specific case of Cook County, prior to the time when the Federal Government took over a large portion of the county, the county built roads through this wilderness area and erected schools; but during the past few years more than 60 percent of the area has been taken over by the Federal Government, as I have said, and the Federal Government has pledged to the county 25 percent of the returns, as they have in the cases of many other counties and many other States. I think 38 States are similarly situated. How many counties in those States are similarly situated I do not know.

Mr. McNARY. Mr. President, in years past I have made some study of the forest problem, and I know of the conditions that obtain in the Great Lakes States; and I also know that such conditions are not limited to those States, but extend to New England, to the Southern States, and to some of the Western States. I have no objection to the bill. I was only anxious to know the inspiration back of the movement to utilize this security for a loan. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STUDY OF FUTURE NEEDS OF THE PANAMA CANAL

The Senate proceeded to consider the joint resolution (H. J. Res. 412) to authorize an investigation of the means of increasing capacity of the Panama Canal for future needs of interoceanic shipping, and for other purposes, which was read, as follows:

Resolved, etc., That the Governor of the Panama Canal is hereby authorized and directed to investigate the means of increasing the capacity of the Panama Canal for future needs of interoceanic shipping, and to prepare designs and approximate estimates of cost of such additional locks or other structures and facilities as are needed for the purpose, and to make progress reports from time to time of the results thereof.

Mr. McNARY. Mr. President, I do not wish to assume an attitude of opposition, but I desire some information regarding this measure. We had before us recently a bill affecting Panama Canal tolls. Has this any connection with that measure, or does it provide for a mere study?

Mr. DUFFY. Mr. President, this measure was introduced at the request of the Governor of the Panama Canal Zone, and other authorities in the Canal Zone, but it has no connection whatever with Canal tolls. It merely provides an authorization so that a study may be made from time to time and suitable drawings prepared, so that when the question comes before Congress as to whether there need be or should be enlargement, for instance, of the Canal, information will be available. I think there is no objection to it.

Mr. McNARY. I have no objection.

The PRESIDING OFFICER. The question is on the third reading of the joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 6719) to amend the Canal Zone Code was announced as next in order.

Mr. REYNOLDS. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

DECORATIONS OF OFFICERS AND ENLISTED MEN OF THE ARMY

The Senate proceeded to consider the bill (S. 4391) authorizing certain officers and enlisted men of the United States Army to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered, which had been reported from the Committee on Military Affairs with an amendment, on page 2, line 9, after the word "Corlett" and the comma, to insert the words "Major John A. Weeks", so as to make the bill read:

Be it enacted, etc., That the following-named officers and enlisted men of the United States Army are hereby authorized to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered:

Maj. Gen. George S. Simonds, Maj. Gen. Thomas Q. Ashburn, Brig. Gen. Alfred T. Smith, Lt. Col. Joen E. Ardrey, Lt. Col. David E. Cain, Lt. Col. John A. Considine, Lt. Col. Roland L. Gaugler, Lt. Col. Hans R. W. Herwig, Lt. Col. Dennis E. McCunniff, Lt. Col. Troy H. Middleton, Lt. Col. Lathe B. Row, Lt. Col. Clinton W. Russell, Lt. Col. Otis K. Sadtler, Lt. Col. Clemens W. McMillan, Maj. Elbridge Colby, Maj. Charles H. Corlett, Maj. John A. Weeks, Capt. Robert M. Eichelsdoerfer, and Capt. James H. Walker.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THE AIR CORPS RESERVE

The bill (S. 4309) to increase the efficiency of the Air Corps Reserve was announced as next in order.

Mr. SHEPPARD. Mr. President, I ask that this bill be recommitted to the Senate Committee on Military Affairs for further study, together with another bill relating to the same subject, being the bill (S. 3974) to amend the act entitled "An act to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States, and for other purposes."

I also ask that House bill 11920, to increase the efficiency of the Air Corps, now on the Senate calendar, be recommitted to the Senate Committee on Military Affairs.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and the bills referred to are recommitted to the Committee on Military Affairs.

NATIONAL CEMETERY AT FORT BLISS, TEX.

The Senate proceeded to consider the bill (S. 4265) to authorize the Secretary of War to set apart as a national cemetery certain lands of the United States Military Reservation of Fort Bliss, Tex.

Mr. McKELLAR. Mr. President, may I ask the Senator from Texas how much it would cost to carry out the purposes of the bill?

Mr. SHEPPARD. The total cost would be about $25,000. The land will cost nothing, because it is already owned by the Government.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to set aside in the United States Military Reservation of Fort Bliss, Tex., a plot of land which shall include the existing post cemetery with such boundaries as he may prescribe therefor as a national cemetery, which hereafter shall be cared for and maintained as a national cemetery under the laws relating to the same.

HOURS OF POSTAL EMPLOYEES

The Senate proceeded to consider the bill (H. R. 10193) to amend the act to fix the hours of duty of postal employees, which had been reported by the Committee on Post Offices and Post Roads with an amendment, on page 1, line 9, to strike out the word "weekly", so as to make the bill read:

Be it enacted, etc., That Public Law No. 275, entitled "An act to fix the hours of duty of postal employees, and for other purposes", approved August 14, 1935, shall be construed in its application to those employees of the mail-equipment shops covered therein to mean that the 40 hours per week of labor established by the act shall be compensated for at the same rate which had theretofore been allowed by law for 44 hours per week.

SEC. 2. This act shall be retroactive in effect to and including October 1, 1935.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

COMPENSATION OF CERTAIN RAILWAY MAIL EMPLOYEES

The bill (H. R. 10267) to provide for adjusting the compensation of division superintendents, assistant division superintendents, assistant superintendents at large, assistant superintendent in charge of car construction, chief clerks, assistant chief clerks, and clerks in charge of sections in offices of division superintendents in the Railway Mail Service, to correspond to the rates established by the Classification Act of 1923, as amended, was announced as next in order.

Mr. COPELAND. Mr. President, will the Senator from Tennessee tell us what is the significance of this bill? Will its passage mean new employees, or merely adjustment of compensation? I take it that it provides for adjustment of compensation.

Mr. McKELLAR. Mr. President, the bill is for the purpose of adjusting the compensation of division superintendents, assistant division superintendents, assistant superintendent at large, and so forth.

Mr. COPELAND. So as to correspond with the Classification Act?

Mr. McKELLAR. Absolutely.

Mr. COPELAND. I have no objection. I think the bill should pass.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Post Offices and Post Roads, with an amendment, on page 1, line 3, after the word "General", to strike out "with the concurrence of the Civil Service Commission", so as to make the bill read:

Be it enacted, etc., That the Postmaster General is authorized and directed to adjust the compensation of division superintendents, assistant division superintendents, assistant superintendents at large, assistant superintendent in charge of car construction, chief clerks, assistant chief clerks, and clerks in charge of sections in offices of division superintendents, Railway Mail Service, to correspond, so far as may be practicable, to the rates established by the Classification Act of 1923, as amended for positions in the departmental service in the District of Columbia. Any appropriation now or hereafter available for the payment of the compensation of employees in the Railway Mail Service shall be available for payment of compensation in accordance with the rates adjusted in accordance with the provisions of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

AMENDMENT OF EMERGENCY FARM MORTGAGE ACT OF 1933

The bill (H. R. 9484) to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended, was announced as next in order.

Mr. McKELLAR. Mr. President, this seems to be an important bill. I do not see the Senator from Florida [Mr. FLETCHER] in the Chamber at the moment.

Mr. McNARY. Mr. President, I have just obtained the report of the committee, which I think explains the bill, and I ask that the clerk may read it. I think the bill will make a commendable revision of the act.

The PRESIDING OFFICER. Without objection, the clerk will read the report.

The report (No. 1828) was read, as follows:

The Committee on Banking and Currency, to whom was referred the bill (H. R. 9484) to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended, having considered the same, report favorably thereon with an amendment and as amended recommend that the bill do pass.

The amendment merely restores substantially the language of existing law that the operations under the bill are not intended to bring additional lands into production. The language in the House bill was that "the terms of this act shall not permit additional or new land to be brought into production."

The statement as to the purposes of the bill, contained in House Report No. 2268 to accompany H. R. 9484, follows:

"STATEMENT

"This bill changes section 36 of the Emergency Farm Mortgage Act of 1933, as amended, in the following respects:

"(1) Present act authorizes the Reconstruction Finance Corporation to make loans to irrigation districts, whether or not they have any indebtedness, for the purpose of purchasing additional water rights, appurtenances, or improve the project. Drainage, levee, and reclamation districts by reason of a technical interpretation of the legal division of the Reconstruction Finance Corporation are barred from securing loans for the above purposes. This amendment will clarify the act and make it possible for drainage, levee, and reclamation districts to secure loans for repairing levees, cleaning ditches, construct and repair pumping stations, or make any other improvements that are desirable for the proper functioning of the project.

"(2) Present act also limits loans to districts that have completed projects. There are a few districts in a number of States that are not entirely completed. This amendment authorizes loans to districts that do not have completed projects and for the purchase of partially completed projects. The present requirement, however, that no additional lands may be brought into production remains intact.

"It will only take a small amount of the $125,000,000 already appropriated to take care of the few projects that will qualify under the Pierce bill."

Mr. McKELLAR. Mr. President, that seems to be an excellent explanation of the measure. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with an amendment, on page 2, line 20, after the word *"Provided"* and the comma, to strike out "That the terms of this act shall not permit additional or new land to be brought into production" and insert in lieu thereof "That it is not intended that additional lands will thereby be brought into production", so as to make the bill read:

Be it enacted, etc., That the first two sentences of section 36 of the Emergency Farm Mortgage Act of 1933, as amended, are amended to read as follows:

"The Reconstruction Finance Corporation is authorized and empowered to make loans as hereinafter provided, in an aggregate amount not exceeding $125,000,000, including commitments and disbursements heretofore made, to or for the benefit of drainage districts, levee districts, levee and drainage districts, irrigation districts, and similar districts, mutual nonprofit companies and incorporated water users' associations duly organized under the laws of any State or Territory, and to or for the benefit of political subdivisions of States and Territories which have or propose to purchase or otherwise acquire projects or portions thereof devoted chiefly to the improvement of lands for agricultural purposes. Such loans shall be made for the purpose of enabling any such district, political subdivision, company, or association (hereafter referred to as the "borrower") to reduce and refinance its outstanding indebtedness incurred in connection with any such project; or, whether or not it has any such indebtedness, to purchase, acquire, construct, or complete such a project or any part thereof, or to purchase or acquire additional drainage, levee, or irrigation works, or property, rights, or appurtenances in connection therewith, and to repair, extend, or improve any such project or make such additions thereto as are consonant with or necessary or desirable for the proper functioning thereof or for the further assurance of the ablity of the borrower to repay its loan: *Provided*, That it is not intended that additional lands will thereby be brought into production.

SEC. 2. Such section is further amended by striking out the sentence therein which reads as follows: "When any loan is authorized pursuant to the provisions of this section and it shall then or thereafter appear that repairs and necessary extensions or improvements to the project of such district, political subdivision, company, or association are necessary or desirable for the proper functioning of its project or for the further assurance of its ability to repay such loan, and if it shall also appear that such repairs and necessary extensions or improvements are not designed to bring new lands into production, the corporation, within the limitation as to total amount provided in this section, may make an additional loan or loans to such district, political subdivision, company, or association for such purpose or purposes."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BANKERS' RESERVE LIFE CO. AND WISCONSIN NATIONAL LIFE INSURANCE CO.

Mr. DUFFY. Mr. President, I ask the Chair to lay before the Senate House bill 3155.

The PRESIDING OFFICER laid before the Senate the bill (H. R. 3155) to confer jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of the Bankers Reserve Life Co., of Omaha, Nebr., and the Wisconsin National Life Insurance Co., of Oshkosh, Wis., which was read twice by its title.

Mr. DUFFY. Mr. President, the Senate sometime ago passed an identical bill, introduced by the Senator from Nebraska and myself. The House has now messaged to the Senate its own bill under its own number, and as I have said, the House bill is identical with the Senate bill. I ask that the House bill be considered and passed at this time.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

BADGE OF UNITED STATES DAUGHTERS OF 1812

Mr. McADOO. Mr. President, I ask unanimous consent for the immediate consideration of House bill 11562, which provides for the renewal of patent no. 25909, relating to the badge of the United States Daughters of 1812.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California?

There being no objection the Senate proceeded to consider the bill (H. R. 11562) to renew patent no. 25909 relating to the badge of the United States Daughters of 1812, which was ordered to a third reading, read the third time, and passed.

CAPT. PERCY WRIGHT FOOTE, UNITED STATES NAVY

Mr. BYRD. Mr. President, I ask unanimous consent to recur to Calendar No. 1816, being House bill 7092. I understand that the Senator from Tennessee [Mr. McKELLAR], who objected to the bill when it was reached on the calendar, has withdrawn his objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 7092) for the relief of Capt. Percy Wright Foote, United States Navy, which had been reported from the Committee on Naval Affairs with an amendment, on page 2, line 5, after "admiral" and the colon, to strike out *"Provided*, That in the event of his selection and subsequent promotion he shall be carried as an additional number in grade" and to insert in lieu thereof the following: *"Provided*, That he shall remain on the active list of the Navy in his present rank until the report of the next senior selection board of the Navy shall have been approved: *Provided further*, That if selected for promotion he shall be retained in his present rank on the active list until promoted to the rank of rear admiral, and in the event of his selection and subsequent promotion he shall be carried as an additional number in grade", so as to make the bill read:

Be it enacted, etc., That in recognition of his having been wounded in line of duty and of his "exceptionally meritorious service" in combat with the enemy during the World War when in command of the U. S. S. *President Lincoln* and when his conduct and bearing were found to have been "in accord with the best traditions of the naval service" and for which he was awarded the Navy Distinguished Service Medal, the line selection board of the Navy, as provided by the act of August 29, 1916, as amended (39 Stat. 578, 41 Stat. 319; U. S. C., title 34, sec. 292), in its consideration of the officers eligible for consideration for selection for promotion to the grade of rear admiral may base its recommendation in the case of Capt. Percy Wright Foote upon his comparative fitness for the shore duties of the grade of rear admiral: *Provided*, That he shall remain on the active list of the Navy in his present rank until the report of the next senior selection board of the Navy shall have

been approved: *Provided further*, That if selected for promotion he shall be retained in his present rank on the active list until promoted to the rank of rear admiral, and in the event of his selection and subsequent promotion he shall be carried as an additional number in grade.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

UNITED STATES DISTRICT COURT, WESTERN DISTRICT OF OKLAHOMA

The Senate proceeded to consider the bill (S. 4353) to provide for the establishment of a term of the District Court of the United States for the Western District of Oklahoma at Shawnee, Okla., which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That a term of the District Court of the United States for the Western District of Oklahoma shall be held annually at Shawnee, Okla., on the first Monday in October: *Provided*, That suitable rooms and equipment for holding court at Shawnee shall be furnished without expense to the United States.

REOPENING OF CERTAIN CASES IN COURT OF CLAIMS

The Senate proceeded to consider the bill (S. 4444) directing the Court of Claims to reopen certain cases and to correct the errors therein, if any, by additional judgments against the United States, which had been reported from the Committee on Claims with amendments.

The first amendment was, in section 1, page 2, line 6, after "(Virginia)" and the semicolon, to insert "William G. Maupin, Jr., and others (now represented by George W. Maupin, as administrator and in his own right, E. Griffith Maupin, S. Dawson Maupin, Alliene Maupin, and Ruth Maupin, all of Portsmouth, Va.) docket no. 34681"; and on the same page, line 25, after "(Stat. 207–208)", to insert "and taken for public use by the United States on September 20, 1918, by authority of acts of Congress of May 16, 1918 (40 Stat. 550–551), and June 4, 1918 (40 Stat. 595), and an Executive order of the President dated June 18, 1918", so as to make the section read:

Be it enacted, etc., That the Court of Claims of the United States be, and it is hereby, authorized and directed to reopen the following just-compensation cases on its docket, heretofore disposed of by said court, to wit: *Willard R. Cook & Co., Inc.*, v. *United States* (no. 33984); *A. E. Krise, receiver of the Fidelity Land & Investment Corporation (formerly Fidelity Land & Investment Corporation)*, v. *United States* (no. 33988); *Pine Beach Hotel Corporation (now represented by Charles H. Consolvo and A. E. Campe, its receivers) and others* v. *United States* (no. 34049); *Harry L. Lowenberg and others* v. *United States* (no. 34727); *Norfolk-Hampton Roads Co.* v. *United States* (no. 34751) (all of Norfolk, Va.); William G. Maupin, Jr., and others (now represented by George W. Maupin, as administrator and in his own right, E. Griffith Maupin, S. Dawson Maupin, Alliene Maupin, and Ruth Maupin, all of Portsmouth, Va.), docket no. 34681; and to ascertain and determine from the special findings of fact as therein made and recorded by said court, and with due regard to the requirements of the act applicable thereto under which such properties were taken and the fifth amendment to the Constitution of the United States, as defined by the Supreme Court in the case of *Seaboard Air Line Railway* v. *United States* (261 U. S. 299), and other like cases, the amount of just compensation by way of interest, if any, at the rate of 6 percent per annum, alleged to be due and owing by the United States to the parties plaintiff from the date of taking to the time of the payment to them of the original judgments in each of said cases for their lands situate at Hampton Roads, Va., and taken for public use by the United States on June 28, 1917, by authority of the act of Congress of June 15, 1917 (ch. 29, 40 Stat. 207–208), and taken for public use by the United States on September 20, 1918, by authority of acts of Congress of May 16, 1918 (40 Stat. 550–551), and June 4, 1918 (40 Stat. 595), and an Executive order of the President dated June 18, 1918.

The amendment was agreed to.

The next amendment was, in section 4, page 4, line 17, after "1917", to insert "and September 20, 1918, respectively", so as to make the section read:

SEC. 4. Before any money shall be paid to any of the parties plaintiff designated herein in satisfaction of a judgment obtained against the United States under the provision of this act, the Attorney General of the United States shall certify that all actions at law or suits in equity instituted by any such party plaintiff against the United States, or any officer of the United States, have been dismissed and a quitclaim deed has been delivered, conveying and releasing to the United States all the right, title, and interest of such party plaintiff in the said property taken for public use by the United States on June 28, 1917, and September 20, 1918, respectively.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ORDER FOR FURTHER CONSIDERATION OF THE CALENDAR

Mr. McNARY. Mr. President, I observe that the Senator from Arkansas [Mr. ROBINSON] has returned to the Chamber, and I am going to suggest to him and others, in connection with the unfinished business, that the unanimous-consent agreement be modified so as to extend the time this afternoon sufficiently to conclude the consideration of the bills on the calendar.

There are only about five more pages of the calendar unconsidered. We have not considered the bills on the calendar for several weeks; and inasmuch as the Senate is in a calendar mood this afternoon, I think it would be well to go forward to complete it. I hope the Senator may arrange to do so.

Mr. ROBINSON. Mr. President, I think it will be convenient to take the action proposed by the Senator from Oregon. I understand some conferences are in progress on the so-called deportation bill; and I ask unanimous consent that the agreement entered into yesterday afternoon be now modified as follows:

That when the hour of 2 o'clock shall arrive, the unfinished business be again temporarily laid aside, and that the Senate proceed with the call of the calendar for unobjected bills until that order of business shall have been completed.

Mr. McNARY. I hope that order may be entered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

BILL PASSED OVER

The bill (H. R. 4148) for the relief of the Thomas Marine Railway Co., Inc., was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

M. WARING HARRISON

The bill (H. R. 2622) for the relief of M. Waring Harrison was considered, ordered to a third reading, read the third time, and passed.

PATRICK J. LEAHY

The bill (H. R. 4362) for the relief of Patrick J. Leahy was considered, ordered to a third reading, read the third time, and passed.

THELMA L. EDMUNDS AND OTHERS

The bill (H. R. 5974) for the relief of Thelma L. Edmunds, Mrs. J. M. Padgett, Myrtis E. Posey, Mrs. J. D. Mathis, Sr., Fannie Harrison, Annie R. Colgan, and Grace Whitlock, was considered, ordered to a third reading, read the third time, and passed.

MAUD KELLEY THOMAS

The Senate proceeded to consider the bill (S. 3824) for the relief of Maud Kelley Thomas, which had been reported from the Committee on Claims with an amendment, to strike out all after the enacting clause and to insert:

That the Secretary of the Navy be, and he is hereby, authorized and directed to pay, out of the current appropriation, "Pay subsistence, and transportation, Navy", to Maud Kelley Thomas, sister of Orloff Allen Kelley, late chief machinist's mate, United States Navy, an amount equal to 6 months' pay at the rate said Orloff Allen Kelley was receiving at the date of his death: *Provided*, That the said Maud Kelley Thomas establish to the satisfaction of the Secretary of the Navy that she was actually dependent upon her brother, Orloff Allen Kelley, at the time of the latter's death, and the determination of such fact by the Secretary of the Navy shall be final and conclusive upon the accounting officers of the Government.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MRS. FOSTER M'LYNN

The Senate proceeded to consider the bill (S. 3850) for the relief of Mrs. Foster McLynn, which had been reported from the Committee on Claims with amendments.

DEPORTATION OF CRIMINAL ALIENS

Mr. KING. Mr. President, may I make a suggestion with regard to the unfinished business?

Mr. ROBINSON. Mr. President, I have already made an announcement with respect to the matter the Senator has in mind.

Mr. KING. It is understood by the proponents of the so-called deportation bill and those who have been discussing the question on the other side that the bill may go over until Monday, and that meanwhile we shall probably come to an agreement.

Mr. McNARY. Mr. President, what was the remark of the Senator from Utah?

Mr. KING. I merely suggested that the proponents of the so-called deportation bill and those who have been speaking in opposition to it have agreed that the matter may go over until Monday.

Mr. REYNOLDS. Mr. President, I may say, in line with what my colleague the Senator from Utah has said, that we are going to meet tomorrow and Monday in an endeavor to get the matter straightened out to the satisfaction of the proponents of the bill and those opposed to the bill.

Mr. DAVIS. Mr. President, some parts of the bill are perfectly agreeable to everyone. There are only two sections of the bill on which there is any disagreement. After discussing the matter with the Senator from Utah [Mr. KING], the Senator from Massachusetts [Mr. COOLIDGE], and the Senator from North Carolina [Mr. REYNOLDS], we have decided to hold meetings tomorrow and on Monday morning, and that probably then we shall come to an agreement on the bill and probably end the discussion on it.

Mr. REYNOLDS. It is understood, however, that the bill is to come before the Senate again on Monday.

Mr. KING. Yes, Mr. President.

Mr. DAVIS. That is correct.

Mr. ROBINSON. Mr. President, I will state that that has already been arranged; and when the call of the calendar shall have been completed, it is my intention to move a recess or adjournment until Monday, unless there is objection.

Mr. COPELAND. Mr. President, at the proper time I desire to bring up the conference report on the Army appropriation bill.

Mr. ROBINSON. I understand that. I also understand that the Senator from Georgia wishes to bring something before the Senate. The unfinished business has been temporarily laid aside.

MRS. FOSTER M'LYNN

The PRESIDING OFFICER. The clerk will state the amendments reported by the Committee on Claims.

The amendments were on page 1, line 6, after the words "sum of", to strike out "$125.77" and insert "$110", and at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Foster McLynn, of Portland, Oreg., the sum of $110, in full satisfaction of her claim against the United States arising out of damages to her summer home in Mount Hood National Forest, which was struck by rocks thrown by blasting operations carried on by members of the Civilian Conservation Corps in connection with the Lady Creek water project, in March or April 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2609) for the relief of Charles G. Johnson, State treasurer of the State of California, was announced as next in order.

Mr. JOHNSON. I will ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

J. W. HEARN, JR.

The bill (H. R. 2623) for the relief of J. W. Hearn, Jr., was read, considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized and directed to receive and consider under the provisions of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, the claim of J. W. Hearn, Jr., former employee of the Isthmian Canal Commission, for injury sustained by him while in the performance of his duties as a foreman on the construction of Colon breakwater on July 29, 1911: *Provided*, That he shall file notice of such injury and claim for compensation therefor not later than 60 days from the enactment of this act: *And provided further*, That no benefits shall accrue prior to the approval of this act.

JOHN B. MEISINGER AND NANNIE B. MEISINGER

The bill (H. R. 8039) for the relief of John B. Meisinger and Nannie B. Meisinger was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission be, and it is hereby, authorized and directed to place upon its compensation roll the names of John B. Meisinger and Nannie B. Meisinger, who shall be held and considered to be the dependent parents of Dr. Clarence L. Meisinger, who was killed June 2, 1924, by the explosion of a balloon in which he was making a series of observations for the United States Weather Bureau, and pay jointly to them compensation at the rate of $50 per month.

SEC. 2. The compensation of said John B. Meisinger and Nannie B. Meisinger shall cease if either of them dies, marries, or ceases to be dependent; and thereafter the remaining dependent shall be paid at the rate of $25 per month until he dies, marries, or ceases to be dependent.

SEC. 3. This act shall take effect on the 1st day of the calendar month following the date of its enactment.

Mr. KING subsequently said: Mr. President, I tried to obtain recognition when House bill 8039 was being considered. I find that the bill has been reported adversely by the Chairman of the United States Employees' Compensation Commission. I ask unanimous consent that the vote by which the bill was passed be reconsidered.

The PRESIDING OFFICER. Without objection, the vote whereby the bill was passed will be reconsidered.

Mr. KING. I now ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

HARRY WALLACE

The Senate proceeded to consider the bill (H. R. 10991) for the relief of Harry Wallace, which was read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Harry Wallace, of Polkadotte, Ohio, in full satisfaction of all claims against the Government of the United States for permanent injuries sustained and for medical and hospital expenses incurred by him and for the destruction of his automobile on September 29, 1934, when the automobile in which he was riding and which belonged to him was struck and completely demolished by a Government automobile truck operated by one of the employees of and in connection with the Civilian Conservation Corps stationed at Camp Dean, Lawrence County, Ohio, for which said automobile truck was at that time being used on official business and being operated on State Highway No. 141, in Lawrence County, Ohio, near Ironton, Ohio: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. ROBINSON. Mr. President, may I inquire whether this bill was referred to any department?

Mr. BULKLEY. Mr. President, the bill was referred to the Department and adversely reported by the Department, but the adverse report was based upon an investigation of this accident made by the commandant of the camp from which the truck that was involved in the accident proceeded. The House Committee on Claims reviewed the whole case and took further evidence, much of it from the same witnesses examined by the captain at the camp, and the House committee came to the conclusion that the fault in this automobile collision was on the side of the driver of the Army truck.

Mr. ROBINSON. Very well.

The bill was ordered to a third reading, read the third time, and passed.

JENS H. LARSEN

The bill (H. R. 3573) for the relief of Jens H. Larsen was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jens H. Larsen the sum of $30.50, in full settlement of all claims against the United States for damages incurred to his automobile from snow and ice falling from the roof of the post-office building in St. Paul, Minn.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

BERNARD V. WOLFE AND THE DIXON IMPLEMENT CO.

The Senate proceeded to consider the bill (H. R. 3673) for the relief of Bernard V. Wolfe and the Dixon Implement Co., which was read as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bernard V. Wolfe the sum of $2,500 for permanent personal injuries, and to the Dixon Implement Co. the sum of $119.33 for damage to its tractor, in full settlement of all claims against the United States for such injuries and damage sustained when said tractor, driven by Bernard V. Wolfe, was struck by an airplane owned by the United States and operated by an employee of the Department of Commerce, at the Dixon (Ill.) Airport on September 17, 1930: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. ROBINSON. Mr. President, let us have an explanation of the bill.

Mr. LOGAN. Mr. President, did the Senator from Arkansas inquire as to House bill 3573?

Mr. ROBINSON. Yes.

Mr. LOGAN. As I recall, there is a disagreement in the reports from the several branches of the Department; but I believe, if the Senator had time to examine the reports, he would find that there is no doubt as to the negligence of the airplane pilot. The claimant, Wolfe, was the driver of a tractor at work on the grounds of the airport at Dixon, Ill. The air pilot says that he looked around and did not see the tractor, and so he started off and ran into it and damaged the tractor and also very seriously injured Mr. Wolfe. It appears to be a very clear case of negligence. As I recall, the Department of Commerce, or at least some bureau of it, recommended payment, while another bureau which perhaps had something to do in connection with this matter, recommended against it, on the ground that the negligence is not clearly shown.

Mr. ROBINSON. The Senator from Kentucky has examined the claim.

Mr. LOGAN. I have.

Mr. ROBINSON. I notice the Senator submitted a report from the committee. I shall not object to the consideration of the bill.

Mr. KING. Mr. President, I should like to invite the attention of the Senator from Kentucky to a statement made by the Secretary of Commerce. He states:

It would seem, therefore, that the accident was unavoidable, in view of which I am unable to recommend the payment of compensation for the injuries received by Mr. Wolfe.

Mr. LOGAN. Yes. He said that; but may I say to the Senator at the same time the facts which he sets forth clearly show that Wolfe was at work on the ground with a tractor and the pilot of the airplane just ran right into him. There was nothing unavoidable about it except the pilot says that he looked around and did not see anybody.

Mr. KING. The Chief Engineer of the Airway Division, after reviewing the facts, states:

In view of the fact that the pilot was not responsible for the accident it is recommended that compensation be not granted.

Mr. LOGAN. I may say to the Senator from Utah that, of course, it does not make any difference tc me; but if we expect the department that causes damage to correct its errors and if we expect always to rely on what it says we will never get anything done. Here is a case where the facts stated show that deliberately a man was run into and seriously injured and nobody disputes it.

Mr. KING. By whom?

Mr. LOGAN. By the airplane pilot in charge of the airplane. The man was on the ground at work, and he was run into, and the only excuse is that the pilot looked around and did not see anyone, although it was in the broad open daylight.

Mr. KING. Mr. President, will the Senator yield?

Mr. LOGAN. Yes.

Mr. KING. Was the pilot an employee of the Federal Government?

Mr. LOGAN. That is my information. One or the other of them was employed by the Federal Government, and I think it was the air pilot.

Mr. KING. I was wondering whether the pilot was in the employ of the Federal Government or of some commercial organization.

Mr. LOGAN. I understand he was in the employ of the Federal Government. That is my information.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

STANLEY T. GROSS

The Senate proceeded to consider the bill (H. R. 4031) for the relief of Stanley T. Gross, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Stanley T. Gross the sum of $500, in full settlement of all claims against the Government of the United States for the amount of a United States Treasury bond which he deposited in behalf of Stanislaw Walczak, an alien, who has been deported: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. ROBINSON. Mr. President, I inquire what is the explanation of this claim?

Mr. LOGAN. It is very easy to explain. I may say to the Senator that Mr. Gross became surety on a bond of an

alien who had been notified to appear in order that a hearing might be held to determine whether he should be deported. The alien moved from his address in the city to another address and went to the post office and notified the post office that he was moving, thinking that was notice to the Government. So when the notice was sent out to him to appear he did not receive it. He heard, however, the immigration officers were looking for him, and he went to the office of the immigration agent, said he was there, surrendered himself, and was deported.

The Commissioner of Immigration refused to return the $500 which had been forfeited because the alien did not appear promptly because he did not receive any notice, although just as soon as he heard about it he went to the proper office. It seemed to me very unfair that the Government, after he appeared and actually was deported, without the expense of a penny to the Government, should not refund the money to the bondsman.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

MARIE LINSENMEYER

The bill (H. R. 4999) for the relief of Marie Linsenmeyer was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Marie Linsenmeyer, out of any money in the Treasury not otherwise appropriated, the sum of $112.50 in full settlement of all claims against the Government on account of personal injuries received by the said Marie Linsenmeyer on the 18th day of December 1930, at the post-office building at Burlington, Des Moines County, Iowa: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MAE C. TIBBETT, ADMINISTRATRIX

The bill (H. R. 6698) for the relief of Mae C. Tibbett, administratrix, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Mae C. Tibbett, administratrix of the estate of Leslie L. Tibbett, deceased, in full settlement of all claims against the United States as a result of a United States mail truck running over and killing said Leslie L. Tibbett while he was attempting to cross Plume Street at its intersection with Bank Street in the city of Norfolk, Va., on the afternoon of September 19, 1930: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

IZELDA BOISONEAU

The Senate proceeded to consider the bill (H. R. 7468) for the relief of Izelda Boisoneau, which had been reported from the Committe on Claims with an amendment, on page 1, line 5, after the words "sum of", to strike out "$5,000" and insert "$4,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $4,000 to Izelda Boisoneau, of Mellen, Ashland County, Wis., mother of Eugene Boisoneau, in full settlement of all claims against the United States for the death of her son, who was killed because of mistaken identity by Government agents on April 22, 1934, in their endeavor to apprehend one John Dillinger and his associates: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (S. 3075) for the relief of John L. Summers, former disbursing clerk, Treasury Department, and various former treasurers of the United States, was announced as next in order.

Mr. ROBINSON. Mr. President, this bill carries a large amount, $93,000-plus. I should like to have an explanation of the bill. I see that it was reported by the Senator from Delaware [Mr. TOWNSEND], who does not appear to be present.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

CATHERINE DONNELLY AND OTHERS

The bill (H. R. 4725) for the relief of Catherine Donnelly, Claire E. Donnelly, John Kufall, Mary F. Kufall, and Elizabeth A. Tucker, was considered, ordered to a third reading, read the third time, and passed as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Catherine Donnelly and Claire E. Donnelly, both of Elizabeth, Union County, N. J., the sums of $1,500 and $5,000, respectively; to John Kufall and Mary F. Kufall, both of West Brighton, Staten Island, N. Y., the sums of $500 and $3,000, respectively; and to Elizabeth A. Tucker, of Linden, Union County, N. J., the sum of $2,500; in all, $12,500 in full settlement of all claims against the Government of the United States for personal injuries sustained by them as a result of negligence on the part of the employees of the United States in the operation of an Army truck when it struck the vehicle in which they were passengers, near Linden, N. J., on June 5, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

JULIA M. RYDER

The bill (H. R. 2189) for the relief of Julia M. Ryder was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Julia M. Ryder, of South Wareham, Mass., the sum of $252 in full compensation for services rendered to the United States Post Office Department as acting temporary messenger for the conveyance of the mails on mail messenger routes nos. 204,196 and 101,728 from August 5, 1930, to August 31, 1931: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

JOSEPH JOCHEMCZYK

The bill (H. R. 3152) for the relief of Joseph Jochemczyk was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money

in the Treasury not otherwise appropriated, to Joseph Jochemczyk the sum of $500, in full settlement of all claims against the United States for a bond guaranteeing the departure from the United States of Stanislaw Stanczyk, alien, who was deported from the United States in accordance with the instructions of the Department of Labor after said bond had been declared forfeited: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MARY L. MUNRO

The bill (H. R. 4411) for the relief of Mary L. Munro was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mary L. Munro, Los Angeles, Calif., the sum of $207.50, in full settlement of all claims against the United States for damages sustained by the said Mary L. Munro as the result of her automobile being struck by a United States Civilian Conservation Corps truck on the highway near Big Bear Lake, Calif., on October 20, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

PRESTON BROOKS MASSEY

The bill (H. R. 6520) for the relief of Preston Brooks Massey was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Preston Brooks Massey, the sum of $2,000 in full satisfaction of his claim against the United States for damages for personal injuries received by him on September 25, 1919, as the result of the explosion of a detonator which had been left by troops of the United States Army near the home of the said Preston Brooks Massey, located in Muscogee County, Ga.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MAE POULAND

The bill (H. R. 8034) for the relief of Mae Pouland was considered, ordered to a third reading, read the third time, and passed, as folows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mae Pouland the sum of $750 in full settlement of all claims against the United States for personal injuries received as a result of a collision between a Government truck and the private car in which Mae Pouland was a passenger December 8, 1934, on a Texas highway: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

NAHWISTA CARR BOLK

The bill (H. R. 8088) for the relief of Nahwista Carr Bolk was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the account of Henry H. Carr, deceased, former postmaster at Popejoy, Iowa, with $15.62. There is furthermore hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $82.07, $64.20 of which shall be paid to Nahwista Carr Bolk by the Comptroller General, for services rendered by her as acting postmaster of Popejoy, Iowa, between December 26, 1933, and February 6, 1934, inclusive, and $17.87 of which shall be credited to the account of said post office by the Comptroller General, covering a balance due the United States from January 1 to February 6, 1934.

JOHN HURSTON

The bill (H. R. 8510) for the relief of John Hurston was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of John Hurston, La Fayette, Ga., the sum of $1,500 in full settlement of all claims against the Government for damages sustained by said John Hurston on account of injuries received when stricken by a truck of the Civilian Conservation Corps being negligently operated near Dayton, Tenn., on May 8, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

VIRGINIA ENGINEERING CO., INC.

The Senate proceeded to consider the bill (H. R. 396) for the relief of the Virginia Engineering Co., Inc., which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the word "costs", to insert "if any", and on line 7, after the word "requests", to insert "if any shall be found to have been made and complied with", so as to make the bill read:

Be it enacted, etc., That the Court of Claims of the United States be, and it is hereby, given jurisdiction to hear and determine the claim of the Virginia Engineering Co., Inc., and to award just compensation for extra costs if any incurred in complying with requests, if any shall be found to have been made and complied with, of the Director of the Veterans' Administration incident to the work performed under contract of June 24, 1924, for equipping the Veterans' Administration Hospital at Aspinwall, Pa., and to enter decree or judgment against the United States for such just compensation, if any, notwithstanding the bars or defense of lapse of time, laches, or any statute of limitation. Suit may be instituted by the claimant at any time within 4 months from the approval of this act. Proceedings in any suit brought in the Court of Claims under this act, appeals therefrom, and payment of any judgment therein shall be had as in the case of claims over which such court has jurisdiction by virtue of the judicial code: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

Mr. KING. Mr. President, may we have an explanation of this bill?

Mr. BYRD. Mr. President, this bill gives to the Court of Claims jurisdiction to consider any amount of extra costs which may be found to be legally due and to make payment accordingly to the Virginia Engineering Co. for its work in the construction of the Veterans' Administration hospital at Aspinwall, Pa. It seems that after the contract was awarded certain labor troubles and other difficulties ensued whereby the cost of the building was increased. The Veterans' Administration urged the Virginia Engineering Co. to prosecute as rapidly as possible the construction of the building. This bill, I repeat, gives to the Court of Claims jurisdiction and authority to consider the case and to award any damages by way of extra cost that may be found to be due.

The PRESIDING OFFICER (Mr. MINTON in the chair). The amendments having been agreed to, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

DAMPSKIB AKTIESELSHAP ROSKVA

The bill (S. 3645) for the relief of Dampskib Aktieselshap Roskva was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,999.38, or so much more or less as might be required to purchase exchange not to exceed the amount £399 17s. 6d., to Dampskib Atkieselshap Roskva, of Oslo, Norway, owners of the steamship *Roskva*, in full and final settlement of all claims whatsoever against the United States for damages to the *Roskva* arising from the collision between that vessel and the United States Army tug *Amackassin* on January 14, 1919, at Brest, France.

JAMES R. RUSSELL

The bill (H. R. 4277) for the relief of James R. Russell was considered, ordered to a third reading, read the third time, and passed.

WILLIAM W. BARTLETT

The bill (H. R. 4571) for the relief of William W. Bartlett was considered, ordered to a third reading, read the third time, and passed.

CAPT. CHESTER GRACIE

The bill (H. R. 4779) for the relief of Capt. Chester Gracie was considered, ordered to a third reading, read the third time, and passed.

ELIZABETH WYHOWSKI

The bill (H. R. 5827) for the relief of Elizabeth Wyhowski, mother and guardian of Dorothy Wyhowski, was announced as next in order.

Mr. BARKLEY. Mr. President, the bill apparently carries a considerable appropriation for a simple relief. May we have an explanation of it?

The PRESIDING OFFICER. The bill was reported by the Senator from North Carolina [Mr. BAILEY], who does not seem to be in the Chamber at the moment.

Mr. BARKLEY. Then I ask that it go over for the present.

The PRESIDING OFFICER. The bill will be passed over.

Mr. BARKLEY subsequently said: Mr. President, a moment ago I suggested that Calendar No. 1949, House bill 5827, go over. In the meantime I have examined the report; and I desire to withdraw any objection, and suggest that the bill pass.

Mr. ROBINSON. Does the Senator ask to recur to the bill?

Mr. BARKLEY. I ask to recur to that bill.

The PRESIDING OFFICER. Is there objection to recurring to House bill 5827?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

HUGH B. CURRY

The bill (H. R. 5874) for the relief of Hugh B. Curry was considered, ordered to a third reading, read the third time, and passed.

FLORENCE HELEN KLEIN

The bill (H. R. 6599) for the relief of Florence Helen Klein, a minor, was considered, ordered to a third reading, read the third time, and passed.

ALFRED J. WHITE AND OTHERS

The bill (H. R. 6821) for the relief of Alfred J. White, M. J. Banker, and Charlyn DeBlanc was considered, ordered to a third reading, read the third time, and passed.

GEORGE H. SMITH

The bill (H. R. 6828) for the relief of George H. Smith was considered, ordered to a third reading, read the third time, and passed.

MRS. J. A. JOULLIAN

The bill (H. R. 7861) for the relief of Mrs. J. A. Joullian was considered, ordered to a third reading, read the third time, and passed.

GRANT HOSPITAL AND DR. M. H. STREICHER

The bill (H. R. 7904) for the relief of the Grant Hospital and Dr. M. H. Streicher was considered, ordered to a third reading, read the third time, and passed.

LOUIS GEORGE

The bill (H. R. 8113) for the relief of Louis George was considered, ordered to a third reading, read the third time, and passed.

MRS. JOHN H. WILKE

The bill (H. R. 8320) for the relief of Mrs. John H. Wilke was considered, ordered to a third reading, read the third time, and passed.

JOHN A. BAKER

The bill (H. R. 8486) for the relief of John A. Baker was considered, ordered to a third reading, read the third time, and passed.

J. C. DONNELLY

The bill (H. R. 8551) for the relief of J. C. Donnelly was considered, ordered to a third reading, read the third time, and passed.

EDWIN PICKARD

The bill (H. R. 8685) for the relief of Edwin Pickard was considered, ordered to a third reading, read the third time, and passed.

FRANK POLANSKY

The bill (H. R. 8706) for the relief of Frank Polansky was considered, ordered to a third reading, read the third time, and passed.

W. H. DEAN

The bill (H. R. 9076) for the relief of W. H. Dean was considered, ordered to a third reading, read the third time, and passed.

MYRTLE T. GROOMS

The bill (H. R. 9171) for the relief of Myrtle T. Grooms, was considered, ordered to a third reading, read the third time, and passed.

J. P. MOORE

The bill (H. R. 9190) for the relief of J. P. Moore, was considered, ordered to a third reading, read the third time, and passed.

FOOT'S TRANSFER & STORAGE CO., LTD.

The bill (H. R. 9208) for the relief of Foot's Transfer & Storage Co., Ltd., was considered, ordered to a third reading, read the third time, and passed.

EDGAR M. BARBER

The bill (H. R. 9380) for the relief of Edgar M. Barber, special disbursing agent, Paris, France, and Leo Martinuzzi, former customs clerk, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 8262) for the relief of Tom Rogers et al. was announced as next in order.

Mr. ROBINSON. Mr. President, this bill is in somewhat unusual form. It apparently carries a large aggregate amount. I think the bill had better go over.

The PRESIDING OFFICER. The bill will be passed over.

DR. F. U. PAINTER AND OTHERS

The bill (H. R. 9125) for the relief of Dr. F. U. Painter, Dr. H. A. White, Dr. C. P. Yeager, Dr. W. C. Barnard, Mrs.

G. C. Oliphant, Amelia A. Daimwood, the Sun Pharmacy, Bruno's Pharmacy, Viola Doyle Maguire, Louise Harmon, Mrs. J. B. Wilkinson, Sisters of Charity of the Incarnate Word, Grace Hinnant, and Dr. E. O. Arnold was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to (1) Dr. F. U. Painter the sum of $250; (2) Dr. H. A. White the sum of $10; (3) Dr. C. P. Yeager the sum of $60; (4) Dr. W. C. Barnard the sum of $50; (5) Mrs. G. C. Oliphant the sum of $6.50; (6) Amelia A. Daimwood the sum of $162; (7) the Sun Pharmacy, Corpus Christi, Tex., the sum of $2.65; (8) Bruno's Pharmacy, Corpus Christi, Tex., the sum of $86.80; (9) Viola Doyle Maguire the sum of $39; (10) Louise Harmon the sum of $6; (11) Mrs. J. B. Wilkinson the sum of $133.50; (12) Sisters of Charity of the Incarnate Word, Spohn Sanitarium, Corpus Christi, Tex., the sum of $239; (13) Grace Hinnant the sum of $35; (14) Jennie Chapman the sum of $126; and (15) Dr. E. O. Arnold the sum of $10. The payment of such sums, in all $1,216.45, to such payees shall be in full settlement of their respective claims against the United States for reimbursement for medical and hospital treatment, nursing care, and medical supplies furnished to Frank John Ordener, late seaman, first class, United States Navy, during his acute and fatal illness in Corpus Christi, Tex., where he was stricken on July 19, 1928, while on leave of absence from his vessel: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The title was amended so as to read: "An act for the relief of Dr. F. U. Painter, Dr. H. A. White, Dr. C. P. Yeager, Dr. W. C. Barnard, Mrs. G. C. Oliphant, Amelia A. Daimwood, the Sun Pharmacy, Bruno's Pharmacy, Viola Doyle Maguire, Louise Harmon, Mrs. J. B. Wilkinson, Sisters of Charity of the Incarnate Word, Grace Hinnant, Dr. E. O. Arnold, and Jennie Chapman."

BILL PASSED OVER

The bill (S. 3721) to provide for a change in the design of the 50-cent pieces authorized to be coined in commemoration of the one hundredth anniversary of independence of the State of Texas was announced as next in order.

Mr. ADAMS. Mr. President, I understand the Senator from Texas [Mr. CONNALLY], whose bill this is, wishes to consider an amendment offered by the Senator from Arkansas [Mrs. CARAWAY], and would like to have the bill go over temporarily.

The PRESIDING OFFICER. The bill will be passed over.

RECOINAGE OF 50-CENT PIECES, CALIFORNIA-PACIFIC INTERNATIONAL EXPOSITION

The Senate proceeded to consider the bill (H. R. 9673) to authorize the recoinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1936, which had been reported from the Committee on Banking and Currency with an amendment, in section 1, page 2, line 2, after the word "said", to strike out "act, bearing date 1936" and insert "act: *Provided*, That the coins herein authorized shall all be of the same design, shall bear the date 1936 irrespective of the year in which they are minted or issued, and shall be coined at one of the mints of the United States to be designated by the Director of the Mint; and not less than 5,000 such coins shall be issued at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act", so as to make the section read:

Be it enacted, etc., That, to indicate the interest of the Government of the United States in the continuation of the California-Pacific International Exposition at San Diego, Calif., for the year 1936, the Director of the Mint is authorized to receive from the California-Pacific International Exposition Co., or its duly authorized agent, not to exceed 180,000 silver 50-cent pieces heretofore coined under authority of an act of Congress approved May 3, 1935, and recoin the same, under the same terms and conditions as contained in said act: *Provided*, That the coins herein authorized shall all be of the same design, shall bear the date 1936 irrespective of the year in which they are minted or issued, and shall be coined at one of the mints of the United States to be designated by the Director of the Mint; and not less than 5,000 such coins shall be issued at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CHARLES D. BIRKHEAD

The bill (S. 4115) for the relief of Charles D. Birkhead was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to consider the application of Charles D. Birkhead, former captain, Three Hundred and Sixtieth Regiment United States Infantry, for the benefits of the act entitled "An act making eligible for retirement, under certain conditions, officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty while in the service of the United States during the World War", approved May 24, 1928: *Provided*, That the application of the said Charles D. Birkhead shall be filed with the Veterans' Administration within 6 months from the date of the approval of this act.

EDGAR H. TABER

The bill (H. R. 1963) for the relief of Edgar H. Taber was considered, ordered to a third reading, read the third time, and passed.

MARCELLUS E. WRIGHT AND OTHERS

The Senate proceeded to consider the bill (S. 3769) for the relief of Marcellus E. Wright and Lee, Smith & Vandervoort, Inc., which had been reported from the Committee on Claims with amendments, on page 1, line 7, after the words "sum of," to strike out "$20,735.50" and insert "$13,952.50"; in line 8, after the word "their", to strike out "claim" and insert "claims"; and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Marcellus E. Wright and Lee, Smith & Vandervoort, Inc., associate architects, of Richmond, Va., the sum of $13,952.50 in full settlement of their claims against the Government of the United States as architects and for engineering services rendered during the year 1933 and up to and including December 31, 1934, in connection with the erection of the Parcel Post Building at Richmond, Va.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ELIZABETH KURAU

The Senate proceeded to consider the bill (S. 1435) for the relief of Elizabeth Kurau, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert:

That jurisdiction is hereby conferred upon the United States District Court for the District of Connecticut to hear, determine, and render judgment, as if the United States were suable in tort, upon the claim of Elizabeth Kurau, of Torrington, Conn., for damages resulting from injuries received by her on April 2, 1934, near Torrington, Conn., by reason of an automobile collision in which a Civilian Conservation Corps automobile truck was involved: *Provided*, That the judgment, if any, shall not exceed the sum of $5,000.

SEC. 2. Suit upon such claim may be instituted at any time within 1 year after the enactment of this act, notwithsanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim, and appeals from any payment of any judgment thereon, shall be in the same manner as in the cases of claims over which such court has jurisdiction under the provisions of paragraph twentieth of section 24 of the Judicial Code, as amended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill conferring jurisdiction upon the United States District Court for the District of Connecticut to hear, determine, and render judgment upon the claim of Elizabeth Kurau."

TAMPICO MARINE IRON WORKS

The Senate proceeded to consider the joint resolution (S. J. Res. 61) to repeal an act approved February 17, 1933, entitled "An act for the relief of Tampico Marine Iron Works", and to provide for the relief of William Saenger, chairman, liquidating committee of the Beaumont Export & Import Co., of Beaumont, Tex.

Mr. ROBINSON. Mr. President, I observe that this joint resolution was introduced by the Senator from Texas [Mr. SHEPPARD]. I should like to have him make a statement to the Senate regarding the measure.

Mr. SHEPPARD. Mr. President, a bill has heretofore been enacted for the relief of the Tampico Marine Iron Works, a Mexican concern, for work done on a United States Shipping Board vessel. The bill authorized payment to an American concern, the Beaumont (Tex.) Export & Import Co., a creditor of the Mexican concern, on presentation of proper authority from the latter to the Secretary of the Treasury. This authority was obtained, but was in some way misplaced, and when an attempt was made to secure a duplicate, it was found that the Tampico Marine Iron Works was no longer in existence. The purpose of this resolution is to repeal the bill above mentioned and to provide for payment to William Saenger, chairman of the liquidating committee of the Beaumont Export & Import Co., of Beaumont, Tex.

Mr. ROBINSON. The bill provides for payment to an individual rather than to a corporation?

Mr. SHEPPARD. To an individual who is the legal representative of the Beaumont Export & Import Co.

Mr. ROBINSON. The evidence establishes to the satisfaction of the Senator from Texas the right of Mr. Saenger to be awarded this money?

Mr. SHEPPARD. It does.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the act approved February 17, 1933, entitled "An act for the relief of Tampico Marine Iron Works", being Private Act No. 209, Seventy-second Congress, be, and the same is hereby, repealed; and be it further

Resolved, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William Saenger, chairman, liquidating committee of the Beaumont Export & Import Co. for the Tampico Marine Iron Works, a foreign corporation, the sum of $1,500 in full settlement of all claims due the Tampico Marine Iron Works by the Government of the United States to work on, repairing, raising, and furnishing material for the United States Shipping Board vessel *Latham*, during the year 1920: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

TEXAS PACIFIC-MISSOURI PACIFIC TERMINAL RAILROAD

The bill (S. 3544) authorizing adjustment of the claim of the Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of the Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans for reimbursement of its expenditures for labor, material, and rental of equipment in repairing the damage to its car-ferry incline tracks located at Gouldsboro, La., within the limits of the New Orleans Harbor, which were damaged on September 18, 1931, by the sinking thereon of a concrete bank-protection mattress during the Government's construction operations under an approved project for revetment work within the limits of New Orleans Harbor, and to allow in full and final settlement of said claim not to exceed the sum of $1,440.75. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,440.75, or so much thereof as may be necessary to pay said claim: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

CLAIMS AGAINST COAST GUARD AND PUBLIC HEALTH SERVICE VESSELS

The bill (S. 3818) authorizing the Secretary of the Treasury to consider, ascertain, adjust, and determine certain claims for damages resulting from the operation of vessels of the Coast Guard and Public Health Service was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to consider, ascertain, adjust, and determine the amounts due on all claims for damages occasioned after the date of the enactment of this act where the amount of the claim does not exceed the sum of $3,000, occasioned by collisions or damage incident to the operation of vessels for which collisions or other damage vessels of the Coast Guard or the Public Health Service, or vessels in the service of the Coast Guard or the Public Health Service, shall be found to be responsible, and report the amounts so ascertained and determined to be due the claimants to the Congress for payment as legal claims out of appropriations that may be made by Congress therefor.

HARRY L. PARKER

The bill (S. 4358) for the relief of Harry L. Parker was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 601 of the Merchant Marine Act of May 22, 1928 (45 Stat. 697), the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of Harry L. Parker, of the Department of Agriculture, in a sum not in excess of $117.48, representing the amount paid by him for transportation on a vessel of foreign registry and per diem in lieu of subsistence while traveling on said vessel during the period September 7 to 11, 1934.

W. D. REED

The bill (S. 4359) for the relief of W. D. Reed was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 601 of the Merchant Marine Act of May 22, 1928 (45 Stat. 697), the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle, out of the available balance in the appropriation "34373.27—Salaries and expenses, Bureau of Entomology (household and stored products insects), 1934", the claim of W. D. Reed, of the Department of Agriculture, in the amount of $220, representing the amount paid by him from personal funds to the Italian Line in settlement for transportation accomplished on a vessel of foreign registry, secured on transportation request numbered A-642907, and covering official travel, authorized by and in the interest of the Government, from New York to Athens, Greece, during the period July 14 to July 29, 1933.

ARTHUR W. BRADSHAW

The bill (H. R. 1440) for the relief of Arthur W. Bradshaw was considered, ordered to a third reading, read the third time, and passed.

MOFFAT COAL CO.

The bill (H. R. 4951) for the relief of the Moffat Coal Co. was considered, ordered to a third reading, read the third time, and passed.

MARY HEMKE

The bill (H. R. 11486) for the relief of Mary Hemke was considered, ordered to a third reading, read the third time, and passed.

S. C. EASTVOLD

The Senate proceeded to consider the bill (S. 3600) for the relief of S. C. Eastvold, which had been reported from the Committee on Claims with an amendment, at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to S. C. Eastvold,

pastor of the First Lutheran Church, of Eau Claire, Wis., the sum of $100, in full satisfaction of his claim against the United States for the refund of a deposit made by him upon application for the entry and classification of a parish paper as second-class mail matter, such application having been denied: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ALASKA COMMERCIAL CO., OF SAN FRANCISCO, CALIF.

The Senate proceeded to consider the bill (S. 3861) for the relief of the Alaska Commercial Co., of San Francisco, Calif., which had been reported from the Committee on Claims with an amendment at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Alaska Commercial Co., of San Francisco, Calif., the sum of $4,408.21 in full and final settlement of any and all claims against the United States for damages caused to the wharf of said company at Dutch Harbor, Alaska, by the United States Coast Guard cutter *Tahoe,* on May 20, 1934: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GRANT ANDERSON

The Senate proceeded to consider the bill (S. 4116) for the relief of Grant Anderson, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Grant Anderson, Crow Creek Reservation, S. Dak., the sum of $226.67, such sum representing the remainder of a refund due the said Grant Anderson from the estate of Julia White Cloud or Julia Voice, deceased heir of Philip His Day, on account of a certain canceled contract entered into between the said Grant Anderson and the Department of the Interior on December 11, 1920, relating to the purchase of 160 acres of land owned by the heirs of Philip His Day, deceased Crow Creek allottee no. 929. The said Grant Anderson shall execute and deliver to the Secretary of the Interior an assignment, satisfactory to the Secretary, assigning to the United States all his right, title, and interest in and to the remainder of such refund. All sums recovered from the estate of Julia White Cloud or Julia Voice by the United States under such assignment shall be covered into the Treasury as miscellaneous receipts.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INDIANA LIMESTONE CORPORATION

The Senate proceeded to consider the bill (S. 4379) for the relief of the Indiana Limestone Corporation, which had been reported from the Committee on Claims with an amendment at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Indiana Limestone Corporation the sum of $5,976.93. Such sum represents additional costs incurred by such corporation as a subcontractor for the James Stewart Co., general contractors, for work performed in connection with carving of metopes in the Interstate Commerce Commission, Labor, and connecting-wing building in performance of a contract with the Department of the Treasury dated June 18, 1932 (contract no. T-1-SA-3271): *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, not observing that the Senator from Indiana [Mr. MINTON] is in the chair, I was about to ask for a brief statement regarding this matter. A considerable amount is involved in the bill—some $5,000.

The PRESIDING OFFICER. The present occupant of the chair will be glad to state from the chair, if he may, that the bill is approved by the Treasury Department.

In constructing the building now occupied by the Department of Labor, in order to facilitate the progress of the work and go ahead with it, the stonework was set without putting in the cut forms. When the time arrived to put in the cut forms, it took additional stone and labor to the extent set out in the bill. The report from the Treasury Department says that by permitting the work to go ahead, setting the stone first and doing this other work afterward, the construction of the building was facilitated, and a considerable amount of money was saved for the Government.

Mr. BARKLEY. I have no objection.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time and passed.

T. H. WAGNER

The Senate proceeded to consider the bill (S. 3607) for the relief of T. H. Wagner, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$500" and insert "$273", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to T. H. Wagner, the sum of $273, in full satisfaction of his claim against the United States for damages on account of personal injuries suffered by him when he was struck on the head by a rock thrown by a dynamite blast set off by members of the Civilian Conservation Corps at Lake Mary, near Flagstaff, Ariz., on August 26, 1935: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

L. G. VINSON

The Senate proceeded to consider the bill (S. 3608) for the relief of L. G. Vinson, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the word "to", to strike out "L. G. Vinson" and insert "Vinson & Pringle"; in line 7, after the word "of", to strike out "his" and insert "their"; in line 9, after the word "to", to strike out "him" and insert "them"; and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Vinson & Pringle, the sum of $301 in full satisfaction of their claim against the United States for damages arising out of the loss of a Bluff and Buff mountain-type transit, belonging to them, which was lost while in the custody of the Civil Works Administration, in Arizona, under a rental agreement: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Vinson & Pringle."

MELBA KUEHL

The Senate proceeded to consider the bill (S. 4360) for the relief of Melba Kuehl, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$100.30" and insert "$103.07"; in line 10, after the word "officially", to strike out "designated" and insert "commissioned"; and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Melba Kuehl, postmaster at Breed, Wis., the sum of $103.07, in full satisfaction of her claim for compensation for services rendered while acting as such postmaster between the dates of April 24, 1933, and August 16, 1933, after the death of the former postmaster and before she was officially commissioned as such postmaster: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

W. D. GANN

The Senate proceeded to consider the bill (S. 4052) for the relief of W. D. Gann, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the words "sum of", to strike out "$4,000" and insert "$2,180", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. D. Gann the sum of $2,180 in full settlement against the Government for property loss sustained by him as a result of his airplane being damaged by a Navy Department motorcycle: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney, on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF SALMON RIVER, OREG.

The bill (S. 4228) to authorize a preliminary examination of the Salmon River in the State of Oregon with a view to the control of its floods was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Salmon River in the State of Oregon, with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

JOINT RESOLUTION PASSED OVER

The joint resolution (H. J. Res. 567) to provide an additional appropriation for expenses of special and select committees of the House of Representatives for the fiscal year 1936 was announced as next in order.

Mr. McKELLAR. Mr. President, the other day, when this measure came up, the Senator from Alabama [Mr. BLACK] made an objection to it. I do not see him on the floor. Let the joint resolution be passed over temporarily.

The PRESIDING OFFICER. The joint resolution will be temporarily passed over.

J. L. SUMMERS

The bill (S. 4447) for the relief of J. L. Summers was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of J. L. Summers, formerly disbursing clerk of the Treasury Department, for the sum of $38.12, being the amount disallowed on voucher 11557 in the June 1934 cash account of said disbursing clerk.

CLAIMS OF DELAWARE INDIANS

The bill (S. 4184) to amend the last paragraph, as amended, of the act entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", approved February 7, 1925, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the last paragraph, as amended, of the Act entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", approved February 7, 1935, is amended by striking out the following: "and in no event to be more than $25,000 in any one claim."

BILL PASSED OVER

The bill (S. 3143) for the relief of the Passaic Valley Sewerage Commissioners was announced as next in order.

Mr. ROBINSON. Mr. President, this bill involves a rather large amount. I should like to have an explanation of the bill.

In the absence of the Senator introducing the bill and of the Senator who reported it, I think it had better go over.

The PRESIDING OFFICER. The bill will be passed over.

DORIS LIPSCOMB

The bill (H. R. 4953) for the relief of Doris Lipscomb was considered, ordered to a third reading, read the third time, and passed.

JOSEPH A. THERRY

The bill (H. R. 6578) for the relief of Joseph A. Therry was considered, ordered to a third reading, read the third time, and passed.

FIRST FEDERAL SAVINGS & LOAN ASSOCIATION, SHAWNEE, OKLA.

The bill (H. R. 6848) for the relief of the First Federal Savings & Loan Association of Shawnee, Okla., was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement of all claims against the Government, the sum of $196.72 to the First Federal Savings & Loan Association of Shawnee, Okla., successors to the Fidelity Building & Loan Association, for damages to real-estate property at 606 West Dewey Street, in the city of Shawnee, Okla., caused by slugs from firearms discharged by duly authorized agents of the United States of America on December 31, 1933, during the capture and death of certain outlaws sought by the Government for violation of its laws: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

FRANK ROTTKAMP

The bill (H. R. 6999) for the relief of Frank Rottkamp was considered, ordered to a third reading, read the third time, and passed.

MARIANO BIONDI

The bill (H. R. 7529) for the relief of Mariano Biondi was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF THE STATE OF NEW JERSEY

The Senate proceeded to consider the bill (S. 4395) for the relief of the State of New Jersey, which had been reported from the Committee on Claims with an amendment, on page 1, line 10, after the numerals "1934", to strike out the words "and providing for replacement, without cost to the State of New Jersey, of like articles for reissue to and the use of the National Guard of New Jersey", so as to make the bill read:

Be it enacted, etc., That the State of New Jersey and David S. Hill, United States property and disbursing officer for New Jersey, are hereby relieved from accountability for certain property belonging to the United States, of the total value of $4,467.76, which property was loaned to such State for use by the New Jersey National Guard and was unavoidably lost or destroyed when issued for use in connection with the *Morro Castle* disaster on September 8, 1934.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FIFTIETH ANNIVERSARY OF CINCINNATI AS A CENTER OF MUSIC

The Senate proceeded to consider the bill (S. 4470) to authorize the issuance of additional coins in commemoration of the fiftieth anniversary of Cincinnati, Ohio, as a center of music, which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and to insert the following:

That the act entitled "An act to authorize the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of Cincinnati, Ohio, as a center of music, and its contribution to the art of music for the past 50 years", approved March 31, 1936, is amended to read as follows:

"That in commemoration of the fiftieth anniversary in 1936 of the city of Cincinnati, Ohio, as a center of music, and to commemorate Cincinnati's contribution to the art of music in the United States for the past 50 years, there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 65,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

"SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the Cincinnati Musical Center Commemorative Association, of Cincinnati, Ohio, upon payment by it of the par value of such coins, but not less than 5,000 such coins shall be issued to it at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such association, and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

"SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3373) a bill to credit the tribal funds of the Indians of the Fort Belknap Indian Reservation in Montana with certain sums expended therefrom for the purchase and maintenance of a tribal herd, and for the purchase of horses destroyed during a dourine epidemic was announced as next in order.

Mr. McKELLAR. Mr. President, will not the Senator from Montana explain this bill?

Mr. WHEELER. Let the bill go over temporarily.

The PRESIDING OFFICER. The bill will be passed over.

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF THE CHARTERING OF LYNCHBURG, VA.

The Senate proceeded to consider the bill (S. 4448) to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the issuance of the charter to the city of Lynchburg, Va., which was read as follows:

Be it enacted, etc., That in commemoration of the one hundred and fiftieth anniversary of the issuance of the charter to the city of Lynchburg, Va., there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 10,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the Lynchburg Sesqui-Centennial Association upon payment by it of the par value of such coins, but not less than 5,000 such coins shall be issued to it at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such association, and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coinage or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

Mr. ADAMS. Mr. President, I wish to submit an amendment to the bill changing the amount.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 1, line 7, it is proposed to strike out the word "ten" and to insert in lieu thereof the word "twenty."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FORT MOULTRIE, (S. C.) MILITARY RESERVATION

The Senate proceeded to consider the bill (S. 4432) authorizing and directing the Secretary of War to lease land on the Fort Moultrie (S. C.) Military Reservation to the owners of certain cottages thereon, which had been reported from the Committee on Military Affairs with an amendment, on page 2, line 4, to insert the words "and the further provision that such buildings shall be removed without expense to the United States Government and that the lessee shall have no claim against the United States Government by reason of any damage whatsoever to said buildings or person from any cause", so as to make the bill read:

Be it enacted, etc., That the Secretary of War is authorized and directed to lease for a period of 20 years to the owners of the six cottages erected on land reclaimed from the ocean and now determined to be part of the military reservation of Fort Moultrie, S. C., the land upon which such homes were erected by the owners in the belief that title was vested in the commissioners of Sullivans Island, from whom it was secured by the owners: *Provided, however*, That such leases shall contain the provision that if at any time said property is needed for military purposes the buildings thereon must, upon notice, be immediately removed and the leases canceled, and the further provision that such buildings shall be removed without expense to the United States Government and that the lessee shall have no claim against the United States Government by reason of any damage whatsoever to said buildings or person from any cause.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ANCHORAGE COMMERCIAL CO., INC.

The Senate proceeded to consider the bill (H. R. 4159) for the relief of Anchorage Commercial Co., Inc., which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "any moneys in the Treasury not otherwise appropriated" and to insert in lieu thereof "balances of the appropriations 'Education of natives of Alaska, 1927–28' and 'Education of natives of Alaska,

1928–29', which balances have heretofore been carried to the surplus fund of the Treasury", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Anchorage Commercial Co., Inc., a corporation organized and existing under the laws of the Territory of Alaska, out of balances of the appropriations "Education of natives of Alaska, 1927–28" and "Education of natives of Alaska, 1928–29", which balances have heretofore been carried to the surplus fund of the Treasury, the sum of $307.21 in full satisfaction of all claims against the United States on account of services rendered and materials and supplies furnished to the United States Indian Industrial School situated at Eklutna, Alaska, between August 11, 1927, and June 30, 1929: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (H. R. 2467) for the relief of Holy Cross Mission Hospital was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

J. H. TAYLOR & SON

The Senate proceeded to consider the bill (H. R. 2936) for the relief of J. H. Taylor & Son, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $3,500 in full settlement of all claims against the Government of the United States of J. H. Taylor & Son, said sum representing a deduction by the Comptroller General of the United States from the contract price for the purchase of the Atlanta (Ga.) post-office building site: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. McKELLAR. Let the bill go over.

Mr. GEORGE. Mr. President, I hope the Senator will withhold his objection.

Mr. McKELLAR. If the Senator desires, I will withdraw the objection until he can explain the bill.

Mr. GEORGE. I think it should be explained, briefly, for the reason that several years ago, when Mr. Ogden Mills was Secretary of the Treasury, an adverse report on this claim was made. The adverse report grew out of a misapprehension of the facts of the case.

Some years ago a bill was passed authorizing the construction of the Atlanta, Ga., post office at an up-set price, more than $2,000,000. Eight hundred and eighty thousand dollars was set aside for the purchase of the land. There were some 12 parcels of land at the site where the Government desired to locate the Federal building. The Government declined to enter into negotiations with the several owners, and insisted that they procure someone to represent all of the property owners.

The firm of J. H. Taylor & Son, a reputable firm of Atlanta, who had no interest in any of the land, was selected for that purpose. I speak from knowledge, because I was interested in the bill which led to the construction of the Atlanta post office.

Practically all the parcels of land were procured, by consent, at prices that were agreeable. Two tracts had to be condemned. One tract of land was secured under a friendly condemnation proceeding, or a proceeding practically friendly. Another tract had to be procured, both for the purpose of settling the title and eliminating questions of ownership, and because there was a failure to agree upon the price.

With reference to one of these tracts of land the condemnation proceedings were had, and the finding was against the property owner, but the property owner immediately filed an appeal. Taylor & Son were in constant communication with the Treasury Department. While the appeal was pending, it appeared that by bringing the award up to the original allotment made for the purchase of the land the title could be procured; that is, the appeal would be dismissed, and the district attorney, who had charge of the condemnation proceeding, was agreeable to that method of handling and closing the case.

It turned out, however, that for some reason Mr. Heath, who was then Assistant Secretary of the Treasury, and who wished to proceed with the construction of the post office, desired that the titles be cleared at once, and Taylor was instructed to pay the difference between the award and the amount actually originally set aside for the purchase of the real estate.

According to Mr. Taylor's contention, and according to the contention of the district attorney, these are the true facts in the case. At any rate, the appeal was dismissed, Taylor paid the money out of his own pocket, and the Comptroller General conceived of the case as one that amounted simply to a transaction of a broker, and said that the Government had no authority to make that sort of contract.

The Department at Washington, as I recall the facts, after the long lapse of time, went so far as to advise Mr. Taylor that it had submitted a claim to the Comptroller for $3,500, which was the difference between the award and the price which the property owner had agreed to take and dismiss his appeal, and pending the determination of that claim by the Comptroller, Mr. Taylor paid the money out of his pocket, and then the Comptroller disallowed the claim.

Mr. McKELLAR. This is for a return of money which Taylor had actually paid out?

Mr. GEORGE. Yes; for the return of money which Taylor actually paid. He had not one cent of interest in the property.

Mr. McKELLAR. It was not a brokerage transaction at all?

Mr. GEORGE. Not at all.

Mr. McKELLAR. But is for reimbursement of money actually paid out?

Mr. GEORGE. That is correct.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

BETHLEHEM FABRICATORS, INC.

The bill (H. R. 5491) for the relief of the Bethlehem Fabricators, Inc., was considered, ordered to a third reading, read the third time, and passed.

SPERRY GYROSCOPE CO., INC., OF NEW YORK

The bill (H. R. 5625) for the relief of Sperry Gyroscope Co., Inc., of New York, was considered, ordered to a third reading, read the third time, and passed.

ADOLPH MICEK

The bill (H. R. 7867) for the relief of Adolph Micek, a minor, was considered, ordered to a third reading, read the third time, and passed.

EVELYN HARRIETT B. JOHNSTONE

The Senate proceeded to consider the bill (H. R. 9153) for the relief of Evelyn Harriett B. Johnstone, which had been reported from the Committee on Claims with an amend-

ment, on page 1, line 7, to strike out "$1,000" and to insert in lieu thereof "$500", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Evelyn Harriett B. Johnstone, of San Francisco, Calif., the sum of $500, in full settlement of her claim against the United States for damages sustained on March 5, 1935, when she was injured by a bullet fired by a Federal narcotic officer who was in pursuit of a suspect fugitive: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MR. AND MRS. WILLIAM O'BRIEN

The Senate proceeded to consider the bill (H. R. 10565) for the relief of Mr. and Mrs. William O'Brien, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, strike out the words "not otherwise appropriated" and to insert in lieu thereof the words "allocated by the President for the maintenance and operation of the Civilian Conservation Corps", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, and in full settlement against the Government, the sum of $5,000 to Anna O'Brien and William O'Brien, of Neillsville, Wis., parents of Violet Lilly O'Brien, who died of injuries received as a result of a collision on April 1, 1935, between a truck operated by Walter Marg, Fairchild, Wis., and a United States Civilian Conservation Corps truck: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

A. F. AMORY

The bill (H. R. 399) for the relief of A. F. Amory, was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF JOHN A. M'GLOIN

The bill (H. R. 6344) for the relief of the estate of John A. McGloin, was considered, ordered to a third reading, read the third time, and passed.

GEORGIANA MINNIGERODE

The bill (H. R. 7031) for the relief of Georgiana Minnigerode, widow of Capt. Karl Minnigerode, was considered, ordered to a third reading, read the third time, and passed.

E. W. JERMARK

The bill (S. 3768) for the relief of E. W. Jermark was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General be, and he is hereby, authorized and directed to allow credit in the accounts of E. W. Jermark, former superintendent and special disbursing agent for the Lac du Flambeau Indian Agency, Lac du Flambeau, Wis., in the sum of $268.45, representing payments made by him to G. B. Aschenbrenner, credit for which was disallowed by certificate of settlement no. G-42484-In, dated July 19, 1933.

HENRY O. GODDARD

The bill (H. R. 1915) for the relief of Henry O. Goddard was considered, ordered to a third reading, read the third time, and passed.

OSCAR GUSTOF BERGSTROM

The bill (H. R. 3914) for the relief of Oscar Gustof Bergstrom was announced as next in order.

Mr. McKELLAR. Mr. President, that measure is opposed by the Comptroller General, and unless it can be explained I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

JACOB KAISER

The Senate proceeded to consider the bill (S. 3956) for the relief of Jacob Kaiser, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, after the word "Treasury", to strike out "not otherwise appropriated" and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to Jacob Kaiser the sum of $500 in full and final settlement of any and all claims against the Government of the United States for injuries suffered by him as a result of an accident involving a Government vehicle operated in connection with the Civilian Conservation Corps, on United States Highway No. 10, at a point approximately 12 miles east of Billings, Mont., on October 8, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

R. D. STEPHENS AND VERA STEPHENS

The bill (S. 3808) for the relief of R. D. Stephens and Vera Stephens was announced as next in order.

Mr. DUFFY. Mr. President, that bill was introduced by me; and, of course, I am favorable to its passage. However, if any member of the committee is present, I wish to ask what it was that actuated the committee in cutting down the amount to the sum which the committee suggests should be allowed to the two persons who were injured by the admitted negligence of the driver of a Government-operated truck.

A jury in the Federal Court for the Western District of Wisconsin set the damages to the man at $2,250, and the damages to the wife at $5,000. The wife had her back broken and her nose crooked as the result of the accident, and her knee was badly hurt.

I desire to know if there was some reason why the committee made that rather considerable reduction in the amount of damages that should be awarded in this case.

Mr. ROBINSON. Mr. President, what is the number of the bill?

Mr. DUFFY. It is Senate bill 3808, Calendar No. 2027, at the bottom of page 31. The case was one where the driver of a Civilian Conservation Corps truck was admittedly negligent, and smashed into the claimants; and the jury, in the case brought against the driver to determine the amount of damages in the Federal court, awarded the amount which I incorporated in the bill.

Mr. McKELLAR. The chairman of the committee is not here to make the explanation. Why not let it go over until the Senator can hear from him?

Mr. DUFFY. I believe it would be better to have the bill go over, because I really think there is no justification for the reduction in the amount of damages.

The PRESIDING OFFICER. The bill will be passed over.

WHITMAN NATIONAL MONUMENT

The bill (H. R. 7736) to provide for the establishment of the Whitman National Monument was announced as next in order.

Mr. McKELLAR. Mr. President, will the author of the bill explain it?

Mr. SCHWELLENBACH. Mr. President, the bill provides that the Government may accept, as a part of its national monument program, a certain piece of property which is being donated by the people of the city of Walla Walla, Wash., in commemoration of Marcus Whitman. In 1836 Whitman went to the Pacific Northwest, and a centennial celebration of that event is now being held. In connection therewith, a donation of this land is being made for the establishment of the Whitman National Monument.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 2, to strike out the last section, as follows:

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

RUTH EDNA REAVIS (NOW HORSLEY)

The Senate proceeded to consider the bill (S. 4374) for the relief of Ruth Edna Reavis (now Horsley), which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the statutory period of entry in the case of Buffalo, Wyo., 030423, Ruth Edna Reavis (now Horsley), is extended 2 years to permit the fulfillment of necessary residence and improvement requirements on the land.

AMENDMENT OF ENABLING ACT FOR ARIZONA

The bill (S. 4230) to amend section 28 of the Enabling Act for the State of Arizona, approved June 20, 1910, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 28 of the act entitled "An act to enable the people of New Mexico to form a constitution and State government and be admitted into the Union on an equal footing with the original States; and to enable the people of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States", approved June 20, 1910, is amended (1) by striking out the proviso in the third paragraph thereof and inserting in lieu thereof the following: "*Provided*, That nothing herein contained shall prevent said State of Arizona from leasing in a manner as the State legislature may direct, any of said lands referred to in this section for grazing and agricultural purposes for a term of 10 years or less, or from leasing any of said lands for mineral purposes (including leases for exploration of oil and gas and extraction thereof) for a term of 20 years or less"; (2) by striking out in the fourth paragraph thereof "nor in any case less than the minimum price hereinafter fixed"; (3) by striking out in the fifth paragraph thereof "$3 per acre" and inserting in lieu thereof "their appraised value"; and (4) by inserting between the fifth and sixth paragraphs thereof the following new paragraph:

"The State of Arizona is authorized to exchange any lands owned by it for other lands, public or private, under such regulations as the legislature thereof may prescribe: *Provided*, That such exchanges involving public lands may be made only as authorized by acts of Congress and regulations thereunder."

The PRESIDING OFFICER. That completes the calendar.

Mr. HATCH and Mr. COPELAND rose.

Mr. HATCH. Mr. President, does the Senator from New York desire to bring a question before the Senate?

Mr. COPELAND. I have a privileged matter to bring before the Senate, the conference report on the Army appropriation bill.

THE WESTERN RANGE

Mr. NORRIS. Mr. President, if the Senator is going to make some remarks, I will ask him if he will not let me first ask unanimous consent for the adoption of a resolution requesting certain information from the Department of Agriculture and to make a few remarks in connection with it.

Mr. COPELAND. Very well.

Mr. NORRIS. Mr. President, at the present time there is great interest all over the country in regard to flood control and all kindred subjects. Connected with that idea is the control of winds, which, together with floods, bring great destruction in the West. I wish to present a resolution which proposes to bring to the Senate some information which I think will be very valuable for use in considering that subject. The information I refer to is now in the possession of the Department of Agriculture.

Lying to the west of the one hundredth meridian is an area of more than 700,000,000 acres of range lands. Because of the low precipitation or rough topography, this immense area—nearly 40 percent of the total land area of the continental United States—cannot, except for relatively small tracts suitable for irrigation, be used for much else than livestock grazing or other range purposes.

Within this territory, however, more than three-fourths of a million farm and ranch units are operated, having a combined investment of nearly $13,000,000,000, of which about one-third is range. This range territory supports approximately 17,000,000 cattle and 29,000,000 sheep, or 28 percent of the cattle and 58 percent of the sheep of the entire United States. It supports nearly 7,000,000 persons, or about one-half the entire population of the West.

Water is the limiting factor in practically all western development. The water for irrigation, power, and municipal use comes largely from the range lands.

The use of the range is interwoven in the agricultural structure, and in fact the whole social and economic structure, of the great West.

Much of the range has been subject to heavy grazing since pioneer days. It is commonly reported that the resource has been seriously depleted over enormous areas, and that floods are increasing in number and destructiveness; and it is common knowledge that there have been serious land use and social and economic maladjustments which have had far-reaching consequences. Everyone is interested in trying to relieve the situation if it is possible for that to be done.

Although little appreciated, the range is in fact one of our great natural resources; and provision should be made for its conservation and wise use, not only in the control of the waters but in the control of the lands themselves for pasturage and range purposes. It should be of great value to Congress in its consideration of agricultural and conservation problems to have before it the fullest information now available. The purpose of my resolution is to obtain such information as the Department of Agriculture now has and such recommendations as the Secretary of Agriculture may make.

I understand that the Secretary of Agriculture has in the various bureaus of the Department of Agriculture a large fund of information which I think will be very valuable for our consideration in legislating upon this very important subject.

I therefore submit the resolution which I send to the desk, and after it shall have been read I shall ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 289) was read, as follows:

Whereas large parts of the western range have been subject to unrestricted use since settlement and are commonly believed to be more or less seriously depleted; and

Whereas the range resource constitutes one of the major sources of wealth to the Nation; and

Whereas the Department of Agriculture has through many years of research and of administration of the national forests accumulated a large amount of information on the original and present condition of the range resource, the factors which have led to the present condition, and the social and economic importance of the

range and its conservation to the West and to the entire United States: Be it

Resolved, That the Secretary of Agriculture be, and he hereby is, requested to transmit to the Senate at his earliest convenience a report incorporating this information, together with recommendations as to constructive measures.

Mr. NORRIS. I ask unanimous consent for the present consideration of the resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution was considered and agreed to.

WAR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. COPELAND. Mr. President, I submit the conference report on the War Department appropriation bill and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11035) "making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 7, 23, 24, 26, 31, 32, 33, 34, 41 and 44.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 8, 17, 19, 21, 22, 28, 30, 36, 37, 38, 39, 40, 46, 47 and 48; and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "settlement of claims (not exceeding $500 each) for damages to or loss of private property resulting from such exercises that have accrued or may hereafter accrue, when payment thereof will be accepted by the owners of the property in full satisfaction of such damages, and each claim is substantiated by a report of a board of officers appointed by the commanding officer of the troops engaged, and is approved by the Secretary of War, whose action thereon shall be conclusive"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the number named in said amendment, insert: "one hundred and twenty-five"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$6,352,574"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$5,955,042"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$154,608,560"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$154,323,560"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "No payment shall be made from money appropriated in this Act to any officer on the retired list of the Army who, for himself or for others, is engaged in the selling of, contracting for the sale of, or negotiating for the sale of, to the Army or the War Department, any war materials or supplies."; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$3,103,527"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows: "$26,887,384, and, in addition, $501,714 of the appropriation 'Pay of the Army, 1936', which shall remain available until June 30, 1937"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert: "$12,675,819"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$1,478,323"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$916,990"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4, 9, 20, 25, 29, 35, 42 and 45.

ROYAL S. COPELAND,
CARL HAYDEN,
MORRIS SHEPPARD,
ROBERT D. CAREY,
JOHN G. TOWNSEND, JR.,
Managers on the part of the Senate.

TILMAN B. PARKS,
THOMAS L. BLANTON,
THOS. S. MCMILLAN,
J. BUELL SNYDER,
JOHN F. DOCKWEILER,
CHESTER C. BOLTON,
D. LANE POWERS,
Managers on the part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. NORRIS. Mr. President, I should like to ask the Senator from New York about some of the amendments. What was done in the conference in regard to Senate amendment numbered 46?

Mr. COPELAND. That amendment was approved in the conference; I am very glad it was; and the authorship of the amendment had much to do with the conclusion of the matter in conference.

Mr. President, let me say that, strange as it may seem, because it is so unusual, the appropriations contained in this bill as it is now written are $252,461 below the estimates. It is such an unusual thing to have this happen that I think it ought to be made a matter of record.

There are a few amendments which, under the rules of the House, must be voted upon by that body, but the conference was harmonious and we found ourselves in full agreement.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Oregon?

Mr. COPELAND. I yield.

Mr. McNARY. I recall that when the bill was before the Senate a very considerable increase was made in the appropriation for the improvement of rivers and harbors. May I ask the Senator what action was taken as a result of the conference?

Mr. COPELAND. The Senate added $50,000,000, and, besides that, it added $8,000,000 for certain projects which were contested here—the Sardis Dam in Mississippi, the Conchas Reservoir in New Mexico, and the Bluestone Reservoir in West Virginia. The conferees decided that the Bluestone Reservoir had no standing because it had not been approved by either House of Congress; but as to the other items, one involving two and a half million dollars and the other three and a half million dollars, one or the other of the Houses having approved the measures, they were eligible, and therefore the conferees decided that the $6,000,000 should be included in the bill.

Then we figured up and found we had some money left, so the conferees agreed to increase the river and harbor items over the bill as it came to the Senate from the House by $15,000,000. So the appropriations for river and harbor items under the bill as agreed to in conference will be $121,000,000 against the larger sum which we had hoped for here, but that particular item under the rules of the House must be approved by that body.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

T. V. A. POWER RATES

Mr. McKELLAR. Mr. President, I wish to call attention to an article which appeared in the Commercial Appeal of Memphis, Tenn., on the 22d instant, concerning T. V. A. power received in 450 rural homes. The article, being a dispatch from Jackson, Tenn., in part reads as follows:

Electric lights are burning in 450 west Tennessee homes tonight for the first time.

The first link in T. V. A.'s rural-electrification program for west Tennessee became "hot" with power from Wilson Dam at 9:30 o'clock this morning. The power was relayed via the Corinth, Miss., substation.

At Enville, home of Glenn Hassell, president of the Pickwick Electric Membership Corporation, recently established to distribute T. V. A. power in rural areas, Mr. Hassell said that "We are especially glad to be on the first T. V. A. link for west Tennessee."

Then the article refers to a number of towns which are to be served in that district, and states:

The minimum charge for the first 25 kilowatts will be $1. Each kilowatt thereafter will cost 3 cents.

Mr. President, what a tremendous reduction that represents from the prevailing rates for power throughout the country! I feel that this statement ought to be made and that the country ought to know what a wonderful work is being done by the T. V. A.

I ask that the entire article to which I have referred may be printed at this point in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Memphis (Tenn.) Commercial Appeal of Apr. 22, 1936]

T. V. A. POWER RECEIVED IN 450 RURAL HOMES—RURAL ELECTRIFICATION BENEFITS GO INTO SMALL TOWNS—KEROSENE LAMPS GO OUT—FIRST LINK IN WEST TENNESSEE REACHES MANY SETTLEMENTS—MINIMUM CHARGE IS $1 FOR 25 KILOWATTS

JACKSON, TENN., April 21.—Electric lights are burning in 450 west Tennessee homes tonight for the first time.

The first link in T. V. A.'s rural electrification program for west Tennessee became "hot" with power from Wilson Dam at 9:30 o'clock this morning. The power was relayed via the Corinth, Miss., substation.

At Enville, home of Glenn Hassell, president of the Pickwick Electric Membership Corporation, recently established to distribute T. V. A. power in rural areas, Mr. Hassell said that "We are especially glad to be on the first T. V. A. link for west Tennessee."

TOWNS ON ROUTE

Besides Enville, among other towns on the 70-mile line, are Leapwood, Milledgeville, Morris Chapel, Chewella, Ramer, and Finger. Farm homes in McNairy, Chester, and Hardin Counties are discarding kerosene lamps.

Although this is the first link for west Tennessee, these towns are not the first to receive T. V. A. power in the district.

Stantonville, Guy, and Michie have been receiving T. V. A. power from the Alcorn County, Miss., Electric Power Association.

In addition to the line opened today the Pickwick corporation will take over the 26 miles of west Tennessee lines from the Alcorn corporation.

The minimum charge for the first 25 kilowatts will be $1. Each kilowatt thereafter will cost 3 cents.

Meanwhile the T. V. A. line to Jackson and other west Tennessee cities is moving forward rapidly. Nine carloads of equipment have arrived at Bemis for the work. The line is expected to be completed by July 15.

W. P. A. ACTIVITIES IN NEW MEXICO

Mr. HATCH. Mr. President, I wish to take but a few minutes on the subject of boondoggling. Something has been said in this Chamber and much has been written in the newspapers on the subject of boondoggling. In some of the articles which have appeared in the newspapers of the country statements have been made about the State of New Mexico. I would that I had the time and the accurate information to give the Senate about the projects which have been approved and the work which is being done in my State. I shall not attempt to do that today, but to one particular town and county I desire to refer because of an editorial which appeared in the New York Sun under date of March 11, 1936.

The information which I wish to give to the Senate is contained in a newspaper article from the Clayton (N. Mex.) News under date of April 8, 1936.

I quote first the New York Sun editorial:

Among New Mexico's more important cities there is Clayton, population 2,512. It is served by two railroads, has an express agency, a post office, a bank, a telegraph station, and even an airport. It is also the focal point at which a number of excellent highways converge. A main national highway links it to the East and the West; two all-weather, gravel-surfaced roads connect it with towns to the north, the south, and southwest, while a dirt road provides the communication with the outlying villages of the mountainous hinterland to the northwest.

Yet President Roosevelt has approved the following W. P. A. projects for Clayton—

I call attention to the statement of the items which the President is said to have approved for projects in Clayton. The editorial continues:

Construct farm-to-market road, $121,408; construct farm-to-market road to Hayden (a road linking Hayden and Clayton already exists), $16,337; construct road, $42,218; construct farm-to-market road, $26,788; improve three farm-to-market roads, $142,354; improve roadway and move fence, $26,486; improve State road no. 58, $29,453; improve streets, $15,783; construct culverts, spillways, and drains, $20,629; move bridge, $6,753; replace water service lines, $24,890; improve distribution system, $24,937; improve park, $1,050; construct five school buildings, $12,252; and construct community center, $12,555.

The editorial concludes as follows:

The total authorized expenditure is $522,893, or $209 per inhabitant——

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER (Mr. CHAVEZ in the chair). Does the Senator from New Mexico yield to the Senator from Nebraska?

Mr. HATCH. Certainly.

Mr. NORRIS. Is the Senator still reading from the New York Sun editorial?

Mr. HATCH. Yes; I am reading from the editorial which appeared in the New York Sun and which concluded as follows:

The total authorized expenditure is $522,893, or $209 per inhabitant. The question arises how the citizens of this little metropolis managed to eke out an existence prior to the advent of Harry Hopkins and the adoption of boondoggling as a national pastime.

Mr. President, in fairness to the writer of the editorial I should say that it does not make the statement that this money has actually been expended. It does infer, however, that all these projects have been approved and this vast sum of money, amounting to $209 per inhabitant of the town of Clayton, is being spent today.

First, I desire to call attention to the fact that Clayton itself is the county seat of Union County. It is more than 100 miles to the next county seat to the west—Raton. It is something like 75 miles to the next county seat to the south. Clayton is in the northeast corner of New Mexico, in the midst of what has been termed the "dust bowl" area, a section which has suffered the most severe drought for the last 3 years of any section of the country unless it be the county of Las Animas, in Colorado, just across the line in Colorado. I see the Senator from Colorado [Mr. ADAMS] is present and honoring me with his attention.

The implication of this editorial is that all this money has been spent in the "little village of Clayton", as it is termed. I want to show just exactly what has been done under these projects and just what they mean. I now quote from the News, a newspaper published at Clayton, N. Mex.:

Now let us take up each project mentioned in turn.

Construction, farm-to-market roads, $121,408.

That was the statement in the Sun editorial.

This road makes possible a saving of about 75 miles to the residents of that section of the county going and coming to Des Moines.

That saving is made not alone to the city of Clayton but to that entire area, a saving of 75 miles of distance going and coming, and not even to Clayton but to Des Moines, another town in the county.

It is a hard-surfaced, all-weather road, a needed and permanent improvement, and the money allotted was only $12,372.

Instead of being $121,000 as stated in the New York Sun editorial, the amount of the Presidential approval and the actual cash allotted was $12,372. That was the enormous sum allotted to be spent on that highway.

The news article continues:

The Hayden Road, $16,337.

That is the figure according to the Sun editorial.

This road connects one of the better agricultural sections with State Road 18 and serves a large community; another needed and lasting project, with money allowed amounting to $2,687.43.

In other words, the money actually allotted was not $16,337, as stated in the Sun editorial, but was $2,687.

The news item continues:

Highway 18 at Amistad, $42,218. This construction is a link in the north-to-south main highway, one of the important State highways, and a continuation of work started some 3 years ago. It consists of grading and caliche surfacing, and there was allotted $17,218.

There was allotted $17,218, and not $42,218, as stated by the New York Sun.

Improve roadway, $26,788. A main artery of travel serving a large farming and ranching section near Grenville on State road 120. The money allotted was $16,788.

Not at Clayton at all, but near Grenville, N. Mex., in another part of the county on State Road 120. The money actually allotted was not $26,788, as stated in the Sun editorial, but was $16,788.

Three farm-to-market roads, $142,354. One of these projects is east of Grenville on State Road 120 and is a continuation of work started that had to be stopped for lack of funds.

By the way, I do not believe as yet a single one of these projects is located in the city of Clayton.

Another is a road from Perico to Highway 58 to serve a farming community, but as no money was allotted no work has ever been done. The last one is the road from Des Moines to Guy, but like the second project no money has been allotted and no work done. On the one allotment the amount was $6,800.

Improve roadway, $26,486.

That is one of those terrible boondoggling projects. The facts are that the project has not as yet been started and not a single cent has been allotted to that project.

Improve roadway, $26,486. This project has never been started because no funds were allotted for it.

Improvement on State Road 58, $29,453. This is our connecting road with the State capital, with heavy travel, an important link in our highway system and a continuation of improvements that were started and unfinished 4 years ago. The amount allotted was only $17,453.

Improvement to streets, $15,793.

This was in the city of Clayton.

Improvement to streets, $15,783. This project hard-surfaces about 3 miles of Clayton streets, a project that was badly needed but one that the city did not or would not have the funds to do. The full amount was allotted. One of the best W. P. A. projects in the county.

Construction of culverts and spillways, $20,629. It makes an almost impassable highway passable for the farmers and ranchers living north of Clayton.

The allotment, however, is not $20,000; it is only $12,629.

Moving bridge, $6,753. This bridge spans the Carrizozo on State Highway 18 to Kenton.

Another community in the county.

Floodwater took it out 2 years ago, and trucks hauling alfalfa from the Cimarron Valley to Clayton could not travel the detour through the creek, and as a result had to detour through Boise City, Okla., or through Folsom, making an additional 50-mile haul getting to market.

The sum of $6,753 has been spent to save that 50-mile additional haul to the farmers in the Cimarron Valley, not in the city of Clayton.

Replace water service, $24,890. This—

According to the Clayton newspaper—

is one of the best W. P. A. projects in the State, if not in the United States. The town was losing about 40 percent of the water pumped due to old wooden mains put in service 15 years ago, and did not have the money to replace them. This project, now more than 70 percent complete, will save that loss, save pumping costs, and insure Clayton a water supply.

The allotment, however, is not $24,890, but the actual sum allotted is $18,973.

Improve distribution system, $24,937.

This is a continuation of the water project to which I have referred, but the allotted money was $18,890, not $24,937.

Improve park, $1,050.

It is a terrible thing, I suppose, that the residents of Clayton, N. Mex., might desire a city park, and might expend thereon the mighty, tremendous sum of $1,050. That money was spent for the improvement of the city park in Clayton, providing a better system of drainage, and throwing the surplus water to the trees of the park. Those who have never lived in the arid regions of the West perhaps may not appreciate or understand what throwing excess water supply to trees and the cultivation and growing of trees means to a city such as Clayton, in northeastern New Mexico.

Construction of school buildings, $12,252.

We are censured for having constructed school buildings in Clayton, N. Mex.—this town which the New York Sun says has a population of 2,500—and, therefore, I presume it is wrong to build a school building in Clayton, N. Mex. However, the facts do not point that way. The school buildings were not even built in Clayton. The sum provided included necessary repairs to school buildings at Capulin, Hayden, Mount Dora, and Otto, other villages and communities in Union County. Several of these four school buildings, with a total enrollment of 258 pupils, were in such condition that their use for classrooms could not have been continued longer if the money had not been spent. The county did not have the money with which to make the necessary repairs. All of that money—$12,252—has been used, Mr. President, in this wasteful and extravagant manner of repairing school buildings in four rural communities in Union County, N. Mex. It may be waste and extravagance, but I say that the Works Progress Administration is to be complimented and commended for spending $12,000 for such a useful and worth-while purpose.

Community center, $12,555.

This project was to be used as a high-school gymnasium and community center for rural-school athletic tournaments; but the money was not allotted, and the work was never started. Yet, Mr. President, that sum is included in an editorial in the New York Sun as having been spent for "boondoggling", and is instanced as a waste of Federal funds. My only regret is that the money was not allotted, and it has not been spent. I think tomorrow morning I shall go to see Mr. Hopkins and see if that $12,000 cannot still be allotted for the purpose of building a community center for rural-school athletic tournaments and a high-school gymnasium.

The Clayton newspaper goes on to say:

It will be seen that every project was one that will serve some community interest. For 3 years an unprecedented drought has existed in Union County. Strictly a farming and stock-raising district, lack of crops and grass has reduced a large majority of the farmers and stockmen to dire straits. More than 1,000 of them have worked on these W. P. A. projects, and from their small wages have managed to exist, waiting for the rains that will mean financial independence again. Had they not had employment on these projects, they could not have remained, but would have had to move on, leaving behind them a lifetime of effort. This fact was taken into consideration by the heads of the political subdivisions before they agreed to sponsor the projects.

The Sun is merely trying to make the citizens of the East believe that the citizens of the West, and Union County in particular, at least in this one editorial, are trying to profit at Government expense, when the truth is that the very projects they are deploring are not only worth while but are the only means of feeding more than a thousand families, suffering not from depression, but drought.

Another unfair thing is to arrive at the per-inhabitant cost by dividing the population of Clayton into the application cost, when it should be on a county-population and money-allotted basis. Our county has approximately 3,700 square miles, more than many of the eastern States. On that basis it is nearer $20 per inhabitant than $209, the figure at which the Sun so erroneously arrived.

That is, Mr. President, the newspaper article says that computing the money actually allotted to the population of

the county, the great, tremendous sum which has been allowed to Union County in this extremely "wasteful and extravagant" effort of the Works Progress Administration has not been $209 per inhabitant, but in reality it will figure about $20 per inhabitant.

Continuing the newspaper article, it says:

We here in Union County are grateful to the W. P. A. They have made possible for us repairs to our roads, schoolhouses, and water-distribution systems, repairs we could not have thought of starting without their aid. The large majority of farmers have not harvested enough off their farms the last 3 years to pay taxes. When such a condition exists with the taxpayers it is reflected in public funds.

Workmen on projects have turned in a fair day's work for the wages they were paid. It may mean boondoggle to the Sun, but to Union County it means a small wage that will keep the children of the family from having to go supperless to bed; it means an opportunity to stay when there is no place to go.

Be fair, Mr. Editorial Writer for the Sun. We have the fighting spirit out here in the West. The depression that nearly floored you we brushed aside as of no consequence, but try fighting a drought; that takes real courage, and sometimes help. Do not begrudge the small aid the W. P. A. granted us, please.

Mr. President, I shall not add more to what has been said by the newspaper writer in Clayton, N. Mex. He has well and ably stated the case for Union County and the Works Progress Administration. We have no apologies to offer. The work has been done. The money allotted has been spent on projects which are worth while, and which will be of lasting benefit and improvement.

APPROPRIATIONS FOR THE STATE, JUSTICE, ETC., DEPARTMENTS

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 12098) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McKELLAR. I move that the Senate insist upon its amendments, agree to the conference requested by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McKELLAR, Mr. RUSSELL, Mr. PITTMAN, Mr. HALE, and Mr. NYE conferees on the part of the Senate.

WORKS PROGRESS ADMINISTRATION

Mr. WAGNER. Mr. President, on April 20, in the course of his remarks, the Senator from Pennsylvania [Mr. DAVIS] criticized some of the activities of the W. P. A. Among other things, he criticized the so-called Federal theater projects and introduced into the RECORD letters from some critics of those projects. The impression was created that that was a generally accepted criticism by those who were informed as to the activities of the W. P. A. with reference to the theater projects. The contrary is the fact.

I desire to read just two telegrams, and then ask that the other telegrams in relation to this project—and they are from persons who are in a position to know—be printed in the RECORD.

One telegram is from Mr. Frank Gillmore, who is the president of the Actors' Equity Association, an association of which nearly all the actors in the United States who have been interested in these projects are members. Mr. Gillmore says, referring to the letter which was placed in the RECORD on April 20:

NEW YORK, N. Y., *April 24, 1936.*

The Honorable ROBERT F. WAGNER,
United States Senate:

In reference to a letter addressed to Senator COPELAND and maybe to others by a Mr. E. J. Blunkell, criticizing the administration of the Federal theater project, I wish to officially inform you that his views are those of a private individual and in no way represent the Actors' Equity Association; indeed, we indignantly repudiate his opinion. No one in our employ has the right to speak for the Actors' Equity except the council or its president. I request that this telegram be read to the Senate and be printed in the CONGRESSIONAL RECORD. Best wishes.

Yours respectfully,
FRANK GILLMORE,
President, Actors' Equity Association,
45 West Forty-seventh Street, New York City.

There is another telegram, from some veterans. It was alleged that the World War veterans are also critical of these projects. This telegram reads:

NEW YORK, N. Y., *April 24, 1936.*

Hon. ROBERT F. WAGNER,
Senate Office Building:

Undersigned veterans, World War, employed Federal theater, protest reading of Federal Theater Veterans League petition on Senate floor as untrue and not representative of veterans' viewpoint. Request you read this telegram into RECORD.

MORRIS WATSON.
PIERRE DE ROHAN.
ROSAMOND GILDER.

There is only one other telegram which I shall read, a message from Mr. Frank Crumit, who is the head of the Lambs' Club of New York. Mr. Crumit is today one of our most famed actors. He says:

NEW YORK, N. Y., *April 18, 1936.*

Hon. ROBERT F. WAGNER,
United States Senator from New York, Washington, D. C.:

The Lambs, the largest and most important theatrical club in the world, wishes to endorse the Federal theatrical project and urge that it be continued on a national basis. We deplore the prospect of the abandonment of its activities at this time.

FRANK CRUMIT, *Shepherd.*

Mr. President, I ask that other telegrams I have received on this subject be printed in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., *April 24, 1936.*

Hon. ROBERT F. WAGNER,
United States Senate, Washington, D. C.:

On account of the wonderful work that the Federal theater project has been doing, we, the voters in your State ask you to bend every effort to continue the Federal theater project under Federal control after June 13.

TROUPERS' CLUB ASSOCIATION, INC.,
S. F. MANNING, *Secretary.*

NEW YORK, N. Y., *April 18, 1936.*

ROBERT F. WAGNER,
United States Senate, Washington, D. C.:

We understand that on July 1 the Works Progress Administration is to be turned over to the States. We strongly urge, indeed beg of you, to fight for a continuation of the Federal theater project now part of Works Progress Administration on a national basis. It is likely to pass out of existance if handled by the States, and the generous assistance which the Government has given to all those connected with the theater will be a thing of the past.

Yours respectfully,
FRANK GILLMORE,
President, Actors Equity Association.

NEW YORK, N. Y., *April 21, 1936.*

Senator ROBERT F. WAGNER,
Washington, D. C.:

On behalf the members of this union and the many thousands of theatrical people who are dependent on the W. P. A. theatrical project for their actual physical existence I earnestly plead with you for the continuation of same on a national basis.

JOHN C. MCDOWELL,
Theatrical Protective Union No. 1.

ALBANY, N. Y., *April 21, 1936.*

Hon. ROBERT WAGNER,
Capitol:

Due to fact that Federal theater projects at present affords employment to several thousand of our members, we unanimously urge this movement be perpetuated.

WM. C. FOLEY,
Secretary, Motion Picture Operators Local 324.

NEW YORK, N. Y., *April 22, 1936.*

Senator ROBERT F. WAGNER,
United States Senator, Washington, D. C.:

Children's Theatre Co. protest transfer of W. P. A. art projects from Federal to State administration. Such change inimical to our well being as professional workers and menace to existence of American stage. We demand continuance of all W. P. A. projects and expansion of Federal theater into a permanent national theater.

SIXTY-FIVE MEMBERS, CHILDREN'S THEATRE.

NEW YORK, N. Y., *April 23, 1936.*

Hon. ROBERT F. WAGNER,
Senate Office Building, Washington, D. C.:

In view of splendid achievement in providing cultural entertainment for masses and employment and rehabilitation for workers, urge you to see that Federal theater is continued permanently on national basis under Federal control.

LUCY HUFFAKER,
25 East Thirtieth Street.

NEW YORK, N. Y., *April 23, 1936.*

Senator ROBERT WAGNER,
Senate Office Building, Washington, D. C.:
In view of success in providing employment for many workers and furnishing cultural entertainment at low prices, urge you to see Federal theater is continued permanently on national basis under Federal control.

RITA LENNON,
32 East Sixty-first Street.

NEW YORK, N. Y., *April 22, 1936.*

Hon. ROBERT F. WAGNER,
Senate, Washington, D. C.:
Vote for continuation of Federal theater project under Federal administration.

RAYE LAPIN.

NEW YORK, N. Y., *April 22, 1936.*

Senator ROBT. WAGNER,
United States Senate, Washington, D. C.:
Please support any action for the renewal of the Federal theater project of the W. P. A. in its complete set-up for another year under Government control.

Mrs. FRANK LOMBARDO,
River Street, Paterson, N. J.

BROOKLYN, N. Y., *April 23, 1936.*

Senator ROBERT WAGNER,
United States Senate, Washington, D. C.:
Urge you to use your influence to keep Federal theater project under control of present set-up at Washington with Mrs. Flanagan, and not to turn it over to State or city of New York. Project is doing splendid work. Any change of administration would certainly ruin everything. I speak from complete knowledge of the situation. I have no personal connection with the project and appeal only as playgoer, teacher, dramatic critic.

S. M. TUCKER,
Professor, Polytechnic Institute of Brooklyn.

NEW YORK, N. Y., *April 23, 1936.*

Hon. ROBERT F. WAGNER,
Senate Building, Washington, D. C.:
We, the constituents of your State, expect you to oppose the transfer of the four Federal arts projects to State control, believing the change to be detrimental to our interests. This change would hamper and curtail these projects and reduce them from present high state of efficiency and worth.

W. P. A. Diction Class, Textile High School W. P. A. Diction Class, Lester Dine, Kitty Cantor, Freda Kubeck, S. A. Boroty, Joseph Rosenkranz, Joseph J. Schwartz, Jean De Salvo, Peter Ayvoliotis, Gasperino Midola, Textile High School, Irving Monerman, Harold Becker.

NEW YORK, N. Y., *April 23, 1936.*

Hon. ROBERT WAGNER,
United States Senate, Washington, D. C.:
I urge continuation of the National Federal theater project after June 30 under direct Federal supervision. Project is of great credit to the American theater. Broadway can well learn a lesson from some of the Federal theater hits.

IRA S. WILSON.

NEW YORK, N. Y., *April 23, 1936.*

Senator ROBERT WAGNER,
Senate Office Building, Washington, D. C.:
Because Federal Theater has succeeded in furnishing high-class entertainment at low prices and given work and hope to many workers urge you to see Federal Theater continues permanently on national basis under Federal control.

ELIZABETH LENNON,
352 West Fifty-sixth Street, New York City.

NEW YORK, N. Y., *April 23, 1936.*

Senator ROBERT WAGNER,
United States Senator:
Urge continuance of Federal Theater projects on national basis to prevent practical destitution among stage employees.

J. A. DELANEY,
Local 52, I. A. T. S. E.

NEW YORK, N. Y., *April 24, 1936.*

Senator ROBERT F. WAGNER,
Senate Office Building, Washington, D. C.:
Considering remarkably successful record of Federal theater so far in giving fine entertainment to masses and returning many workers to employment and self-respect. Ask you to see that this work is continued permanently on national basis under Federal control.

MARIA L. DAVIES,
470 West End Avenue.

NEW YORK, N. Y., *April 24, 1936.*

Senator ROBERT F. WAGNER,
Senate Office Building, Washington, D. C.:
W. P. A. Theater does splendid job giving poor people excellent entertainment at low prices and furnishes employment to worthy unemployed citizens. Urgently request this fine undertaking now be made permanent Federal Theater on national basis under Federal control.

KURT BRUCKNER,
HUGO WILKENS,
WM. O. DIETRICH,
KLAUS WANDMACHER.

NEW YORK, N. Y., *April 24, 1936.*

Senator ROBERT F. WAGNER,
Senate Office Building, Washington, D. C.:
Federal Theater has been eminently successful in supplying public with entertainment of high quality at low prices and artists of ability with employment. Urge you not to endanger value of work now so auspiciously started, but to see that Federal Theater is continued permanently on national basis, under Federal control.

Mrs. GERTRUDE SMITH,
470 West End Avenue.

NEW YORK, N. Y., *April 23, 1936.*

Senator ROBERT F. WAGNER,
Senate Office Building, Washington, D. C.:
Now that Federal Theater is successfully providing excellent plays at popular prices, and employment for artists of theater, of ability, am alarmed at rumors of spoiling achievement by change; ask you do utmost to continue Federal Theater on national basis under Federal control.

Mrs. JOHN J. FAUTH,
235 West Seventy-fifth Street.

NEW YORK, N. Y., *April 23, 1936.*

Senator WAGNER,
Washington, D. C.:
As an American citizen and voter for you I ask that you vote appropriations for the continuance of the dance music, art, and theater projects under Federal control after June 30, 1936. These must remain as Federal projects. Pass the Marcantonio bill.

FRANCES DAVIS,
195 West Tenth Street.

NEW YORK, N. Y., *April 23, 1936.*

Hon. ROBERT F. WAGNER,
Senate Office Building, Washington, D. C.:
Federal Theater has successfully provided reemployment for capable theater people and produced worth-while plays at popular prices. Good work must not stop. I urge you to fight for continuing Federal Theater under Federal control after June 30, on a national basis.

GEORGE D. ROSENBAUM.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. CHAVEZ in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers in the Navy and the Marine Corps.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

PUBLIC HEALTH SERVICE

The legislative clerk read the nomination of Asst. Surg. Edward C. Lutton to be passed assistant surgeon.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc. That completes the calendar.

LEGISLATIVE SESSION

Mr. ROBINSON. I move that the Senate resume legislative session.

The motion was agreed to, and the Senate resumed legislative session.

DEATH OF REPRESENTATIVE JOHN T. BUCKBEE, OF ILLINOIS

The PRESIDING OFFICER. The Chair lays before the Senate resolutions from the House of Representatives, which will be read.

The Chief Clerk read the resolution (H. Res. 495), as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
April 23, 1936.

Resolved, That the House has heard with profound sorrow of the death of Hon. JOHN T. BUCKBEE, a Representative from the State of Illinois.

Resolved, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of the these resolutions, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect, this House do now adjourn.

Mr. ROBINSON. Mr. President, both Senators from Illinois are necessarily absent. It was my privilege to know intimately the late Hon. JOHN T. BUCKBEE, who represented the Twelfth District of Illinois. With the expression of my deep regret that he has passed away, I present the resolutions, which I send to the desk, and I ask for their immediate consideration.

The resolutions (S. Res. 291) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOHN T. BUCKBEE, late a Representative from the State of Illinois.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDING OFFICER. Under the second resolution the Chair appoints the senior Senator from Illinois [Mr. LEWIS] and the junior Senator from Illinois [Mr. DIETERICH] as the committee on the part of the Senate.

RECESS

Mr. ROBINSON. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate do now take a recess until 12 o'clock noon on Monday next.

The motion was unanimously agreed to and (at 3 o'clock and 45 minutes p. m.) the Senate took a recess until Monday, April 27, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 24, 1936

PUBLIC WORKS ADMINISTRATION

Alexander Allaire, of Arkansas, to be State director of the Public Works Administration in Arkansas.

Henry S. Geismer, of Alabama, to be State director of the Public Works Administration in Alabama.

WORKS PROGRESS ADMINISTRATION

Joseph E. Parker, of Montana, to be State administrator in the Works Progress Administration for Montana, vice Ray Hart.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO ADJUTANT GENERAL'S DEPARTMENT

Maj. James Truman Menzie, Cavalry, with rank from August 1, 1935.

TO CAVALRY

Capt. Harry William Miller, Ordnance Department, with rank from August 1, 1935, effective June 20, 1936.

PROMOTIONS IN THE REGULAR ARMY

MEDICAL CORPS

To be colonels

Lt. Col. George Burgess Foster, Jr., Medical Corps, from April 19, 1936.

Lt. Col. Joseph Casper, Medical Corps, from April 20, 1936.

To be captain

First Lt. Gordon G. Bulla, Medical Corps, from April 19, 1936.

APPOINTMENT IN THE NAVY

Rear Admiral Gilbert J. Rowcliff to be Judge Advocate General of the Navy, with the rank of rear admiral, from the 1st day of June 1936, for a term of 4 years.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 24, 1936

PUBLIC HEALTH SERVICE

Edward C. Lutton to be passed assistant surgeon in United States Public Health Service.

POSTMASTERS

LOUISIANA

Veronica J. Lambert, Goodhope.
Mildred P. Prescott, Lutcher.

MISSOURI

Fay R. Webb, Miller.
Marcus J. Heathman, Paris.
Cora Hibbard Peter, St. Clair.
Fred Blattner, Jr., Wellsville.

NEW HAMPSHIRE

Eli J. King, Berlin.
William P. Nolin, Claremont.
J. Edward Damour, Henniker.
Georgia Du Devoir, Hooksett.
Arthur A. Croteau, Marlboro.
James E. Shepard, 2d, New London.
Albert F. Priest, Newmarket.
Edward A. Davis, North Conway.
Martin J. Keenan, Peterborough.
Patrick J. Duffy, Salmon Falls.
William H. Pascoe, West Ossipee.

NORTH CAROLINA

Walling D. Vreeland, Fort Bragg.
Fred H. Holcombe, Mars Hill.
Perla H. Brey, Roper.
Charles O. Cooper, Saluda.
James Russell Wiggins, Wake Forest.
William M. Sutton, Windsor.
Selvin N. Blanchard, Woodland.

TEXAS

Arvel O. Pickens, Whittenburg.

WEST VIRGINIA

Arthur Jackson, Littleton.
John R. Plattenburg, New Cumberland.
Claude E. Mills, Newell.
Denvil G. Dillion, Whitesville.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 24, 1936

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father of everlasting love, we thank Thee for the merciful privilege of coming to Thee in prayer. May it be

in the spirit of Him who taught us to say, "Our Father." We beseech Thee that His presence may come mightily upon us to strengthen, encourage, and guide us that we may attain the service we have pledged our country. Do Thou guard us in our contact with our fellow men, lest we be unmindful of the admonition, "Judge not that ye be not judged, for with what judgment ye judge, it shall be measured to you again." Heavenly Father, help us to heed the injunction, "Whatsoever ye would that men should do to you, do ye even so to them." Once more in the dispensation of Thy providence our hearts are bowed; another Member has left us. The angel of death has borne him to a higher service. Comfort, we beseech Thee, all members of his fireside; may they go forward with strong faith and quickened hopes to the larger life that awaits the children of God. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States announced that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On April 17, 1936:

H. R. 11053. An act authorizing the President to present the Distinguished Service Medal to Commander Percy Todd, British Navy, and the Navy Cross to Lt. Comdr. Charles A. deW. Kitcat, British Navy;

H. R. 11691. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1937, and for other purposes; and

H. R. 11968. An act relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans for the repair of damages caused by floods or other catastrophes, and for other purposes.

On April 20, 1936:

H. R. 6544. An act to conserve the water resources and to encourage reforestation of the watersheds of Santa Barbara County, Calif., by the withdrawal of certain public lands, included within the Santa Barbara National Forest, Calif., from location and entry under the mining laws;

H. R. 9997. An act granting a leave of absence to settlers of homestead lands during the year 1936;

H. R. 11327. An act to exempt from taxation receipts from the operation of Olympic games if donated to the State of California, the city of Los Angeles, and the county of Los Angeles; and

H. J. Res. 568. Joint resolution to provide an additional appropriation for fees of jurors and witnesses, United States courts, for the fiscal year 1936.

On April 21, 1936:

H. R. 3806. An act to establish a commercial airport for the District of Columbia.

WAR DEPARTMENT APPROPRIATION BILL, 1937

Mr. PARKS, from the Committee on Appropriations, submitted a conference report on the bill (H. R. 11035) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes, for printing in the RECORD.

STATE, JUSTICE, COMMERCE, AND LABOR DEPARTMENTS APPROPRIATION BILL, 1937

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 12098) making appropriations for the Departments of State and Justice and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. McMILLAN, CARY, TARVER, McANDREWS, RABAUT, BACON, and Mrs. KAHN.

CALL OF THE HOUSE

Mr. TREADWAY. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Evidently there is no quorum present.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 76]

Allen	Dockweiler	Hook	Pettengill
Andrew, Mass.	Dorsey	Houston	Pierce
Barden	Driver	Huddleston	Quinn
Berlin	Duffey, Ohio	Imhoff	Rankin
Bolleau	Duffy, N. Y.	Jacobsen	Ransley
Bolton	Dunn, Miss.	Jenckes, Ind.	Rayburn
Brennan	Dunn, Pa.	Jenkins, Ohio	Reilly
Brooks	Eagle	Johnson, Okla.	Richardson
Buckley, N. Y.	Eaton	Johnson, W. Va.	Rogers, Okla.
Bulwinkle	Edmiston	Kee	Romjue
Caldwell	Ellenbogen	Keller	Sabath
Carmichael	Fenerty	Kerr	Sadowski
Cary	Ferguson	Kleberg	Sandlin
Castellow	Fitzpatrick	Kniffin	Schaefer
Cavicchia	Flannagan	Kopplemann	Sirovich
Chapman	Focht	Kvale	Sisson
Claiborne	Frey	Larrabee	Smith, Wash.
Clark, Idaho	Gambrill	Lea, Calif.	Somers, N. Y.
Clark, N. C.	Gasque	Lehlbach	Stack
Coffee	Gavagan	Lemke	Starnes
Collins	Gehrmann	Lundeen	Steagall
Colmer	Gifford	McAndrews	Stewart
Connery	Gillette	McGrath	Sumners, Tex.
Cooley	Gingery	McGroarty	Sweeney
Crosby	Gray, Pa.	Marshall	Thomas
Crowther	Greenway	Merritt, Conn.	Turpin
Culkin	Gregory	Mitchell, Tenn.	Utterback
Curley	Guyer	Montague	Weaver
Darden	Halleck	Montet	White
Darrow	Hancock, N. Y.	Moritz	Wigglesworth
Dear	Hancock, N. C.	Nichols	Wilson, Pa.
Dempsey	Hartley	Norton	Withrow
DeRouen	Hennings	O'Connell	Wolcott
Dietrich	Hill, Knute	Oliver	Wolfenden
Dingell	Hobbs	Palmisano	Wood
Ditter	Hoeppel	Peterson, Fla.	Zimmerman

The SPEAKER. Two hundred and eighty-three Members are present, a quorum.

Mr. COOPER of Tennessee. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

LET'S FACE THE TAX PROBLEM

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting speeches made last night at Town Hall, New York, by the gentleman from California [Mr. BUCK], and the gentleman from Massachusetts [Mr. TREADWAY].

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DOUGHTON. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following addresses delivered by the gentleman from California [Mr. BUCK] and the gentleman from Massachusetts [Mr. TREADWAY] before the Town Hall, New York, on April 23:

RADIO ADDRESS BY HON. FRANK H. BUCK, OF CALIFORNIA

Mr. Moderator, ladies and gentlemen of the Town Hall, taxation must always be faced. Civilized nations having come to the conclusion that governments must exist for the protection of property, life, and the well-being of the people, realize that governmental functions which are called into existence must be paid for. They must be paid for in the form of taxes, but new taxes are always objected to, and changes in tax rates made necessary by changing conditions, including increasing governmental activities demanded by the people themselves, are always the object of criticism. Present tax consciousness, so far as the Federal Government is concerned, has arisen from certain events that have taken place since January 1936.

In his Budget message of January 3, 1936, the President stated that the increase in revenues, then evident, would ultimately meet and pass the declining cost of relief, outside of which, for the general expenses of the Government, sufficient income was already available. Legislation involving new expenditures, he warned, would require new taxation. Since that message was sent to Congress, the decision of the Supreme Court invalidated the processing taxes levied under the Agricultural Adjustment Act, which had been included as income in the 1936 and 1937 budgets, and Congress notwithstanding decided to make full payment of the

benefits which had accrued to farmers under existing agricultural-adjustment contracts. These two decisions imposed the necessity of raising an additional $517,000,000, to be spread over 3 years.

The other two events are the enactment by Congress of the Soil Conservation Act, which, when carried out fully, will require a permanent annual Treasury income of $500,000,000; and the passage of the Adjusted Compensation Payment Act, which will add an annual charge of $120,000,000 for the next 9 years.

We are, therefore, concerned not with theory but with the very practical consideration of raising these sums of money in an equitable fashion.

It is the privilege of the taxpayer to have tax laws strictly construed. It is equally the duty of those delegated to secure revenue to see that all loopholes in them are closed. This the pending tax bill proposes to do, and in doing so, places all taxpayers on an equal basis.

People do not object to taxation to pay for what they have demanded in the way of governmental service if they consider the basis of taxation is fair. The proposals for permanent legislation in the pending tax bill, which are all my time permits me to discuss, do promote the principle of equity in our tax system. The major purposes of the revised corporation tax are to prevent the avoidance of surtaxes by individual shareholders; to remove the inequalities now existing between corporations, partnerships, and individuals; and to remove similar inequalities between large and small stockholders in the same corporation.

Simplification of the tax structure will also be accomplished by the repeal of the present capital-stock tax after the end of the current fiscal year, and the repeal of the present excess-profits tax, thus leaving simply one tax on corporations. Generally speaking, the bill proposes to repeal the present graduated tax on corporate income, and to provide a graduated scale of taxation on adjusted net income based upon the proportion which may be retained by the corporation. The rate of tax will depend upon the ratio of the undistributed net income to the adjusted net income. But corporations with not more than $10,000 net income may retain up to 40 percent of it and still pay a less tax than they do now to the Government. Corporations with more than that amount of income may retain around 30 percent of the year's earnings and profits and still pay no more tax than they do now. In 3 years, therefore, at the most, any corporation can increase its surplus by as much as 100 percent of a year's income and pay no more tax than it does today. You must remember that there is no tax to be levied on existing surpluses; that there is consideration to be given and adjustments in tax rates made for income used to pay off existing debts; that a corporation which pays out all of its adjusted net income in dividends will pay no tax where it is taxed now from 12½ to 15 percent on its entire net income.

Of course, the corporation actually will not be the sufferer. It is the individual who holds a large amount of stock in some profitable corporation and who now, through that corporation's failure to declare dividends, is escaping surtaxes, who is behind the protest against this principle of taxation. He does not want to consider existing tax inequalities.

What is a corporation? It is a fiction of law, a legal entity created and recognized solely by law, and therefore it is subject to the law entirely. It is entitled to no special privilege. Corporation earnings which are not currently distributed in dividends now escape surtaxes either for long periods or altogether. But if you and I are in a partnership, the law says that even if we do not draw our share of the partnership's earnings we must pay a tax on those undivided profits as if we had received them; and if as an individual I am in business, of course, I must pay a tax on my entire net earnings. Corporations by and large do not exist for the purpose of evading taxes. There are many other great advantages which the corporate form of structure enjoys—limited liability, among others—but there have been corporations and there are still those today who abuse their corporate privileges. Let us remember how in the stock-market days of 1928 and 1929 corporations with huge undistributed surpluses lent their money out at "call rates" for speculation. Thus they contributed in no small measure to the resulting stock-market crash. Except where used in this undesirable form, these unreasonable accumulations of surpluses are idle money. If, under undue optimism, directors and managers use them for unwarranted overexpansion of plant or production facilities, they accumulate as invested capital to a point where income on the investment can no longer be earned.

If, on the other hand, these surpluses are put into circulation in the form of dividends, individual shareholders will receive what is their just due and the Government revenues will be enlarged accordingly. All business income—corporate, partnership, or individual—will be placed upon the same basis. It has been suggested that with the prospect of such increased taxation large investors will seek tax-exempt bonds for their holdings, but if they sell present holdings, they must pay the capital gains tax, and thereafter dividends from such holdings will be taxable in the hands of those who invest. Moreover, it must be remembered that the field of tax-exempt securities is pretty well occupied and the yield is uncommonly small. Instead of reducing capital investments, the procedure under this bill will actually increase them. Large shareholders, or their successors in interest, now conserving their corporate income in corporate treasuries, and so evading or reducing individual taxes, as the recipients of dividends will be under the necessity of reinvesting their receipts and putting this money to work in new productive enterprises.

It has been argued that this tax bill will destroy the small corporation. This is absolute nonsense. The huge surpluses which large corporations now pile up enable them to destroy small competitors and to force them out of business. Small corporations will still expand at an even pace and on more favorable terms through the payment of less taxes. Finally, whatever the decisions of corporate managements—and the bill does not attempt to dictate what those shall be—in respect to declaration of dividends, the Federal Government will no longer be unreasonably and inequitably deprived of necessary revenues. The proposed plan will attain the essential objects of an excess-profits tax without the administrative difficulties and with more revenue to the Government. Estimates show the pending bill will accomplish the required financial objective.

Although, as I have shown, additional revenues are absolutely necessary now, it is argued that as an alternative expenditures should be reduced. For the future, with the restoration of business activities, with increasing prosperity now evident throughout the Nation, gradual reduction of Federal relief expenditures is possible and, in fact, is now taking place.

Increased expenditures for the regularly established civil departments of the Government have been made necessary largely by the long-continued neglect of these departments under recent preceding administrations. For example, the Navy and War Departments: The proposed budget for national defense for the fiscal year 1937 shows an increase of over $400,000,000 over that for 1935, and that showed an increase over earlier budgets. Both arms of the Nation's defense were so neglected by Republican administrations that it has become necessary now to make these vast appropriations to put our country in a state of anything like adequate defense. Is it these expenditures that it is proposed to reduce in order to avoid the necessity of further taxation? Is it the expenditures on behalf of agriculture, which are essential to offset, in some degree, the high costs that farmers bear as a result of the subsidies paid industrial tariff barons? Is it proposed to abolish the Civilian Conservation Corps, so definitely approved by the country? Just what do they propose to cut off? How much, and where?

What revenues the Government will ultimately require must, of course, depend upon what the people demand in the way of service. It may be with the increasing encroachment of States on Federal fields of taxation, and vice versa, that it will be necessary to rewrite the entire tax system, both Federal and State. As long, however, as the income tax remains one of the principal sources of revenue of the Federal Government it is our duty to see that that income tax be distributed as equitably as possible, and that no one be permitted to escape payment of his just proportion by resorting to a corporate fiction or any other device which prevents earnings and profits freely flowing into general circulation for the increase and promotion of the general prosperity.

ADDRESS OF HON. ALLEN T. TREADWAY, OF MASSACHUSETTS

It is gratifying to speak at the town meeting of the air, as for nearly 40 years I have been moderator at the regular old-fashioned town meeting in my home town of Stockbridge, Mass.

Taxes are the keystone of the arch of government, for without revenue, governments cannot exist. Taxes are as old as government itself. One of our first manifestations as a Nation was the Boston Tea Party, where our ancestors protested against taxation without representation. Taxes are a necessary evil, and no one escapes their burden; hence the expression, "As certain as death and taxes."

We have three forms of taxation, namely, Federal, State, and municipal. I shall deal only with the first of these. There are direct and indirect taxes. Direct taxation is levied specifically by government through legislative enactment. Indirect taxation is the increased prices the people pay for articles on which the producers have paid a direct tax.

I came here directly from the halls of Congress, where today and for several succeeding days a new tax measure will be discussed. Therefore, the subject under discussion tonight, Let's Face the Tax Problem, is certainly up to the minute.

It goes without saying that every cent which the Federal Government spends must at some time and in some way be collected from the people in the form of taxes. Hence, every citizen has a vital interest not only in the total amount of Federal expenditures but in whether these expenditures are being made wisely, economically, and prudently, or whether the money is spent unnecessarily, wastefully, and extravagantly.

In spite of the numerous and burdensome taxes now imposed by the Federal Government, its revenues are only sufficient to meet half its expenditures. In other words, it is spending two dollars for every dollar it collects. This dangerous and unsound practice of running the Government on borrowed money will have resulted in increasing the public debt to the unprecedented total of over thirty-four thousand millions of dollars by the close of this fiscal year, June 30, and the end is not yet in sight. This debt represents a tax burden which present and future generations will have to pay in addition to the amount necessary to cover the running expenses of the Government.

It is generally conceded that the present policy of borrowing to meet continued deficits must be changed if the Federal credit is to be preserved. Three years ago President Roosevelt said that

this policy was leading the country into bankruptcy. At this time we are 3 years closer to that condition and are traveling at a faster pace.

There are three ways by which the Nation's credit can be saved:

First. By the imposition of sufficient new taxes to balance the Budget.

Second. By the reduction of expenditures to meet existing revenues.

Third. By a combination of increased taxes and reduced expenditures.

Which course shall we follow?

Before attempting to answer this question, let us analyze the present financial situation. We find that expenditures have increased from five and a third billions in 1933 to about eight billions in the present fiscal year. They will be even greater next year. I call particular attention to the fact that this increase is not wholly due to emergency outlays, but is in part caused by larger appropriations for permanent governmental functions.

While this deficit has been piling up Federal taxes have been increased several times, but collections have lagged far behind the increase in expenditures. Estimated receipts for the current year are three billion nine hundred million, as compared with one billion six hundred million in 1933. Our Budget-balancing efforts have been very much like a dog chasing its own tail.

Not only is it a hopeless task to try to balance the Budget until expenditures have been curtailed, but I am certain that business and the people cannot stand the burden of taxation necessary to meet present expenditures. We would have to raise about four thousand millions of new money, and it would have to come out of the pockets of the great masses of our people—those with small and moderate means. The rich were "soaked" to the point of confiscation by last year's tax bill, and even after that was done it was found that only two hundred and fifty million could be squeezed out of them in addition to what they were already paying. Not only would the present personal exemptions have to be reduced to a minimum—say $500 and $750 for single and married people, respectively—but the rates would have to be made extremely high for the small taxpayers. Even this would be insufficient. A substantial sales tax would have to be imposed, taxing not only luxuries but actual necessities of life as well. In addition numerous other burdensome tax measures would have to be resorted to. This is not a very pleasant picture to contemplate, but it is true.

The reason the Budget has not been balanced by this method is that it is "politically inexpedient" to do so. The administration has found it popular to play the role of Santa Claus, and it knows what would happen if it tried to collect the whole bill.

The country never would have stood for the profligacy of the present administration as long as it has if the people were more tax conscious. At the present time only 2,700,000 persons out of the entire population pay Federal income taxes. While the rest contribute their full share of the indirect taxes, these are levied in such a way as not to bring them forcibly to the attention of the taxpayers.

If Government expenditures were reduced to a reasonable minimum, a large part of the present and future tax burden could be avoided. It is even possible that with improved business conditions the present taxes would carry the load, and it is certain that nothing would contribute as much to business improvement and to the restoration of confidence as a radical reduction in expenditures and the elimination of extravagance and waste. It is not giving the taxpayers a square deal to keep on piling up more and more taxes simply to be squandered by the administration's spendthrifts.

I am opposed to the levying of new taxes until it can be determined to what extent expenditures can be curtailed without impairing any of the ordinary functions of Government, and without denying relief to the needy. This is one of the reasons why I am opposed to the bill now pending in Congress, which seeks to raise several hundred millions of additional taxes. Let us first reduce expenditures, and then, if necessary, impose what taxes are needed to put the Government on a sound financial basis.

Let me devote the remainder of my time to a brief reference to the new tax bill. It is difficult to talk on Thursday night about a bill of more than 200 pages which was not in existence until Wednesday morning. It has been prepared in response to the President's message of March 3. Its main feature is a proposal to substitute in place of the existing corporate taxes, a tax based wholly on undistributed earnings, graduated up to 42½ percent. The purpose of the tax is to force a distribution of earnings. In effect, it penalizes amounts set aside for protective reserves, amounts used for rehabilitation and expansion, and amounts set aside for the payment of debts. It punishes business prudence, and encourages improvident management. It will impair the financial structure of business, threaten the security of investments, and result in a restriction of corporate credit. It will benefit the strong company and crush the weak, and will be conducive to monopoly. It will tax one company at a high rate and another at a low rate on the same amount of income. In some instances it will even tax a small income at a higher rate than a larger income. It will create unfair competitive conditions as between different companies. I could mention many other objections.

The business people of the country, both individually and through their organizations, have shown bitter opposition to the measure. Their main objection is that it will prevent the accumulation of "rainy day" reserves, which are so necessary to business stability and the maintenance of employment and dividend payments.

Experience during the depression has amply demonstrated the importance and value of such reserves, and it is impossible to estimate how much worse conditions might have been had business not been able to build up reserves in times of prosperity to tide over periods of adversity. Reserves are also of great benefit in such unforeseen contingencies as the recent floods in New England and Pennsylvania and the hurricanes in the South.

The Department of Commerce estimates that in the 5-year period commencing with 1930, business paid out over twenty-six and a half billions more than the amount of income received. In a sense, this represents the contribution made by business out of its reserves for recovery and relief purposes.

If the tax policy proposed by the pending bill had been in effect prior to 1929, business never could have accumulated these reserves. As it was, these reserve funds saved thousands of concerns from bankruptcy, provided employment for millions of men, and assured dividends to large numbers of stockholders at a time when they were most needed.

The policy underlying the bill can only serve to undermine the whole business structure. It will accentuate the peaks of boom periods and intensify the adversity of hard times. It is another example of the work of impractical theorists rather than being based on practical business experience, which should be the criterion of sound legislation.

The underlying principle in the bill is contrary in every particular to business development. Instead of a breathing spell, as promised us by the President, business is getting more and more out of breath. If ever there was need of a breathing spell, now is the time.

To frame a tax bill based on erroneous theories to pay for extravagances and wastefulness is a violation of the authority vested in us by the people. Let me therefore conclude by saying I heartily believe in proper relief to the needy and advocate its management and distribution through State agencies rather than through regimentation and bureaucracy in Washington. I thoroughly believe in ample appropriations to meet all rightful needs of government. I am definitely committed to the program of no new taxation until it has been definitely proven that all waste and extravagance have been eliminated. The method which has been followed in proposing, preparing, and submitting this measure to Congress very definitely illustrates the dictatorial and autocratic powers which this administration has continuously exercised.

EXTENSION OF REMARKS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days after the passage of the tax bill in which to extend their own remarks in the RECORD on the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

THE REVENUE BILL OF 1936

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12395, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

Mr. TREADWAY. Mr. Chairman, I yield 35 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, some time ago millions of loyal men and women heard with inexpressible shame a Cabinet member of this Administration characterize the Supreme Court decision in the A. A. A. case as "the greatest legalized steal in history."

Others who regard our form of government with contempt absorbed this un-American poison with relish and avidity. Those with hatred in their hearts for free government, who rebel against orderly government, and long to destroy it and then replace it with mob rule, rejoiced to hear a high official condemn the Supreme Court.

Mr. BIERMANN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BIERMANN. Is it proper for a Member of this House to accuse a member of the Cabinet of holding the Supreme Court of the United States in contempt?

The CHAIRMAN. The Chair does not think that is a proper parliamentary inquiry. The gentleman from New York [Mr. REED] will proceed in order, of course.

Mr. REED of New York. Leadership in government that points the finger of scorn and contempt at the tribunal that has performed its sworn duty under the Constitution will never direct the thoughts of a people along those lines that make for liberty and freedom. Under such leadership this Nation can never attain to that exalted destiny which Washington envisioned for the United States of America.

It is easy to agitate the hopes and fears of the people in the time of distress. It is not difficult to sway society by an appeal to prejudice and passion. To array class against class and then through the arts of demagoguery direct the generated fury of disappointed groups to unworthy ends requires the lowest, not the highest type of political leadership. It is in times of distress and excitement that the spirit of destruction is easily stirred and unleashed. Every nostrum, proposed at such a period of unrest as a cure for economic ailments, is received with credulity by masses of people who in normal times would ignore such proposals.

As a panacea for existing ills, the unscrupulous do not hesitate to suggest legislation known by them to be beyond the power of Congress to legally enact. This is done with the hope of procuring a political following.

When the courts hold such legislation illegal, the authors of these unsound proposals endeavor to fix the blame upon the courts, which leads the thoughtless to condemn the latter instead of the former.

The President, in his message of March 3, 1936, endeavored to justify the experimental tax bill now before the House by attributing the necessity for such legislation to the decision of the Supreme Court, which declared the A. A. A. unconstitutional. Deprived of the revenue, illegally collected from American taxpayers as a result of unconstitutional legislation, recommended by the administration and passed by a servile Congress, the President now seeks to blame the Court for performing its sworn duty.

The other excuse the President offers for demanding at this time the enactment of this drastic, coercive, experimental tax measure is the payment required under the Adjusted Compensation Act. The President makes much of this item, although, as every person conversant with the facts knows, the payment of this just obligation will require only an additional 1½ percent of the annual expenditures. The President ignores the fact that he has spent billions of dollars upon boondoggling projects, the chief effect of which is to create new debts, while the adjusted compensation, which he disapproved, is to pay off an existing debt.

The spectacle of another fantastic, experimental proposal such as the one with which we are confronted today is an experience to which the Congress is becoming gradually hardened.

An existing system of producing revenue is to be scrapped for an experimental method considered and rejected by both the Treasury and the Congress at various times during the past 16 years. An administrative process to which the country has become gradually adjusted through literally thousands of Treasury decisions is to be replaced by a proposal so vague, indefinite, and inchoate in its definitions that I venture the assertion that not 5 percent of the House nor half the majority of the committee could agree among themselves as to the administrative application of its major provisions. Imagine the manager of any one of the small corporations with a net income below $10,000 being told, in response to the question, "What is the tax on our undistributed net income?"—that it is—

> A percentage of the adjusted net income which is more than 10 and less than 20, the tax shall be a percentage of the adjusted net income equal to the sum of 4, plus one-half of the amount by which the percentage which the undistributed net income is of the adjusted net income exceeds 10.

The unfortunate inquirer will discover that this measure is written with the lucidity that characterizes the Executive explanation of why Mr. Farley is at once the Postmaster General and the chairman of the Democratic National Committee. A revolution in corporate taxation is precipitated on this House overnight. Its amendment to existing law is scattered through 250 pages of the pending bill. The ambiguous explanation of its theory and effect are made available to this membership 24 hours before it is to be jammed through this uninformed body, after 16 hours of debate. Remember, the public hearings upon this measure were never addressed to a bill. Never before in our legislative history has the country or the committee been invited to discuss Presidential messages or the abstractions of a subcommittee as the basis for an unprecedented change in our methods of business taxation. The only public support given to the vague proposals pending before our committee was offered by the representative of the Communist Party, who, having identified the outlines of his creed under the rhetorical drapery of the Presidential message, did not hesitate to give a Communist blessing to the amorphous proposals of the subcommittee. This inchoate conception is now to be baptized in the ritual of the Executive message of March 3 as—

> such a revision of our corporate taxes as would effect great simplification in tax procedure, in corporate accounting, and in the understanding of the whole subject by the citizens of the Nation.

It shall be my endeavor to paraphrase the Executive suggestion and clarify "the understanding of the whole subject" before us "by the citizens of the Nation."

It is my strong conviction that, as the pending measure is analyzed, it will become clear:

First. That its alleged beneficiaries are its victims. For, as the majority has carefully refrained from stating in its report, it is a method of taxation which no nation, except possibly Norway, has even attempted in the form here suggested and which, in principle, has been consistently rejected since first called to congressional attention. It will operate to penalize forethought and corporate savings. It will penalize the accumulation of reserves without which the vast majority of American business and private individuals could not have survived the depression. It arbitrarily discriminates against the small stockholder whose savings are invested in corporations with larger earnings and favors the larger stockholder in the corporation of smaller earnings. It will discourage the organization of new enterprises. It will tend to freeze existing surplus and discourage the expansion of older industry. It will tend to make entrance into any form of business more difficult. More and more it will plainly operate to make more difficult the maintenance of existing employment and defeat its expansion.

Second. The pending proposal will not assure a reliable flow of revenue. On the contrary, it is a final step in the drastic regulation of American business rather than a workable proposal to produce revenue.

Let me first direct your attention to the fact that we are not legislating in a vacuum but in a world of practical realities. Nearly one-third of our national income is consumed by public expenditure—National, State, and local. Approximately one-fourth of our national income is taken by direct taxation. The remainder of the third represents the issuance of public securities or outgo in excess of income. This is merely deferred taxation. The chief business of American banks in recent years has been the financing of our national deficit. American business, between 1930–34, expended $27,000,000,000 in excess of its income from the savings of former years, while the Government spent less than half that sum on direct relief in 1933–34.

And this was done while business was receiving about half its usual income and that of the Government had increased about 116 percent. We have, moreover, established a Federal social-security system imposing on employers and employees a volume of excise and income taxes without precedent in this country and which will progressively increase without any change in existing law over the next 20 years. Within the next 3 years the Federal unemployment compen-

sation tax will levy upon the pay rolls of the country a 3-percent tax, which it is conservatively estimated will approximate more than 10 percent of the earnings of business.

Our people not only confront the burden of an unprecedented national debt but unparalleled State and local indebtedness. Our Federal Budget is not only unbalanced but no estimate of probable expenditure, from the highest to the lowest Federal fiscal authority, has, even within a 6-month period, been approximately accurate. Worst of all, no rational limitation of expenditure or any reform and improvement in wasteful administration, daily becoming more apparent, is in sight.

Never in the history of the Nation was it more essential that we should approach the subject of taxation with more caution and greater opportunity for thoughtful discussion. Both are denied. We are legislating in haste, with inadequate information and little regard for the effect of what we here do upon those activities which not only provide our revenue but support and animate the life of our people. The majority is sailing over an economic sea as unconscious of the depths below it as a chip upon its surface.

What does this bill propose to do, and how does the majority propose to do it? I put aside the proposed tax on "unjust enrichment", a phrase that will excite legal laughter for years to come, and confine myself to the corporate taxes. At present we levy a capital-stock tax upon corporate issues, a minimum of 12½ percent on the first $2,000 of corporate net income, 13 percent on such income between $2,000 and $15,000, 14 percent on such income between $15,000 and $40,000, and on all in excess of the latter amount 15 percent. These and existing personal-income taxes, which it is not proposed to change except in one respect—to which I will refer later—are, according to the reports of the Treasury, yielding a steadily enlarging revenue and will continue to do so unless business declines under the proposed increase of its burdens and the multiplication of its uncertainties.

The majority propose to abolish progressively, within slightly more than a year, these existing taxes and substitute therefor a tax upon the undistributed earnings of such corporations; that is, instead of levying the tax upon all net income received by a corporation, which is our usual method, and permitting the management of the corporation to determine what proportion of such income shall be distributed through dividends to the shareholders or retained for reserves or business expenditures, it is proposed to divide all corporations into three groups according to the amount of their net income and tax them upon a graduated scale with respect to the amount of such net income which is not distributed in dividends.

The three classes will be constituted of: (1) Those corporations whose net income is $10,000 or less, (2) those which have incomes between $10,000 and $40,000, (3) those which have more than $40,000 of net income. The first class will pay a tax of from ten-hundredths of 1 percent to 29½ percent, according as they retain from 1 percent to 70 percent of the net income. The second class will pay intermediate rates, and the third class a rate reaching 42½ percent on the top ratio of nondistribution. Banks, trust and insurance companies will pay a flat rate of 15 percent on net income as they do now, and so will corporations in receivership. The majority think it a wise provision to leave the enumerated corporations out of their plan, "since the surplus of banks must be built up for the protection of depositors", and, of course, they must apply the same reasoning to the returns from the investments of insurance companies. It never seems to occur to them that the protection of the shareholder, the integrity of the corporation, and the capacity to employ reserves for the purpose of maintaining employment, the only way in which it has been retained by a majority of corporations throughout the depression, are of equal importance. This view becomes clearer as we note the treatment proposed by the majority in this bill for deficits and contracts not to pay dividends and debts.

It is, of course, obvious to the membership of the House that the devastating depression sweeping the world fell with unusual force upon our own country and impaired the strength of even our strongest enterprises. To rebuild an impaired capital structure is, of course, the first concern of good management. Savings today are of two kinds—corporate and individual. The individual saves against his rainy day and leaves his funds in a bank, an insurance policy, or some other form of investment. Such savings find their way back into business. Corporate savings are employed to maintain and expand existing business and, according to the nature of the corporate business, to meet its requirements by such reserves as are peculiar to the character of its operation. All business goes forward, all national development goes forward, under the impulse of surplus. Only what any people have over and above that which is necessary to sustain their individual and social life is available for its expansion. The nation without a surplus is the nation without a future. That is equally true of the individual and the enterprise. At no time in American economic history has the necessity been so great for the repair of impaired capital and the rebuilding of business structures, little and great.

What does the majority propose to do in this bill with respect to deficits and impaired capital structures? It proposes to say to the corporation that needs to rebuild its capital structure, meet its deficits, rebuild its expended capital, provide for expansion, and accept new risks that mean new employment—

> If you want to retain, as you should, the greater part of your earnings, this year or next, for that purpose, you will pay as follows for the privilege:
>
> By section 14 of the bill, the corporation with a deficit will pay 22½ percent on the amount of earnings retained to make up this deficit. That will be 7½ percent more than the present highest corporate rate. In addition, if you want to retain any earnings in excess of the deficit, which merely makes you solvent, the penalty for creating a sound reserve will be the graduated rate applicable to the additional earnings which you do not distribute.

By section 15 the majority says to thousands of corporations which have borrowed publicly or privately, to maintain operations and employment and have made a contract not to pay dividends until they have met this debt obligation:

> We will treat you generously. We simply ask you to pay 22½ percent of the undistributed income which you set aside to meet that obligation, without making which you probably could not have survived. But, mind you, you cannot have that privilege unless your contract was made before the President made public the revelation which we propose to make effective. If you have struggled under a great debt burden and refinanced it, after this apocalyptical delivery, you are the victim of legislative misfortune. You should have read Tugwell and divined what was to occur. Failing to do so, you must pay the graduated penalty.

Never before has the lawmaking body of a great nation, working its way out of a devastating depression and burdened with debt, threatened its citizens with an Oregon boot of taxation as the price of reviving their capacity for employment.

I take it that no Member of this House denies that a tax on a corporation is a tax on the stockholder. It is he who, under the strange paradox of this bill, is at once the subject of the committee's solicitude and chastisement. Every tax levied upon a corporation is assessed against the beneficial interest of the shareholder. By this measure he may be taxed three times—the normal tax; by surtax, which, you must remember, begins to attach itself to an income in excess of $4,000; and; thirdly, he will carry the tax levied against the undistributed income. That, in accordance with its effect upon the corporation, whose condition is as variable as that of the individual, may result in the decline of the share value of the stock in accordance with the capacity of the corporation to sustain itself, or the effect it may have upon contracting or denying expansion to its operations. Perhaps even more seriously, it stops new enterprise. This bill is in reality an industrial birth-control measure.

Until a few short years ago no one dissented from the view that it was the business of Government to promote, protect, and encourage every form of business. Now let the gentlemen of the majority examine without a blush their proposed handiwork. Let them rechristen this child of their leader's speculation "A bill to penalize saving, to discourage

enterprise, to prevent the restoration of impaired capital, to obstruct expansion, and to lessen opportunity for employment."

Who is the beneficiary of this plan? Is it the small shareholder? The majority apparently imagines, from the statements made throughout its report, that the chief function of the citizen is to pay taxes. Incidentally he may seek a livelihood, build an enterprise, and employ others. But at the risk of preventing him from building up essential savings, which alone insure the security of his enterprise, the privilege of saving must be made the subject of an excise. Since the days of the Psalmist saving has been a stimulated virtue. It has remained for the majority, under the whip of their distinguished leader, to penalize it as a vice. They have, moreover, lost all sense of distinction between the position of the small stockholder in the enterprise of large earnings and the large stockholder in the enterprise of small earnings. In the diffusion of ownership, which is the marked characteristic of modern American business, the small stockholder has more frequently invested his savings in the enterprise with higher earnings, because it appealed to him as having better management and assuring the likelihood of a larger return. I notice, for example, that our largest corporation, the American Telephone & Telegraph Co., started with 7,500 stockholders and now has 750,000. I hold no brief for it, but I cannot overlook the fact that the average stockholding is about 28 shares and nobody owns more than 1 percent of the stock. If that corporation, for example, is carried, as it undoubtedly will be, into that class of corporations whose earnings are in excess of $40,000 per year, it may, in the rebuilding of its capital, feel it necessary to reserve a considerable portion of its earnings. If it does, the high rate which it pays for that privilege will be assessed against the beneficial interest of the holders of an average of 28 shares of stock, while in what are described as "closely held corporations", with a low rate of earnings, the privilege of nondistribution will be correspondingly less.

I am concerned about the serious effect of this proposal upon the small shareholder and upon the employing capacity of business enterprise threatened with the enervating effects of this punitive measure. If I turn to the declaration of purpose made by the majority, I find it stated:

> The major purposes of the change in the method of taxing corporate incomes are (1) to prevent avoidance of surtax by individuals through the accumulation of income by corporations; (2) to remove serious inequities and inequalities between corporate, partnership, and individual forms of business organizations; and (3) to remove the inequity as between large and small shareholders resulting from the present flat corporate rates.

It is related that a French scientist, insisting upon a theory, was confronted with destructive facts. Undeterred by the evidence, he retorted, "So much the worse for the facts." That alone, it seems to me, can be the position of the majority in the face of the information which has been developed in response to the declaration I have quoted.

Before our committee hearings it was iterated and reiterated that dividend distribution, broadly speaking, was niggardly. The opinion was sedulously created that in comparison with earnings there was a vast current fund annually withheld which ought, in the interest of the stockholder and the Government, be forced into distribution where it could be taxed in the possession particularly of those subject to the higher surtaxes. The facts completely refute the assertion. The undisputed evidence before our committee discloses that over a 14-year period, between 1921 and 1934, taking the total dividend distribution of all corporations, the figures being supplied by the Internal Revenue Department, it is shown that the dividends paid were 25 percent in excess of the earnings over the same period. In the field of manufacture the same sources reveal a distribution of over two hundred millions in excess of earnings covering the same period. The significant fact is that during the period of depression, distribution from previous accumulations were made during period of deficit. Dividend payments that otherwise could not have been paid were made during that period as a steady contribution to purchasing power. The majority is now here recommending the abandonment of the proposal which it made 2 short years ago—to penalize the accumulation of unreasonable surplus. The efficient collectors of the Treasury have been unable to locate the unreasonable accumulations that were said to exist; therefore, a rumor has been dissipated.

Moreover, not only is the theory upon which the majority started this effort destroyed by the facts but they proceed upon a further untenable theory. The only way in which they could insure that a forced distribution of earnings would increase surtax collections would be to possess the gift of prophecy, through hypothetical determination of the income-tax bracket into which the forced distribution would fall. They assume that can be definitely determined in advance. They overlook the fact that National and State governments have provided more than thirty billions of wholly or partially tax-exempt securities in which the large investor, if many such remain, may find refuge. In the public interest, it is the last place to which he ought to be driven. For economic recovery and business development and progress rest upon creating innumerable new temptations which will seduce the investor into placing his funds in active enterprise. There alone they continually multiply employment.

Three years of experience has demonstrated that Government may provide relief and enlarge its cost by wasteful administration. But unless we accept the tenets of a socialistic state, it cannot take up the employment slack. That must be done by thousands of vigorous minds continually attempting and actively engaged in the efficient development of our own resources and the creation of new services in response to the demands of the people, who look determinedly forward in the improvement of their own condition as uncertainties are removed and commitments to the future constantly multiplied. I challenge the majority to produce any substantial evidence before this House that we have found evidence of either serious avoidance of surtax by individuals or of undue accumulation of income by corporations.

The majority further declares that it wants to remove the serious inequities and inequalities between corporate, partnership, and individual forms of business organization. In the first place, to the extent that that inequity may be shown to exist, it does not require an increase in the tax rate on the corporate shareholder. The remedy could be provided, as was suggested long ago by Dr. Adams, noted expert, by providing an exemption for the individual and the partnership which invested undistributed income in taxables. Again, there is nothing which prevents the individual or the partnership from incorporating if it is to the advantage of the business to do so.

Finally, I desire to produce a witness whose qualification as an expert the majority cannot question, who will testify that the overwhelming majority of individual and partnership business pays less taxes, operating as it does, than it would if incorporated. My witness is the Honorable Robert H. Jackson, now Assistant Attorney General of the United States in charge of the Tax Division of the Department of Justice and formerly General Counsel of the Bureau of Internal Revenue in the Treasury Department. He addressed the Young Democratic Club of New York City, March 18 last, in support of the President's tax plan. In the course of that address he declared:

> A business of small profit costs less tax if done by the individual without incorporation. If the net profit of a business is under about $18,000, it now costs more in taxes to be incorporated than to operate as an individual. A partnership is cheaper in taxes than a corporation, if the share of profits of each partner is less than $18,000 a year.

The income statistics of the Bureau of Internal Revenue disclose that the overwhelming number of those engaged in business in the individual or partnership form show a profit below the maximum stated by Mr. Jackson. From the evidence supplied by this qualified witness, it must be clear that individuals and partners in great number prefer that form for the obvious advantages which Mr. Jackson describes. In view of this testimony the preponderant body

of business done in these forms must be praying to be saved from its friends in the majority.

Finally, I think I have clearly pointed out that this bill will not remove any alleged inequity between large and small shareholders resulting from the present flat corporate rates. The trouble with the majority is that it fails to distinguish between the small shareholder in the corporations of large earnings and either the small or large shareholder in the corporation of comparatively smaller earnings. It continually reasons on the gratuitous and insupportable hypothesis that its plan will catch a few large payers of surtax. It overlooks the fact that in the endeavor to do so it is levying its highest rates on the man who has saved and invested in the shares of a corporation of higher earning power that pursues the wise policy of not distributing too great a proportion of its earnings. He is its appointed victim.

The revenue-producing capacity of this proposal is hypothetical and conjectural. It assumes a condition predicated upon so many variables of human nature that it offends against the most fundamental tenet of sound taxation—the assurance of reliable revenue. The reason for that must be partly found in the second fundamental objection I have raised to this measure. It is a regulatory rather than a revenue measure. It is the final step in subjecting the business structure of the United States and the livelihood of its citizens to drastic Federal regulation in all their major operations. This becomes evident as we examine the successive steps of which this is the ultimate.

The first act of corporate life is the issuance of a security. We have now our Security and Exchange Acts regulating in minute detail under continuing administrative control the issuance of securities and the conditions under which they may be marketed and dealt. Through proposals to enlarge the powers and investigative authority of the Federal Trade Commission all competition and the conduct, policies, and practices of corporations are subjected to intimate supervision. By the National Labor Relations Act there has been established control of all local employment relations in production, while further direction over prices and operation has been steadily suggested. We now reach the ultimate step—Federal control of the distribution of the proceeds of business operation. This measure substitutes for the judgment of responsible management, responsive to and representing the shareholders, the inflexible judgment of Congress with respect to the distribution of business earnings. Confronted with every variety of business operation; with large and small earnings, with activities of little risk and of great risk, with the production of consumer and durable goods, with business requiring little capital and much, with impaired and unimpaired fiscal structure, with every conceivable difference in debt and investment requirements, with young and old enterprises, you propose to determine in advance, irrespective of circumstances, the amount of savings for every form of business in the United States. You blindly do this by fixing in advance not the amount but the penalty which shall be exacted for savings out of income. You would not dare to do this with regard to the farmer or the wage earner. Yet you boldly venture to do it for corporate or collective business by substituting your judgment for that of those who must meet all the individual risks of their enterprise in the light of circumstances which they alone know and against which they project their experience. This is legislative medievalism. It is faith in an all-wise, all-seeing, and omnipotent lawmaker whose collective political wisdom is superior to the individual business judgment and experience of his subjects. It calls for executive divinity.

The genesis of the idea is not far to seek. The idea itself may have been hastily presented to this House. Its expression may have been superficially conceived and executed. Your consideration may be hurried by the voice of your master. But the source of the idea cannot be concealed. If you will look to that flowing fountain of ideas so steadily supplying your party policy—Dr. Tugwell—you will find that in 1933 in his textbook of the administration entitled "Industrial Discipline", he writes, at page 206, of the importance of a tax on undistributed earnings: "Over and above replacement, which are kept for expansion purposes"—to force—"these funds into distribution as dividends."

This, of course, is in addition to control of capital issues which he has already urged and which we already have. He, of course, goes a step further, and in that direction, I presume, the majority will receive its instructions to march, if not now, probably at Philadelphia; for Mr. Tugwell declares that it is essential to carrying these controls beyond merely the seizure of undistributed earnings by "capital allocation", which, he says, "would depend on knowledge from some planning agency of how much for an unearned future period ought to be put to one use rather than to other." Then he continues:

> There is not only the problem of knowing what the industry's output will be or ought to be, but also of knowing how much of the business will go to each firm involved. * * * The functions of another sort of administration. * * * Some principle of apportionment would have to be adopted (p. 205).

Thus we perceive the tax on undistributed earnings clearly presented as a plan of industrial control contemporaneous with the inauguration of the present administration and to be carried forward into capital allocation itself. A logical step from which the majority may now shrink, but like other things which they formerly regarded with a shudder, they may soon habitually suffer themselves to embrace.

What is presented for your approval today is a hasty, superficial, undigested substitute for the present corporate method of taxation which, with all its defects, is nevertheless something to which the business of the country has become adjusted and which is providing steadily increasing revenue. In exchange for this you are asked to accept a continuously rejected suggestion which in effect will do that which you yourselves could not approve a year ago—operate as a graduated tax on corporation profit. The burden of it will fall not only on the business entity but with arbitrary and discriminative weight upon every small holder of stock. You are to do this in pursuit of an unidentified surtax avoider and you are asked, like a drunkard entering into a room and with but one thought to reach his bed, to give no attention to the furniture you may wreck in the effort. Every business witness before our committee has raised a warning voice. Every authoritative economist in the country has added his caution. You are creating obviously a host of new administrative difficulties. A whole pathway of enforcement will be lined with new question marks. You ask the business of the Nation, shaken by 5 years of continuous drains, to pay penalty premiums in order to do that which you ought to be begging them to do—to deny themselves the privilege of beneficial distribution in order to rebuild shattered reserves and maintain and expand employment. Unless one man can employ another at profit he cannot longer afford to employ him at all. That is equally true of men engaging in an enterprise together and forming what is termed a corporation, be it large or small.

If you were determined to discourage investment, to counsel against the maintenance of employment, to prohibit its expansion, to multiply uncertainty, and to make more difficult every form of future commitment to promote business development, it is difficult to conceive a more certain method of going about it. To the few whose business enterprises have accumulated ample surplus in their maturity, this plan may be a boon. To the vast majority of corporations struggling with their daily problem, it will represent in varying degrees new burdens and anxiety creating discouragements. To new enterprise it is a deliberate obstruction to the establishment of essential reserves. To new enterprise in contemplation, it is a warning of excessive cost not likely to be disregarded. Taken as a whole it is final evidence, if more were needed, of the practical incapacity of those presently charged with the administration of Government. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TREADWAY. Mr. Chairman, I yield the gentleman from New York 3 additional minutes.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. KNUTSON. Right in that connection I should like to call the gentleman's attention to the testimony of Mr. Sargent, on page 216 of the hearings, where he said:

> Sweden had a tax on undistributed profits in 1924, which was subsequently abandoned. In 1933 a "compensation tax" was enacted which applies a flat-rate tax of 25 percent in certain cases on undistributed earnings of Swedish companies engaged solely in the real estate and marketable securities business.

Mr. Sargent also testified to the fact that Holland has a law just the opposite to what we are proposing here. If the gentleman will indulge me, the Members of the Committee may be interested in the fact that Holland has exactly the reverse of the undistributable earnings tax, namely, a tax levied on profits distributed by companies to those entitled to a share of them, with no tax at all levied on undistributed profits. This may be an example of the Dutch idea of inculcating thrift in industrial companies as well as in the home.

[Here the gavel fell.]

Mr. REED of New York. Mr. Chairman, I understand Members speaking have the right to revise and extend their remarks.

The CHAIRMAN. That privilege has already been given.

Mr. BIERMANN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BIERMANN. As I recall it, the rule under which this bill is being considered provides that general debate must be confined to the bill.

I call the attention of the Chair to the fact that the first several pages of the statement read by the gentleman from New York were confined not to the bill but constituted a partisan attack on some of the high officials of this Government. One of them was the distinguished gentleman from Iowa, Secretary Wallace, who was represented as a reprehensible citizen for speaking against the morality, not the legality, of the Supreme Court's decision which resulted in the return of large taxes to processors.

Mr. KNUTSON. Mr. Chairman, I make the point of order the gentleman is not stating a point of order.

Mr. BIERMANN. In Iowa for generations we have had the highest regard for the Wallace family as citizens and as patriotic people. I want the RECORD to show at this point that the gentleman from New York in his remarks was not only violating the rule and proceeding out of order but he was doing unwarranted violence to the plain facts.

The CHAIRMAN. Does the gentleman from Iowa insist upon his point of order?

Mr. BIERMANN. Mr. Chairman, I withdraw the point of order.

Mr. MICHENER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MICHENER. If the gentleman withdraws his point of order, he concedes it has no merit. I therefore ask that his remarks be expunged from the RECORD.

Mr. BIERMANN. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Iowa rise?

Mr. BIERMANN. I made a point of order that involved the reference I just repeated that the gentleman from New York was not proceeding in order in the first several pages of his written statement.

Mr. Chairman, I renew my point of order.

Mr. VINSON of Kentucky. Mr. Chairman, if the gentleman will yield, I believe the gentleman from New York was doing the best he could under the circumstances.

Mr. KNUTSON. He was just following the salutary example set for us yesterday.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from Iowa makes the point of order that the gentleman from New York [Mr. REED], who has just spoken, was out of order in that he referred to a member of the Cabinet in the discussion of this bill and in his speech. Members of the Cabinet and, indeed, even the President of the United States, are not sacrosanct from discussion on the floor of the House provided the Member speaking observes the rules of the House in not dealing in personalities and conducts himself while speaking with proper decorum.

The Chair, therefore, overrules the point of order.

Mr. TREADWAY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TREADWAY. May I inquire, Mr. Chairman, in view of the ruling of the Chair, whether the remarks of the gentleman from Iowa will appear in the RECORD?

The CHAIRMAN. The gentleman's remarks were made as a statement of a point of order, and, of course, the remarks will appear.

Mr. TREADWAY. May I suggest to the Chair that the gentleman apparently withdrew his point of order.

The CHAIRMAN. The gentleman from Iowa would have the right to withdraw his point of order, but that would not withdraw the remarks he made.

Mr. TREADWAY. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. LAMNECK].

The CHAIRMAN. The gentleman from Ohio [Mr. LAMNECK] is recognized for 20 minutes.

Mr. RICH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Ohio yield to the gentleman from Pennsylvania for a parliamentary inquiry?

Mr. LAMNECK. I yield, Mr. Chairman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. RICH. Mr. Chairman, the question that came into my mind when the gentleman from Iowa objected to criticism of a Cabinet officer was whether a Member on the Democratic side could criticize members of the Ways and Means Committee in the drafting of this bill; if a Member on the Democratic side of the House has the right to criticize Members on the Republican side who make remarks in regard to this bill; and if Republicans are not permitted to say something about Democrats whether they are Members of the House or members of the Cabinet when they are doing things absolutely contrary to good common sense and American principles?

The CHAIRMAN. The Chair does not think the gentleman from Pennsylvania has stated a parliamentary inquiry.

Mr. LAMNECK. Mr. Chairman, the remarks I shall make today will not be made from a political angle whatsoever; I am going to express my firm convictions in regard to this bill.

First, Mr. Chairman, I register a protest against the chairman of the committee, who has refused to grant a member of the committee in opposition to the bill time on the floor.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. LAMNECK. Mr. Chairman, I decline to yield at this time.

Mr. DOUGHTON. I dispute the gentleman's charge.

Mr. LAMNECK. Mr. Chairman, I do not think it is proper procedure. I think it is just as important, I would say more important, to hear a member of the committee, whether he belongs to the Democratic side or the Republican side, who is in opposition to a bill.

Mr. Chairman, how can we determine the merits of a bill unless we hear both sides of the question? Now, when a Republican opposes this bill the claim is immediately made that he is opposing the bill for partisan reasons. As a Democratic member of the Ways and Means Committee, I am telling you my opposition is based upon a firm conviction that the bill is no good. [Applause.]

Mr. Chairman, I wrote my chairman a letter, and in order not to mislead him I said, "Mr. DOUGHTON, I want 30 minutes to present my views", and I said further, "I am going to present views in opposition to this bill." I did not want any mistaken idea about what I was going to say. I received no reply to that letter, but I did have a personal conversation with the gentleman, and he advised me if I

wanted to be heard I should go to the opposition for time—meaning the Republican side.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. LAMNECK. I refuse to yield.

Mr. Chairman, I want to thank Mr. TREADWAY for being considerate enough to give me time to present my views.

I represent in this Congress the greatest district in America, consisting of 400,000 people, and they expect me to present my views here whenever the opportunity presents itself. I know when a man is not a member of the committee many times he has no opportunity to be heard, but, Mr. Chairman, seriously I claim that any member of a committee—and I do not care who he is—who wants time to present his views either in favor of or in opposition to a bill ought to be permitted to do so. [Applause.]

Mr. Chairman, this tax bill, in my judgment, is a Chinese puzzle. I should like to see the man in this House who can determine now what this bill really will do or what the final effect will be. I do not think the man is living who can do it, and I will bet there are not 25 Members of the House who know anything about this bill. If you do not know about it, how are you going to vote on it intelligently? [Applause.] If we debated this bill for 6 months, there would still be a lot to find out about it. The committee was in session considering this bill 8 or 9 weeks. I attended many sessions of the committee. Why, they did not know from one day to the next what the real import of the bill was. The tax experts did not know. They would go into a huddle and say, "What does this mean? What effect is that going to have?" Day after day they would debate one point of the bill in order to determine what its real effect was.

There are 248 pages in this bill to bring out two points. The first point, to assess a corporate tax against earnings, and the other to collect from processors the windfall tax. It took 248 pages to devise a law which would accomplish that result. Then they talk about not debating the bill, and denying men in opposition the right to be heard. I am not only complaining about myself in this case but I want to complain on behalf of every Member of Congress who wants to be heard, especially when he is a member of the committee and is denied that right.

Mr. Chairman, we hear a lot about Jefferson these days. Jefferson once said that when the people are well informed and things get so far wrong as to attract their notice they may be relied upon to set them right. I want to say if this Congress understands the proposition and if the Members would sometimes forget their party affiliation and their prejudices, they would make decisions differently than they have been made in the past.

We are today engaged in serious business. I dare say that if the new tax bill becomes a law it will shock the very foundation of the business structure of this country.

On March 30, in addressing the House, I was not certain as to what the real objectives of the bill were and asked the question, Whom are we trying to reach? I have the answer to that now, and for your information will say, on my own responsibility, that the principal aim of this bill is to compel the distribution of earnings of the closely held corporation, the most striking example of which is the Ford Motor Co. There is no escape, because if the earnings are retained in this company in their entirety a tax of 42½ percent will be assessed. If they are distributed to the small group owning this company, they will be compelled to pay the individual income tax amounting to 75 percent.

If Henry Ford should pass to the Great Beyond to receive his reward, his estate would be assessed a tax of 70 percent under existing law.

If he gave his property away before he passed on, he would be assessed a tax of 52½ percent under existing law. Why not wait until the grim reaper settles the Ford question and other business institutions similarly situated and permit them to go forward furnishing employment for men and women and providing an income for the families of these individuals, because at best Mr. Ford cannot stay with us very much longer and the results that will be accomplished under this bill will be accomplished anyway under existing law?

Who is there among us that would say that Henry Ford has not rendered a great public service for the people of this country and the world?

Today, ladies and gentlemen, he is employing 180,000 men and women directly and about a million people depend upon him for their daily bread, and yet we are advocating a tax plan that tends to destroy such a business institution.

I have no brief for Henry Ford whatsoever, but I am simply pointing out the effect of the tax bill we are proposing.

I have no quarrel with the thought that taxes should be assessed for the expenses of government based upon the ability to pay, but I seriously object to any program that tends to destroy not only the group at which this bill is aimed but also to the thousands and hundreds of thousands of small business institutions of this country, most of whom are now in distress.

Chief Justice Marshall, in rendering the majority opinion in the case of McCulloch against The State of Maryland, February term of Court in 1819, said—

> That the power to tax involves the power to destroy; that the power to destroy may defeat and render useless the power to create; * * * are propositions not to be denied.

The Congress of the United States has refrained up to this time from passing any tax legislation that would tend to destroy, but I charge that this bill will destroy absolutely thousands of business concerns of this country, and in the remarks to follow I expect to illustrate strikingly this effect.

There is another principle involved in this tax bill to which I want to call your attention, and that is that we attempt by taxing methods to compel business institutions to follow our bidding.

No such power is vested in the Constitution of the United States. We have a right to tax for the purpose of paying the expenses of the Government as provided for under the Constitution but we have no right to use the taxing power to direct the activities of legitimate business. [Applause.]

There is another result probably not intended by the sponsors of this legislation, and that is in many cases this tax measure will result in a capital levy. I expect to illustrate later on in my remarks how this will happen.

Business institutions throughout the country are greatly concerned as to the final effects of this legislation, and I believe their fears are well founded.

I just came back from my district, and I talked to hundreds of men in the last 2 or 3 days who are scared to death because a tax bill is being proposed here.

Some of the proponents of this bill are probably proceeding on the theory that all business is in a prosperous condition and that when this law goes into effect they will distribute no more earnings than they are now distributing. You will hear the argument used, I am sure, that the corporations will not be required to pay any more taxes under this bill than they do under existing law.

Who have been the advocates of this legislation? The only persons I have heard advocating it are the experts from the Treasury Department, none of whom, I dare say, have ever had any business experience.

I am wondering how many Members of the House of Representatives have ever owned a business, have ever operated a business, have ever been responsible for a pay roll on Saturday, and who have worried from Monday until Saturday to see from where the next pay roll is coming. Unless you have, ladies and gentlemen, you do not know what business is.

Business is a tough game, for it has many hazards, and at the best requires self-denial, close application, long hours, and every other trait that goes with thrift and initiative.

How would you like to be tried by a prejudiced jury that could not see your side of the case at all, and, if they did listen to the testimony, absolutely ignore the effect upon you? This, ladies and gentlemen, is exactly the situation that prevailed during the consideration of this bill.

One commentator said that the hearings before the Ways and Means Committee were a legislative farce and that the bill would be entirely rewritten in the Senate. I believe this will be the case. Why not heed that warning and write our own tax bill and not have our eyes and ears closed to all other proposals except those that were suggested by someone else?

Mr. Chairman, I am told that the man who is really responsible for this bill is a man by the name of David C. Coyle. Whoever heard of him? Whose duty is it to write a tax bill? Whoever heard of Coyle? I never did.

It is our duty to write a tax bill. [Applause.] The Ways and Means Committee should write a tax bill, and, when we go into session to consider a tax bill, I claim that every proposition that will tend to raise revenue and not hurt the taxpayer should be considered by us, and the best tax bill possible should be passed.

The proposed tax bill is unfair in many of its provisions. It plays favorites. It penalizes business institutions that are prevented by law from paying dividends. It penalizes businesses who have contractual obligations. It penalizes certain lines of industry to a greater extent who do not have State laws to prevent their paying dividends and who have no contractual obligations not to pay them. It will seriously interfere with the credit of corporations now in existence. Banks will be compelled to be more strict in extending credit to corporations whose financial standing is not of the best, because of the severe penalties provided under this tax measure.

It will tend toward monopoly. It will prevent weak corporations and those with impaired capital from rebuilding their capital structure which has been terribly depleted during the depression. It will prevent the accumulation of the necessary surplus for the rainy day to pay dividends during the depression, to keep men employed during the depression years; it will prevent business from accumulating earnings for plant improvement and for developments generally. It will tend toward overcapitalization; it advocates a policy exactly opposite to our past history of saving and paying our debts.

This bill will not produce the revenue its sponsors claim. It will have a tendency to make corporations pay dividends in the year following the time they are earned and I actually believe in the year 1936 the revenue will be less than under existing law.

This point has been very strikingly illustrated in the testimony of the distinguished gentleman from Indiana [Mr. PETTENGILL].

Here is a company, and I do not think there is any secret about this, the American Can Co.—you have all heard of it—in 1935 they made a profit of $17,310,303. They paid out in dividends $15,256,321, or 88.13 percent of their earnings, and why? They had no bonded debt. They had no borrowed money from the banks. They could pay it all out and it would not hurt them at all. Now, what is going to happen to this company? They will distribute all their earnings, they will not pay any tax, and if the stockholders are in the lower brackets the Government will lose from 6 to 10 percent.

Mr. VINSON of Kentucky. What about the corporation?

Mr. LAMNECK. Here is another company, the Anaconda Copper Mining Co. This company made $11,180,087 last year and did not pay any dividends. Why? Because they had an outstanding indebtedness of $83,077,000, and if the president of that corporation or its board of directors had advocated the payment of a dividend, they would have taken them over to some insane asylum; and yet we propose to say to that company, "If you make $11,000,000 in 1936 and do not distribute dividends you will pay a tax of 42.5 percent."

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield there?

Mr. LAMNECK. I know what the gentleman is going to say. He is going to say that we only tax them 22.5 percent, but the gentleman does not know that this company has a surplus of $48,163,651 and funded debt and bank loans of $83,077,000.

Mr. VINSON of Kentucky. If you have a surplus of $48,000,000 and owe $83,000,000, you have a deficit there of $35,000,000 according to your own statement.

Mr. LAMNECK. I am not talking about the assets. I am stating that the funded debt of this company is $83,000,000 and they have a surplus of $48,000,000.

Mr. VINSON of Kentucky. If you have a funded debt of $83,000,000 and a surplus of $48,000,000, 48 from 83 would be $35,000,000, and if you would amortize that over a period of 5 years you could put $7,000,000 of your $11,000,000 in net income to the payment of that debt at a rate of 22.5 percent and the other $4,000,000 would be distributed under this plan.

Mr. LAMNECK. You could do that under certain conditions, but it would not apply to this company.

Mr. VINSON of Kentucky. How old is your debt? It is certainly more than 3 years old.

Mr. LAMNECK. I refuse to yield any further.

Now, here is another company, B. F. Goodrich Co., which in 1935 made $3,429,000 and did not pay any dividends, and they were wise in not paying them, because they owed $37,000,000.

Here is another company, Bethlehem Steel Corporation, which made $11,509,020 and paid out $3,268,604, or 28.4 percent, and the reason they did not pay more was because they had a funded debt of $98,000,000.

Here is Armour & Co., which made $9,000,000 and paid $7,000,000, or nearly 75 percent of their earnings in dividends, and the reason they could do that was because they had a surplus of $49,000,000.

Now, I presume I have called attention to enough of these concerns to illustrate my point.

I want to call to your attention the actual conditions in which certain business institutions find themselves. Here is a company that in 1931 lost $496,521; in 1932, $830,447; in 1933, $742,340; in 1934, $138,840; and in 1935, $549,716.

In addition to this, they owe in back interest on their bonds $669,101.64. Any sound executive running this company when earnings are again made would not pay a dividend, and if that policy were pursued the tax bill now under consideration would assess a penalty of 42½ percent against such corporation; and if their earnings in the succeeding 5 years should equal their losses in the last 5 years, it would take this company approximately 10 years to have the same financial standing as they had in 1931, and they would still be behind with interest of over $669,101.64, the amount to which I referred above.

I want to call this case to the particular attention of the Democratic chairman of the Rules Committee and the other Members from New York City because this company is located in that city.

My next illustration is a concern in Cleveland, Ohio. I call this to the particular attention of my Democratic colleagues, the Honorable MARTIN L. SWEENEY, ROBERT CROSSER, and also my distinguished colleague, the Honorable CHESTER BOLTON.

This company lost in 1931, $2,770,712.24; and in 1932, $3,771,147.29; in 1933, $3,168,589.28; in 1934, $1,183,147.10; and in 1935, $2,911,735.61.

It goes without saying that any executive who would advocate the distribution of dividends running this company would be fit for the insane asylum. Yet, we say, if you attempt to rebuild your capital structure by applying all your earnings your penalty is 42½ per cent; and, again, if the earnings in the succeeding 5 years were equal to the losses in the last 5 years, it would take 10 years before this company would hope to have the same financial status as in 1931.

If the earnings in the next 5 years are equal to the losses in the last 5 years, and we assess the tax of 42.5 percent, it will take until 1946 before this company will be in the same financial status it was in at 1930.

I might further say that this company had decreased its surplus about $21,000,000 since 1926, running a plant during the depression, keeping men employed at a great loss.

I know competitors of this particular company who have plenty of surplus who distribute more than 70 percent of

their earnings, and will continue to do so, who are delighted that Congress, by legislation, will force into bankruptcy a substantial competitor.

I wish I had the time to go over this list I have here of companies that have distributed more than 70 percent of their earnings and will continue to do it. They are delighted that the Congress of the United States is passing a tax bill which will put these sick corporations out of business.

The next company I want to call to your attention is a company located in Michigan 40 or 50 miles from Toledo, Ohio. In 1929 they lost $155,875; in 1930, $332,548; in 1931, $204,535; and in 1932, $292,349.

If this company attempted to rebuild their losses for the 4 years mentioned they would be taxed 42½ percent, and, again, if the profits for the succeeding 4 years were equal to the losses in the last 4 years, it would take approximately 8 years to rebuild its capital structure.

Another company in Philadelphia in 1929 lost $351,046; in 1930, $732,843; in 1931, $663,353; in 1932, $317,618; and in 1933, $204,967.

If this company attempted to rebuild their capital structure they would be taxed 42½ percent, and it would take the same length of time as that applying to the other corporations.

Another corporation in Ohio in 1931 lost $300,000; in 1932, $400,000; in 1933, $80,000; in 1934, $400,000; and in 1935, $200,000.

This company, in addition to the losses from their operation, have preferred-stock dividends not paid of $31.50 a share. The number of shares outstanding is 16,589.

Here is a large construction industry in Philadelphia that lost in 1932, $1,019,875; in 1933, $1,362,111; in 1934, $517,219; and in 1935, $623,792.

Who would say that this company should pay dividends, and who would say that any penalty should be applied against this company with the experience they have had?

Another company, located in Toledo, Ohio—I call to the particular attention of my colleague the Honorable WARREN J. DUFFEY—in 1931 lost $4,495,796.96; in 1932, $3,847,638.40; in 1933, $2,815,959.89; in 1934, $121,485.88.

What justification is there for penalizing this company for trying to rebuild its capital structure?

Another company, located in Wheeling, W. Va.—which I desire to call to the attention of my colleague the Honorable ROBERT L. RAMSAY—lost in 1931, $3,415,443; in 1932, $3,315,637; in 1933, $249,079.

Here is a company that, in addition to having had these tremendous losses, was required to refinance and have a contract not to pay dividends; and yet the tax bill we propose increases their taxes 50 percent.

Another company in Virginia I call to the particular attention of my colleague the Honorable CLIFTON A. WOODRUM.

This company lost in 1932, $193,605; in 1933, $326,114; in 1934, $78,695; and in 1935, $8,923.

Should this company be penalized to the extent of 42½ percent when it attempts to put its house in order?

There is another company located in Virginia, a comparatively small company, lost in 1932, $21,134.57; in 1933, $19,975.93; in 1934, $12,044.15; and in 1935, $6,334.91.

The losses entailed by this small company are in excess of its total preferred stock outstanding. Fortunately it had some surplus and is still in the game, but the president of the company advises that if the bill is passed it will mean absolute ruination for them.

Another company in Ohio—I call to the particular attention of the Honorable FRANK L. KLOEB—lost in 1931, $1,414,128.63; in 1932, $890,536.68; in 1933, $646,893.94; in 1934, $490,825.94; and in 1935, $538,707.57.

This company has continued to operate and has reduced its surplus over $4,220,000. Practically all this went in the pay envelopes of men and women employees of this company.

Shall we penalize such a corporation that has been patriotic enough to assist with all its power in carrying us through this terrible depression?

I think I have illustrated the effect that this tax bill will have upon corporations whose financial standing is not of the best, and I dare say that this will apply to at least 75 percent of the business institutions in this country. It will mean more receiverships than we have had at any time within our history, if for no other reason than the fact that our tax bill provides that a corporation in receivership shall pay a tax of 15 percent, while a corporation, probably in just as bad a shape not wanting to go into receivership, would have to pay 22½ percent, or 42½ percent, as the case might be.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. TREADWAY. Mr. Chairman, I yield to the gentleman 10 minutes more, but I suggest that he yield to the gentleman from New Hampshire [Mr. TOBEY] for a statement.

Mr. LAMNECK. I yield.

Mr. TOBEY. Mr. Chairman, the gentleman made the statement a few moments ago that David Cushman Coyle was the real author of this new tax bill, and he asked who ever heard of him. I, a Republican, have heard of him, and I will tell the House who he is. He has been one of the leading members of the "brain trust" of this administration for the last 3 years and associated with Mr. Tugwell. He is the same man who made the statement to 4,000 trained nurses in convention assembled in the Auditorium in Washington 2 years ago that saving for a rainy day and thrift are out of date; that saving for a rainy day only makes it rain all the harder. He is the same man who wrote a book published last November, in which he said that what this country needs to bring it back to prosperity is to raise and spend annually $50,000,000,000, this huge sum to be raised not by inflation but by taxation of income. In consideration of the fact that the total income of the country was only 45 billions in 1934 this statement may be cited as part of the asinine philosophy of the theorists now advising the present administration—unsound philosophies and theories which make thoughtful men and women cry out, "How long, O Lord, how long?" [Laughter and applause.]

Mr. LAMNECK. I stated earlier that this bill would mean a capital levy in many cases. Assuming that a corporation owed a bank $50,000 which was borrowed today for working capital and at the end of the year they made $50,000 and took it over to pay the bank, the Government would assess a tax of 42½ percent against this corporation and the corporation would either have to borrow $21,250 or take it out of its capital, if it had any.

I claim that instead of passing a law increasing the tax rate on these sick corporations, as we do under this measure, we should at the worst leave it as it is and if there is a possibility of doing it, we should reduce the tax rate.

Another feature of this legislation I want to discuss for a moment or two is the so-called "windfall" proposal. This provides for a levy against the taxes assessed against processors not paid when the Triple A was declared unconstitutional, the rate to be 80 percent. Some processors passed the tax on to the consumers and others did not. The group that were not able to pass it on are the small independent pork packers who process about half of the pork in the United States. They have lost money from the day the processing tax was assessed, caused by the processing tax, the drought, and the decreased consumption of the American people.

If this bill, as proposed, is passed, it will put out of business a great majority of over 1,100 pork processors and will leave the packing industry practically in the hands of the large monopolistic group.

I do not know how you feel about it, but I cannot go along on a bill that may put out of business over 1,100 business concerns and destroy the possibility of employment for the group now employed in this industry.

I have quite a number of these packing houses in my congressional district, the largest one owing in processing taxes $930,565.29; their total available quick assets, including cash, accounts renewable, and product on hand and

consigned to brokers, is $1,298,000. If the Government collects this tax, it will mean that the total quick assets of this company must be sold to pay the tax lien. This company has been in business for some 50 years—it has always made money until the processing tax went into effect.

I urge you, ladies and gentlemen, to give serious consideration to this feature of the bill before casting your vote.

In conclusion, the claim that is made for this legislation is that it will cause a greater distribution of earnings that can be taxed and which are now exempt from normal tax. Second, that it will put in the channels of trade greater purchasing power. Now let us analyze that for a moment. The total net income of all corporations in 1921 was nothing; in 1922 it was $4,400,000,000; in 1923 it was $5,800,000,000; in 1924 it was $5,000,000,000; in 1925 it was $7,000,000,000; in 1926 it was $6,800,000,000; in 1927 it was $5,900,000,000; in 1928 it was $7,600,000,000; in 1929 it was $8,100,000,000; in 1930 it was $1,400,000,000; in 1931 the loss was $3,100,000,000; in 1932 it was $5,400,000,000; and in 1933 it was $2,400,000,000.

To put it in another way, the total net income of all the corporations in the United States during this 13-year period was $41,100,000,000. The total dividends paid out was $50,700,000,000. In other words, the corporations of this country distributed to its stockholders $9,600,000,000 more money than they earned during the most prosperous period of our history.

How then can the argument be used, based upon this record, that in a like period in the future that a greater distribution of dividends will be made?

I want some proponent of the bill to answer that inquiry.

The claim is also made that the corporations in the past have paid out on an average of about 30 to 35 percent of their earnings. Let us analyze this statement for a moment.

In 1924 the corporations distributed 51.1 percent of their earnings; in 1925, 49.2 percent; in 1926, 54.8 percent; in 1927, 60.4 percent; in 1928, 57.1 percent; in 1929, 59.9 percent; in 1930, 87.3 percent; in 1931, 88.9 percent; in 1932, 94.7 percent; in 1933, 75.5 percent.

The average for the 10-year period has been 67.9 percent, showing about a 50-percent distribution in normal times, and from 76 percent to 95 percent in the depression period.

If you pass this tax bill and you do distribute more profits, they will not be able to pay out 76 percent or 80 percent or 95 percent when we have a period of hard times again.

If the new tax bill becomes a law, I want to know where the money is coming from to operate these plants. The record shows that all the corporations combined during the depression period lost, in 1931, over three billion; in 1932, over five billion; and in 1933, nearly two and one-half billion.

Ladies and gentlemen, we should not permit this legislation to be settled on the basis of our political affiliations. A tax bill that is against the general welfare of the public should be defeated regardless of its origin or regardless of its sponsors. It should be approved if it is equitably assessed and does no particular harm to the taxpayer.

On the other hand, if it "kills the goose that lays the golden egg", we should not vote for it to become a law. I hope that this bill can be decided upon its merits, regardless of party. We need a tax bill. We should have had a tax bill long ago, and I am for a tax bill that goes much further and one that will raise more revenue than this bill, but I cannot reconcile myself to a piece of legislation that I think will mean destruction of the business interests of this country, without which there can be no prosperity. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield myself 5 minutes. I do this to make a brief, dispassionate statement in answer to the impassioned statement made by the gentleman from Ohio [Mr. LAMNECK], with reference to his request for time to discuss this tax bill. A part of the statement is correct, and as to a part of it there is a misunderstanding, for I would not say that the gentleman would deliberately make a misstatement; I have too high a regard for the gentleman to make such an assertion. Sometime before the time for general debate was agreed upon, according to my recollection, before the bill was reported out of the committee, I received a letter from the gentleman from Ohio requesting that I give him 30 minutes' time to speak in opposition to the bill. At that time, as I stated, no agreement had been reached as to the time for general debate. Of course, I was not in position to say to anyone how much time he could have, not knowing how much time I could even have myself. When the time was fixed I thought I would answer his letter, after I had ascertained how much time would be allowed by the House. Later the time was arranged. After the time had been fixed by the House, I saw the gentleman on the floor of the House, and I forget whether he spoke first to me or whether I did to him. I think I approached him about the matter, about his writing to me requesting time. It was known then that there were to be 16 hours of general debate in which to discuss the bill, with the understanding, when the permission was obtained, that one-half of the time was to be occupied by those favoring the bill and one-half the time by those opposed to the bill, the time of those favoring the bill to be under my control and the time for those opposed to the bill to be in the control of the gentleman from Massachusetts [Mr. TREADWAY]. We have 18 majority members on this side on the committee. Divide by 18 the 8 hours we have, and, if I am correct, it will give 25 minutes to each. How would I have been justified in giving any one member of the committee, especially not a member of the subcommittee, more than the average member of the committee, until I knew what requests would come from other members of the committee? I stated to the gentleman from Ohio in our conversation, because I was very careful to know what I was saying, when we talked about the time on the floor of the House, that inasmuch as there were only 8 hours on a side, I thought it would be better for him to get his time, if he was going to oppose the bill as he had written he was, from those who controlled the time in opposition to the bill. I did not refuse to let him have the time. I said I thought it would be better for him to get it from the gentleman from Massachusetts. I further stated to him that if there were Members on the minority side who desired to speak for the bill, if Mr. TREADWAY would give them time, then I would give him time.

That was the last I heard about it and the last said about it. In view of the fact that there are almost three times as many members on the majority as on the minority side of the committee, if anyone thinks that I should have taken more than his proportionate share and given him 30 minutes, then I suggest that that would have left only 24 minutes each to the other 17 members of the committee. Does any fair-minded man on this side or on the other side of the Chamber believe that I have done anything wrong about it? If he does, I will be glad to have him stand up and say so. Mr. Chairman, I have been chairman of this committee almost 4 years, and up to this time this is the first, so far as I know, that any member of the committee, majority or minority, has intimated that I have not been perfectly fair to every member of the committee and granted each every courtesy to which members were entitled.

Mr. Chairman, I yield 30 minutes to the gentleman from Tennessee [Mr. COOPER].

The CHAIRMAN. The gentleman from Tennessee is recognized for 30 minutes.

Mr. BIERMANN. Mr. Chairman, will the gentleman from Tennessee yield to me?

Mr. COOPER of Tennessee. Yes.

Mr. BIERMANN. The gentleman from Ohio [Mr. LAMNECK] made the statement, if I heard him correctly, that if a corporation borrowed $50,000 now and during the year made a profit of $50,000, then in order to pay back that $50,000 to the bank it would have to borrow $21,250 to pay the taxes under this bill. Is that correct?

Mr. COOPER of Tennessee. No; I do not think so.

Mr. BIERMANN. What would be the situation of a company borrowing $50,000 and making a profit of $50,000 during the current year? What would that company have to pay in taxes?

Mr. COOPER of Tennessee. Of course, I cannot at the moment answer the question without having opportunity to figure it and know what other factors would enter into it, but I feel reasonably sure that no situation similar to that would result.

Mr. Chairman, it has been rather interesting to observe the line of attack made by the opponents of this bill. These attacks have consisted of meaningless generalities. Nobody who has thus far spoken in opposition to the bill has undertaken to analyze the real purposes to be accomplished by the bill, or has in any sense shown wherein these are not worthy and desirable purposes.

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. ANDREWS of New York. Has anyone who has spoken for the bill analyzed more specifically and more correctly the bill than the gentleman from Ohio [Mr. LAMNECK], who has just concluded?

Mr. COOPER of Tennessee. Yes. Of course, every man is entitled to his own opinion; but I think the analysis made of the bill yesterday by the chairman of the committee, and certainly by the chairman of the subcommittee, is far superior to any analysis or any consideration given by the gentleman from Ohio or any other Member who has spoken on the bill. [Applause.]

In passing, I might observe that I do not think our distinguished friend from Ohio [Mr. LAMNECK] is in any sense justified in the remarks he made or the position he took toward the chairman of the Committee on Ways and Means. I feel that I voice the true sentiment and feeling of every member of that committee, both the majority and the minority sides, when I say there could not be found a man who has been fairer or more considerate of all members of that committee than our distinguished chairman the gentleman from North Carolina [Mr. DOUGHTON]. [Applause.]

The gentleman from Massachusetts [Mr. TREADWAY], the ranking minority member, invited a comparison of the two reports filed on this bill—the majority and the minority reports. I cheerfully join with him in that invitation. Any fair-minded or reasonable person who will analyze the majority report and then analyze the minority report cannot fail to reach the conclusion that the majority report is far superior to the minority report, or that there is not any basis for comparison at all. The majority report on this bill undertakes to give an analysis of the bill itself for the convenience of the Members of the House who are to study the measure in determining their position on it. The minority report is simply a statement of meaningless generalities, and for all practical purposes is nothing more than a partisan political speech.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. JOHNSON of Texas. The distinguished gentleman from Massachusetts [Mr. TREADWAY] who criticized the committee for not permitting the Republicans to write the bill, was short-sighted in his recollection with reference to his own party, when the tariff bill was written, when they not only excluded Democratic members from writing the bill, but brought it in under a closed rule, whereby no amendments could be offered to the bill on the floor of the House. The present bill is brought in under an open rule and is open to amendment.

Mr. COOPER of Tennessee. This bill is here under the general rules of the House. No rule was applied for by the Ways and Means Committee.

Since the gentleman has mentioned that point, it might be worthy of some note to remind ourselves of the situation that actually existed during the consideration of the so-called Hawley-Smoot tariff bill. That was my first experience as a Member of Congress. I had just arrived as a Member of this body, serving in the special session called shortly after the inauguration of President Hoover. I shall never forget the impression that was made on me by the consideration given that bill. In the corridors of the old House Office Building, for a block in each direction from the old Ways and Means Committee room, you could not go along the hallway for the lobbyists swarming there to write a high protective-tariff bill in their own interests and for their own welfare.

Mr. BACHARACH. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. That condition existed throughout the consideration of that bill.

I yield to the gentleman from New Jersey.

Mr. BACHARACH. Was the gentleman a member of the Ways and Means Committee at that time?

Mr. COOPER of Tennessee. I was not a member of the Ways and Means Committee.

Mr. BACHARACH. I rather thought the gentleman was not, because the gentleman is not stating the facts, as a matter of fact.

Mr. COOPER of Tennessee. Well, I beg the gentleman's pardon, but I know it is a fact.

Mr. BACHARACH. I happened to be a member of that committee at that time.

Mr. COOPER of Tennessee. I happened to be a Member of Congress, and I passed there every day going to my office. I had to wind my way through those lobbyists swarming in the hall around the Ways and Means Committee room while you were preparing that bill. [Applause.]

Mr. BACHARACH. I am very sorry, because I have a great regard for the gentleman from Tennessee, but I want to say that, insofar as either the Democratic or Republican members of that committee were concerned, they were just exactly the same standard as they are today, and I do not think any member, be he Republican or Democrat, could have been influenced by a lobbyist, and I know that with Mr. Garner on that committee, no lobbyist would be allowed to go around near the Ways and Means Committee room or any other room. [Applause.]

Mr. COOPER of Tennessee. Has the gentleman forgotten the fact that it was a matter of common knowledge and charged on every hand——

Mr. BACHARACH. Just the same as you are being charged today——

Mr. COOPER of Tennessee. That Joe Grundy, of Pennsylvania, and his cohorts controlled the writing of that bill? Has it also been forgotten that it was shown without doubt that a Republican Member of the Senate carried a lobbyist into the committee room with him when the bill was under consideration in the Senate?

Mr. BACHARACH. I wish the gentleman would name the lobbyist.

Mr. COOPER of Tennessee. It is a matter of common knowledge that former Senator Bingham, of Connecticut, was criticized generally for having done that. The gentleman's memory is far too short.

Mr. BACHARACH. No; no. My memory happens to be perfect, because I happened to be a member of that committee and the gentleman from Tennessee was not.

Mr. COOPER of Tennessee. But I happened to be a Member of Congress, and I am stating the impression that was made upon me.

Mr. BACHARACH. I think it is a serious reflection on the Democratic members of the Ways and Means Committee at that time, just the same as it is a serious reflection on the Republican members of the Ways and Means Committee. I am in earnest about this bill. I do not believe any member of the Ways and Means Committee at any time during the 22 years I have been a Member of Congress could be influenced by any lobbyist or anyone else.

Mr. COOPER of Tennessee. The gentleman is entitled to his opinion, but the fact remains the lobbyists were there in swarms, and everybody who was here then knows this to be true.

We have heard criticism of the method of drafting this bill, criticism because the majority members wrote the bill. The Republicans did the same thing on the tariff bill. The Democratic members were locked out, not allowed to participate at all. The Republicans wrote the bill.

The gentleman from New York criticized the bill because he said it was not fairly considered in the committee. The statement was made here yesterday by the distinguished gentleman from Washington, who was a member of the Ways and Means Committee during the consideration of the Smoot-Hawley tariff bill, that that bill was brought in and laid down on the table, and without reading a line or examining a word of it the Republican members voted it out. That is the situation.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. REED of New York. Does the gentleman dispute the fact there never was a hearing on this bill until it was laid before the committee 2 days before it came to the floor of the House?

Mr. COOPER of Tennessee. I have not made any such statement as that.

Mr. REED of New York. The only hearings were upon a subcommittee report, a subcommittee unable to agree upon a bill.

Mr. COOPER of Tennessee. The hearings were before the full committee.

Mr. REED of New York. Then the full committee came in and testimony was taken on a subcommittee report.

Mr. VINSON of Kentucky. The gentleman's statement about the committee being unable to agree upon the report is not borne out by the subcommittee's report itself.

Mr. COOPER of Tennessee. The gentleman's memory is too short, much shorter than I ever thought it was. The real truth is that the President's message was referred to the Ways and Means Committee. Within an hour after the committee received that message the chairman called a meeting, and the full committee met. After free and open discussion the matter was referred to the usual standing subcommittee on taxation. This subcommittee immediately began work and continued for 3 weeks, day after day and sometimes at night, and then formulated a report, made a written report to the full committee, covering nine-tenths of this bill as it appears here today. On that report hearings were held before the full committee, all members having free opportunity to participate in the hearings. Everybody was given an opportunity to appear and make any statement they saw fit as to their attitude on the proposals contained in this report.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. In a moment. On the tariff bill the gentleman talks about there was not any bill, there was not any report, there was not anything upon which hearings were held; and after the hearings were closed, the Republican members assembled behind closed doors and wrote the bill.

Mr. REED of New York. I accept the gentleman's apology, because he has stated exactly what I stated, that there was no public hearings held on this bill and nobody ever saw this bill until the day before it was introduced.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. VINSON of Kentucky. What revenue bill has ever been prepared by Congress where the bill preceded the hearings?

Mr. COOPER of Tennessee. Directing my remarks to the gentleman from New York, this revenue bill was drawn in the way all revenue bills are drawn; it is the only way a revenue bill ever has been drafted.

Mr. REED of New York. I am talking about this particular bill. The only statement I made which has been challenged is the fact, as I stated here, that no hearings were held upon this bill, that the bill was not introduced until just before it came to this House.

Mr. WADSWORTH. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman from New York will state the point of order.

Mr. WADSWORTH. Mr. Chairman, my understanding of the rule governing the proceedings of the Committee in the consideration of this bill is that remarks shall be confined to the bill itself.

The CHAIRMAN. The gentleman is correct.

Mr. WADSWORTH. I have waited 17 minutes to hear the gentleman from Tennessee discuss the bill.

The CHAIRMAN. The gentleman will proceed in order.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. VINSON of Kentucky. It has been the practice for more than 15 years, and according to Mr. Beaman, of the legislative counsel, there never has been a tax bill introduced first and hearings held upon the tax bill. We have pursued the usual course in this instance.

Mr. WADSWORTH. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. COOPER of Tennessee. Mr. Chairman, I want to be heard on the point of order.

Mr. WADSWORTH. Mr. Chairman, I repeat the point of order I made a moment ago. I am not deterred from repeating it by the remarks of the gentleman from Kentucky. My point of order is that discussion must be confined to the bill. How long are we to wait until we get a discussion of it?

The CHAIRMAN. The gentleman from Tennessee had yielded to the gentleman from Kentucky. The Chair assumes the gentleman from Kentucky has now finished.

The gentleman from Tennessee will proceed.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Whether or not Republican members of the subcommittee were present at these executive meetings of the committee——

Mr. WADSWORTH. Mr. Chairman, again I repeat my point of order. The gentleman's remarks are not relevant to the bill.

Mr. COOPER of Tennessee. Mr. Chairman, I desire to be heard on the point of order.

I have the right to discuss the bill as I think proper.

The CHAIRMAN. The Chairman overrules the point of order. The Chair thinks the argument is legitimate.

Mr. COOPER of Tennessee. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. My question is whether or not it is not a fact the Republican members of the subcommittee also participated in the preparation of this report?

Mr. COOPER of Tennessee. That is absolutely true, and I invite the gentleman's attention to this language.

Mr. McCORMACK. I am acquainted with it, but I think it would be interesting for our colleagues to know what the language is.

Mr. COOPER of Tennessee. The report made by the full subcommittee, consisting of four Democratic Members and three Republican Members, is this:

> This report embodies the recommendations of the subcommittee of the Ways and Means Committee to the full committee with respect to the taxation of undistributed income of corporations, elimination of the present corporation tax, termination of the capital-stock tax and excise-profits tax, imposition of taxes on unjust enrichment occurring as a result of the nonpayment of excise taxes and related matters. The recommendations submitted herewith contemplate only such changes in the Revenue Act of 1934, as amended, as are necessary to carry out the policies herein set forth.

That is the report of the full subcommittee to the Ways and Means Committee, and there is not a line in it indicating there was any disagreement on the part of any minority Member, nor were there minority views filed. As I endeavored to point out a few moments ago, this bill as it stands today conforms to that subcommittee report in nine-tenths of its provisions.

We hear a lot of criticism raised here about the procedure employed for the consideration of this bill, which reminds

me of the old saying that we have heard repeated so many times with reference to the experience of lawyers around the court room: "When the law is against you, talk about the facts. When the facts are against you, talk about the law. When both the law and the facts are against you, just raise hell in general." [Applause.]

That just exactly describes the attitude of the opponents of this bill. In their minority report they make a purely partisan and political speech, and that is all there is in it.

Mr. Chairman, this bill, as has already been indicated here, is in response to the message of the President of the United States sent to Congress on March 3. In that message the President stated:

> On January 3, 1936, in my annual Budget message to the Congress, I pointed out that without the item for relief the Budget was in balance. Since that time an important item of revenue has been eliminated through a decision of the Supreme Court, and an additional annual charge has been placed on the Treasury through the enactment of the Adjusted Compensation Payment Act.

I simply invite attention to the fact that all of the additional revenue provided in this bill is for the purpose of paying the farmers and the soldiers of this country. That is the entire situation that we have here today.

Mr. Chairman, there are $500,000,000 needed for the new farm program and $120,000,000 a year for payment of the adjusted-service certificates of the veterans. This makes $620,000,000, which is the permanent revenue provided for in this bill. In addition there are $517,000,000 needed for the outstanding contracts and obligations that the Government now owes to the farmers under the old A. A. A. Divided up into 3 years this would be $172,000,000 a year which is necessary to pay these farmers what the Government has contracted and agreed to pay.

In this bill we provide a windfall tax which is estimated to yield $100,000,000 and a capital stock tax which is estimated to yield $83,000,000. This makes a total of $183,000,000 to take care of the $172,000,000. The President says this revenue is needed. The opponents of this bill come along and in one breath argue that the bill will not produce any revenue, and then in the next breath they argue that it will destroy and ruin the business of the country. How in the world is it going to do both things at the same time? If it does not produce any revenue it cannot hurt anybody. If it does produce the revenue, why, of course, it will provide the funds that are needed as indicated in the President's message. Our distinguished friend from Ohio who preceded me in the discussion of this bill had much to say in general terms about the bill. My very warm personal feeling for him precludes me from saying anything further than to point out the fact that in this instance he is following his rather consistent course of opposing practically all measures proposed by this administration as well as most other measures that come along.

Now, let us bear in mind that the President said additional revenue was needed. Where should we look for this revenue? That occurs to me to be the first question that we should ask ourselves. I want to mention a few points in this connection. Does anybody think that the personal income-tax rates should be raised if by merely making the present rates effective, which means stopping their evasion, the additional revenues required may be obtained?

If the Government is going to get more revenue it has to come out of somebody's pocket. Unless Congress takes a part of his capital, no taxpayer can pay taxes except out of one of four kinds of receipts. That is, business profits, wages and salaries, interest and rents. It must be from one of those four sources. If any one of these four items is expanding rapidly at this time and the others are not, does not the avoidance of undue hardship require that the added tax burden be put upon that item which is increasing?

I understand there is a group of 161 corporations or industrial institutions, including railroads, utility companies, and so forth, used as representative by the Standard Statistics to indicate the trend of corporate profits. Without correction for seasonal variations, these 161 companies had earnings during the third quarter of 1935, 56 percent in excess of those for the like quarter of 1934, and the unrevised figures for their earnings during the fourth quarter of 1935 show an increase of more than 132 percent over their earnings for the fourth quarter of 1934. When corrected for seasonal variations, the corresponding percentages of increase are 69 percent and 117 percent. These figures indicate that the rising tide of corporate earnings is now flowing in full stream into the profit accounts of corporations.

I want to ask you whether there has been a corresponding and proportionate increase in wages and salaries, interest, and rents? Has it not always been true, just as it is now, that it is a considerable time after business profits increase before there is a corresponding and proportionate increase in wages and salaries, interest, and rent; and if that is so, would it not be premature to impose a heavier burden on personal incomes generally as opposed to a heavier tax on business profits as such? I would therefore submit that the plan presented by the President is the plan that should be adopted and it is to that source we should look for additional revenue.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. McCORMACK. It must be borne in mind also that this measure is predicated upon statutory net income as distinguished from gross income.

Mr. COOPER of Tennessee. That is true.

Mr. McCORMACK. And in no way disturbs the statutory deductions for depreciation, obsolescence, depletion, interest, and the other statutory deductions which in the case of one corporation with a gross income of $60,000,000 had $47,000,000 of statutory deductions, and after the payment of taxes and other expenses had a statutory net income of $1,000,000 plus. They had a gross income of $60,000,000, which did not include the operating expenses, salaries of employees, and so forth, for the year, indicating the liberalness of the statutory deductions which are permitted under the present law and would continue under the proposed law.

Mr. COOPER of Tennessee. The gentleman is correct. I cannot, in the time allotted to me, cover all the points that might be of interest, based on the observation made by the gentleman from Massachusetts, but I would invite the attention of the members of the Committee to page 22 of the hearings, which gives a rather comprehensive statement of the situation now existing with reference to corporations taking deductions for depletion, depreciation, and obsolescence; and it will be borne in mind that this is not disturbed in any sense by this bill. The corporation continues to enjoy all of the advantages and opportunities that exist under present law, so far as these deductible items are concerned.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. VINSON of Kentucky. On that point, between the period 1926 and 1929 there was 16.2 billion dollars written off in depreciation and depletion; between 1930 and 1933 there was 16.4 billion dollars written off in depreciation and depletion; and in the last period, 1930 to 1933, the amount allowed for depreciation and depletion was 49.9 percent of the net income for that period.

Mr. COOPER of Tennessee. That is true, and they are the facts that are shown by this statement in the hearings to which I invited attention a moment ago.

Mr. FORD of California. Mr. Chairman, will the gentleman yield for a question?

Mr. COOPER of Tennessee. I yield to the gentleman from California.

Mr. FORD of California. Has it not been stated by the opposition repeatedly that this measure will not raise any more revenue than we are getting at the present time?

Mr. COOPER of Tennessee. That is true.

Mr. FORD of California. Then why are they opposing it?

Mr. COOPER of Tennessee. I made the observation a few moments ago that I did not see how it could do both things at the same time.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. CRAWFORD. With reference to the statement just made with respect to credits and deductions, is there anything in the bill that prevents an individual from deducting all of the taxes paid to units of government, such as State, county, and city taxes?

Mr. COOPER of Tennessee. Oh, there is no change from existing law on that point in this measure.

Mr. CRAWFORD. There has been some discussion of that in the newspapers, and I was just wondering if anything of that sort had been included.

Mr. COOPER of Tennessee. No; there is no such change in this bill. The present law is not affected in any sense in that respect.

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield the gentleman from Tennessee 15 additional minutes.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. MICHENER. Did I understand the gentleman to say that this new bill would not raise any more revenue than existing law?

Mr. COOPER of Tennessee. Certainly the gentleman could not have understood me to say that.

Mr. MICHENER. I thought in answer to the question of the gentleman from California [Mr. FORD] the gentleman made that statement.

Mr. COOPER of Tennessee. No; the gentleman from California asked me if that statement had not been repeatedly made by the opponents of the bill, and I answered that it had. I have heard it repeatedly said here that the bill will not produce any revenue—in fact, it is so stated in the minority views—and at the same time they say it will wrack and ruin the business of the country. I am unable to see how, if it does not produce any revenue, it is going to place such a burden upon people that they will be wracked and ruined.

Mr. MICHENER. If you put them out of business entirely, regardless of tax, that would be the effect. However, my question was based on the fact that I got from what the gentleman stated that the real purpose of this bill is to change the system; that the reform or change of the system is the primary purpose of the bill, and secondary to that comes the matter of revenue.

Mr. COOPER of Tennessee. I hope the gentleman will not take any more of my time.

Mr. MICHENER. Am I right or wrong?

Mr. COOPER of Tennessee. I will answer the gentleman in this way: The title of this bill reads "A bill to provide revenue, equalize taxation, and for other purposes." If there ever was a true statement in the title of any bill, it is the statement here that the object is to raise revenue and equalize taxation. That is the purpose of it.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. LUCAS. Some reference was made in the previous discussion by the gentleman from Ohio about the tax that the Ford Motor Co. might or might not pay. Am I correct in my understanding that in the event the Ford Motor Co. next year should make $15,000,000 as a net profit and pay out that sum in dividends, the corporation itself would pay no tax under the present bill?

Mr. COOPER of Tennessee. That is true.

Mr. VINSON of Kentucky. It should be stated there that the tax under existing law—the maximum rate—is 15 percent, and there is the capital-stock tax and the excess-profits tax, and of course, the rate upon the money in the hands of the shareholders of the Ford Motor Co. would reach the high surtax brackets and much more money would come into the Treasury than under the existing corporate tax.

Mr. COOPER of Tennessee. Now, the gentleman from Ohio to whom reference has been made also said something about a man by the name of David Coyle being the one who proposed this measure. With all due deference to the gentleman, as one member of the subcommittee who, I think, has been as attentive as any man could be in an effort to discharge the duties imposed, one who has been in every conference, I think, that has been held on this bill, and who has participated as freely as anybody else who has had a part in the consideration of this bill, I want to say to the gentleman that I never heard of the man Coyle before in my life until the gentleman mentioned him here today.

I can say that he had nothing to do with this bill. The gentleman says that we ought to write our own bill. If there was ever a bill presented to this House for consideration that was completely written in every detail, every question of policy determined by the committee in charge, it is true in this instance. Your committee has been laboring for 8 weeks, day and night, and has brought this bill here as a product of the committee. We present it to you as the best we could accomplish under our efforts.

Now, I want to touch briefly upon some of the provisions of this bill and again remind you of the principle upon which this bill rests.

As was stated by the chairman of the committee, the bill is based upon justice and equality, and certainly a sounder principle cannot be found for any bill than that.

There are two important points that should be borne in mind in connection with this bill. The first is that all existing surpluses and reserves of corporations are not taxed; they remain in the future as they exist now.

It should be borne in mind that under this plan all existing corporation taxes are repealed. That is, the corporation income tax from 12½ to 15 percent. Capital-stock tax, $1.44 a thousand, and the present excess-profit taxes are repealed, and this new system is inaugurated in place of them.

Mr. CRAWFORD. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. CRAWFORD. Am I confused in this? Is it not true that the accumulated surplus prior to 1935 will enter into this tax picture insofar as dividends paid from excess earnings in 1934 first and in 1933 second?

Mr. COOPER of Tennessee. The gentleman is not exactly accurate.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. VINSON of Kentucky. The difference carried over looks to the future and does not look back into the past years.

Mr. CRAWFORD. The word "preceding" refers to the future?

Mr. VINSON of Kentucky. You are dealing with the taxable year next before. For instance, running along until 1938 you have a dividend distribution, and the carry-over from 1936 and the difference between the dividend declared and your adjusted income is a credit for 1937 and 1938. If you are dealing with 1938, you take 1936 first.

Mr. CRAWFORD. I was referring to 1933 and 1934.

Mr. COOPER of Tennessee. Mr. Chairman, the gentleman from Ohio [Mr. LAMNECK] made the statement, as I got it, that under existing law there is no tax avoidance, no tax evasion of any consequence by reason of enormous surpluses being piled up. Of course, he is just mistaken in that. The real fact is that $1,600,000,000 in taxes yearly are being evaded through that method, and that is just the amount of the tax, which means something like four or five billion dollars a year that are being piled up in enormous surpluses in corporations throughout the country. This bill simply presents this situation. In the future, as in the past, a corporation may have all the surplus and all the reserves that it wants to have. It can conduct its business affairs as its business judgment dictates to it, and this tax plan simply provides that whatever net income the corporation has, its earnings and profits shall go through the tax mill just like your money and mine. I am unable to see that there is anything unfair or unreasonable about that. Instead of allowing enormous surpluses to be piled up in corporations, in order to keep the individual shareholders in closely held corporations from having to pay individual income tax, that

would force them up into the high surtax brackets, they just keep piling it up in surpluses in the corporation—a pure tax evasion, purely for the purpose of avoiding the payment of individual income tax. That is what this bill meets; that is the situation that is corrected by it. I am unable to see how there is anything unfair or unreasonable about that. On the contrary, I think it is the very essence of fairness and sound common sense for us to provide that the corporations of the country, which are artificial persons, recognized in law as such, with the right to sue and be sued, when they have earnings and profits, clear money, shall pay a tax on it as you and I do.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. Yes.

Mr. FITZPATRICK. This will simply close up the loopholes so they cannot evade the payment of a tax?

Mr. COOPER of Tennessee. That is the purpose. Mr. Chairman, a great deal has been said about complications presented here. Of course, any tax bill has to be complicated in its phraseology. There never has been one presented here that was not complicated. I invite any fair person to compare this bill in its terms and phraseology with the existing income-tax law, especially the surtax brackets. It is not, as I say, anything like as complicated as that is. You simply ask the corporations two questions at the end of the year under this plan. The first is, What was your net income; what did you make? If they answer that, then the next question is, What did you do with it; did you pay it out in dividends to your stockholders? If you did, you do not owe us a dime; but if you did not pay it out to your stockholders, then you owe us a tax on it. That is all it means. It is based on the principle of fairness and equality to all.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. Yes.

Mr. McCORMACK. Some reference has been made to the 248 pages of the bill. In connection with that, is it not a fact that most of the contents of this bill are the present law which was necessary to incorporate in there?

Mr. COOPER of Tennessee. That is true. This bill is prepared just like every other tax bill has been prepared since 1922. The new law is superimposed upon existing law.

This bill neither repeals nor amends the 1934 Revenue Act. It is made effective, as is shown right here in the beginning of the bill:

> The provisions of this bill shall apply only to taxable years beginning after December 31, 1935.

Of course, the former law applies to former tax years.

Mr. FULLER. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. Yes.

Mr. FULLER. The statement has been made here, especially by the gentleman from New Hampshire [Mr. TOBEY], describing a man named Coyle as one who drew this bill. Is it not a fact that this bill was drawn absolutely solely and entirely by the gentlemen who sit in back of the committee, the legal experts of our committee, together with the legal experts from the Treasury Department, in conjunction with the Democratic members of the committee?

Mr. COOPER of Tennessee. That is correct. I ask your indulgence again just for a moment to point out a few illustrations of the real situation we have here so far as this new system is concerned. Take, for instance, the treatment that is given here to the corporations of the country. They are divided into two groups—corporations with an adjusted net income of $10,000 or less, and corporations with an adjusted net income of $10,000 a year or more. For the corporations with $10,000 a year or less in adjusted net income, schedule no. 1 of rates applies. The statement has been made here by the opponents of the bill that a tax is levied upon a surplus of the corporation. That is not the situation at all. The tax rate applies to the adjusted net income of the corporation for the taxable year.

The rate is measured by the amount of surplus they retain. Just as an illustration, refer on page 15 of the bill to schedule no. 1. For instance, a corporation which makes $10,000 in statutory net income, wants to retain 10 percent of that in surplus; that would be $1,000. Then if you look at the schedule you will see that corporation would pay a tax on its net income of $10,000 of 1 percent. That is $100 tax. Under existing law it pays $1,500 tax. That is just $1,400 saving to that corporation.

Now, go on down and take a corporation, for instance, that wants to retain 30 percent of its net income; it would pay a tax of 7½ percent on the $10,000 net income, whereas under existing law it pays a tax of 15 percent. That is just one-half, under this bill, that it has to pay under existing law. If you go on down through, it shows the effect that the treatment provided here gives to the various corporations of the country.

It should be remembered that of the 257,000 corporations of this country showing statutory net income, 214,000 of them come under schedule I, the smaller schedule of rates, and only 43,000 of the corporations of the country come under the other schedule. That gives you some indication of the fairness that prevails throughout the treatment of this entire subject.

Just a moment to briefly touch upon the so-called unjust enrichment tax.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. COOPER of Tennessee. The distinguished gentleman from Ohio [Mr. LAMNECK] is opposed to that. Certain Members of the minority are opposed to that. How any man can justify a position in opposition to that is more than I can understand. The principle involved is simply this: Where the processors throughout the country collected a tax from their customers and failed to pay it to the Government, we simply provide here that an income tax of 80 percent shall be levied against that. There was $180,000,000 impounded in the courts under the processing tax, and the whole amount is about $253,000,000 of this unjust enrichment, the processors throughout the country passing the tax on and the consumers having to pay, and still they did not pay it to the Government. We took the position that if anybody collected a tax and passed it on to the consumer, they should pay that to the Government. Of course, the consumer is the one who is really entitled to it, but obviously we could not give it to him. We think the next best thing is to give it to the consumers' government, the General Government. The Government should receive 80 percent of this money. Some of them took the position that we should not even try to get that money. It should be borne in mind if the processor did not pass the tax on and collect it from his customers, he does not owe a dime.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. HARLAN. In the event of a pork packer, for example, who did not pass the tax on but who is nevertheless hopelessly in the red as a result of the whole proceeding, is there anything to protect that man? I am seeking information.

Mr. COOPER of Tennessee. I think he is amply protected.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. VINSON of Kentucky. If he is in the red and does not make a net profit on the business, if he does not make any income on the transactions involved, there is no tax. If you multiply nothing by 80 percent, of course the tax is nothing.

Mr. HARLAN. Is the tax based on 80 percent of the unjust profits, or is it on the income?

Mr. VINSON of Kentucky. It is the unjust profits counted in with his business.

Mr. COOPER of Tennessee. The tax is 80 percent against this income derived as unjust enrichment. That is what it is.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. COLDEN. Why should not the Government retax the whole amount instead of 80 percent?

Mr. COOPER of Tennessee. Well, we knew they had some expenses in the collection and handling of the processing tax. It was shown to us that some firms claimed their expenses amounted to about 13 percent. In addition to that, we had involved the legal question that we could not completely confiscate.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. HOUSTON. Is it not a fact that there will be an adjustment made on this particular phase of the tax bill?

Mr. COOPER of Tennessee. Yes.

Mr. HOUSTON. And then 80 percent after the adjustment is made?

Mr. COOPER of Tennessee. Eighty percent after the adjustment is made. Only the so-called windfall tax, the unjust enrichment that those men received, to which this 80 percent applies.

Mr. HOUSTON. And 20 percent is ample to take care of all expenses—bookkeeping and all expenses incidental to the collection of the money?

Mr. COOPER of Tennessee. We think so. In other words, what we hoped to accomplish was simply this: The ideal we had before us was that no man in this country should be enriched by one penny by reason of collecting this tax and passing it on to his customers and failing to pay it to the Government and at the same time no man should be caused to suffer a loss by reason of the processing taxes.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. COOPER of Tennessee. It is provided in this bill for people throughout the country to receive refunds on the floor stocks that they had on hand at the date of the Supreme Court decision invalidating the Agricultural Adjustment Act.

When the processing tax originally was imposed and became effective they had, of course, to collect floor-stock taxes from the merchants throughout the country who had stocks of goods on hand. This amounted to about $98,000,000. It was provided in the Agricultural Adjustment Act that when the processing tax was terminated a refund should be made for stocks then on hand. The tax was not terminated by proclamation of the Secretary of Agriculture as provided in that act because the decision of the Supreme Court intervened. The committee took the position it was only fair to refund these floor-stock taxes, for the merchants were entitled to them just the same as if the act had been terminated by proclamation of the Secretary of Agriculture rather than by the decision of the Court; and that is what we are trying to do here.

This entire bill is based upon what we conceive to be the principle of fairness and equality to everybody. It yields the revenue our great President says is necessary. All along we have heard the hue and cry, "Balance the Budget!" But now the opportunity is offered; those who raised the hue and cry are bending every energy and exerting every effort to defeat the very purpose we are trying to accomplish. [Applause.]

Mr. BACHARACH. Mr. Chairman, I yield 15 minutes to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Chairman, if I were to follow the path of least resistance and were to suit my own convenience, I would refrain from taking any part in the discussion of this tax bill, for to me all matter and things pertaining to taxes are anathema. Six years' experience as commissioner of taxes of the State of Vermont in the enforcement and administration of general, corporate, income, and inheritance tax laws, and several years' experience on the other side of the fence, as tax attorney for corporate interests, is my excuse for whatever I may have to say with reference to this bill. I do not intend to take very much time, inasmuch as obviously there is nothing to be gained thereby, nor in prolonging the agony preceding the birth of this brain child, ill-begotten, under circumstances which certainly reflect no credit on its parents.

The long-awaited New Deal tax bill has arrived! It is 248 pages long, and, as I see it, covers more complexities, intricacies, and involved situations with respect to taxation than any other measure ever introduced in the history of Federal taxation. Sixteen hours has been allotted for discussion of this measure on this floor. I venture to assert that there are many practical-minded tax administrators who have handled the business of revenue collecting for many of the several States in this Union who would agree with me that three times that number of hours would not be sufficient in which to point out the fallacies involved in, and the impractical situations which will arise under, this proposed law, which it is hoped and expected will be passed at the end of this week, or certainly by the end of next.

This bill might be called "An act to discourage small business, to encourage monopoly, and to prevent competition."

It is aimed not at the large corporation which has accumulated an adequate surplus but at the small one which wishes to save that it may expand; not at the man who has reached the high places, but at the man who is battling his way up.

The business of this country is done by corporations. Half a million of them filed returns for 1933 and only 109,000 reported net income. And of those more than 90,000 made less than $10,000 net income in the year.

This is a country of corporations, but it is not a country of big corporations. Rather it is a country of small corporations eager to grow, to give more work to more men and women, pay better dividends, to build new plants. And it is at the owners of these corporations, ambitious men, thrifty men, that this bill is aimed.

But I heard someone say, "This bill is not aimed at little business; it is aimed at the big fellow, the corporation that has a surplus of $50,000,000 or $100,000,000. That is too much; he ought to be made to disgorge."

Experience, Mr. Chairman, has conclusively and undeniably demonstrated one thing: That is, that people will avoid or escape, whenever it is within their power to do so, the payment of any tax, be it reasonable or unreasonable, justified or unjustified, and that the severe penalty, the real burden, will fall upon those who should but cannot escape.

I tell you that if the truth were known and told there are, according to the figures I have seen—and they should be and are reliable and authoritative—approximately 300 corporations out of the 600 in the class that earned a million dollars and more in 1934, which 300 under this bill will pay not more than 50 percent as much taxes as in 1934.

Then, again, from 140 to 170 of the million-dollar profit-earning corporations which are paying taxes under the existing law will escape the necessity of paying taxes under the proposed law by distributing all their earnings, and consequently paying no taxes.

These figures are based on reports made to the United States Treasury by the corporations themselves and will have to be substantiated by the Treasury from its record, for they are correct.

I say to you that this is a punitive measure which at excessively high rates undertakes allegedly to tax the surplus earnings of corporations, yet designedly is not in reality an attempt to tax but to prevent the accumulation of surpluses. It is a threat and an effort to compel the distribution in dividends of all the earnings accumulated just as fast as the earnings are made. So far as those large corporations that are reached by it are concerned this law would be disastrous; the small struggling corporation is strangled in its infancy; the growing and thrifty young business is anesthetized; the healthy and prosperous industry seeking to expand and to develop is put to death by the lethal weapon concealed in this plan for its economic murder.

I reassert that it is at the class of small corporations ambitious to grow and thrifty enough to save in order that more work may be given to more men and that their plants may be expanded, and that a surplus may be accumulated, in order

that dividends may be paid, that this vicious measure is aimed.

The truth is that this bill is not aimed at the existing surpluses at all. It will not touch the fifty millions and the hundred millions. Those companies will continue to hold their surpluses. It is the small company that wants to build up that will be the victim.

Here is a case in point. An editor in a small community has had three or four pretty hard years. He has made enough to keep his family going, but his plant has deteriorated. He needs a new linotype. He has got to consider rebuilding his press. He figures that if he could spend a few thousand dollars he could get some extra commercial business as well as turning out a better-looking paper.

His business improves, but he continues to content himself with $50 a week. At the end of a year he finds he has a net income of $10,000. He figures to set aside as surplus what is left after taxes are paid and put it into bettering his plant. He can do better by paying cash and he is shopping around for new equipment. Then he comes to look into his little corporation's taxes under this proposed bill and he discovers that he cannot do what he wants to. At the proposed corporate tax rates he can only put into reserve $7,030 and must pay a tax of $2,970 as against a corporate income tax of about $1,500.

Here is a business eager to get ahead, to build up an industry of which its owner could be proud, to make a better newspaper for his community. He is willing to deny himself to accomplish those ends. And what happens? His Government proposes to tax him more if he wants to save and get ahead than if he proposes to distribute and spend all his earnings. And his desire to save is not a desire to hoard. He would put back the money into industry where it would give further employment.

The Treasury has an answer to this objection to the proposed tax. It proposes that the company declare a dividend and that the stockholders with those funds purchase new stock thus bringing the money back into the company. But what a complicated method and one that seems to imply that the stockholders must all think alike.

Let us take another actual case to show how this measure would hit the progressive, young business. Three young men own all the stock in a small engineering company. Two are skilled engineers; the third has contributed a modest capital. The two are quite content to lead a furnished-room and lunch-counter life for a while if they can feel that they are going ahead. And they are. Their little business will make, they think, $15,000 net this year and they would like to put it all above the corporation income tax back into the business, but can they under this proposed law? Not a bit of it. They would have to pay $6,375 in order to save $8,625 if they paid no dividends.

Suppose they followed the Government suggestion to pay it all out in dividends and sell themselves more stock. But suppose the one who contributed capital will not agree? And what about the complicated problems of registering a new issue? What will these young and ambitious men do? One answer is surrender their corporate charter and start anew as a partnership. But the man who put in the capital may say: "No; I'm not going to assume the liability involved. I'm willing to risk what I invested but no more." Yet we may see a great shifting of small corporations to a partnership basis.

One more instance and I take this from the statement before the Ways and Means Committee of Royal Little, vice president of the Franklin Rayon Co., of Providence. He started in business with the corporate structure of a defunct company with no capital but with the idea that he was going into the business of processing rayon yarn. He got $10,000 from a bank because a friend endorsed the corporation's note and with one room and four employees the business began. First year sales were $75,000 and a profit resulted. Did the stockholders get it? Not a cent. That wicked thing called a surplus went for more machinery. By 1928 the company was doing a business of a million and employing 100 persons. Still the stockholders had no dividend. That year they merged with a competitor and wanted some outside capital. This was in a year when the banks were supposed to be lending money to anyone who wanted it, but no bank would touch their proposition. To quote Mr. Little:

> The only intelligent excuse * * * came from one house who said, "Your merger looks like two drunks trying to help each other home."

Mr. Little raised the money, a good part of it by his personal note to a bank. The company has steadily grown until in 1935 it had sales of $5,000,000 and employed 500 persons. Rayon is a new industry in which machinery and methods are constantly improving and always the company has been ready to meet conditions largely from its earnings.

I cannot do better than quote two paragraphs from Mr. Little:

> Under the new tax proposals apparently everything which we have done in the past has been wrong. Should we have been prevented by tax legislation such as this from building up our business? I assure you that neither I nor anyone else could duplicate in the future what we have done in the past if the penalty on undistributed net earnings now proposed is enacted into law. * * * I ask you gentlemen in all fairness to study the facts in our case, which is typical of many others, and tell us whether you honestly feel that I am an enemy of society for what I have done.

I have said that this tax bill is aimed at small business. One more quotation from Mr. Little:

> Selfishly looking at our own point of view, the Franklin Rayon Corporation would not oppose this tax because I know that no one else could build up a competitive enterprise on as favorable a basis as I have done it, if this tax law goes through.

Not only is this tax bill aimed at small business; it is aimed at one of the fundamentals on which the United States has been built, the encouragement of competition for the prevention of monopoly.

Old, well-established organization, well-entrenched financially, will find themselves in a far better economic position as compared with less well financially entrenched existing companies, or with those new companies which seek to start in business. As Charles J. Bullock said in the Atlanta convention of the National Tax Association in 1917, which I attended in my capacity as tax commissioner for the State of Vermont:

> * * * if you want a tax that will tend to entrench in its dominating position a monopolistic or quasi-monopolistic large industry, you cannot devise a better tax.

This is the status of the measure that is now before us, and will be the result of its enactment, if it is enacted in its present form.

We do not prevent monopoly so much by passing laws as we do by permitting, even encouraging, small business to grow bigger, to try out new ideas.

We see a great industry with branches spread throughout the country, and we forget that it began in a cross-roads blacksmith shop where a man in a leather apron beat out an iron plow. We see a great department store covering a city block, and we forget that its start was a pack which a peddler carried from door to door. And, more than all, we forget that what has happened may and will happen again unless by such legislation as this, business is made static. The great merchant is not afraid of his established competitor whose ways are his ways, who can be met in a field every foot of which they both know; he is afraid of the little fellow who has just started a business whose capital is 10 percent money and 90 percent ideas.

Westinghouse and General Electric may find themselves less concerned with the competition one with the other than with a new industry provided this bill does not choke him in his childhood.

We have heard much talk of the power of entrenched wealth. What is this bill except to still further entrench, to fortify, wealth. A great company with fifty million surplus,

unaffected by this tax, has little to fear from an invader deprived of his right to husband his resources.

We profess to fear the control of this country by big business, yet we propose a measure to keep little business little.

We debate measures to prevent price fixing, yet we plan to pass a bill which will make it increasingly possible to maintain arbitrary prices. The enemy of unreasonable prices is competition, the very competition that this bill is planned to kill. There is no better friend of labor than capital flowing into new enterprises and expansion of old ones.

I represent a constituency that is and through the years has been fortunate in having many small industrial enterprises located therein—small communities have been built around the one or two small industries in these little settlements, and the people who live there are dependent upon the little industries for their well-being. It is their interest that I am endeavoring to represent, when I rise to point out the added difficulties with which they will be confronted under this tax program that has been proposed. It is they on whom the brunt of taxation falls; it is their money that supports the Government and that is being spent by the Government in the course of its ordinary and so-called extraordinary expenditures. It is their resources that must be husbanded, for they and their counterparts throughout the country constitute the backbone, the lifeblood of our Nation.

I cannot help alluding to the fact that those charged with the responsibility of drafting and the income of this measure have not presented a fiscal program, nor supported one, which even indicates a desire now or in any way indicates a determined purpose on their part to balance the Budget. Get more money in order that more may be spent is the actuating motive. No word or thought is heard or apparent with respect to the reduction of expenditures in national spending with these tax proposals. If such a situation obtained, one might approach consideration of this bill in an entirely different state of mind. But, Mr. Chairman, we are confronted with the fact that no tax plan can be conceived or evolved or contrived by human beings which will provide or even begin to furnish or supply the necessary revenue to meet and to cover the existing and constantly increasing governmental expenditures. When you are spending two dollars for every one you earn, you cannot catch up with that program by choking to death the goose that lays the golden egg—and I fear I say "goose" advisedly.

Mr. Chairman, committees and theorists may write tax laws until doomsday which theoretically will produce the desired result. It is a pretty picture which figures make. They look good on paper. But let me tell you that the man who has to enforce and administer these dreams finds them most impractical, unenforceable, and inadequate and absolutely impossible of enforcement or administration by reason of the human factor and the consequent obstacles, which factor and which obstacles the theorists do not see and the practical administrator and enforcer of the law cannot overcome. This proposed tax bill is exactly that kind of a dream—impractical, unenforceable, and unworkable. I fear that it is going to be enacted into law, and in substantially the form in which we are now considering it; but I wish to say to you—and I am not alibiing or qualifying—I wish to say that the bill will not produce the revenue it seeks to cover into the Treasury, and that, moreover, because of its complexity and intricacies and its nonunderstandable and nonconstrued provisions, it will add confusion worse confounded to an already complex and nonunderstood tax situation, and will further retard recovery, increase unemployment, and contribute to a continuation of that uncertainty and chaotic condition with which business is confronted; initiative strangled; confidence lacking—for which situation those now in charge of the fiscal fallacies of this Government are responsible and must answer.

Those who are operating under the present Federal tax law tell me that the regulations with which they are now surrounded are so complex as to lead nowhere and to arrive at the same place. The statute itself is not susceptible of reasonable interpretation, is beyond comprehension, and is always ambiguous. There is no certainty whatever. Nobody knows what it is all about. Tax liabilities are unascertainable, and no one can compute them, for there is no finality. Regulations are amended, rulings are reversed, retroactive provisions adopted, litigation delayed and prolonged, all at the expense and confusion of the taxpayer. I doubt if there is anybody who can tell me how to compute taxable net income under the provisions of this proposed law.

If it would accomplish a major tax reform—and at this point I wish to say that I recognize that such a reform is sadly needed and that there do exist inequalities in the tax system that should be corrected—if it would accomplish a major tax reform, one that would iron out the inequalities, one that would stop the leaks that exist, one that could be administered properly due to its fairness and simplicity, it should have our wholehearted support. This bill is so remotely removed from any semblance of simplicity, however, that it is and has been labeled "the most complicated piece of legislation in the last 50 years", and a Washington service is authority for the statement that the theory back of the measure is now being discussed algebraically. I have alluded to the fact that the task of administering the tax will be immeasurably enlarged by the new method. It seems to me that this is only too evident on its face to need further emphasis to be there placed.

Some of the practical questions which arise were suggested to the committee during the hearings.

First. Is a dividend taxable if paid in scrip, in an enforceable promise to pay, or in bonds?

Second. Is a dividend taxable if paid out of paid-in surplus, out of a depreciation or depletion reserve in excess of cost, or which is subsequently adjusted downward?

Third. Is a dividend paid when the check is mailed, or must it be received by the stockholder?

Fourth. Is the dividend "taxable" if paid to a stockholder exempt from Federal tax?

Fifth. What is a bank or a trust company and when is it "bona fide operated"?

Sixth. Must the taxpayer compute "undistributed net income" by algebraic formulas, using two unknowns?

Seventh. How much delay will be involved in valuing property distributed as a dividend in kind, and what rules of valuation will be applied?

Eighth. What is the law with respect to the propriety of a dividend, in the case of a separate corporation and in the case of a consolidated group of corporations?

Ninth. What are the liabilities of directors whose corporations incur the terrific penalties, or, to avoid them, pay out in dividends cash needed in the business?

Tenth. What contracts are to be understood to be definite prohibitions upon dividend payments?

These are only a few of the innumerable practical problems which confront the taxpayer, and as the years go by many more will arise to trouble his dreams.

Why, Mr. Chairman, this House ought to have 30 days in which carefully to consider this bill and its provisions, many of which I make bold to say are neither understood nor comprehended, nor the effects foreseen by the members of the committee who have reported the bill. The graduated tax on corporate net incomes, which is designed to force out company earnings to stockholders and so increase income tax yield to the Treasury, to which I have referred is the major feature of this bill. It imposes an unbearable tax burden upon undistributed net income, for net income has to be undistributed unless it is paid out as a taxable dividend within the time limit as provided in the act.

As a practical proposition no one in the Revenue Department or Treasury Department or anywhere else can compute conclusively the taxable net income of any corporation of any size before the expiration of 2½ months from

the end of the corporation's taxable year. The trouble with that is, from a taxable standard, that they will not have the tax returns on which to base their computations, for they will not be filed until after those 2½ months, and after they are filed the litigation and the contest between the taxpayer and the Treasury and the Revenue Department may go on for years over the question as to what constitutes taxable net income. This is the practical problem. And if taxation is anything it is practical when it comes to the matter of enforcing or administering the law.

Mr. Chairman, if the Treasurer or the Commissioner of Internal Revenue cannot compute taxable net income after years of consideration, and many of the cases are decided against the Commissioner, it is farcical, laughable, if it were not so serious, to suggest that the corporation itself could be expected to compute its net income within 2½ months. But that is not the end of it. Not only must a corporation determine its earnings and its profits, compute and declare and ascertain its net income and its adjusted net income, and all within the 2½ months provided by this act, but it must declare and pay taxable dividends. Well, in short, this is impossible, and the provisions of the act attempt to compel the impossible.

This bill proposes a revenue increase through temporary retention of the capital stock and excess-profits taxes with new levies on foreign corporations and alien stockholders. It sets up a "windfall" tax of 80 percent to try to get back over a hundred million dollars of the processing taxes impounded. It would restrict the evasion of new taxes by corporations using incorporate dividends. It provides for a 15-percent flat tax on banks and insurance companies; establishes at 22½ percent the rate of the flat tax on corporation earnings used to pay debts, and at 15 percent the rate on foreign corporations in receivership in the United States, and repeals the excess-profits tax after the present taxable year.

These are only a few of the things it undertakes to do, many of which it most certainly will not accomplish. However, there is one thing of which I am absolutely sure and certain, and I am not the son of a prophet, but experience is the best teacher I know. This bill will seriously impair the financial strength of corporations, depreciate their value of bonds and notes and their evidence of indebtedness, increase inequities and impose discriminatory taxes, increase complexities and uncertainties in the computation of tax liabilities, subject corporations to severe penalties by reason of circumstances beyond their control; result in duplicate and multiple taxation of the same income, and, in short, have a substantially adverse effect on the economic and business conditions of the country.

There is no pretense made that the program prescribed even undertakes to balance the regular Budget. No practical-minded man can figure out how it will produce anything like the estimated revenue. Moreover, this measure undertakes to overturn the whole present structure of corporate taxation. And in a few minutes, figuratively speaking, undertakes to remold and remake a system which it has taken years to develop.

This can be done in the committee room and on paper and in the Treasury, but when the day of reckoning comes the effectual obstacles involved in enforcement and administration of a revenue law present problems which are insurmountable, cannot be overcome, and then the brain child of the theorists might as well be dead, for it will never grow up, and it will horribly fail to measure up to the standard set for it by its fond parents.

Time does not permit me to discuss this bill by item or section or subject. I am, however, most concerned with its administration, by reason of my own experience and difficulties encountered in my attempts to put in action the ideas put on paper by theorists. I am going to say to you without knowing, that what happens will justify my statement and that is this: The administrative difficulties which are involved in this bill are such in themselves and sufficient in themselves to wreck the measure, however good it otherwise might be, and because it is unenforceable, unworkable, and impractical, if for no other reason—and there are many reasons—it is unsound, will be ineffective, might as well not be passed, and therefore should not be.

Its purpose and intent is to force distribution of corporate surpluses and in this it will fail. It seeks to produce a given amount of revenue and any schoolboy can ascertain the inadequacy of the plan. It is easy to be captious and I long ago learned it was not smart to be destructively critical. So I say seriously that from my knowledge of State and Federal taxation this tax bill from the standpoint of intricacy and complexity has not now and never had a rival. The obvious mazes through which the financial and tax experts will lead the businessman, who will be compelled to seek their aid, will lead the businessman to the verge of bankruptcy to keep him from which, and with the aid of whom, even then the road will be a hard one.

The harder a law is to construe and the more difficult it is to interpret, the more opportunity there is afforded for evasion. Tax legislation should be reduced to the lowest possible denominator and be written in the simplest possible terms. It has been well said: That our Federal tax laws have become increasingly complex, and the climax of legislative fullness appears to have been reached in this latest legislative tax program.

Now, let us be honest with the people. Nobody knows how much this bill will produce, but everybody thinks it will be at least $334,000,000 shy of meeting the President's demands. A million dollars used to be a lot of money, but we talk and speak another language in the trance that is on us today. A million dollars is a lot of money back where I come from, and its reckless spending I propose to object to so long as I can stand here and talk. Why not stop spending recklessly for a while instead of crucifying the body politic in an attempt to extract one more agonized drop of revenue blood to be spent for the unwise and temporary relief of a populace drunk with injections of panaceas, which are but a delusion and a snare, and contribute to a recovery as unreal and temporary as an opium eater's dream? It is time to wake up.

This bill, in its last analysis, is "a direct threat to the security of American business, employment, and investments." Somewhere I read a most elucidating statement to the effect that never before had any President felt it necessary to promise a breathing spell to business. Think that over! A breathing spell to business promised by the Chief Executive! He who would grant the breathing spell assumes thereby the responsibility of choking business to death. This is incontrovertible and the horrible truth. But the breathing spell is over before it was ever begun and we are considering the most complicated, confusing, and extraordinary tax bill "that ever bedeviled a Congress eager to call it a day and go back home." As I have said before so I see someone else thinks, namely, that—

> As to the chief purpose of this piece of patchwork legislation there can be no dispute. That is perfectly plain. The difficulty will come in administering it. No Representative, even if he has waded through the 236 pages of printed text, boasts that he knows how it can be made to work. Nor can anybody be found who will do more than guess at the revenue it may produce.
>
> But from Speaker to page boy everybody is aware that this alleged tax bill is just another New Deal bludgeon for business. It strikingly illustrates the dictum that the power to tax is the power to destroy. The N. R. A. fixed hours and wages, but if a corporation, thus hedged and hampered, did manage somehow to wangle a net income, nobody in Washington stood ready to dictate how it should be distributed.
>
> Even before the new dealers felt the lash of the courts and while they were looking upon the Constitution as a sort of successor to the one-horse shay, the directors of corporations were allowed to use their own judgment in the matter of dividend payments and additions to reserves kept for emergencies or purposes of expansion. Considering the lengths to which the New Deal went in the direction of regimenting business, large and small, it is odd that they should have kept hands off the corporations' fiscal policies for so long.
>
> There are plenty of corporations that will suffer no financial harm, at least immediately, from this scheme to tax their total net incomes according to the amount they divert to reserves instead of to dividends. There are many stockholders who may

believe they will profit from the forced payment of dividends which might more prudently, in numerous cases, be left to strengthen their companies' financial structure.

But the outstanding objection to this "dangerous measure", as a leading Democratic newspaper terms it, is the overriding of corporation managements by a hard-and-fast rule backed up by a punitive tax. Some will try to pay the tax and maintain what they consider necessary reserves "the life insurance of corporations." Others, unable to carry the burden, will dissipate their surpluses in dividends. Mr. Roosevelt has suggested that they can then borrow money for new reserves. But how much could they have borrowed in the depths of the depression? The New Deal thus far has found wholesale borrowing a sovereign remedy for financial folly and imprudence. But its day of reckoning will come and it would come much sooner for a private business enterprise that tried to follow its example.

In defending this bill in the debate which starts today, let the new dealers at least be honest about it and admit that the purpose is to fasten the Government's grip on the corporations so that it can shake the life out of them if they refuse to do its bidding. There are measures in Congress today for putting all industry under Government ownership. There are proposals for constitutional amendments to make this legal.

It can't happen here—perhaps. But if this bill gets through House and Senate and to the White House, where it is assured of approval, the next step of the New Deal may take it even further along the road to state socialism. If Government control of corporate reserves, why not control of individual savings?

No, Mr. Chairman, this bill does not and will not do for the country that and those things which my good and conscientious friends who are its proponents may believe or hope. Their hopes will not end in fruition. On the contrary, in my judgment, this is one of the most devastating, destructive, and impotent tax measures ever imposed by Congress upon a long-suffering but not unsuspecting public.

Whether we like it or not it is true; it is susceptible of demonstration that the deficit for the next year will exceed $5,000,000,000, the largest deficit ever incurred by any government, our own or foreign, except in time of war.

Our gross public debt is approximately $50,000,000,000, which equals the present national income. Will the Budget ever be balanced? There is no promise nor indication either in the situation itself or in the Executive Budget message. We are faced with and by greater disaster in Government finances instead of an approach to a balanced Budget.

Seven years of budgetary deficits. History and experience show and teach that every nation which has permitted deficits in any way comparable for such periods has found the greatest difficulty if not the impossibility of escaping the devastating consequences of uncontroverted inflation.

I say to you that attempts to overcome the disorder through increasing the tax burdens rather than by lowering the excessive and reckless expenditures lead us only farther into that miasmatic swamp of national bankruptcy from which eventually there is no escape.

It is not a pretty picture, but now is the time to take a look at it and to stop and to look and to listen. [Applause.]

Mr. VINSON of Kentucky. Mr. Chairman, I yield to the gentleman from Mississippi [Mr. DOXEY] such time as he may desire.

Mr. DOXEY. Mr. Chairman, the distinguished gentleman from North Carolina [Mr. DOUGHTON] chairman of the great House Ways and Means Committee, has always been most gracious to me. I thank him and the gentleman from Kentucky [Mr. VINSON] very much indeed for the time extended to me.

Several days have already been consumed in debating this tax bill on the floor of this House. I realize that there is very little that I could add to what has already been said. Friends and foes alike have expressed their views and argued at length this measure.

Of course, any tax bill is highly controversial and always unpopular. Taxation from any standpoint is not pleasant. However, we must have money to carry on this Government and there is no way to get it except for Congress to enact tax laws.

Many of us here would like to see some changes and modifications made in the bill before us. There are some provisions in the bill that we should like to see omitted, some changes that we should like to see made, and some items included that have been left out. However, as we view this broad, intricate, and complicated tax proposition as a whole, I am going to follow the recommendations of our President and the judgment of this great Ways and Means Committee. They have spent weeks and weeks working on this tax measure, while most of us were busy with the work of our own committees. We were not privileged nor did we have the time to attend the hearings and committee discussions during the framing of this bill. The members of the Ways and Means Committee were charged with that responsibility and I know they have discharged those duties well. I shall vote for this bill, believing that it is the best bill it was possible, under the circumstances, for the committee to present to the membership of this House for our consideration. My philosophy of taxation is to tax those who are best able to pay. It is necessary that we all be taxed, for we are all benefited, but those in the higher brackets with the largest incomes should carry the heaviest load in accordance with their ability to pay. It is some difficult problem to equalize taxes.

Mississippi, my home State, pays into the Federal Treasury comparatively a small amount of taxes for the reason that the incomes subject to Federal taxation are comparatively small. About 4,076 individuals in Mississippi out of a total population of approximately 2,009,821 paid Federal income taxes in 1935, which was only about .07 percent of the total United States internal revenue receipts for 1935. The tax burden in Mississippi is not caused by Federal taxation. The Federal Government obtains its revenue from levying taxes on incomes, custom receipts, excise taxes, tariffs, and such like. There is no Government ad valorem tax. That is a form of taxation that is reserved strictly for the States. Most of Mississippi's tax levies are State, county, and city taxes. Comparatively a small percentage of taxes paid by Mississippians goes to the Federal Government.

When we consider the direct benefits the State of Mississippi has received from Government funds being expended in our State, we realize that as a State, Mississippi has received many, many times more dollars from the Government than has been paid into the Federal Treasury by the taxpayers of Mississippi.

Mississippi, under the present Democratic administration, has received greater recognition than under any former administration in the history of this Government. The record speaks for itself.

During this discussion it will be necessary for me to deal with certain technical facts and a great mass of figures as shown by the record. Therefore, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentlemen from Mississippi?

There was no objection.

Mr. DOXEY. My friends and colleagues, in this connection, permit me to briefly outline some of the substantial benefits received by the Second Congressional District of Mississippi, which I have the honor and privilege to represent in Congress, as a result of our efforts here.

Since I have been a Member of Congress, my congressional district has benefited more from governmental activities than it ever had during the entire previous history of our State. More Federal funds have been spent in the Second Congressional District of Mississippi during my service here in Congress than was spent in it from the time it was established as a congressional district up until the beginning of the Roosevelt administration, March 4, 1933.

What does the record show as to some of the worthwhile and substantial benefits flowing from the Federal Government into the Second Congressional District of Mississippi during my service as Congressman from this district?

I

LOANING AGENCIES

Consider the efforts of the Government in refinancing the drainage and levee districts in the Second Congressional District of Mississippi.

Briefly, here are the facts and figures in this regard:

Drainage loans made by the Drainage, Levee, and Irrigation Division, Reconstruction Finance Corporation, as of Apr. 3, 1936

Name of county and district	Outstanding indebtedness	Amount authorized on approved applications	Amount disbursed to date
Benton County	(1)	(1)	(1)
De Soto County:			
Lake Cormorant drainage district	$626,400.00	$282,500.00	$244,986.64
Pigeon Roost Creek drainage district	92,200.00	(2)	(2)
Red Banks Creek drainage district	39,500.00	26,000.00	(2)
Lafayette County:			
Yoknopatawpha drainage district no. 2	19,452.00	15,000.00	(3)
Coleman drainage district	15,838.00	(2)	(2)
Greer drainage district	104,760.00	21,000.00	(3)
Clear Creek drainage district	16,500.00	12,500.00	(3)
Marshall County:			
Greer drainage district	104,760.00	21,000.00	(3)
Red Banks Creek drainage district	39,500.00	26,000.00	(3)
Pigeon Roost Creek drainage district	92,200.00	(2)	(2)
Panola County:			
Indian Creek drainage district no. 1	287,837.09	137,500.00	(3)
Panola-Quitman drainage district	1,940,585.66	227,500.00	225,152.30
Long Creek drainage district no. 3	14,720.00	11,000.00	10,500.00
Yocona drainage district no. 2	163,997.00	76,000.00	(3)
Tallahatchie County:			
Newsom Lake drainage district	306,210.00	45,000.00	42,385.23
Panola-Quitman drainage district	1,940,585.66	227,500.00	225,152.30
Matthews Bayou drainage district	154,950.00	81,000.00	77,500.00
Blue Lake drainage district	87,000.00	66,000.00	(3)
Upper Quiver River drainage district	336,000.00	252,500.00	(3)
Yocona drainage district no. 2	169,997.00	76,000.00	(3)
Patterson Bayou drainage district	207,540.00	85,500.00	81,824.59
Locopolis drainage district	124,000.00	(2)	(2)
Ascalmore drainage district no. 1	74,680.00	(2)	(2)
Tate County:			
Strayhorn Creek drainage district	41,713.24	19,000.00	(3)
Arkabutla Creek drainage district	38,719.37	23,500.00	(4)
Pigeon Roost Creek drainage district	92,200.00	(2)	(2)
Tippah County	(1)	(1)	(1)
Union County	(1)	(1)	(1)
Yalobusha County: Yocona drainage district no. 2	163,997.00	76,000.00	(3)

[1] Applications received.
[2] Declined.
[3] Not closed.
[4] Loan rescinded.

In fact, up to April 3, 1936, the R. F. C. had received 76 formal applications from drainage and levee districts in Mississippi. The indebtedness covered by these applications, as submitted, aggregates $11,798,453.46. The R. F. C. has authorized 64 loans to such districts in Mississippi to refinance $11,183,515.86. Of these, 28 have been closed and $2,797,313.65 disbursed to date.

You can see from these figures that in the refinancing of these various drainage districts by the Federal Government the taxpayers were not only given a breathing spell, so to speak, by being given loans over a long period of time at a low rate of interest, but the original amount of indebtedness of each district is being reduced by anywhere from 30 to 70 percent, thereby causing a great saving to the taxpayers on the amount of indebtedness that is now outstanding against the district.

This was made possible as the result of a law enacted in the Congress and known as the Emergency Farm Mortgage Act of 1933.

This law was the work of the House Committee on Agriculture, of which I am the second ranking member out of a membership of 26 Representatives in Congress who constitute this exclusive committee. My committee wrote the bill, reported it, and steered it to passage through the House. This was in truth and in fact a farm-relief measure through tax relief. During the debate of this bill in Congress, I made a speech on the floor of the House explaining the measure and urging its passage. It passed the House and was passed by the Senate in modified form. I was selected as a House conferee on the bill and worked with the Senate conferees in shaping and fashioning it for final passage in both the House and the Senate.

This was the first time within the history of our country that any legislation was ever enacted by Congress to help refinance distressed and tax-burdened drainage and levee districts with funds furnished by the Federal Government.

At the present time the Subcommittee on Agriculture, of which I am chairman, is considering and endeavoring to finally shape and report to Congress other legislation of a more permanent nature with a view to the Government further helping to carry the load placed on the farms and property located and being situated in these various drainage, levee, irrigation, and reclamation districts organized under the laws of the respective States.

The Second Congressional District of Mississippi has received its proportionate share of these long-term Federal loans at a low rate of interest.

Under date of February 14, 1935, I introduced in Congress H. R. 5697, providing for similar loans to distressed and tax-burdened public and special school districts.

I also introduced another bill—H. R. 7523—providing that the rate of interest on money loaned to the drainage and levee districts shall not exceed 3 percent.

During recent years Congress has provided other governmental loaning agencies designed to help the taxpayer secure long-term loans at a low rate of interest on easy payments, such as the Federal land bank, the Home Owners' Loan Corporation, the Federal Housing Administration, the Reconstruction Finance Corporation, the Commodity Credit Corporation, and so forth.

The total number of home loans closed in Mississippi as of March 26, 1936, amounts to 8,744, totaling $16,375,742. The loans closed in the Second Congressional District of Mississippi are as follows:

Counties in Mississippi	Loans closed	Amount	Pending applications
Benton	8	$9,716	None
De Soto	12	16,873	2
Lafayette	44	85,057	3
Marshall	36	65,703	3
Panola	36	53,602	4
Tallahatchie	87	162,110	9
Tate	27	42,298	3
Tippah	26	37,580	1
Union	25	82,181	2
Yalobusha	52	64,982	None
Total	353	620,102	27

The volume of Federal Housing Administration business in the Second Congressional District of Mississippi

County	Title I. Modernization notes insured through Feb. 29, 1936		Title II. Mortgages accepted for insurance through Jan. 31, 1936	
	Number	Amount	Number	Amount
Benton	3	$910		
De Soto	44	14,067		
Lafayette	21	6,281	1	$2,800
Marshall	32	10,341	2	8,000
Panola	33	11,220		
Tallahatchie	46	16,548	2	3,400
Tate	46	18,713		
Tippah	13	3,112		
Union	14	4,275	1	2,600
Yalobusha	64	19,282	14	23,150
Total (10 counties)	316	104,749	20	39,950
Total for State	4,435	1,609,219	2,620	2,620,742

These are governmental agencies loaning Government money on real estate and other securities and these measures were handled by the Banking and Currency Committee. My Committee on Agriculture handled the legislation pertaining to personal property security and loans limited to farmers and farm lands in refinancing farm mortgages such as the Farm Credit Administration's land banks, cooperative banks, associations, corporations, and seed-loan offices, which have so greatly benefited our section of the country and helped the farmers who were not financially able to help themselves.

All legislation pertaining to agriculture and farm rehabilitation and refinancing, including emergency crop, feed and seed loans, originated and is within the exclusive jurisdiction of my Committee on Agriculture in the House of Representatives. We have set up a separate and sound credit system for agriculture in an effort to care for the credit needs of the farmer.

II

AGRICULTURAL PLANS AND BENEFITS

Let us turn from the governmental loaning agencies which we have set up in an effort to refinance, rehabilitate, and help the taxpayers, home owners, business, and farming interests of this country and review the record as to the efforts of Congress to help agriculture and pay direct benefits to the farmers of our State and district, which is classed in the main as an agricultural State and district.

Not until May 12, 1933, when Congress enacted the A. A. A. was any legislation ever passed directly benefiting the farmers of this country. This is the first time the farmer and the producer of our crops was ever paid direct benefits by the Government. The farmers of my district never before received a Government check, unless they were soldiers or worked for the Government or sold something to the Government.

This law was the work of my Committee on Agriculture. It was designed to put agriculture on a parity with industry—to raise the price paid the farmer for the crops he raised—to make farming a paying and profitable business. We tried to do for the farmer by this law what the tariff laws had done for industry. We provided that direct payments and benefits would be placed in the farmer's hands and pockets out of funds taken from the Federal taxes laid on the processors who turned the raw materials in their factories and mills into the finished products. It worked.

Mississippi as a State paid in agricultural-adjustment taxes for the fiscal year 1935, $619,172.96. Mississippi received in rental and benefit payments through December 31, 1935, to the individual farmers and producers, $34,379,868.30. In other words, in Mississippi, by the operation of the Agricultural Adjustment Act, for every $1 the processors of Mississippi paid into the Government Treasury the Government in turn paid to the individual farmer in Mississippi about $35. The agricultural States received the benefits. The manufacturing States paid them.

Official statistics show that Maine paid in A. A. A. taxes during fiscal year of 1935, $1,254,029.35; Maine received in rental and benefit payments under the A. A. A., $6,065; Massachusetts paid in A. A. A. taxes during fiscal year of 1935, $19,874,136.95; Massachusetts received in rental and benefit payments under A. A. A., $1,267,126.21; New York paid in A. A. A. taxes during fiscal year of 1935, $58,842,770.85; New York received in rental and benefit payments under A. A. A., $569,601.44; Pennsylvania paid in A. A. A. taxes during fiscal year of 1935, $18,600,912.60; Pennsylvania received in rental and benefit payments under A. A. A., $3,282,107.11; Rhode Island paid in A. A. A. taxes during fiscal year of 1935, $1,862,519.65; Rhode Island received in rental and benefit payments under A. A. A., $6,319.49.

These are some of the manufacturing States. Now, compare what they paid and what they received with what some of our agricultural Southern States paid and received.

Official statistics show that Mississippi paid in A. A. A. taxes during fiscal year of 1935, $619,172.96; Mississippi received in rental and benefit payments under A. A. A., $34,379,868.30; Alabama paid in A. A. A. taxes during fiscal year of 1935, $7,532,275.60; Alabama received in rental and benefit payments under A. A. A., $29,938,661.70; Florida paid in A. A. A. taxes during fiscal year of 1935, $932,546.52; Florida received in rental and benefit payments under A. A. A., $2,852,837.16; Georgia paid in A. A. A. taxes during fiscal year of 1935, $20,678,114.74; Georgia received in rental and benefit payments under A. A. A. $30,947,145.52; Louisiana paid in A. A. A. taxes during fiscal year of 1935, $6,598,308.74; Louisiana received in rental and benefit payments under A. A. A., $29,549,383.54.

You can readily see why the big interests and the industrial States of this Union did everything they could to kill this law and wreck this program. To our sorrow and great loss, they succeeded when the Supreme Court, on January 6, 1936, in the Butler case, declared the Agricultural Adjustment Act unconstitutional. While the A. A. A. was in force, however, the following is the amount of money paid by the Government in direct benefits to the farmers of the Second Congressional District of Mississippi, by counties:

Rental and benefit payments through Feb. 29, 1936

County	Cotton	Corn-Hogs	Total
Benton	$167,863.22		$167,863.22
De Soto	633,513.14		633,513.14
Lafayette	250,573.70	$1,598.16	252,171.86
Marshall	469,539.05		469,539.05
Panola	590,558.88	58.20	590,617.08
Tallahatchie	948,244.82		948,244.82
Tate	388,755.62		388,755.62
Tippah	359,327.85	166.90	359,494.75
Union	348,101.64		348,101.64
Yalobusha	175,445.12	2,390.13	177,835.25
Mississippi	34,294,840.53	100,242.55	34,395,083.08

The farmers of the Second Congressional District of Mississippi also received the following benefits from the Federal Government under our farm-credit structure of the present Democratic administration:

Number and amount of loans made in Mississippi May 1, 1933, through Feb. 29, 1936, Farm Credit Administration

Institution	Number	Amount
Farm mortgage loans:		
Federal land banks	1,639	$5,155,800
Land Bank Commissioner	11,151	9,966,400
Total	12,790	15,122,200
Short-term credit:		
Production credit associations	19,419	9,767,731
Emergency crop loans	49,972	2,707,771
Drought relief loans		
Regional agricultural credit corporations [1]	642	2,169,882
Federal intermediate credit banks (loans to and discounts for private financing institutions) [2]		8,351,898
Total		22,997,282
Grand total		33,119,482

[1] For the period from May 1, 1933, through Oct. 31, 1934, only. Subsequent State data unavailable.

[2] For the period from May 1, 1933, through Dec. 31, 1934, only. Subsequent State data unavailable.

Number and amount of Federal land bank and Land Bank Commissioner loans closed, by counties, in Mississippi for the period May 1, 1933, through Dec. 31, 1935

County	Federal land bank		Land Bank Commissioner		Total (bank and Commissioner)	
	Number	Amount	Number	Amount	Number	Amount
Benton	6	$16,600	56	$69,325	62	$85,925
De Soto	39	148,200	90	138,950	129	287,150
Lafayette	23	71,100	164	140,550	187	211,650
Marshall	29	83,700	148	177,700	177	261,400
Panola	32	108,800	182	200,950	214	309,750
Tallahatchie	6	38,400	32	40,400	38	78,800
Tate	14	37,600	74	68,975	88	106,575
Tippah	17	35,600	156	136,600	173	172,200
Union	24	54,400	123	113,750	147	168,150
Yalobusha	28	53,500	160	136,975	188	190,475

EMERGENCY LOANS

Number and amount of crop and feed loans made Jan. 1, 1933, through Sept. 30, 1935, in counties comprising the Second Congressional District of Mississippi

County	Number	Amount
Benton	800	$52,746
De Soto	699	33,146
Lafayette	1,535	72,822
Marshall	2,528	145,231
Panola	1,231	92,855
Tallahatchie	1,382	117,940
Tate	831	67,856
Tippah	2,110	152,165
Union	1,680	121,550
Yalobusha	951	43,595
Total	13,747	899,956

Farm Credit Administration, Division of Finance and Research, April 3, 1936.

No drought-relief loans.

When the A. A. A. program was scrapped and knocked out by the Supreme Court the first of this year, did this Congress and this administration throw up their hands and quit and say, "We cannot do anything to help the farmers of this country, because the Supreme Court has thrown around us such restrictions and limitations that we cannot legislate in behalf of agriculture"? No! A thousand times no.

My Committee on Agriculture went to work as we had never worked before, and today there is on the Federal statute books a law as the result of our efforts, designed to help agriculture, stabilize the price the farmer gets for his products, and pay the individual farmer and producer of crops direct benefits out of the Federal Treasury and at the same time save and protect his lands. But we cannot tax the processor for this specific purpose and make the present agricultural program pay its way and be self-sustaining as was the A. A. A. That is one great drawback and serious limitation placed upon Congress by the recent decision of the Supreme Court. This law that I helped to write, spoke for, and worked for, is a substitute for the A. A. A. and is known as the soil-conservation plan and temporary farm program, 1936–37, and provides for a permanent State farm plan beginning 1938, the success of which remains yet to be determined. It is the best we can do for the present. If it is administered properly, wisely, and justly, as Congress intended it, this substitute A. A. A. will mean much to our district, State, and Nation. It will form the bedrock for a soil-rebuilding, conservation, and rehabilitation program that is so essential and vital to agriculture in general and to our district in particular.

III

NATIONAL FORESTS

Long before I came to Congress I was interested in agriculture, reforestation, soil-erosion, soil-conservation, and flood-control problems. No work of this type had been undertaken by the Government in our section of the State except some flood protection along the Mississippi River.

I knew that, generally speaking, in our method of farming we were taking everything we could away from our lands and putting very little back in improvements on our lands. Such treatment of our lands would inevitably lead to wreck and ruin. That has been the universal history of every other country that pursued that policy. Only when the people realize that their lands are their greatest assets and should be so treated and used, can our prosperity be lasting and secure.

Our forests had been denuded, our timber ruthlessly cut and slaughtered. Our lands were washing away, and our floods each year were becoming more serious.

I knew it was a problem so big that only this Government could handle it with any degree of success, so I came to Congress with the determination to do my best to get the Federal Government interested in these vital problems. I felt I could better serve my Nation, State, and district as a member of the Committee on Agriculture than by being on any other committee in Congress. Mississippi had not had a member on this exclusive Committee on Agriculture for about 15 years. After serving my apprenticeship for several years on other committees of Congress, I was elevated by my colleagues to this great House Committee on Agriculture. I was happy, but we still had a Republican administration, and the Democrats had very little to do with shaping the Government's policy. However, I tried to prepare myself for the opportunity that I believed would soon present itself. The opportunity came. The Democrats first got control of the House in 1931. We elected Hon. J. N. (Jack) Garner, of Texas, on December 7, 1931, Speaker of the House while Mr. Hoover was still President and the Republicans were in control of the Government.

Speaker Garner on December 11, 1931, appointed me as the Democratic Member of the House on the National Forest Reservation Commission. This Commission is composed of three members of the President's Cabinet, the Secretary of War, the Secretary of Agriculture, the Secretary of the Interior; two United States Senators, one Republican, one Democrat; and two Congressmen, one Republican and one Democrat.

When I was first appointed to this Commission in December 1931 the Cabinet members were all Republicans; one of the Senators on the Commission was Republican, Senator KEYES, of New Hamphire, and the other Congressman on the Commission was Republican, Hon. Willis C. Hawley, of Oregon, who was coauthor of the Smoot-Hawley Tariff Act of June 17, 1930. Senator Harris, of Georgia, and I were the only two Democrats on this important National Forest Reservation Commission. Naturally we were then able to do very little for the South, where up to that time there were practically no national forests. They had all been established in the West, the Northwest, and the northeastern part of the United States. No money scarcely for reforestation was up to that time being spent in the South.

Times changed. Mr. Franklin Delano Roosevelt was elected President; Mr. Jack Garner was elected Vice President; and the Democrats gained control and took over the reins of government on March 4, 1933. Our Speaker of the House, Hon. Jack Garner, having been elected Vice President of the United States, we the Democrats of the House elected the Honorable Henry Rainey, of Illinois, as Speaker of the House of Representatives. He reappointed me as the Democratic Congressman to the National Forest Reservation Commission on March 27, 1933, and his successor, Speaker JOE BYRNS, reappointed me to this Commission on January 23, 1934. In the meantime Senator Harris, of Georgia, died, and Senator GEORGE, of Georgia, was appointed to take his place on the Commission. The three Cabinet members were now Democrats instead of Republicans, so the tables were just reverse to what they were under the Republican administration. All members of the National Forest Reservation Commission under the Roosevelt administration are Democrats except two, a Republican Senator, Senator KEYES, of New Hampshire, and Congressman WOODRUFF, of Michigan. May I say in passing that both of these Republicans have cooperated with us in a wonderful fashion. All members of the Commission resolved to inaugurate a real reforestation program if we could get the money to put our plans into operation.

President Roosevelt was vitally interested in our work and plans. Congress cooperated, and we have obtained results. Since March 4, 1933, the achievements of the National Forest Reservation Commission, working in cooperation with the efficient Forest Service of our Government under the Department of Agriculture, has a record that is outstanding and will, more and more as time goes on, mean much to our people. No State in the Union has been dealt with more generously by our Commission than has Mississippi. Today Mississippi has seven national-forest units, and the following figures show the status of these seven national-forest units as of April 3, 1936.

FOREST LAND ACQUISITION UNDER WEEKS AND CLARKE-MCNARY LAWS BY LAND EXCHANGE AND BY WITHDRAWAL FROM PUBLIC DOMAIN

Current land and financial status of established purchase units, State of Mississippi, as of Apr. 3, 1936

Unit	Gross area	Reserved public lands	Purchased or in course of purchase	Average cost per acre	Total amount expended or obligated to date	Additional area to be purchased	Approximate cost to complete unit
	Acres	*Acres*	*Acres*			*Acres*	
Holly Springs	530,520		99,173	$3.80	$376.424	326,967	$1,867,843
Bienville	382,820		172,477	2.54	438,609	149,263	543,744
Chickasawhay	192,000	160	134,540	1.45	195,102	37,040	113,966
Leaf River	624,261	691	227,648	1.80	410,165	311,586	750,884
Biloxi	409,600	243	126,954	3.34	423,575	217,913	769,057
Homochitto	373,550	292	190,087	3.80	722,623	132,221	529,524
Delta	323,840	196	13,344	55.00	733,920	241,760	502,860
Total	2,836,591	1,582	964,223	3.43	3,300,418	1,416,750	5,077,884

The above-named seven national forest units are known as the DeSoto National Forest of Mississippi.

The land purchased by the Government for these various forest units has been mostly cut-over, worn-out, and submarginal lands.

One of these national forest units established by my Commission in Mississippi, as you will see from the foregoing table, is located in the Second Congressional District and is known as the Holly Springs National Forest unit and embraces lands in Tippah, Union, Benton, Lafayette, and Marshall Counties.

In addition to the land-acquisition program, the Government is spending vast sums developing and improving the Holly Springs National Forest unit. From the beginning the Government has only wanted to purchase the land that the farmer could not use profitably. The Government's policy is to buy the worn-out lands, the cut-over lands, the submarginal lands, and the eroded lands, and convert these lands into profitable and valuable lands and forests by means of soil rehabilitation and reforestation. This is what the Government is trying to do in my district with the Holly Springs National Forest unit. Thousands of trees, best adaptable to our soil and climatic conditions, have been set out. Grasses have been planted, soil erosion has been checked, water and drainage-control projects have been constructed, protection methods have been employed, fire-prevention apparatus has been installed, lookout towers have been erected, telephone lines have been built, good roads have been made through the lands embracing the forest unit, and other improvements are in the making in an endeavor to develop the Holly Springs unit into a real national forest.

This all takes time, money, and effort on the part of the Government. We have no large tracts of cut-over lands in our section. The purchases must necessarily be limited to comparatively small acreage, which means a great deal of title and abstract work, for the strict regulations of the Government with reference to land titles complicate matters and make it difficult for the Government to make much progress in acquiring and paying for lands in our forest unit. Our Commission realizes that it is one of the hardest sections of the entire country in which to establish a national forest unit, but my contention is that no section of the country anywhere is in greater need of a Government forest than our district. The work and its value thus far are there to show for themselves. If and when, in days to come, the Government derives any revenue from this forest unit, by sale of timber, grazing, hunting, recreation, or otherwise, 25 percent of the gross returns to the Government is paid by the Government into the general county funds of the county in which the land is situated to be used and spent by the respective counties for school and road improvements within the county.

This present Democratic administration, under the leadership of a great President, is planning and working for the benefit of generations yet unborn.

IV

C. C. C. CAMPS

March 31, 1936, marks the third anniversary of the Civilian Conservation Corps camps. This was one of the first of the New Deal's projects and also one of the most beneficial, successful, and far-reaching. The planning and launching of this C. C. C. program was the brainchild of President Franklin D. Roosevelt; Congress cooperated. Various agencies of the Government took part in this undertaking. Naturally, most of the first camps to be established were to be located on Government-owned land. Some States, particularly the South, had very little Government-owned land. Mississippi at that time practically had no tracts of Government-owned lands within its borders.

The Government did at that time own a little land in the Homochitto National Forest, the first national-forest unit to be established in Mississippi. But ever since I had been a member of the National Forest Reservation Commission I had been talking, planning, urging, and working to establish a national-forest unit in my congressional district. The unit was in the making, but the actual boundaries had not been established because of lack of funds. The upper watershed of the Tallahatchie Basin in my district was a location that was being considered for this unit. So when the first C. C. C. camps were located in Mississippi they were placed in or near the already established Homochitto National Forest unit in southwest Mississippi, and also within or somewhere near the contemplated national-forest unit that my Commission hoped to establish in north Mississippi within the upper watershed of the Tallahatchie Basin. That is the reason that the first C. C. C. camps to be located in Mississippi were, for the major part, in two areas—the Homochitto area and the upper Tallahatchie River Basin area, where we planned to establish a national-forest unit in my district, which our Commission did establish shortly thereafter. Just as soon as Government funds were made available and the details could be worked out the Holly Springs National Forest Unit was established by the National Forest Reservation Commission, of which I was a member.

My friends, whether it is generally known or not, that is the main reason why the Second Congressional District was originally selected for the location of most of Mississippi's first C. C. C. camps. The counties of Marshall, Benton, Tippah, Union, Lafayette, Pontotoc, Tate, and Panola were originally selected for establishment of the first C. C. C. camps in Mississippi. Those counties, or a portion of them, were in the upper watershed of the upper Tallahatchie River Basin, and the contemplated forest unit in our section was being considered to embrace a portion of the lands in these counties. It afterward developed in determining the exact boundary lines of the Holly Springs Forest Unit that no lands in the counties of Tate and Panola would be embraced in this forest unit, for the reason that those two counties were not strictly within the upper watershed of the Tallahatchie River Basin and were located a little too far down in the Tallahatchie Basin, although C. C. C. camps had already been located in those two counties—one at Tyro in Tate County and one near Batesville in Panola County. That is the reason we were never able to locate a C. C. C. camp in Tallahatchie County or in De Soto County. Tallahatchie County was too far down in the lower reaches of the Tallahatchie Basin, and De Soto County was not in the watershed of the Tallahatchie River at all. At that time only the upper watershed of the Tallahatchie Basin was considered in connection with the establishment of the proposed national-forest unit in our section of Mississippi.

The C. C. C. program later developed so that, regardless of whether or not the Government owned any lands at or near where the C. C. C. camps were located, if the erosion and soil-conservation element was serious, there would be a class or type of camps known strictly as soil-conservation camps which could be located on privately owned lands.

On account of this broadened phase of the program, we were able recently, comparatively speaking, to have C. C. C. camps located in Yalobusha County and Tate County. These camps are known as soil-conservation camps. Those camps that are located in our district in the upper watershed of the Tallahatchie but which are on lands that the Government did not embrace in the forest unit that it later established, are also known as soil conservation camps. Those camps in our district located on Government-owned lands within the Holly Springs National Forest unit are known as forest camps.

I appreciate immensely that after the Government actually began the purchase of lands within the confines of our forest unit, the camp that was first established on this forest land was named "Camp Wall Doxey."

We have all three types of camps in the Second Congressional District of Mississippi—soil-conservation camps, national-forest camps, and a State-park camp. This last-named camp is known as Spring Lake State Park Camp and is located in Marshall County, and the plans are for this Spring Lake State Park to be made one of the real show places of our section of the country.

I understand that in proportion to the amount of land owned by the Government and the area involved, no congressional district in the United States has had located in it as many C. C. C. camps as the Second Congressional District of Mississippi. Each one of the 10 counties within the district

has had at least 1 camp located in it within the last 3 years, except the 2 counties of Tallahatchie and De Soto, although I have done my best for each of these counties. However, De Soto is outside the watershed selected and Tallahatchie County is not within the badly eroded upper part of the Tallahatchie River watershed selected for the location of these camps. However, I have been for some time and am still working for resettlement and rehabilitation and soil-conservation developments in the basin of the Coldwater River. I hope before long these developments will be a reality. From time to time certain camps had to be abandoned in accordance with the Executive orders of the President to cut and reduce camps in order to conserve the available funds. We have had several camps abandoned in the district and later reestablished when funds became available for the purpose.

Although we all know the value of the work and the necessity for it, we are having a hard time obtaining funds with which to carry on the present C. C. C. program. Naturally when a reduction is found necessary and a reduction is ordered, Mississippi is required to take her pro-rata share of the cut, and as a result the cut falls heaviest in the Second District for the reason that we have all along and still have more C. C. C. camps in our district than in any other congressional district in the State. I am informed that my home town, Holly Springs, Miss., has the distinction of being the only town in the United States that has in it or right near it two World War veterans' C. C. C. camps.

No one regrets his district's losing a camp any more than I do. I know how hard it is to get a C. C. C. camp and I know the great work the camps are doing and what they mean to business and to the community in which they are located.

Just how many camps will be continued and how long the C. C. C. program will last no one at this time knows. However, I do feel that we are all thankful for what the program has already done for our district; and whether a camp was located in every community or not, we appreciate the fact that we got as many camps as we could, and certainly we did our best to keep what camps we had. We are now faced with conditions over which we have no control; and when a reduction in this program becomes necessary, it is incumbent upon us to take our share of the cut and make the best of it.

The number of Mississippi men working in C. C. C. camps has varied from time to time. On April 5, 1933, the Mississippi quota was set at 4,400. This was increased to 9,200 when the decision was reached in the spring of 1935 to expand the whole C. C. C. program. On August 31 Mississippi had a total of 12,239 men actually enrolled in C. C. C. camps. The strength of the C. C. C. nationally on that date was approximately 506,000. On February 1 the number of Mississippi men in C. C. C. camps was 9,660. On that date there were 9,021 men working in camps located in Mississippi.

Altogether, an aggregate of 20,657 young men from Mississippi have been enrolled in the Civilian Conservation Corps, from the beginning through February 1, 1936. Mississippi enrollees allotted home to dependents approximately $4,780,000 during this period out of their basic cash allowance of $30 a month.

Obligations for the State of Mississippi through December 31, 1935, were approximately $19,486,000.

The Second Congressional District of Mississippi has had the following C. C. C. camps, some of which are still being operated:

Camps

Camp no.	County	Address
PE-53	Panola	Batesville.
PE-54	Tate	Tyro.
PE-55	Marshall	Waterford.
PE-56	Lafayette	Abbeville.
PE-57	do	Oxford.
PE-58	Marshall	Holly Springs.
PE-59	Tippah	Blue Mountain.
PE-61	Union	Myrtle, route 1.
PE-62	Benton	Ashland.
F-9	do	Holly Springs (Fifth, Potts Camp).

Camps—Continued

Camp no.	County	Address
PE-56	Lafayette	Abbeville.
F-9	do	New Albany.
F-19	Marshall	Waterford.
F-17	Lafayette	Oxford.
SCS-9	Tate	Senatobia.
SCS-12	Yalobusha	Coffeeville.
SCS-13	Marshall	Holly Springs.
SCS-14	Benton	Ashland.
SCS-15	Tippah	Blue Mountain.
SCS-16	Panola	Batesville.
SCS-17	Lafayette	Oxford.
SP-8	Marshall	Holly Springs.

It is likely that finally on a very much reduced basis this C. C. C. program will be worked out so as to give it in a limited way a permanent status. Its purpose is to rehabilitate young men by giving them employment and advantages to prepare them for useful citizenship, as well as to help in a financial way their dependents at home. World War veterans and their families have also been benefited.

The part these camps have played in helping to solve the unemployment situation and giving our young men and soldiers a break, as well as the type of work they have done, make us realize it is a great program for a worthy cause during this depression.

Aside from saving lands and forests, these C. C. C. camps have greatly benefited young men in more ways than one.

It is the aim of this administration to help the youth of this Nation, and with this in mind the National Youth Administration was created.

The allocations under the N. Y. A. for the student-aid program in Mississippi are as follows:

	For the year
School aid	$113,952
College aid	170,150
Graduate aid	675

The allocation for National Youth Administration work projects in Mississippi is $427,500, for the operation of recreational projects, rural-youth development projects, public-service projects, and research projects.

The student-aid program in Mississippi provided assistance to 5,733 students in February 1936, distributed to the high schools, colleges, and graduate schools.

Youth projects in Mississippi are employing 4,000 young men and women throughout the State. The following are typical projects in operation in the Second Congressional District:

	Total cost	Location of project	Number of youth assigned	
			Male	Female
Public service project	$36	Panola County	0	2
Recreation project	180	Benton County	0	4
Do	270	De Soto County	2	4
Do	270	Lafayette County	2	4
Do	180	Marshall County	2	2
Do	270	Panola County	2	4
Do	450	Tallahatchie	4	6
Do	270	Tate	2	4
Do	270	Tippah	2	4
Do	270	Union	2	4
Do	270	Yalobusha	2	4
Do	54	De Soto	0	6
Total	2,790		20	48

Our Government also provides for a limited number of qualified young men to enter the Naval Academy at Annapolis, Md., and the West Point Military Academy at West Point, N. Y.

I have been able during my service in Congress to offer an appointment to either the Naval Academy or the West Point Military Academy to some boy in each county of our district. It is estimated that the cost to the Government for a 4-year course at either academy is approximately $12,000.

V

FLOOD CONTROL—SARDIS RESERVOIR

The flood situation in what is known as the backwater area of Mississippi has always been a serious problem for

our district. Local interests have spent a great deal of money for flood protection in our district, but we never could get the Federal Government to consider it as a national or Federal problem and help us in the "backwater area." The Government took the position that our rivers were not navigable; that is, they were not necessary to the navigation of the Nation, and therefore the Government had no jurisdiction over them even though they were tributaries of the Mississippi River. The Government had many surveys made of the rivers and conditions in our section of the State but every report made by the Government and Army Engineers was unfavorable and carried the specific recommendation that it was a local flood problem and not one subject to Federal flood control and the expenditure of Federal funds. No progress toward obtaining Government aid to help us control our floods in the backwater area was made other than obtaining Government surveys, maps, opinions, reports, and hearings before congressional committees.

I introduced in Congress H. R. 6190, a bill "To provide for the control of the waters of the Coldwater, Tallahatchie, Yocona, Yalobusha, and Yazoo Rivers in Mississippi, and for other purposes." This bill of mine provided, among other things, that such plan for the improvement of navigation and the control of the waters of these rivers and their tributaries should include channeling, straightening, and deepening the streams, soil-erosion prevention on the watersheds by reforestation of abutting land and other methods, and the establishment of reservoirs for the control and storage of the water.

My flood-control bill further provided that the Government, in order to carry out the purposes of the act, be authorized to enter into contracts, to purchase lands, to erect dams and other structures, and to do all things necessary to prosecute the plans therein set forth. My bill authorized an appropriation not to exceed $60,000,000 to be used and spent by the Government for this purpose. However, up to the present time we have never been able to get any legislation passed in Congress to control the flood waters of these rivers and their tributaries and protect this backwater area from the destruction of the floods in this section of our State. Nevertheless, we have kept on working with everybody from President Roosevelt on down the line, and last year after Congress adjourned we succeeded in getting President Roosevelt to issue an Executive order allocating $1,000,000 to be used in the construction of what is known as the Sardis Reservoir, in the Second Congressional District of Mississippi. It was understood that this was a $10,000,000 project, and that if and when the landowners in the counties of Panola, Lafayette, and Marshall would agree to sell to the Government at a reasonable price sufficient lands to construct the reservoir and store the water, there would be some way provided to get the other $9,000,000 to complete the project. The landowners in these counties were immediately contacted, and most of them signed the necessary options. This preliminary and necessary work required time, and the Government's district engineer, Col. L. E. Oliver, had charge of the work. He submitted his report to the authorities in Washington the first of this year, and it was accepted and passed upon favorably.

However, it is to be noted that this is the only project of its kind in the United States where the Government agrees to purchase the necessary lands from the land owners. It is the Government's policy to do only the actual construction work on such projects, and all necessary lands and rights-of-way are furnished by the local interests. We told the President and all other Government authorities in the beginning that it would be impossible for the people, the land owners, the districts, the counties, or the State of Mississippi to provide and furnish these necessary lands, and that the only way to obtain this land for the purpose of constructing the Sardis Reservoir was for the Government to buy the land. So it was understood when we procured the first million dollars that the Government would make an exception in this particular case of the Sardis Reservoir and pay for the land if it could be obtained at a reasonable price. The land owners of our district have substantially agreed to sell their lands at a price considered fair and reasonable. So after the report was filed in Washington, the next step was to obtain the other $9,000,000. The President, however, then had no funds available from which this $9,000,000 could be secured. Many emergencies had arisen since we procured the first million dollars, and all the funds had been allocated. As stated, those of us interested in this project have contacted everybody we thought could possibly help us with it from the President on down. I personally never missed an opportunity to bring it to the President's attention. I even discussed it with him several evenings ago when Mrs. Doxey and I were having Sunday evening supper at the White House with the President and Mrs. Roosevelt. I know President Roosevelt is our friend; he is with us, and is entirely appreciative of our position, but there is just no Federal fund available for this purpose at this time.

All the public-works money appropriated by Congress has been allocated, so Members of both the Senate and the House interested in our project have been, are, and will continue to do everything in their power to provide and secure the necessary funds in order that the Government may buy this land and begin construction of the Sardis Reservoir. However, so far the efforts of all of us combined have not been able to pass the necessary appropriation in Congress for this purpose, nor has the President been able to find any funds at his disposal so that by Executive order he could provide additional funds sufficient to purchase the land and insure construction of the reservoir. It will take nearly $2,000,000 to purchase the lands at the figures set forth in the options already signed by the landowners. It will take something like at least $9,000,000 to complete the construction of the reservoir proper. The Army Engineers and other authorities are not going to recommend that the Government take any further steps until sufficient Government funds are in hand so as to make certain that if and when the Sardis Reservoir is undertaken to be constructed by the Government, it will be sure to be completed. It is estimated that it will require 2 years to complete the project and that it will give employment to 5,000 persons and that the total cost to the Government, including the purchasing of the land, which will be about 100,000 acres, will be something over $10,000,000. This is the first project of its kind anywhere in the South on which even this much progress has been made. Both Mississippi Senators, all seven Mississippi Congressmen, and all their friends are doing everything in their power to definitely secure sufficient funds to construct the Sardis Reservoir as soon as possible. The construction of this reservoir means the beginning of a real and far-reaching flood-control program for our section of the country. Without it, it is going to be nearly impossible for us to get any other kind of Government flood relief in our backwater area. This Sardis Reservoir is the key to our flood problem in the backwater area of Mississippi.

If and when the construction of the Sardis Reservoir is assured and truly gets under way, then there will be some chance for us in our section to get other, further, extra, and possibly different Federal flood-control projects for our district and the entire backwater area. We all realize the importance and necessity for this reservoir and all of us are doing everything in our power to secure this project as soon as possible. We have a fight and a hard one, but we have gone a long way in our efforts to obtain this project. This time last year there were no signs of encouragement with regard to it. Today all preliminary steps have been taken and approved. If we can now obtain sufficient additional Government funds to insure the completion of this project, work on the Sardis Reservoir will be begun within 30 days after we get the money for this purpose. Securing Government funds is now the problem. Believe me, it is a real problem, for this administration is reducing expenditures and cutting and slashing the use of Government funds in all directions. All kinds of programs and public works are

being discontinued and abandoned. No new ones are being started. Economy, reform, reduction, retrenchment seem to be the order of the day, and I am for it strong.

VI

PUBLIC WORKS AND BUILDINGS

Since the inauguration of the public-works program, our State has received comparatively a small distribution of the funds, mainly for the reasons that local interests were unable to match Government funds as the requirements of the public-works program were that public-work projects would be instituted either by the Government extending, under certain conditions, "grants only", "loans and grants", and "loans only." Nevertheless, the Second Congressional District has shared fairly well on the type of projects on which the Government has furnished the major portion of the funds needed. Quite a number of new schools have been constructed and repaired; several light plants, waterworks, sewerage, and paving projects have been begun in a number of our towns. Some other public works of value and importance to the communities, villages, towns, and counties are under construction, but none that especially stand out as general public improvements except two, namely, the enlarging and remodeling of the Federal building at Oxford and the new post-office building to be constructed at New Albany, Miss.

These two permanent public-building projects are paid for entirely by the Government. The remodeling of the Federal building at Oxford will cost $82,500, and the estimated total cost of the new equipment for this building is $4,261.

The new post-office building at New Albany will cost approximately $68,000, including the site that was purchased by the Government for $12,000.

These are both great assets to our district. The fine and convenient Federal building at Oxford will serve the public and the citizens of the entire northern section of Mississippi. The real fight was begun for this building when as a new Member of Congress I was on the Committee on Public Buildings and Grounds. The Republicans were then in power and I had to have help from my Republican friends and I got it. Congressman Dick Elliott, a Republican from Indiana, was then chairman of the House Committee on Public Buildings and Grounds. I was one of the Democrats on his committee, but we were friends. He went with me to see President Hoover and other high Republican officials in an effort then to get sufficient funds to improve the Oxford Federal building. Enough of my Republican friends then among the leaders of Congress helped me to obtain an authorization of $70,000 to be used to remodel this building at Oxford. This authorization was passed by a Republican Congress and approved by a Republican President in 1931. However, I was never able to get the actual money appropriated and set aside for this specific purpose until the Democrats came into power.

This handsome Federal building at Oxford will soon be completed and stands as a credit and monument to our district.

I have introduced in Congress bills to construct new post-office buildings at Ripley and Charleston, Miss., as well as at New Albany, but I was not able to get very far in securing a new post-office building for any town in the Second District except New Albany, for the reason that unless the receipts of a post office amounted to more than $10,000 a year no serious consideration could be given to the construction of a Federal building for the post office in that town. None of the post offices in the Second District at that time had yearly receipts amounting to more than $10,000, except those towns already having Federal buildings.

However, I am happy to say that the prospects now are that there may be some office in our district where the postal receipts will show an increase to more than $10,000 yearly, and I have just succeeded in getting the Post Office Department to have surveys made of the situation at both Ripley and Charleston, in an effort to get a new post-office building at one or both of these places.

VII

EMERGENCY RELIEF AND WORKS PROGRESS ADMINISTRATION

In an effort to carry out our President's desire that no one should go hungry in this great Nation of ours, Congress, on May 12, 1933, enacted the Federal Emergency Relief Act. Under this act the total emergency relief expenditures for the State of Mississippi during 1933, 1934, and 1935 were:

Year	Total amount	Federal funds	
		Amount	Percent
1933	$6,052,339	$5,994,201	99.0
1934	12,565,423	12,320,363	98.0
1935	13,641,949	12,713,575	93.2
Total	32,259,711	31,028,139	96.2

Of these amounts the Second Congressional District received the following:

FEDERAL EMERGENCY RELIEF ADMINISTRATION

Amount of obligations incurred for emergency relief[1] by sources of funds for the counties in the Second Congressional District of Mississippi, April–December 1933 and calendar years 1934 and 1935

County	Total amount	Federal funds		State funds		Local funds	
		Amount	Percent	Amount	Percent	Amount	Percent
Benton	$141,719	$140,279	99.0	$269	0.2	$1,171	0.8
De Soto	163,964	163,022	99.4	375	.2	567	.4
Lafayette	225,415	212,670	94.4	9,076	4.0	3,669	1.6
Marshall	162,551	159,750	98.3	267	.2	2,534	1.5
Panola	205,477	199,359	97.0	193	.1	5,925	2.9
Tallahatchie	375,129	363,971	98.4	755	.2	5,403	1.4
Tate	188,347	187,140	99.4	455	.2	752	.4
Tippah	232,912	231,984	99.6	913	.4	15	(2)
Union	263,778	263,177	99.8	400	.1	201	.1
Yalobusha	231,626	224,591	96.9	1,354	.6	5,681	2.5

[1] Includes obligations incurred for relief extended under the general relief program, under all special programs, and for administration; beginning April 1934 these figures also include purchases of materials, supplies, and equipment, rentals of equipment (such as team and truck hire) earnings of nonrelief persons employed, and other expenses incident to the emergency work relief program.

[2] Less than 1/10 of 1 percent.

However, the number of people without employment constantly increased the relief rolls until it was growing to such proportions that the Government thought it best for the morale of the people to adopt some plan whereby people could be taken off the relief rolls and be given an opportunity to earn their support or to earn enough to tide them over. Thus, it was that the WPA came into being, and the fundamental principles with regard to the W. P. A. program were that the projects should be useful and of such a nature that a considerable proportion of the money spent would go into wages for labor; also, that all projects must be of a character to give employment to "those on the relief rolls"; and that projects must be allocated to localities or relief areas in relation to the number of workers on relief rolls in those areas. In the beginning the stipulation was that all projects must employ at least 90 percent of their labor from relief rolls. This prevented many worthy projects being established in our district. In fact, last fall there was a great deal of uncertainty and dissatisfaction attending this W. P. A. program in Mississippi, so a month before Congress convened I left home and came to Washington, as I knew there were many matters that I could handle better by contacting the various authorities of the departments here in person than I could by staying down home and writing or wiring them. One of the first things I did on my arrival in Washington was to contact the W. P. A. authorities in an effort to get our W. P. A. program in Mississippi functioning in a satisfactory and proper manner. The authorities here made concessions to Mississippi that were made to very few States in the Union. A drought area was created within the State, and I was successful in getting the authorities to include every county in our district in the drought-stricken area so that drought-stricken farmers might be eligible for work on W. P. A. projects, even though they had not been on the

relief rolls; this meant that more people would be put to work and that more money would be spent in the District than would have been otherwise.

As a further effort along this line, I introduced on the first day of this session of Congress—January 3, 1936—a House joint resolution, No. 427, providing that on account of the drought and other conditions of nature over which we had no control, the rules and regulations then in effect as to who was eligible to be placed on the relief rolls and be put to work on the W. P. A. projects should be modified so as to include those persons living in drought- and flood-stricken areas who were not on the relief rolls but who were worthy and in need of help and employment and were willing to work although not on relief.

On orders issued by Mr. Harry Hopkins, the National Director of the Works Progress Administration in Washington, 10,000 additional persons were added to the eligible rolls of Mississippi for W. P. A. employment. Every county within our district was included, within what was designated as the "drought-stricken area", and about two million more dollars was allocated to Mississippi to be spent for additional relief-employment purposes under State supervision.

The entire Mississippi delegation, including both Senators and the seven Congressmen, have at all times done everything they could to obtain for Mississippi its fair share of this Federal relief money. For what and how it has been spent is a matter absolutely and entirely within the jurisdiction of the State authorities.

Federal participation in W. P. A. in our State is under the control and supervision of Dr. Wayne Alliston, the State director of the Works Progress Administration for Mississippi.

Obviously no office in Washington could undertake to earmark or designate which project in a State should be given preference or be put into operation; if they attempted to do that for one State, they would have to do it for all the States, which could not satisfactorily be done. Therefore, the selection and supervision of these projects was left entirely to the W. P. A. administrator in each State. In Mississippi the selection and supervision of these projects is entirely within the jurisdiction of the Mississippi State W. P. A. director—Dr. Alliston—and those working under him. Congressmen have nothing whatever to do with what projects are selected for construction or who is to work on them or who is to have jobs in the various set-ups. All that has been turned over to the Works Progress director of the State. All that Congress does or can do is to enact the law that will furnish the money for the work. That is what we have been doing. The administration of the law is entirely within the hands of State officials. Again, I repeat—the selection of the projects to be put into operation and the selection of the individuals who are put to work on the projects is left wholly up to the State and local authorities, and the Congressmen have nothing whatever to do with the same.

There have been many substantial and worth-while projects in our district selected and some constructed with Government funds by State W. P. A. officials—farm-to-market roads, school buildings and repairs on some; county, town, and village improvements of various kinds—and I trust some cold-storage plants, county agricultural buildings, National Guard armories, airports, recreational centers, and other permanent improvements that have already been approved by both State and Federal authorities will be established, even though they have not as yet been finally selected and designated for actual construction by the State Works Progress administrator of Mississippi, Dr. Wayne Alliston, with whom is lodged the final authority to order these projects constructed. Naturally, more projects were approved in Washington than will ever be finally selected and constructed out of W. P. A. funds. More applications were approved than funds were available for in order to give the State Works Progress administrators a flexible program, so that they would have a great number of projects to pick from in the selection and construction of the relatively few projects that will be finally completed with relief labor and paid for by the Government.

The Second Congressional District of Mississippi has thus far received a considerable portion of Federal funds spent for this type of relief.

Congress has provided other forms of relief, some paid for entirely out of Federal funds. Other relief measures enacted by Congress require the State also to provide State funds before the program can be put into operation.

One particular example of this type of relief where matching Government funds with State funds is required is the social-security program. That law enacted by Congress is intended to provide some safeguard against the insecurity of modern life through cooperative action by the Federal and State Governments.

The provisions of the Social Security Act make possible a number of distinct though related measures for social security grouped into about six general divisions, namely, (1) old-age assistance and old-age benefits; (2) unemployment compensation; (3) security for children; (4) aid to the blind; (5) extension of Public Health Service; (6) vocational rehabilitation.

In order for the people of a particular State to participate in these benefits, the State legislatures must enact State laws best suited to their particular State's local conditions and peculiar problems and provide for the use of State funds. For example, until the recent session of the Mississippi State Legislature, no aged citizen of Mississippi could secure any old-age benefits. Our legislature in March of this year passed an old-age-pension law and provided a million dollars to be used for the benefit of the needy and aged individuals of our State who come within the provisions of the law just passed by our State legislature.

The Federal Government will match on a 50–50 basis every dollar spent by the State for old-age assistance but will not contribute more than $15 per month for any one individual. In other words, if the State puts up $15 per person, the Government will match it with $15 Federal funds, but no more. Of course, if the State puts up less, the Government will put up a like amount of money. When this matter was before Congress, many of us, especially those Members in Congress representing Southern States, endeavored to have the law enacted so as to require no matching by the State and require the Federal Government to put up all the money, not to exceed the amount of $30 per month for each old person eligible for the pension under the law and the regulations established. We failed after a hard fight.

The Mississippi delegation in Congress realized it would be a hard problem for our State to be able to match these Federal funds. However, now Mississippi has provided a million dollars for this purpose. What amount that will be for each worthy old person who comes within the provisions of the law, I do not know. The State administers the law, and it is handled in accordance with the State law by State officials. The plan no doubt will soon be worked out and be administered by the State agencies as to the amount to be paid to each aged person in Mississippi qualifying under the law.

In this connection Mississippi has already received under the Social Security Act for the months of February and March of 1936, the following:

	Old-age assistance	Aid to the blind	Aid to children
Grant for assistance	$175,000	$8,400	----------
Additional 5 percent for administration or assistance	8,750	420	----------
Total grant for assistance and administration	183,750	8,820	$32,356

Grand total, $224,926.

The State of Mississippi has received from the Federal Government through the Children's Bureau during the present fiscal year $20,400.10. This sum is the first payment to the State under the grants-in-aid provisions of the Social

Security Act concerned with maternal and child health. Another payment of $30,600.34 will be made to Mississippi for this same purpose prior to June 30, 1936.

The appropriation for carrying out the provisions of the Social Security Act became available on February 11, 1936. Prior to this date the Children's Bureau had no responsibility for administering grants-in-aid measures, and there were therefore no payments to Mississippi for earlier years.

The amount of expenditures of the Public Health Service in the State of Mississippi for each of the last 6 years is as follows:

1930	$62,342
1931	63,285
1932	136,232
1933	38,185
1934	52,597
1935	49,251

The large expenditure during the fiscal year 1932 was on account of a special appropriation made by Congress for public-health work in drought-stricken areas.

The other related provisions of the Social Security Act depend upon enactment of State laws functioning in a similar manner as the old-age-pension plan.

The philosophy of this type of legislation is looking forward to and endeavoring to give security to the citizenship of this country. One of the outstanding pieces of legislation of this administration along this line has been the creation of the Federal Deposit Insurance Corporation. We all know the chaotic condition facing this country in March 1933. Banks were failing and closing throughout the country, and in our district the bank failures had affected many of us in a most disastrous manner. It was a most serious problem, but the new administration took hold of the situation and Congress fashioned and enacted a measure whereby our banks were put on a more stable basis and your deposits today are guaranteed up to the amount of $5,000. We have the best and strongest Federal banking system today that this country has ever known, and it has been the purpose of this administration to protect the depositors in their life savings and to insure that the banking concerns that hold themselves out to do business with the people are on a firm, solid basis.

VIII

VETERANS' BENEFITS—SOLDIERS' BONUS

All during my public career I have never missed an opportunity to do what I could, under the circumstances, for any and all soldiers, their wives, children, and dependents.

Since I have been in Congress I have maintained and kept my office open for business the year round both at home and in Washington. Through each office there has been handled a great volume of business for the veterans of all wars, their wives, children, and dependents. There are many, many things that we tried and wanted to do for the veterans that we were unable to do—just could not do them under the circumstances, laws, rules, and regulations. Ever since I have been in Congress I have worked for the bonus—signed petitions and discharge motions, attended various conferences and caucuses, made speeches, cooperated in every way I could, and voted every time for the immediate cash payment of the so-called "soldier's bonus." Today it is a reality. The World War Veterans have their bonus in cash or will have it in cash on June 15, 1936, if they want it.

In my own State—Mississippi—36,802 World War veterans will receive $19,308,411.76, approximately.

The veterans of the 10 counties comprising the Second Congressional District of Mississippi will receive approximately the following amounts by counties:

Benton County	$94,322.56
De Soto County	244,510.06
Lafayette County	192,028.54
Marshall County	239,040.83
Panola County	275,364.58
Tallahatchie County	341,879.62
Tate County	167,853.66
Tippah County	179,340.70
Union County	204,428.02
Yalobusha County	170,613.00
Total to veterans of Second Congressional District of Mississippi	2,109,381.57

With more than $2,000,000 distributed for this purpose in our district at this time, everybody should be benefited. It is estimated that there will be a turnover of the money within the next 12 months of something like eight times. That means that this money will pay bills; provide for the necessities of life; purchase comforts for men, women, and children; create business; satisfy mortgages on homes and mortgages on personal property; and, in general, make life more worth while.

The statisticians say that the payment of the bonus throughout the entire country will cause this bonus money to do $16,000,000,000 worth of additional business in the United States within the next year. It belongs to the World War veterans and their families, and I am happy it is paid and that I had the privilege of helping the veterans get their bonus, along with many other benefits, such as disability allowances, compensation benefits, insurance benefits, funeral expenses, and so forth.

Whether Congress was in session or not, I stayed on the job and did the best I could at all times.

Aside from the amount of bonus mentioned above, the following statement indicates the approximate disbursements for veterans and dependents of deceased veterans of all wars for the fiscal years 1932, 1933, 1934, and 1935 for the State of Mississippi:

Mississippi	Fiscal year			
	1935	1934	1933	1932
All wars:				
Compensation and pensions, veterans and dependents of deceased veterans (disability and death)	$5,088,117	$4,173,205	$8,237,842	$7,717,394
Military and naval insurance	1,298,693	1,330,524	1,574,424	1,560,104
Adjusted service and dependent pay	27,187	41,033	53,704	60,317
Adjusted-service certificates (matured by death)	222,044	249,496	268,787	206,603
Administration [1]	1,127,915	870,946	1,018,254	1,040,487
Construction	970	70,671	768,597	370,441
Total disbursement	7,764,926	6,735,875	11,921,608	10,955,296

[1] Includes expenditures incident to the maintenance and operation of all offices and hospitals, all forms of medical, hospital, and domiciliary care.

IX

ROADS

Everybody has worked for good roads in Mississippi. From many standpoints we have already accomplished much in road building in our State. Mississippi has a highly satisfactory system of what is known as "secondary roads." Most all the roads in our district are graded and surfaced. Any time of the year—in all kinds of weather—nearly all the roads through the rural sections are passable. The reason we are held up to criticism as a State and district with regard to roads is on account of our main trunk lines designated as "through Federal highways" being for the most part graveled and not concreted. The conditions and the times demand that especially the main Federal highways be concreted. In our district, much money—county, State, and Federal funds—has already been spent on our good-roads program. The Government has certainly been generous in allocating Federal funds for road construction in Mississippi, as is shown by the following figures:

Federal highway funds apportioned to Mississippi by the Secretary of Agriculture, fiscal years 1929 to 1936, inclusive

Fiscal year	Federal aid		Forest roads	Repairing roads destroyed by floods
	Regular	Emergency		
1929	$1,309,729.00			$628,000
1930	1,311,391.00			
1931	2,212,421.00	$1,434,736	$4,270.50	
1932	2,209,509.00		1,130.54	
1933	1,907,440.80	2,160,164	14,251.41	
1934		6,978,675	126,761.00	
1935		3,540,227	26,749.87	
1936	2,196,524.00	6,699,027	38,727.34	
Total	11,147,014.80	20,812,829	211,890.66	628,000

These figures do not include funds recently made available to Mississippi under the $40,000,000 road program.

Already a part of Federal Highway 51 and a portion of Federal Highway 78 in our district are concreted. I feel certain that under the present $40,000,000 State road-building program at least these two main highways will be entirely concreted. Then the Second Congressional District will at least have a concrete highway running north and south and a main highway east and west completely concreted throughout our district.

Under this present program, it may be possible that other main highways in our district may be concreted. I hope so. But that remains yet to be seen. It has taken a great deal of time, labor, and cooperation on the part of us all to procure the present $40,000,000 road program for Mississippi. Our Governor, our State legislature, and all officials certainly did a good job and cooperated in a wonderful fashion. Our United States Senators and all Mississippi Congressmen worked at this job continuously not only during the sessions of Congress but during the recess of Congress. Through this cooperative effort we secured an outright gift or grant from the Federal Government of $15,000,000 for Mississippi, which made possible this present Mississippi $40,000,000 road program. In addition, the Federal Government loaned to Mississippi on long terms, at a low rate of interest, the sum of $18,500,000. Securing about $33,500,000 at this time from the Federal Government to build roads in any State is quite an accomplishment. It is also going to be a serious and responsible task to properly administer and execute this road program which has been placed in the hands of State officials.

May our great State and our splendid district obtain worth-while results and receive full, adequate, just, and fair value for the money to be expended in this progressive good-roads program in Mississippi.

X

T. V. A.—RURAL ELECTRIFICATION

When I first came to Congress one of the vital issues before it was the "development of Muscle Shoals." Nothing had been done with that great natural and national asset except the developments as a wartime project, resulting from the passage of a wartime measure by Congress during the Wilson administration.

After the World War, when the Democrats went out of power and a Republican administration was ushered in, the development of this great project came to a standstill. Both President Coolidge and President Hoover vetoed legislation passed by Congress for the further development of Muscle Shoals. Never were we able to do anything until the Democrats regained control of this Government and Mr. Franklin Delano Roosevelt occupied the White House as our Chief Executive. Since then we have been able to go places and do things. The first session of Congress under this Democratic administration passed legislation to develop Muscle Shoals and created the Tennessee Valley Authority, briefly referred to as the T. V. A. This development has been marvelous, and the work of the T. V. A. has been unsurpassed. From the beginning, a portion of our State—the northeastern part of Mississippi—was included within the area known as the T. V. A. area. At first, no territory embraced within the Second Congressional District of Mississippi was designated within the immediate T. V. A. development area. However, a project as big and as far-reaching as the T. V. A. necessarily will reach out and expand. As the construction of the various dams progressed, additional legislation by Congress was enacted and more Federal funds provided, which permitted other territory to be added to the Tennessee Valley area, and plans for development of our particular area began.

This expansion was reaching our way, and about 18 months ago the northeastern part of our district was included within this immediate T. V. A. area. Power and electrification developments by the T. V. A. started in portions of Union, Tippah, Benton, and Marshall Counties of Mississippi. Since then rapid strides have been made in this territory by T. V. A. Today with the city of New Albany, the county site of Union County, as the central distributing center for T. V. A. power and electrical energy in this section of our district, a new era is at hand for the people in this section of Mississippi.

Within the near future my home town of Holly Springs, Miss., will be also one of the central distributing cities for T. V. A. power. From time to time as additional territory is included within the T. V. A. area, other towns and counties in our district will be receiving T. V. A. power if they want it and go after it whole-heartedly. To my mind, the time is not far distant when all the territory comprising the Second Congressional District of Mississippi will have the opportunity to secure the wonderful advantages of T. V. A. Whether or not the terms and conditions incident to T. V. A. contracts are agreed to by the towns and counties offered this opportunity is a matter entirely in the hands of the people and the local authorities to accept or reject if and when the T. V. A. contract is tendered them. The purpose of the T. V. A. is to benefit the country people as well as the town people. The T. V. A. facilities afforded the towns as distributing centers will be necessary in order to construct power lines throughout our rural districts for rural electrification.

T. V. A. is the cheapest electrical power obtainable. That is an important factor in rural electrification.

Judge the future by the past. Wherever T. V. A. has gone, satisfaction has reigned. Cheap power and electricity mean more to both the city and the country development than any other one thing. T. V. A. promotes industry. It denotes progress. It insures the best for the least. It brings happiness. It relieves drudgery. It holds out the many benefits of cheap electrical energy to every home both in the cities and in the country. It will revolutionize our way of living and cause the eyes of the world to be on us. This T. V. A. development is just in its infancy. So is rural electrification.

The many and varied benefits of rural electrification in our district are just beginning to be felt. May it spread until every home in our district enjoys the blessings it has in store for us. Advancement, achievement, progress, and prosperity follow T. V. A. and rural electrification. It is an opportunity of a lifetime and makes living more worth while. Our district is indeed fortunate to have T. V. A. within its reach. To say that I am for it and have done everything I could to help bring it to us is putting it mildly. I have worked night and day, in season and out of season, for the development of the Tennessee Valley Authority. I was present when this case was argued in the Supreme Court of the United States. I was there when the decision of the Court was rendered by Chief Justice Hughes. I heard the only judge out of the nine Justices—Mr. Justice McReynolds—dissent.

A few weeks before, when I heard this same Court by a divided opinion of 6 to 3 declare our Agricultural Adjustment Act unconstitutional, I was distressed. I said then that the A. A. A. decision is a blow to us, but we can still do something for agriculture and enact a law as a substitute for the A. A. A., but if that Supreme Court declares the T. V. A. unconstitutional there is no hope of Congress passing a law as a substitute for T. V. A., so when the Supreme Court upheld the constitutionality of the T. V. A., I was indeed happy.

In my judgment, there will yet be other legal attacks made upon T. V. A. The Supreme Court only passed upon a case where the facts involved Wilson Dam and its operation. That development was begun and completed during the World War, with its main purpose—national defense; these other developments such as Norris Dam, Wheeler Dam, and Pickwick Dam are peacetime developments and present different issues of fact as well as of law. I am certain that the Supreme Court of the United States will before long be called upon to decide these issues.

No one knows what, when, and how these issues will be presented to the Court. Nor do they know how the Supreme Court will decide them. Therefore I trust the people of my

district and my State will at their first opportunity take advantage of T. V. A. if and when the opportunity is given them by this governmental agency. When we get T. V. A. it will be hard to take it away from us. However, until we do get it, there is always a chance of us not getting it.

One development leads to another. The entire program sponsored by this administration is interrelated and applies to all classes and affects directly or indirectly all persons in this country. With T. V. A. and rural electrification distributed to the farm homes of our district, we are in a better position to obtain a real Government rural resettlement project. I have been working on this resettlement program for our district ever since it was established by this present administration. We have felt some of its benefits by virtue of the Government renting some lands and endeavoring in every county in our district to rehabilitate some of our destitute farmers, but to date we have not been successful in getting a permanent resettlement colony established in our district, although examinations, surveys, and investigations have been made in various parts of our district; however, when these reports were compared by Washington officials with the reports of other districts making application for resettlement colonies, it was found that our district by comparison with the other districts did not show the need or the facilities or the land eligible for such projects that the other districts did. That is often the great stumbling block with regard to many projects.

A project viewed solely from a local standpoint looks worthy indeed and the applicants can see no reason why the Government should not take favorable action on their particular application. However, in Washington the project is viewed not from a local standpoint but from a national standpoint; that is, the authorities can handle just so many of a certain type of project; they consider all the applications—all the cases—and compare the merits of each one with the merits of all the rest. Then begins the process of selecting the one best meeting all the requirements, and in this process the case that looked so favorable from a local standpoint has not a chance when compared with all the other cases. And that is exactly what happened with the several applications I presented from our district to the Resettlement Administration in Washington.

However, this is about the only governmental activity under this New Deal program applicable at all to the conditions of our district that has not been securely located and operated within our district to date. It may be later that we will be successful in this regard as this resettlement program progresses.

Along this line there is now before my committee bills proposing "To establish the Farmers' Home Corporation, to encourage and promote the ownership of farm homes and to make the possession of such homes more secure, to provide for the general welfare of the United States, to provide rural rehabilitation and additional credit facilities for agricultural development and for tenant farmers, and for other purposes."

The membership of the House Committee on Agriculture has been working on this farm-tenant problem for quite a while. We realize it is a most serious and urgent problem, but it is going to take time, money, effort, and cooperation to get a satisfactory farm-tenant bill passed by Congress. I realize that the quicker we have more home owners and less tenancy in this country the better off this country will be. However, at this time we are faced with much opposition and it is going to take time to overcome this strong opposition.

Some important farm legislation will necessarily have to go over until the next Congress, and I am afraid that this is what will happen to the farm-tenant bill that is now being considered by my Committee on Agriculture. I am for home ownership in this country and am doing all I can to have such a law enacted by Congress as soon as possible.

In conclusion I give a brief summary of the many benefits that have poured into the State of Mississippi since Franklin Delano Roosevelt took office as the head of this great Nation.

Summary operations report, Federal agencies in Mississippi

Farm Credit Administration:	
Mortgage loans	$15,122,200
Short-term credit	22,997,282
Home Owners' Loan Corporation	16,315,256
Federal Housing Administration:	
Title I	[1] $1,609,218
Title II	[1] 2,794,082
Reconstruction Finance Corporation	36,962,030
Commodity Credit Corporation	30,845,657
Civil Works Administration	8,297,882
Emergency conservation work	21,286,013
Public Works Administration:	
Non-Federal projects	6,889,635
Federal projects	21,535,683
Federal Emergency Relief Administration	34,793,392
Agricultural Adjustment Administration	34,394,852
Emergency Relief Appropriation Act of 1935 (W. P. A.)	45,413,286
Total	294,853,168
Less duplication of Emergency Relief Appropriation Act of 1935 funds	22,479,228
Less Reconstruction Finance Corporation loans prior to Mar. 4, 1933	11,588,959
Net total	260,784,981

[1] Not included in the total.

The net total is an approximation of the amount of funds which has been loaned, allotted, expended, or disbursed in Mississippi since March 1933 by agencies and departments of the Federal Government. This is a conservative approximation and includes loans and grants of Federal funds to individuals, organizations, and to the State by the above agencies.

We all know and are deeply appreciative of the wonderful response that the Government and all relief agencies have given to our State in times of disaster as evidenced in the recent catastrophe that visited our section of the State and took such a heavy toll of life and property, especially at Tupelo, Miss.

This Democratic administration has delivered. It does not have to rely on empty promises and vain generalities. For the past 3 years well-marked signboards have been erected along the way of this administration from depression to prosperity. We have not yet reached our goal although we are marching surely and steadily onward in a great effort to make this country a better place in which to live and to provide for all its citizens the opportunity of a "more abundant life."

Of course, I have not attempted to set out all the benefits that we have received under this Roosevelt Democratic administration, but I believe from what I have shown, you feel, as I do, truly grateful for the benefits we have received under this humanitarian and far-sighted administration, and I am thankful that I was privileged to have a small part in helping to procure these benefits for my beloved country, State, and district. [Applause.]

Mr. VINSON of Kentucky. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Chairman, the first principle of taxation is that the burden should be apportioned in accordance with the ability to pay. The second principle is that, whenever possible, taxes should be assessed so as to advance sound principles of social justice. It is, therefore, well to examine the present tax bill in the light of these principles.

The outstanding provision of this bill is the tax on the total net income of corporations, with the rate varied according to the percentage of profits put into surpluses. For taxing purposes corporations are divided into those with adjusted net incomes of $10,000 or less and those with adjusted net income of more than $10,000. And the rate is increased according to the percentage of profits put into surplus—or otherwise held from distribution.

This is just, because those taxed are manifestly able to pay the tax. And it is highly desirable, because it is bound to have favorable social and economic consequences. Those who have made an unbiased study of our unstable and inequitable economic system quite generally agree that one of the major causes of its devastating booms and its ruinous periods of depression is the building up by great corporations of excessive surpluses.

These surpluses come, of course, out of profits. Profits arise from many sources, but the outstanding source in industry is the lowering of unit costs of production. This reduction in unit costs is largely due to the decreased cost of labor per unit of production. The lower labor costs may be, and usually are due to improved machinery, which lessens the man-hours of labor applied to the making of the product. This should be a blessing to all mankind, and it could be if human welfare had any reasonable consideration in industry. But, unfortunately, the introduction of labor-saving machinery results in the throwing of men and women out of work and the consequent reduction of public purchasing power.

Thus, tragically, labor-saving machinery has increased profits and has reduced the share of labor in the products of industry. And in many cases the stockholders in the industrial corporations have not received their fair share of the increased profits. Instead a large part of the profits are held in surpluses.

This is the crux of our failure to achieve and maintain general prosperity in the midst of plenty. I cannot overemphasize this. It is basic; it is the most potent cause of low wages, of the long workweek, unemployment, poverty, and the threatened collapse of our whole system. In striking at this, we are striking at the root of the economic evil. Thus it is not merely a revenue bill we have before us, but an enlightened and tremendously vital effort to bring about an absolutely necessary readjustment of the distribution of income in this country.

In industry, the lowering of costs should be immediately reflected in higher dividends, higher wages, and lower prices to consumers.

Why? First, in the interest of justice to consumers and to labor. Second, in order to stimulate consumption and keep business on an even keel. It needs no argument to make clear the basic fact that in a machine age, with large-scale production, there must be large-scale consumption, and that this is not possible if a large part of the returns from production is put into excessive surpluses.

What happens to such excessive surpluses was clearly and tragically demonstrated in the boom years ending with the collápse in 1929. Business was good; costs were low; profits were high. Surpluses mounted. The speculative fever was rampant—due to excessive profits. New business enterprises were started; investments in stocks and bonds daily increased. These caused a demand for loans. Interest rates soared so high that even conservative firms began loaning from surpluses; these loans got into the stock market; the boom expanded. And then it broke. With the collapse, millions of dollars loaned from surpluses were lost. Thus the excessive surpluses first stimulated speculation and then were lost in the collapse. Every economist will tell you that this money should never have been in the market; that, in fact, it never should have been gotten together in surpluses. Instead, it should have been paid out week after week to labor, or should have been avoided through the lowering of prices to consumers and the increase of legitimate dividends to investors.

If this policy had been followed by big business, the increased purchases by the consuming public and especially by wage earners and investors would have kept business going. There would have been no such monstrous speculative frenzy and no tragic collapse.

As it was the collapse caused the laying off of millions of workers and the partial or complete closing of thousands of plants. Now, one of the great losses suffered by industry was that due to excessive plant expansion. This was one of the ways of avoiding just taxation. The depression closed the new and unnecessary additions to the plants. Obsolescence reduced their value before the slow revival came. Nobody profited; everybody lost.

The tragic mistake that our industrial and business leaders have made during these many years is to think they could play an entirely selfish game and get away with it.

If profits are reflected in larger dividends, all business is stimulated. If profits are shared with labor, more purchasing power is created for the products of industry. This is the basic fact in our machine age. It must be recognized and accepted if our system is not to collapse.

If such a policy were followed, those men and women who are displaced by the machine in one industry would easily and quickly be transferred to other employment, created by increased purchasing power in the hands of workers and of the public generally. We can well employ more people to produce luxuries not for the few but for the multitude. We can support more professional people, more teachers, doctors, dentists, nurses, lawyers. There will be plenty of employment for all, plenty of services to be rendered when the people have incomes that will enable them to live rounded and comfortable lives.

It is clear that taxing excessive surpluses will give a wider distribution of purchasing power to investors. I think it is a fair assumption that taxing excessive surpluses will tend to cause corporations to turn away from the effort to make excessive profits, for there is a peak beyond which dividends cannot safely soar. One of two alternatives will have to be considered as to profits. The first is to share with labor, either through higher wages, a shorter workweek, or direct profit sharing. The second is to reduce prices to consumers. Either is highly desirable from the standpoint of public interest, of business stability, and of the beneficial and far-reaching social effects.

The charge is made that the proposed tax will destroy small businesses. The answer is that the tax does not apply to businesses owned by individuals or in partnership. Small corporations are amply protected. Such a corporation can accumulate approximately 40 percent of its net income without paying a greater tax than it does under the present law. All corporations, large and small, may continue to retain surpluses sufficient for every legitimate need.

The charge is made that stockholders will suffer because in nonprosperous years there will be no surpluses from which to pay dividends. This is untrue, for even a large corporation can put aside as much as 30 percent of its net income for surplus and not pay any higher tax than it does today. This is sufficient surplus to insure stability of income under sound conditions.

I maintain that the tax is sound and fair and is essential as a means of distributing the benefits of the machine age to those who do the work, supply the capital, and purchase the products of the machine. [Applause.]

Mr. BACHARACH. Mr. Chairman, I yield 30 minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Chairman, I ask unanimous consent to extend my remarks by printing in the RECORD two tables presented to the committee during the hearings by the Commissioner of Internal Revenue, also a table prepared by a concern known as Prentice-Hall, Inc., of New York. The latter table gives information as to the specific taxes on different incomes, is accurate, and is very pertinent to the question under discussion. It will contribute much to the knowledge of the Members when they have an opportunity to examine it.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WOODRUFF. Mr. Chairman, the demand from the White House that Congress place upon the shoulders of the already overburdened taxpayers of the Nation an additional tax burden of more than eleven hundred millions of dollars brought more sharply to the attention of the public the profligate way in which the national substance is being dissipated by the administration. That public funds—the people's money, if you please—are being flung to the four winds without regard to securing value therefor is a matter of common knowledge, as every community in the Nation can testify.

What is not generally known outside Washington, however, is that this squandering and waste and inefficiency has been raised to the nth degree in the headquarters organizations of the many alphabetical agencies. Verification of this condition from an employee of the Resettlement Administration, who, of course belongs to the Demo-

cratic Party, otherwise he would not have the job he holds, came to me sometime ago in the form of a letter, which I quote in part as follows:

We have winked at spending thousands until the music must be faced.

Why not begin in sincerity by trimming some of the useless and worthless agencies? And, for the sake of common decency, begin with the Resettlement Administration, where—

1. The Administration pay roll has reached $2,000,000 per month.

2. Thirteen thousand chairwarmers are doing and duplicating each others' work—and nearly all of it useless work.

Third. Eight hundred and ninety-four persons in the administration engaged in "management", but so far no one has been able to find out what they manage.

Fourth. More than 3,500 employees of Resettlement are receiving salaries in excess of civil-service ratings—all because they have pull and friends.

Fifth. The Administration's construction division is spending for labor to the tune of $30,000 per day—enough to build at least 10 low-cost houses, but does not build 10 houses a month.

Sixth. Hundreds of the higher salaried employees know that they are on dignified relief, but why dish out relief at the rate of $2,500 to $5,000 per year per person?

Seventh. Of all the headaches the present administration will have will be the one when the public finds out what a disorganized, far-flung, wasteful agency the Resettlement is.

Eighth. You may be interested in knowing that many have left the Resettlement to save their self-respect, and the writer of this will do so soon.

The report of the committee, submitted by Mr. Bell, Acting Director of the Bureau of the Budget, containing information relative to the program of the Resettlement Administration is most illuminating. This information was obtained from statements furnished by Professor Tugwell, the administrator himself. The report will be found on pages 705 to 707 of the hearings and a reading of this report will, I believe, confirm the information conveyed to me in the letter quoted above.

The Resettlement Administration is the agency referred to as "Utopia unlimited" in a series of articles appearing recently in the Washington Post. It is an agency established without specific authorization of Congress and was brought into existence by Executive order of the President. To this activity, or shall I say "inactivity" has been allocated by the President the staggering sum of $278,347,171.29. With this money, or a part of it at least, Professor Tugwell has proceeded to employ, according to his report, 16,943 persons at an aggregate expense to the taxpayers each year of $24,380,985 for salaries alone.

Thirteen thousand four hundred and eighty-one of these individuals are employed "in the field"; so, of course, travel and subsistence expense for them must be no small item. The Resettlement Administration has all the powers of a government within a government, and Professor Tugwell can hire and fire to his heart's content, although it would seem that the gentleman knows much about hiring, but mighty little about firing.

As nearly as we can gather from the sentimental and gushing pronouncements regarding its origin and purposes, emanating from its publicity division, the philosophy pursued is that by shifting people around from where they are to where Dr. Tugwell thinks they ought to be, somehow in the process the subjects of his experimentation will realize the "more abundant life."

An illustration of this theory working out in practice is seen in the Matanuska Valley project in Alaska, involving transfer of 200 families from Michigan, Wisconsin, and Minnesota, where they had established themselves, to the rim of the Arctic Circle, where they were allotted farms of 40 acres per family upon which they, I understand, assumed mortgages of $6,000 each, not one of which can ever be paid, even in part, but where, according to the "brain trusters", agricultural conditions are almost ideal.

To date the Government has spent approximately $18,000 per family. Not a crop has been raised, and already 33 families have thrown up their hands, given it up as a bad job, and have returned home. It is prophesied by one of Alaska's newspapermen, who has been there for years and who knows the situation far better than any theoretical bureaucrat in Washington can possibly know it, that very few of the colonists will be in Matanuska at this time next year.

The Matanuska experiment is only one of many under way. Information coming to us regarding these other projects is replete with instances of similar unsatisfactory conditions which point to ultimate failure, with the result of shocking waste of the public funds with no permanent benefit to anyone.

An even more startling discrepancy between the cost to the taxpayers and the benefits to the recipients of the favors being spread around greets the inquirer who looks into the fiscal affairs of Professor Tugwell's Administration. Administration costs have been, according to the best information I can secure, $13,000 to provide benefits to the needy of less than $2,500. The reason for this is vividly set forth in the letter from which I quoted earlier in my remarks. This would seem to indicate that the relief extended by this agency is confined principally to the relief extended to those upon the Resettlement pay roll.

The daily statement of the United States Treasury dated April 20, 1936, disclosed the fact that, of the money allocated to the Resettlement Administration, there was of that date the sum of $173,646,075.56 unexpended. If the Committee is really desirous of securing the amount of money called for by the President—which, of course, the bill will not provide—I suggest that they induce President Roosevelt to issue an Executive order putting an end to the fantastic activities of the Resettlement Administration, fire bodily Professor Tugwell himself and all his 16,943 assistants, and cover back into the Treasury's general fund the $173,646,000 while this sum is still available.

There is a well-known axiom that "a dollar saved is a dollar earned." Here is an opportunity to actually secure this magnificent amount of money without delay and without taxing our people in this amount. I commend this suggestion to the earnest consideration of the majority members of the Committee.

There are many other activities of the Administration, entirely without congressional sanction, involving the expenditure of hundreds of millions of dollars, of no economic need or benefit, and which cannot be justified even upon a basis of extending relief to the unemployed.

Certainly, in the expenditure of the taxpayers' money for public works, some regard should be shown for the necessity of the project. We should, at least, attempt to secure a dollar's worth for every dollar spent. In every community in this country there are schools which should be built; roads constructed; grade crossings built, in order to protect the lives and property of our people; sewers built and extended, that the health of our communities may be further protected. There are other projects which can be undertaken with the knowledge that the coming generations, who will be called upon to pay much the larger part of all this, will receive some benefit from these expenditures. Work projects should be confined to activities of this character; boondoggling should cease.

Nor should there be begun other projects such as the Florida ship canal or the automobile highway now being built down the Florida Keys, without the contribution of a single penny by the State of Florida and about which no information can be secured in the city of Washington, but which will cost many millions of dollars of the money of the people of all the States.

While the former is an engineering feasibility, the usefulness of the canal, if it is ever completed, will never be such as to, even in a small part, justify its cost, if the opinion of shipping officials can be relied upon.

Passamaquoddy, the economic joke of all the many economic jokes of this administration, which the President, after allocating several million dollars for its development out of the four billion eight hundred and eighty million the Congress so obligingly placed in his hands, has dumped the whole proposition into the lap of Congress and is now demanding that we accept the responsibility and furnish the funds for its completion. Congress has wisely declined to do this.

Mr. Chairman, various engineers from time to time have surveyed this proposition and in every instance have refused to put their stamp of approval upon its possible economic success. The declared purpose of the development is the production of electricity. Every engineer with any knowledge of the facts and the cost of this development will agree that electricity so developed will cost several times as much as it can be purchased for now at that point.

I suggest that anyone in doubt as to the accuracy of this statement take the trouble to examine the books. They will find that in order to justify this expenditure, one-third of the cost is being charged to "relief", one-third to the production of electricity, and one-third to "the national defense." Just how this development will contribute to the national defense has not as yet been disclosed. Is it any wonder that the President has repudiated this brain child and its twin, the Florida canal, and that Congress has refused to take unto its bosom these two unfortunate children left on its doorstep?

I think we all remember the avidity with which the administration seized upon the creation of the great "shelterbelt" of forest a mile wide and running north and south for 1,100 miles through the Prairie States. Presenting, as it did, another funnel through which could be poured into the administration's economic ashcan many other hundred millions of dollars of the taxpayers' money, it was received with enthusiastic acclaim by the spenders of the administration. This proposal, accepted without investigation, and without the realization that a shelterbelt of trees even a mile wide would furnish little protection to that great expanse of prairie land, was heralded as the solution of the dust storms which have so sorely beset that section of the country in the last few years. Fortunately for the taxpayers, and before much money had been expended, the difficulties of making trees grow in that land, upon which trees, as we in Michigan know them, had never grown, together with the belated realization of the utter absurdity of the whole thing, became so apparent that it evidently has been abandoned. It is difficult to find anyone in the administration who even wishes to talk about it.

Other activities of the administration, both unwise and expensive should, it seems to me, be given consideration at a time when this House is considering a proposition of further increasing the tax upon our people. Certainly we who are sent here from the four corners of this great land to look after the economic welfare of the people who send us here, should not in the slightest degree unnecessarily increase the burdens of those whom we represent. If by properly conserving the money already at our disposal, if by eliminating every expense not necessary to our economic life, if by eliminating boondoggling activities, if by refusing at this time to construct great works at a cost of hundreds of millions in the mere hope that in the dim and distant future they may contribute to the economic welfare; if by doing these things we may meet the financial obligations of the Nation without adding to the tax burdens of our constituents, should we not do so?

Mr. Chairman, one cannot address himself to this subject, it seems to me, and bring every relevant thing into the picture without referring at some length to certain activities now being engaged in by the administration, which vitally affect the everyday life and the economic welfare of the great agricultural class of the country. It is conceded by every informed person, I think, that upon the welfare of the farmers depends in large degree the welfare of all other classes of our citizenship.

That the administration appears to recognize this fact seems to be indicated by some of the things that have been done in the name of agricultural relief. However, certain other things have been and are now being done which more than offset all the good which the American farmer may have received through the medium of the A. A. A. contracts.

I refer to two things, Mr. Chairman: First, while with one hand we have been taxing our people on the very necessities of life, through the processing taxes, to raise the money with which to pay the farmers for taking millions of acres of good farm land out of production, we are with the other hand spending hundreds of millions in the West to bring into production other millions of acres, which up to this time have produced nothing of agricultural value.

It is a recognized fact that these arid sections can, under irrigation, year after year produce more than can be produced on the nonirrigated sections, and why not? Sunshine pours down on them every day, all day. Under irrigation, whenever water is needed, it is turned on; when enough is had, it is turned off. These conditions eliminate many of the hazards of farming.

These lands are valuable, of course. There is no question but that they will be needed in the future when our population shall have increased to the point where the farms now available and now producing can no longer supply the food necessities of our people. But how can we justify taxing our people, our already overburdened farmers, if you please, in order that we may bring into existence these great irrigation projects which can only intensify the almost insurmountable difficulties which already face these farmers?

The other thing to which I referred a moment ago, Mr. Chairman, is the problem presented to the farmers and to the country by the so-called fair-trade agreements under which we are surrendering our markets to the foreign producer. A study of our imports during the last year and a half discloses some very disturbing information. The increase in imports of farm products in the past year is shocking. The following information discloses the seriousness of the situation:

At this point, Mr. Chairman, I shall insert tables showing the imports and exports of certain farm products for the years 1934 and 1935. I commend them to the attention of the Members of the House.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WOODRUFF. I prefer not to yield.

Mr. BUCK. I wish the gentleman would clarify the official nature of these tables; are they official tables?

Mr. WOODRUFF. They are taken from the official reports.

The tables referred to follow:

	1934	1935
Exports:		
Wheat.....bushels	35,000,000	20,000,000
Tobacco.....pounds	427,000,000	341,000,000
Lard.....do	66,000,000	10,000,000
Pork.....do	140,000,000	120,000,000
Imports:		
Butter.....do	689,000	21,000,000
Fresh beef.....do	233,000	4,575,000
Fodder.....do	113,000,000	354,000,000
Total meats.....do	40,546,000	73,763,000
Wheat.....bushels	10,596,000	23,603,000
Rice.....pounds	35,411,000	80,376,000
Beans.....do	12,500,000	35,600,000
Tomatoes.....do	46,000,000	77,000,000
Onions.....do	3,900,000	13,500,000

Mr. WOODRUFF. It will be seen that while there was a substantial reduction in our exports, there was a shockingly large increase in our imports of these agricultural commodities. Certainly, any program which permits the farmer to be assailed upon the one hand by the foreign producers, and upon the other by the competition of an always increasing number of irrigation projects, which he is taxed to pay for, can hardly be considered a program wholly in his interest.

Mr. Chairman, it seems to me that the proposed repeal of the corporation-income tax, the capital-stock tax, and the excess-profits tax, with the definite loss of $1,100,000,000 revenue, and the enactment of an entirely new system of taxation is, in view of the acknowledged uncertain productivity of the latter, an undertaking so hazardous in these days of enormous and profligate expenditures as to make it most unwise. Many of the older Members will remember the difficulties we have had in stopping the holes in the law through which taxpayers have escaped a fair tax. After many years of effort we have produced a law which is fairly satisfactory.

In this bill we are embarking upon another long period of experimentation. Not in the history of the world, so far as we know, has any nation found such a law satisfactory. The bill presents heretofore unknown tax complexities. Its one certain accomplishment will be the employment of vast numbers of lawyers to aid the taxpayers in unraveling the mysteries and the technicalities presented. I prophesy the early repeal of the law, and that instead of being known to future generations as the "Revenue Act of 1936" it will be known as the act to relieve the legal profession.

Mr. Chairman, the public is supposed to believe that the purpose and effect of this bill is to force dividends out of the treasuries of the corporations into the pockets of the rich, thereby forcing those with large incomes into higher income-tax brackets, and compelling them to pay a much larger share of the tax of the country than they have heretofore paid. I do not believe it will have this effect, for reasons I shall now present.

The income tax, with its exemptions and its graduated scale of taxation, is in my judgment the fairest tax that has yet been devised. Its purpose, of course, is to compel every taxpayer to pay in proportion to his ability to pay. It has been successfully applied up to a certain point. Unfortunately the existence of tax-exempt bonds of the Federal Government, the States, and all political subdivisions thereof present an avenue of escape for taxpayers in the higher brackets, thereby preventing the application of the tax upon the very wealthy in full measure. I shall at this point place in the RECORD the tables supplied the committee, at my request, showing the wholly tax-exempt and partially tax-exempt securities outstanding and available to those who desire to escape the higher income taxes.

Tables showing rates and amounts of tax on individuals for 1936 incomes

[Federal Revenue Act of 1934, as amended by Revenue Act of 1935; married person, personal exemption $2,500; maximum earned income credit of $14,000 is used; incomes of less than $14,000 are treated as all earned]

1 Net income	2 Normal tax rate (percent)	3 Surtax rate (percent)	4 Normal tax plus surtax rate (percent)[1]	5 Total tax	6 Ratio of total tax to net income
$1,000					
$1,500					
$2,000					
$2,500					
$3,000	4			$8	0.003
$3,500	4			26	.007
$4,000	4			44	.011
$4,500	4			62	.014
$5,000	4			80	.016
$5,500	4			$98	0.018
$6,000	4			116	.019
$6,500	4			134	.021
$7,000	4	4	8	172	.025
$7,500	4	4	8	210	.028
$8,000	4	4	8	248	.031
$8,500	4	4	8	286	.034
$9,000	4	5	9	329	.037
$9,500	4	5	9	372	.039
$10,000	4	5	9	415	.042
$12,000	4	6	10	602	.050
$14,000	4	7	11	809	.058
$16,000	4	8	12	1,044	.065
$18,000	4	9	13	1,299	.072
$20,000	4	11	15	1,589	.079
$22,000	4	13	17	1,919	.090
$26,000	4	17	21	2,699	.104
$32,000	4	19	23	4,029	.126
$38,000	4	21	25	5,479	.144
$44,000	4	24	28	7,084	.161
$50,000	4	27	31	8,869	.177
$56,000	4	31	35	10,869	.194
$62,000	4	35	39	13,109	.211
$68,000	4	39	43	15,589	.229
$74,000	4	43	47	18,309	.247
$80,000	4	47	51	21,269	.266
$90,000	4	51	55	26,669	.296
$100,000	4	55	59	32,469	.325
$150,000	4	58	62	63,394	.423
$200,000	4	60	64	95,344	.477
$250,000	4	62	66	128,294	.513
$300,000	4	64	68	162,244	.541
$400,000	4	66	70	232,194	.580
$500,000	4	68	72	304,144	.608
$750,000	4	70	74	489,094	.652
$1,000,000	4	72	76	679,044	.679
$2,000,000	4	73	77	1,449,019	.724
$5,000,000	4	74	78	3,788,994	.758
Over $5,000,000	4	75	79		

[1] As a general rule, column 4 should be used to determine whether it is preferable to invest in a taxable or a tax-free security.

TABLE 45.—*Amount of securities outstanding, interest on which is exempt from normal income tax, but not surtax, of the Federal Government, June 30, 1918 to 1935, by direct obligor*

NET OUTSTANDING ISSUES [1]

[000,000 omitted]

Year	Total	U. S. Government	Reconstruction Finance Corporation	Home Owners' Loan Corporation	Federal Farm Mortgage Corporation
June 30—					
1918	$9,560	$9,560			
1919	22,312	22,312			
1920	20,756	20,756			
1921	20,491	20,491			
1922	20,076	20,076			
1923	19,351	19,351			
1924	18,343	18,343			
1925	17,572	17,572			
1926	16,636	16,636			
1927	15,388	15,388			
1928	14,367	14,367			
1929	13,616	13,616			
1930	11,429	11,429			
1931	11,714	11,714			
1932	11,902	11,902			
1933	11,848	11,848			
1934	14,874	13,678	$235	$737	$224
1935	17,135	13,336	250	2,476	1,073

[1] "Total outstanding issues" less "Held in U. S. Government trust funds, or owned by U. S. Government or by governmental agencies." The U. S. Government and its agencies issuing this type of bonds maintain no sinking fund in which bonds are held alive.

I am also placing in the RECORD at this point a table prepared by Prentice-Hall, Inc., of 70 Fifth Avenue, New York, which will be helpful in a study of this question. The accuracy of this table has not been and cannot be successfully challenged.

EXTRACT FROM THE ANNUAL REPORT OF THE SECRETARY OF THE TREASURY ON THE STATE OF FINANCES FOR THE FISCAL YEAR 1935

TABLE 44.—*Estimated amount of securities outstanding, interest on which is wholly exempt from normal income tax and surtax of the Federal Government, June 30, 1913 to 1935, by type of obligor*

NET OUTSTANDING ISSUES [1]

[000,000 omitted]

Year	Grand total	States, counties, cities, etc.			U. S. Government	Territories and insular possessions	Federal farm loan system
		Total	Long term	Short term			
June 30—							
1913	$4,889	$3,887	$3,643	$244	$966	$36	
1914	5,245	4,242	3,966	276	967	36	
1915	5,652	4,644	4,336	308	969	39	
1916	6,058	5,049	4,709	340	970	39	
1917	8,127	5,371	4,999	372	2,711	45	
1918	8,104	5,622	5,218	404	2,383	45	$54
1919	8,925	5,951	5,515	436	2,791	46	137
1920	10,033	6,645	6,177	468	3,105	48	235
1921	10,519	7,268	6,768	500	2,927	57	267
1922	11,368	8,415	7,884	531	2,286	76	591
1923	12,378	9,015	8,557	458	2,285	118	960
1924	13,458	9,921	9,407	513	2,284	125	1,128
1925	14,649	10,975	10,280	695	2,165	125	1,384
1926	15,487	11,672	11,154	518	2,154	133	1,528
1927	16,587	12,610	12,070	540	2,154	138	1,685
1928	17,515	13,452	12,834	618	2,155	146	1,762
1929	18,423	14,358	13,423	935	2,157	146	1,762
1930	21,346	15,887	14,672	1,215	3,540	154	1,765
1931	23,768	17,457	15,999	1,458	4,384	148	1,779
1932	26,409	17,828	16,218	1,610	6,771	136	1,674
1933	28,556	17,072	15,876	1,196	9,765	131	1,588
1934	30,409	16,771	15,824	947	11,645	123	1,870
1935	31,285	16,895	15,810	1,085	12,801	118	1,471

[1] "Total outstanding issues" less "Held in U. S. Government trust funds, or owned by U. S. Government or by governmental agencies" and "Held in sinking funds."

For instance, a taxable income of $250,000 represents an investment of $4,333,333 in business and productive enterprise at a dividend rate of 6 percent. The income tax on this $250,000 is $128,294. This sum, subtracted from the $250,000, leaves a balance or net income of $121,706 on the investment. The same sum invested in tax-exempt securities at 3½ percent would net the taxpayer $143,892, or $22,186 more than he would receive if he should leave his money invested in enterprises which provide jobs for American wage earners. In other words, the present conditions and the availability of tax-exempt securities as an avenue of investment present to the taxpayer with this amount of money to invest an inducement of $22,186 per year to invest

his money in the last-named securities. The larger the sum available for investment, the larger the inducement to the taxpayer to take his money out of productive enterprise.

I will insert in the RECORD at this time a short table showing how rapidly this inducement increases in amount as the sum invested becomes larger:

Taxable income derived from investment at 6 percent	Tax	Net income after tax	Yield from investment of same capital in 3½-percent bonds	Inducement to invest in tax-exempt bonds
$250,000	$128,294	$121,706	$143,892	$22,186
$500,000	304,144	195,856	291,666	95,810
$1,000,000	679,044	320,966	583,333	262,377
$2,000,000	1,449,019	550,981	1,666,666	1,115,685
$5,000,000	3,788,994	1,211,006	2,916,666	1,705,660

There is another inducement which the prudent investor rarely overlooks, and that is the fact that there are none of the hazards of business connected with investment in carefully selected tax-exempt securities. The result of this situation is that by far the larger share of the more wealthy citizens do not today have their money invested in corporations, their income from which would be subjected to the higher income-tax brackets. A certain amount is so invested, yes; but when it becomes profitable to enter the avenue of tax escape through this other line of investment, the way is open, the hand of economy, frugality, thrift, careful management of resources, selfishness—whatever you care to call it—beckons and the taxpayer enters.

Mr. Chairman, there is nothing the Congress can do about this so long as it remains possible for the Federal Government, the States, and the subdivisions of the States to issue bonds and other securities the income from which is immune from taxation. Neither the measure before us nor any other law the Congress can enact can in itself change this situation. The 48 States of this Union constitute the only authority which can put an end to this intolerable condition. And they can only do so after the Congress has adopted and sent to them a constitutional amendment correcting this situation.

At different times, before and since the inauguration of President Roosevelt, he has directed attention to this situation and made note of the fact that many of our more wealthy people were, through this medium, escaping their fair share of the national tax burden. In his tax message of June 19, 1935, he made the following statement:

> I renew, however, at this time the recommendations made by my predecessors for the submission and ratification of a constitutional amendment whereby the Federal Government will be permitted to tax the income on subsequently issued State and local securities, and likewise for the taxation by the State and local governments of future issues of Federal securities.

At the time the President sent this message to Congress the law provided a maximum of 55-percent surtax on individual incomes. That he was fully alive to the ineffectiveness of the higher surtaxes is indicated by his statement quoted above. And yet in that same message he stated:

> The disturbing effect upon our national life that comes from great inheritances of wealth and power can in the future be reduced, not only through the method I have just described but through a definite increase in the taxes now levied upon very great individual net incomes.

He knew, of course, that surtaxes as high as 55 percent were ineffective; that they had already driven hundreds of the larger income owners into the tax-exempt field; that we were not even then securing the amount of revenue from the rich we had every right to expect; he must have known that to raise the surtaxes before a constitutional amendment had been submitted to and adopted by the States would result in driving hundreds of others to the protection of the tax-exempt fields of investment, with a consequent loss to the Treasury. But that bill, my friends, was to be known to all and sundry as the great Roosevelt "soak the rich" tax bill; the uninformed were to be convinced that the millennium had arrived, and that at last this class were to be compelled to bear their share of this tax burden. To convince them of this it was necessary that the surtaxes be again boosted so that the orators of the party could go forth in the following election and make their campaigns upon this false premise.

The last two Congresses have not without ample cause become known as "rubber stamp" Congresses. Our friends on the other side have without exception speedily enacted every measure seriously suggested to them by the President of the United States. There has been no time when rebellion in their ranks, regardless of their personal opinions, has in the slightest degree threatened the enactment of even one of the well-known "must" measures. The President knows this. I am sure he has a high appreciation of the splendid cooperation he has received at the hands of Congress. I am sure, also, that he is fully aware that if he were to seriously ask the leaders of this House and the leaders of another body to put through the two Houses of Congress a resolution submitting to the States the constitutional amendment mentioned above it would be done immediately.

[Here the gavel fell.]

Mr. REED of New York. Mr. Chairman, I yield the gentleman from Michigan 5 additional minutes.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. WOODRUFF. I yield.

Mr. SAMUEL B. HILL. I ask the gentleman from Michigan how many of these so-called "must" bills the gentleman from Michigan has voted against.

Mr. WOODRUFF. I will say to my friend from the State of Washington that I believe I have voted against all of them during the last 2 years. I, along with a great many other good citizens of this country, believed the President of the United States when he subscribed to the Democratic platform which, among other things, provided that—

> We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government.

Mr. SAMUEL B. HILL. The gentleman voted for most of the "must" legislation, did he not?

Mr. WOODRUFF. No; I have not voted for most of the "must" legislation. So far as I remember, I voted against all of them during the last two years and a half.

Mr. SAMUEL B. HILL. Did the gentleman vote against the N. R. A.?

Mr. WOODRUFF. I was persuaded to do so upon the promise of the President that if after trying an experiment and finding it unsatisfactory he would abandon it. It seems that none of the New Deal experiments have been unsatisfactory except the shelterbelt, as none of the others have willingly been abandoned.

Mr. SAMUEL B. HILL. Did the gentleman vote against the A. A. A.?

Mr. WOODRUFF. I voted for that, I will say to my friend from Washington.

Mr. SAMUEL B. HILL. And how about the tax bill of 1934?

Mr. WOODRUFF. Yes; I voted for that tax bill because I had not yet become persuaded that unrivaled extravagance and waste was to take the place of the promised economy. I, along with a great many other Members on this side of the House, during the first few months of the present administration, acting upon the belief we were going to have some sanity in government, some efficiency in the administration of the laws enacted by Congress, believing it was our patriotic duty to help rather than hinder the Presidential efforts to bring about better conditions for our people, voted to give the President what he asked for. By so doing we set an example to our Democratic friends which they can well follow after the coming election. It has not been forgotten that their actions during the last Republican administration were the reverse of ours.

Mr. SAMUEL B. HILL. Did the gentleman vote for the Federal Deposit Insurance Corporation and the banking legislation?

Mr. WOODRUFF. I may say that I was very happy to vote for the Federal deposit-insurance law because for years I had advocated such a law. I think it is one of the finest laws that has been put upon statute books of this country in many years.

Mr. WOLCOTT. Will the gentleman yield?

Mr. WOODRUFF. I yield to the gentleman.

Mr. WOLCOTT. May I make the observation that the Federal Deposit Insurance Act was passed by this House against the wishes of the President of the United States. It was not on the "must" list.

Mr. WOODRUFF. I am very glad the gentleman called attention to that fact.

Mr. McCORMACK. That is evidence that the Congress is not a complete rubber stamp.

Mr. WOODRUFF. I may say there are exceptions possibly that prove all rules. May I call the attention of the gentleman from Washington to the fact just called to my attention by the gentleman from Michigan [Mr. WOLCOTT]. I am glad to be able to confirm what the gentleman said because I was informed by one of the very eminent Members on that side of the House that this Congress passed the F. D. I. C. over the violent protest of the President of the United States.

Mr. SAMUEL B. HILL. I never heard of that and the President did approve the bill.

Mr. WOODRUFF. We know that no President in his good senses could possibly have disapproved a bill of that character.

Mr. REED of New York. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. WOODRUFF. Mr. Chairman, may I say, too, in that connection that the country pretty generally and very properly credits the junior Senator from the great State of Michigan [Mr. VANDENBERG] with being responsible for the other body of this Congress having adopted that particular bill.

Mr. SPENCE. Will the gentleman yield?

Mr. WOODRUFF. I have already taken up too much time, but I yield to the gentleman.

Mr. SPENCE. May I suggest to the gentleman that the Republican platform of 1932 violently criticized the F. D. I. C.

Mr. WOODRUFF. I do not recall that, but the gentleman will agree with me that the junior Senator from Michigan is big enough, wise enough, and honest enough to follow his good judgment and his conscience in matters so vitally affecting the welfare of the American people.

The gentleman from Massachusetts [Mr. TREADWAY], 10 long years ago, introduced such a resolution. He has reintroduced it in each succeeding Congress. It is now reposing quietly in the Judiciary Committee of this House, and notwithstanding frequent urgings, the committee has up to this time declined to even hold hearings on the resolution. Does anyone think that should the President ask for the immediate consideration of this resolution that the amiable, distinguished chairman of that great committee would for one instant refuse such a request? We all know he would not. So, Mr. Chairman, what are we waiting for? Why are we not doing the thing we so clearly should do? Why does not the President send up a "must" message on this subject if he is seriously in earnest about this matter? Why is not this done now in order that the principle of the graduated income tax may apply to all alike, and that the rich as well as the poor may be taxed in proportion to their ability to pay? It has not been done up to now, and I am satisfied it will not be done at this time. Why it is not done, I shall leave to the majority to explain.

The bill before us is another measure similar to the tax bill of 1935, and is also designed to convince the uninformed that through this medium you are going to again soak the rich. All of us here must, of course, realize that this is just another case of "tilting at windmills", and that all other attempts of like character will be as barren of supposedly desired results as this.

Every Member of this House should know that the tax on the rich will not be increased. If there should be an increase of revenue resulting from the enactment of the bill, it necessarily follows that this increased revenue will be paid by those other than the rich.

On yesterday the gentleman from New York [Mr. TABER] disclosed many ways in which revenue can be saved and not cripple any legitimate function of government nor withhold any necessary money for relief. I have suggested others, and I commend these suggestions to the Members of this House. Courageous, intelligent action along the lines suggested will make unnecessary any tax bill at this time. Such action would enable us to more nearly approach a balanced Budget than the bill before us, even though the revenue it produces far exceeds the fondest hopes of its proponents.

Mr. Chairman, I shall vote against this bill. I shall vote no more taxes upon an already overburdened people until such time as sanity in expenditures returns to this Government. Wild, wasteful, unnecessary spending seems to be limited only by the funds on hand or that can be raised by further increasing the national debt, which is now at a high peak for all time. These wasters, these "boondogglers", seem to forget that every dollar spent must be earned by someone. They forget that every dollar of tax extracted from the pockets of the toilers and others means $1 less that can be spent for the necessities of life. They overlook the fact that as taxes increase, the standard of living of our people decreases. They have piled upon us debts that cannot be paid in a lifetime, and the end is not yet. Anticipating, I suppose, their future desire for the money, the administration asked and received at the hands of this complaisant Congress the authority to increase the national debt to $45,000,000,000, and this, my friends, is something for all of us to think about, but more particularly should the youth of the country ponder this and realize what such an eventuality will mean to them and the generations to come after them.

[Here the gavel fell.]

Mr. WOODRUFF. Mr. Chairman, I ask unanimous consent to extend my remarks and to include therein certain portions of the minority report.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOODRUFF. Mr. Chairman, under this permission I insert in the RECORD a summary of the fundamental objections to the bill as reported in the minority report. I concur in these views. They are as follows:

SUMMARY OF OBJECTIONS

1. It will discourage and possibly prevent the accumulation of adequate rainy day reserves and constitutes a direct threat to the security of business, employment, and investments.

2. It will cause corporations to restrict the distribution of their existing tax-paid reserves, which can only be rebuilt under penalty.

3. It will discourage business rehabilitation and expansion and have a retarding effect upon recovery and reemployment.

4. It will hamper the growth of small corporations, impede the development of new enterprises, and foster monopolies.

5. It puts a penalty on prudence and a bounty on improvidence and constitutes an unwholesome interference with the exercise of sound judgment in the management of business.

6. It will accentuate the extremes of future booms and depressions.

7. It will oppress businesses burdened with debts and will result in a restriction on corporate credit.

8. It will drive capital out of productive enterprise into tax-exempt securities.

9. It violates every sound principle of income taxation, is arbitrary and oppressive in its application, and will be unequal and discriminating in its operation.

10. It will crucify financially weak business enterprises, while permitting the strong to minimize or entirely escape the tax.

11. It will create inequities and unfair competitive situations which are far greater and more real than the imaginary ones it purports to correct.

12. It will result in the double taxation of all dividends paid out of reserves, whether accumulated in the past or in the future.

13. It will cause untold confusion and add bewildering complexities both in the computation and administration of the tax.

14. It abandons an assured revenue of $1,100,000,000 annually for one purely speculative and uncertain, and which promises to be most disappointing in amount, thereby further jeopardizing the Federal revenue.

Mr. TREADWAY. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, it is not with any thought that I can hope to add to the very able and thorough presentations of the pending tax bill by preceding speakers that I take the floor at this time, but it is rather for the purpose of explaining my position that I do so.

From the moment that the President sent his tax message to Congress on March 3, I have maintained that the imposition of new taxes at this time is both unwise and unnecessary. Unwise in that additional taxes will very materially retard recovery; unnecessary in that it is possible for the administration to effect such economies in the conduct of the Government as to obviate the necessity for new taxes at this time.

I yield to no Member of the House in my desire to place the finances of the Government upon a sound business footing. I am in favor of going onto a pay-as-we-go basis. That would be good business. There is no doubt in my mind that we are wasting much more money than we can hope to raise through the passage of this measure.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Michigan.

Mr. HOOK. I notice the gentleman mentioned the fact he was in favor of the pay-as-we-go basis.

Mr. KNUTSON. Yes.

Mr. HOOK. I should like to ask the gentleman whether his party was in favor of that proposition when they turned over the $5,000,000,000 deficit to the present administration?

Mr. KNUTSON. May I say to the gentleman that when we took over the Government from the Democrats in 1921 the national debt was in excess of $25,000,000,000. When we turned it back to you in 1933 the national debt was only $21,000,000,000. [Applause.]

Mr. HOOK. What was the national debt when it was turned over by the Republican Party to the Wilson administration?

Mr. KNUTSON. We owed about a billion dollars.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. Will the gentleman make an estimate of what he expects the Democratic debt will be when the Democratic Party turns the Government back to the Republican Party next January?

Mr. KNUTSON. I cannot answer that question, because I am not a crystal gazer; but I may say it will be plenty. The chances are that by the 1st of July the total Federal debt will be three and a half billion dollars in excess of the total value of all the farms, buildings, and farm equipment in the United States, which is not a very pleasant situation to contemplate.

Mr. McCORMACK. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. All that the gentleman says about the national debt in 1921 is substantially correct. But does the gentleman now criticize the Government for the necessity of incurring the national debt which grew out of our participation in the World War?

Mr. KNUTSON. May I say to the gentleman from Massachusetts that I voted against our going into the World War because I believed in helping the Democrats keep the promise which they made to the American people in the campaign of 1916 to the effect that "a vote for Woodrow Wilson is a vote to keep the American people out of the war", and I considered that a plebiscite.

Mr. McCORMACK. Of course, the gentleman has not answered the question. Does the gentleman condemn and criticize the expenses which this Government incurred in connection with the conduct of the World War?

Mr. KNUTSON. Yes, sir. Look at Hog Island and all the other grafts connected therewith. I maintain that we should have stayed out of the World War.

Mr. McCORMACK. The gentleman is speaking for his party?

Mr. KNUTSON. My dear sir, the scandals that grew out of the corruption and mistakes of the World War smelled to the high heavens.

Mr. McCORMACK. Is the gentleman speaking for his party?

Mr. KNUTSON. I am speaking for myself. I do not assume to speak for my party; no.

Mr. CRAWFORD. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If I remember the figures correctly, the report of the United States Treasury showed that when we entered the war in 1917, we had a Federal debt of $1,250,000,000.

Mr. KNUTSON. That is substantially correct.

Mr. CRAWFORD. Which rose to about $26,000,000,000.

Mr. KNUTSON. Yes.

Mr. CRAWFORD. During the Republican administration, between 1920 and 1932, that debt was reduced down to about sixteen and one-quarter billion dollars.

Mr. KNUTSON. That is correct.

Mr. CRAWFORD. And taxes were reduced some four or five times during that period.

Mr. KNUTSON. That is true.

Mr. CRAWFORD. Now, in connection with this tax bill, we are starting out with a debt, we will say, at the present time of $32,000,000,000.

Mr. KNUTSON. I thought it was a little more than that.

Mr. CRAWFORD. Thirty-four and a half billion dollars, I am informed, on June 30 of this year. During the period from 1913 to 1934, we paid out in interest on Federal debt, in round figures, $14,000,000,000.

Now, if recovery is accomplished during the next 3 or 4 years, and we start out with a base debt of $34,000,000,000 at the present time, and interest rates go up materially—we are now borrowing money at as low a rate as three-fourths of 1 percent—what will our interest burden be in the next 15 years, and how much additional tax will have to be imposed upon the American taxpayer in order to meet the interest load alone?

Mr. KNUTSON. I would suggest to my good friend from Michigan that he propound that question to some astronomer, because it would take astronomical figures to answer it.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. REED of New York. The amount of $34,500,000,000, according to the Director of the Bureau of the Budget, does not include the $6,000,000,000 of commitments.

Mr. KNUTSON. That is true. The debt will be substantially about $40,000,000,000 if we include the commitments.

Mr. REED of New York. And it does not include the cost of completing the projects started under the boondoggling fund of $4,000,000,000 which have just been started, where there is a moral, if not a legal, obligation to continue such projects. Only the starting of these projects has been paid for, and the balance will fall on the next generation of taxpayers.

Mr. KNUTSON. I do not want to take the position of maintaining that a certain amount of relief is not necessary. On both sides of the aisle we want to take care of the worthy needy, but what we do object to is that for every dollar we spend for relief half of it goes to the cost of administration, and we consider that excessive. [Applause.]

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from New York.

Mr. REED of New York. The gentleman will recall the mayor of Pittsburgh, who appeared before the Ways and Means Committee and finally was not permitted to go ahead with his testimony, and the gentleman will recall the eminent Mr. Johnson, a fine, splendid, educated, and cultured gentleman, who had been in business all his life, who stated he was not appearing there in a partisan capacity at all. He said that 50 cents out of every dollar spent in Pennsylvania by

this administration on public works and boondoggling had been totally wasted.

Mr. McCORMACK. Is that Andy Mellon's side-kick the gentleman is referring to?

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to my colleague on the committee.

Mr. VINSON of Kentucky. The gentleman has referred to the debt reduction that was made after his party took charge in 1921. I am certain the gentleman from Minnesota, who is eminently fair, will recognize the fact that more than three and a half billion dollars of the debt reduction is evidenced in the sale of surplus war supplies and principal and interest payments on foreign loans received during that period.

Mr. KNUTSON. Well, I did not attempt to break it down, and I thank the gentleman for having broken it down for me.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I am always pleased to yield to my good-natured friend from Massachusetts.

Mr. McCORMACK. The gentleman favors relief at the present time, does he not?

Mr. KNUTSON. Yes.

Mr. McCORMACK. Did the gentleman's party give relief prior to the inauguration of President Roosevelt?

Mr. KNUTSON. Oh, I think so; yes.

Mr. McCORMACK. Where?

Mr. KNUTSON. All over the country.

Mr. McCORMACK. You relieved the big fellow, but what did you do for the fellow out of a job?

Mr. KNUTSON. Oh, the same old cry.

Mr. McCORMACK. The same old Republican cry, "Let the poor fellow take care of himself and suffer", and the gentleman knows that is correct. The Federal Government never appropriated a penny to relieve human suffering and distress prior to March 4, 1933.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Certainly; I yield to my chairman.

Mr. DOUGHTON. I just want to remind my friend the gentleman from New York [Mr. REED], a member of the Ways and Means Committee, who referred to the testimony of the mayor of Pittsburgh, that somewhere or other I have seen it stated in the papers since that time that they have had him in jail.

Mr. REED of New York. I am not surprised—he is a leading Democrat of that city. [Laughter.]

Mr. KNUTSON. And it is my information he is coming to Congress next year.

Mr. VINSON of Kentucky. As a Republican?

Mr. KNUTSON. No; as a Democrat.

Mr. VINSON of Kentucky. Oh, no.

Mr. KNUTSON. A Jeffersonian Democrat, but not a new dealer.

We are told that one of the primary purposes of this bill is to compel the distribution of corporate reserves. Is that wise? Every Member of this body knows of some business organization that has been enabled to operate during the depression because it had a reserve to fall back upon. According to the Department of Commerce, American business, from 1930 to 1934, inclusive, paid out twenty-six and six-tenths billions more than they took in. This they could not have done had they not had reserves to draw upon. Bear in mind that this vast sum was paid out for labor, taxes, and raw material. Had these reserves not been available many and many would have been compelled to close down, and that would have greatly aggravated our already serious unemployment and relief problems.

There are those who labor under the impression that these surpluses have not paid any taxes to the Government, when as a matter of fact there was paid upon all of them a Federal tax running from 12½ to 15 percent. With the proposed tax law in effect, I venture the prediction that the next depression will result in much greater unemployment and in much smaller production than has obtained during this depression.

We hear a great deal said about reserves being piled up in order to avoid taxes. There doubtless are cases of that kind, but I venture the assertion, without fear of contradiction, that a large proportion of the reserves were built up for expansion purposes and to enable the company to weather economic storms. In short, reserves are nothing more or less than life-insurance policies of business.

Under the operation of this law hundreds of millions of dollars in dividends will be distributed to stockholders. Much of this money will go to individuals who are in the higher-income brackets. They will have to reinvest that money, and it does not take very much imagination to foresee that the greater part will be invested in tax-exempt securities, where it will no longer be available for operation and expansion of industry.

As I see it, this legislation is going to jeopardize small business. It is a significant fact that no big corporations are opposing this legislation, the reason being that the big corporations will have no difficulty in securing ample financing in future depressions. The opposition to this tax bill comes from smaller business concerns who do not have strong banking connections and they fear that they will have to throw themselves upon the mercy of the big banks for future financing. Those who will be unable to secure such financing must of necessity shut down and, of course, that will only benefit their big competitors. So it will be seen that this tax law will foster and promote monopolies. In support of this statement I call to your attention observations Mr. Noel Sargent, secretary, National Association of Manufactures, made before the Ways and Means Committee, which are to be found on page 213 of the hearings. I quote:

> I know of one manufacturer, for example, who tells me that his company and one other in his industry are in a sound financial position and that they are inclined to favor the pending proposal because it would drive their weaker competitors out of business.

In support of Mr. Sargent's statement let me quote a statement made by President Roosevelt last June:

> The drain of a depression upon the reserves of business puts a disproportionate strain upon the modestly capitalized small enterprise. Without such small enterprise our competitive economic society would cease.

Then, again, I should like to quote from a radio address made by the chairman of the Ways and Means Committee on March 26, who, when speaking of the proposed new tax, said:

> An ample part of earnings can be reserved for surplus without a higher tax being paid than is being paid under the present law.

It was testified to in the hearings on the tax bill that only three countries—Belgium, Sweden, and Norway—have ever had such a tax. I have taken the trouble to confer with Norwegian businessmen on how the tax has worked in that country, and without exception they state that it has operated to the injury of Norwegian industry because they now have difficulty in financing the replacement of obsolescent machinery and equipment, as well as for expansion. It may be pertinent at this point to state that Sweden repealed her tax on undistributed profits several years ago.

It is generally conceded that the Hollanders are among the shrewdest and most thrifty people. In Holland they have exactly the reverse of an undistributed earnings tax. There they levy a tax on profits distributed by companies to their shareholders. That is as it should be. That is sound.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. KNUTSON. I yield to my friend from Washington.

Mr. SAMUEL B. HILL. I want to call the gentleman's attention to the fact that he omitted mention of Norway.

Mr. KNUTSON. I have quoted a Norwegian businessman.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. VINSON of Kentucky. The gentleman does not distinguish any difference in principle between the Norwegian system, which uses the distribution of income as the yardstick, and that proposed here, which uses undistributed

income as the yardstick. In principle it is the same proposition.

Mr. KNUTSON. The principle may be the same but the effect is different.

Mr. VINSON of Kentucky. In this bill we have tables 1 and 1A. One (1) is where we take the undistributed income and work to the tax, and in the other (1A) we work from the dividend back to the tax.

Mr. KNUTSON. Let me answer the gentleman. In Norway they have such a law as we here propose. At the time when business was good in Norway they imposed a 10 percent tax on undistributed profits. The result was unsatisfactory and aroused general public opposition because it materially weakened the resistance of business and industry. As a result this tax has been reduced and very probably will soon be repealed in its entirety. As the gentleman knows, Norway is one of the large maritime countries of the world. As a result of the tax they have in Norway, shipping interests are unable to finance the building of new ships because they have no surplus to draw upon.

Now, I do not state this for a certainty, but my recollection is that as a result of the tax law Norway has lost control of the nitrate industry of that country. Being compelled to distribute the surpluses, when the time came to extend and replace equipment they were obliged to go abroad to do their financing.

One of the dangers that I see in this legislation—and if I am wrong I should like to have the gentleman from Kentucky [Mr. VINSON] set me right—is that it is going to put small business concerns that have no big banking connections absolutely at the mercy of the big banking crowd when the time comes when they must secure additional financing.

Mr. VINSON of Kentucky. I shall endeavor to meet that question in my own time. But going back to the shipping industry, the gentleman says that in Norway their law dealt with distribution, and hampered the shipping industry so that it did not have reserves or surplus with which to build up new ships. Does not that same thing apply under existing law here? Have the shipping interests here sufficient money to expand their business as they want to?

Mr. KNUTSON. No; they have not; because the law has handicapped them in their operations.

Mr. VINSON of Kentucky. I am speaking of this country.

Mr. KNUTSON. Oh, yes. Here they have been permitted under the law to build up surpluses that would carry them through a business stress.

Mr. VINSON of Kentucky. But they have not had enough money to expand as they want, and they have come to Congress and have asked subsidies insofar as the increase of ships is concerned.

Mr. KNUTSON. The gentleman must know that American shipping has never had a fair chance since the passage of the so-called Seamen's Act away back about 1916 or 1917. The restrictions that are placed upon American shipping under that act are so onerous that American shipping has never had a chance to develop as have English, German, French, Norwegian, and Japanese shipping.

Mr. VINSON of Kentucky. And that has been done under our existing tax structure.

Mr. KNUTSON. Oh, there is more than one way of skinning a cat. This particular cat was skinned by the Shipping Act of 1916. Our merchant marine has not had a chance to pile up a surplus because they did not do the necessary business to enable them to do so.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes; to my friend.

Mr. HOLMES. Is it not the gentleman's observation that most of these smaller business corporations are going to be at the mercy of the banks if this legislation is passed?

Mr. KNUTSON. Yes; this is a big banker's measure.

Mr. HOLMES. If they are to be called upon to pay up to 30 percent of their profits in taxes, and the banks force them to pay their bank loans, there will be thousands and thousands of bankruptcies of that type.

Mr. KNUTSON. What I fear from this legislation is that it will drive the small fellow to the wall the next time we have a financial storm. Some of them will not last until the next storm. It may be, Mr. Chairman, that we are not taxing corporations high enough. I will not discuss that point, because I do not know, but if we are not taxing them sufficiently at the present time, then let us raise the rates up to 22½ percent or more, if need be, as has been proposed before the committee.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. REED of New York. The gentleman will recall that a prominent banker from Chicago appeared before our committee, who is also on the finance committee of the United States Chamber of Commerce. He testified that if this bill passed in its present form it would be necessary for the banks in the country to reexamine all the loans they now hold against business enterprises.

Mr. KNUTSON. I am not a banker, so I cannot pass judgment on his testimony.

The gentleman can foresee the strain that will be placed on the American banking system if all industry, all business is compelled to go to the banks for financing at about the same time. You will absolutely freeze up your credit. That is another objectionable feature to this proposal, as I see it. You will drive all to the banks at one and the same time.

Mr. FULLER. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Certainly. My friend from Arkansas is a banker, and perhaps he can throw some light on this phase.

Mr. FULLER. As I remember it, the gentleman is the only Republican on the committee that voted for the soil-conservation program this year. Is not that true?

Mr. KNUTSON. I voted for it.

Mr. FULLER. The gentleman also knows that most of the money has gone for this soil conservation, and to take care of the processing tax, in the interest of agriculture. Will the gentleman please tell us where he could figure out some way for us to get the money better than the program that we have selected?

Mr. KNUTSON. For a starter, I would put up on the auction block that Turkish bathhouse that you built for dogs down in Memphis.

Mr. FULLER. We will give it to you.

Mr. VINSON of Kentucky. Is that all the relief that the gentleman would give the farmer?

Mr. KNUTSON. I would use that as a starter, or as an example, and, as my good friend from Michigan [Mr. WOODRUFF] so well said, I would cut out some of these irrigation projects that are being brought into production, which will greatly aggravate our farm problem. Then I would stop spending money on many of these inland streams, where there is no commerce and where there never will be any commerce.

I can think of so many ways. If the gentleman will come over to my office some afternoon, I think I can show him where we can effect many economies.

Mr. FULLER. I will do that.

Mr. KNUTSON. Mr. Chairman, I fear that the imposition of the proposed tax will encourage business to increase the outstanding stock which will mean more watered stock to pay dividends on. We all know that the consumer ultimately pays all dividends and the more stock outstanding the greater the cost to the consumer.

Another objectionable feature of the bill before us is that it places a flat tax of 15 percent on banks. It does not look right to me to apply the same tax rate to small banks as is applied to some of the big metropolitan banks, which have assets that run into the hundreds of millions, and in several instances beyond the billion mark. There is no more reason why we should treat all banks alike than that we should treat all individuals alike in the matter of collecting income taxes. We know that under the income-tax law, as the income increases, the taxpayer is moved into the higher brackets until he pays, as I recall, 75 percent. It would not be right to apply the same rate to Henry Ford as is applied to us.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. VINSON of Kentucky. In 1933, with $33,000,000,000 of working assets, I will state to the gentleman that the banks, under existing law, only paid into the Treasury of the United States $2,400,000. I understand the gentleman feels that their tax burden should be greater than that?

Mr. KNUTSON. Correct. I will say to the gentleman I think it is a crime to let the National City Bank and the Chase National Bank escape with a 15-percent tax, when you stop to think that they own all the sugar plantations and mills down in Cuba, and that this administration has reduced the tariff on sugar from Cuba from 2 cents to nine-tenths of 1 cent, which actually constitutes an outright gift to them of something like $42,000,000 a year, as I recall.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. TREADWAY. Undoubtedly the gentleman read in the papers where the President-elect of Cuba is making a visit here, and he has stated he is anxious to increase the quota of sugar from Cuba. Does the gentleman think we ought to agree to that?

Mr. KNUTSON. Most assuredly not.

Mr. BANKHEAD. Mr. Chairman, are we now discussing a tariff bill or a revenue bill?

Mr. KNUTSON. Both. We are discussing taxation, and I am merely following the example of my illustrious chief, the gentleman from North Carolina, who made a wonderful stump speech on yesterday. [Laughter.] You Democrats could well use it at your convention as a keynote speech, and I would suggest that you make Mr. DOUGHTON your keynote speaker. [Applause.] But when it comes to that, I think he is one of the best politicians on the floor of this House. I am very fond of him. He is a grand man, sound, and fair.

I do not desire to take more time upon this measure except to say that the opposition is at a disadvantage in discussing the measure because of the fact that the bill contains 249 pages, which was prepared by the majority members of the committee in executive session. The minority had nothing to do with its preparation. As a matter of fact, we did not receive a printed copy of the bill until Monday of this week, and 4 days is hardly sufficient time in which to study and familiarize ourselves on such an intricate subject. Hence my opinions and conclusions are based largely upon the printed hearings.

In connection with the pending measure I wish to submit to the careful consideration of the House membership a suggestion recently advanced by Myron H. Bent, Washington correspondent of the Brooklyn Times Union, which appeared in the issue of that paper on April 14.

Mr. Bent suggests two amendments to the Federal Constitution. One, to fix a limitation on the amount of indebtedness that the Federal Government may incur, the other to set Presidential terms at 6 years, and to make the incumbent ineligible for reelection. To my way of thinking these amendments would greatly improve our situation in that they would remove the greatest hazard of our National Government, the buying of reelection through Federal expenditures that are ofttimes wasteful and unnecessary. I would be happy over the opportunity to vote for their submission.

Before bringing my remarks to a close, I want to commend the chairman and the members of the committee for their faithful and conscientious work. The hearings continued from March 30 to April 7, when we sat past the midnight hour. Regardless of what our personal views may be with reference to this tax bill, I do know that every member of the minority is deeply grateful to Chairman DOUGHTON and the majority members for their uniform courtesy during the hearings. [Applause.]

The CHAIRMAN. The gentleman from Minnesota has consumed 38 minutes.

Mr. COOPER of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. ECKERT].

Mr. ECKERT. Mr. Chairman, I am one of the very few persons who believe that nature, in every growing community, provides a fund for revenue purposes. Therefore, I feel the bill under consideration, in common with the general run of tax legislation, either State or Federal, violates in large measure the fundamental canons of taxation.

CANONS OF TAXATION

A tax levied for public revenues ought to conform as closely as possible to the following conditions:

First. That it bear as lightly as possible upon production, so as least to check the increase of the general fund from which taxes must be paid and the community maintained.

Second. That it be easily and cheaply collected, and fall as directly as may be upon the ultimate payers, so as to take from the people as little as possible in addition to what it yields the Government.

Third. That it be certain, so as to give the least opportunity for tyranny or corruption on the part of officials, and the least temptation to lawbreaking and evasion on the part of the taxpayers.

Fourth. That it bear equally, so as to give no citizen an advantage or put any at a disadvantage, as compared with others.

Mr. MASSINGALE a few days ago delivered a speech on the floor of this House in which he reminded the Members that—

A state can be laid low just as effectively by wrong ideas as by an invading army, and there is no agency of destruction known to chemists that is half as formidable as the TNT of bad economics.

There is no branch of the social sciences to which this observation applies with greater force than the subject of taxation, for the taxing power of government can be wielded either to kill or to keep alive and therefore tax measures ought to conform as nearly as possible to the fundamental canons of taxation and sound economics. The present bill does not meet these requirements, and hence falls into the same class of tax legislation that now generally obtains. This, of course, must be expected. Inasmuch as public opinion is in a state of confusion on the subject of taxation and not sufficiently syncretized to support the system ordained by Nature, legislators are bound to follow the accepted method for raising public revenues. In all fairness, it must be said that the bill under consideration represents an earnest and conscientious effort to equalize the burden of taxation as well as to increase the public revenues, and for this the majority of the Ways and Means Committee and the committee's distinguished chairman, Mr. DOUGHTON, are to be complimented.

MORE REVENUE NEEDED

The President, in his message of March 3, called attention to the fact that if the policy established in the spring of 1933 of trying to meet the ordinary expenses of government by guaranteed income it will be necessary to raise by some form of permanent taxation an annual amount of $620,000,000. If the request of the President is to be heeded, new sources of revenue will have to be provided, and inasmuch as practically every nook and corner of the economic world has been explored for things to tax, the discovery of a fund that would provide the revenue necessary for the support of government ought to be an event of unbounded joy and delight, especially to those distinguished gentlemen from both sides of the aisle, who for weeks and months have been admonishing the Congress and the country of the danger of debts and taxes. And be it said, their counsel regarding debts and taxes is timely and wise, even if old and commonplace.

Poor Richard, in his day and generation, was loud in his preachments of thrift and enconomy and pointed out the pitfalls and anxieties of notes falling due on Easter. Political parties have been zealous in decrying mounting public debts and high taxes. Efficient government, economically administered, is a stock phrase for party platforms. In fact, all agree that both debts and taxes are unwelcome in either public affairs or private life. And yet nearly everyone is a victim of both. And so it would seem, for the greatest

happiness of all, that the one be kept at the lowest possible point and the other in its proper sphere.

Before discussing the low point of debt and the incidence of taxation, let it be known that there may be things even more dangerous than debts and more undesirable than taxes. The complaint is frequently made that the Federal Government is engaged in a spending spree that is not only endangering the Nation's credit but placing upon the backs of the people burdens that are impossible to be borne. But what are the facts? It is true that since 1929 the public debt has been mounting. During the Hoover administration the national debt increased many billion dollars. Since then more billions have been added. But why the increase?

WHY TAXES ARE HIGH

Since 1929 the United States has been experiencing a disastrous economic crisis—a crisis in many respects more devastating than war, and to arrest the ravages of this economic debacle the resources of the Federal Government were brought into action. Financial aid was extended to farmers, home owners, manufacturers, railroads, and financial institutions. Besides, the Government set up a number of governmental agencies to provide work for the unemployed, and in addition, was compelled to assume the relief burden throughout the Nation. During the World War the Federal Government increased the national debt by leaps and bounds. In the absence of conscription of wealth there was nothing else to do. No one seriously objected to the action of the Government then. Why so much criticism now in its efforts to combat an enemy more disquieting than the World War?

Public debts are disturbing. They ought to be created only under stress of dire necessity. Taxes are burdensome and ought to be raised only for proper purposes. But there are some things worse than debts and taxes.

Representative LUDLOW, in discussing the Post Office and Treasury appropriation bill, stated the case of the expenditures of the present administration correcting and eloquently when he said:

> The spending has indeed been enormous—much greater than many of us approved—but regrettable as it is and important as it is that such drafts on the Treasury shall not occur again, there are, after all, some things that are worse than big expenditures. Revolution is worse than big expenditures. Starvation stalking through the land is worse than big expenditures. Who can say that the money paid out so lavishly may not have staved off something immeasurably worse than anything this country has ever experienced? Anyway, the hungry have been fed and the naked have been clothed, and the situation has been handled so that in a depression as black as midnight peace has reigned and the faith of the people in their Government has been maintained.

Of course, government budgets must be kept within sane bounds, but when this policy is observed it is not so much a question of "How large the Budget?" as "What do the people get for their money?"

Let us examine our tax bill with a view of getting a picture of governmental expenditures. The country's total tax bill is approximately $10,000,000,000. Of this sum the Federal Government, in normal times and for ordinary purposes, spends approximately $3,000,000,000, while State and local governments use the balance. A large portion of the Federal Budget is needed for the maintenance of the Military Establishment of the country and to pay for past wars. No doubt there are honest differences of opinion as to the wisdom of spending ever and ever larger sums for Army and Navy maintenance. It must be remembered, however, that the world is an armed camp, and jealousies and fears are lurking everywhere, and this condition impels the mad race for armaments and preparation for war. Let us hope that the people of the world ere long will regain their mental and spiritual balance and put an end to this insanity.

The Government is also charged with being wasteful and extravagant. Perhaps so. Waste and extravagance, however, are not peculiar to governments alone. There have been waste and extravagance in so-called private enterprise—the railroads, the power groups—in fact, nearly all public utilities have had their spree of waste and extravagance, all of which indicates that both governments and those engaged in quasi-governmental enterprises have not yet developed that civic mind and social conscience so essential for honest, efficient, and economical administration of government and public utilities. In the light of the moral delinquencies on the part of governments and public-utility companies, it is not only the right but the solemn duty of the people to demand at the hands of their governments and public-utility managers the correction of these delinquencies and shortcomings. Our tax bill is large, but much is being demanded of government these days. If the people expect an infinite variety of services from government, the cost necessarily must be correspondingly high, no matter how efficiently and economically administered.

THE PRODUCTIVE PROCESS ANALYZED

Since the high cost of government is disturbing the complacency and peace of mind of some of our worthy citizens, an honest and candid examination of the tax problem is in order. How often have we heard from the floor of this House the wail, "Where are you going to get the money?" This is a very proper and timely question. It is a very vital and important question, and upon its correct answer may turn the destiny of the American Republic. The problem of taxation is the most vital problem that can engage the attention of lawmakers and statesmen. For upon the sane and rational application of the incidence of taxation depend the peace, prosperity, and happiness of the people. The Supreme Court of the United States, in a celebrated case, said:

> The power to tax is the one power upon which the national fabric is based. It is not only the power to destroy, but also the power to keep alive.

This dictum of the Supreme Court is sound and attains its validity from the nature of the economy of the social structure. Since public revenues must be obtained from production and the taxing power may be used to destroy or to build, to kill or keep alive, it would seem that the first duty of the lawmaker and statesman is to reduce the productive process into its constitutent parts so that the incidence of taxation may be applied wisely and scientifically to the end that the artificial obstructions now hampering industry and impeding the free flow of trade may be removed. With this in mind, let us examine the conditions under which man lives and has his being.

We find man to be an inhabitant of the earth and beset by certain definite wants that must be gratified if life is to be maintained. The elements for the satisfaction of his wants must be drawn forth from the earth—the great storehouse from which the things are obtained that satisfy man's needs. The active factor in the process of drawing forth or producing the necessities of life on the part of the individual is labor. Another factor in the process of production is capital—tools employed by labor. Therefore there are three primary factors in the productive process: The earth—land in its comprehensive sense—and labor and capital. The product produced or drawn forth from the earth by labor and capital make up the infinite variety of things that gratify the physical wants and necessities of man and constitutes wealth in the true economic sense. This, then, is the simple picture of the productive process in which the great body of mankind is engaged in order to obtain their livelihood and maintain civilization.

Let us next examine how wealth, the product of production, is shared. Since the three primary factors in the process of production are land, labor, and capital, it is reasonable to assume that each factor is entitled to a share of the product; and, generally speaking, this is true, excepting in communities where land is free—that is, where land may be had for the taking, as in the settling and homesteading of our western frontier during the last century. The moment, however, that land becomes monopolized and free land can no longer be had for the asking, then those in control of the land demand a share of the wealth produced by labor and capital.

And let it be observed that the demands of the owners of monopolized land increase and multiply with the increase of population and the progress of the race. The higher the

race advances in the scale of civilization—materially, intellectually, spiritually—the greater will be the exactions of those in control of the land. This is due to the fact that the benefits of human progress are absorbed by land. These benefits are reflected in the value of the land, thus enabling the landowners to appropriate from the products of labor and capital the equivalent of a fair return on the capitalized value of land. Therefore, those in control of monopolized land are in a position to appropriate all the wealth produced by labor and capital, excepting the portion needed to lure capital into productive enterprise and enable labor to live and reproduce. Landowners of monopolized land, as such, do not contribute anything whatsoever in productive effort. They are drones and parasites on industry. They reap where they have not sown and devour that which in justice and right reason belongs to all the people. Since the benefits of advancing civilization are absorbed by land, and the profits issuing therefrom appropriated by private interests rather than by society, it is obvious that private interests are enjoying what in justice ought to accrue to all. This fact must be taken into consideration in any serious study of the subject of taxation, for so long as we permit the few to appropriate what manifestly is the creation of all the people there can be no solution of the problem of unemployment and its companion problem, involuntary poverty. Nor can the ever perturbing problem of taxation, with its injustices, be solved.

ORIGIN—NATURE AND GROWTH OF LAND VALUE

There is a disposition on the part of lawmakers, statesmen, and economists to disregard the subject of land value and ignore the part it plays in our industrial economy. The manifestation of land value may be observed wherever people happen to establish a community. It appears in most striking form in the great centers of population, but the moment an effective demand arises for land by capital and labor exactions are demanded for the use of land, so that in village and hamlet, in agricultural sections, as well as in the great centers of population, land value appears. This social phenomenon is portrayed by Henry George, in Progress and Poverty, in these words:

Here, let us imagine, is an unbounded savannah, stretching off in unbroken sameness of grass and flower, tree and rill, till the traveler tires of the monotony. Along comes the wagon of the first immigrant. Where to settle he cannot tell—every acre seems as good as every other acre. As to wood, as to water, as to fertility, as to situation, there is absolutely no choice, and he is perplexed by the embarrassment of richness. Tired out with the search for one place that is better than another, he stops—somewhere, anywhere—and starts to make himself a home. The soil is virgin and rich; game is abundant; the streams flash with the finest trout. Nature is at her very best. He has what, were he in a populous district, would make him rich; but he is very poor. To say nothing of the mental craving, which would lead him to welcome the sorriest stranger, he labors under all the material disadvantages of solitude. He can get no temporary assistance for any work that requires a greater union of strength than that afforded by his own family, or by such help as he can permanently keep. Though he has cattle, he cannot often have fresh meat, for to get a beefsteak he must kill a bullock. He must be his own blacksmith, wagonmaker, carpenter, and cobbler—in short, a "jack of all trades and master of none." He cannot have his children schooled, for to do so he must himself pay and maintain a teacher. Such things as he cannot produce himself he must buy in quantities and keep on hand, or else go without, for he cannot be constantly leaving his work and making a long journey to the verge of civilization; and, when forced to do so, the getting of a vial of medicine or the replacement of a broken auger may cost him the labor of himself and horses for days. Under such circumstances, though Nature is prolific, the man is poor. It is an easy matter for him to get enough to eat; but, beyond this, his labor will suffice to satisfy only the simplest wants in the rudest way.

Soon there comes another immigrant. Although every quarter section of the boundless plain is as good as every other quarter section, he is not beset by any embarrassment as to where to settle. Though the land is the same, there is one place that is clearly better for him than any other place, and that is where there is already a settler, and he may have a neighbor. He settles by the side of the first comer, whose condition is at once greatly improved and to whom many things are now possible that were before impossible, for two men may help each other to do things that one man could never do.

Another immigrant comes, and, guided by the same attraction, settles where there are already two. Another, and another, until around our first comer there are a score of neighbors. Labor has now an effectiveness which, in the solitary state, it could not approach. If heavy work is to be done, the settlers have a log-rolling, and together they accomplish in a day what singly would require years. When one kills a bullock, the others take part of it, returning when they kill, and thus they have fresh meat all the time. Together they hire a schoolmaster, and the children of each are taught for a fractional part of what similar teaching would have cost the first settler. It becomes a comparatively easy matter to send to the nearest town, for someone is always going. But there is less need for such journeys. A blacksmith and a wheelwright soon set up shops, and our settler can have his tools repaired for a small part of the labor it formerly cost him. A store is opened and he can get what he wants as he wants it; a post office, soon added, gives him regular communication with the rest of the world. Then comes a cobbler, a carpenter, a harness-maker, a doctor; and a little church soon arises. Satisfactions become possible that in the solitary state were impossible. There are gratifications for the social and the intellectual nature, for that part of the man that rises above the animal. The power of sympathy, the sense of companionship, the emulation of comparison and contrast, open a wider and fuller and more varied life. In rejoicing, there are others to rejoice; in sorrow, the mourners do not mourn alone. There are husking bees and apple parings and quilting parties. Though the ballroom be unplastered and the orchestra but a fiddle, the notes of the magician are yet in the strain, and Cupid dances with the dancers. At the wedding there are others to admire and enjoy; in the house of death, there are watchers; by the open grave, stands human sympathy to sustain the mourners. Occasionally, comes a straggling lecturer to open up glimpses of the world of science, of literature, or of art; in election times come stump speakers, and the citizen rises to a sense of dignity and power as the cause of empires is tried before him in the struggle of John Doe and Richard Roe for his support and vote. And by and by comes the circus, talked of months before, and opening to children whose horizon has been the prairie, all the realms of the imagination—princes and princesses of fairy tale, mail-clad crusaders and turbaned Moors, Cinderella's fairy coach, and the giants of nursery lore; lions such as crouched before Daniel, or in circling Roman amphitheater tore the saints of God; ostriches who recall the sandy deserts; camels such as stood around when the wicked brethren raised Joseph from the well and sold him into bondage; elephants such as crossed the Alps with Hannibal, or felt the sword of Maccabees; and glorious music that thrills and builds in the chambers of the mind as rose the sunny dome of Kubla Khan.

Go to our settler now and say to him, "You have so many fruit trees which you planted, so much fencing, such a well, a barn, a house—in short, you have by your labor added so much value to this farm. Your land itself is not quite so good. You have been cropping it, and by and by it will need manure. I will give you the full value of all your improvements if you will give it to me and go again with your family beyond the verge of settlement." He would laugh at you. His land yields no more wheat or potatoes than before, but it does yield far more of all the necessaries and comforts of life. His labor upon it will bring no heavier crops, and, we will suppose, no more valuable crops, but it will bring far more of all the other things for which men work. The presence of other settlers—the increase of population—has added to the productiveness, in these things, of labor bestowed upon it, and this added productiveness gives it a superiority over land of equal natural quality where there are as yet no settlers. If no land remains to be taken up except such as is as far removed from population as was our settler's land when he first went upon it, the value or rent of this land will be measured by the whole of this added capability. If, however, as we have supposed, there is a continuous stretch of equal land over which population is now spreading, it will not be necessary for the new settler to go into the wilderness, as did the first. He will settle just beyond the other settlers and will get the advantage of proximity to them. The value or rent of our settler's land will thus depend on the advantage which it has, from being at the center of population, over that on the verge. In the one case the margin of production will remain as before, in the other the margin of production will be raised.

Population still continues to increase, and as it increases so do the economies which its increase permits, and which in effect add to the productiveness of the land. Our first settler's land, being the center of population, the store, the blacksmith's forge, the wheelwright's shop, are set upon it, or on its margin, where soon arises a village, which rapidly grows into a town, the center of exchanges for the people of the whole district. With no greater agricultural productiveness than it had at first, this land now begins to develop a productiveness of a higher kind. To labor expended in raising corn, or wheat, or potatoes, it will yield no more of those things than at first; but, to labor expended in the subdivided branches of production which require proximity to other producers, and, especially, to labor expended in that final part of production, which consists in distribution, it will yield much larger returns. The wheat grower may go further on, and find land on which his labor will produce as much wheat, and nearly as much wealth; but the artisan, the manufacturer, the storekeeper, the professional man, find that their labor expended here, at the center of exchanges, will yield them much more than if expended even at a little distance away from it; and this excess of productiveness for such purposes the landowner can claim just as he could an excess in its wheat-producing power. And so our settler is able to sell in building lots a few of his acres for

prices which it would not bring for wheat growing if its fertility had been multiplied many times. With the proceeds he builds himself a fine house, and furnishes it handsomely. That is to say, to reduce the transaction to its lowest terms, the people who wish to use the land build and furnish the house for him, on condition that he will let them avail themselves of the superior productiveness which the increase of population has given the land.

Population still keeps on increasing, giving greater and greater utility to the land and more and more wealth to its owner. The town has grown into a city—a St. Louis, a Chicago, or a San Francisco—and still it grows. Production is here carried on upon a great scale, with the best machinery and the most favorable facilities; the division of labor becomes extremely minute, wonderfully multiplying efficiency; exchanges are of such volume and rapidity that they are made with the minimum of friction and loss. Here is the heart, the brain of the vast social organism that has grown up from the germ of the first settlement; here has developed one of the great ganglions of the human world. Hither run all roads, hither set all currents, through all the vast regions round about. Here, if you have anything to sell, is the market; here, if you have anything to buy, is the largest and choicest stock. Here intellectual activity is gathered into a focus, and here springs that stimulus which is born of the collision of mind with mind. Here are the great libraries, the storehouses and granaries of knowledge, the learned professors, the famous specialists. Here are museums and art galleries, collections of philosophical apparatus, and all things rare and valuable and best of their kind. Here come great actors and orators and singers from all over the world. Here, in short, is a center of human life, in all its varied manifestations.

So enormous are the advantages which this land now offers for the application of labor that, instead of one man with a span of horses scratching over acres, you may count in places thousands of workers to the acre, working tier on tier, on floors raised one above the other, five, six, seven, and eight stories from the ground, while underneath the surface of the earth engines are throbbing with pulsations that exert the force of thousands of horses.

All these advantages attach to the land; it is on this land and no other that they can be utilized, for here is the center of population—the focus of exchanges, the market place and workshop of the highest forms of industry. The productive powers which density of population has attached to this land are equivalent to the multiplication of its original fertility by the hundredfold and the thousandfold. And rent, which measures the difference between this added productiveness and that of the least productive land in use, has increased accordingly. Our settler, or whoever has succeeded to his right to the land, is now a millionaire. Like another Rip Van Winkle, he may have lain down and slept; still he is rich—not from anything he has done but from the increase in population. There are lots from which for every foot of frontage the owner may draw more than an average mechanic can earn; there are lots that will sell for more than would suffice to pave them with gold coin. In the principal streets are towering buildings of granite, marble, iron, and plate glass, finished in the most expensive style, replete with every convenience. Yet they are not worth as much as the land upon which they rest—the same land, in nothing changed, which when our first settler came upon it had no value at all.

Here, in poetic prose, is told the story of the nature, origin, and development of land value. The profit derived from capitalized land values is known in political economy as economic rent. J. Ramsay MacDonald, former Prime Minister of England, referring to this factor in the economic structure, said:

Rent (ground rent) is a toll, not a payment for services. By it social values are transferred from social pools into private pockets, and it becomes the means of vast economic exploitations. * * * Rent is obviously a common resource. Differences in fertility and value of site must be equalized by rent, but it ought to go to common funds and be spent in the common interest.

NATURAL FUND FOR PUBLIC REVENUE

"Where are you going to get the money?" has echoed and reechoed through this historic Chamber for many months. On more than one occasion the distinguished gentleman from Pennsylvania [Mr. RICH] has made it the burden of his song. The problem of mounting debts and taxes in all conscience is serious and, as everyone knows, the burden of the cost of government—both Federal and local—is reaching proportions almost too grievous to be borne. But those who are alarmed at the extraordinary expenditures and disturbed at the refrain of the distinguished gentleman from Pennsylvania, let them explore for revenue purposes the possibilities of the fund represented by the Nation's land values and the values of the public-utility franchises; in other words, the ground rent to which J. Ramsay MacDonald refers.

An honest, impartial, intelligent investigation will disclose the fact that the land values of America and the public-utility franchise values constitute a fund provided by Nature and Nature's God that will supply not only the means of every legitimate public expense but will meet every canon of sound taxation. Yea, it will do more. It will go far to solve the problem of unemployment and involuntary poverty. It will lay the basis and point the way for the honest and equitable distribution of wealth. It will give light and leading to the baffled and perplexed educators, statesmen, and philosophers that are grappling with these problems.

The question is frequently asked: "Why so much want in the midst of plenty?" President Roosevelt, in his Atlanta speech, put the same question in this form:

I think it is of interest to point out that national surveys prove that the average of our citizenship lives today on what would be called by the medical fraternity "a third-class diet." If the country lived on a second-class diet, we would need to put many more acres than we use today back into the production of foodstuffs for domestic consumption. If the Nation lived on a first-class diet, we would have to put more acres than we have ever cultivated into the production of an additional supply of things for Americans to eat.

Why, speaking in broad terms in following up this particular illustration, are we living on a third-class diet?

And proceeds to answer by saying:

For the very simple reason that the masses of the American people have not got the purchasing power to eat more and better food.

And the President properly might have pursued the question further and included not only better food but better clothes, better housing, not to say anything about modern conveniences.

LACK OF PURCHASING POWER

Why do the people lack purchasing power? It is not due to the people's unwillingness to labor and produce wealth. It is not due to lack of capital nor to the niggardliness of nature. All about us we see natural resources that willing hands and idle tools are anxious to exploit. The natural resources of the Nation, if touched by the magic hand of labor and capital, would supply enough and to spare for all.

The Bureau of Home Economics of the Agricultural Department, after a careful survey of the needs of an average family in the United States, found that an annual income of $2,500 was necessary to maintain a reasonable standard of living. When it is remembered that in 1929, the year of our peak prosperity, there were 6,000,000 families in the United States with incomes of less than $1,000, 12,000,000 families with incomes under $1,500, and over 19,000,000 families—over 71 percent of our entire population—with incomes less than $2,500, it is obvious that the wants of the people were far from satisfied. In periods of depression and in times of ordinary business conditions, the income of the average family is considerably less. These facts indicate the inadequate and limited purchasing power of the great mass of the people either in so-called good or bad times. They further indicate that there is among our own people a great potential market that will be available with the advent of adequate purchasing power in the hands of the masses. It is estimated that if the income of the average family were $2,500 per annum, the farms, mills, and factories would be required to produce 75 percent more wealth or consumers' goods in order to supply the demand of the American market.

These facts confirm the findings of the Brookings Institution, of Washington, D. C., which found, after an exhaustive investigation and study of the problem of production and distribution of wealth, that at the very peak of our so-called prosperity, in 1929, 13 percent of the people of the United States owned 90 percent of the wealth and that the income of the other 87 percent was so low that only a few of them consumed any luxuries or conveniences at all, and that practically all of the 87 percent were compelled to spend their entire income for the bare necessities of life, and further discovered that if the income of the other 87 percent were sufficient to enable them to maintain

a standard of living such as the Bureau of Home Economics of the Agricultural Department describes as reasonable, there would be a marked increase in production and consumption.

In our exploration for an answer to the question of "Why want in the midst of plenty?" and to President Roosevelt's observations about inferior diet and lack of purchasing power, and the Brookings Institution's discovery of the inequitable distribution of wealth and the low purchasing power of 71 percent of the American people, we may, perchance, also discover the Eldorado where the money may be had with which to pay the tax bills.

Recalling Henry George's story of the nature, origin, and growth of land values, let us, for example, take the city of New York. The report of the commissioner of taxes and assessments for the year 1934 discloses the fact that the land values of the city of New York are $8,000,995,996, while the improvement values total $8,456,173,777. It will be observed that the value of the land and the value of the improvements are about equal. And here let it be noted that rows upon rows of buildings and skyscrapers in the city of New York represent a tremendous amount of human labor—every building, every home, every office, every factory, every skyscraper came into being only as the result of the labor of thousands upon thousands of workmen. Not so with the value of the land. The increment of land value is not a labor product. It is the result of the people as a whole functioning as society—as a social organism. The origin of the value of improvements and the value of land are totally different. One is a labor value, the other a social value. The former is the result of productive effort, the latter the growth and progress of society.

What is true of the city of New York is true of every community, large or small. The land values and public-utility franchise values of the Nation in normal times are estimated at $200,000,000,000. The value of the Nation's permanent labor products in normal times is approximately two hundred billions. And inasmuch as the one is the product of society and the other the product of labor, are we not within the bounds of logic, good morals, and sound law in concluding that labor ought to receive the share it produces and society be rewarded for the share it produces? Why are the products of labor so illy shared? Why is wealth so inequitably distributed?

Lincoln, in discussing this problem, said:

> Inasmuch as most good things are produced by labor, it follows that all such things belong to those whose labor has produced them. But—

Continued Lincoln—

> it has happened in all ages of the world that some have labored and others, without labor, have enjoyed a large proportion of the fruits.

Applying this line of reasoning to the problem in hand, who is the rightful owner of the profits issuing out of the land values not only of the city of New York but of the land values and public-utility franchise values of the Nation? Manifestly they belong to the people. But under present law and custom we permit a few to appropriate to their own use that which obviously belongs to all. And so Lincoln's observation is still true—that there are some who, without labor, enjoy a large proportion of the fruits of labor. It is this fact which explains President Roosevelt's and the Brookings Institution's observation about the lack of purchasing power of the great mass of mankind and furnishes an answer to the disquieting question, Why want in the midst of plenty?

WHY POLITICS AND GOVERNMENT ARE CORRUPT

It explains even more. It is this fact in our economic society that accounts for much of the vulgarity and corruption in government and politics. Albert Jay Nock, a publicist and fundamental thinker of note, puts the case in this fashion. He says:

> So long as the State stands as an impersonal mechanism which can confer an economic advantage at the mere touch of a button, men will seek by all sorts of ways to get at the button, because law-made property is acquired with less exertion than labor-made property. It is easier to push the button and get some State-created monopoly, like a land title, a tariff, a franchise, or other governmental concessions, and pocket the proceeds than to accumulate the same amount by labor.

Man seeks to gratify his desires and wants with the least possible exertion. There are only two ways by which these wants and desires can be gratified—one is by labor or rendering service, the other by stealing or extorting service. It is, of course, plain why men seek to get at the button to which Nock directs our attention. But it is also clear that we cannot exist as a people or a Nation by robbing each other, whether by the ordinary highway method of stand and deliver or the more refined way of using the power of government.

Since wealth is brought into existence by human labor alone, it follows that some must labor and produce the things that man needs for the gratification of his wants and desires, and therefore it would seem that, since all cannot hope to derive their living off the labor of others, that we put an end to the stealing of the few by organizing society in such fashion that none would reap where others have sown. It is obvious if we wish to establish an economic order based upon the foundation of social justice that the burden of taxation now resting upon the products of industry and labor must be removed and the profits that issue from governmental concessions, such as land titles, franchises, and the like, must be used for public purposes so that all the people will enjoy their share of the community fund. Incidentally, this would put an end to the great prizes for which many of our foremost citizens are ready and eager to grovel in the dirt and slime of politics in order to get at the governmental button. If the problem of unemployment is to be solved and involuntary poverty abolished, then government must be administered in such fashion that legal privilege of whatsoever nature will be destroyed. In other words, the economic advantages derived from pushing the governmental button must be removed from the realm of government and politics.

NATURAL LAWS VS. ARTIFICIAL LEGISLATION

This can be accomplished by the simple process of noninterference with the natural growth and development of human society and the sane and rational use of the taxing power. Too many well-meaning and kindly disposed persons are unmindful of the fact that the operation of natural law in the field of economics can be trusted to bring about just, equitable, and beneficial results, while artificial legislation is bound to go astray. President Roosevelt has declared that we today are engaged in a great crusade in every part of the land to cooperate with Nature and not to fight her. This is fine. But in our effort to cooperate with Nature let us make certain that we are in very truth cooperating with her and not running counter to her all-wise and beneficent laws.

The great Italian economist of the eighteenth century, Gaetano Filangieri, in his Science of Legislation, said:

> There are certain natural laws governing our economic life. If we regulated our lives according to these natural laws, we would abolish poverty and secure justice and prosperity for all.

Another eminent economist, also of the eighteenth century, said:

> There is in human affairs one order which is the best. It is not always the order which exists, but it is the order which ought to exist for the greatest good of humanity. God knows it and wills it. Man's duty is to discover and establish it.

Patrick Edward Dove, a profound economist of the nineteenth century, in The Theory of Human Progression, demonstrates the same truth, while Henry George, in his monumental work, Progress and Poverty, in analyzing and developing his social philosophy, demonstrates logically, scientifically, and conclusively the truth declared by these eminent economists. If we are going to cooperate with Nature, we must learn her laws and obey her commands.

Blackstone, the great English commentator, said:

> God has graciously reduced the rule of obedience to this one paternal precept "that man should pursue his own true and substantial happiness." That this precept is the foundation of what we call ethics or natural law and that no human laws are of any validity if contrary to this, and all of them that are valid derive all their force and all their authority from this origin.

Since the validity of all human law derives all its force and authority from the moral or natural laws, any human enactments in relation to the problem of taxation must likewise derive their validity from the same source.

MORALS AND SOUND TAXATION

One of the most important natural laws that govern our economic life is the law of economic rent. Therefore let us put the proposal of taking the economic rent of land or the profits issuing from land value for public use to the test of the inexorable rule of Nature. And first let it be observed how beautifully and wisely Nature has provided for the needs of a growing and advancing community. Someone has said:

That Nature has intended the state to obtain the revenues it needs by the taxation of land values is shown by the same order and degree of evidence that shows that God has intended the milk of the mother for the nourishment of the babe. For no sooner does the state arise, it needs revenues. This need for revenue increases with the increase of population and the development of human society. The increasing need for public revenues with social advance, being a natural need, there must be a right way of raising them. It is clear that this right way must accord with the moral or natural law.

Wherein lies the right way?

Let us consider the taxes on the processes and products of industry by which our present public revenues are collected. The taxes on occupations, on earnings, on investments, on buildings, on houses, on the cultivation of fields, on industry and thrift in all forms have none of the characteristics indispensable in any plan we can deem a right one. All these taxes violate the moral law. For they take by force what belongs to the individual; they give to the unscrupulous an advantage over the scrupulous; they corrupt government; they make oaths a mockery; they shackle commerce; they fine industry and thrift; they lessen the wealth that man might enjoy, and enrich some by impoverishing others.

Now, what about the tax on land values? We have observed that land values are the result of community growth and advancing civilization. They do not come into being as a result of the activity of any particular individual, but by the activity of all the people functioning as a social organism. Therefore, since no particular individual is responsible for the origin and growth of land values, but are due to the activity of all the people, it is clear that the profits issuing from land values belong to all the people. Well has it been said that:

Nature gives to labor, and to labor alone. In a very Garden of Eden a man would starve but for human exertion. Now, here are two men of equal incomes—that of the one derived from the exertion of his labor, that of the other from the rent of land. Is it just that they should equally contribute to the expenses of the State? Evidently not. The income of the one represents wealth he creates and adds to the general wealth of the State; the income of the other represents merely wealth that he takes from the general stock, returning nothing. The right of the one to the enjoyment of his income rests on the warrant of Nature, which returns wealth to labor; the right of the other to the enjoyment of his income is a mere fictitious right, the creation of municipal regulation, which is unknown and unrecognized by Nature.

And also let it be further observed that a tax upon land values is the most just of all taxes, for—

It falls only upon those who receive from society a peculiar and valuable benefit, and upon them in proportion to the benefit they receive. It is the taking by the community, for the use of the community, of that value which is the creation of the community. It is the application of the common property to common uses. When all rent is taken by taxation for the needs of the community, then will the equality ordained by Nature be attained. No citizen will have an advantage over any other citizen save as is given by his industry, skill, and intelligence; and each will obtain what he fairly earns. Then, but not till then, will labor get its full reward, and capital its natural return.

This is a consummation devoutly to be wished. But inasmuch as public opinion has not yet been developed sufficiently to recognize the inequity of the present tax system nor the justice of the taxation of land values, it is obvious that the present need is education and more education, to the end that a healthy and wholesome public opinion may be developed on the vital question of taxation. In order that such education may not be misguided and destructive of its own ends, the promulgation of ideas in relation to taxation and the subject of political economy contrary to the social order ordained by Nature and Nature's God is charged with TNT of bad economics and in the very nature of things will be destructive of the very society and civilization for which the friends of social justice live and labor and sacrifice. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. ECKERT] has expired.

Mr. COOPER of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HOOK].

Mr. HOOK. Mr. Chairman, I have heard several speakers this afternoon on the subject of taxation raise the question of how this money has been spent by our Democratic Party. I may say that it has been appropriated in behalf of the people of this Nation, and President Roosevelt demands that it be spent honestly and impartially in behalf of all the people of this great Nation who are in need.

Let me preface my remarks by saying that in the State of Michigan and in many States of the United States since November 1935, no Federal relief grants have been given to Michigan and other States by the Federal Government; so that all direct relief money spent in the States is completely controlled by the State administration. In the State of Michigan we have a Republican administration.

I want to read this letter to you to show what a Republican administration is doing with relief money:

IRON RIVER, MICH., *April 14, 1936.*

FRANK E. HOOK.

DEAR SIR: I am writing you, telling I have been 3 months without any wood. I have been after them dozens and dozens of times, and one cold day I went to the Caspian office, walked 4 miles. When I got in there Mr. Brotherington was sitting in a big soft morris chair in front of a nice big fireplace, smoking a big cigar, and had refused to talk to me and I was half froze and turned away.

I left word there for the investigator to make a call at my home. She came about 2 weeks after. The day she came I was gone to see the doctor. My husband was at home. This is what she told my husband. "If you take that picture (meaning President Roosevelt) down from the wall, maybe we could get somewhere." We didn't think anything of this right then. We thought we would get the wood but we didn't, so then I went up to the food store where they have their offices on Tuesday, April 14, and seen the investigator, Miss Doring, and asked her about the wood, and she came out with the same thing, only a little stronger. She said, if you take the picture off your wall, then Mr. Brotherington would give you some wood. She said Mr. Roosevelt doesn't help you anyway.

I'll sign an affidavit in front of anyone that this is nothing but the truth. We were treated fine until the picture came up, until the first investigator came in our house and seen it. I told her I would never take that picture down from my wall, and I didn't get any wood yet. I will take this matter up anywhere with you.

Very truly yours,

(Signed) Mrs. ALPHONSE BEZOTTE,
932 W. Mickler Street, Iron River, Mich.

P. S.: I wrote to you before. My husband is sick and under the doctor's care, and we need help. Please answer.

Talk about buying votes! When Members on the opposite side of this aisle accuse the Democratic Party of trying to buy votes with relief money, how do they explain away such a situation as that outlined in this letter, a situation absolutely and positively under the control of the Republican administration? What would happen if the Republican Party were in control nationally?

The previous two Republican speakers referred to the agricultural program and other agencies of the Government in a critical manner. Let me refer to an achievement in which I have much pride, that of the Michigan farmers since 1932. The farmers of my State during this panic year were paying the highest taxes on agricultural land and farm real estate of any State in the Union. They were crushed between the millstones of the depression and were unable to help themselves until the Federal program of 1933 was launched which reduced the taxes on rural farms some 60 percent in the State of Michigan.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. HOOK. I yield.

Mr. WOODRUFF. Will the gentleman tell the House whether or not the reduction in farm taxes was brought

about by constitutional amendment, by vote of the people of the State, or by the legislature?

Mr. HOOK. It was brought about through the fact that Michigan itself could not have operated in behalf of and for the good of the farmers without being helped by the National Government.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield further?

Mr. HOOK. Yes.

Mr. WOODRUFF. The gentleman has not answered my question. I will say, if he dislikes to answer, that the reduction in the tax on real estate in the State of Michigan was brought about by a constitutional amendment voted by the people of the State. It was brought about by the people themselves. That is the fact.

Mr. HOOK. Partially so. I grant that the Democratic administration was responsible for that, but the greatest benefits were brought about through the agricultural program. But there are things in connection with the spending of the taxpayers' money in the extension work in that great State to which I want to call attention.

It is inherent in the hearts of Americans to take pride in the performance and progress of each one of the individual States that make up the Union. Citizens of a particularly fortunate State are, of course, doubly proud, and as a citizen of Michigan it is with great gratification that I point to the progress that my State has achieved in two major fields of enterprise, upon which the citizens of Michigan depend for their livelihood, since the depth of the depression in 1932, to the present time.

First, I wish to call attention to the record of the automobile industry during the past 4 years. The production of automobiles has increased by more than 70 percent. New plants are being built in many Michigan manufacturing cities. Many leading automobile factories are behind in their orders for new cars. These cars are sold throughout the United States and exported to foreign countries. In a sense, more than three-fourths of the people of the United States travel with their feet on a part of Michigan, since the floors of 90 percent of their cars and the chassis beneath are made in Michigan factories, largely from iron and timber produced in Michigan.

I am proud of the leadership Michigan has taken among other States in rising out of the depression through this major industrial development, but as a citizen of Michigan I realize fully that Michigan alone as a State was prostrate and helpless 4 years ago when her factories and mines were closed, and her people out of work, and orders for automobiles had dwindled to less than one-fourth of the normal business.

Early in 1933 the program of the Federal Government was launched and a recovery started that began at the grass roots, primarily through the cooperation of farmers in the program authorized by the Agricultural Adjustment Act, that increased the purchasing power of farmers of the United States by 40 percent in 1934 and over 60 percent in 1935, as compared to the panic year of 1932. Statistics show that it was the farmers and the businessmen dealing with farmers who were the largest purchasers of the automobiles made in Detroit factories.

A second great achievement in which I take particular pride is the achievement of Michigan farmers since 1932. The farmers of my State during this panic year were paying the highest taxes on agricultural land and farm real estate of any State in the Union. They were crushed between the millstones of the depression and were unable to help themselves until the Federal program of 1933 was launched, and through the Agricultural Adjustment Administration, the Farm Credit Administration, and other New Deal agencies, farm foreclosures dwindled and prices on basic commodity crops were advanced toward parity prices.

Ordinarily the reports of crop statisticians are considered dry and musty, but the crop report for the State of Michigan of January 1936, issued by the State department of agriculture, with the United States Department of Agriculture cooperating, reads like a romance to those who look back to the dark and desperate days of 1932 and at the same time vision the progress that has taken place since as represented by cold figures—figures that show less of misery and more of happiness, less of despair and more of hope, for farm families. This report states that in 1932 the total value of livestock and crop production for the State of Michigan was $118,567,000.

In 1935 the total cash farm income for Michigan had risen to $177,000,000 for all crops and livestock, an increase of nearly 50 percent. In addition, this report further states that taxes on farm real estate had declined approximately 60 percent from 1929 to 1934, 1935 taxes being not yet available. The report of the State statistician indicates that progress toward complete recovery will continue in 1936. Practically all farms of the State are in full operation, and many new farms, particularly the small farms of part-time farmers who work in industry part of their time have been brought into production.

One of the outstanding achievements in Michigan has been in the increase of alfalfa acreage, in which Michigan now ranks second in the Union, an increase of from 74,000 acres in 1919 to nearly 1,000,000 acres in 1935; and in sugar beets, in which she ranks third, increasing from an acreage of 58,000 in 1931 to 115,000 acres in 1935; and field beans, in which Michigan ranks first, producing a crop valued at $5,363,000 in 1931 and worth nearly $10,000,000 in 1935 ($9,852,000). In potatoes, Michigan took second rank of the Nation in 1935, with a crop valued at $12,492,000; while in 1931, when the depression was on, the potato crop of Michigans was worth only $4,331,000. Michiganders are also proud of the fact that Michigan ranks first as a cherry State, her crop being worth $1,622,000 in 1935; while in 1932, the lowest point of the panic years, Michigan's cherry crop brought a return of only $608,000.

Neither do we Wolverines cry over the fact that we are the first onion State of the Union, and we do not mind if you poke fun at us for being the premier pickle-producing State. And these products, too, have gained as the consuming public with increased purchasing power has had more money with which to buy pickles and cherries.

It is not only through the direct basic-commodity crop acreage-control program of the Agricultural Adjustment Administration that Michigan farmers benefited but through the wise purchases of surpluses by the commodity-purchase section of the Agricultural Adjustment Administration that prices on dairy products, beans, and special crops were maintained.

The leading authority of the cooperative organizations of Michigan and also of the bean-jobbing industry states that orderly marketing resulting from the Federal purchase of pea beans in 1935 saved Michigan farmers from enormous losses that would have been caused by gluts of the market. These losses would have run into millions of dollars without this wise aid from the Federal program in handling one of Michigan's largest bean crops.

The new Federal soil-conservation program is now being launched in Michigan, and those who understand its provisions and who have been in touch with the soil-conservation program of the past 10 years of the Michigan Agricultural College realize that this program offers much to Michigan. It grieves me, however, to note that political pressures are still brought to bear upon that grand old institution, the mother of all agricultural colleges, in an effort to break down the wise provisions of the New Deal for agriculture and for the general welfare of the Nation. In that connection I wish to remonstrate here against any political control being exerted that perverts the Federal- and State-supported land-grant colleges of America from their high purpose. They are unique in their service to the Nation and deserve complete freedom from self-seeking political influences. Their economists need not be hired by any political group to give facts. These institutions stand ready to give the facts freely to the Nation as part of their service.

Some years ago certain members of a political group got mixed up in affairs that looked surprisingly like grand

larceny, perjury, and unethical and illegal use of State funds at our land-grant college.

At this point, Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein a report of the Senate committee investigating the administration of the affairs of the Michigan State College of Agriculture and Applied Sciences.

Mr. TREADWAY. Mr. Chairman, reserving the right to object, is it a State or Federal document the gentleman speaks of?

Mr. HOOK. This is a State document involving some Federal funds, namely, funds of the War Department in the R. O. T. C.

Mr. TREADWAY. Does the gentleman believe them applicable to a tax bill?

Mr. HOOK. They relate to tax money that is being spent.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. TREADWAY. Mr. Chairman, I shall not object.

There was no objection.

The matter referred to follows:

REPORT OF THE SENATE COMMITTEE INVESTIGATING THE ADMINISTRATION OF THE AFFAIRS OF THE MICHIGAN STATE COLLEGE OF AGRICULTURE AND APPLIED SCIENCE

His Excellency the Governor and honorable members of the Senate, of the State of Michigan.

GENTLEMEN: On February 28, 1933, the Senate passed the following resolution known as Senate Resolution No. 27:

"Senate Resolution No. 27

"A resolution providing for a public investigation into the administration of the affairs of the Michigan State College of Agriculture and Applied Science, together with the affairs of its officials and employees and the activities of any person, corporation, or other body, directly or indirectly related to said Michigan State College of Agriculture and Applied Science.

"Whereas certain facts have appeared and certain rumors have been circulated regarding the administration of the affairs of the Michigan State College of Agriculture and Applied Science, tending to call into question the propriety of the acts and policy of the administration of the affairs of the Michigan State College of Agriculture and Applied Science; and

"Whereas the Michigan State College of Agriculture and Applied Science is a public institution supported by public taxes appropriated in large part for the purposes of said institution by this legislature; and

"Whereas certain of the moneys expended by this institution are specific appropriations for the expenditure of which the legislature should rightfully inquire into, in case of doubt; and

"Whereas notwithstanding the breadth of the powers which may have been conferred upon said institution with regard to the expenditure of moneys generally appropriated to its use by this legislature, it is the duty of this legislature, in view of the fact it must continue to make such general appropriations, to satisfy itself as to the wisdom and public policy of the appropriations so made to said institution; and

"Whereas certain employees of this institution have been discharged in the middle of the school year and their salary continued without satisfactory explanation of this unusual conduct by the officers of said institution; and

"Whereas the affairs of this institution have been determined upon behind closed doors, and all previous official investigations of these affairs have also been closed to the public, the taxpayers of this State have a right to be enlightened with regard to these matters by means of a public investigation; and

"Whereas the officers of the college are entitled to a fair and impartial investigation of their acts and statements concerning them; and

"Whereas the citizens, farmers, and taxpayers of this State are interested in the agricultural activities carried on by the college and other corporations, boards, and persons in this State: Now, therefore, be it

"*Resolved by the senate*, That a committee of five be appointed by the Lieutenant Governor and be authorized to conduct, with the aid of the attorney general or his assistant, a public investigation of the administration of the affairs of the Michigan State College of Agriculture and Applied Science, together with the affairs of its officials and employees and the activities of any person, corporation, or other body directly or indirectly related to said Michigan State College of Agriculture and Applied Science, the activities carried on by the college and other corporations, persons, or other bodies in this State, such committee to report their findings to the Governor and the legislature within 90 days; and be it further

"*Resolved*, That such committee be authorized to administer oaths, to subpena witnesses, and examine the books and records of any persons, partnerships, corporations, or any body, commission, department, or institution of the State; and be it further

"*Resolved*, That such committee shall be authorized to incur such expenses and employ, with the exception of legal aid or counsel, such expert and other assistance as may be necessary, and that the members of the committee shall serve without compensation, such expenses to be payable from appropriations to be designated therefor upon a proper voucher signed by the chairman after approval by the committee."

Acting under the above resolution, the committee appointed ordered an audit of the records of the Michigan State College of Agriculture and Applied Science, and other organizations related to it, and has held public hearings and examined witnesses from day to day.

The results of the investigation by the committee are set forth in the following paragraphs:

1. The committee determined that there was a cash shortage of $8,087.65 in the uniform deposit and advance military account as carried on the books of the treasurer of the college at June 30, 1932; that this shortage had accumulated over a period of years; that officials of the college and members of the State board of agriculture knew that this shortage existed at the time a grand jury investigated the affairs of the college in 1932; that the report of the grand jury indicates that the evidence given before it was incorrect and misleading, inasmuch as the grand jury's report states that the shortage was $400; that the State board of agriculture appropriated $8,087.65 to make good the shortage without determining the person or persons responsible for same.

2. The organization of the treasurer's office for the handling and control of cash is defective, and the records show that there are frequent discrepancies between the cash on hand as shown by the records and the actual cash on hand.

This condition has been brought to the attention of the officials of the college and the State board of agriculture in a previous audit, and they have refrained from or delayed in taking the necessary steps to correct the condition.

3. The treasurer's records show several transactions covering cash received and disbursed over a period of years and the transactions referred to have never appeared in the annual financial reports of the college. For example, a loan of $1,260 made to the Union Opera Board on December 19, 1922, appears on the treasurer's books. Interest collected on bank deposits since the year 1916 totaling $15,486.34 is also recorded on the treasurer's books. Neither of these items have appeared in the annual financial statements of the college, and the financial statements as published have been incorrect.

4. The control of cash received from commercial sales, services, and other operations in many of the departments of the college is inadequate. In many of these transactions credit is extended and there is no control of the transactions. No entry is made for them on the general books of the college until and unless cash is received. The committee's investigation disclosed that there was in excess of $25,000 of accounts receivable owing to the college, which did not appear on the general books, and that many of these accounts were long past due and in some instances actually bad.

5. The officials of the college and the State board of agriculture were grossly negligent in arranging for and supervising depositary bonds protecting the funds of the college on deposit in banks.

The college had $76,041.22 tied up in the East Lansing State Bank, East Lansing, Mich., on March 31, 1933. This deposit was supposed to have been protected through an agreement with the bank to deposit secuirties with the Grand Rapids Trust Co. The agreement reads in part, as follows:

"The bank hereby agrees to deposit securities in the amount computed at their market value of at least 10 percent more than the amount deposited by said depositor."

The amount of securities actually deposited with the Grand Rapids Trust Co. under the agreement, even when the securities are considered at par value was only $49,700, which was $33,945.34 less than the requirement under the agreement, and $19,500 of the securities deposited are in default.

The treasurer of the college is president of this bank.

The secretary of the college was a director of this bank until recently.

A member of the college faculty is vice president and two members of the faculty are directors of this bank.

The college had $185,935.39 tied up in the Capital National Bank, Lansing, Mich., on March 31, 1933. A surety bond executed by the Guardian Detroit Union Group, Inc., was accepted by the State board of agriculture to secure the deposit. In this case the State board of agriculture accepted a surety bond, without collateral, rrom the company which owned the bank in which the deposit was made.

The gross negligence on the part of officials of the college and State board of agriculture will result in a considerable loss of public funds.

6. The inventory of supplies carried by the college amounts to approximately $40,000. This inventory is controlled and purchases are regulated by a perpetual inventory system which has been installed. The inventory contains approximately 4,200 items. A physical inventory made of 192 items in stores, disclosed that only slightly over 51 percent of the items were correct; that over 29 percent of the items were short, and over 18 percent of the items were over, when compared with the perpetual inventory.

An examination of 482 items, picked at random, carried in the perpetual inventory shows that purchases have been made in

excess of the requirements of the college, and that over 31 percent of the items examined had not been called for or used since 1931, and many of the items referred to had not been used at the college for years prior to 1931.

The following examples of overpurchase of supplies are given:

On August 24, 1929, the college purchased 2,500 feet of lead-covered cable at a cost of $509.67. At March 31, 1933, about 200 feet of cable had been used, and the balance was on hand. Inquiry disclosed that the cable was not of a type which was regularly used at the college.

On April 20, 1931, 500 bags of calcium chloride were purchased at a cost of $633.75. On July 30, 1931, about 3 months later, a further supply of 500 bags was purchased at a cost of $633.75. From the date of the first purchase to the end of the year in which both purchases were made only 470 bags were used. The purchase in that year was upward of 500 bags in excess of the requirement. In 1932 only 46 bags were used. On that basis the college has a 10-year supply on hand.

On November 13, 1931, 12 Yale locks and 24 master keys were purchased, at a cost of $64.30. The locks and keys were still in stores on April 26, 1933.

The committee has information regarding a number of items of the same type as those above quoted.

The college has frozen a considerable amount of its working funds in unusable supplies through careless purchasing practices.

7. The college has carried an average balance in its creamery operating fund ranging from $5,000 to $46,000 on deposit in the East Lansing State Bank, East Lansing, Mich., from 1925 to 1932. No interest has ever been received on this deposit.

The report of the special assistant attorney general who held an investigation at the college in 1932 stated that the interest on this deposit had been adjusted. The statement was incorrect.

8. The disbursement of an appropriation of $50,000 for improvement of grounds authorized by the State legislature in act 402 of the Public Acts of 1927 was made under the supervision of T. Glenn Phillips, the college landscape architect. Mr. Phillips was on the college staff at a yearly salary of $1,500. The records show that $10,818.49 was disbursed to Mr. Phillips' staff. The majority of the checks drawn in favor of Mr. Phillips' staff were endorsed by the individuals and then endorsed for deposit in Mr. Phillips' bank account.

9. The college has on its staff a building architect at a salary of $1,500. The firm of which the architect is a member has obtained practically all of the work in connection with the preparation of plans and specifications for college buildings constructed and has been paid 5 percent of the cost of construction for its services.

10. A private dormitory known as "Mary Mayo Hall" was built on the college campus in 1930 from funds obtained from the sale of securities by the First Detroit Co.

The amount of securities sold was $425,000.

The advertising matter used in the sale of these securities described the issue as "Michigan State College 6-percent Dormitory Trust Certificates." The college does not own the dormitory and, according to the agreements examined, it is not financially obligated in connection with the retirement of the securities at maturity.

The securities are in default.

The securities were issued and the advertising matter used with the full knowledge of the officials of the college and the State board of agriculture.

The issue of the securities and the advertising matter used in their sale was approved by the Michigan Securities Commission.

The college has leased Mary Mayo Hall and has contracted to pay from the net income of the dormitory if the earnings are sufficient, a stipulated amount to take care of the dividends on the securities issued and to retire the securities as they mature.

The lease contains the following clause:

"The lessee shall not operate another dormitory or dining hall which will impair the income of this dormitory from rooms and board to such an extent as, in the judgment of the lessor, will endanger the collection of sufficient revenue for the payment of the rent reserved herein. If at any time the lessor shall give to the lessee notice in writing that it is necessary for the protection of such revenue to discontinue the operation of any other dormitory or dining hall by the lessee, the lessee shall discontinue such operation as soon as practicable and, in any event, within 1 year after such notice."

Under the above-cited clause, the trustee for Mary Mayo Hall can order the closing of dormitories and dining halls owned and operated by the college, if the net income of Mary Mayo Hall is not sufficient to meet the dividends on securities issued and to retire securities as they mature.

11. In October 1930 the State board of agriculture authorized the purchase of 36 shares in the Michigan State College of Agriculture and Applied Science Dormitory Trust No. 1 (Mary Mayo Hall) at a cost of $35,910. The purchase was made from college funds. The securities mature in blocks of $6,000 every 4 years from 1936 to 1950.

This was an improper investment of public funds which were appropriated by the State Legislature for current operating expenses.

12. The State board of agriculture appropriated and disbursed $32,362.20 for the construction of a service tunnel to Mary Mayo Hall, a dormitory on the college campus, which is owned by a private trust for which the Detroit Trust Co. acts as trustee. This amount was not refunded to the college from the proceeds of the securities sold to finance the construction of the dormitory and no arrangement has been made regarding the refunding of the amount.

13. The college furnishes electricity, steam, water, gas, and telephone service to Mary Mayo Hall, a privately owned dormitory on the college campus, at a flat rate of $4,500 per annum. The base rates on which this charge is computed by the college are incorrect, inasmuch as they do not include any charge for depreciation on buildings, plant, and equipment, or transmission and distribution lines.

14. The State legislature appropriated $300,000 to the college for building purposes for use in the year 1931. Of this amount $100,000 was used to pay a portion of the debt owed by the college to the State in connection with the construction of the football stadium at the campus.

The State board of agriculture has appropriated from the balance of the above appropriation a sum of $150,000 to be used along with other funds, to be raised by the sale of securities, for the construction of another dormitory along the same lines as the Mary Mayo Hall, previously mentioned in this report.

It is evident that the $300,000 building appropriation made by the State legislature for use in the year 1931 was not required for general college buildings.

The State board of agriculture on October 31, 1931, entered into a preliminary agreement with the Detroit Trust Co. and The First Detroit Co., in connection with the leasing of the ground and the building and the financing of the construction of the dormitory mentioned above. It also entered into an agreement with Malcolmson, Higginbotham & Trout, architects, Detroit, Mich., for the preparation of plans and specifications, and plans and specifications have been prepared. A payment of $4,500 has been made by the college on the plans and specifications, and it is obligated for a further payment to the architects of $4,600 payable over a period of 5 years. Construction of the dormitory has not started.

The amount paid by the college is refundable when construction is started and the securities have been sold.

15. From June 1925 to June 30, 1928, the college furnished the Union Building on the campus, which is privately owned, with electric, steam, and water service amount to $13,190.37, without charge. In the year ended June 30, 1929, it furnished the same service in the amount of $11,266.28 without charge. In each subsequent year to date, it has appropriated to the building free service to the extent of $10,500.

The total free service furnished and appropriated was approximately $66,450.

16. In 1929 the State board of agriculture appropriated and disbursed $8,215.21 for finishing a portion of the privately owned Union Building on the campus for use as a faculty club.

17. The State of Michigan carries in its sinking funds $300,000 of bonds on the privately owned Union Building on the campus. Two hundred and eighteen thousand dollars of these bonds have matured and are unpaid and $96,725 of interest on the bonds is past due.

18. The State board of agriculture donated in cash to the Michigan State College Alumni Association $86,634.81 from 1918 to 1933.

19. From October 1930 to December 1932, the State board of agriculture has appropriated and disbursed $380.21 in payments of the traveling expenses of the secretary of Michigan State College Alumni Association attending alumni meetings.

20. In 1931 there was appropriated and disbursed from general college funds $1,594.78 to pay a note to the Capital National Bank, Lansing, Mich., which had been guaranteed by 24 endorsers in connection with sending of the college band to Washington, D. C., to attend a football game. Prior to the band leaving for Washington, the board had refused to make any appropriation for the trip.

21. The State board of agriculture authorized the payment of the traveling expenses of the secretary of the college, H. H. Halladay, in the amount of $58.78, and of professor of music, Lewis Richards, in the amount of $63.04, attending the above-mentioned football game at Washington, D. C.

22. An attempt was made by the secretary of the college, H. H. Halladay, to sell a horse to the college. The price of $150 was agreed upon between Mr. Halladay and R. S. Hudson, head of the farm and horse department. A requisition was issued by Mr. Hudson in the name of Wayne Carpenter on Mr. Halladay's instruction. The horse was not required by the college and the requisition was rejected by Dean Cox who refused to pass it. Wayne Carpenter is Mr. Halladay's son-in-law.

23. College cattle was pastured for payment on a farm known as the Nickerson Farm, in which the following persons connected with the college had a proprietary interest:

Jacob Schepers, treasurer of the college; Ward Giltner, dean of division of veterinary science; I. F. Huddleston, research associate in bacteriology; W. L. Mallman, associate professor and research assistant in bacteriology; L. C. Emmons, professor of mathematics.

The cattle were under the jurisdiction of the veterinary division at the time they were pastured on the farm.

24. As of May 1932, there were 208 related persons on the staff of the college. At April 1933 the number of related persons on the staff was 153.

25. Up to February 1933 the college carried a rural-press specialist on its staff at a salary of $1,500 per annum. We have

been unable to find copies of any college articles prepared by the specialist. Our investigation disclosed that the last specialist employed regularly prepared for his own clients a "confidential bulletin" and a "legislative letter" which was mimeographed from college stencils on college paper by college employees without charge to the specialist.

26. At March 31, 1933, the college general-fund assets exceeded the general-fund liabilities by $633,912.85. This excess is actually a reserve which has been built up from the accumulation of unexpended appropriations, etc., and is available for general operations to the extent that the assets can be liquidated.

27. The operation of the college music department for the 4 years ended June 30, 1928, cost $71,239.88. The cost of operation increased to $192,615.75 for the 4 years ended June 30, 1932, an increase of $121,375.87. This increase has taken place since the music department became affiliated with the Michigan State Institute of Music and Allied Arts. The increase has been caused principally by $34,327.54 paid in fees by the college to the institute for instruction of college students under institute staff and an increase of $84,208.80 in salaries paid to music-department instructors.

28. The Michigan State Institute of Music and Allied Arts is a nonprofit corporation organized under the laws of the State of Michigan.

29. Mr. Lewis Richards, who is the head of the college music department, received a salary of $5,000 (reduced to $4,650 in current year) from the college. Mr. Richards is also director of the music institute and as such has received 25 percent of all fees paid by the college to the institute for instruction of college students under institute staff. He has received 100 percent of all fees of institute students whom he taught personally, and, except in a few instances, he has received 25 percent of all fees paid by institute students for instruction. Mr. Richards has been allowed leave of absence for making personal appearances at concerts for remuneration, and has also received remuneration for appearances at Michigan State College student concert course.

30. The Michigan State Institute of Music and Allied Arts has occupied buildings owned and serviced by the college since 1929, and the college has received no remuneration for the use of the buildings or services rendered.

31. Since 1929 the college and college students have paid the Michigan State Institute of Music and Allied Arts $59,183.47 in fees.

32. The institute has collected since 1929 and retained $5,258.67 from students practicing in college-owned and serviced rooms on instruments rented by the institute.

33. The institute has retained $4,026.08 of profits made since 1929 on the Michigan State College student concert course.

34. The institute, starting in the year ended June 30, 1931, and continuing down to March 31, 1933, has collected and retained $11,027.73 from college students receiving their instruction under salaried college instructors. The students paid the institute for instruction for which the college had paid the salaries of the instructors.

35. From 1929 to March 31, 1933, the institute paid out in percentages and salaries to its instructors and its directors more than its income from fees (excluding the $11,027.33 mentioned in the previous paragraph).

The cost of the investigation was $6,500, representing the fees for the audit of the books of the college and the music institute for the 4 years and 9 months period ended March 31, 1933. The auditors also conducted investigations of other organizations connected with the college and checked the veracity of information which came to the attention of the committee. An examination was also made by the auditors of approximately 85 revolving and other funds which are connected with the college, the complete details of which are not recorded on the general college records.

The audit work has been carried out to the complete satisfaction of the committee.

Previous audits made at the college were cash audits of a superficial nature and did not contain the information required by the committee for its investigation.

The committee's investigation disclosed that Frank S. Kedzie, college historian, who had been in the employ of the college for 52 years; Joseph Frank Cox, dean of agriculture, who had been in the employ of the college for 20 years; and James B. Hassleman, director of publications department, who had been in the employ of the college for 17 years, were discharged without a hearing because they objected to many of the practices brought out in this report. These men were treated unfairly and there was no basis for their discharge.

RECOMMENDATIONS

We recommend that the Music Institute be entirely divorced from the college and removed from the college buildings and grounds.

We recommend that all connection between college officials and employees and the East Lansing State Bank, East Lansing, Mich., be discontinued.

We recommend that the state board of agriculture desist from paying any commissions to or making any contract, other than for their regular salaries, with its architect, landscape architect, or other members of its staff.

We recommend that the attorney general of the State of Michigan take proper steps to recover public funds which have been unlawfully taken or expended by the state board of agriculture or its agents.

We recommend to the Governor of the State of Michigan that he examine the testimony taken by the committee with a view to removing the members of the state board of agriculture if he deems that the testimony warrants such action.

EDWARD B. MCKENNA, *Chairman,*
BEN CARPENTER,
SAMUEL W. RAYMOND,
RAY DERHAM,

Members of the Committee Investigating the Administration of the Affairs of the Michigan State College of Agriculture and Applied Science Under Senate Resolution No. 27, Dated February 28, 1933.

JUNE 14, 1933.

Mr. HOOK. During the brief interim of Michigan's Democratic State administration of 1933 and 1934, facts were brought to light by a Michigan Senate investigation showing a shocking state of affairs at Michigan's great pioneer College of Agriculture and Mechanic Arts—not just one of those faculty rows involving squabbling professors but in this case college officials and State board members were all hooked up together in a private music institute, a bank handling college funds without adequate protection or interest, land deals, shortages in the military account, in fact some 30 questionable, illegal, or irregular items were enumerated in the report of the senate committee of 1933. Men high in G. O. P. party councils were involved. A thorough cleanup has been delayed, but since the senate findings the college secretary resigned, the college treasurer now faces charges for failure to account for moneys in his hands, and I have this week received a clipping from the State Journal of Lansing, Mich., of April 10, 1936, stating that the M. S. C. military shortage probe is to be resumed and that the State police are now working on the missing $8,000 of R. O. T. C. funds. The article states that the shortage in funds was discovered during the time a grand jury investigation was being conducted at the college 4 years ago. A true statement of news facts would be that the one-man grand jury conducted by Judge Leland Carr and the report by Special Assistant Attorney General Joseph Baldwin stated that no such shortage existed, thus protecting the guilty parties. The honest rural press of the State called these findings a "whitewash" at the time. The Lansing State Journal is one of the papers that was all that time VANDENBERG controlled. Joseph Baldwin, through influence of Senator VANDENBERG, was appointed from his district as first assistant doorkeeper of the United States Senate in 1931 and 1932. The first job of this politically obligated attorney in Michigan was as this special assistant attorney general of the State of Michigan, appointed in Governor Brucker's regime, to investigate the Michigan State College affair, and he did what no reputable attorney would do in protecting political malefactors. The involved State board of agriculture fired the illustrious Dr. Frank S. Hedzie, the grand old man of the institution, and two other objectors to dishonesty.

It is of interest that Governor Brucker this week announced his candidacy for nomination for the United States Senate. He would like to occupy the seat long held by the senior Senator of Michigan, JAMES M. COUZENS.

There are other connections that show the adroitness of this political gang. A Mr. Gilbert Daane, who is a banking associate of the junior Senator from Michigan, was nominated for the Board of Agriculture by the G. O. P. in 1932, replacing a former Board member who had made an effort to clean things up at M. S. C. Daane did not have the vote of the convention, but they gave him the nomination regardless—bad business even for the G. O. P.

Another unusual connection is indicated by the active part played by Mr. Fred L. Woodworth, Michigan's former Republican collector of internal revenue and the campaign manager for Michigan's junior Senator, in actively lobbying among the State legislators to prevent any action that they might take to correct the shocking state of political control at the Michigan State College. According to dependable authority, Mr. Woodworth received pay for his services as a lobbyist from the Michigan State Board of Agriculture—taxpayers' money used to protect guilty parties. As reported by the Michigan press, Mr. Woodworth is the man who at the recent Republican "blue grass" convention at Cleveland,

whispered the name of VANDENBERG in the ears of receptive delegates as a likely G. O. P. Presidential candidate.

With increasing frequency of late, the stentorian tones of the junior Senator from Michigan have resounded through the United States Senate. He is already hailed by many Republicans as the "plumed knight" of the Republican Party who may carry the gonfalon of the G. O. P. at the next election.

"Sanctity of our courts" and "freedom of the press" are the two main themes of Senator VANDENBERG, who apparently desires to implant the idea in the minds of his hearers that these paladiums of liberty have in some way been endangered by the New Deal in bringing the Nation from the depths of the Hoover panic of 1932 to the present state of well-advanced recovery. The junior Senator from Michigan is an orator of the old school, the very epitome of "pomp and circumstance" as he paces back and forth upon the Senate floor—a champion full worthy of the pelf and power faction of the old guard. Hamilton is his ideal, about whom he has written two books—the Hamilton who opposed the farmer and who looked upon the people collectively as "a dangerous beast."

The courtesy that I, as a Congressman, must extend in these Chambers toward the junior Senator from my State forbids my presenting here further details regarding the muzzling of the press, and the political prostitution of the judiciary of my State by G. O. P. factions, but recent developments remind me of a remark made by a wise old farmer of a central Michigan county in discussing the chances of a local Republican candidate for election as county supervisor: "Well", said the old-timer, "everyone knows that Mel sucks eggs, but he's durn good at hiding the shells." Until very recently the old-guard gang of Michigan have been "darn good at hiding the shells", but some of them, though carefully hidden, are coming to light.

The political henchmen of this gang are desirous of widening the scope of their influence by invading the broader field offered with Washington, D. C., as headquarters. As political machines go, this latest model Michigan machine is worthy of attention. Like the latest model 1936 Michigan automobiles it is streamlined and efficient, equipped with silent transmission and oil immersion shock absorbers—a great improvement over the Hoover-Hyde or the Harding-Dougherty models. This is the machine, "body by the G. O. P.", "powered by VANDENBERG and Brucker", that the old-guard gang of Michigan would like to wheel into the White House garage.

This is the machine they would like to wheel into the White House garage next November, but I cannot agree with my distinguished friend from Massachusetts that this Republican machine will go in there at any time. The honest people will not approve when all the facts are brought to light.

Mr. TREADWAY. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, I have been endeavoring to ascertain from the gentlemen in charge of this debate just how much longer it is to be permitted to go on. I gather the impression that if no one interferes to stop us it will go on until 5 o'clock; also the impression that there is but one remaining orator on the other side of the aisle, which indicates that between us we shall consume perhaps an hour and 15 minutes. Of course, that will involve no effort on my part and does not dismay me in the slightest degree.

Mr. Chairman, I am a little unconventional in that I will have to confess at the outset I have never been excluded from a committee room. In fact, the committee room that has become so famous during this debate is one in which I would not care to force entry during a Democratic discussion of a tax bill. I cannot therefore claim any grievance upon this occasion, nor do I know anything about the horrid conditions existing in the State of Michigan as described to us by the gentleman who has just preceded me, and which bear such a close relation to this tax bill.

Upon one or two occasions as this debate has proceeded, Mr. Chairman, I have endeavored to remind the Chair and the Committee that the rule under which this debate is conducted provides that remarks shall be confined to the bill itself. Again I shall be unconventional in that I shall obey the rule; otherwise apparently it has not been worth the paper it is written on.

Mr. VINSON of Kentucky. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. VINSON of Kentucky. The gentleman has not adhered to the rule up to this point.

Mr. WADSWORTH. Mr. Chairman, I beg the indulgence of the gentleman from Kentucky.

Mr. VINSON of Kentucky. Mr. Chairman, I withdraw the point of order.

Mr. WADSWORTH. Do not withdraw it. I desire to be disciplined.

Mr. Chairman, my remarks up to this moment will be recognized, of course, by all veteran legislators as of the graceful and introductory character. I shall be guilty of rambling in the few comments I shall make, and I think I will not consume 30 minutes unless I am suitably and frequently interrupted. In the few comments I shall make upon this bill I desire first to speak about that provision which relates to the so-called "windfall" tax. I venture to do so because practically all of my life I have been engaged in the livestock business and thus have come into rather intimate contact with the packing business.

As I understand it, and I shall be glad to be corrected if I state this erroneously, the bill provides in effect that in the event a processor has passed the tax on to the consumer and thus has not been put out of pocket himself under the processing-tax law recently declared unconstitutional, he may be called upon to refund a sum of money equal to a certain percentage of the sum which he presumably pocketed at the expense of the consumer. I may state that awkwardly, but I am sure the members of the committee present know what I am driving at.

Mr. Chairman, I am going to confine my remarks to the effect of this provision upon the packing business. I am not at all concerned as to its effect upon the so-called big packer. The processing tax on hogs did not fall with as heavy weight on the big packing institutions. It was possible for them to absorb this tax in part at least, and perhaps in a good many instances entirely. As to the exact facts upon that situation I am not informed. But the big packer had this advantage: The processing of hogs was only a portion of his business. He also processed beef cattle against which there was no processing tax. He also processed mutton and lamb against which there was no processing tax. He also engaged in the purchase and resale or preparation and processing of several other articles, many of them byproducts, some of them medicinal, some of them relating to the hide industry, and some of them to the fertilizer industry. In other words, his operations were diffused and scattered over a wide area, and it is safe to say that about three-quarters of them was free from any processing tax.

There are, however, in this country, and doubtless the members of the Ways and Means Committee know this as a result of the hearings, something like 1,100 pork packers who do nothing else except handle hogs and process them into pork products of one kind or another. They do not handle cattle, and they do not handle sheep.

They manufacture very, very few of the byproducts which the big packers manufacture. All their eggs, so to speak, are in the hog basket.

The processing tax fell as a heavy burden upon their entire business. Now, the tax was computed at the rate of 2¼ cents a pound, live weight, on a full-grown hog. Hogs were selling during most of that period in the neighborhood of 10 cents a pound on the Chicago market; in other words, the processing tax amounted to 25 percent of the cost of the

raw material. I think no one will deny that this is a tax of extraordinary severity to be imposed upon any business.

The small pork packer was constantly put into difficulties, and I know of several of them. Of course, an effort was made at the beginning, and naturally so, as any businessman would make it, to pass the tax on to the consumer. The effort was not successful after a comparatively short experiment. Then an effort was made, of course, by the businessman running the pork-packing establishment to try to reimburse himself by paying less money for the live hogs, by taking it out of the producer. That did not work very well, because in the meantime the large packers were enabled to pay the full price for live hogs and absorb, in whole or in part, the processing tax imposed solely on the pork processing, but not imposed upon their other great undertakings.

There are about 1,100 of these small pork-packing concerns. Many began to go into the red. Most of them went into the red almost entirely as a result of this processing tax.

There is one concern of excellent reputation located near my home district, and I have no doubt my friend, the gentleman from New York, and my neighbor from Monroe County will recollect the identity of this concern—it is not profitable to mention it—had to take steps to put itself into the hands of a receiver. It withheld the payment of the tax, but had to deposit the money in the jurisdiction of the Federal court pending the decision of the Supreme Court on the Triple A.

In the meantime all preparations were made for putting the concern in the hands of a receiver, because with the payment of the tax it was finally decided the company would have to go out of business. It could not meet its obligations. It had been losing money too fast and over too long a period. Fortunately for it, the Triple A decision came along and the money that had been impounded was turned back to it, the receivership proceedings were withdrawn, the company has managed to survive and is now doing business, employing several hundred people and buying hogs all through the farming region of western New York. Had it not been for the Triple A decision this company would have closed, solely as a result of the processing tax.

Now, as I read this bill, and I may be mistaken, this company will have to prove and carry the burden of proof, that it did not pass on the taxes which it was able to pay up to the time it found itself unable to pay any longer; that it absorbed the taxes itself and that the consumer of the finished pork products paid no portion of them in the increased price of the retail goods.

How is the company going to prove this? How will they go about demonstrating it, Mr. Chairman? If this company, or any other pork-packing company, sold but one article, we will say sausages, and no other article or no other form of pork products, it might be possible to trace on the books of the company the actual cost of producing the sausages and subtract that from the ultimate price charged to the consumer and say, "There is your profit and we can tell whether or not you passed on the two and a quarter cents live-weight processing tax in the form of the finished sausage priced higher to the retailer." But, Mr. Chairman, concerns in the packing business do not do that kind of business. They market several different products—hams, sausages, pork, fresh pork, shoulders, bacon, different brands and types and quality, which are advertised, as you see them advertised all over the country. These articles go into the channels of commerce over a huge area and reach all kinds of markets. The prices are not uniform amongst them from month to month. If one article is not selling well they may reduce the price in order to boost its sale. If it is selling well they may keep the price up. If the price of one of their brands goes up or down, who can tell whether the processing tax had anything to do with it or not?

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. VINSON of Kentucky. Did the concern to which the gentleman refers have any net income during the period involved?

Mr. WADSWORTH. A net income?

Mr. VINSON of Kentucky. Yes; a taxable net income.

Mr. WADSWORTH. I am not informed authoritatively, but in view of the fact that it was on the verge of going into receivership, I imagine it was not enjoying any net income.

Mr. VINSON of Kentucky. My understanding is if it did not show a net income, there would be no tax under the "windfall" provision.

Mr. WADSWORTH. All right; suppose it showed a slight income.

Mr. VINSON of Kentucky. Then, of course, the factors in regard to passing it on or having absorbed it would apply. Most of the small packers maintain that they absorbed it; that competitive conditions were such that they could not pass it on. This was the proof or the testimony before the committee.

The gentleman refers to the burden of proof. He recognizes that there is a prima-facie presumption which may be rebutted.

Mr. WADSWORTH. Either party may rebut, but the Government does the assuming.

Mr. VINSON of Kentucky. The gentleman realizes that the facts are in the possession of the taxpayer, and to put the burden of proof on the Government would be an interminable proposition.

Mr. WADSWORTH. I think at the best this thing is going to be an interminable proposition. You will have lawsuits, litigation, expert accountants, investigations month after month, litigation year after year to find out whether the tax was passed on or not.

Mr. VINSON of Kentucky. The gentleman knows that we have thousands of cases under existing law involving the interpretation of taxes.

Mr. WADSWORTH. And you are adding to that situation, and that is not good law.

Mr. VINSON of Kentucky. If there was no net income there is no "windfall" tax.

Mr. WADSWORTH. The gentleman from Kentucky says we have numerous litigations in other tax laws. There is a terrific expense incident to the paying of taxes, the legal fees of the attorneys or experts paid by the taxpayer before he pays his tax. This is adding more expense to that group which is now and has been for 2 years near the rocks. You are going to bring these people into litigation in a desperate endeavor to save themselves and in the long run the Government will not get much.

This burden is to be imposed upon a group of industries which today are on the narrow edge, generally speaking, who were burdened terribly by the processing tax. That is admitted. Now Uncle Sam comes along and with a sneer—make no bones about it—with a sneer and innuendo against their integrity and character says, "We are going to get you and make you pay." From what will they pay you back? I am pleading for the small people. I am not pleading for the big packer.

Mr. VINSON of Kentucky. Is the gentleman in favor of the packer being unjustly enriched?

Mr. WADSWORTH. Oh, these packers were not unjustly enriched.

Mr. VINSON of Kentucky. If not, they will not have this burden imposed on them.

Mr. WADSWORTH. But they will have to prove that they were not. I am in favor of the Government taking its medicine when it is wrong. Who passed this act that was unconstitutional? The Congress of the United States. It put you in a hole as to revenues. Whose fault is it?

Mr. VINSON of Kentucky. What right has any packer or anybody else collecting processing taxes from somebody below to keep them in his pocket and become unjustly enriched?

Mr. WADSWORTH. Oh, there the gentleman goes again with his "unjustly enriched" business.

Mr. VINSON of Kentucky. The questions, however, will be determined by the Bureau of Internal Revenue and by the courts, just as questions of fact are determined under existing law.

Mr. WADSWORTH. All right. Drag this little fellow in, drag him through all the courses of litigation, with the Government's lawyers, paid for by the taxpayers, litigating as long as the Government desires, bringing this citizen in and trying to shake him down. Why? Because you made a mistake in passing the Triple A. What right had Congress to pass the Triple A in the first place? Tell me that.

Mr. VINSON of Kentucky. Oh, it would take me longer than the gentleman would give me time to do that.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Yes.

Mr. CRAWFORD. The gentleman from Kentucky [Mr. VINSON] has made a pertinent observation in the application of this law. Section 501, page 231, line 5, says:

The net income of every person which arises from the sources specified below.

Here the law is referring to specific sources of income. What is that source? That source of income is the processing-tax feature. I have in mind a packer, such as described by the gentleman from New York [Mr. WADSWORTH], who had a loss during 1933 and 1934, and in 1935, since the Supreme Court decision, he has had refunded or returned to him $101,000 in processing taxes. Suppose in 1936 he has a net income, we will say, of $75,000, and into his gross proceeds have gone that $101,000 which the Government returned to him. Will he have to return 80 percent of $75,000 of it, or 80 percent of the $101,000 under the provisions of this bill which says:

The net income of every person which arises from the sources specified below.

That is one question. If I may be permitted, let me submit this: Suppose that in 1934 and 1935 while the processing tax was running, this processing-tax feature came into his business. It was during 1934 and 1935 that he made this collection through sale of goods. This law applies specifically to income arising from sources specified below, and the law becomes effective January 1, 1936, and subsequent thereto. Will they go back and apply the $101,000 which was incurred in his 1933 income, his 1934 income, and his 1935 income, or will it be applied in 1936 only?

Mr. VINSON of Kentucky. I do not think there is any application whatever to moneys that have been refunded in 21 (d). This does not seek to reach those moneys.

Mr. CRAWFORD. The gentleman means to say since the Supreme Court decision?

Mr. VINSON of Kentucky. Oh, no.

Mr. CRAWFORD. If since the Supreme Court decision the moneys which were impounded——

Mr. VINSON of Kentucky. Oh, that is different. That is not a question of moneys refunded. Moneys impounded and paid to him is a different proposition, but the gentleman used the term "refunded", and I thought he was speaking of refunding under section 21 (d). The first thing you have to determine is what happened to the tax. If the tax has been absorbed, as the small packer maintains very strenuously—and he impresses me with the nature of his testimony that he did absorb it, that the competitive conditions were such that he necessarily had to absorb it—and having absorbed it, there will not be any basis on which you will levy the 80-percent rate.

Mr. CRAWFORD. Whether he had an income or not?

Mr. VINSON of Kentucky. Whether he had an income or not. There is nothing plainer in this bill than that if he absorbed the tax there will be no "windfall" tax collected from him.

Mr. CRAWFORD. Suppose in other conditions which have been apparent, this firm has lost in 1933, 1934, and 1935?

Mr. VINSON of Kentucky. In one business, in the pork business?

Mr. CRAWFORD. In the business of purchasing hogs on the hoof.

Mr. VINSON of Kentucky. I say there will be no "windfall" tax.

Mr. CRAWFORD. Although he receives back the $101,000?

Mr. VINSON of Kentucky. If there is not any income, there is not any "windfall" tax. Net income with reference to business revolving around the commodities upon which the processing tax has not been paid.

Mr. CRAWFORD. The gentleman makes that interpretation in spite of the fact that the law says upon "net income of every person which arises from the sources specified below"?

Mr. VINSON of Kentucky. I state that is my understanding of what this statute is.

Mr. MAIN. Mr. Chairman, will the gentleman from New York permit me to ask a question of the gentleman from Kentucky?

Mr. WADSWORTH. If I may have assurance of being allowed to extend myself, I yield.

Mr. MAIN. The language at the top of page 220, "to be collected and paid for each taxable year." Is it contemplated that this provision shall apply to anything other than the conditions which developed under the A. A. A. law?

Mr. VINSON of Kentucky. No, sir.

Mr. MAIN. Why should it not be limited, then, to the period under which the A. A. A. was in operation?

Mr. VINSON of Kentucky. Will the gentleman repeat his question? Perhaps I did not understand him.

Mr. MAIN. The language is "paid for each taxable year." That is at the top of page 220. Does not the theme of unjust enrichment apply specifically to this situation which developed under the A. A. A. legislation?

Mr. VINSON of Kentucky. As a practical matter, it deals with A. A. A., but as a matter of law this is permanent legislation and goes from year to year. However, as a practical matter, it applies to the transactions to which I think the gentleman refers.

Mr. MAIN. Does the gentleman conceive of any other situation to which that might apply than the impounding of funds which developed under the A. A. A. law?

Mr. VINSON of Kentucky. There might be some.

Mr. WADSWORTH. Mr. Chairman, I do not intend to pursue the discussion of the so-called "windfall" tax but for a moment longer. I cannot boast of any intimate knowledge of the problems of bookkeeping and accounting. I venture the assertion that the enactment of this legislation will inaugurate a long period of litigation, the expense of which will be an added burden to these people. Of course, the Government never cares how much money it spends in litigation. The poor citizen has to out of his own pocket. I may be wrong about it. I would not impugn the motives of the gentleman who wrote this section. I am not sure where it was written. It may have been written in the Committee on Ways and Means, but it was discussed sometime before that, and I imagine it was started long before the committee itself sat down to write this bill. But from the very beginning I have not been able to divorce myself from the opinion that it was born in a spirit of vindictiveness. Someone had to get even with somebody else in order to cover up an error. We will let it drop at that.

Mr. Chairman, may I say a word or two on what I conceive to be the philosophy underlying that portion of the bill which would impose a tax upon surpluses of corporations? The matter has been touched upon in very able manner by several gentlemen who have already addressed the Committee. I shall not go into that side of it at any length because it has been well covered. Incidentally, the attendance this afternoon is exactly in inverse ratio to the importance of the measure, not an unusual spectacle in the House of Representatives. I say that not by way of scolding my colleagues but to remind them that it is this kind of

situation that puts the Senate of the United States in control of legislation. We allow 8 hours or 10 hours or 16 hours to debate a bill which is positively revolutionary in character as it relates to the taxation of corporations. It will be rewritten in the Senate, and the whole country expects it. Thus does the House of Representatives represent. This House is an institution. For me it holds traditions.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman from New York 10 additional minutes.

Mr. WADSWORTH. For me this House represents and holds very dear traditions. I have been privileged to be a Member of it going on 4 years; delighted to be a Member of it; proud of it; but dismayed, from time to time, in that under its procedure it surrenders, in large part at least, its legislative discretion to another body. That hurts. Under the Constitution we are to originate measures for raising revenue. My observation has been during the past 2 or 3 years that we do not originate much more than the enacting clause; that another body takes it over, and we wait for the conference report. So here we are, 30 or 40 of us this afternoon, discussing the most important revenue bill presented in the last 10 years.

As to the philosophy underlying it, in part at least——

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. DOUGHTON. What benefit would there be in unlimited debate if no more Members are interested than the gentleman just referred to?

Mr. WADSWORTH. I suppose I may be making an observation which seems unjust or unwarranted. Perhaps this present situation is due to the existence of the enormous Democratic majority in this House. I am not saying that as a criticism of the Democrats, but when this huge majority brings in a bill and it is announced as a majority bill, and the majority is 3 to 1, I suppose the tendency on the part of nearly all of us is to accept the fact that it is going to pass. It may be due to that political situation in the House, which may not last forever, that this situation exists today.

Mr. DOUGHTON. Would the gentleman state that the other body dominates this body or dominates legislation, or that more of the policies or views of the other body are found in laws when they are finally enacted than of this body? That has not been my experience since I have been here.

Let me say that our conferees have not submitted supinely to the views of the other body. We have given and taken as a coordinate body should; and I am sure the gentleman, fair as he is, fine as he always is, would not want to make the statement that this body is completely dominated by the other body.

Mr. WADSWORTH. Rather am I expressing only an opinion.

Mr. DOUGHTON. I wonder if, on second thought, that is the gentleman's opinion, if that is the gentleman's conviction.

Mr. WADSWORTH. Perhaps the opinion has been frozen into a conviction in my own mind. It is not important.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. My opinion is that step by step—and I am going to be perfectly frank about this, although I do not like making the suggestion—that step by step the House of Representatives is losing place as an institution.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Mr. Chairman, I had not intended to digress upon a subject which may be disagreeable, but it has been in my mind for some time and may have some bearing upon the consideration of this bill.

Mr. Chairman, I have been looking back over the history of the so-called New Deal legislation very studiously for some time, as well as the utterances of its champions, especially the utterances of the President of the United States and his principal lieutenants. I have made this observation before; I am now going to make it upon the floor: In none of those utterances, be they the utterances of the President or of any of his principal lieutenants, have I been able to find the word "thrift." Not once has the President of the United States in 3½ years exhorted his people to frugality—not once.

Thrift as a virtue is not important in the New Deal; it does not appear in their theory of government; nor is thrift to be considered by the individual. We hear, rather, of planned economy; and this bill is a part of the planned economy, an expression coined by the President himself. We hear also, Mr. Chairman, the phrase "disciplined democracy", coined by Dr. Tugwell. The two go together. If economy is planned there must be obedience to it, and obedience is obtained only through the imposition of discipline—a disciplined democracy. It is a philosophy, Mr. Chairman, which underlies and has underlain a long succession of measures that have been presented to the House and to the Senate since March 4, 1933. And this measure is in line with those which have preceded it, the disciplining of the management of business, the penalizing of thrift exercised by a corporation. Thrift counts for nothing in this program and discipline counts for everything. That is the road we are traveling. We have been traveling it steadily, step by step, sometimes without our realizing it, for 3 years. It represents a philosophy of government. It may be the human race has reached a stage where it needs disciplining by its government; that every individual in the land has reached a point in his development where he would be happier and more contented and more secure if government planned how he should earn his living.

But let us not mistake the tendency or the road; this is what we are doing, step by step. True, the Supreme Court has suspended, for the time being at least—and the Lord knows how long it will last—two of the major efforts toward the disciplining of democracy, of a planned economy of life, in the N. R. A. decision and the famous A. A. A. decision. For the time being these two things are out of the window; but you and I know the effort has not ceased; that this very day efforts are being made to try to find some way of getting around those decisions. We have tried it in one respect with the Soil Conservation Act.

This is another way of disciplining agriculture. Obedience in this case is to be purchased. The element of force does not appear in the Conservation Act as it appeared in the Potato Act, the Tobacco Control Act, and the Bankhead Cotton Control Act, in all three of which appeared the club of the policeman raised over the individual farmer lest he disobey. In N. R. A. the same element of force was present. These two things are suspended for the moment, but you remember the very evident disappointment of the leader of this movement when the N. R. A. decision was handed down. A protest against that decision came from the White House.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Mr. Chairman, I decline to yield for the moment. The country was reminded through a long interview with the newspaper press that the Government of the United States, despite its constitutional form and its being a Federal Union of States, should enjoy the same power over those things as the governments of Europe today enjoy them. Make your comparisons, my friends, make your comparisons.

Mr. Chairman, this attempt to compel business corporations, great or small, to stop accumulating surplus for a rainy day is a part of this movement.

We are now employing the power to tax in order to achieve the objective. Men who have spoken upon this floor before me, Mr. Chairman, have brought this out at least in part. It is the road we are traveling, and it should attract the serious thought and deep concern of every man who loves American institutions, for if we travel this road to its logical goal we shall no longer be a Federal Union of States; we shall be an empire with all power centered at Washington, put into the hands of a vast bureaucracy, who, with the

stroke of a pen, can tell me how many acres I shall plant, and tell you how many dollars you may save. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Chairman, the distinguished gentleman from New York [Mr. WADSWORTH] refers to two acts of the Federal Congress that were stricken down by the Supreme Court of the United States, namely, the N. R. A. and the A. A. A. He cites the two acts as being in a chain or in a sequence of legislation looking toward a disciplined people.

Mr. Chairman, I want to call his attention to the fact that the N. R. A. was brought to the Ways and Means Committee by a distinguished constitutionalist. It was brought physically in drafted form to our committee by the Honorable Lewis Douglas, then Director of the Budget, and now one of the most active critics of New Deal legislation. The members of the Ways and Means Committee had served with Lewis Douglas and we knew his philosophy and his conservatism. He brought the bill to the Ways and Means Committee. He was designated by the Secretary of the Treasury as his spokesman and his representative. We leaned heavily upon his words.

The gentleman from New York speaks of industry being disciplined or hamstrung. May I say to my friend from New York that following the testimony of William Green, president of the American Federation of Labor, a distinguished leader of industry appeared before the Ways and Means Committee advocating and pleading for the N. R. A. This was Mr. Harriman, then president of the United States Chamber of Commerce, and he begged and pled for the National Industrial Recovery Act.

You will find in the printed hearings that not only did he advocate its passage, to give industry an opportunity to have fair return upon its capital, but he went so far as to say that the Agricultural Adjustment Act then upon the statute books should not be referred to as merely legislation for the farmer, but that the A. A. A. was a bill which would benefit industry as well as the farmer. He stated that in bringing increased purchasing power to the farmer the bill in reality was one helping industry itself.

Mr. RICH. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield to the gentleman from Pennsylvania.

Mr. RICH. Lewis Douglas, in my judgment, was one of the most honorable men I ever sat with in the House of Representatives, but he probably could not take orders any longer, and that is the reason he resigned as one of the Budget officers. He was requested to do something he did not believe in perhaps.

Mr. VINSON of Kentucky. As usual, the distinguished gentleman from Pennsylvania pulls down the curtain before his intellectual processes. I referred to the fact that Lewis Douglas brought the N. R. A. bill to the Ways and Means Committee and advocated its passage. We had a right to feel he did this in good faith.

Mr. RICH. He probably did that under orders.

Mr. VINSON of Kentucky. And I think Mr. Harriman spoke in good faith when he represented the United States Chamber of Commerce at that time. With industry and labor united we reported favorably and passed the legislation urged by Lewis Douglas.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, under our two-party system of government the minority is the balance wheel for the majority. This has always been the case, where the minority does its duty.

When the majority brings in a bill that is not sound, it devolves upon the minority to rectify any errors it contains, and to make it sound, and to make a good bill out of a bad bill.

The distinguished gentleman from New York [Mr. WADSWORTH] is a leader of his party. He is a spokesman for his party. He has had distinguished service in both the House and Senate. When he believes that the majority has brought in a bad tax bill it devolves upon the shoulders of himself and his party to make that tax bill good, if possible, and to have his complete minority army here on the floor to help him do the fighting.

Of all the Members who should have remained silent about not all of the 435 Members being present here this afternoon to consider this bill, he should have been the one, because when he gets up here as the mouthpiece of his party, speaking for his party and talking about the small number present, his party forces should be here to listen to him and to back him up in what he does. He did not count. He had just 14 stalwart Republicans here to back him up—just 14—while he was speaking.

By actual count there were 14 of his party here to hear his melodious voice, and he spoke 40 minutes, and not one single constructive idea did he present to us. What has he to offer? What does this distinguished statesman, who has served in both the House and Senate, a distinguished mouthpiece for the Republican Party, offer to perfect this tax bill? I listened to him intently, but he proposed not an amendment.

If he has anything constructive to offer, the distinguished gentleman from North Carolina [Mr. DOUGHTON] would welcome it, for he is one of the fairest men in the Nation, besides being one of the most delightful colleagues in the House. He will listen intently and patiently to anything constructive that the gentleman from New York may offer that will correct any evil which he thinks may be in this bill. Why did not the gentleman from New York tell us how to correct it? I have been working much of the afternoon on a very important conference that soon is coming up on a very important appropriation bill, but I got here in time to answer this, and I imagine that many other colleagues, both Democrats and Republicans, are in committee rooms doing important work.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I cannot yield.

Mr. RICH. Is the gentleman cutting down the appropriation bills?

Mr. BLANTON. I cannot yield. I am, however, doing everything that one Member possibly can do to cut down all appropriation bills and balance the Budget.

Mr. Chairman, levying and collecting taxes is the most unpleasant duty that any statesman has to perform. No one likes to levy taxes; no one likes to collect them. Unfortunately, the duty is on our party to levy and collect them. The distinguished chairman of this committee, one of the greatest committees of the House, and the members of his committee have done their duty bravely, facing an election, and knowing it is unpopular. They have stood up here like men and have performed their duty, and yet they are criticized for it. I take off my hat to them. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. GREEN].

Mr. GREEN. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. The gentleman from Florida asks unanimous consent to speak out of order. Is there objection?

Mr. RICH. Reserving the right to object, I hope it is not political.

Mr. MARTIN of Massachusetts. Mr. Chairman, reserving the right to object, what is the gentleman going to talk about?

Mr. GREEN. I am going to speak about the tax bill insofar as it pertains to the Florida canal.

Mr. MARTIN of Massachusetts. Is that in conformity with the policy of the majority leader?

Mr. VINSON of Kentucky. Does not the gentleman believe that since we have heard a 30-minute lecture upon government, the gentleman ought to have 5 minutes?

Mr. MARTIN of Massachusetts. The majority leader has been objecting quite strenuously this afternoon and I do not

know whether this is in harmony with his policy or not, and I am trying to help him out.

Mr. BANKHEAD. Mr. Chairman, I am very grateful to the gentleman for his voluntary proffer of assistance, as I always am, but I may say to the gentleman that this is a unanimous-consent request and if the gentleman from Massachusetts or any other Member on his side or on my side sees fit to do so, of course, all he has to do is to rise and say, "I object."

Mr. MICHENER. Reserving the right to object, as I understand this rule—

Mr. RABAUT. Regular order, Mr. Chairman.

Mr. MICHENER. Then I submit a parliamentary inquiry if the regular order is demanded.

As I understood the rule, the debate was to be confined to the bill. If this is the rule I ask the Chair whether we may change the rule of the House by unanimous consent of the Committee, and I make the point of order that we cannot.

The CHAIRMAN (Mr. WARREN). The Chair, of course, holds that the Committee cannot change the rule or the agreement made in the House. The Chair has not been so stringent about enforcing the rule, because the subject of taxes opens up a very wide field, including appropriations and other things.

Mr. GREEN. In that connection, Mr. Chairman, the Florida canal will use funds that are raised as a result of the passage of this bill.

The CHAIRMAN. The question is, Is there objection to the request of the gentleman from Florida?

Mr. RICH. Mr. Chairman, reserving the right to object, if this bill is for the Florida canal and that is the point the gentleman wants to make, then I shall have to object, because I cannot see how we can put this bill through for the Florida canal when the gentlemen on that side of the House are talking about the soldiers' bonus and the new agricultural appropriation bill.

The CHAIRMAN. Objection is heard and the gentleman from Florida will proceed in order.

Mr. GREEN. Mr. Chairman, if the minority desires to be that technical, although it has not been so in other cases, I ask permission to speak out of order in order to be in accord with the rules of the House. I have observed that you have not made the point against anyone else. However, if the minority does not desire to hear anything discussed about the Florida canal and if your party, as a party, is against the canal, I shall speak at a future time.

Mr. MAPES. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MAPES. Mr. Chairman, I make the point of order the gentleman is not discussing anything now, but is scolding the House.

The CHAIRMAN. The gentleman from Florida will proceed.

Mr. GREEN. If that is the position of the minority——

Mr. MAPES. I make the point of order, Mr. Chairman.

The CHAIRMAN. The Chair thinks the gentleman is prefacing the remarks he intends to make, and the Chair overrules the point of order. The gentleman from Florida will proceed in order.

Mr. GREEN. I wish to discuss the Florida canal and not the tax bill. If the Republicans insist on the point of order I will for the present defer and later discuss the canal.

Mr. DOUGHTON. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I was surprised, in fact astounded, at a statement made by the gentleman from Michigan [Mr. WOLCOTT] in regard to the position of the President of the United States with respect to the enactment of the Federal Deposit Insurance Act. The gentleman stated, while the gentleman from Michigan [Mr. WOODRUFF] had the floor, that "this act was passed by the House against the wishes of the President of the United States. It was not on the 'must' list."

Then, later, the gentleman from Michigan [Mr. WOODRUFF] stated that he had been informed that the F. D. I. C. was passed over the violent protest of the President of the United States.

Of course, I am not a member of the Committee on Banking and Currency, but I had always understood that this act was an administration measure, that it was favored by the administration, and I have checked on the matter the best I can. I have conferred with two members of the Committee on Banking and Currency and they have both informed me that it was an administration measure, that the President of the United States was against the guaranty of bank deposits, but was in favor of insurance of bank deposits.

I am informed that he was 100 percent in favor of it. Beside the two persons I have spoken of, I called the White House but was unable to get in touch with the President, but I was assured by one familiar with the facts that the President was in favor of the legislation.

Now, my friends, if there is anything at all in the record of this administration that stands out more conspicuously, more clearly, as one of the great achievements of the administration, in contrast with the record of the previous administration, it is the record that this administration has made with reference to the banks of the country. [Applause.]

We all know full well the first act of the President of the United States when he assumed control of the affairs of the Government was to take prompt steps to make the banks safe for the depositors' money.

Mr. MAPES. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. MAPES. I am in a good deal the same position as the gentleman in that I have not any direct information on the subject; but my understanding has always been, and I supposed it was generally understood to be the fact, that the guarantee bank deposit amendment was offered to the legislation in the Senate by the junior Senator from Michigan [Mr. VANDENBERG]. I supposed that was a conceded matter of history.

Mr. DOUGHTON. Strange, indeed, that the Senator from Michigan, if he was so resourceful and so greatly interested in bank matters, did not take some steps before the banks fell into the condition that we found them. Why did not he and the previous administration do something to prevent the thousands of bank failures?

If there is any one outstanding achievement that towers above another it is the work done by the administration making the banks of this country safe and sound for depositors.

Mr. MAPES. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. MAPES. Is not the gentleman from North Carolina avoiding the issue somewhat? My recollection is that the bill was passed by the House of Representatives as presented by the administration without this amendment in it. The amendment was put on in the Senate.

Mr. DOUGHTON. The gentleman knows that the President could have vetoed the bill. You cannot get by that way; you cannot deprive this administration of credit for the great work that has been done in banking reform. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, I likewise did not think there was any controversy concerning the attitude of the President of the United States in respect to the insurance of bank deposits in the special session of the Seventy-third Congress which convened on March 9, 1933, and continued, I think, until the 15th of June 1933. It has been my purpose, and it has been the purpose of every member of the Banking and Currency Committee—and I am sorry there are not others here to answer my remarks in this respect—and the policy of every member of that committee has been to refrain from comment upon anything which has transpired in our committee in executive session. I want nothing which I say today to be interpreted as divulging any confidences of any of my fellow members on the Banking and Currency Committee as to what transpired in executive session. I say on my own responsibility as a member

of that committee that as late as June 12, 1933, the chairman of the Banking and Currency Committee of this House was making an effort to bring out a bill to insure bank deposits, and I say in passing that this House and this Congress and this Nation owes a debt of gratitude to the tenacity and the fortitude of the chairman of the Banking and Currency Committee, the gentleman from Alabama [Mr. STEAGALL], for bringing the deposit insurance on to the floor and getting it passed. [Applause.]

The President in his inaugural address had suggested—and I do not attempt to quote him, because I do not remember his exact language—that something along the line of insurance of bank deposits was essential to the well being of the country.

Mr. GREEN. Mr. Chairman, I rise to a point of order. Is the gentleman discussing this bill or some other subject?

Mr. WOLCOTT. I am answering the chairman of the committee.

The CHAIRMAN. The gentleman from Michigan will proceed in order.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to proceed for the balance of my time out of order.

The CHAIRMAN. Does the gentleman make the point of order?

Mr. GREEN. I make the point of order.

Mr. DOUGHTON. I hope the gentleman will withdraw that.

Mr. GREEN. I withdraw the point of order.

Mr. WOLCOTT. I ask unanimous consent to proceed out of order.

Mr. BANKHEAD. O Mr. Chairman, I cannot agree to that.

Mr. MICHENER. And I cannot agree to that in view of what took place before the gentleman from Michigan came into the Chamber.

The CHAIRMAN. The gentleman from Michigan will proceed in order.

Mr. WOLCOTT. Mr. Chairman, if the Members will remember, we had to meet a refunding operation in the Treasury of something like $600,000,000 of securities coming due in June 1933. A very estimable gentleman was at that time Secretary of the Treasury, Mr. Woodin.

Mr. Woodin made a trip to New York about the 1st of April, as I recall it. From the date of the inaugural until the time Mr. Woodin returned from New York in the fore part of April, this House and our committee were very enthusiastic for the Steagall bill which would insure bank deposits. From that time on, although the committee was giving it some consideration, this House was not given the privilege of considering the insurance of bank deposits for the reason that an ultimatum had been passed down by Wall Street that if we passed a bill insuring bank deposits, or divorcing investment affiliates from banks, the banks would be in no financial position to help meet this refunding operation of June 1933, and for that reason the insurance of bank deposits remained a cold question until almost the date of adjournment, in fact until the 12th of June 1933, which was a Monday, succeeding the date when every one of us expected we would adjourn. It will be recalled that we were in session on Saturday the 10th until after 11 o'clock at night, expecting to adjourn on that Saturday night.

On the following Monday, the 12th, the gentleman from Mississippi [Mr. RANKIN] had this to say:

> Mr. Speaker, more than 100 Members of the House have signed an agreement to oppose any adjournment of Congress until the bank guaranty deposits bill shall be brought before the House and disposed of. I ask unanimous consent to insert that agreement with the names in the RECORD.

There was no objection, and the agreement with the names on the petition was published in the RECORD on page 5826, under date of June 12, 1933.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. VINSON of Kentucky. If I recall, the F. D. I. C. was passed in 1933.

Mr. WOLCOTT. Yes.

Mr. VINSON of Kentucky. In the Congress next preceding the Seventy-third Congress; in other words, in the Seventy-second Congress; before this present administration came into power, did not a bill pass the House of Representatives and die in the Senate, securing deposits in banks?

Mr. WOLCOTT. My memory is that the so-called Steagall bill was passed in the House in the Seventy-second Congress and died in the Senate.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. DOUGHTON. Was the President opposed to that bill?

Mr. WOLCOTT. I cannot speak in that respect.

Mr. DOUGHTON. If he controls the House as it is said he does and the House membership is just a rubber stamp, then how was it that the bill passed the House against his wishes?

Mr. WOLCOTT. I cannot speak for the President in that respect, but I can speak from my own knowledge of what is contained in the RECORD of the special session of the Seventy-third Congress, that no interest whatsoever, from about April 1, 1933, until the date of the passage of the bill on the day of adjournment of that special session in 1933, was manifested by anyone connected with the executive establishment of this Government, to impel the passage of that legislation. You will remember very distinctly that at that time we were quite proud of the fact, at least, you on the Democratic side were, that you were following along with the President.

Mr. DOUGHTON. And we are proud of it yet.

Mr. WOLCOTT. The President of the United States made no statement whatsoever following up the recommendation that the banks should be a safe place in which to put the people's money, and it was through the tenacity of the chairman of your Committee on Banking and Currency here in the House and the junior Senator from Michigan in the Senate that the bill was finally enacted into law and passed by an overwhelming majority. The President saw what the sentiment of the Nation was and did not veto the bill.

Mr. DOUGHTON. Where was the Senator from Michigan when it got to the Senate? Why did he let it fail over there?

Mr. WOLCOTT. He did not let it fail. He put it into law, and the compromise was that we insure, not as we passed the bill here, the first ten thousand, and 75 percent of the next forty thousand, and 50 percent of the balance, but that we insure deposits in full up to $2,500.

Mr. DOUGHTON. But you just said it failed over there. It did fail.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. TREADWAY. Mr. Chairman, I yield the gentleman from Michigan 5 additional minutes.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield further?

Mr. WOLCOTT. Yes; I yield.

Mr. DOUGHTON. The gentleman is making a long statement, and I hope that before he gets through he will state on what authority he made the statement this afternoon that this act was passed against the wishes and influence of the President of the United States?

Mr. WOLCOTT. Yes, I say it; and I say it on my own responsibility, without divulging any confidences with regard to what transpired in executive sessions of the Committee on Banking and Currency.

Mr. DOUGHTON. Did the gentleman talk with the President?

Mr. WOLCOTT. No; I did not.

Mr. DOUGHTON. Where does the gentleman get his information?

Mr. WOLCOTT. I know you have leaders who do speak for the President, and they spoke most decisively in the Committee on Banking and Currency, and told us that if we passed any deposit insurance bill or bill to divorce investment affiliates from banking, Wall Street would not take the Government obligations attending the refunding operations of June 1933. That seemed to be sufficient for you other leaders on your side of the House to let the matter remain dormant until, because of a filibuster in the Senate, we were kept in session until the 15th, when we expected to adjourn on the 10th, and an opportunity was thereby given to pass the bill.

Mr. GREEN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. I yield back the balance of my time.

Mr. GREEN. My point of order was that the gentleman from Michigan was not proceeding in order. He is not discussing the bill.

The CHAIRMAN. The gentleman has already yielded the floor and so the point of order is not in order. The time of the gentleman has expired.

Mr. TREADWAY. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. MAIN].

Mr. MAIN. Mr. Chairman, I should like to ask the chairman of the Committee on Ways and Means a question. The gentleman from Florida a few moments ago, in contending that his proposed remarks were in order, made the point that this bill is intended, in part, to provide funds for the Florida ship canal. Does the chairman of the Ways and Means Committee of this House concur in that statement?

Mr. DOUGHTON. I do not concur in that particular statement. The purpose of this bill is to provide funds for the Treasury of the United States for the general expenses of the Government. It is not earmarked for any purpose. Part of the revenue might be used for that purpose, but the revenues provided by this bill are for the benefit of the Treasury of the United States. I think the gentleman understands that.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. DOUGHTON. Mr. Chairman, I move that the committee do now rise.

The CHAIRMAN. Let the Chair state that there now remains 5 hours and 36 minutes of general debate. The gentleman from North Carolina [Mr. DOUGHTON] controls 3 hours and 14 minutes, and the gentleman from Massachusetts [Mr. TREADWAY] controls 2 hours and 22 minutes.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 12395, the revenue bill of 1936, directed him to report that it had come to no resolution thereon.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Crockett, its Chief Clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 11581. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. THOMAS of Oklahoma, Mr. GLASS, Mr. COPELAND, Mr. KING, Mr. NYE, and Mr. KEYES to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 788. An act for the relief of the International Mercantile Marine Co.;

S. 790. An act for the relief of the Compagnie Generale Transatlantique; and

S. 1138. An act for the relief of Art Metal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11035) entitled "An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes."

The message also announced that the Senate insists upon its amendments to the bill (H. R. 12098) entitled "An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCKELLAR, Mr. RUSSELL, Mr. PITTMAN, Mr. HALE, and Mr. NYE to be the conferees on the part of the Senate.

RESIGNATION FROM COMMITTEES

The SPEAKER laid before the House the following communication:

Hon. JOSEPH W. BYRNS,
Speaker, House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I hereby resign as a member of the following committees, effective this date: Census, Invalid Pensions, Territories.

Respectfully yours,

JOSEPH L. PFEIFER,
Third District, New York.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

The SPEAKER. The Chair appoints as members of the committee to attend the funeral of the late JOHN T. BUCKBEE, the following Members of the House of Representatives: Mr. REED of Illinois, Mr. THOMPSON, Mr. ALLEN, Mr. ADAIR.

THREE HUNDREDTH ANNIVERSARY, FIRST PERMANENT SETTLEMENT IN DELAWARE RIVER VALLEY

Mr. STEWART. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 499, authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the consideration of the resolution?

There was no objection.

The Clerk read the resolution, as follows:

Whereas there is to be held at Wilmington, Del., and Philadelphia, Pa., and at several places in other States, during the year 1938, celebrations commemorating the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, said settlement being also the first settlement of the colony of New Sweden, which embraced parts of the present States of Delaware, Pennsylvania, and New Jersey; and

Whereas, in accordance with a resolution of the General Assembly of the State of Delaware, approved March 20, 1935, the Governor of said State has appointed a commission of 11 members, designated as the Delaware Swedish Tercentenary Commission, with authority "to prepare plans for a fitting celebration by the State of Delaware on the occasion of the three hundredth anniversary in 1938 of the founding of the first permanent settlement and the establishment of the first permanent government upon the soil of Delaware * * *; and to cooperate with other commissions or committees representing the city of Wilmington; historical, patriotic, and other societies of the State of Delaware and other States; the governments of other States; and the National Governments of the United States and Sweden"; and

Whereas at its annual meeting held in Harrisburg, Pa., on January 17, 1935, the Pennsylvania Federation of Historical Societies (embracing 73 constituent historical societies) adopted the following resolution:

"Whereas plans are in preparation to celebrate the tercentenary of the landing of the Swedes on the Delaware and the establishment of the first permanent white settlement, and the first government in Pennsylvania, in 1638: Now, therefore, be it

"Resolved, That this federation pledge its hearty endorsement to such commemoration; and

"Resolved further, That the President be authorized to appoint such committee or committees to represent this federation as may be necessary and to cooperate with similar New Jersey, Delaware, Swedish, or other committees."

Therefore be it

Resolved, etc., That when, in the opinion of the President of the United States, it shall be appropriate for him to do so, the President be, and he is hereby, authorized and requested to extend to the Government of Sweden and such individuals as the President may determine an invitation to unite with the Government and people of the United States in a fitting and appropriate observance of the three hundredth anniversary of the first permanent settlement of Swedish colonists in Delaware, Pennsylvania, and New Jersey.

SEC. 2. There is hereby established a commission to be known as the United States Delaware Valley Tercentenary Commission (hereinafter referred to as the "Commission") to be composed of 15 commissioners, as follows: Five persons to be appointed by the President of the United States, five Members of the Senate to be appointed by the President of the Senate, and five Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The Commission, on behalf of the United States, shall cooperate with representatives of the States of Delaware and Pennsylvania in the appropriate observance of such anniversary, and shall extend appropriate courtesies to such representatives of the Government of Sweden, and other persons, as may respond to the invitation of the President extended as hereinbefore provided. The members of the Commission shall serve without compensation and shall select a chairman from among their number.

SEC. 3. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to be expended by the Commission for expenses, including actual and necessary traveling and subsistence expenses incurred while discharging its functions under this resolution.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPOINTMENT TO COMMITTEE

Mr. DOUGHTON. Mr. Chairman, I offer a privileged resolution.

The Clerk read as follows:

House Resolution 497

Resolved, That JOSEPH L. PFEIFER, of New York, be, and he is hereby, elected a member of the standing Committee of the House of Representatives on Foreign Affairs.

The resolution was agreed to.

ADJOURNMENT OVER

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1937

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes, with Senate amendments, disagree to all the Senate amendments and agree to the conference asked by the Senate, and for the appointment of conferees.

The SPEAKER. The gentleman from Texas asks unanimous consent to take from the Speaker's table the bill (H. R. 11581), the District of Columbia appropriation bill, 1937, which the Clerk will report, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman tell us how many amendments the Senate has placed on the bill?

Mr. BLANTON. The gentleman will remember that the House gave 3 full days to the consideration of this bill. The Senate committee put 87 amendments on it, all of which without reading passed the Senate yesterday without a word of discussion in 10 minutes. And one of the Senate amendments requires a contribution of $5,700,000 to be made by the taxpayers of Massachusetts, Oklahoma, New York, Texas, and the other States, on the local civic expenses of Washington people.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. RICH. Will the conferees give more than 10 minutes' time and attention to the bill before they bring a report back to the House?

Mr. BLANTON. The conferees devoted many days to holding hearings, and used 3 days of the House to the consideration of the bill here on the floor. I think that is the answer.

The SPEAKER. Is there objection to the request of the gentleman from Texas. [After a pause.] The Chair hears none and appoints the following conferees: Messrs. CANNON of Missouri, BLANTON, JACOBSEN, JOHNSON of West Virginia, and DITTER.

THE FLORIDA CANAL

Mr. GREEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GREEN. Mr. Speaker and my colleagues, showing at Keith's Theater, in the city of Washington, this week is a picture styled "March of Time." A portion of this picture was probably planned as propaganda adverse to the canal across Florida. In some respects, however, the publicity given through this medium is a benefit to the Florida canal, and to the American people. It is beneficial in that it shows to the American people the magnitude of the project, its great importance, and its present vast benefits as a sound and justifiable unemployment-relief project. It shows huge machines which were manufactured in various parts of the country and the work giving direct employment to over 6,000 people at the place of construction, and giving indirect employment to a large additional number in all parts of the country.

An unusual feature of the picture is that occupied by a distinguished Republican presidential candidate from Michigan. It shows this Republican candidate enthused over the temporary victory in the other legislative branch when an amendment to appropriate funds for the canal was lost by one vote. That one could be so sectional and so partisan as to be proud over the temporary defeat of a project of undoubted permanent merit and of substantial benefit to the entire country is difficult for me to understand. The blocking of action in the matter will be temporary. Right will prevail. The American people will not permit the permanent defeat of a project of so great permanent improvement value to all sections of the country as is the Florida canal.

The picture is misleading in that it purported to show a general opposition to the project on the part of Florida celery growers, general vegetable growers, and fruit growers. This part of the picture is exaggerated and is misleading. It is not founded upon any real existing sentiment among the Florida vegetable and fruit growers. This purpose of the picture is to show opposition on the part of the fruit and vegetable growers for the alleged contention that the salt water of the proposed canal would damage Florida's underground fresh-water supply and thus destroy fruit and vegetable life. This contention is without competent engineering fact. Gen. E. M. Markham, Chief of United States Board of Army Engineers, recently said:

In my opinion, a sufficiency of information with respect to underground water supply has been gathered to make a determination of the effect of the canal on such supply. This Department, in its investigations of the canal, has utilized the services of expert geologists and water engineers. A special board of review, formed pursuant to instructions from the President, also had the services of a competent water engineer. The preliminary

data gathered by the Department indicated that there was some possibility of adverse effects on the underground water supply. The more detailed information which is now available clearly indicates that the adverse effects are largely local and not of a serious nature. When the project was placed under way as a part of the relief program I had the district engineer at Ocala, Fla., assemble a board of selected experts to consider the data gathered by the two boards, the State geological department, and the Geological Survey, and to undertake additional and exhaustive field investigations. These experts have recently submitted their interim report, which definitely concludes that the effects of the sea-level canal on the underground water supply will not be serious but local in nature and capable of control with reasonable expenditures for remedial works. The authentic information available permits the conclusion that the sea-level canal will not contaminate the underground water supply of adjacent areas.

I quote General Markham because his authority is the highest engineering authority in our country. Other eminent engineers, among them Hon. H. H. Buckman, consulting engineer for the Florida Ship Canal Authority, concur in the conclusion that no serious damage will occur to Florida's underground water system and vegetable life. Fruit and vegetable growers in Florida generally are not fearful of adverse effects. I include a letter just received from Mr. James J. Taylor, of Ocala, Fla. He owns 25,000 acres of celery and citrus lands. Much of his land is now being cultivated as celery fields and orange groves. His letter follows:

APRIL 20, 1936.

Hon. R. A. GREEN, M. C.,
House Office Building, Washington, D. C.

DEAR REPRESENTATIVE GREEN: Being the owner of 25,000 acres of land in Marion County near the proposed Trans-Florida Ship Canal, as well as one of the largest celery growers in Florida, with about 250 acres planted to this crop, and a large grower of citrus fruits and general farm products, I have naturally been very much interested in the controversy as to the effect of digging this canal on farming, especially on the two above-named crops, celery and citrus fruits; also on our fresh-water supply.

After going over the reports of the eminent geologists and engineers who have made a careful study of the effects of this canal on farming and fruit growing, as well as the fresh water supply, I have reached the conclusion that the construction of this Gulf-Atlantic Ship Canal will not damage our crops and fresh water supply, but will be of great benefit to the whole State of Florida.

May I, therefore, respectfully urge you to continue your efforts to have the canal completed by the United States Army Engineers. We have every reason to believe we may trust them.

With personal regards, I am,

Yours very truly,

JAMES J. TAYLOR.

One W. E. Ellis, president of the Commercial Bank & Trust Co., of Ocala, Fla., has recently written me that, in his opinion, no serious damage will occur to Florida underground water supply nor to Florida fruit and vegetable industries. He is one of the largest property owners in the canal area of Florida, and urges completion of the project.

Ray & Davidson are owners of a large tract of land, including Silver Springs, adjacent to the city of Ocala, Fla. This is probably the largest spring in the world. From it flows an adequate supply of sparkling and pure water sufficient to take care of the needs of every citizen in the United States. It is undoubtedly the most gorgeous and beautiful spring in the world. All forms of Florida plant life and fresh-water fish and animal life are to be found there in unparalleled beauty and abundance. People from all over the world go to Florida especially to see this great display of subterranean beauty.

The investment of Ray & Davidson at Silver Springs is worth hundreds of thousands of dollars. These owners would be the last ones to advocate completion of the Florida canal if damage to Florida would accrue therefrom. Mr. W. C. Ray, of Ray & Davidson, has just written me as follows:

APRIL 16, 1936.

Hon. R. A. GREEN, M. C.,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN GREEN: With large investments at stake should there be damage to the fresh-water supply or a material lowering of the water level by reason of the construction of the Gulf-Atlantic ship canal, we have considered the effects of digging this waterway.

We are convinced, after talking with the United States Army Engineers on the job and after reading the conclusions of such eminent authorities as Sidney Paige, senior geologist, United States Army Engineers, Ocala, Fla., that there will be no material damage to agriculture, horticulture, or lowering of the water level that would permit damage to the fresh-water supply, even in our immediate proximity to the canal, much less to those parts of the State remotely removed from the excavations.

We, therefore, advocate the completion of the canal and believe that shipping safety, shortened distance, and lowered freight rates will benefit the entire State of Florida and the whole United States.

May we respectfully request your support in having this canal completed?

With personal regards, we are,

Sincerely yours,

RAY & DAVIDSON,
Proprietors.
By W. C. RAY.

I have received a large number of other communications disproving the fallacy that damage to Florida's water supply would result from the completion of the canal, but I shall not take your time to enumerate them.

In answer to an inquiry relative to the nature and extent of available traffic to warrant the ultimate expenditure of approximately $140,000,000, General Markham recently said:

The special board of engineers had available data complied by the Department of Commerce. In addition, they made a detailed study to determine the economic benefits to transportation which would result from the construction of the canal. While this information and data have not been reviewed in detail by the Board of Engineers for Rivers and Harbors, it is most complete and adequate for a full determination of the estimated value of the benefits to navigation which will result from its construction.

In commenting further relative to the economic justification of the project, General Markham continued:

The special board of Army Engineers made an extensive economic survey, and was aided in the preparation of its report by an independent survey undertaken by the Department of Commerce at the request of the Chief of Engineers. The determinations of the special board to shipping concerns, so that it might be informed as to their opinions with respect to the effect of the project on the individual interests of the companies concerned. In determining the economic justification of a proposed river and harbor improvement, the investigating officers ascertain the definite savings in time and distance which will be made available to navigation without increased hazards as a result of the improvement in question. These savings in time and distance converted into monetary savings and such other incidental benefits as clearly accrue to water-borne commerce and the general public interest, such as a reduction in the hazards of navigation, form the basis for the determination of the economic justification of a project. The views of navigation and commercial interests as to the effect which the proposed improvement may have on their operations are an aid to the board in weighing the public value of the savings and benefits as determined by the board.

Attention is invited to a recapitulation of the record as regards the findings of the several examining agencies with regard to cost and economic justification. In the first place, it should be borne in mind that the engineers of the Public Works Administration and the special board of survey of the Corps of Engineers developed their cost estimates from plans and specifications for a lock canal which varied in many important details. For instance, the engineers of the Public Works Administration planned a canal with two locks while the special board of survey considered a canal with three locks. Other important differences in plan and specifications make the estimates of total costs of these two examining agencies incommensurate. Again, the board of review developed its cost estimate from plans and specifications for a sea-level canal. As these board of review plans and specifications and cost estimate of $142,700,000 have been approved by the Chief of Engineers, these elements of the project may be considered as definitely determined. It remains to consider the benefits found by the examining agencies and to apply these benefits to the cost of the project. The method for determining the economic justification of a river and harbor project established and followed by the Corps of Engineers is as follows:

The direct benefits to commerce are determined as accurately as possible in terms of dollars and cents per year. From these direct benefits are deducted the annual cost of maintenance and operation of the improvement, and, in the case of a certain class of structures which are subject to depreciation, an additional annual amount is deducted to amortize such structures over a reasonable period of time. The net remainder of benefits, when capitalized at 3 percent, should exceed the estimated cost of the project if it is economically justified. Sometimes, when the whole project is subject to depreciation, the net annual benefits are capital-

ized at 4 percent in lieu of charging amortization. In the case of the canal under discussion, the only structures which are subject to depreciation are two small water-control works and certain bridges, the cost of which is less than 2½ percent of the total cost of the project.

On the basis of the methods customarily used by the Board of Engineers for Rivers and Harbors to determine the economic justification of a project the Florida ship canal is justified by wide margin. These methods are analogous to those used in commercial practice for work of a similar character.

Not only would the benefits to shipping exceed by a wide margin maintenance and operating costs and interest at the current rates as required by the Board of Engineers, but in approximately 32 years they would, in addition, more than amortize the original cost of the work plus interest during construction.

The return from tolls considered by the board of review is no longer an issue as the route is being opened as a free canal, as are other waterways of the United States.

It has been estimated by competent engineering authorities and by the Federal Department of Commerce officials that this canal when completed will save about $8,000,000 per year on the operating cost of ships which will use this canal; also, that it will save to consumers more than $30,000,000 per year in transportation-cost saving. It is estimated that 10,000 ships per year will transit it and that in these ships one and one-half times as much tonnage will be carried as now passes through the Panama Canal. Through the completion of the canal the storm hazard around the south end of the peninsula of Florida will be eliminated. As a national defense asset to our Nation the cost of construction of this canal is well justified.

Another thing of prime importance in this matter and one in which my colleagues should be interested is the obligation owed to the people of Florida. The State of Florida agreed with the Federal Government to deliver the right-of-way for the canal. On October 22, 1935, the counties in the canal zone of Florida voted a bond for a million and a half dollars, have sold the bonds, and have bought a large portion of the right-of-way, which has already been delivered to the Government. The citizens of Florida have performed their part of this obligation and the Government is morally bound to keep faith with the people of Florida and complete the project.

The President was given full authority and direction to begin the project through the passage of the W. P. A. bill last session of Congress. Acting under this full authority given him by Congress, he began the project and has allocated about 5½ million dollars for it. Recently, in the other legislative branch of our Government, on a point of order it was ruled that the project was properly authorized. I do not believe any parliamentarian or attorney in the House of Representatives will question the authorization of the project.

But getting back to the actual benefits which are now accruing to the American people as a result of work now going on on the canal, I include the following letter just received from Mr. J. W. Hill, a prominent citizen of Marion County, Fla., as follows:

OCALA, FLA., *April 20, 1936.*

The Honorable R. A. (LEX) GREEN,
Member of Congress from Florida.

MY DEAR CONGRESSMAN GREEN: Will you please give me enough of your valuable time to read the following?

First. I want to tell you who I am and what line of business I am in. I am a small broke businessman operating a foundry and machine shop.

Second. To my understanding, it is the aim of the President and his administration to put men to work, therefore I would like to call your attention to the fact that prior to September 3, 1935, there had been millions of dollars allotted to Florida for the relief-work projects. The workingman barely received enough to buy bread from the dollars that were sent to Florida for relief, which goes to show that very little benefit was derived by the people that really needed help or to the business enterprises, which is the backbone of this country.

Third. I see in the newspapers that President Roosevelt has taken a stand against heavy projects. The billion and a half dollars he is asking Congress for must be spent on jobs that are quick in order to put men to work. Just allow me to quote you a few figures on what the Florida canal did toward putting more men to work.

Prior to September 3, 1935, I was working two men, not including myself, in my shop. Less than 3 weeks after the canal was announced I had 10 men working, and they are still working today. Not only my business but every place of business in Ocala has had the same increase. For every man that was given a job directly on the canal there were two men given jobs in private businesses. When it is all figured out that the canal has helped each business in general it is as follows: There has been $5,400,000 allotted to the Florida Canal and today there is over $7,000,000 worth of machinery or equipment that private contractors are now using on this canal. This equipment was manufactured in the East, North, West, and Central States. It gave employment to thousands of men. There are more than 300 trucks and cars now in use on the canal job, and most of them were manufactured in the Honorable Mr. VANDENBERG's home State. Even his own people were greatly benefited by the project he is so cleverly fighting. The railroad companies alone have received more than $100,000 in freight for the hauling of this machinery for the contractors of this job. The express companies, the air lines, and every line of business in existence are receiving benefits from projects of this kind. There has been more than 5,000,000 feet of lumber used in connection with the canal projects. This lumber came from mills in Alabama, Georgia, and Florida, thereby giving employment to thousands of men.

You men that represent the people of Florida and the people of the United States can do more in putting men to work, not directly but indirectly, with $25,000,000 for the Florida canal than with $100,000,000 for such projects that have been approved in the past. Remember that it is this kind of projects that enable privately owned businesses to employ more men.

Let me hear from you.

Very truly yours,

J. W. HILL.

You will note from Mr. Hill's letter a brief statement of a portion of the benefits which this project is now carrying to practically every State in the Union. After it is completed every State in the Union will share for all generations to come great benefits. The same opposition which opposed the Panama Canal without ultimate success is opposing the completion of the Florida canal. This effort of the special interests will meet defeat in this case as in the Panama Canal, because the Florida canal will be completed. It is my intention to at a later date discuss this project in more detail and to give you further information and facts concerning the project. In the meantime, I urge each of my colleagues to make a thorough and careful study of this great project and the benefits which it will carry to our American people, and to cooperate for its completion as the project carrying the most lasting improvement of the present administration.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and to include therein three short letters and certain excerpts from a statement prepared by myself and Hon. H. H. Buckman on the Florida canal.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. RICH. Mr. Speaker, reserving the right to object, how much of the RECORD will these excerpts take?

Mr. GREEN. The matter is not very long; I would say it would take maybe a page or so.

Mr. RICH. Not over a page?

Mr. GREEN. I would not say that, it may be more than that, but it will not be very long.

Mr. RICH. But it will not be more than two pages?

Mr. GREEN. I cannot say.

Mr. RICH. If it is more than two pages, I object, and the gentleman will have an opportunity to find out how much space it will take.

The SPEAKER. Objection is heard.

Mr. GREEN. Then, Mr. Speaker, I modify my request, and ask unanimous consent to include just the letters.

The SPEAKER. Is there objection to the request of the gentleman from Florida to include the letters referred to in his extension of remarks?

There was no objection.

[Here the gavel fell.]

Mr. GREEN. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GREEN. Mr. Speaker, I am very much disappointed that my Republican colleagues take such an unusual attitude

that they do not want a man even to express himself on a subject on the floor of this House. This is very unusual procedure. If they feel this is proper courtesy to a Member on the Democratic side of the aisle, in the future we can—no; I will not say "we", but I—I shall be forced to object to requests made by you gentlemen on the Republican side.

It seems to me only a courtesy to permit the Members to express themselves on a particular subject, whether the gentleman from Michigan may agree or not.

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

Mr. MAPES. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. GREEN. Mr. Speaker, reserving the right to object, is the gentleman going to discuss the Florida canal?

Mr. MAPES. I am going to try to answer the gentleman's statement, if I can.

Mr. GREEN. Mr. Speaker, I object.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DALY, for 2 days, on account of important official business.

To Mr. THURSTON, for 10 days, on account of important business.

To Mr. LEE of Oklahoma, for a few days, on account of important business.

To Mr. RICHARDSON (at the request of Mr. WALTER), for 5 days, on account of important official business.

THE MENACE OF FOREIGN IMPORTS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address which I made on Friday, April 17.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave granted to extend my remarks in the CONGRESSIONAL RECORD, I include the following radio address I made over a National Broadcasting Co. network, Friday, April 17, 1936:

Two of America's great industries are seriously menaced by competition from abroad. I speak of the threat to our cotton-textile industry through the enormous imports of Japanese low-cost cotton goods and the tannery and leather industry menaced by insufficient tariff protection.

The manufacturers know how serious it is—the workers know it through the bitter experience of lessening demand for their labor. So enormous is the cotton-textile industry that one cannot readily grasp the effect of any harmful influence upon it. It is not a local question, nor a sectional one, it affects not alone the spinner at his loom or the bleacher at his vat; it is of vital importance to the lowliest cotton picker in the fields of the South, and every one of the thousands in that section of the country whose livelihood depends upon the rise and fall in the price of cotton.

It is a foregone conclusion that our mills cannot compete with those of Japan in production costs. Our workers here could not exist on the 24 cents a day paid to cotton spinners there. The only protection we have against these low-cost products is tariff, and the present one has proved insufficient to equalize competition. Bleached cotton cloth is literally pouring into this country from Japan. The figures for the year 1935 show that the volume was 5 times greater than 1934, 117 times more than 1933, and 584 times greater than in 1932. Think of what that means in hours of labor lost to our workers—millions of square yards of cloth brought in from Japan when we have the mills, the workers, and the organization to produce it ourselves. Certainly there is unemployment, and there will be so long as we continue the present short-sighted policy toward foreign competition.

It has been said that we should not protest against these Japanese imports because Japan is our best customer for raw cotton. It is true that great quantities of raw cotton have been exported to that country, but the figures for the month of February 1936 as compared with January of this year are most alarming, showing a decline of 65 percent. Something must be done. The administration and the Democratic Congress seem to view the situation with unconcern. With other Members of Congress I have repeatedly literally begged the State Department to protect the great cotton industry. All we secure are vague promises. This country has lost its cotton goods export trade in Latin America; we have also lost the market in the Philippines. It is true that we have a gentleman's agreement with Japan whereby that country will limit its exports to the Philippine Islands. However, through subterfuge, that agreement is being broken. Cotton goods are being shipped to the Philippines from China, where it is manufactured in mills controlled or owned by the Japanese; also at a production cost which is impossible for us to meet or attempt to meet.

Let us turn away from what is happening to our cotton industry and look at the situation in another of our great industries. From the very beginning of this Nation the cattle and hide industry has ranked as one of the most important. Today there are 393 tanneries operating, which employ 51,000 wage earners, who receive about $58,000,000 a year in wages.

To supply the demand for leather in this country each year 125,000,000 hides are tanned—or, to look at it in another way, one hide for each person in the country. I give you this picture just to show you the importance and magnitude of our tanning industry.

One of the important branches of this trade is the calf-leather industry, which uses in the neighborhood of 30,000,000 calf and cattle skins each year. The calf tanners and workers are in real distress, due to a lack of protective duty. Germany is the menace here, producing calf hides at a low cost, which, coupled with an extremely flexible and varied monetary system, has enabled her to go into the markets and command the business.

Great Britain has seen the danger already, and early in March that nation protected its calf-leather manufacturers with a 30-percent duty. England has always had the reputation of being more of a free-trading country than ours, but when they see the situation demands remedying, they act. What has this administration done about it? Nothing. Germany has turned aside from the English market and is now directing all attention to the United States markets. We can debate for hours about relieving the unemployment situation but that condition will never be remedied or relieved by forcing men out of work through unfair foreign competition.

Perhaps it will be easier to visualize the effect of our weak-kneed protective policy if I tell you that in the year 1935 the increase in imports to this country of calf leather amounted to nine and three-quarter million square feet, valued at more than a million and one-quarter dollars. How badly our country needs the employment the finishing of those nine and three-quarter million square feet of hides would provide.

Our Nation has thrived and grown prosperous under a protective-tariff policy. Every Nation of the world was our customer, glad to buy our products and ready to pay our duties so long as we demanded it. Now we are launched upon a visionary experiment of reciprocal-trade agreements. We are rapidly becoming the laughingstock of the world for permitting other countries to take away from us our foreign trade. Our shores are becoming the common dumping ground for the low-cost merchandise of every producing nation of the world. Last year, 1935, showed an increase in imports into the United States that is alarming. It amounted to $383,000,000 more than the previous year, and a large part of this was in merchandise that we are able to produce ourselves. We have the necessary capital, the machinery and mills, while the workers are begging for the opportunity of earning a day's wage instead of going to the town or city hall each week for relief money.

What can be done about it? We can protest and demand that our workers be protected by equalizing tariffs—stop the dumping of low-cost merchandise which is taking the earnings away from American workmen who will not need relief if they have the protection they have been given in the past. That would solve a part of our economic problem.

Legislation is not necessary to save the two industries I mentioned before. The President has the power, given him by Congress, to take care of an emergency such as this. All we lack is the will to do so. It is a question of policy and policy alone. If the people show the administration that it is their will that our products be protected, there is no doubt that it will be done. Our people want work, not relief; an honest day's toil, not boondoggling.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 371. An act for the relief of G. Elias & Bro., Inc.;

S. 788. For the relief of the International Mercantile Marine Co.;

S. 790. For the relief of the Compagnie Generale Transatlantique;

S. 1062. For the relief of James R. Young;

S. 1138. For the relief of Art Metal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period; and

S. 1846. For the relief of the estate of Anton W. Fischer.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the

President, for his approval, bills of the House of the following titles:

H. R. 4387. An act conferring jurisdiction upon the United States District Court for the Western District of Michigan to hear, determine, and render judgment upon the claim of Barbara Backstrom; and

H. R. 12037. An act relating to compacts and agreements among States in which tobacco is produced providing for the control of production of, or commerce in, tobacco in such States, and for other purposes.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p. m.), in accordance with the order heretofore made, the House adjourned until Monday, April 27, 1936, at 11 o'clock a. m.

COMMITTEE HEARING

COMMITTEE ON THE PUBLIC LANDS

The Committee on the Public Lands will meet at 10 a. m. tomorrow, Saturday, April 25, 1936, to consider the bill (H. R. 7086) to establish Mount Olympus National Park in the State of Washington, and for other purposes. The hearing to be considered in the caucus room of old House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

816. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 23, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Yamhill River at Lafayette, Oreg., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

817. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 22, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Goldsmith Inlet, Long Island, N. Y., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

818. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 22, 1936, submitting a report, together with accompanying papers, on a preliminary examination of the Merrimack River, Mass., with a view to making the river navigable from Lowell to the sea, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

819. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 22, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Oswego, Oneida, Seneca, and Clyde Rivers in Oswego, Onondaga, Oneida, Madison, Cayuga, Wayne, Seneca, Tompkins, Schuyler, Yates, and Ontario Counties, N. Y., with a view to the controlling of floods, authorized by act of Congress approved June 6, 1935; to the Committee on Flood Control.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HOLMES: Committee on Public Buildings and Grounds. H. R. 10934. A bill to authorize the transfer of the customhouse at Salem, Mass., from the jurisdiction of the Treasury Department to the Department of the Interior; without amendment (Rept. No. 2495). Referred to the Committee of the Whole House on the state of the Union.

Mr. MILLER: Committee on the Judiciary. H. R. 12260. A bill prescribing a condition precedent to the award of certain contracts by Federal agencies; with amendment (Rept. No. 2497). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of Maryland: Committee on Claims. Senate Joint Resolution 196. Joint resolution to correct errors in the enrollment of Private Act No. 349, Seventy-fourth Congress, approved August 29, 1935, and to clarify the duties of the Comptroller General in connection with said act; with amendment (Rept. No. 2496). Referred to the Committee of the Whole House.

Mr. ROGERS of New Hampshire: Committee on Military Affairs. H. R. 9002. A bill for the relief of Capt. James W. Darr; without amendment (Rept. No. 2498). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. S. 1975. An act to authorize certain officers of the United States Navy, and officers and enlisted men of the Marine Corps, to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered; with amendment (Rept. No. 2499). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 10696) granting a pension to Robert Melvin Palmer; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 12432) granting a pension to Ellen Thompson; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. O'CONNOR: A bill (H. R. 12454) relating to personal-injury suits by seamen; to the Committee on Merchant Marine and Fisheries.

By Mr. DOUGHTON: A bill (H. R. 12455) to provide for the administration and maintenance of the Blue Ridge Parkway, in the States of Virginia and North Carolina, by the Secretary of the Interior, and for other purposes; to the Committee on the Public Lands.

By Mr. LANHAM: A bill (H. R. 12456) to provide for the completion of the 25-mile spacing of horizontal and vertical control surveys in the State of Texas; to the Committee on Merchant Marine and Fisheries.

By Mr. POWERS: A bill (H. R. 12457) to amend the Air Commerce Act to provide for the safety of passengers in aircraft; to the Committee on Interstate and Foreign Commerce.

By Mr. WILCOX: A bill (H. R. 12458) authorizing a preliminary examination of the intracoastal waterway throughout Broward County, Fla.; to the Committee on Flood Control.

By Mr. GRAY of Indiana: A bill (H. R. 12459) to provide means and facilities for the generation of electrical power and the transmission and distribution thereof, in rural areas, and for electrical districts including farm areas, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DRIVER: A bill (H. R. 12460) to provide for tuberculosis hospitals and for their operation; to the Committee on Interstate and Foreign Commerce.

By Mr. PETERSON of Georgia: A bill (H. R. 12461) to extend the times for commencing and completing the construction of a bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga.; to the Committee on Interstate and Foreign Commerce.

By Mr. GREEN: Resolution (H. Res. 496) authorizing and directing the Committee on the Territories of the House of Representatives to conduct an investigation into the economic resources of the Territory of Alaska with a view to determining the possibilities of further development of the industry, agriculture, and commerce of the said Territory; to the Committee on Rules.

By Mr. LEWIS of Maryland: Joint resolution (H. J. Res. 571) to provide for the participation of the United States in the commemoration of the seventy-fifth anniversary of the Battle of Antietam; to the Committee on the Library.

By Mr. HANCOCK of New York: Joint resolution (H. J. Res. 572) proposing an amendment to the Constitution of the United States amending the language of the first paragraph of section 6 of article I thereof; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYERS: A bill (H. R. 12462) to authorize the addition of certain names to the final rolls of the Blackfeet Tribe of Indians in the State of Montana; to the Committee on Indian Affairs.

By Mr. CHANDLER: A bill (H. R. 12463) for the relief of Adelaide Guerini; to the Committee on Claims.

By Mr. EKWALL: A bill (H. R. 12464) for the relief of Homa L. Rhoten; to the Committee on Claims.

By Mr. HOFFMAN: A bill (H. R. 12465) for the relief of Harold P. Waldo; to the Committee on Claims.

By Mr. REED of Illinois: A bill (H. R. 12466) for the relief of Paul Smith, alias John O'Brien; to the Committee on Naval Affairs.

By Mr. ZIMMERMAN: A bill (H. R. 12467) granting a pension to Nancy Ann Whitehead; to the Committee on Invalid Pensions.

By Mr. ZIONCHECK: A bill (H. R. 12468) granting a pension to La Veta Beall; to the Committee on Pensions.

Also, a bill (H. R. 12469) granting a pension to Rebecca Patterson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12470) for the relief of Chris A. Nelsen; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10770. By Mr. BLOOM: Petition of the Legislature of the State of New York, urging the Federal Works Progress Administration and the Congress of the United States to accept immediate responsibility for relief and employment of transients, and requesting that this relief in employment be made effective through permanent departments of State government and coordinate local units of administration, and that funds be made available by the Federal Government on a grant-in-aid basis; to the Committee on Appropriations.

10771. Also, petition of the Assembly of the State of New York, urging the annual appropriation to the use of the State of New York the sum of $2,000,000 for the maintenance and operating expenses of the New York State canal system; to the Committee on Appropriations.

10772. By Mr. GOODWIN: Petition of property owners and businessmen of Woodstock, N. Y., protesting against the decentralization of the Federal art project; to the Committee on Appropriations.

10773. By the SPEAKER: Petition of the Daughters of the American Revolution, requesting that September 17 of each year be made a national holiday; to the Committee on the Judiciary.

SENATE

MONDAY, APRIL 27, 1936

(Legislative day of Friday, Apr. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, April 24, 1936, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 11581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON of Missouri, Mr. BLANTON, Mr. JACOBSEN, Mr. JOHNSON of West Virginia, and Mr. DITTER were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a joint resolution (H. J. Res. 499) authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 371. An act for the relief of G. Elias & Bro., Inc.;

S. 788. An act for the relief of the International Mercantile Marine Co.;

S. 790. An act for the relief of the Compagnie Generale Transatlantique;

S. 1062. An act for the relief of James R. Young;

S. 1138. An act for the relief of Art Metal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period; and

S. 1846. An act for the relief of the estate of Anton W. Fischer.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lewis	Robinson
Ashurst	Couzens	Logan	Russell
Austin	Davis	Lonergan	Schwellenbach
Bachman	Dickinson	Long	Sheppard
Bailey	Dieterich	McAdoo	Shipstead
Barbour	Duffy	McKellar	Smith
Barkley	Fletcher	McNary	Steiwer
Benson	Frazier	Maloney	Thomas, Okla.
Bilbo	George	Metcalf	Thomas, Utah
Black	Gerry	Minton	Townsend
Bone	Gibson	Moore	Truman
Borah	Glass	Murphy	Tydings
Bulow	Guffey	Murray	Vandenberg
Burke	Hale	Neely	Van Nuys
Byrnes	Harrison	Norris	Wagner
Capper	Hastings	O'Mahoney	Walsh
Caraway	Hatch	Overton	Wheeler
Carey	Hayden	Pittman	White
Chavez	Keyes	Pope	
Connally	King	Radcliffe	
Coolidge	La Follette	Reynolds	

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN],

the Senator from Nevada [Mr. McCARRAN], and the Senator from Florida [Mr. TRAMMELL] are absent from the Senate because of illness; that the Senator from Missouri [Mr. CLARK] is absent because of illness in his family; that the Senator from New Hampshire [Mr. BROWN] and the Senator from Virginia [Mr. BYRD] are absent in performance of their duties as members of the Board of Visitors to the Naval Academy; and that the senior Senator from Ohio [Mr. BULKLEY], the junior Senator from Ohio [Mr. DONAHEY], the Senator from Oklahoma [Mr. GORE], the Senator from West Virginia [Mr. HOLT], and the Senator from Kansas [Mr. McGILL] are unavoidably detained.

Mr. McNARY. I announce that the Senator from California [Mr. JOHNSON] is absent because of his duty as a member of the Board of Visitors to the Naval Academy.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

OPINIONS OF SENATORS IN RITTER IMPEACHMENT CASE—EXTENSION OF TIME LIMIT

Mr. ASHURST. I ask unanimous consent that the time for filing opinions in the Ritter impeachment case may be extended 5 days.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the order heretofore entered is modified accordingly.

SENATOR FROM LOUISIANA—PETITION

The VICE PRESIDENT laid before the Senate the petition of Irving Ward-Steinman, of Alexandria, La., protesting against the seating of Mrs. ROSE McCONNELL LONG as Senator from Louisiana and praying that such seating be declared void, which was referred to the Committee on Privileges and Elections.

PETITIONS

The VICE PRESIDENT laid before the Senate a resolutiontion adopted by the board of directors of Congregation Beth Israel, Los Angeles, Calif., protesting against transmission through the mails of documents bearing the legend "How to Destroy the Jews", or similar inscriptions, and praying for the enactment of legislation to prevent such matter being carried in the mails, which was referred to the Committee on Post Offices and Post Roads.

He also laid before the Senate a telegram from Jerome D. Greene, secretary to the Harvard University Corporation and director of the Tercentenary Celebration, relative to the joint resolution (S. J. Res. 247) authorizing the recognition of the three hundredth anniversary of the founding of Harvard College and of the beginning of higher education in the United States, and providing for the representation of the Government and people of the United States in the observance of the anniversary, which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 3671) for the relief of Howard Hefner, reported it with an amendment and submitted a report (No. 1944) thereon.

Mr. BLACK, from the Committee on Claims, to which was referred the bill (S. 2575) for the relief of Emma Gomez, reported it with amendments and submitted a report (No. 1945) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

H. R. 6163. A bill for the relief of Mrs. Murray A. Hintz (Rept. No. 1946); and

H. R. 6258. A bill for the relief of D. E. Woodward (Rept. No. 1947).

Mr. BAILEY, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 8506. A bill for the relief of Oliver Faulkner (Rept. No. 1948);

H. R. 9170. A bill for the relief of Montie Hermanson (Rept. No. 1949);

H. R. 9370. A bill for the relief of Frank Cordova (Rept. No. 1950);

H. R. 9373. A bill for the relief of H. L. & J. B. McQueen, Inc., and John L. Summers, former disbursing clerk, Treasury Department (Rept. No. 1951);

H. R. 9455. A bill for the relief of Robert J. Mann (Rept. No. 1952);

H. R. 11052. A bill for the relief of Joseph M. Purrington (Rept. No. 1953); and

H. R. 11346. A bill for the relief of H. R. Heinicke, Inc. (Rept. No. 1954).

Mr. BAILEY also, from the Committee on Claims, to which was referred the bill (H. R. 8705) for the relief of Claude Curteman, reported it with an amendment and submitted a report (No. 1955) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 949) for the relief of R. R. Purcell, reported it with an amendment and submitted a report (No. 1956) thereon.

Mr. WHITE, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 10308. A bill to amend article 3 of the "Rules concerning lights, etc.", contained in the act entitled "An act to adopt regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States", approved June 7, 1897 (Rept. No. 1957); and

H. R. 11036. A bill to amend section 4321, Revised Statutes (U. S. C., title 46, sec. 263), and for other purposes (Rept. No. 1958).

Mr. NEELY, from the Committee on the Judiciary, to which were referred the following bills, reported them each without amendment and submitted a report as indicated:

S. 4100. A bill to incorporate the Veterans of Foreign Wars of the United States (Rept. No. 1959); and

H. R. 9244. A bill providing for the establishment of a term of the District Court of the United States for the Northern District of Florida at Panama City, Fla.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (H. R. 10847) to authorize the acquisition of land for cemeterial purposes in the vicinity of New York City, N. Y., reported it without amendment and submitted a report (No. 1960) thereon.

Mr. CAREY, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3041. A bill to authorize the appointment of John Easter Harris as a major, Corps of Engineers, Regular Army (Rept. No. 1961); and

S. 3405. A bill for the relief of Capt. James W. Darr (Rept. No. 1962).

Mr. BURKE, from the Committee on the Judiciary, to which was referred the bill (S. 4457) authorizing the appointment of an additional circuit judge for the third district, reported it without amendment.

NATIONAL FLOOD CONTROL

Mr. COPELAND. From the Committee on Commerce, I report back favorably, with an amendment in the nature of a substitute, what is known as the omnibus flood-control bill, being the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, and I submit a report (No. 1963) thereon.

Mr. President, there may be Senators who will be moved to suggest amendments to this bill. It will help the committee very much if such amendments shall be presented and printed in order that they may be given consideration. Most of them will have to go to the Board of Army Engineers, and it takes time to get their reports. Likewise, with reference to the declaration of policy, there may be those who feel that it should be modified. The committee will greatly appreciate immediate notice of any ideas Senators may have,

because we are going to ask the leader at the earliest moment to allow us to present this bill for consideration.

The bill is very much modified from the form in which it appeared last year. It carries about half as much money. Every project in it has been considered by the appropriate committees of the two Houses and by the Army Engineers. I think I may say, in all truth, that it is a well-worked-out and scientific flood-control measure. It does provide for local contributions. It seemed to a majority of the committee that, inasmuch as benefits involving $350,000,000 are provided by the Federal Government, the States and localities benefited should make a contribution of at least $100,000,000, as provided in the bill. The method of the allocation of the benefits is described in the bill, and I hope the measure may, in the near future, receive the favorable consideration of the Senate.

The VICE PRESIDENT. Without objection, the report will be received and the bill will be placed on the calendar.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on April 24, 1936, that committee presented to the President of the United States the following enrolled bills:

S. 713. An act granting jurisdiction to the Court of Claims to hear the case of David A. Wright; and

S. 929. An act for the relief of the Southern Products Co.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BAILEY:

A bill (S. 4542) authorizing the Comptroller General of the United States to settle and adjust the claim of the Merritt-Chapman and Scott Corporation; and

A bill (S. 4543) for the relief of the Lee County Cotton Oil Co., a corporation; to the Committee on Claims.

By Mr. ROBINSON:

A bill (S. 4544) to authorize the Director of the Mint to prepare a medal commemorative of the continuous effort and service of Carrie Chapman Catt for the betterment of the status of women in the United States; to the Committee on the Library.

By Mr. CAREY:

A bill (S. 4545) for the relief of Earl M. Campbell; to the Committee on Military Affairs.

By Mr. SHEPPARD and Mr. CONNALLY:

A bill (S. 4546) to amend the Emergency Farm Mortgage Act of 1933, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. SHEPPARD:

A bill (S. 4547) to create a Federal Board of Foreign Trade and Commercial Policy; to the Committee on Foreign Relations.

By Mr. WHITE:

A bill (S. 4548) to correct the military record of Joseph A. Fournier; to the Committee on Military Affairs.

By Mr. GEORGE and Mr. RUSSELL:

A bill (S. 4549) authorizing the State Highway Board of the State of Georgia to replace, reconstruct, or repair the free highway bridge across the Savannah River at or near the city of Augusta, Ga.; to the Committee on Commerce.

By Mr. CONNALLY:

A bill (S. 4550) for the relief of Nathan Hartwell Fulton; to the Committee on Naval Affairs.

By Mr. WHEELER:

A bill (S. 4551) to authorize the addition of certain names to the final rolls of the Blackfeet Tribe of Indians in the State of Montana; to the Committee on Indian Affairs.

By Mr. VANDENBERG:

A bill (S. 4552) to extend the retirement privilege to the Director, Assistant Directors, inspectors, and special agents of the Federal Bureau of Investigation; to the Committee on Civil Service.

PROPOSED SILVER CONFERENCE

Mr. KING. Mr. President, I ask consent to introduce a joint resolution and request that it be read and appropriately referred.

The VICE PRESIDENT. Without objection, the joint resolution will be received, read, and referred to the Committee on Foreign Relations.

The joint resolution (S. J. Res. 254) authorizing the President to extend to the governments of America, including the Dominion of Canada, an invitation to attend a silver conference, was read the first time by its title and the second time at length, as follows:

Resolved, etc., That the President is authorized to extend to the governments of America, including the Dominion of Canada, an invitation to attend a conference for the purpose of considering and devising plans to increase the use of silver for monetary and other purposes, to bring about stabilization of the price of silver, and to formulate a uniform policy for such governments with respect to silver.

SEC. 2. The sum of $100,000, or so much thereof as may be necessary, is authorized to be appropriated for the expenses of such conference, including salaries in the District of Columbia or elsewhere, rent, printing and binding, printing of official meeting cards, travel and subsistence or per diem in lieu of subsistence (notwithstanding the provisions of any other act), stenographic and other services by contract if deemed necessary, and such other expenses as may be deemed necessary by the Secretary of State by reason of such conference.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 499) authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes, was read twice by its title and referred to the Committee on Foreign Relations.

TRANSFER OF POWDER AND OTHER EXPLOSIVE MATERIALS

Mr. LA FOLLETTE. Mr. President, on Friday last, when the calendar was being considered under a unanimous-consent agreement, Senate bill 3646, to repeal an act of March 3, 1933, entitled "An act to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes", was passed during my temporary absence from the floor. I have consulted with the chairman of the Committee on Military Affairs, the Senator from Texas [Mr. SHEPPARD], and it is entirely agreeable to him that I should ask unanimous consent that the measure be restored to the calendar.

Mr. ROBINSON. Mr. President, it will be necessary for the Senator to move a reconsideration of the votes by which the bill was ordered to be engrossed for a third reading and passed.

Mr. LA FOLLETTE. I had hoped that I could accomplish the purpose by asking unanimous consent. It is a bill concerning which I had previously spoken to the Senator from Texas, and he did not desire to have it passed in my absence.

Mr. ROBINSON. I take it there will be no objection to the request to reconsider the vote by which the bill was passed, but I think the Senator from Wisconsin understands that that is a necessary step.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent that the votes whereby Senate bill 3646 was ordered to be engrossed for a third reading, read the third time, and passed on Friday be reconsidered and that the measure be restored to its place on the calendar.

Mr. McNARY. Mr. President, no doubt I would have no objection, but what is the nature of the bill?

Mr. LA FOLLETTE. It is a bill which proposes to repeal the law relating to the disposition of surplus explosives to farmers and others for the purpose of clearing land.

Mr. ROBINSON. May I also inquire of the Senator if he is informed whether the bill is in the possession of the Senate?

Mr. LA FOLLETTE. It is in possession of the Senate.

Mr. ROBINSON. Very well. I have no objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and the votes by which the bill was ordered to be engrossed for a third reading, read the third time, and passed, are reconsidered, and the bill will be restored to its place on the calendar.

GEORGE LAWLEY & SON CORPORATION

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 998) to carry out the findings of the Court of Claims in the case of George Lawley & Son Corporation, of Boston, Mass., which was, on page 1, line 7, to strike out "being" and insert "in full settlement of all claims against the Government of the United States for."

Mr. COOLIDGE. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

A. RANDOLPH HOLLADAY

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1110) for the relief of A. Randolph Holladay, which was, on page 1, lines 6 and 7, to strike out "with all interest due thereon, as" and insert "in full settlement of all claims against the United States for."

Mr. TOWNSEND. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

WALES ISLAND PACKING CO.

Mr. COPELAND. Mr. President, the other day a bill came from the House of Representatives, being the bill (S. 753) to carry out the findings of the Court of Claims in the case of the Wales Island Packing Co., with the House amendments; and there was a difference of opinion between the House and the Senate as to the percentage which should be paid lawyers. Without knowing what the difference was, I had asked that the Senate disagree to the amendments of the House and that conferees be appointed. I now ask unanimous consent that the vote whereby the amendments of the House of Representatives to the bill were disagreed to and a conference was requested with the House thereon be reconsidered and that the action of the Presiding Officer appointing the conferees on the part of the Senate be rescinded.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. KING. Mr. President, what did the bill provide?

Mr. COPELAND. The bill made provision for payment to lawyers or agents, and so forth, of 20 percent. The amendments on the part of the House provided for a reduction to 10 percent.

I now move that the Senate concur in the amendments of the House.

The motion was agreed to.

EFFECT OF LONG- AND SHORT-HAUL CLAUSE ON NEW ENGLAND INDUSTRIES

Mr. WALSH. Mr. President, I ask permission to have inserted in the RECORD an article entitled "Industry in New England and the Effect of the Proposed Repeal of the Long- and Short-Haul Rule", having reference to section 4 of the Interstate Commerce Act. The article was prepared by the fourth section committee of the New England Traffic League.

There being no objection, the article was ordered to be printed in the RECORD as follows:

INDUSTRY IN NEW ENGLAND AND THE EFFECT OF THE PROPOSED REPEAL OF THE LONG- AND SHORT-HAUL RULE—SECTION 4, INTERSTATE COMMERCE ACT

SOME REASONS FOR CONTINUING IN FORCE THE PRESENT LAW

Considerable agitation at the behest of various railways for the repeal of the fourth section of the Interstate Commerce Act (long- and short-haul clause) resulted in the message of the Pettengill bill in the House of Representatives. The bill is now before the Senate for consideration.

It is the view of the New England Traffic League that the long- and short-haul clause of the Interstate Commerce Act should not be repealed. It would be a sad day, indeed, for New England industry if the Senate enacts the Pettengill bill into law.

The New England Traffic League offers the following for your consideration:

THE PRESENT LAW IS SUFFICIENTLY BROAD TO PROTECT THE INTERESTS OF THE SHIPPERS AND THE RAILROADS

Paragraph (1), section 4, of the Interstate Commerce Act, in effect today, contains the following proviso:

"*Provided*, That upon application to the Commission such common carrier may in special cases, after investigation, be authorized by the Commission to charge less for longer than for shorter distances for the transportation of passengers or property; and the Commission may from time to time prescribe the extent to which such designated common carrier may be relieved from the operation of this section; but in exercising the authority conferred upon it in this proviso the Commission shall not permit the establishment of any charge to or from the more distant point that is not reasonably compensatory for the service performed, and if a circuitous rail line or route is, because of such circuity, granted authority to meet the charges of a more direct line or route to or from competitive points and to maintain higher charges to or from intermediate points on its line, the authority shall not include intermediate points as to which the haul of the petitioning line or route is not longer than that of the direct line or route between the competitive points; and no such authorization shall be granted on account of merely potential water competition not actually in existence."

It can readily be seen that the Interstate Commerce Commission, under the present law, may authorize a carrier to charge less for a longer haul than for a shorter haul over the same route, provided the rates are "reasonably compensatory."

Furthermore, it might be of interest to note that, over a period of 10 years, the Interstate Commerce Commission granted approximately two-thirds of the applications of the carriers for fourth-section relief. Therefore, it must be apparent to all that the law, as it now reads, is no hardship to the railroads nor to the affected shippers.

If the law is repealed, the carriers can publish rates to the more distant points which are not "reasonably compensatory" at the expense of the intermediate points; at the expense of the boat lines; and at the expense of the New England shippers in particular.

GEOGRAPHICALLY NEW ENGLAND SHIPPERS ARE VIRTUALLY OUT ON A LIMB

So far as New England industry is concerned, it must be borne in mind that the New England manufacturers can ship south and west only, while manufacturers in the Central West can ship in all directions. New England is, so to speak, out on a limb when it comes to distribution by rail.

The boat lines have made it possible for the New England manufacturers to reach the South, Southwest, and the Pacific coast at rates which enable them to do business. In fact, the Pacific coast is an important market for New England-made merchandise. However, if the fourth section is repealed, it requires no stretch of the imagination to see that this important market may be taken over by the central western manufacturers.

The transcontinental lines are the prime movers back of the repeal of the fourth section. They wish to publish rates to the Pacific coast territory which will be low enough to divert the traffic now moving via water to the railroads. In the process, manufacturers in New England will lose a large share of the Pacific coast market to the Central West manufacturers because the manufacturers in New England will then be unable to lay down their goods cheaper on the Pacific coast than the central western manufacturers. Low transcontinental freight rates will deprive New England of its geographical advantage of being located on the Atlantic seaboard.

There is just so much business to be had in the Pacific coast territory. New England manufacturers are now getting their share because of the Panama Canal route. New England cannot hope to increase its business in that territory by the repeal of the long- and short-haul clause. On the other hand, the central western manufacturers will no doubt get lower rates from the railroads, which will attract a substantial amount of business at the expense of New England manufacturers. New England now has an advantage which will be taken from it by the enactment of the Pettengill bill.

The foregoing applies with equal force on business enjoyed by New England manufacturers in the South and Southwest.

AMERICAN MERCHANT MARINE WILL BE INJURED

There can be no question that the American merchant marine is an important adjunct to our transportation scheme. In fact, the Federal Government has spent millions of dollars in subsidizing a strong merchant marine on which we can rely in case of war. Yet the advocates of the repeal of the fourth section of the Interstate Commerce Act completely ignore the fact that if the railroads are allowed to publish unduly low rates to the Pacific coast ports it will be done at the expense of the intercoastal steamship lines. There is no gainsaying the fact that low rates will be published by the transcontinental railroads from the central west to Pacific coast port cities so as to attract business away from New England shippers and the boat lines.

It is true that the railroads are suffering from lack of business and many railroads are in financial straits, but cannot the same be said of our boat lines? Are we going to enact laws which will injure them? We owe as much to our boat lines as we do to our railroads—nothing must be done to injure either. Each has its place in the sun; and if the boat lines can haul the traffic cheaper than the railroads, the boat lines are entitled to the business.

Furthermore, the Interstate Commerce Commission can, under the present law, authorize the railroads to publish lower rates to the Pacific coast ports than apply to intermediate points, provided the rates are "reasonably compensatory for the service performed." If the rates are not compensatory, they are unlawful. Can any law be fairer than that? The only result and purpose of rates that are not compensatory would be to attract business away from the boat lines, and the loss incurred by the railroads for hauling noncompensatory traffic would have to be made up in the rates to intermediate points. Can this be called fair?

The intercoastal lines cannot compete with the railroads to any large extent or area because they are limited to the port cities. On the other hand, the railroads reach all parts of the country. They already have a tremendous advantage over the boat lines, and they also reach the port cities.

I. C. C. DECISIONS TRANSCONTINENTAL CASES

In the Transcontinental cases, 1922, the Interstate Commerce Commission said in part as follows:

"Moreover, in section 500 of the Transportation Act, 1920, is expressly declared the policy of Congress to foster and preserve in full vigor both rail and water transportation.

"We think the amendment was the Congress' way of saying that we should follow a less liberal policy in dealing with departures from the long- and short-haul rule than had been followed in former years."

And in Transcontinental cases of 1926, the following appears:

"The record shows that the total tonnage, both eastbound and westbound, of all water lines (Panama Canal boats) is but a very small fraction of that of the transcontinental carriers operating west of Chicago. It is evident, therefore, that the diversion of any substantial tonnage from the water lines would have but an inappreciable effect on the net revenue of the rail carriers."

On the other hand, the diversion of any substantial tonnage from the water lines might well ruin some of the intercoastal steamship companies. Would that be in the public interest? Obviously it would not, but that may be the result if the fourth section is repealed or revised.

EASTERN RAILROADS WOULD LOSE MUCH TRAFFIC AND REVENUE

It has been said that the purpose of the repeal of the long- and short-haul clause of the Interstate Commerce Act is to enable the railroads to secure more business and revenue. Let us see if this is true so far as the eastern railroads are concerned.

In the first place, it is a known fact that the eastern roads get more revenue for hauling traffic to the intercoastal lines at the eastern ports than they would get out of their divisions of the transcontinental rates. That being true, how will the eastern railroads be helped?

PUBLIC PROTECTION

Under date of March 12, 1934, Commissioner McManamy wrote a letter to Chairman RAYBURN, of the House Committee on Interstate and Foreign Commerce, presenting the recommendations of the Interstate Commerce Commission. He reviewed at some length the history of the fourth section and set forth the judgment of the I. C. C., as follows:

"H. R. 8100 does not propose to leave even a qualified prohibition in the law against maintaining the kind of discriminations prohibited by section 4, but proposes to repeal the prohibition entirely. We are unable to understand how the public interest would be served by enactment of such a bill. Experience has shown during the years before and since the enactment of the act to regulate commerce in 1887 that special measures are necessary to prevent the peculiar form of undue prejudice and discrimination which may be created by the establishment of higher rates for shorter than for longer distances. Section 4 was designed to protect the public against this special kind of prejudice and discrimination. * * *

"We are of the opinion that the record of the carriers with respect to the establishment of higher rates for shorter than for longer distances during the nearly half a century since the enactment of the original act has fully demonstrated the need for further protection of the shipping public against the kind of discrimination and prejudice resulting from the establishment of higher rates for shorter than for longer distances than that afforded generally by those sections of the act other than section 4, and it is our view that the long- and short-haul provision of that section should be continued in force to insure this protection."

JOSEPH B. EASTMAN, COORDINATOR OF TRANSPORTATION, SPEAKS

"So far as water transportation is concerned, you know what happened in the past when the railroads had a free hand and swept the inland waterways practically free of competing craft. In an open fight, without let or hindrance, the advantage lies with the form of transportation which has the largest reserves of traffic upon which other transportation agencies cannot encroach, and with all of the competition by which they are beset, the railroads still have the edge in that respect. In that connection I suggest that you who have the interest of water transportation at heart may well keep an eye on the attempts which are being made to wipe out the long- and short-haul clause of the Interstate Commerce Act (the Pettengill bill). I venture this suggestion lest there be a repetition of our early experience with destructive competition."—Joseph B. Eastman, Federal Railroad Coordinator, before the National Rivers and Harbors Congress, Washington, D. C., April 30, 1934.

FEDERAL COORDINATOR'S REPORT TO CONGRESS ON TRANSPORTATION LEGISLATION

There is quoted below what the Coordinator of Transportation had to say regarding the fourth section of the Interstate Commerce Act in his fourth report on transportation legislation recently released:

CHANGES IN RAILROAD LAW

"With one exception, no occasion has arisen for changing the recommendations heretofore made with respect to amendments to what is now part 1 of the Interstate Commerce Act. The exception relates to the proposed bill to restore the fourth section to the form which it had prior to the legislation of 1920. If this were done, it would remove the following limitations upon the granting of fourth-section relief which were added by the Transportation Act, 1920:

"(a) That the Commission shall not permit the establishment of any charge to or from the more distant point that is not reasonably compensatory for the service performed.

"(b) That if a circuitous rail line or route is, because of such circuity, granted authority to meet the charge of a more direct line or route to or from competitive points and to maintain higher charges to or from intermediate points on its line, the authority shall not include intermediate points as to which the haul of the petitioning line or route is not longer than that of the direct line or route between the competitive points.

"(c) That no such authorization shall be granted on account of potential water competition not actually in existence.

The reasons for such amendment were fully discussed in the second report of the Coordinator (S. Doc. No. 152, 73d Cong., 2d sess.), at pages 66–72. The elimination of (b) was regarded as important, but not the elimination of (a) or (c)."

The reason for eliminating the clause described in (b), which is known as the equidistant clause, is briefly that it has given rise to serious practical difficulties in the administration of the section. In this connection reference may be made to Commodity Rates on Lumber and Other Forest Products (151 I. C. C. 763), which sets forth these difficulties in detail and the differing views which commissioners have entertained as to the interpretation and application of this clause. They have been avoided by a construction of the law which some commissioners believe to be valid and others do not. A sound conclusion is that the clause is unnecessary and undesirable and ought to be eliminated.

The clause described in (c) has caused no difficulties, but embodies a principle which was uniformly followed in the administration of the section before the clause was inserted in 1920. To make it fully applicable to present conditions, the word "water" should be eliminated, so that it may relate to all forms of potential competition.

The elimination of the clause described in (a) was favored on the ground that it was a "provision of indefinite and uncertain meaning" which "adds nothing but controversy" to the section.

However, upon further consideration and in view of the discussion of this matter which has taken place before committees of Congress, it appears that there is danger that the elimination, both of (a) and of (c), might be construed by the courts as evidence of an intent to change the policy heretofore followed by the Commission in the administration of the section. Upon the assumption that the water carriers will be brought under further regulation, the change in the fourth section should be confined to the elimination of the clause described in (b).

THE BURDEN OF JUSTIFYING DEPARTURE FROM THE FOURTH SECTION SHOULD REMAIN ON CARRIERS

It is claimed that from a practical standpoint the Interstate Commerce Commission can control any rate situations that might be brought about by reason of the repeal of the long- and short-haul clause of the fourth section of the act because of its power to prescribe both maximum and minimum rates. We question very much the accuracy of this contention inasmuch as the Commission has stated in a number of its decisions in cases where it was specifically requested to exercise its authority to prescribe minimum rates that "we have said a number of times that this power should be exercised only when necessary in order

to avoid substantial public injury (*Ex-Lake Iron Ore from Chicago to Granite City*, 123 I. C. C. 503, 504)."

Looking at this matter from a purely shipper's view permit us to point out the peculiar situation in which they will be placed should this fundamental protective provision of the fourth section of the act be repealed. Under the present long- and short-haul clause carriers are prohibited from departing therefrom in the publication of rates except when they have obtained permission or relief from the Commission. In connection therewith, shippers have also the right of appearing at any hearing that may be held in such fourth section matters. Repeal the present long- and short-haul clause and what follows? Carriers may publish any rates that they may see fit to publish to gateway or junction points to meet motor-truck competition or even carrier or commercial competition, without the need of applying to the Commission for permission to do so.

There is every possibility that competitive adjustments of rates prescribed by the Commission as between important producing sections will be destroyed if this change is made. The burden of justifying any departures of the long- and short-haul clause of the fourth section of the act is now on the carriers, in the first instance, and it should remain there. Shippers should not willingly assume the burden of protesting against prejudicial changes in rates that will result if this change is made.

NEW DEAL EXPERIMENTS—ADDRESS BY BERNARR MACFADDEN

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject "Amateurs Gambling with National Prosperity", delivered by Mr. Bernarr Macfadden, publisher of Liberty, before the Harrison County Republican Women's Club, at Clarksburg, W. Va., on April 16, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AMATEURS GAMBLING WITH NATIONAL PROSPERITY

Let us look at the record of the New Deal. Has it helped or hindered the economic progress of our country? It has restricted our progress toward recovery to an unbelievable degree.

The public mind is confused on this issue on the theory that the New Deal administration began on March 4, 1933, when the President was inaugurated. Now, the New Deal program and the New Deal activities as we know them and as Rex Tugwell intended them to be long before President Roosevelt was inaugurated, did not begin until August 1, with the inauguration of the N. R. A., and the actual aims of the New Deal were not realized even in part until after the 1st of September 1933.

There was absolutely no similarity between the attitude of the President toward business or toward the Constitution from March 4 to the time of the introduction of the N. R. A. in comparison with his attitude toward business and American institutions after the introduction of this bureaucratic control. Bear that statement in mind and it will then be possible to fairly and justly judge the New Deal.

Now, let us go back over the early days of the Roosevelt Administration, that we may conclusively prove to any nonpartisan mind that the New Deal system of regimentation and antibusiness activities were entirely unnecessary, that they prolonged human suffering and the other evils associated with unemployment for more than 2 years.

I charge the New Deal with direct responsibility for stopping the greatest surge toward unprecedented prosperity that any country in the world has ever experienced in a period of 150 days. I gladly give President Roosevelt—during that time when he was a Jeffersonian Democrat—full credit for stemming the tide of a disastrous financial panic. Indelible records of historical events from September 1, 1933, to the present time, compel me to accuse President Roosevelt of bringing on a political depression needlessly after he had stopped a financial panic.

To judge President Roosevelt, it is necessary to judge two entirely different political policies—entirely different national policies—prosecuted by one man during the short space of 7 months. In other words, I repeat, to prevent misquotation, that the New Deal was directly responsible for creating a new depression after 5 months of Jeffersonian democracy had ended a panic and brought the entire country into one hard-working cooperative unit.

I will cover the high points of one of the most memorable 5 months in American history and prove my contention by letting the last 33 months of New Deal confusion speak for themselves.

Franklin D. Roosevelt took office in one of the darkest periods in American economic history, an acute situation that developed mainly between the time Roosevelt was elected and inaugurated. The real story of why that acute situation developed, placing every bank in the United States in jeopardy, has never been fully unfolded. It is a dramatic tale and should some day be told.

Now, in the first soul-searing days of the Roosevelt activities the President of the United States followed a Jeffersonian policy and his first act electrified with confidence a fearful and frightened people. When the banks were closed by Executive order the country waited breathlessly for the all-important statement that would herald their reopening. We will always remember how breathlessly the entire Nation waited for the most memorable radio address ever delivered by one man.

Before Mr. Roosevelt began that talk the people of this country were held in the grip of panic; when the President closed his address the financial panic, as such, was over. Finished! The stage was set for a consistent and dramatic return to normal prosperity. And Mr. Roosevelt with Jeffersonian directness courageously placed himself on record. He demanded the immediate balancing of the Budget. He was not content with just talking about it. He secured the reduction of pensions paid to certain classes of soldiers and descendants of soldiers. And that took some courage. Those veterans made a howl that reverberated all over the country. He breathed the spirit of vigorous cooperative effort.

He appealed equally to all factions throughout the Nation. He praised American institutions and called for sacrifices for the common good. He dramatically declared that we had nothing to fear in this country but fear itself—and that soul-stirring statement welded all warring factions of American life together, as though they were drawn by a powerful magnet.

It did more to start a definite return of prosperity than Congress could possibly do with years of its lawmaking.

Yes; those were dramatic days.

All of my publications vigorously supported this new Chief Executive, who had dispelled the clouds of fear and doubt and had brought all groups of American people together on common ground. In those remarkable 150 days the Chief Executive was praised to the housetops because of his absolute fairness to people in all walks of life.

Party lines had faded away. Factional differences of a partisan nature also disappeared. In fact, there were no opposing factions; bankers and businessmen, workers and farmers dropped their antagonism and rose en masse to support the Chief Executive.

We had prayed for a leader and here, apparently, was a mastermind.

It is safe to say that 90 percent of the American people were solidly back of the new administration, and the other 10 percent were refraining from criticism.

But the new President was not talking about regimentation; he was not belittling the Constitution, nor was he casting aspersions on the Supreme Court.

Now let us view the succeeding events. The administration's activity under Jeffersonian democracy between March 4 and the introduction of the N. R. A. proves conclusively that the New Deal policies were never necessary, that they were positively destructive.

Now let us quote a few facts. They are amazingly interesting, because they are supported by irrefutable records.

On March 4, wheat in Chicago was 55 cents a bushel. A little more than 5 months later the price stood at $1.17 a bushel. This, of course, before the A. A. A. came into being, and incidentally let me add that wheat never did reach that price under the A. A. A.

Cotton in New Orleans was $6.39 a hundred pounds when Roosevelt took office. A little more than 5 months later it had advanced to $10.75 a hundredweight, the most dramatic gain recorded in the cotton market in many years.

In the 5 months previous to the introduction of the N. R. A., cotton advanced twice as much as it did in the next 33 months, although hundreds of millions of dollars were poured into the cotton district during the latter period. In other words, the great upturn in cotton came before the New Deal A. A. A. policy and not after.

Now let us view the industrial records during those months, before the New Deal N. R. A. policy come into effect, and compare them with the latter 33 months under the New Deal.

On March 4, 1933, steel production stood at 18 percent of normal. On the 1st of August, after the greatest 5 months' advance in steel history, production stood at 58 percent. New furnaces were opened up and "help wanted" signs were appearing in steel mills all over the country.

But now note how the business barometer acted. The average price of all industrial stocks on March 4, 1933, stood at 40 percent of normal. A little more than 5 months later in a spectacular advance they had reached 83 percent of normal, or in other words, all listed industrial stocks had more than doubled in value. The average of all railroad stocks stood at 39 percent of normal on March 4. They had advanced 86 percent a little more than 5 months later. The average price of public-utility stock stood at 67 percent of normal on the 4th of March. They advanced to more than 100 percent normal by little more than 5 months later. This advancement in price was as close to a miracle as this country has experienced in its entire national life.

Now, suppose we review the unemployment situation between March 4, 1933, and August 15. Previous to the N. R. A., mind you, 3,000,000 men went back to work on private pay rolls. It is doubtful if such a great number of men have returned to work in the same length of time in our national history.

When Roosevelt was elected, unemployment stood at 10,000,000. When he was inaugurated, this figure had increased to 13,000,000. On August 1, 1933, previous to the introduction of the N. R. A., under Jeffersonian principles and policies, unemployment had receded to slightly under 10,000,000.

Yes, we can truly state that the panic was over. The end of the depression was then in sight. Yet the great upswing had not even scratched the surface of the great awaiting market which had accumulated over a period of 3 years.

Under the normal momentum of this great upsurge in prices and employment, every idle man should have returned to work within a year and a half after the President's inauguration.

The stage was set to bring this desired condition into reality. Never before had there been greater cooperation between all factions. Never in our history was there greater cooperation between business, labor, agriculture, and the Government. Probably never in our history did an administration proceed for 5 months totally free of criticism from any direction.

And then the bubble burst. Constitutional government was forgotten. The astounding results of a century and a half of capitalistic democracy was thrown to the winds. And here is what happened.

Almost overnight President Roosevelt turned his back on the governmental policies that gave us nearly half of the wealth of the world and a standard of living for workers far above that furnished by any other nation. He threw aside Thomas Jefferson, Grover Cleveland, and embraced the principles of Rexford Tugwell and Felix Frankfurter.

By the 1st of September everyone knew that the Tugwellian theory of socialization was transplanting the policies of the sound advisers that previously surrounded the President. Men like George Peek, who did not believe in restriction of agriculture but who advocated development of foreign market and protection of farm prices in our local market; Lewis W. Douglas, who had sound ideas on Budget balancing; and James P. Warburg, who had thorough experience in financial circles; and many other advisers were completely ignored; and the socialistic policies of the so-called "brain trust"—Tugwell and Frankfurter—were adopted.

That marked the beginning of the N. R. A. and the New Deal as we know it now—the New Deal that this administration is asking us to support for 4 years more.

On the 1st of August the N. R. A. came into effect, and a lot of violent strikes came with it—Toledo, Minneapolis, the textile strike, and the general strike in San Francisco—they will never be forgotten. Suddenly the entire advance of industrial activity and business confidence stopped as if struck by lightning.

For weeks and months no manufacturer, no employer knew where he stood. Businessmen who had been favorable to the N. R. A. while it was being framed in Congress as a purely temporary and voluntary regulative agency suddenly found that it was not a regulative measure.

Under the influence of the "trust" that some people call "brainless" the N. R. A. immediately became a control body; and the employer, instead of being a cooperator with the Government and the employee, actually became a servant of both the Government and the employee.

This was never intended while the N. R. A. was being rushed through Congress. It was this complete reversal of Government policy that doomed the N. R. A. before it started.

With the principle of N. R. A. changed from voluntary to compulsory the handwriting was on the wall. Businessmen from coast to coast were stunned.

The prosperity advance staggered and stopped.

Businessmen by the thousand, small and large, left their places of business and journeyed to Washington, where they helplessly warmed chairs, waiting to find out what wages they could pay, what work they would be allowed to do, what hours they could operate on, and what effect a hundred and one other rules would have on their business activity.

Never in our history were employers thrown into greater confusion.

And what was the immediate result?

Well, the business surge not only stopped; it went right back downhill at an amazing rate.

In a few months steel operations dropped from 58 percent to 25 percent of normal. Unemployment began to increase before the ink was dry on the N. R. A. proclamation, and before the end of the year a million more men were added to the ranks of the unemployed.

This is what the New Deal did to both commercial activity and public confidence. By winter of 1933 the socialistic angle of the New Deal plan developed in earnest.

The hard-headed principles of Jeffersonian Democracy were completely discarded and the crystal-gazing New Deal philosophers, Tugwell and Frankfurter, began intensive development of their socialistic ideas. They turned Congress into a rubber stamp to pass their various communistic laws.

And the whole American scene was changed.

And here is why it changed.

During the dark days from 1929 to 1933 depositors had lost confidence in banks. The public had lost confidence in business, and, although business had confidence in government, the depression continued so long that there was a definite lack of confidence everywhere. In the first half of 1933 Franklin Roosevelt, as a Jeffersonian Democrat, changed that picture. Depositors regained complete confidence in banks. The public began honest cooperation with business, and business retained complete confidence in government.

In other words, the tremendous advance after Roosevelt's inauguration toward unprecedented prosperity was the result of complete cooperation between business, labor, agriculture, and the Federal Government.

But when the Tugwellian New Deal philosophy struck like a cyclone in August of 1933 that desirable situation changed completely.

Almost overnight business lost its confidence and became thoroughly suspicious of the brain trusting Tugwell-Frankfurter influence in administrative circles. As months went by their fears were found fully justified. Laws were proposed and enacted completely foreign to the policies and principles of both the Republican and Democratic Parties.

The administration changed all of its cooperative attitude toward business and became openly antagonistic.

And this was the first time in the entire history of our country when an administration took sides between great American groups and threw its strength against one specific group.

The country now faced a genuine dilemma. To stop the dangerous increase of unemployment the New Deal was compelled to spend billions of dollars for artificial employment. But it did not decrease unemployment.

But the New Dealers remained blind to facts. They refused to recognize the monthly significance of the unemployment records, and that blindness has caused tremendous unnecessary human suffering.

It has caused a nation to wallow in uncertainty for 33 months which should have been the most active and the most prosperous in our history, and would have been if Franklin Roosevelt had continued after the first 5 months to support the principles of Jeffersonian democracy so clearly advocated in the 1932 platform.

Then like a streak of light from heaven came a break in this endless procession of doubt and fear. With the constant attack on recognized constitutional principles, actual ruin of this country was prevented by the momentous Supreme Court decision on the N. R. A. last year. That decision returned to businessmen their confidence in the Supreme Court branch of their Government. Once more we were a country governed by law—not personal whim.

Not only did the N. R. A. decision put the brakes on the systematic subjugation of American business to bureaucratic tyranny but it served another equally important purpose. It laid the first firm foundation for a steady upturn in stocks and business activity. The President and the members of the Cabinet predicted 35-cent wheat, 6-cent cotton, wages cut to pieces, and the return of chaotic conditions because of the Supreme Court decision. We find after 9 months that wages were not cut, which upset the theory of the administration that Federal control was necessary for the establishment or the maintenance of fair wages.

We find on the other hand that instead of the chaos predicted several great corporations, with confidence in the protection of the Supreme Court against the despotic activities of vindictive demagogues—actually threw millions into plant rehabilitation. They announced the intention of doing so within a month after the electrifying decision was handed down.

From the date of this deathblow to New Deal expansion we have witnessed the first signs of solid business confidence since the N. R. A. was installed, proving conclusively that the upturn we are now enjoying is due to the belief among businessmen that the New Deal sun is setting.

And that decision marked the beginning of the end of the "brain trusters'" dream of sovietizing the United States.

It should have shaken President Roosevelt's confidence in the omnipotence of the Tugwell-Frankfurther dreamers. But it did not. The President has retained these two men, and it is stated has drawn away more and more from sound advisers.

Now, let us make one thing clear. Mr. Roosevelt is President of the United States and is therefore responsible for the official acts of the Tugwell-Frankfurter "brain trusters." We must stop placing blame for unworkable New Deal policies on the hirelings of the administration. It is the President who is responsible, and he cannot escape the burdens of this responsibility.

Now, let us look at the employment record. The New Deal began on August 1, 1933, and on that day there were slightly less than 10,000,000 unemployed. Just 1 year later there were 10,500,000 unemployed. Two years later there were nearly 11,000,000 unemployed, and on the 1st of February 1936—3½ years later—there were more than 12,000,000 unemployed.

In other words, under the New Deal unemployment in the United States has increased by more than 2,000,000.

Can the New Deal be termed successful with such a disastrous record?

When the New Deal policy came into power in August 1933 the administration promised that within a few months everyone would be back to work. We all remember General Johnson's promise to put 5,000,000 unemployed back to work by fall. Which we later learned was just a lot of cheap "baloney." After spending billions of dollars now, 31 months later, there are more than 2,000,000 unemployed than when the New Deal philosophy began to operate. This is in direct contrast to the nearly 3,000,000 men who went back to work while Roosevelt was still a Democrat—when he was trying to carry out the principles of the Democratic platform.

Is it necessary to produce further proof to convince the American people that the New Deal is a failure and a menace?

It has increased unemployment—it has saddled the country with billions of unnecessary debt—it has vastly multiplied the power of the bureaucrats and greatly increased their numbers of appointed satellites.

It has prevented commercial activity that would have created millions of independent happy homes that are now subsisting on an undernourished dole. Can we say that this is the essence of the loudly heralded humanitarianism?

Of course, we must not forget the promise that the forgotten man must be found and helped. Well, the New Dealers found the forgotten man all right, but it was the tax collector they sent after him. Here is how it was done.

In 1929, 68 percent of all taxes paid were collected directly from property owners, business and professional men, while the indirect taxes paid by the forgotten man and the consumer amounted to 31 percent.

In 1935 only 38 percent of the taxes were collected directly from property owners, business and professional men, while the indirect taxes paid by the forgotten man, by everybody who paid rent, or bought merchandise of any kind had jumped to 61 percent.

The indirect tax load on the forgotten man had just doubled, although his burden was supposed to be heavy enough before the new dealer started looking for him.

Now, what is the solution? And how long is it necessary to keep 12,000,000 men idle when we know that there is sufficient work available to put everyone back on the pay roll who wants to work?

And the answer is, Not one day longer than the return of a common-sense relationship between Government and business. And when we say business, we mean employers and employees.

The Government is deluded in its present claim of steadily advancing prosperity. In consumable goods we are very close to normal and have been for 2 years. But in the durable-goods market, which is the generating power for real prosperity, we are no more advanced than we were when the New Deal started in August 1933.

It is the stagnation in the durable-goods market that is holding up the whole prosperity procession.

More than $50,000,000,000 of durable-goods market awaits nothing more than fair dealing between the Government and business. It is now paralyzed by fear.

In this industry 5,000,000 men are idle who were working in 1928. The tremendous accumulated 5-year market will make it necessary to employ between 7,000,000 and 8,000,000 men in this one line for many years to come.

And when this work starts most of the men will receive skilled-labor wages. A million seven hundred thousand men can then go back to work on farms, where they were displaced by the A. A. A., that brilliant New Deal creation which robbed the American farmer of his foreign market, caused the importation of millions of dollars' worth of foodstuffs from foreign shores, and developed millions of acres of new cotton land in Brazil to permanently displace our cotton which we formerly sold in foreign markets.

Whatever the New Deal failed to do for us it has done for Brazil and other foreign countries that profited by the willful destruction of American agricultural products.

Possibly Mr. Roosevelt and Mr. Wallace were thinking of the peons in Brazil when they started on the crusade to help the forgotten men.

Let me say without fear of reasonable contradiction that whenever the Government of the United States returns to sound constitutional policy and treats business with the same equality and consideration that it treats labor and agriculture, every man in this country who wants work will be able to find it in a remarkably short time.

The Government invasion of private enterprise, the confiscatory program of taxation, and the Government's senseless antagonism to all business enterprise is the paralyzing power that is today withholding work from 12,000,000 idle men and prosperity for all of our citizens.

The New Deal has turned into a raw deal, and it must be exterminated.

The New Deal in America is a direct outgrowth of the movement in Europe to destroy democracy, seen in the rise of Hitler in Germany, Mussolini in Italy, and Stalin in Russia. It is, therefore, an importation from the garbage cans of the Old World. "Planning" and socialism are the same thing.

We have employed in Washington about 1,200 Socialist amateur professors to govern us. And they are trying to invent an ointment that will take the place of sweat. Twelve hundred monkeys housed in our magnificent buildings in Washington with branches to swing from and typewriters to play with would have done less harm. They have taught us to destroy and to spend as the way to achieve success and power. They have attempted to strike the word thrift from our language. In all the bills introduced, in all the articles written, and the documents issued by these amateurs the word "thrift" has never been used once. The idea has never once been hinted.

The new teacher tells us the way to glory is by way of the poorhouse. We are asked to become a nation of paupers and dependents without self-respect. Waste, destruction, scarcity, and beggary are the new national ideals.

To hell with thrift!

We can grow happy and strong by destroying crops of cotton, corn, and wheat, while men and women go naked for clothes and hungry for bread made of wheat and corn. The greatest crime in the history of humanity was the destruction of our crops and livestock. The next greatest crime in the history of America was robbing of millions of the people to enrich a few farmers. Secretary Wallace has paid to his native State of Iowa $72,804,000 to kill their hogs and cattle and stop raising them. This brilliant thing was done in order to mark up the price of bacon, pork, ham, sausage, and steak to be paid by the poor housewives of the rest of our country. Before this we paid 12 cents a pound for pork. Now we pay 24 cents. Abundance is a misfortune.

When the real story of the crimes committed by these silly experimenters is told it will stagger the world. Enormous sums were paid to rich farmers for not raising hogs, for not raising corn, for not raising wheat. It has been revealed in the partial investigation conducted that one wealthy farmer got, in 2 years, for not raising hogs the enormous sum of $219,825—a fortune out of your pockets and mine for doing nothing. Another rich farmer was paid $168,000 out of our tax money for not raising hogs. A rich southern cotton planter was paid $168,000 for not planting cotton, and a farmer in Kansas $78,638 for leaving his land idle. The records show that three farmers got $466,463 for doing nothing. It is surely no wonder that we have not balanced the Budget, but are plunging daily deeper and deeper in debt.

For years our soap-box Socialist orators have been shouting: "Four percent of the people own 87 percent of our wealth." This dangerous and utterly vicious lie has been repeated until millions of people believe it, and it has now been adopted as a fact by our present administration. What are the facts?

In the lowest year of our recent history the total wealth of the Nation was two hundred and forty-seven billions. Eighty-seven percent of that would be two hundred and fourteen billions owned by 4 percent of the people. This would leave but thirty-two billions for the remaining 96 percent of population, according to the Socialist orator.

Statistics show that we have 10,000,000 families who own urban homes worth thirty-eight billions. Six million farmers whose lands are worth forty-three billions. Eight million building and loan shareholders own eight billions in assets. Twenty million automobile owners hold cars worth eight billions. Twenty-four million security holders own stocks and bonds valued at seventy-six billions. Sixty-three million people hold life-insurance policies worth eighteen billions. Forty-four million people have savings-bank deposits worth twenty-four billions. A total of $215,000,000,000 worth of property in the hands of 91 percent of the total adult population.

Our national annual income is placed at 82 billions. Employees receive 67 billions of this and capital but 15 billions.

If we should soak the rich and confiscate all incomes over $150,000 a year and distribute it, each one of us would get the magnificent sum of 23 cents a month for 1 year—and nothing thereafter. If we should confiscate every dollar of income above the modest sum of $5,000 and distribute it, we would each of us get $2.32 a month for 1 year—and nothing thereafter.

The simple truth is that we have the widest distribution of wealth and the highest standard of living for the masses of any nation of the world in this age or any other of human history.

Make no mistake about it. Central control excludes individual liberty. There is no middle ground. We can have a free country or a Socialist-controlled state. We cannot have both. Our system cannot be half free and half socialistic any more than it could be half slave and half free.

There can be no compromise on the issue. This country is a democracy, and governmental regimentation has no place in it. If there is any stability and self-sacrifice in the Republican Party, the New Deal nightmare will end on November 3, 1936.

AGRICULTURAL POLICY AND GOVERNMENTAL EXPENDITURES—ADDRESS BY SENATOR CAPPER

Mr. CAREY. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by the Senator from Kansas [Mr. CAPPER] on the subject of a national agricultural policy and a reduction in governmental expenditures.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Friends in the Grange and friends of the Grange, it always is a pleasure to talk to the Grange. One feels at home with the Grange. I have been a member of the Grange for close to two decades. I have been an admirer of the Grange and the Grange policies, both agricultural and general policies, for nearly half a century. I regard the Grange as the balance wheel among the several great farm organizations. Grange leadership for a half century has been forward looking, but at the same time it has not rushed out so far in front of the march of progress as to lose its connection with things as they actually are. The Grange has a habit of finding facts. It has the habit of facing realities. So I do not feel it necessary in speaking to a Grange audience to indulge in many preliminary words of introduction. I shall try to get right down to what I have to say and say it as briefly and concisely as possible.

I propose to discuss just two subjects in the few minutes we have together today. First, the need of a sound national agricultural policy based on things as they are, not based on political expediency. The farm problem is an economic problem, not a partisan political problem. It is a crime to make the farm issue the football of politics. Second, the almost equally crying need for a reduction in governmental expenditures. I want to commend the Grange for its consistent and continued opposition to extravagant and unnecessary expenditure of the public tax money.

It is not necessary in talking to the Grange to indulge in figures of speech nor to tell any funny stories. One can confine himself to facts; one is safe in using such figures as tell those facts. It is not necessary to tell the Grange that there are some 6,800,000 farms in the United States, with a total value of nearly 33,000 million dollars. There are also almost 33,000,000 men, women, and children living on these farms engaged in earning their livelihood.

SHRINKAGE IN FARM VALUES

In 1920 the average farm was valued at $12,000; in 1930 it was valued at $9,000; in 1935 it was valued at $4,480. We hear a lot of talk about a balanced Budget. A balanced Budget for agriculture in the United States would mean an annual farm income of more than $13,000,000,000. Instead, we find it is still under $8,000,000,000, even including Government benefit payments. The World War brought about dislocations in foreign trade and changed the status of the United States from a debtor to a creditor Nation. We need a foreign market for American farm products. Any program adopted must have that objective in view. But we may as well face the fact that a large foreign market is not open to us in the immediate future.

Unless and until we regain a substantial part of our foreign markets, the American farmer must figure on getting the bulk of his income from the American market. I want to emphasize one point right now. No farmer, no friend of agriculture, no American with an American viewpoint, can afford to forget it for a minute. The American farmer is entitled to the American market for his products. No administration, no political party, no farm leader, no national leader, has any business, nor any right, through trade agreements or any other policy, to trade off the American market to farmers of any other nation. American agriculture today faces a restricted market for its products. That restricted market, except for cotton and a few minor crops, is the United States of America.

I have felt for years, and still feel, that American agriculture receives an inadequate income. That inadequate income means that the American farmer does not have the purchasing power necessary to keep industry going, to furnish jobs for American labor. Now, what can be done about it?

LONG-TIME AGRICULTURAL PROGRAM

First, the long-time program must include—probably should be based upon—conservation of our most valuable national resource, the soil itself. That will require a national land-utilization policy, such as was advocated by the Republican National Convention in its 1932 platform. Second, there is necessary some means of adjusting supply of agricultural commodities to the market demand for these commodities. As the matter stands today it is not possible for the American farmer to sell enough of his products at world price levels to overcome the discrepancy between the world price level and the domestic price level. That means, if and when he attempts to increase his income by increasing his production beyond domestic market demands, he produces surpluses. The law of supply and demand works unfailingly. A surplus production means a lower price; the larger the surplus, the lower the price. The domestic price drops to the world level. That helps force the world price level still lower; this lowered world price again is reflected in the domestic price level. You cannot escape the law of supply and demand.

In addition to the soil-conservation and soil-erosion control program, and in addition to such adjustment of production to consumption as may be incidental to this program, there are at least four other major steps which I consider necessary to a prosperous agriculture. I will state these briefly:

First, the American farmer is entitled to and must be guaranteed the American market. For most commodities not on a recurring annual surplus basis this can be effected through the protective tariff system, which I believe can be made effective for agriculture. Second, tariff equivalent payments—subsidies, if we wish to call them that—should be made to producers of at least four basic commodities—wheat, cotton, hogs, and tobacco. These payments should be based on the percentage of the total production required for domestic needs. Third, provision must be made, through Government aid, for disposing of these surpluses in foreign markets and stabilizing the domestic markets. One way of accomplishing this is through cooperative marketing associations, with Federal backing. Another is through well-organized programs for utilizing the foreign exchange created through our purchases of agricultural commodities not economically produced in this country, such as coffee, rubber, sugar, and so forth. The exchange so created, properly handled, could be used to help dispose of our own agricultural surpluses in foreign markets. Fourth, there must be more adequate financing of agriculture at lower interest rates. I believe the farmer is entitled to an interest rate of 3 percent on Federal farm loans. This is not only necessary for agriculture but it will go a long way toward promoting the general welfare.

TIME TO FACE THE FACTS

Now my friends, I believe the time has come to get down on brass tacks in looking at the fiscal picture of the Government of the United States. One cannot do that without using figures and stating facts. That is what I propose to do in the next few minutes. You may not consider facts and figures interesting, but I assure you that you have a great and real interest in them just the same, because these facts and figures deal with taxes. You pay the taxes. If you are well-to-do, a large part of your income goes to the Federal income by the direct-tax route—income and inheritance taxes. If you are poor, a still larger proportion of your wages and other income goes to the Federal Government through indirect taxes—on things you have to buy to live. If you are neither rich nor poor, but are in what is known as the great middle class, you pay both direct and indirect taxes. I recently saw it stated this way: The Jones family, total income $3,000 a year, pays some $23 a year direct Federal taxes, and more than $50 a year indirect Federal taxes. Last year some 20 percent—that is, one-fifth—of the total national income went to taxes—Federal, State, and local. You may not find the figures interesting, but you have a most decided interest in them just the same.

Now, let's see if we can get the Federal Budget problem reduced to simple language. In the years just preceding the World War, the Federal Government cost about $700,000,000 a year—just under three-quarters of a billion dollars. It is interesting to note that even in those days the bulk of the Federal revenue went to the Army, the Navy, and for pensions—payments for past and future wars. The expenditures for war purposes have been too great. The cost of running the civil Government was around $200,000,000 a year.

Came the World War. Expenditures shot skyward. We spent 18,000 million dollars in just 1 year of that war. We levied new income and profit taxes, which brought in from three to four billion dollars a year. New internal taxes raised another billion dollars a year. The Federal deficit went from zero to 9 billions, then to 13 billions for a year. We met that deficit by borrowing. At the end of the World War, the Federal public debt was just under 26 billion—26,000 million dollars. That 26 billions looked pretty large in 1920. It does not look so large now, when we face a public debt of 36 billions or more by the end of the next fiscal year.

Now, let's see what happened in the decade succeeding the end of the war. In the first place, instead of raising around $700,000,000 a year, the Federal Government in the post-war decade raised around $4,000,000,000 a year. But the running expenses of the Federal Government were only $3,500,000,000 a year. Five times as much as before the war, to be sure. But still $500,000,000 less than receipts. Uncle Sam had a budgetary surplus of one-half billion dollars a year. That $500,000,000 a year surplus was used to reduce the public debt. By 1930 the public debt had been cut from $26,000,000,000 to $16,000,000,000, a reduction of more than one-third.

STAGGERING PROPORTIONS OF PUBLIC DEBT

By the end of the fiscal year 1933—that is June 30, 1933—revenues were down to $2,000,000,000, or $3,000,000,000 less than was expended. The public debt had increased to $22,500,000,000, or $179 per capita. The Federal Government spent $5,143,000,000 in the fiscal year 1933, the last year of President Hoover. During the present fiscal year the Government will spend more than $8,000,000,000.

On June 30, 1935, the public debt was $22,538,000,000. The deficit for that fiscal year was $3,063,000,000. For the present fiscal year the deficit will be upward of $4,000,000,000. Next June 30 the public debt will be upward of $36,000,000,000. We cannot say exactly what will happen the next fiscal year, but we do know that the deficit will be again upward of $4,000,000,000, and the public debt will be greater than $36,000,000,000 by June 30, 1937.

That is a public debt per capita of $282, compared to $131 in 1930, or about $1,350 per family, as against $600 per family in 1930. Where does all this money go? Well, the regular civil government cost is about $700,000,000 a year.

Paying for past and future wars is costing $2,500,000,000 a year. This includes Army, Navy, veterans. We are spending too much for big battleships and military establishments. This year's appropriations for that purpose break all peacetime records!

GOVERNMENTAL MACHINE BECOMES UNWIELDY

We have added a great many new bureaus and commissions. We have added 265,000 people to the Government pay roll in the last 3 years. Thousands of these are not needed.

Now, who is going to pay all this money? You and I, and our children and their children. Every one of us is going to pay his share.

My friends, that is something to think about. I say no country can continually go into the hole at the rate of 3,500 million to upward of 4,000 million dollars a year without facing ultimate bankruptcy.

I say to you, the Federal Government must stop spending that extra $4,000,000,000 a year and must stop it right soon. We cannot go on spending $2 for every dollar we take in.

How are we going to cut down these expenditures? Only through the cooperation of the White House, Congress, and the people of the country. We cannot depend upon the spending agencies to cut down expenditures; they will naturally spend what they can get. The people themselves will have to force the reductions in expenditures. It is your job. It is my job. You can see for yourself it is a big job.

And it is a job that will have to be done. I intend to do my part to see that the job is done in a way that will meet with the approval of the Grange and the other farm groups of the country.

UNFAIR TRADE PRACTICES—ADDRESS BY SENATOR LOGAN

Mr. BAILEY. Mr. President, I ask unanimous consent to have printed in the RECORD an able and interesting address delivered by the junior Senator from Kentucky [Mr. LOGAN] to the Alexander Forum at New York City on the 26th instant. In the address the Senator from Kentucky discussed the so-called Robinson bill to prevent unfair trade practices.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Let me say at the outset that I have no interest in the legislation now pending in Congress to prevent price discrimination other than to favor such legislation as will be for the best interest of those affected by the legislation. Any legislation may benefit some persons and adversely affect others, and in the consideration of such legislation the old rule of "the greatest good to the greatest number" should prevail. As citizens of this Republic for generations we adhered to the laissez faire doctrine, but if that doctrine is followed to its logical conclusion it reaches the point where affairs are settled on the old rule that he shall get who has the power and he shall keep who can. Liberty of the individual should not be restricted more than is necessary to prevent his doing harm to the body politic.

It was on October 15, 1914, that the law known as the Clayton Antitrust Act became a statute of the United States. The purpose of the act was to make it unlawful for any person engaged in commerce in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities where such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce. The act, however, contained a proviso that nothing in the act should prevent discrimination in price between purchasers of commodities on account of differences in the grade, quality, or quantity of the commodity sold, or that made only due allowance for difference in cost of selling or transportation, or where a discrimination in price was necessary to meet competition in the same or different communities.

The Robinson-Patman bill is an amendment to the Clayton Act. That the Clayton Act should be amended seems to be conceded by all who are familiar with the purposes of that act. A number of bills have been introduced in the Congress, in the Senate and the House, proposing amendments, but an examination of all of those bills has convinced me that the Robinson bill as reported to the Senate more nearly accomplishes the purposes intended than any other. There are provisions in the Utterback bill reported to the House with which I do not agree. The fact is that I am afraid that the Utterback bill adds little of importance to the Clayton Act as it now stands, but it may be a step in the right direction, although a rather short step.

The bill which I favor is the Robinson bill as reported to the Senate. Its provisions have been misunderstood, misinterpreted, and their meaning perverted by those who perhaps oppose any legislation on the subject. Those who oppose any legislation on the subject are men of ability and experts in their line, and they have pursued the well-known strategy in attempting to divide those who favor such legislation into hostile camps, and have largely succeeded in doing so.

It is my judgment that if the Congress should be made to understand the simple provisions of the Robinson bill there would be little, if any, opposition to it. The special pleader, however, has been able, by presenting technical arguments based on a false premise, to confuse many Members of the Congress. It is a favorite practice of those who oppose legislation to set up a strawman and then demolish him to their own delight. Letters, telegrams, pamphlets, briefs, and oral statements attacking the bill have been made at provisions that are not found in the bill, or else aimed at the provisions of the Clayton Act which has been in existence for 22 years. Because of the falsity of the statements that have been so made, many of them in good faith, because of efforts that have been made to mislead, I shall take this occasion to state simply the provisions and purposes of the Robinson bill.

It has been found that the provisions of the Clayton Act may be easily evaded, and that it has been evaded, and that it is not effective to prevent the evils that it was intended to remedy when it was enacted. It would not be possible to answer arguments that have been advanced against imaginary provisions of the bill. I can only address myself to the bill itself as I understand it.

It is well known that the Clayton Act has been violated in spirit by the practice of certain large buyers who demand the allowance of brokerage direct to them upon their purchases, or its payment to an employee, agent, or corporate subsidiary set up by such buyers in the guise of a broker and through whom they demand that the sales to them be made. To allow payment or allowance under the guise of brokerage when no service is rendered permits the evasion of the provisions of the Clayton Act. The Robinson bill prohibits discrimination in the nature, or under the guise of brokerage, where it is but a subterfuge and is intended only as a rebate to the buyer. That is one of the chief points in the Robinson bill. It does not interfere, either directly or indirectly, with legitimate brokerage. A broker employed by the buyer in good faith to find a source of supply, or by the seller to find a market is legitimate and the broker so employed discharges a sound economic function and is entitled to appropriate compensation by the one in whose interest he serves. The Robinson bill does not interfere with his legitimate function. To permit a payment, or allowance, to a dummy broker where no service has been rendered should not be allowed, as it is only a means of price discrimination, and the Robinson bill attempts, through this amendment to the Clayton Act, to do what the Congress intended to do in the first place.

Another means of evading the Clayton Act was what may be described as fraudulent service allowances. Customers with large purchasing power demand of the sellers, and the sellers grant, special allowances in purported payment of advertising and other sales promotional service which the customer agrees to render with reference to the commodity which he secures from the seller, or at other times with reference to his business generally. Service allowances are legitimate if legally used and made for a legitimate purpose.

The Robinson bill does not interfere with legitimate service allowances, but such an allowance becomes unjust and is a means of price discrimination when the service is not rendered as agreed and paid for, or if rendered the payment is grossly in excess of its value, or where the customer is deriving benefits to his own business and is thus enabled to shift to the seller substantial portions of his own advertising cost while the smaller competitor who cannot command such allowances must bear the burden himself. The Robinson bill, as I have said, recognizes that service allowances are legitimate, but it attempts to remedy the evil that has grown up of using service allowances to bring about price discrimination. The Robinson bill does nothing more than to provide that such service allowances shall be reasonable and fair, and that they shall be extended to all alike in proportion to the amount of the purchase, and that when made they shall be made for the legitimate purpose intended, and that the purchaser may not under the guise of such allowance promote his business in other lines thus shifting a part of the cost of conducting his business to the seller. If the language of the Robinson bill interferes in any way with service allowance made in good faith, I cannot find the language, or I fail to understand it. The service allowance by the provisions of the Robinson bill must be made to all purchasers on proportionately equal terms.

The third point in the Robinson bill is the provision regulating quantity discounts or rebates. The bill allows discriminations in price between, or among, purchasers belonging to the same group. A certain discount may be allowed to the purchaser who buys for resale, to wholesalers, to retailers, or to consumers, or for use in further manufacture, but the same discount shall be allowed to each purchaser within the particular group within the limits prescribed by the act. Differentials may be allowed which make only due allowance for differences in the cost, other than brokerage, of manufacture, sale, or delivery resulting from the different methods or quantities in which such commodities are to such purchasers sold or delivered. This provision is broad enough to allow every differential that is just. Efficiency is taken care of as it is reflected in the cost. Quantity differentials are allowed, as they should be. If one concern is efficient and produces its goods at a less cost than another, that is a proper basis for differences in price, or delivery resulting from the differing methods or quantities in which such commodities are sold may form a just basis for a differential in price as among purchasers. I do not believe that anyone will contend that a seller should be allowed to sell his goods at less than cost. Eventually such a practice would result in bankruptcy to the seller, as well as to many others engaged in the same line of business. There is nothing, however, in the Robinson bill which prevents discounts in any amount, so long as the same discounts are extended to all customers in the same class. If it costs more to manufacture and deliver goods to one customer than it does to another customer, there may be a difference in price as between the two particular customers.

There is nothing in the bill that prevents discounts based upon quantity; but since such discounts may be abused and the customer of large purchasing power may, by reason of his ability to buy in large quantities, get an advantage that ought not to be allowed, the Robinson bill contains a provision that the Federal Trade Commission may fix and establish quantity limits as to particular commodities, or class of commodities, where it finds that available purchasers in greater quantities are so few as to render differentials on account thereof unjustly discriminatory, or promotive of monopoly in any line of commerce. This is a wise provision. There should be some regulation of quantity discounts if such discounts tend to promote a monopoly. After all, it is antimonopoly legislation.

Another provision in the Robinson bill is the fixing of measure of damages of any who may have been damaged by reason of the violation of the provisions of the act. Instead of providing penalties and fines for a violation of the law, a measure of damage is set up, and the person claiming that he has been damaged by reason of forbidden discrimination or allowance found to have been granted is authorized to go into a court and establish his case if he can. No one may reasonably object to such a provision. There should be no wrong without a remedy, and the individual who has been wronged is entitled to the remedy. If his business has been hurt, or he has suffered a loss because he has not been treated the same as other purchasers in his group, he should have just compensation, and this will do more to bring about the enforcement of the law than any fine that might be imposed.

Congressman CELLER, the distinguished gentleman who opposes the Robinson bill, or rather what he calls, in his minority report to the House, the Utterback-Robinson bill, has expressed well his views in the minority report which he has filed. He is entitled to his views on the subject. I think without any good reason therefor he assumes that if the bill should be enacted it will throttle efficiency and increase production and distribution cost, and if that should result it would raise prices to the consumer. There is nothing in the Robinson bill that would have any such effect. There is nothing in it that affects production or distribution methods.

When it is contended that the Robinson bill would increase the price to consumers I must point out that the effect of the

bill might be to reduce the price to consumers instead of to increase it. Roughly speaking, the buyers, known as the chains, sell about 20 percent of the commodities consumed in the entire Nation. There is no reason at all why their prices should be increased if the Robinson bill should be enacted, but if the independents are treated on proportionately equal terms with the large buyers it may well be argued that the price to 80 percent of the consumers would be reduced. Even the most hypercritical view of the Robinson bill cannot lead to the conclusion that there is any justification for the contention that the price to the consumer will be increased. Representative CELLER, in his minority report, presents many arguments against the bill aimed at provisions that are not found in the bill and are not subject to the construction which he has placed upon the language in the bill.

The bill reserves full freedom of the seller to make differentials by reason of any savings in cost, whether operating or overhead, that can be identified as between different customers or classes of customers. This is as far as the bill may go, and it is as far as it does go. Differences in cost must be identified and cannot be left to speculation. Otherwise the provision would be evaded. The bill imposes no restraint upon the use of economy and efficiency either in production or distribution.

I know that it is argued by the distributors, as well as by sellers and buyers, that it would be impossible to identify the cost that should be apportioned to any particular transaction. Such an argument is ridiculous in the extreme. No businessman could long remain in business if he did not know whether he was selling above or below cost, or if he did not know what it cost him to produce and distribute his goods. Such an argument cannot be made in good faith as it is contrary to common every-day experience in all business lines for a businessman to say that he cannot ascertain his cost of production and distribution. The difficulty with the argument of Representative CELLER is that he misconstrues the plain language of the bill itself. There is not a provision in the bill that would allow price fixing.

There is nothing in the bill that, in any way, need interfere with the seller or the buyer who has no desire to satisfy greed or selfishness. The bill does not attempt to put the business or manufacturers and the process of distribution into a strait jacket. It does not regulate manufacturing or distribution. It prohibits certain things which are illegal, unfair, and result in inequitable price discriminations. There is nothing to prevent selling to the larger buyer at a less price than to the smaller buyer. The minority report submitted by Representative CELLER, in commenting on the power of the Federal Trade Commission under the Robinson bill, wholly misconceives the purpose of that provision; and I believe, upon further consideration, he will withdraw his statement in regard thereto. The Utterback bill contains no such provision, and in that it is defective.

The Federal Trade Commission is not given power to establish price-differential limits. It is only given the power to fix quantity limits. Let me further say that the provision of the bill has no relation whatever to the National Recovery Act declared unconstitutional by the Supreme Court. It may be that one of the defects in that act was to allow a tendency toward monopoly. While the Robinson bill is to prevent that tendency.

The attack made on the constitutional soundness of that provision of the bill which extends to discrimination for or against intrastate customers to the prejudice or advantage of interstate customers, in my judgment, is without any foundation under the decisions of the Supreme Court. If a practice toward a customer in one State affects another customer of the same seller in another State that undoubtedly would constitute a direct burden on interstate commerce.

Businessmen are often short-sighted and the same may be said of our statesmen of the past. We reach out for the advantages immediately before us without looking down the aisle of time to determine the effect of our present actions. If present-day business practices are tending to drive out of business the smaller-business man doing a vast majority of all the business of the Nation along certain lines the time would eventually come when those controlling large purchasing power will have a complete monopoly on the things necessary for existence. When that day shall come we have no reason to believe that the consuming public will be the object of the fratenal care of those who have control of business. It is to prevent the coming of that day that such legislation as is proposed in the Robinson bill is necessary. No one can stand in the way of progress. Old conditions must change and new conditions arise, but new conditions must not be allowed to control the affairs of the country unrestrained by laws fixing the channels and directing the course of such new conditions.

ADDRESS BY SENATOR THOMAS OF UTAH TO AMERICAN SOCIETY OF INTERNATIONAL LAW

Mr. BURKE. Mr. President, at the Thirtieth Annual Meeting of the American Society of International Law held in Washington, April 23 to 25, the junior Senator from Utah [Mr. THOMAS] was elected to the vice presidency of the society to fill a vacancy which was caused by the death of the Honorable George W. Wickersham.

At the annual banquet of the society on April 25, the Senator from Utah delivered an address entitled "After 30 Years." I ask unanimous consent to have this address inserted in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Nineteen hundred years before a wise man with a telescope showed that the universe was not made to serve the earth, and twenty-three hundred years before modern thought and science put man relatively in his place, a feast was given attended by men who loved thought and letters, the description of which now has a place in the literature of the world. Said one of those present: "Is not God great and is not nature grand, for here we have wild fowl, fish, and the beasts of the field all slain that we might enjoy them, servants and slaves to serve us? Truly Heaven remembers us, and nature is kind to provide its abundance." To this, though, a young man present replied: "Because man has servants and slaves, and because man is favored above the animals and has the flesh of fowl, beast, and fish to eat is not proof that God created them for man. If you praise God for his foresight in providing for you the good things of nature, then gnats, fleas, and mosquitoes may praise God for creating man for them, because they live on man. It is not well for man to think that he lives on other creatures, better for him to think that he lives with other creatures and that all get life from the same source, Mother Nature herself." The prepositions "on" and "with" are common little service words, but the difference in the thought which they render is a difference of two cultures as wide as continents separated by an ocean. Internationally our problem is age old. Shall nations today live on other nations or shall they live with other nations?

The feast described above took place about the same time that logic was invented. The theory advanced was not the first reasoning in accordance with modern social thought, because a century and a half earlier the social aspect of the moral and religious commandment, "Thou shalt not kill", was given to the world by the great teacher who based his entire thought on nature instead of on revelation, and who made morals a matter of mutual relationship between men rather than the result of a command. It was he who taught his followers to "kill not the ox, for the ox is man's associate in the labor of the field."

It is in the realm of ideas that I trust we may keep our thoughts tonight. From the beginning of that time when people acted in groups almost to the very present, nations and peoples have never questioned the right to live on other nations and peoples. The theories of self-control and self-restraint when applied to nations, still by no means universally accepted, are not much older, as an expression of international right, than half of the past 30 years.

The outstanding phase in the realm of the evolution of ideas is the one which clusters about a notion of extending law to places where there had not been law before. At no time in the entire world have we had a law that spoke for all the world. The ancient theories about law in both the East and the West developed a concept which was called the law of nature and which was assumed to be universal. The second century anno Domini saw the civilized parts of Europe and Asia administered from two centers represented by the great Han dynasty in China and the Roman Empire in the west. The Petrine theory of the church and the universal theory of the holy Roman Empire aimed at unity, but never were the facts of unity further from attainment. A telling restraint was impossible even in ordinary affairs. America was known only to those who lived here.

Today, politically speaking, there is no central authority. We speak of a world court, but even if its jurisdiction were world-wide, its judgment against a state could be enforced only when that state accepted the judgment. There is a society of nations extensive in scope, but that society exists not for itself but for the benefit of its individual members. It itself cannot legislate, it itself cannot enforce. It can only discuss and recommend. If it is thought of as a unity its parts act merely out of a sense of duty to an ideal of national behavior and not from force either implied or actual. States are the only members of this society. Persons do not belong to it. There are no citizens of the League of Nations. In its constitution there is no place for a theory concerning citizenship as we have it in the fourteenth amendment of our Constitution. These simple facts the thoughtless overlook.

Throughout history, when men and rulers gave lip service to a universal rule, the titles of kings and emperors reflected an unquestioned authority wherever the name of the king or the emperor could be thundered. But there was no unity. Today when the concept of real unity is heard only in a prayer to a universal or an eternal God, and all States stand in theory equal to all others, we have more actual unity than the world has ever seen before. It is the irony of history that when the fact of universal authority was asserted, the world had no united will, and that now when the fact is denied, sovereign States show restraint and give at times assent to a united purpose. In this we may have the key to a better world. From this we may learn that the bonds of steel and the bonds of force are as weak as the threads of a spider when compared to the bonds of sentiment. Where, then, shall effective international morality rest? Shall it rest on the strength of steel, on the forced contract, on the might of powder and shell? History has but one answer—strength, when asserted, has destroyed itself.

Institutional evolution in the past 30 years has developed the ability to destroy on a wide scale quite as much as the ability to preserve on a wide scale. But even in this there is food for thought. War has attained a possible mightiness which causes us to say that no longer do men fight men and armies fight armies, but whole peoples fight peoples. The aim to destroy, therefore, is so large that nothing is exempt. Modern war justifies the killing of the babe in the cradle because he is a potential soldier, and the destruction of all property because it may lend indirect assistance. In future war the individual will lose all rights and private property all security. Even in our country in the last war we became so logical in the administration of the Draft Act that persons were denied the right to volunteer for service as soldiers.

My point may be illustrated by studying the theory of proposed laws to cover future wars. But the best illustrations are the actual ones bound in such illegal war as Chapei and the present military ventures in Africa. Therefore we drop bombs from the sky on anything and everything and we would sink and poison en masse regardless of time and place. Under such circumstances, what is happening to the man who is made part of this destruction? Does it take a heroic man to drop bombs on a defenseless village? The element of courage is about as lacking as it would be in the man who has the stamina deliberately to run an express train over a child who happens to be playing on the tracks. When the chief job of a Roman legionnaire became that of attendant at crucifixions Roman soldier esprit de corps became nil, and a soldier's life lost its glamour. Strength always destroys itself. I do not wish to cast any sort of reflection. I know the thrill of a uniform, and to me a nation in arms fighting a righteous cause is still a glorious page of history, but we must note what is actually happening.

For years armies and navies have done less fighting than anything else. The political and economic necessity of a great army in most military lands today is more important than its defensive or offensive necessity. This may be worthy of thought: Think back the history of navies since steel and iron ships were invented. During our Civil War about 600 vessels were under hostile fire. Since the Civil War to date we have used some 700 ships of iron or steel construction, 176 have seen action, but only 3 out of 700 have been destroyed. Even in the Great War there was such a preponderance of allied navy that most of our stronger units were kept on this side of the Atlantic. One reason for this was the shortage of cargo tonnage, which made the problem of supply for great ships across the ocean important. These are facts of history. Their significance is known to those who know that life is merely a process of change and history merely an explanation of that change. Armies and navies are justified and are justifying themselves more and more by services other than mere offense and defense. When in the process of change their purposes become spent they will fall of their own weight. Of course few are willing to wait for the processes of history, and happily this is so, but the gods give to but a very few the blessing of making great history. Generally history makes the great man.

It is, then, to the realm of the idea that we must turn to find encouragement. In our changing attitudes we shall find them justified as they have been justified in the past by our building concepts for political, social, economic, and national action upon accepted theories concerning physical law. In illustrating this point I shall not take you back to the ancient world. I shall stay in modern times. In the days when Newton's theory dominated thought about the physical world, political and national well-being, we assumed, rested upon the theory of balance. Our Constitution reflects Newton. Our liberty was to be maintained on a balance power in government. It was assumed that the forces in government were in constant opposition. The laws relating to the push and the pull in nature were transplanted and thought of as being fundamental, and they actually did dominate man in his thoughts about himself and other men.

When the Darwinian theory became the controlling thought, men beheld themselves and judged mankind a growing organism, or they saw man himself as an evolving animal. From this observation came the theory of change which brought about the acceptance of war on the basis of the survival of the fittest, or which supported the concept of peace on the basis of cooperation and mutual aid. The Darwinian theory lent itself to two opposing attitudes, one that we win by combat, the other that we go forward by mutual endeavor.

Today, very much more than anyone is conscious of it, we find our governing concepts based upon ideas which always reflect a relative association. Our fundamental thought is probably based on Einstein. We are faced with a present deduction that all things are relative and that the absolute is gone. Sovereignty is a relative proposition. National independence of action, like the freedom of the individual, has varying bounds and restraints. Perfection will be attainable but never attained. This brings us, of course, to the human social philosophy of the relative good—not the highest good as an absolute, but the best good as an objective. There is some hope for a better world if we can bring about the universal acceptance of these attitudes for both men and nations.

We must break down the absolutes if good will is to reign in the earth. An absolute in an international clash justifies us in killing a man because he is a Frenchman, or because he is an Italian, or because he is an Englishman! That is an indictment of civilized thinking, and properly such reasoning is being tempered by a changing attitude. Still we are in the midst of a struggle to overcome this thought. Just as we had assumed that the great victory for individual man had been won when the law of citizenship was made to rest on place of birth rather than upon the fact of blood, we find a great state reverting to the blood notion. This, though, in an international sense, is that state's way of handling the problem of a minority. This reference may thoughtlessly cause us to assume that the world as a whole is slipping back, but individual man who finds himself a member of a minority group can count mighty gains for his class in the last 30 years. Before the World War in Europe there were 40,000,000 people who were counted among the minorities—today there are but 10,000,000. Present-day Russia's treatment of her minority groups is such a striking contrast to the old Russia's method that this problem of world-wide significance may find its solution in that land. If it should, what an epochal change we have witnessed without being conscious of it.

I count as the outstanding gain of the past 30 years the statute of Westminster adopted in 1931. The British Commonwealth of Nations came into existence as a result of the World War, for that war and its peace brought to an end the legal structure of the British Empire. Once again history calls our attention to the irony of crooked thinking. When the parts of the British Empire were given separate seats in the Assembly of the League, the overly wise and overly cautious observers of our own land overlooked the real importance of that act. They presumed British selfishness and the stacking of the League Assembly with British votes. This was not so, as the statute of Westminster proves. The arrangement was, in fact, the recognition of the principles of independence. Since 1931 an act of the Canadian Parliament is final. There is no appeal to the British Parliament and there is no vetoing of an act by the British Parliament. Read the law:

"No law and no provision of any law made after the commencement of this act by the Parliament of a Dominion shall be void or inoperative on the ground that it is repugnant to the law of England, or to the provisions of any existing or future act of Parliament of the United Kingdom or to any order, rule, or regulation made under any such act, and the powers of the Parliament of the Dominion shall include the power to repeal or amend any such act, order, rule, or regulation insofar as the same is part of the law of the Dominion."

That is a changed attitude. The idea as expressed now was not original with the British Government of 1931. It is old thought. It was developed out of American experience and first suggested to England in 1775 when our American fathers just 1 year before they adopted our Declaration of Independence offered the theory to the British Crown in what is known in our history as the Olive Branch Petition. Under the Statute of Westminster a dominion becomes a self-governing state, in Canada's case a republic, to all intents and purposes.

It is not for us here tonight to make the world over, but the stage is set for a mighty change in outlook—a new attitude which will result in a new relationship—and it has all been done by the most peaceful of processes and the highest law of the British Commonwealth of Nations and the Congress of the United States. Let us review what has taken place step by step. First England speaks to Canada thus: "That which your Parliament decides shall be unquestioned by us." What latitude for changed attitudes and new relationships! Secondly, Congress speaks: "When an American Republic finds itself at war with a non-American state our neutrality law shall not apply." Is that a changed attitude? No, say many, that is as old as our Monroe Doctrine. But that is hardly true, for our Monroe Doctrine is of our own making while the provision in our neutrality act is America's response to the spirit of a similar act initiated by certain Latin American states during the late war. At the council table of the Pan American Union there has always been a vacant chair—a thoughtful reservation made for Canada. The stage is properly set today in law and attitude for that seat to be taken. All Americans pray for its fulfillment. It should happen before President Roosevelt's proposed meeting of all the Americas in 1936.

Canada may now take her seat in the Pan American Union. Under the Act of Westminster she may assume the status of an American republic. She has long been a member in that sisterhood of states in spirit; now she may become a member in fact. The United States in her new neutrality law gave to Pan-Americanism and the Monroe Doctrine new meanings. Neighborliness reflecting mutuality presages the sisterhood of American republics.

The Monroe Doctrine, whether considered as an altruistic expression, a defensive measure, a reciprocal relationship, or a regional understanding, is still of our making and depends upon us for its perpetuation. It was never a static proposition, and it never will be, but the suggested concept of allowing it to evolve into the sisterhood of American republics and making it just that gives it an all-American ideal in very fact. With this changed attitude the responsibility for its maintenance no longer rests upon us; it rests upon the whole of North and South America. A union of spirit, a union of hope, a union of aspiration. A dream of a Bolivar come true! A dream even better than Bolivar's, for Bolivar thought in terms of a political unity. To us that thought seems, and is, an anachronism, for we know today a better and a surer unity. It is the bond of the spirit, a bond of mutual endeavor, a bond of mutual helpfulness. I shall leave this thought by reference to our ancient story, Shall we live on our neighbors or shall we live with our neighbors? There is a greater chance today that we will choose the latter than we would have done 30 years ago.

Are we dreaming idle dreams when we speak of a new world built on self-control and self-restraint? The motto of the new Monroe Doctrine and the new Pan American Union, if I have

caught its spirit, is, "In unity there is strength, but only in self-control is there unity." After 30 years some dreams seem to be coming true!

The last 30 years have given the world many an international institution. The outstanding ones are the Council and the Assembly of the League, the Permanent Court of Arbitration, the Permanent Court of International Justice and the International Labor Organization. These institutions are not static. If we view them even during their short lives we discover substantial growth. If we get too close we may become discouraged, because they are very human. In purpose these institutions are complex.

Adhering to the theory that history is a process of change, the first stage of the League's evolution represented a combination of capitalistic nations against a revolutionary Russia. That stage passed with Russia's entrance into the League, and with its passing an entirely new approach to world outlook should have followed. In the Pacific, Russia, although an outstanding Pacific power, was not a party to the Washington Conference and its treaties, this primarily because unconsciously the Washington Conference states accepted the League reaction against Russia. Russia's entrance into the League, like our recognition of Russia, gave Russia nothing which she was not entitled to, for she merely took a place which the covenant makers anticipated, but with her entrance there was a de facto change. Russia was no longer, either consciously or unconsciously, united against. As a naval power she was free to build, while Japan, her nearest neighbor, was bound by treaty. This change should have been apparent to all. I, for one, attempted to make this plain and suggested a consultation of powers bound by our Washington Conference treaties. Not a single editor, and I am sure no official saw my point. Japan had left her place of easy access to the ear of the world when she withdrew from the League. In the matter of China's territorial integrity, Russia again was not bound, although by her own acts she recognized the spirit of the nine-power pact and later assumed the general League obligations. Thus the five-power treaties both needed revision and expansion. But no nation made the suggestion. In Europe sweeping changes brought like results. Changes like these were anticipated by the League framers. Article 19, if properly used, would keep the League a living organism, and that is what it must be if it is to serve long. Even a rigid constitution must not be a static document. Change is life's first fact. A peaceful process, a new idea, a changed stage for action with new relationships should attract the attention of governments quite as readily as do marching feet. Until the world learns this hardest of all social and political rules there will not be prosperity at home or peace abroad.

The world organization is faced with three conflicts which must be settled before the League can become stable:

First. The conflicts growing out of the relation between the League and the treaty of which the League Covenant is a part. One of the chief duties of the League is to aid in the enforcement of treaty provisions. If a treaty provision is unjust and the League attempts to perpetuate the injustice, the League cannot help but fail. Such failures are due to the original injustice. We may illustrate this by our own experience with the treaty. History will record the fact that our country accepted all the harsh, warlike elements of the Treaty of Versailles and dodged responsibility for constructive elements leading to world organization for peaceful process; but it also stands to the glory of our country that we have never attempted to enforce our rights under the treaty. Had we attempted to enforce all our rights or all of Germany's promises under the treaty, our armies would be still in the Rhineland. Has America failed because we did not see that the treaty was respected? The League has done quite as well as we have on that score. Has America failed because the Dawes plan and the Young plan are not working and we are not succeeding in collecting our debts? America has condemned by legal and governmental action the war between Italy and Ethiopia, but the war has gone on. It would be as logical to condemn us as to condemn the League for what is happening. The problem is not easy. I do not blame anyone, but I do blame the useless loss of life and property, the useless misery when these are measured by the accomplishments. It is not the method of international control that is at fault; it is the wrongdoer among the nations. If war is a crime, it should be treated as a crime is treated; if it is a disease, it should be treated as a disease; if it is a thing of glorious honor, let us recognize it as such, repent of the fact that in a moment of thoughtlessness we condemned it, and glorify all that war stands for.

Second. The League idea for maintaining peace in the world is built upon the theory of preponderance—that is, all nations shall unite against an erring one. The alliance idea is built upon the balance theory. The two are in conflict. They do not and will not work together. I need not say more. My point is proved by the facts of today.

Thirdly. The great conflict which must be solved is whether the general theory or the particular right shall prevail. This problem has been our own. Even in our Federal Government we have not yet solved it. There is no way in the United States for the Federal Government to force a State against its will without creating civil war. Therefore, in the policies of world organization there will be no way of coercing a state against its will short of the use of war. If war is resorted to for the purpose of stopping war, war is increased, not diminished. It is on the acceptance of this political fact that I would suggest that we proceed. As long as the parts of world organization are sovereign entities, we must build on them and not upon the general idea. I can illustrate this by pointing out the primary reason why our naval conferences have not attained a more lasting success. We have attempted to approach the naval question in a general way by reducing tonnage, or the caliber of guns, or the number of guns or the instrument of destruction. That is definitely the wrong approach, because it invites substitution and causes the individual nation to attempt to gain advantages within the agreement. For example, if tonnage is reduced in an attempt to control size, a nation may build larger ships by reducing the armor weight.

There is only one rule that I know that can be successful in international relations, and that is that no nation asks another to do that which it itself would not do. Knowing this, why should we not attempt to make governments justify their own policies and their own defensive needs in the presence of other governments, instead of attempting to curb one another. A navy department can justify its need to its own parliament or congress, but never does it speak frankly when it talks to the outside world. Take our own case for example. If we have an idea that we must fight the combined strength of all the fleets in the world in either the Pacific or the Atlantic, let us figure out how many ships, how many men, and how many airplanes it would take to do the job, then go into a conference and say that we need this minimum. It would be very much harder to justify an absurd national policy if nations were made to speak the truth and tell their fears; and when I say "to make governments tell the truth" I trust that no one will quote me as saying that governments maliciously lie. I would, however, like to know for my own satisfaction just exactly what America herself thinks should be her national policy in regard to defense. If all nations expressed themselves openly and asserted their real fears, the cure could be attempted. Until this is done there will not be success in armament or naval conferences.

What are the significant facts that are of interest to the American Society of International Law which are noticeable in 1936 but which were hardly dreamed of in 1906? In 1907 I ran across a Japanese prophecy. It was a very old one. It said that when men should fly like birds, 10 kings would go to war. As men have learned to fly war has assumed a wider concern. I did not dream that I should see that prophecy fulfilled. If the prophecy had read, "When men fly, 50 nations would consult together in one place", I would not have believed that. In the last 30 years we have seen nations willing to leave to third parties the settlement of their differences. We have seen a complete reversal of fundamental theories in regard to national expansion. We have seen small nations justified especially in the minds of their own people when great nations through fallacious theories have brought misery to their own. "The white man's burden", "dollar diplomacy", and the pronouncement that "wherever an American dollar is invested there should be an American battleship to defend it", is no longer uttered by the tongues of statesmen. "Spread-eagleism" has ceased to be universal. America has reversed herself by stressing duties instead of rights in her neutrality policy. The mandate system has been tried and has worked as well in international law as the trustee system has worked in civil law. Neither can be cures for the advantage taker, the corrupt judge, or the dishonest guardian. We have given the Philippines their independence. The futility of war and the fallacy of conquest have been proved.

In 1906 we used to say "tempus fugit." Today we say "time marches on", and there is a difference in the thought behind those two expressions. More men come and go throughout the earth than ever before. The theory of the right to war has at least been tempered. Still there is much to be done. It is only through institutional growth that men go forward. It is not, though, the institutions themselves that count, but the fundamental theories on which those institutions rest. It is in these theories that I rest my hope. Let us put law where law has not been before.

As Shakespeare gives to the devil the right to quote scripture for his own purpose, I have taken liberies with the thoughts of many and used those thoughts for my own purpose tonight. In closing I choose one more. I have used it much of late, for to me it furnishes the key to the success or the failure of present-day international endeavor. In giving you this key I shall expand the ideas of the Greek Sophocles and cause Antigone to say, "It is easy to unite for evil, for war, or for hate; but it is hard to unite for love, for peace, or liberty." Knowing, then, that the problem is a difficult one, where in the last 30 years have we room for discouragement? All institutions which men use today may fail, but the ideas behind them are here to stay. Nations having learned to talk together in one place and states having shown a willingness to leave the settlement of their differences to third parties, the world now awaits a leader to breathe the soul of life into these great ideas that the dreams of the prophets may come true and the plans of the wise be not frustrated.

PROGRAM FOR NATIONAL ECONOMIC RECOVERY

Mr. BURKE. Mr. President, my attention has been called to a program which, its sponsors feel, offers hope in the struggle to find a way to national economic recovery. In brief, this plan is an effort to restore the domestic market for raw materials and labor to American producers and workers and to make intelligent use of our resources—forests, farms, and mines. Those responsible for the program have organized for effective action under the name "Raw Materials National Council." Because of the impor-

tance of the questions involved, careful consideration should be given to every sincere approach to the problem.

Without expressing any opinion as to its merits, I ask unanimous consent to have inserted in the RECORD a brief outline of the proposal.

There being no objection, the outline was ordered to be printed in the RECORD, as follows:

"PRESERVE AMERICA FOR AMERICANS"—A SURE WAY TO NATIONAL ECONOMIC RECOVERY

Here is a program that will stand the test of constitutionality and reason—it calls for no reforms or new taxes.

There is nothing wrong with the United States which cannot be corrected by means of a sound industrial policy and a sensible land-use program.

The good earth itself is the source of all new wealth. Yet millions of Americans, laboring to produce this wealth from forests, farms, and mines, are being crucified for the benefit of special interests.

The power to correct this situation lies in the hands of the people. Protests by individuals and separate groups are unavailing. United action is necessary to break down the conflict of interests which threatens our social stability.

The Raw Materials National Council grew out of the necessity for joint action by the producers of raw materials to preserve the American market for their products.

This organization is composed of representatives of agriculture, mining, oil, chemical, lumbering, and kindred industries working together to improve the economic position of all products of the ground. Its objectives conform to the best American traditions.

THE PROBLEM AND ITS SOLUTION

America's problem is to provide employment for 10,000,000 families now on relief by making proper use of our national resources. This organization proposes to solve this problem by utilizing its full strength to bring about the following program:

1. Immediate invalidation of all reciprocal-trade treaties to which the United States is a party by—

(*a*) Repeal by Congress of the Reciprocal Trade Agreements Act and renunciation of the pacts negotiated thereunder, or

(*b*) Appeal to the Federal courts, if necessary, and

(*c*) Restoration of the treaty-making power exclusively to the United States Senate.

2. An immediate, effective, and adequate upward revision of tariffs on raw-material products of American forests, farms, and mines to the extent that there shall be tariff parity between raw materials and manufactured goods, the purpose being to equalize, insofar as possible, the exchange value of all goods, products, and services in the domestic markets of the United States.

3. Enactment of the necessary legislation to restrict imports of all raw materials and substitutes therefor and manufactured goods to quotas based on the proven actual national requirements of same, and requiring importers of raw materials, unfinished, and semifinished products and substitutes and manufactured goods to obtain a certificate of necessity and convenience from the United States Department of Commerce before engaging in such business.

Fourth. Encouragement of a sound land-use program to stimulate the production of vegetable and fibrous crops which, through applied science, can be readily utilized by industry in place of raw materials now imported or otherwise unavailable. This program, the feasibility of which has been definitely established, will provide a profitable use for 50,000,000 acres of land not needed to grow farm products for foreign markets which no longer exist.

Fifth. Enactment of legislation to require all employers of labor to give preference insofar as possible to native-born and naturalized citizens of the United States, thus properly placing a premium on American citizenship.

Enactment of this program would enable American capital to conserve investments already made in land, mines, forests, and factories by protecting them against unfair foreign competition.

At the same time American capital would be free and have an incentive to develop the latent resources of the soil, forests, and mines of this Nation and to utilize domestic raw materials in the production of industrial goods.

By making use of domestic raw materials in industry employment will be expanded, national buying power will be enhanced and more property will be added to the tax rolls, thus spreading the burden of taxation.

A DEFINITE PROGRAM OF ACTION

To put this program into effect as quickly as possible the Raw Materials National Council has adopted the following plan of procedure:

First. Lend its services and cooperation to Congress in the preparation and enactment of the legislation necessary to render these principles operative.

Second. Counsel has been engaged to institute litigation for the purpose of testing the constitutionality of the Reciprocal Trade Agreements Act of 1934 in the event that Congress shall fail to repeal that measure.

Third. Establishment of associate units of the Raw Materials National Council in every county in the United States to mold and unite public sentiment in behalf of a program of national self-development and full utilization of American raw materials.

Under our democratic form of government the farmers, miners, forest workers, and common laborers have the strength of numbers—and therefore the power of votes—to translate this program into terms of law and economic policy.

Our national welfare plainly calls for an economy of abundance, not scarcity. It is important that we "Buy American." It is essential that we "Produce American."

American exports have never exceeded 10 percent of the total volume of business transacted. Adequate development and protection of our raw materials against foreign competition will create new buying power, which will more than compensate for any possible loss of export business which might result from the change of policy which this council proposes.

Wars grow out of trade rivalries and dependence upon other nations for certain basic raw materials. The pathway to enduring peace clearly lies in the direction of national self-development.

Present economic practices—particularly that of importing cheap war materials—serve to:

(a) Reduce American workingmen to the status of coolie laborers;

(b) Impose conditions approaching peasantry upon American farmers; and

(c) Endanger the security of scores of billions of dollars now invested in agriculture, forests, mines, and processing enterprises which cater primarily to the domestic market.

The work of the Raw Materials National Council is supported by the cooperation and voluntary contributions of persons, concerns, and associations engaged in the production and processing of raw materials produced on American soil and sold in the American market. The council serves as trustee for the funds.

Policies of the council will be determined by conference of interests participating in this movement.

To the end that a fundamentally sound national economy may be established in the United States, without regard to partisan or other affiliations, the Raw Materials National Council invites the cooperation and support of every American citizen affected by the inequitable and uneconomic trade practices which now prevail.

THE POLITICAL SITUATION—ADDRESS BY HON. JAMES A. FARLEY AT CHARLESTON, W. VA.

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. James A. Farley at Middleburg Hall, Charleston, W. Va., April 22, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Let me begin my greeting to the Democracy of West Virginia with the statement that there is not a single cloud on the Democratic horizon.

Every straw that blows points to the reelection of President Roosevelt by a majority that will march in step with his election in 1932, and with the vote of applause and ratification that swelled our membership in the Senate and the House of Representatives in 1934.

Some of you might think the description of a cloudless sky is an exaggeration, in view of the anvil chorus being sounded by the Republican press and orators; but that is not a cloud. It is merely a dust storm, unpleasant to experience for the moment, but having no bearing on the general state of the political weather.

When I mention straws, I do not have reference primarily to the straw votes, so called, though I notice, as doubtless you have, that the prognostications based on this sample balloting that has become such a conspicuous feature of campaigns all tell the same story. They describe the steady increase of Roosevelt sentiment and point clearly to what is going to happen in November.

Straw votes may, and usually do, give a reasonable index to the direction of the public mind, but are no certain indication, any more than the weather report is an invariable guide to tomorrow's sunshine or rain, though it may be calculated on a scientific basis and comes out as prophesied most of the time. The indications I have in mind are very much more tangible than the straw votes. I mean by this that the registration figures, so far as they have been compiled, tell a story, the logic of which is absolute. Let us begin on the west coast. Every county in California shows an increase in Democratic registration of 50 percent, and a corresponding Republican decrease. Keep in mind the circumstance that prior to 1932 the Democratic Party in that State was in a state of almost total eclipse ever since 1916 when it gave victory to Woodrow Wilson for his second term. In 1932 Franklin D. Roosevelt carried the State by a majority of 400,000 votes. What is he going to do out there this year with the Democratic strength increased by one-half and the Republican strength down about the same amount?

Come on east as far as Nebraska and you will find the voting figures pointing along the same line. Next, look at Illinois, where the registration figures on the Democratic side were so vast that Mr. David Lawrence, recently mentioned by the Republican National Committee as a newspaper columnist whose comment fitted in with the G. O. P. publicity program, admitted the other day in his regular column that the Illinois figures showed that the Republicans had no chance for success this year. Like his brother columnist, Mr. Mark Sullivan, he observed that the Republicans' only chance would have been to effect a coalition with the conservatives in the Democratic Party, but conceded that it was too late to think of anything of that kind just now.

I am happy to learn that the result of the registration here in West Virginia yesterday gives the Democratic Party an enrollment

of more than 100,000 over the Republicans. You may therefore rest assured that President Roosevelt will have a majority of at least 100,000 in West Virginia next November, surpassing the great Democratic victories of 1932 and 1934.

Let me digress for a moment and talk a little bit about the hypothetical coalition, which means that the Republicans might have abandoned their position as an independent minority party and produced a hybrid ticket with one of their own as candidate for President and some dissatisfied Democrat as Vice President, or vice versa. They speak of such a ticket as a missed opportunity. Actually there was no such opportunity. No Democrat of any standing would have been willing to lend his name to such a combination. In fact, practically all of those who were mentioned when that dream was being entertained let it be known that even though they differed with the administration on certain of its policies, they were Democrats first of all and would support the Democratic ticket as usual. Moreover, it is very probable that such a ticket would have so offended dyed-in-the-wool Republicans that a multitude of them would have abstained from voting or come over to our side as a token of their disgust at their party leaders abandoning the historic Republican principles. Of course, this is merely an academic question, but it may be of interest because it appears that it will be the only alibi the losing party may be able to suggest for the pale showing it is going to make in November.

Now, let's get off the detour and back to the theme I was discussing. Let's go into the East. Pittsburgh has always been a Republican city. This year, for the first time that I can recall, western Pennsylvania shows more registered Democrats than Republicans. The figures for eastern Pennsylvania have not yet come to my attention, but I will be very much surprised if Philadelphia does not show a corresponding increase in our strength. That has been the trend for some time. They have always elected a Republican mayor in that city, the last one before the present mayor by 400,000 majority. The present mayor only got one-tenth as large a verdict. So we can make a happy guess about what will happen there.

My own State of New York sounds the same note, and I think I can assure you, with no danger of events proving me a false prophet, that President Roosevelt will be returned by the Empire State with a majority greater than that he received in 1932.

Reverting to the Middle West, we find that in the primaries in Wisconsin the vote registered for our candidate exceeded that cast for all Republican candidates for President put together by about 2 to 1.

In estimating the importance of such figures wherever it is possible I like to look at the other side. In the case of Wisconsin I was electrified by reading the comment of Mr. Mark Sullivan in the always anti-Roosevelt New York Herald Tribune. This talented writer and political statistician sought to soften the blow to his party by suggesting that in November, when there would be only one Republican candidate instead of half a dozen opposing Mr. Roosevelt, the Republican vote would be greater. I think that is a brand-new thing, either in politics or mathematics. I seem to recall that in school I was taught that the whole must always be greater than a part. Mr. Sullivan's logic would appear to reason just the contrary—that the vote for one Republican contestant would be bigger than the vote for all the Republican contestants put together.

So you see the political sky looks very rosy to us Democrats. Some of you might think that this would suggest a jubilation rather than a campaign. I sincerely hope that that idea does not become too prevalent.

It has been my experience that the greatest danger in any political struggle lies in overconfidence. Let the feeling get about that the result of an election is a foregone conclusion, and that therefore it is permissible to take things for granted and to abate any effort, not infrequently the result is terrible disappointment. We Democrats must remember that the minority party this year is financed to an extent that dwarfs anything in the history of Presidential elections. Not only has their regular organization a huge fund but its allies, like the American Liberty League, have spent and are spending as much or more than the Republican National Committee. Moreover, as you may have observed, the Du Pont dynasty and its satellite corporation heads and affiliated multimillionaire enemies of the New Deal are financing any fly-by-night organization that anybody has been able to think up. The Lobby Investigating Committee has brought out that it was this same moneyed group that financed the anti-Roosevelt movement in Georgia. That movement was engineered by Mr. John Henry Kirby. He was revealed in a previous investigation as the titular head of two or three so-called leagues, which the late Senator Caraway described as nonexistent, inasmuch as they had no members except the self-named officers who collected some millions of dollars on the pretext of lobbying against various forms of legislation. That committee was never able to find that it had spent any of its collections of consequence except in salaries and donations to some of its own people.

It is easy to laugh at the efforts of some of these political racketeers who are reaping such an abundant harvest from the Liberty Leaguers and their kin. For example, I have recently learned of one group soliciting support for an anti-administration drive on the ground that ours was a Socialist administration and that the Socialists had stolen the party from the Democrats at the 1932 convention. They did not go into details, but the idea conjured up a picture of myself, perhaps with false whiskers, gathering up Socialist delegations and of Senator Carter Glass and Secretary of State Cordell Hull cooking up a Socialist platform, and with the late Senator Thomas J. Walsh, of Montana, and Senator Alben W. Barkley, of Kentucky, presiding over a convention, the bible of which, according to this hypothesis, must have been Karl Marx's "Das Kapital." This particular incident, itself ridiculous, nevertheless indicates the extremes to which the money that is back of the Republican campaign is willing to go. They even financed a campaign in the deep South of which the wife of President Roosevelt was the target. A group that will stoop to such tactics is capable of almost any infamy.

With such an enemy, the Democratic army can never afford to rest on its arms. It has to be alert at all times and never abate its militant activities.

So, while I tell you that every portent points to a stupendous Democratic triumph next November, I must caution you to keep up your work, to hold your organization at the highest point of efficiency, to meet every attack from the other side. Fortunately, we have all the best of the argument. We have a program that, whatever flaws may have been disclosed in its administration, has nevertheless put us on a plane of prosperity that is the admiration and envy of the whole world. Our adversaries have been unable to formulate any kind of a program. About the best they can do is to suggest a shift in words, which is a tacit endorsement of what we have done, and try to convince the people that they are better fitted to carry out this program than we are.

The reason that the Democratic administration continues to have the confidence of a vast majority of our people is perfectly obvious and extremely simple.

President Roosevelt took office with the Nation in as desperate a state as it had ever been in since its foundation. The acts he sponsored have replaced misery with an approach to contentment, have supplanted fear and distress with hope and cheer. You have only to look at the columns of the newspapers—I do not mean the propaganda columns of the Republican press but the business columns, which, as they deal with the plain figures of industries and securities, are not susceptible of such distortion as are the editorial arguments and the inspired headlines on antiadministration speeches. The whole country reflects the advance in business, and your own State of West Virginia shares in this sentiment and will participate in the natural result of an enthusiastic endorsement of the President next November.

You have no need to go far afield to learn the result of the courageous policies that were fathered by the President. Your own newspapers have told the tale, and I would like to read you just a few extracts from the files of your own journals. In 1934 your excellent Republican newspaper, the Charleston Mail, published an interview with one of your department store chiefs, who said:

"It is particularly encouraging to observe that practically every element in the country's population is benefiting by the New Deal." That was in March. In May of the same year (1934) in the same newspaper the announcement was made that "industry improved after being virtually asleep for 4 years." A little earlier the Charleston Mail, editorially dealing with the state of business, remarked that "the optimism in the steel industry is common to most industries. The business pick-up seems to be gaining momentum, with the probability that the next few months will see more rapid advancement."

Let us jump a year, and we find that same newspaper, now so critical of the administration, announcing under the head of "Vast growth for city trade noted", this statement of fact: "Bank debits up forty-three million and volume doubles 1933 total. Industries are working at capacity."

The other newspapers of your State equally indicate how well we are getting along. The independent Wheeling News-Register, also last December, put it this way: "The policy of the New Deal, the program of President Roosevelt, are accomplishing exactly what they were intended to accomplish: First, a restoration of the buying power of the farmer. Second, an increase in employment in industry. Third, a sound and substantial banking condition. All of these things have been achieved and the foundation of enduring prosperity has been laid."

And the Republican Huntington Herald-Adviser, at the close of the year, printed a story reciting as indicative of affairs in this State "the large amount of substantial construction, the big increase in bank debits, a Christmas holiday retail trade that exceeded any in several years. * * * Government spending contributed much toward new construction in Huntington and vicinity."

The increased farm income of your West Virginia farmers is indicated in various ways. For example, according to the Automobile Manufacturers Association, the registration of new passenger cars on farms and in your smaller towns increased 61 percent.

In 1932 West Virginia bought about 12,000 new automobiles. In 1935 it bought 32,700.

The statisticians tell us that $11,000,000 more new life insurance was taken out in this State in 1935 than in 1932. And the railroads report that they have shipped into this and other agricultural States nearly 40 percent more freight than the year before. You had in the West Virginia banks about $45,000,000 more bank deposits at the end of the last fiscal year than in any year previous. And perhaps of more significance is the circumstance that in five important cities of this State, where less than a million dollars was spent in 1933 for building, it had risen to over three millions in 1935.

Statistics are hard to listen to, I know, but in them lies the real explanation of the national faith in President Roosevelt and the complete answer to all that our adversaries have been shrieking

about and will continue shrieking about for the next several months.

What these scolders and calamity howlers talk mostly about is Government extravagance. It would be a miracle, of course, if billions of dollars should be distributed in relief without some imperfections in the distribution. Undoubtedly you have even here some examples of people getting a bundle of food from the Government doles which they could have and should have paid for. It is quite possible that every man on emergency employment—which was deemed a better way of passing out relief than giving a direct dole—has not always done a full day's work for a meager day's pay. But what do these few dollars amount to in comparison with the general good that has kept a multitude from starvation and perhaps from violence.

Do any of you think that the $800,000 your farmers have received in rental and benefits are wasted? Do any of you believe that the $15,500,000 invested through the 43 C. C. C. camps in your State in the conservation and development of your forests and ranges and fire protection, erosion control, and flood control, has been squandered? Hasn't the physical benefit to your State been worth what it cost, without taking into consideration the salvation of 4,000 young men who except for this expenditure would have been left to the perils of vagrancy and the hopelessness of idleness?

In the total of Government expenditures our critics always list the money loaned on homes and farms, to banks and railroads, to the States themselves, as if it represented billions thrown away. An aggregate of perhaps $40,000,000 has been loaned in this way in West Virginia. It will all be paid back to the Government, for all the private loans were guaranteed by the same sort of securities on which your banks are lending money today. As a matter of fact, the Reconstruction Finance Corporation, which is the source of the greater part of this money, is a prosperous concern. Loans are being repaid to it faster than they are being advanced, so that it has today, I am informed, assets of $100,000,000 more than its liabilities.

The cry is raised that these loans have put the Government in business. Yes, the Government is in business. If it hadn't gone into business there wouldn't have been any business, and the Government is going to get out of business as soon as it possibly can. Which means that it will retire from the field as soon as business is able to pay its debts and stand up by itself.

What interests our citizens more than any other circumstance of the industrial situation is how they themselves have fared. You perhaps know that the income taxes for 1935 in West Virginia were approximately $2,000,000 more than in 1934. Nobody is likely to throw up his hat because he has paid more taxes, but when the taxes are translated into terms of income we find that the people of this State had incomes aggregating $30,000,000 or $40,000,000 more than they had last year. And if that does not represent just what your people hoped for when they voted out a do-nothing administration at Washington and voted in a do-something administration, what does it represent?

The job of completely restoring prosperity to this country of ours is by no means complete. We have still to get rid of a lot of unemployment. We have got to get people off the dole and to get things running again so that the ordinary problems of government may proceed unvexed by high taxes and that sort of thing.

Those politicians who are prophesying chaos and the men who are putting up the money for all this propaganda talk about an unbalanced Budget as if that were in itself an appalling calamity. Now just what does it mean? It means that the Government is in debt and that the people hold the amount of this debt. The Government and the people are one, as a matter of fact. The money represented by the red figures on the Treasury ledgers has not been burned up nor thrown into the sea. It has gone into the regular channels of trade and such of it as is not invested is in the bank deposits of our citizens.

In due course of time, provided that there is no interruption in our progress, the Government debt will be cut down in the ordinary, orderly processes of the Treasury. Already because of the refinancing, the burden of the interest charges on the expanded Government debt is less in actual dollars and cents than it was before the depression compelled the Government to spend a lot of money.

There is nothing to worry about, despite the clamors of the opposition. It is perfectly natural that the minority party, anxious to get back into power, should indulge in extravagant and in many cases absurd denunciation of everything the present administration does.

This outfit had its opportunity. The course that President Roosevelt has pursued was open to President Hoover. If he had shown the same courage, resource, and decision that President Roosevelt has shown, we would never have reached the state that the country was in when the new administration came to Washington.

The Republican administration failed us in our extremity. It permitted us to drift into a state of misery and despair. President Roosevelt has lifted us out of that condition and got the business of the Nation to going again. It took a brave man to tackle the problem as he tackled it. It took a wise man to realize that drastic conditions demanded drastic remedies. It took a far-seeing man to visualize the ultimate consequences of his program. Franklin D. Roosevelt had the courage, the wisdom, and the foresight requisite for the job.

It was no surprise to him when, with the return of a measure of prosperity, the greatest beneficiaries of that program turned against him and sought to bring back the era of special privilege. He has faith in the people, even as the people have faith in him. And the result of this mutual appreciation will be that at the next opportunity the country has to testify its feeling it will say to Franklin D. Roosevelt, "You have done a great job, and we want you to go on with it."

And I am just as sure as I am that I am standing here, and delighted to be here, that the voice of West Virginia will be enthusiastic in that popular chorus.

THE CIVILIAN CONSERVATION CORPS

Mr. COOLIDGE. Mr. President, I ask leave to have printed in the RECORD a message from the President of the United States to the members of the Civilian Conservation Corps, which was read over the radio on the 17th instant by Robert Fechner, Director of Emergency Conservation Work, together with a radio address delivered by Mr. Fechner at the same time.

There being no objection, the message from the President and the address by Mr. Fechner were ordered to be printed in the RECORD, as follows:

MESSAGE OF THE PRESIDENT

To the million and a half young men and war veterans who have been or are today enrolled in the Civilian Conservation Corps camps, I extend greetings on this third anniversary of the establishment of the first C. C. C. camp. Idle through no fault of your own, you were enrolled from city and rural homes and offered an opportunity to engage in healthful, outdoor work on forest, park, and soil-conservation projects of definite practical value to all the people of the Nation. The promptness with which you seized the opportunity to engage in honest work, the willingness with which you have performed your daily tasks, and the fine spirit you have shown in winning the respect of the communities in which your camps have been located merits the admiration of the entire country. You and the men who have guided and supervised your efforts have cause to be proud of the record the C. C. C. has made in the development of sturdy manhood and in the initiation and prosecution of a conservation program of unprecedented proportions.

I recall that on July 17, 1933, at a time when the corps was just getting into stride, I predicted that through the C. C. C. we would graduate a fine group of strong young men, trained to self-discipline and willing and proud to work. I did not misjudge the loyalty, the spirit, the industry, or the temper of American youth. Although many of you entered the camps undernourished and discouraged through inability to obtain employment as you came of working age, the hard work, regular hours, the plain, wholesome food, and the outdoor life of the C. C. C. camps brought a quick response in improved morale. As muscles hardened and you became accustomed to outdoor work you grasped the opportunity to learn by practical training on the job and through camp educational facilities. Many of you rose to responsible positions in the camps. Since the corps began some 1,150,000 of you have been graduated, improved in health, self-disciplined, alert, and eager for the opportunity to make good in any kind of honest employment.

Our records show that the results achieved in the protection and improvement of our timbered domain, in the arrest of soil wastage, in the development of needed recreational areas, in wildlife conservation, and in flood control have been as impressive as the results achieved in the rehabilitation of youth. Through your spirit and industry it has been demonstrated that young men can be put to work in our forests, parks, and fields on projects which benefit both the Nation's youth and conservation generally.

FRANKLIN D. ROOSEVELT.

RADIO ADDRESS BY ROBERT FECHNER

On a number of occasions during the last 3 years I have had the pleasure of talking to C. C. C. enrollees and the radio public generally about the Civilian Conservation Corps and the work it is doing to solve the problem of finding employment for enforcedly idle youth and to preserve and develop our natural resources. The first time that I spoke over the radio about this program I told you that we planned to take a vast army of idle young men from the streets of our cities and from depression-hit homes and put them to work in our forests and parks on work projects of a type which would gradually increase the usefulness and value of the Nation's half billion acres of timbered lands. Today, on this third anniversary of the establishment of the first C. C. C. camp, I propose to outline briefly the history of the camps and at the same time give you some of the high lights of our accomplishments. Above all, I want to express my heartfelt appreciation to all of the 1,500,000 young men and war veterans who have been enrolled in camps for their fine cooperation and praiseworthy conduct.

I feel that a major share of the credit for the success of the C. C. C. camps must be attributed to the fact that the boys have adapted themselves so quickly to outdoor work and have maintained such friendly and cordial relations with the communities with which they have come in contact. The fact that we have had

literally thousands of applications for new camps speaks volumes for the conduct of the enrollees and the character of the work they have done.

The cooperation given by communities in the vicinity of the camps has been a material factor in their success. In the beginning many localities protested having a camp placed near them, but this attitude quickly changed and now the protests come when it becomes necessary to close a camp. Many comforts and conveniences for the enrollees have been provided, together with opportunities for social activities. They have in reality been "good neighbors."

The records of the C. C. C. show that every State and virtually every county in the United States has participated in this program during the 3 years it has been undergoing a thorough testing in the laboratory of experience. During this period an average of about 375,000 young men and war veterans, together with about 10,000 Indians, have worked in forests, in parks, on agricultural land, and on flood-control projects. We started out with 300,000 men and at our peak strength we had 519,000 enrolled men at work. Today our authorized strength is 350,000 men and we propose to maintain this strength during the balance of the year. At first the men occupied tents but these have now been replaced with wooden barracks. In recent months we have experimented with portable housing for the C. C. C. and have found it very satisfactory.

The first Civilian Conservation Corps camps were established in national forests and national parks. Later we set up camps in State and private forests, in State park lands, on farms where erosion was beginning to wash away the valuable topsoil, in wildlife refuges, on a few flood-control projects, and on the public domain in the West, where work has been carried on to increase the value of the land for grazing purposes. From the beginning a big majority of the camps have been located on National, State, and private forest lands. In the first year we established 1,462 camps. Later this number was increased to a peak of 2,652 in the fall of 1935. At the present time we have 2,158.

The work accomplished by the C. C. C. organization runs up to enormous totals. I could easily spend the full time allotted me just reading off the detailed work accomplishments as they have been compiled in statistical form for us by the Bureau of the Census. It will suffice, I believe, however, if I call your attention to a few of the outstanding things we have done.

In the first place, the presence of C. C. C. men in the woods and the completion of such physical improvements as thousands of fire towers, thousands of miles of new telephone lines, and thousands of miles of truck trails have resulted in substantially lowering the national-forest fire bill each year that the men of the C. C. C. have been in the field.

Due to the stimulus of the C. C. C. program the States have added hundreds of thousands of acres to their State park recreational areas. Many of these new park lands have been or are now being developed by C. C. C. men. The addition of these new recreational areas and the development of thousands of acres of park and forest lands for recreational use has opened up new opportunities for millions to get out into the open and enjoy themselves during leisure hours.

The C. C. C. supplied manpower needed by the Soil Conservation Service to advance its soil-conservation program. To date more than 2,000,000 acres of agricultural lands have been treated and close to 2,000,000 soil-erosion check dams built.

But as great as the conservation benefits have been, I consider the aid we have given to unemployed youth the most important accomplishment of the C. C. C. program. In the C. C. C. we have not been content to take over the young men sent to us from public relief rolls and simply give them a job. We have furnished each man with wholesome food, comfortable clothing, adequate shelter, medical attention, first-class leadership, a chance to improve his education, and an opportunity to learn by doing. We have improved the health of enrollees, built up their self-respect, and made them better citizens. Each enrollee is paid a cash allowance sufficiently large to enable him to purchase necessities and send $25 a month home to his family. The morale-building value of enabling a youngster to become the breadwinner of his family cannot be overestimated.

The health and safety of the individual enrollee has been stressed by all officials connected with the C. C. C. organization. Our program includes the preparation of a carefully balanced food diet, the vaccination and inoculation of enrollees against contagious diseases, and the placing of constant emphasis on personal hygiene, health, and safety.

Two years ago we initiated an organized safety program to reduce accidents among C. C. C. personnel. This program has been well accepted in the field by both the supervisory staff and enrollees. Through their cooperation we have shown a steady decrease in accidental deaths and lost-time accidents.

The educational work in the camps has been of increasing value and importance. The elimination of illiteracy has been the first objective, and 25,000 men have been taught how to read and write. Enrollees in the camps have found opportunities for practical training along such lines as surveying, bridge and road building, forestry, terracing, landscaping, and auto mechanics. School authorities in many cities and smaller communities have generously offered their facilities to enrollees. This has enabled many of our boys to finish their educational work successfully and to receive formal credit for it. Citizenship and character training are a part of the program in every camp.

The C. C. C. has been able to accomplish much in training and developing capable citizens who understand their duties and responsibilities, who know how to work, who understand the importance of good deportment and the qualifications that are so essential to success in life.

The moral and religious needs have not been neglected. Approximately 300 Army Reserve chaplains devote their full time to C. C. C. religious work. They are assisted by a large number of clergymen of all denominations who have willingly volunteered their services in this work. Religious services are held in the camps and transportation is provided to take the men to nearby churches. Reports regularly submitted show a very satisfactory attendance at these services. In fact, many clergymen express the opinion that many enrollees are now attending services more regularly than before they came to the camp.

Our records show that each year since the C. C. C. camps were initiated close to 500,000 young men have had the benefits of C. C. C. work and training. We have not been able to give jobs to every unemployed youth, but during the last year we have taken care of virtually all young men between 17 and 28 who wanted to enter the camps and whose families were on relief rolls. I am confident from letters I have received and from my own personal observation that the C. C. C. camps have cut down juvenile delinquency, have taught new health and work habits to hundreds of thousands of young men, and have turned out large numbers of youths equipped through training on the job and in other phases of our educational system to make a place for themselves in modern society.

I would like to call the attention of employers to the type of men we are developing in the C. C. C. Our boys are really getting a training that will be distinctly valuable to them and to their future employers when they leave the camps to enter business or industrial life. An honorable discharge certificate from the C. C. C. is a valuable recommendation for any boy. We extend a hearty invitation to employers to visit the camps when they are in need of good men and get acquainted with those in charge for the purpose of offering employment to suitable men.

In conclusion I want to offer my personal tribute to the men themselves—those now in camp as well as those who have completed their enrollment. Their fine conduct and splendid service has made the C. C. C. one of the most popular activities of the Federal Government. It makes it practically certain the camps will become a permanent institution.

You men in the camps have established a tradition of which you may be justly proud. I am confident your pride in the part you have been permitted to play in this organization will be reflected through the years to come. I am proud to have been associated with you.

ALLEGED SEIZURE OF TELEGRAMS

Mr. DICKINSON. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions adopted by the American Newspaper Publishers' Association in their convention at the Waldorf-Astoria Hotel, regarding the activities of the Black Lobby Investigating Committee.

There being no objection, the resolution were ordered to be printed in the RECORD, as follows:

Following is the text of the resolution on freedom of the press, on the Black Lobby Investigating Committee and the Federal Communications Commission for the seizure of private papers of publishers and other citizens, as adopted April 23, 1936, by the American Newspaper Publishers Association in convention at the Waldorf-Astoria:

"Whereas a committee of the United States Senate, under the specious pretext of investigating lobbying, has undertaken a campaign of persecution and harassment against individuals, organizations, and newspapers which have in any manner criticized or opposed Members of Congress or measures before Congress; and

"Whereas the members of the committee and their agents have violated the first amendment to the Constitution by indiscriminate seizures of the telegraph correspondence and press messages of newspapers, which is an infringement of the freedom of the press, and have further violated that amendment by a campaign of intimidation and harassment designed to prevent citizens exercising their right of petition for the redress of grievances; and

"Whereas the members of the committee and their agents have repeatedly violated the fourth amendment to the Constitution by unreasonable searches and seizures and by the use of subpenas of the nature of illegal general warrants; and

"Whereas the committee and the agents have violated the fifth amendment to the Constitution by taking the property of citizens without due process of law; and

"Whereas the committee has been aided and abetted by the Federal Communications Commission in all these violations, through the seizure by the Commission, in violation of the law establishing it and of the opinion of its own counsel in previous cases, of telegraphic messages, which were made available to the Senate committee: Therefore be it

"*Resolved*, That the association commends those persons who by their appeals to the courts to enforce their rights under the Constitution have helped to curb the illegal conduct of the committees and the Commission, and it further recommends that they and all other victims of the illegal acts of the Senate Investigating Committee and the Federal Communications Commis-

sion seek civil damages from the agents of the committee and the members and employees of the Commission for the trespasses against them, and demand the prosecution of all involved in the odious affair under the criminal statutes of the United States."

ACTIVITIES OF LOBBY INVESTIGATING COMMITTEE—EDITORIAL FROM NEW YORK POST

Mr. BLACK. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the New York Post entitled "Freedom of the Press."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Post]

FREEDOM OF THE PRESS

Col. Robert R. McCormick doesn't bear much resemblance to the Statue of Liberty, and his report on freedom of the press to the American Newspaper Publishers Association is about on a level with an American Liberty League release. But it's not a bad idea to have publishers talking about freedom of the press—even if it is for the wrong reasons. They may talk themselves into exercising it.

The horrendous struggle of the American press to preserve its freedom under the Roosevelt era falls somewhat short of tragedy. It began with the N. R. A. code for newspapers. Some publishers who hadn't the courage to tell the truth about the local dog catcher suddenly began to protest that their freedom of expression would be hopelessly hamstrung if they had to pay a minimum of $15 a week to a reporter.

It became a habit. Like many other wealthy men, most publishers didn't and don't like Mr. Roosevelt because he has been trying to give the underdog a break. They began looking under the bed twice daily. Their editorials told how the United States under Roosevelt was just like Russia under Stalin, Germany under Hitler, Italy under Mussolini, and Rome under Nero. They forgot to mention one little difference. They could say so in public.

Howard Davis, of the Herald Tribune, spoke at the A. N. P. A. meeting. He can at least boast—though we never heard him do it—that his paper, unlike Bertie McCormick's, does say a vigorous word from time to time on behalf of freedom of the press for those with whom it disagrees. It did so when District Attorney Dodge tried to clamp down on the Communist Daily Worker.

Davis quoted a remark of Pulitzer's about the importance of a free press. To us the most significant part of that statement was "A cynical, mercenary, demagogic press will produce in time a people as base as itself." The A. N. P. A.'s latest to-do is about the supposed "freedom of the press" of the most "cynical, mercenary, demagogic" chain of papers in the country—the Hearst press.

The A. N. P. A. is terribly worried about dictatorship. So are we. The seeds of trouble in this country are being sown by a network of Fascist and semi-Fascist propaganda agencies parading as voices of the people when they are really barnacles on the purse of Wall Street. The Black committee is showing up these organizations, their real backers, their real motives, their ugly methods, their fake telegrams.

Senator BLACK and his colleagues are cramping the style of these budding Fascist groups, which are the real menace to American liberties. Does the A. N. P. A. have one word of condemnation for their methods? Does it raise its voice on behalf of the freedom of minority groups? No. It seeks to make America's most irresponsible publisher a martyr to freedom of the press.

Mr. Davis had a word to say about those who "believe in free speech only for themselves or for those who agree with them." That applies to both Colonel McCormick and Hearst.

Arthur Hays Sulzberger, of the New York Times, went to the heart of the problem when he stressed the fact that freedom of the press is not merely the right of a publisher to print or misprint whatever he chooses but also the right of the people to have "accurate news, fairly presented."

Our friends at the A. N. P. A. quoted Alcæus, Aristotle, Seldon, Milton, Hobbes, Locke, and other dead worthies. They cited Wilkes and other dead heroes of the free press. What are they going to do about live issues and live heroes? What about the Tampa murder, Angelo Herndon, Tom Mooney, and the struggles of the Arkansas sharecroppers?

So long as readers continue to see large sections of our press bending the knee to any wealthy interest, suppressing this, and distorting that, hounding reformers, slandering labor, keeping silent in the face of suffering and deception, the public isn't going to take these crocodile tears about "freedom of the press" very seriously.

It is characteristic that the A. N. P. A. held its great forum on freedom of the press behind closed doors and gave out canned releases to the press.

REGULATION OF COMMODITY EXCHANGES

Mr. POPE. Mr. President, I desire to discuss for a time House bill 6772, known as the commodities exchange bill. This bill to amend the Grain Futures Act has been before the Senate for some time, having passed the House of Representatives last year. A similar bill passed the House in 1934. The bill has the hearty and widespread support of the people of the West, and particularly in my section of the intermountain country. The measure also has the support of the Secretary of Agriculture and the administrators of the Grain Futures Act. Most of the provisions of this measure have had the support of former Secretaries of Agriculture.

The inadequacy of the original Grain Futures Act has been realized by the administration and by the public generally for some years. More than 12 years' experience in the administration of the law has disclosed the defects and shortcomings of the original act. Under it and its interpretation by the courts certain vicious practices are permitted which it is the purpose of this bill to correct.

THE SCOPE OF THE ACT ENLARGED

In the first place, it is thought advisable to enlarge the scope of the act to reach trading in additional commodities. The present law, which was passed in 1922, limits its application to trading in wheat, corn, oats, barley, rye, flax, and sorghum futures. The term "grain" is there defined to include only these commodities. It is proposed in the present bill to change the word "grain" to "commodities" and define it as including in addition to the products included in the original act mill feeds, rice, butter, and eggs. As the bill came to the Senate from the House it also included cotton, but the Committee on Agriculture amended it by striking out the word "cotton" and by adding an amendment modifying the Cotton Futures Act.

Mr. CONNALLY. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Texas?

Mr. POPE. I yield.

Mr. CONNALLY. Let me say to the Senator that, while the Committee on Agriculture and Forestry took cotton out of the bill, a very large number of Senators want cotton included in the bill. We are anxious to have the bill brought up for consideration. We want it considered. We are opposed to the Senate committee amendment which undertakes to strike cotton out of the bill. We think it ought to be in the bill.

Speaking for myself alone, I merely desire to express the view that while we favor the passage of the commodities exchange bill as it came from the House, we are opposed to the action of the Committee on Agriculture and Forestry in striking cotton from the measure. We propose to fight to retain cotton in the bill.

Mr. POPE. While that is the action of the committee, there are many members of the committee who are in favor of retaining cotton in the list of commodities to be covered by the bill.

The reason for broadening the scope of the act by including the additional commodities is that the same practices exist in trading in futures of such additional commodities as in those contained in the present law. It is possible that still other commodities might be properly added, but a substantial demand has arisen to include in this bill the additional commodities referred to.

At this point I desire to refer particularly to the demand to include butter and eggs, as it was made in the recent hearings. In the testimony of Mr. Donald Kane, attorney for the National Milk Producers Federation, composed of 55 cooperative dairy marketing associations throughout the United States, he introduced a letter written by the general manager of the Dairy and Poultry Cooperatives, Inc., Chicago, Ill. The letter reads in part as follows:

> We are quite anxious dairy and poultry products be included in the exchange bill. * * * While the produce exchanges have not been apparently subjected to as much "skullduggery" effecting the interests of the producers as has been the case with grain, cotton, and some other projects, it is now a noticeable fact the big grain firms on the Chicago Board of Trade are taking membership in the Chicago Mercantile Exchange. It is our opinion if certain practices are denied them in connection with the grain, cotton, and other commodity exchanges, they will transfer their operations largely to the mercantile exchange and put into effect these same practices that have proven so detrimental to the producers in the other exchanges.

SPECULATION LIMITED

In the present law a member of a contract market—which is a term used for a designated commodity exchange on which trading in futures is permitted—is prohibited from manipulating or attempting to manipulate the market and is prohibited from making false reports. The penalty for such violations of the act is the taking away of privileges of a member in the market. Section 6 (b) of the present law provides that such penalty can be imposed only when the trader "is violating the provisions of the act." In other words, the present tense is used. Violations must be going on at the time the complaint is filed.

In the well-known case against Arthur W. Cutten this defect in the law became glaringly apparent. In the complaint filed against Cutten in 1934 it was alleged that in 1930 and 1931 he had violated the regulations made pursuant to the Grain Futures Act. He had failed to report to the administration his net position in futures owned and controlled by him in excess of 500,000 bushels of wheat, corn, or oats, and in excess of 200,000 bushels of rye, or barley, as the regulations provided. It was further alleged that in order to evade these regulations he split his trade into 35 accounts and carried some of these accounts in the names of relatives and associates. It was alleged that on 130 days in 1930 and 110 days in 1931 he had trades in a single wheat future equal to or in excess of 500,000 bushels.

It was further alleged that his purpose in concealing his position in the market was to manipulate the price of grain and thereby make large profits.

The Commission found that he had violated these rules and regulations under the Grain Futures Act and that an order should be entered to refuse him trading privileges for a period of 2 years.

An appeal was taken to the United States Circuit Court of Appeals, and the case was decided by that court in 1935. A writ of certiorari is now pending in the United States Supreme Court.

The court held that Cutten—

> Repeatedly, knowingly, and intentionally, during the deep depression years of 1930 and 1931, when agriculture was waging its losing battle for existence on account of low and ever lower prices, violated and flouted that provision of the rules and regulations promulgated pursuant to the authority of the statute which required him, as a dealer, to report the fact that he was short more than 500,000 bushels in any one future.

The court held, however, that since the law, as expressed in section 6 (b), is in the present tense, and the wrongdoings complained of were shown to have been committed some 2 years prior to the institution of the proceedings, there was no right to cancel the member's privileges in the market.

In the course of the opinion the court said:

> It is admittedly rather difficult to understand why Congress would, when dealing with the punishment of a board, include past as well as present violations, whereas in section 6 (b) when dealing with the punishment of an individual trader, it provides for punishment only when such person "is violating" or "is attempting to manipulate the market."

For many years the name of Arthur W. Cutten was in the headlines of grain-market news. When business was lagging in the outlying offices of Chicago commission firms, a whisper that Cutten was buying wheat would cause orders to start rolling in from all over the country. Mention was seldom made that Cutten was selling. He was referred to as a "friend of the farmer", always on the buying side, always helping to boost prices. So anxious was he to establish his reputation along these lines that in 1932 he engaged a talented writer, Boyden Sparkes, and published a series of articles in the Saturday Evening Post proclaiming his virtues as a farm benefactor and severely criticizing the Grain Futures Administration because of its interference with his business.

The real nature of his operations was finally disclosed when the Grain Futures Administration, in conducting a general survey of the market in 1932, discovered on the books of commercial houses a number of accounts belonging to Cutten but carried in the names of relatives and friends. A more complete investigation followed and resulted in charges against him for violation in 1930 and 1931 of the Grain Futures Act.

During this period the Federal Farm Board was spending millions of dollars in trying to sustain a fair price for wheat. Readers of his articles in the Saturday Evening Post might have expected Mr. Cutten to assist in this effort of the Farm Board, but during that period he was a consistent short seller. His short sales amounted to more than 73,000,000 bushels. At one time he was short 7,525,000 bushels. In 1930 he was short 79 percent of the time and in 1931, 89 percent of the time.

On February 23, 1930, Secretary Hyde sent him a telegram, as follows:

> It is reported to me that you have been operating on the bear side of the grain market and that these operations have contributed to the collapse of the market. I have no right or authority to suggest any course to any businessman in his own business, but just in the public interest, if you could abandon such a course it would help many thousands of people in a time of distress. If the report is not true, then disregard my anxiety in the matter.

To this telegram Mr. Cutten, on February 25, 1930, replied as follows:

> Your wire received, and your information misleading. I have not been very active in the markets. My activity for the last 2 weeks consisted of selling about 400 privileges each way. I don't think I have sold a bushel of wheat during that time except to protect the trades put.

Now, let us see what the position of Mr. Cutten was at the very time he sent that telegram.

The record shows that on the very day Mr. Cutten sent the above telegram to Secretary Hyde he was short in Chicago wheat futures to the extent of nearly 4,000,000 bushels.

As the law now is, a speculator may go into the market, violate the rules of the exchange and of the Government commission, manipulate the trading, make false reports, corner the market on some commodity, and make millions of dollars in profits; and if he gets all that done before a complaint is filed against him he may escape without any penalty. In the event he is caught he may only be denied the privileges of the market for a period of 2 years. He may very well spend that time cruising in placid waters, enjoy his profits, and be ready for another foray at the end of 2 years.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. ROBINSON. That situation is due, as I understand, to the interpretation placed by the court on the existing law; namely, that it is not applicable to past acts, to offenses which have been completed, but only to those which are in progress.

Mr. POPE. The Senator is entirely correct. If the offenses complained of are not taking place at the time the complaint is filed there is no power on the part of the Commission or anybody else to penalize the offender.

The present bill amends the law by making it applicable to past offenses, and enlarges the penalty to a maximum fine of $10,000 and 1 year's imprisonment, besides losing trading privileges in the market. It is thought that the prospect of a year in Federal prison instead of 2 years of balmy ocean breezes for such market manipulations might be considerably less attractive.

On July 19 and 20, 1933, there was a sensational price collapse, in which Chicago wheat futures declined about 25 cents and corn futures 18 cents. The Chicago Exchange was closed. An investigation by the Grain Futures Administration disclosed the fact that this—

> Resulted principally from the activities of not more than 10 traders who control 15 large speculative accounts and gradually accumulated inordinately large holdings of both wheat and corn futures during the week preceding the collapse; that a large portion of these tremendous holdings was suddenly dumped upon the market.

It was found that there were 30 speculative accounts in Chicago wheat futures and 21 in corn futures, each of which amounted to 1,000,000 bushels or more at some time during the period from June 14 to June 31, 1933.

The report of the investigation concludes with this statement:

> This economic catastrophe again demonstrates conclusively that a concentration in large accounts of too great a portion of the total open commitments in grain futures is virtually certain to result in erratic price movements, irrespective of whether such inordinately large accounts be on the long side or the short side of the market.

In other words, the power to engage in unlimited trade on the exchanges permits a few speculators to create widespread disaster throughout the country. In this bill the power is given to the Commodity Exchange Commission, consisting of the Secretary of Agriculture, the Secretary of Commerce, and the Attorney General, to fix limits on the amount of trading under contracts for future delivery. This is contained in section 5 of the bill.

Mr. NORRIS. Mr. President, will not the Senator go on and enlighten the Senate as to what happened when the authorities undertook to arrest and try the guilty parties under the then existing law? I understand that situation is one of the things which the new bill undertakes to remedy.

Mr. POPE. I will say to the Senator that just a few moments ago, in a colloquy with the Senator from Arkansas [Mr. ROBINSON], that was brought out, and is in the RECORD.

Mr. NORRIS. Very well.

Mr. POPE. Instances of the effect of excessive trading in futures have been observed during the administration of the original act. For instance, in 1931 Thomas M. Howell effected a corner in 1931 July corn. With some associates he accumulated a long interest in corn futures of over 8,000,000 bushels. This amounted to 57 percent of the total July corn contracts. In addition to the purchases of futures, Howell purchased actual corn totaling 322,330 bushels, thus making it more difficult for others to deliver actual corn against his holdings of July futures. He "squeezed" those who had sold the market short, which resulted in a price advance in corn during the last 3 days of July from 58 cents to 72 cents per bushel. This was followed, of course, by a serious price decline. A complaint was filed against him, and his case is now pending in the circuit court of appeals on much the same question of law as was involved in the Cutten case. He claims to have got out of the game just before the complaint was filed.

The amendments contained in this bill would give to the Exchange Commission power to limit such trading, and, in a large measure, prevent such conduct. There is also a provision in the bill giving the Secretary of Agriculture power to extend the time limits within which grain may be delivered on future contracts. The maximum time limit provided in the bill is 10 days. This is found in section 7 of the bill. The obvious purpose of that is to give an opportunity for delivery when there is actually in the warehouses not enough grain to fill the future contracts, where call has been made.

Mr. SMITH. Mr. President, may I ask the Senator a question?

Mr. POPE. I yield.

Mr. SMITH. The limitation as to notice also provides a length of time in which the purchaser may find buyers for his purchases?

Mr. POPE. Yes.

Mr. SMITH. That is very essential, because under the present rule the purchaser has only a day or two, and if he is unable to take the grain within that time, he is penalized, and it is then retendered. This provision is designed to give the purchaser time enough to resell his purchases?

Mr. POPE. Yes; the Senator is quite correct. That provision also is in the present bill.

HEDGING EXEMPTED

Bona-fide hedging transactions are exempted from the limitations as to the amount of such trading, and bona fide hedging transactions are defined to mean "sales of any commodity for future delivery on or subject to the rules of any board of trade to the extent that such sales are offset in quantity by the ownership or purchase of the same cash commodity, or conversely, purchases of any commodity for future delivery on or subject to the rules of any board of trade to the extent that such purchases are offset by sales of the same cash commodity."

The important thing in that connection is that on one side or the other of these transactions exists a cash commodity, and as the cash commodity is necessarily limited in amount, the future trading would be limited to the amount of the cash commodity.

Mr. SMITH. Mr. President, I was not present in the committee when the bill was being considered, and I should like to ask the Senator whether he means to say that no limit on the amount of hedges placed against the ownership of the actual physical property is proposed?

Mr. POPE. Yes; that is exactly the effect of the bill.

Mr. SMITH. At the proper time, when the bill is being considered, I think a limitation should be provided. I do not desire to take the Senator's time now, but it is inevitable both in the textile and grain markets that individual firms may own such a vast amount of grain, actual physical grain, or cotton as to have practical control of the market. Therefore I think the bill should be amended so that there may be a greater number of actual bona fide hedges against the ownership of the actual commodity, but that also should be limited.

Mr. POPE. Mr. President, the definition in the bill does not materially change the present law, but it makes it more specific.

Mr. MURPHY. Mr. President——

The PRESIDING OFFICER (Mr. SHIPSTEAD in the chair). Does the Senator from Idaho yield to the Senator from Iowa?

Mr. POPE. I yield.

Mr. MURPHY. I think it desirable at this point in the Senator's discussion to emphasize that the bill does not seek to interfere with legitimate business transactions. The desire is to permit large processors to buy the actual grain they may need in their business and to sell hedges against that grain. The bill seeks further to limit them to their actual needs in respect to their operations.

Mr. POPE. In this amendment ownership of a commodity is declared to include byproducts and commodities to be raised within 12 months on land owned or leased by the hedger. That is a rather interesting interpretation of ownership.

There is a difference of opinion as to the value of hedging in the marketing of commodities. It is safe to say, however, that most of those who engage in these transactions strongly support the practice as a means of protection for those who purchase or sell large quantities of such commodities for future delivery. It is widely claimed that this practice stabilizes the market price of such commodities and affords needed protection.

The Grain Futures Administration is of the opinion that hedging properly defined and limited is a legitimate protection against the risks from fluctuation in commodity prices. It does not involve speculation to any undesired extent, and the public is not injured. It is pointed out that when the exchanges were closed during the war, fluctuations in price were great and there was no protection against the risks taken. It is further pointed out that prices paid to the actual producers of commodities are necessarily lower because dealers in these commodities are required to protect themselves by paying lower prices to the producers. It is claimed such hedgers have no interest in manipulating the market or influencing commodity prices. This is the reason why hedging is excepted from the limitations that may be placed upon purely speculative trading.

REGISTRATION OF BROKERS REQUIRED

This bill further provides for the registration of commission merchants and floor brokers, and power is given to the Secretary of Agriculture to revoke or suspend any such merchant or broker from activity in the market. Certain requirements are exacted of them in the way of reports to the Secretary of Agriculture and the keeping of books and records pertaining to their transactions. The present law does not contain these provisions. They are desirable.

PROTECTS MARGIN DEPOSITS

In the administration of the original act, it has developed that margins paid by buyers and sellers to commission merchants have been intermingled with the funds of these merchants, and have been used by them in the conduct of their own business. They have not been held intact for the benefit of the traders. It further appears that certain favored dealers have not been required actually to put up the money for margins, and have been extended credit in that respect. This gives these favored dealers an advantage. In some instances, large commission firms have become bankrupt and the funds placed with them by a large number of dealers were lost.

In October 1935 the E. F. Carlston Co., commission merchants, of Minneapolis, discontinued business. This company withdrew from the Minneapolis Chamber of Commerce, thus placing itself outside of the reach of the Grain Futures Administration. It refused to permit an examination of its books. Farmers and country elevator companies had deposited margins in a large amount. This company had used the funds, commingled them with its own money, and, when the company failed, there was a loss of most of the money so deposited. It was testified the other day at the hearings that an offer of some 30 cents on the dollar was made recently by this company to the depositors. The same situation existed in the failure of the Rosenbaum Grain Co., of Chicago, which held margins of approximately $750,000.

This practice is prohibited by the pending bill.

In section 44, subdivision 2, this measure provides that any commission merchant, in soliciting or accepting orders for the purchase or sale of any commodity for future delivery, "shall, whether a member or nonmember of the contract market, treat and deal with all money, securities, and property received by such person to margin, guarantee, or secure the trades or contracts of any customer of such person, or accruing to such customer, as a result of such trades or contracts, as belonging to such customer."

This section further provides that "such money, securities, and property shall not be used to margin or guarantee the trades or contracts or to secure or extend the credit of any customer or person other than the one for whom the same are held."

The section goes on to provide, however, that any such customers' deposits may be commingled with the deposits of other such customers and may be withdrawn by the commission merchant and applied to the payment of commissions, brokerage, interest, taxes, storage, and other charges lawfully accruing in connection with such contracts and trades, but the bill does not prohibit such customers' deposits from being intermingled with the funds of the commission merchant as the bill now stands and as it came from the House of Representatives.

The Secretary of Agriculture, in his letter to the chairman of the Committee on Agriculture and Forestry, suggested that this language be changed so as to permit the commingling of customers' deposits with each other, but prohibiting any commingling of such deposits with the money of the commission merchant.

This amendment to the present bill would seem to be desirable, and it will be offered at the proper time. I have consulted with a number of the members of the Committee on Agriculture and Forestry and they have approved the amendment. It seems to me desirable that the funds of the commission merchant be kept entirely separate from the deposits of the customers.

PROHIBITED FRAUDULENT PRACTICES

Under the administration of the original Grain Futures Act certain transactions have been found that lend themselves to cheating or fraudulent practices.

In section 4 (b) of the bill it is made unlawful, generally, to cheat, make false reports, deceive by any means, or handle bucket orders on the futures market, and in section 4 (c) specified practices are prohibited. These practices are called wash sales, cross trades, accommodation trades, privileges, indemnities, bids, offers, puts, calls, advance guaranties, and decline guaranties.

Wash sales are pretended sales made openly in the pit or trading place for the purpose of deceiving other traders. They are employed to give a false appearance of trading and to cause prices to be registered which are not true prices. They may be entered and recorded as real trades, but by agreement between the parties privately are either canceled or washed out by other trades.

For example, Floor Broker A, wishing to buy May wheat when the market is 95 cents per bushel, will offer May wheat at 94⅞ or 94¾, being sure that his confederate, B, gets the sale. Such sales may induce bona-fide offers at the lower prices, whereupon A turns buyer. In the meantime his fictitious sales are forgotten or washed out by offsetting trades.

Cross trades are fictitious trades recorded and cleared through the exchange clearing house as real trades. They are a device commonly employed by floor brokers for becoming buyers in respect to selling orders of customers, and vice versa. They take the form of a recorded double purchase and sale between two brokers. Each broker is recorded as having bought from and sold to the other the same quantity of the same future at the same price.

For example, Broker A is put down as seller to Broker B for 5,000 bushels of May wheat at a dollar a bushel and is also put down as buyer from B of 5,000 bushels at a dollar a bushel. The transaction appears to be without purpose and without effect; but A, having made an actual sale of 5,000 bushels of May wheat for a customer, at, say, $1.01, reports to his commission firm that the customer's order has been executed at a dollar. Thereupon he switches the sold side of his own dollar cross trade for the actual $1.01 sale for the customer, and takes a profit for himself of the 1-cent difference which should have been added to the sale price for the customer. In this example, of course, it is assumed that there is a 1-cent fluctuation in price while the customer's order is in the hands of the floor broker, and before he reports execution. That sort of thing is prohibited by this bill.

An accommodation trade is a transaction between two commission houses whereby, one being long with the clearing house and the other being short, the one that is long sells to the one that is short enough of a given future to give each house an even or nearly even position, thus reducing the amount of the margin to be put up with the clearing house. At some later date another transaction is made, unwinding and undoing the first transaction. In the meantime, each house has had free use of the margin money put up by its customers without having to redeposit it with the clearing house. Clearing houses require margins only on net positions, so that where a commission firm has customers both long and short in equal or nearly equal positions, the firm as such has little or no net position with the clearing house. Such a practice would also be prohibited.

Privileges, indemnities, bids, offers, puts, and calls are option contracts wherein, for a relatively small money consideration, the buyer of a privilege or indemnity obtains the right during the next day or during the next week to buy or sell, as the case may be, a stated amount of a given commodity for future delivery at a then stipulated price. A privileged contract giving the buyer the right to sell is called a bid or a put, and the right given to buy is called an offer or a call.

For example, for $6.25 one may, after the market closes one day, buy a bid good the next day entitling him to sell 5,000 bushels of May wheat at, say, 95 cents. The market may have closed at 96 cents. After it opens up the next day at, say, 94 cents, or sells at 94 cents at any time during that day, the buyer of the bid will buy 5,000 bushels of May wheat at 94 cents and exercise his bid option to sell at 95 cents, thus making a profit of $50—less commission—on a $6.25 investment. An offer or call is exactly the reverse of this process.

In advance or decline guaranties, the seller of the contract guarantees to make good the difference between the stipu-

lated price and the price at which some named future sells at any time the buyer may select during the specified period.

It can readily be seen that all these practices are pure gambling, just as the running of a bucket shop, and they are prohibited by this bill. In examining the reports of the Grain Futures Commission during the past several years, I have been surprised to find the large extent to which certain speculators on the exchanges have been engaged in these practices. At times it has run as high as 90 percent of all the business done by a speculator during a given period. All fictitious transactions are prohibited by this bill.

PROTECTION FOR COOPERATIVES

This measure would afford protection to cooperative associations of producers, as provided in section 9 on page 22 of the bill. The present law requires the admission to contract markets of cooperative associations complying with certain statutory conditions. The amendment would prevent the arbitrary suspension or expulsion from membership of such cooperatives by commodity exchanges; and it would not be possible to deprive cooperatives of the rights and privileges of contract market membership pending action by the Commission or the courts. The bill proposes to amend the present act so that the rights of cooperative associations on exchanges shall be expressly preserved pending such appeal.

It is well known that the commodity exchanges are, as a rule, hostile toward cooperative associations of producers; and under the present law a charge, however baseless, might be lodged against a cooperative, and it would be suspended from trading on the exchange pending the determination of an appeal, which might last 2 or 3 years. Since considerable time might elapse before the charge could be disposed of, substantial losses might be incurred by the cooperative, when often the charges might be baseless.

CEASE AND DESIST ORDER AUTHORIZED

Under the present act, the penalty for its violation by a commodity exchange is the suspension or revocation of contract market designation by the Commission created by the Grain Futures Act. The imposition of such penalty would penalize innocent producers by closing their markets. This situation would be remedied by the present bill, which provides that in lieu of revoking the designation of a contract market, which would have the effect of closing the market, the Commission may direct the market to cease and desist from its violation of the act in the particular complained of; failure of the market to comply with such cease and desist order subjecting it to a fine of not more than $10,000, or its officers to imprisonment for not more than 1 year, or both such fine and imprisonment.

This amendment to the present act would seem to be wholly desirable in the interest of the producers and traders utilizing the exchange.

SECRETARY OF AGRICULTURE TO PROCEED AGAINST VIOLATORS

Under the provisions of section 6 (a) of the present act, trading privileges on contract markets may be denied to violators of the act only by order of the Commission created by the act. The bill amends this section so as to empower the Secretary of Agriculture to proceed against violators other than a contract market, and thus obviate the necessity of convoking a commission composed of three members of the President's Cabinet. This would expedite the administration of the law, and would remove from consideration a number of individual infractions of regulations for trading on the exchange.

SUGGESTED AMENDMENTS

The Secretary of Agriculture has suggested two other important amendments to the present bill. On page 19, following subparagraph (6) of section 5 (a), it is suggested that another subparagraph be added and designated as (7). This amendment to the present bill will be offered at the proper time. It would read as follows:

(7) Require that receipts issued under the United States Warehouse Act (U. S. C. title VII, secs. 241–273) shall be accepted in satisfaction of any futures contract made on or subject to the rules of such contract market without discrimination, and notwithstanding that the warehouseman issuing such receipts is not also licensed as a warehouseman under the laws of any State or enjoys other or different privileges than under State law: *Provided, however,* That such receipts shall be for the kind, quality, and quantity of commodities specified in such contract, and that the warehouse in which the commodity is stored meets such reasonable requirements as may be imposed by such contract market on other warehouses as to location, accessibility, and suitability for warehousing and delivery purposes.

The purpose of this amendment is to give the privileges of the United States Warehouse Act to customers of the exchanges who are not licensed under the warehouse laws of the State in which the exchange is located. It is believed that the United States Warehouse Act gives ample protection to all who are connected with the exchange, and that the imposition of discriminations against customers is unfair, and works to the disadvantage of the customers and to the public generally.

This has to do particularly with wheat, to which reference was made a few moments ago, because in State-licensed warehouses oftentimes there is not enough storage capacity to comply with the demand for actual delivery at the end of a month.

The other important amendment proposed by the Secretary of Agriculture has to do with subsection (2) of section 6 (a), appearing on page 23 of the present bill. It is a substitute for subsection (2) and provides that—

No rule of any board of trade designated as a contract market shall forbid or be construed to forbid the payment of compensation on a commodity basis or otherwise by any federated cooperative association to its regional member association for services rendered or to be rendered in connection with any organization work, educational activity, or procurement of patronage, provided no part of any such compensation is returned to patrons (whether members or nonmembers) of such cooperative association, or of its regional or local member associations, otherwise than as a dividend on capital stock or as a patronage dividend out of the net earnings or surplus of such cooperative association.

As the bill now stands subsection (2) is not quite clear because of the use of the words "producer patrons", and might permit compensation to be returned to patrons of such cooperative association and would amount to a rebate to the seller of commodities to such association.

This sort of purchasing, that is where rebates are allowed, would be unfair to other members of the exchange, and would probably produce a chaotic condition in the market. It does seem fair and reasonable to permit the payment of compensation to regional member associations by the federated cooperative association on a commodity unit basis. The services of such regional associations are valuable and compensation is reasonable, but to give some portion of this compensation to the customers of the regionals does not seem either fair or reasonable. It is this point with which the Secretary's amendment deals and makes clear. I expect this amendment also to be offered to the bill at the proper time.

The present Grain Futures Act has been upheld as to its constitutionality by the Supreme Court in several cases. The regulations contained in it have been held to affect the national public interest and have been held to fall within a proper regulation of interstate commerce.

The amendments contained in this bill and those suggested by the Secretary of Agriculture, to which I have referred, would seem very clearly to fall within the decisions of the Supreme Court upholding the constitutionality of the original act.

It may be interesting to observe that of the total volume of future trading in all commodities on all markets in the United States, about 70 percent is in grains and about 20 percent in cotton. Trading in wheat futures accounts for about 85 percent of the trading in all grains and about 64 percent of the trading at Chicago in wheat. About 99 percent of the trading in grain futures takes place at four markets, Chicago, Kansas City, Minneapolis, and Duluth. The annual volume of trading in all grains on the Chicago Board of Trade is from eleven to twenty-eight billion bushels per year. In the case of wheat the volume of trading in futures is from six to sixteen billion bushels or from 8 to 24 times the size of the United States crop. Speculation

and hedging orders flow into the Chicago market from all parts of the world. The trading is largely speculative. Only a small percentage of the volume of trading represents hedging transactions. It has been suggested that only 5 percent of the trading in futures is in hedging transactions.

Less than 1 percent, on the average, of contracts for the future delivery of wheat on the Chicago Board of Trade are settled by delivery. Hedgers use the market only for protection purposes and do not ordinarily make deliveries.

In a survey conducted by the Grain Futures Administration as of September 29, 1934, it was found something like 18,000 persons had a market interest in the wheat or cotton futures on the Chicago Board of Trade. Nearly 2,000 of these were classified as farmers. It is interesting to note, however, that all occupations are represented, including bakers, bankers, cooks, clergymen, doctors, hog buyers, hostesses, jewelers, lawyers, nurses, pugilists, plasterers, seamen, scientists, waitresses, and watchmakers.

Investigation of the Grain Futures Administration indicates that it is the small traders—those who take positions in the market of less than 100,000 bushels—that not only absorb the hedging sales but who furnish the real support for future trading in grains. In the main their trading is so diffused and scattered that as a body they lend a stabilizing influence.

In the September 29 survey it was found that the long interest in Chicago wheat futures of 146,000,000 bushels was held by approximately 10,000 traders and the short interest of the same amount was held by approximately 3,500 traders. This means that there were 10,000 traders holding an average long interest of 15,000 bushels and 3,500 traders holding an average short interest of 32,000 bushels. There is a widespread public interest attached to the business of future trading. The very nature of the business is such as to make it fraught with temptation for those who are disposed to take unfair advantage. In no other business is there found the same combination of circumstances and profit possibilities to tempt the unscrupulous.

It is the purpose of this bill to reduce to a minimum the possibility of unscrupulous trading and to permit the benefits of such trading to be obtained by those entitled to them.

There can be no defense for such fraudulent practices as have been pointed out in transactions in these grain exchanges. The present law does not reach them. These markets are extremely sensitive. A false or misleading statement or fictitious trading may in a few minutes turn thousands of dollars into the pocket of some unscrupulous trader, as illustrated by the example I gave a few moments ago. At the same time it may cause millions of dollars in loss to farmers and others affected by a fictitious price movement. Large speculators may temporarily upset the whole price structure.

The Grain Futures Administration has found in the case of Chicago wheat futures, speculative lines, either long or short, in excess of 2,000,000 bushels are a threat to market stability. There have been within the last few years and since the passage of the original Grain Futures Act, speculative lines in excess of 10,000,000 bushels held by a single individual.

At best, with all the safeguards possible to be thrown around transactions in futures, these market exchanges possess possibilities of manipulation to the advantage of the shrewd and unscrupulous trader with corresponding loss to the thousands of producers who are innocent victims.

If it be true that there are advantages in commodity exchanges, that the price to the farmer is stabilized by bona fide hedging transactions, and other proper forms of trading, it certainly cannot be contended that fraudulent, fictitious, and cheating practices are justified from any standpoint. The farmer has enough difficulties, enough discriminations against him, enough suffering as the result of natural obstacles to his industry, without subjecting him to manipulations of his commodity markets by unscrupulous and cheating operators on the grain exchanges in this country.

I trust this bill will be passed by the Senate at the earliest possible date.

REGISTRATION OF VOTERS IN PITTSBURGH, PA.

Mr. DAVIS. Mr. President, I wish to make a further statement regarding an article from the Pittsburgh Press of April 14 concerning registration of voters in Pittsburgh which was introduced on April 20 by my colleague [Mr. GUFFEY].

On April 21 I said in reference to this article:

> My colleague asserts that the article in the Pittsburgh Press shows how the Republican lead in registration has been reduced. Having read the article carefully and observing the statistics given, I fail to see any explanation as to how the reduction in the Republican registration was accomplished.

I now have discovered why by reading the material which my colleague introduced into the RECORD I was unable to find an explanation of this change in registration. I find that the explanatory part of this news article was omitted. I wish now to read the part which was omitted, and to ask that that article in full be printed at the conclusion of my remarks.

The Pittsburgh Press, notably friendly to the administration, explains the change of registration, as follows:

> Under pressure to qualify themselves to vote for Mayor William N. McNair and some of his satellites for Democratic nominations in the primary election, hundreds of city employees changed their registration from Republican to Democratic during the last few days.

The employees have been pushed back and forth between the two parties in the last 2 years so much that they are dizzy. In the State fight 2 years ago it was reported that the city administration exerted pressure on the employees to favor the Republican candidates for Governor and United States Senator. And now has come the pressure in the opposite direction.

> The switching of the party registration of city employees has been particularly marked in the Thirty-second Congressional District, where Mayor McNair is a candidate for the Democratic nomination for Congress and Public Safety Director Thomas A. Dunn is running for Democratic national delegate. It has been only slightly less in the Thirty-third District, in which Supplies Director John J. Murry is a candidate for the Democratic nomination for Congress and City Assessor William B. Foster is seeking election as a national delegate.

When introducing the statistics from the news article of the Pittsburgh Press and leaving out the explanatory part which I have just read, my colleague said that he wished to introduce "a clipping" from the Press. His reference appears to have been most apt, indeed, when one reflects on the part which was clipped out. Doubtless he can explain the reason for this clipping better than anyone else.

While the Pittsburgh Press is well known to be friendly to the administration, I have observed that it has followed the old journalistic adage to "print all the news that is fit to print", and in this particular instance credit should be given to the Pittsburgh Press for printing both sides of the story. The fact of the matter is that, in a day when most of us read at least two newspapers, little is to be gained by attempting deliberately to mislead the public.

The PRESIDING OFFICER. Without objection, the article referred to by the Senator from Pennsylvania will be printed in the RECORD.

The article is as follows:

[From the Pittsburgh Press of Apr. 14, 1936]

VOTE CHANGES INCREASE LEAD OF DEMOCRATS—BOOKS FOR PRIMARY ELECTION CLOSED WITH G. O. P. BEHIND BY 4,173—1,600 SWITCH PARTIES—NCNAIR CAMPAIGN GIVEN AS REASON FOR MANY POLITICAL SHIFTS

The Democratic lead in the registration of Pittsburgh voters was 4,173 when the books for the primary election were closed last night. No additional registrations or changes in enrollment from one party to another can take place in the city until after the primary.

The final totals of the major parties were:

Democratic, 130,285.

Republican, 126,112.

The score for yesterday was 1,562 changes from Republican to Democratic registration, and only 101 from Democratic to Republican.

HUGE GAIN MADE

The Democratic registration of 1932 in Pittsburgh, the year President Roosevelt was elected, was only 19,702. The Republican registration was 208,161 in that year.

Democrats, therefore, have gained 110,583 in Pittsburgh registration in 4 years and Republicans have lost 82,049.

Under pressure to qualify themselves to vote for Mayor William N. McNair and some of his satellites for Democratic nominations in the primary election, hundreds of city employees changed their registration from Republican to Democratic during the last few days.

The employees have been pushed back and forth between the two parties in the last 2 years so much that they are dizzy. In the State fight 2 years ago the McNair administration drove on the employees in favor of the Republican candidates for Governor and United States Senator. The same thing occurred last year in the interest of Republican candidates for county offices. And now has come the pressure in the opposite direction.

M'NAIR A CANDIDATE

The switching of the party registration of city employees has been particularly marked in the Thirty-second Congressional District, where Mayor McNair is a candidate for the Democratic nomination for Congress and Public Safety Director Thomas A. Dunn is running for Democratic national delegate. It has been only slightly less in the Thirty-third District, in which Supplies Director John J. Murray is a candidate for the Democratic nomination for Congress and City Assessor William B. Foster is seeking election as a national delegate.

The Republican lead in registration in the entire county has been cut to 50,906. Four years ago Republicans topped the Democrats by 375,467. County registrations then were: Republicans, 425,121; Democratic, 49,654.

The registration for the entire county now is divided as follows: Republican, 325,964; Democratic, 275,058.

THE WORKS PROGRESS ADMINISTRATION

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Sharon Herald of April 24 entitled "Relief Money Well Spent", in which a fine tribute is paid to the W. P. A. orchestra in this community. This article came to my desk this morning, and in view of the many charges of "boondoggling" which are made I desire to show the other side of the picture. Sharon is a community close to my heart. I lived there during the early years of my life and my parents maintained residence there for over half a century. The people of Sharon are substantial, hard-working, fine-spirited citizens, and I know that the words of praise of the W. P. A. orchestra there represent a general community appreciation of what the Government is doing not alone for music but for actors, artists, and others of similar talents.

On April 24 the junior Senator from New York, during a time when I was not present on the Senate floor, introduced a number of telegrams regarding the W. P. A. theater project of New York City. Two of these telegrams were from Mr. Frank Gillmore, president of the Actors' Equity Association, whom I know. I wrote a somewhat extended letter to Mr. Gillmore, explaining the speech which I made on April 20 on the floor of the Senate regarding this issue. I ask that this letter be printed herewith.

The PRESIDING OFFICER. In the absence of objection, the editorial and letter will be printed in the RECORD.

The editorial and letter are as follows:

[From the Sharon (Pa.) Herald of Apr. 24, 1936]

RELIEF MONEY WELL SPENT

If there were any in the audience who had scoffed at the W. P. A. project for unemployed musicians, actors, artists, and others of similar talents, they must have been greatly surprised and made to feel considerably ashamed of themselves by the district W. P. A. orchestra's concert in the high-school auditorium last night.

For the concert was top-notch in every way, reflecting great credit upon the musicians and their director, Ben Shulansky, of New Castle, formerly of Sharon.

Certainly money spent to advance the arts is not wasted if it is productive of the fine results evidenced by the district orchestra in its appearance here. It would be a topsy-turvy world if we all had to swing picks and wield shovels; also if we all were musicians. Both are needed to balance our lives, and those who heard the W. P. A. concert could not doubt that they received a greater benefit than many other district relief projects have afforded.

Let us have more music, theater, and art projects if such excellent results are to be obtained.

APRIL 25, 1936.

Mr. FRANK GILLMORE,
President, Actors' Equity Association,
45 West Forty-seventh Street, New York.

DEAR GILLMORE: Yesterday the junior Senator from New York, Mr. WAGNER, presented two telegrams from you in the CONGRESSIONAL RECORD, together with a number of others. These telegrams are found on pages 6074–6075 of the RECORD for April 24.

In the course of his remarks Senator WAGNER said that I had criticized the Federal theater project of the Works Progress Administration. I suggest that you read through the brief speech which I made on this subject found on pages 5696–5699 of the RECORD of April 20. If you read my speech carefully, you will observe that I offered no personal criticism of the project as such whatsoever.

I introduced letters written by Mr. Norman L. Marks, counsel, and Mr. Adolph Pinkus, president of the Federal Theatre Veterans League, which had been addressed to President Roosevelt on March 19, together with a letter written by Mr. E. J. Blunkall. I made no reference to Mr. Blunkall in connection with the Actors' Equity Association, and in the letter which was inserted in the RECORD over his name no reference of this kind was made.

These letters criticized the theater project because of alleged communistic activities within it. I made no personal accusation against the project because I have no personal knowledge of it. I did quote from the writings of Mrs. Hallie Flanagan, who is the director of the project. I made no personal criticism of Mrs. Flanagan because I do not know her personally. I quoted from her writings, showing that as late as 1934 she had severely condemned the American plan of life and had idealized communism.

I called attention to page 81 of Mrs. Flanagan's book of 1928, entitled "Shifting Scenes", in which she eulogizes the Russian theater, saying "I became absorbed by the drama outside the theater; the strange, stirring, and glorious drama that is Russia." Of Mrs. Flanagan's writings I said on April 20: "Anyone reading these books, either casually or carefully, would find no place in which Mrs. Flanagan has a good word to say about the United States, this Government, American institutions, or the economic system which still makes possible relief money for the Works Progress Administration. From reading these books one gains the impression that Russia is a grand place and that the United States is terrible. Mrs. Flanagan's idea of the country in which she directs the theater project of the Works Progress Administration is found in her play, the American Plan, where business is caricatured, communistic violence made to seem inevitable, and class conflict necessary." Then I said, "If these are not Mrs. Flanagan's actual sentiments, I believe the country would welcome a statement from her to the contrary." I have not heard from her as yet.

I hope in the interest of fair play for the Works Progress Administration and in justice to herself that if Mrs. Flanagan did not write these books, or if they were merely an artistic presentation of a chance whim on her part, or if she did write them but has since changed her mind on these issues, or if she has written books other than the four listed under her name in the Library of Congress, in which she presents different points of view, that she will bring these facts to the attention of the American public. If she wishes additional representation on this subject, or if she believes that she has been unfairly represented, I would gladly introduce a statement from her to the Senate. I have no desire to injure the reputation of anyone.

I suggested in my speech on the Senate floor April 20 that those responsible for the appointment of Mrs. Flanagan should address a letter to the Presiding Officer of the Senate explaining the reasons for her appointment. I presume that Mr. Harry Hopkins, Administrator of the Works Progress Administration, was responsible for her appointment, and yet I cannot say this to be true, because I do not know. I did not ask Mr. Hopkins to explain her appointment to me because he has not as yet answered other inquiries which I have directed to him some weeks ago. On the matter of her appointment I said: "The question arises as to why she was appointed to administer over $7,000,000 of American money under the Works Progress Administration, when all of her published works reveal, as she says, that she has become 'absorbed in the glorious drama that is Russia.' Was she so appointed because the Administration approves her point of view? If the administration appointed her without knowing her point of view, it reveals unbelievable irresponsibility. If the administration appointed her as a mark of approval and a sanction on her absorption in the 'glorious drama that is Russia', it should now explain to the taxpayers of this country the use of relief money intended to feed the hungry for such alien purposes."

Knowing you as I do, Mr. Gillmore, I am sure that you are not a Communist. Therefore, you would have little or no interest in trying to divert American money to spread communistic propaganda in this country, through the theater or otherwise. I know the high ideals and fine American principles for which the Actors' Equity Association stands.

I also know that Senator WAGNER is not a Communist. Certainly he would not wish to place his endorsement on the use of work-relief money for the spread of communism. You will note in his remarks on the theater project of April 24 he makes no reference whatsoever to the issue of communism. As you read over my statement in the CONGRESSIONAL RECORD you will observe that this was the one and only issue which I raised as far as the Federal Theater project was concerned. I spoke solely about using the project for the purpose of spreading communistic propaganda. I made no personal observations about this issue because I have no personal knowledge of it. I simply introduced such evidence as has come to me and asked to be informed on this subject by those who had administrative responsibility for this project. The evidence which I presented seemed trustworthy. It was specific. If the charges there presented are untrue, they should be proven to be false. If they are true—and I have no evidence to the contrary as yet—only an unbiased Senate investigation of the entire Works Progress Administration will actually

explain this situation. Doubtless you are aware of the fact that over 7 weeks ago I presented a resolution in the Senate asking for such an investigation.

In my speech of April 20 I made no statement whatsoever as to how I thought the theater project should be administered. The telegrams which Senator WAGNER introduced in the RECORD did not touch on this subject at all. Therefore, as far as I am concerned and until I receive additional evidence, my thought on this subject remains just as it was on April 20, because I have heard from neither Mrs. Flanagan or Mr. Hopkins concerning the use of the Federal theater project for communistic purposes.

As you know, Mr. Gillmore, I have known the great men and women of the stage. During my early days I associated with many of them. I delighted to sing and upon occasion could do something with the clarinet. In my younger days I became well acquainted with the popular stage favorites of those days—the gay nineties and later. I know the American actor and I understand his point of view. The actors whom I have known have been great patriots, true to their country and lovers of the American way of life. I was truly shocked when evidence was presented to me which pointed to the fact that those now directing the American theater project are not professional stage people and that questions have been raised about their national allegiance.

I am sure that American actors and those who encourage the advancement of young American amateurs such as Major Bowes desire to protect American ideals and the American principles of government. You may be sure, Mr. Gillmore, that what the Government is now trying to do for the fine folk of the theater is but an indication of what will be done in an even more substantial way if the American way of life prevails.

Permit me to call attention to the fact that the Federal Theater Veterans League did not ask for the abandonment of the Federal theater project. The veterans asked that those who direct these American Government activities be American in principle. I believe the taxpayers of America would vote for their request "that the theater project be used to produce art, education, and drama and not to disseminate communistic propaganda", notwithstanding the fact that Senator WAGNER introduced a telegram in the CONGRESSIONAL RECORD on April 24 signed by Mr. Morris Watson, vice president of the American Newspaper Guild, stating: "Protest reading of Federal Theater Veterans League petition on Senate floor as untrue and not representative of veterans' viewpoint." If I know anything about the American Legion or the Veterans of Foreign Wars, they are not willing to advocate the use of American taxpayers' money for the spread of alien propaganda.

You will note, Mr. Gillmore, if you read the telegrams on page 6308 of the CONGRESSIONAL RECORD for April 24 that of all the telegrams introduced by Senator WAGNER, only one had any defense to offer of Mrs. Flanagan. This one was signed by a college professor, Mr. S. M. Tucker, of the Polytechnic Institute of Brooklyn. Mr. Tucker wired: "Urge you to use your influence to keep Federal theater project under control of present set-up at Washington with Mrs. Flanagan and not to turn it over to State or city of New York. Project is doing splendid work. Any change of administration would certainly ruin everything. I speak from complete knowledge of the situation. I have no personal connection with the project and appeal only as playgoer, teacher, dramatic critic." I do not know Prof. S. M. Tucker, but of the entire 23 telegrams which Senator WAGNER read into the RECORD only one advocated the retention of Mrs. Flanagan. In view of the fact that my remarks on the Senate floor pertained solely to the use of the project for communistic purposes and not at all to the question of State control of its administration, I noticed an absence of comment on this one point at issue.

You may be sure, Mr. Gillmore, that I do not wish to see Federal money for the American theater stopped. My idea has always been that the American theater should be given every possible support so that its services might build up American art and education.

I sincerely hope that the blight of communism will not destroy the confidence of the taxpayers in the Federal Works Progress Administration theater project in New York City.

I know how generous actors are. The great professional actors of America have given their services time without number for charitable cause of all kinds. Now they need the help of the Government and I shall do everything in my power to help them in their time of need.

Feeling as I do you can imagine my indignation when I was informed that Federal theater project money is being paid to people who have never had anything to do with the theater while professional actors walk the streets. If this is the actual situation it should be investigated and stopped at once. If it is not true, I ask you to write me a detailed account of the actual situation.

I know of the long years of struggle which you have made for the development of a real trade union for American actors. I know how you have joined in the great task of establishing the principle of collective bargaining. I honor you for the work you have done. Knowing you and the principles for which you stand as I do, I have written you at length so that you may understand that what concerns American stage and theater folks vitally concerns me. I desire the American theater to get a fair deal.

Most cordially yours,

JAMES J. DAVIS.

EFFECTS OF NEW DEAL POLICIES

Mr. DICKINSON. Mr. President, again we say, "America must choose." It is with interest that I read the statement of Mr. Harper Sibley, of the United States Chamber of Commerce, that there is amazing improvement in American business. Then I read of the dividends paid by a number of our larger industries. After satisfying myself with reference to the genuineness of this improvement, then I read the last report of the American Federation of Labor, showing that labor conditions are not improved and that some 12,000,000 men are still out of work. Then I read the testimony of Mr. Harry Hopkins for new relief demands of a billion five hundred million dollars, which I understand now will probably be increased another billion, if not two more billion, to be added to the present burdens of the American taxpayer.

Can it be that greater efficiency in production permits the production of goods on a more profitable basis and with less labor? Are we being led into more profitable business with less labor employed? In other words, more riches for the rich and more hardship for the poor.

This leads me to inquire whether or not our present system of borrowing and spending is helpful or harmful. We find that Federal funds are the real impetus behind the improvement in steel, automobile, and other major industries. We find that the distribution of the taxpayer's money is having a beneficial effect upon the consumers' goods industry, but is there anything really permanent about the progress we are now making? Or are we being satisfied today by a system that will impoverish us on the morrow? Will the economy of scarcity ever relieve the depression?

At this point I desire to insert in the RECORD excerpts from a speech delivered by me at Mount Vernon, Iowa, on November 4, 1935, on "Agriculture and Its Future."

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

As against the ideas expounded in Secretary Wallace's America Must Choose, let me cite to you two other studies which reach quite different conclusions regarding this problem. One is called America's Capacity to Consume, and is issued by the impartial, scientific organization known as the Brookings Institution in Washington. The other is the Department of Agriculture's own Circular No. 296, published in November 1933, just 6 months after Messrs. Wallace and Tugwell took office, but of which, it is quite obvious, they have never heard. Representing years of patient research, it is one of the most important documents ever issued by the Government.

For here is set forth, carefully analyzed by different classes of population, the future food requirements of the Nation. Both these authorities reach the conclusion that the real problem of agriculture today is not overproduction, but underconsumption. We are so accustomed to thinking of America as a land of plenty that it is difficult to believe that half the people live below a minimum dietary standard; and that, were these normal needs supplied, we should be faced with almost a famine in many important foodstuffs. Yet such is the fact—a fact which certainly cannot be reconciled with a program of curtailment.

Outlined in the Department's circular are three diets: One of moderate cost, mind you, for the average person who works, calling for a per capita food supply of 1,655 pounds annually; one of minimum cost, necessary for health, requiring 1,233 pounds of food; and an emergency diet, needed for life itself, of 959 pounds.

When these quantities are multiplied by 125,000,000 persons, the food required for the American people each year reaches truly amazing proportions. But the important part of these computations is that, for even a prosperous year like 1928, the entire food production of the United States failed to meet the needs of this moderate-cost diet by over 20,000,000,000 pounds, and exceeded the Nation's minimum requirements by only 30,000,000,000 pounds.

If this was the condition at a time when there was little industrial unemployment, then what must it be today, after 6 years of depression? The problem now is no longer one of mere underconsumption but of actual and serious undernourishment for literally millions of our citizens. In the face of this appalling situation, which is being confirmed daily by public health officials, does placing farm production under further restrictions appear to be the course of wisdom and common sense?

Already from the great cities come reports of protests by angry housewives against rising food prices. There are increasing murmurs of discontent among those on relief as to the inadequacy of food provided. The prediction is made that during the months immediately ahead the cost of living will advance still further. While there can be no such thing as starvation in a rich country like ours, yet this winter literally millions of men, women, and children will be forced to go hungry because of this foolish—yes, almost criminal—destruction of crops and livestock directed by the administration.

I regret that there is not sufficient time today to discuss more thoroughly, with the attention that it deserves, this question of prospective food shortages, as forecast by the Department of Agri-

culture itself. For purposes of illustration, two examples must suffice. The figures I cite are taken from a study made by one of America's leading agricultural experts, Dr. Charles W. Burkett, formerly editor of the American Agriculturist, until recently owned by Secretary of the Treasury Morgenthau.

In 1900 our per-capita consumption of beef was 68 pounds; in 1910, 71 pounds; in 1920, 63 pounds. But in 1930, owing to shortage and high prices, the amount of beef consumed dropped to 50 pounds, while this year the estimate is in the neighborhood of 45 pounds. Under the dietary standard set up by circular 296, the minimum requirement per person is 56 pounds. On this basis, the Nation is faced with an actual shortage of more than 2,000,000,000 pounds. Nor must we forget the fact that since 1915 we have been importing in meats the equivalent of nearly 1,000,000 head of livestock annually. In terms of American grazing land lying idle, this equals 10,000,000 acres.

Next, let us take corn, in which Iowa has such a decided interest. Forty percent of the corn crop is annually consumed in pork production. Yet Dr. Burkett declares: "Pork production this year cannot possibly run over six-tenths of the 1929 production, or 4,875,000,000 pounds measured in retail cuts. Instead, therefore, of an excess of 294,000,000 pounds, based on population, to reach the average consumption as laid down by the Department of Agriculture, we shall be faced with a shortage of more than 3,000,000,000 pounds."

With this shortage in hogs now prevailing, another interesting question is raised to which the A. A. A., in its omniscience, has not yet supplied the answer: What is the farmer to do with this year's corn crop? If any proof is needed that supply and demand still govern corn prices, rather than the Secretary of Agriculture, consider corn's position last year and this. The A. A. A. 1934 program called for a reduction of only 200,000,000 bushels, but Providence intervened and reduced the crop by a billion bushels instead. The price, due to the drought, rose to 75 cents. This year, with restrictions still in effect and with fewer hogs to feed, the crop will be increased by 500,000,000 bushels to 2,100,000,000 bushels. And the price, despite the Secretary of Agriculture, will be 50 cents or less per bushel.

And while we are on the subject of crop shortages, let me complete the picture by summarizing what we have imported in agricultural products since the 1st of January of this year. These imports, for the 7 months up to the 1st of August, let me add, equal in terms of American farm lands now left idle and unused, crops which would normally be raised on no less than 13,000,000 acres. Here is a partial list, showing the increase in imports this year over last, both by volume and percentage:

	Jan. 1–Aug. 1—		Increase	
	1935	1934	Times	Percent
Beef and veal	7,115,925 pounds	136,972 pounds	52	5,095
Ham, bacon, etc.	2,395,608 pounds	547,223 pounds	4.4	337
Canned meat	49,770,402 pounds	26,215,757 pounds	1.9	90
Butter	21,826,263 pounds	296,185 pounds	74	7,269
Lard	10,758,779 pounds	147,361 pounds	70	7,200
Barley	4,773,802 bushels			
Corn	31,822,886 bushels	371,731 bushels	86	8,460
Oats	10,085,276 bushels	200,357 bushels	50	4,933
Wheat	9,801,745 bushels	557,602 bushels	17.6	1,658
Wheat flour	760,297 pounds	139,701 pounds	5.4	444

These facts would seem to demonstrate conclusively the essential fallacy underlying the New Deal's economic policy. Had we centered our attention first on the enlargement of domestic consumption rather than seeking to raise price levels and, second, upon regaining our position abroad, prices largely would have taken care of themselves. Instead, under the guise of an emergency, we resorted to the vicious practice of curtailment subsidy, when the whole lesson of history teaches the disastrous consequences which usually attend such experiments.

Mr. DICKINSON. Mr. President, I understand that "prosperity" is here.

The highest authority assures the Nation, "We planned it that way; and don't let anybody tell you different."

Perhaps it is a fair question to ask, What kind of "prosperity"? Only when it can be said that at least a majority of our people have enough to eat—then and not until then—can the assertion be maintained that prosperity or "recovery", call it what we will, is really here. The measure of prosperity is not stock-market averages, or even the rate of employment. It is the well-being of the American people.

The truth is that during the past 3 years the standard of living of the American people has progressively declined to reach new lows. Under the Roosevelt administration purchasing power has dwindled until today, excluding those on relief, there are literally millions of our citizens on the border line of destitution. Even the bare necessities of life are beyond their reach. Public-health statistics show that undernourishment is becoming one of our major national problems.

The President himself admits that this condition exists. In an address at Atlanta, Ga., on November 29, he pointed out that the average of our citizenship today lives on a "third class diet."

In the items which I have just inserted in the RECORD I have shown the research that has brought forth the data, not only from the Brookings Institution, but from a document issued by the Department of Agriculture itself, which set forth the very items I have suggested. I refer to Department of Agriculture Circular No. 9296, published in November 1933.

The reason the President gives for this alarming condition to which I have referred is that "the masses of the American people have not got the purchasing power to eat more and better food." There in the President's own words we have the actual results that have followed the enforcement of the administration's doctrine of "scarcity."

Let us examine the President's words in the light of New Deal practice.

The Nation lives on a third-class diet simply because people have not enough money to buy the hogs, the cattle, the sheep, the corn, and the wheat that the farmer raises. So the growing of grain is restricted, food animals are destroyed. That is one side of the picture. Let us have a look at the other side.

While the cost of living has advanced 30 percent, the administration has conducted a reign of terror toward industry so that industry has failed to expand, employ more men, and raise wages and salaries as it normally would. Wages have only increased 3 percent compared to the 30-percent increase in the cost of living. The salaried worker receives the same number of dollars that he did at the beginning of this administration only his dollars, due to the devaluation, are worth less. As a result of all this, more people are forced on to a third-class diet; consequently, the farmer finds his market shrinking to the smaller and smaller proportions.

Who benefits? Certainly not the man on the third-class diet or the farmer. In this connection we might point out that the farmers have received only $1,000,000,000 in benefits, but, as they comprise 40 percent of our population, in the end, they must pay back into the Treasury their proportion of the $20,000,000,000 spent by the New Deal.

Secretary Wallace finds himself impaled upon the horns of a new dilemma—or should I say a "New Dealemma"?—even more serious than he faced 3 years ago. For him, as in the popular song, the problem keeps on going "round and round." The slaughter of food animals began in the fall of 1933. Now the Department of Agriculture estimates that for 1933 the per-capita consumption of all meats, excluding lard, was 142.9. The following year, meat from Government-slaughtered animals—such as was not destroyed—was given to people on relief so that the estimated consumption for 1934 rose to 152.6. Only last year did the true results of the policy of "scarcity" become apparent. Meat consumption went into a tail spin. The Department has not yet released its figures for 1935, but by applying the percentage change in production of Federal meats to the total consumption in 1934—which is the identical method the Department has used in the past—we find that total per-capita consumption dropped to 126.7 pounds. And remember, during 1935 this country imported no less than 346,000,000 pounds of meat in addition. Thus the farmer lost double, through reduced domestic consumption and through new foreign competitors admitted to his own markets.

Young Henry Wallace would not find himself in his present embarrassing and untenable position had be followed the precepts of the wiser and less-visionary member of his family—his own father, who, while Secretary of Agriculture, said:

> The extent to which meat will constitute a part of the diet of this larger population will have an important bearing upon the farm practices of the corn grower.

This statement is found upon page 226 United States Department of Agriculture Yearbook for 1921.

The veteran Republican Secretary of Agriculture might well have had in mind a warning to the New Deal Secretary of Agriculture when, on page 223 of the 1921 yearbook, he wrote:

> The corn crop is subject so largely to the influence of the environment that nothing can be foretold as to the size of the coming crop. Drought and frost make large differences in yield from year to year. Disease and insect pests take their toll. With this in mind, it does not seem wise to reduce the acreage unduly on the basis of a surplus in 1 or 2 years.

We are now consuming less bread, the staff of life, than we did in 1932. The use of milk, so necessary for babies and growing children, has declined by 1,143,000,000 quarts. We eat 1,270,000,000 less pounds of green vegetables and fresh fruits than we did in 1932.

Last year, while the administration was proclaiming on every occasion, from the President's message on the "state of the Union" to the town meeting, that recovery had arrived, America actually decreased its meat consumption from the levels of only 2 years before by 3,290,000,000 pounds! Compare this with 1932, the last Republican year, admittedly the low point of the depression, not only in America but all over the world. In that year Americans consumed at the table 1,079,000,000 more pounds of meat than they did in 1935, with its alleged Roosevelt-induced "prosperity."

From these figures we may begin to understand the meaning of the President's statement that the average of our citizenship is living on a third-class diet. But, to get its true significance, let me tell you that "Machine Gun Kelly", confined in the Government prison out on Alcatraz Island, is today better fed than the same average American that the President talks about.

When we turn to a study of consumption of food products in American prisons, we find that the per-capita consumption of meats in these Federal institutions is more than twice that prescribed for the President's third-class diet. Likewise, more flours and cereals were consumed by Federal prisoners per capita in 1932 than are prescribed in any of the President's diets.

Thus, we arrive at the startling fact that every gangster, every counterfeiter, every dope peddler now incarcerated in a Federal penitentiary not only lives better but actually has twice as much to eat as the average of our free citizenship in this year of Roosevelt 1936. That is the situation revealed if we accept at face value the assertions Mr. Roosevelt made in his Atlanta speech; and remember that the President spoke only of the general average. Many a good American, too proud to accept Government help, is trying to last out the Roosevelt "prosperity" on a daily ration of potatoes; and the administration did its best to take the potatoes away from them!

How can such an appalling situation be reconciled with the Administration's relief program?

The Congress freely voted the billions of dollars which, the President asserted, would at once restore the country's purchasing power. Now, from the President himself, we learn that this objective has not been attained. Purchasing power has not been restored sufficiently to buy food to sustain life, even on a bare subsistence basis.

At this point I desire to insert in the RECORD a brief extract from this morning's New York Times. In an article by Mr. Charles R. Michael I find the following:

> The chief Roosevelt pronouncement attacked by the Republicans was his assertion that:
>
> "Reduction of costs of manufacture does not mean more purchasing power and more goods consumed. It means just the opposite."
>
> With regard to this Senator DICKINSON said:
>
> "The President is apparently still devoted to his theory that recovery is achieved by curtailing production and raising prices. The trouble with that theory is that it has been tried for 3 years and it has failed. It has definitely failed to increase purchasing power. As the result we still have more than 12,000,000 persons unemployed."

As a result of this philosophy, the farmers' market, instead of being enlarged has been still further narrowed. The problem of relief for the unemployed is more acute than ever. According to the American Federation of Labor, there are now 12,600,000 unemployed as against 11,600,000 when Mr. Roosevelt took office. Apparently the New Deal, through expenditures totaling some $20,000,000,000, has only succeeded in displacing an additional million workers.

Now, let us examine still other inevitable consequences which have followed the program of planned "scarcity." Destroying millions of hogs forced millions of people to go hungry; abandoning millions of acres of grain put prices for decent American food out of reach for millions of decent American families. As the logical, the inevitable consequence of this deliberate and wicked waste, for the first time, we have Americans living on food unfit for even dogs to eat. I mean that statement literally—food unfit for even dogs to eat.

Nearly everyone remembers the revelations contained in Upton Sinclair's book, The Jungle, published more than a generation ago. From that exposure came the "cleaning up" of the packing industry. Federal legislation followed which created sanitary safeguards surrounding the packing of meat and meat products that still is a model for the civilized world.

It will come, therefore, as a double shock to learn that in one of our great food industries jungle conditions still prevail, with all the implications and menace to the public health that horrified this country when Sinclair painted his graphic picture of conditions as they existed in 1906. I refer to the manufacture of canned dog food. These dog foods are freely displayed and sold to the public from groceries, drug stores, and all stores where food for humans is normally sold. The annual output of the industry amounts to approximately 500,000,000 cans, with a retail value of $40,000,000.

Now, the interesting things about the dog-food business is its present unprecedented prosperity. Its production has increased by leaps and bounds for no apparent reason. There has been neither a sudden rise in the birth rate in dogdom nor changes in dog appetites. The depression provides no explanation; on the contrary, dog owners were much more apt in hard times to feed table scraps than to purchase specially prepared foods. An investigation, begun by the manufacturers, and substantiated by reports from inspectors for the Department of Agriculture, leads to one indisputable conclusion. The increase in dog-food consumption can be accounted for because it was, and is today, being used for human beings.

Investigation reveals that a heavy demand exists among the poor people. None of these people are likely to buy prepared food for their dogs, yet quantities of such goods were found in many families even where there were no family pets. Indeed, this particular demand is now so great that Mr. L. J. Becker, former secretary of the National Dog Food Manufacturers' Association, estimates that today 20 percent of the entire output is eaten by human beings. That is a great deal of dog food—in fact, about 100,000,000 pounds annually. Now, the alarming fact in this situation is not that men and women have been actually compelled to eat food prepared for dogs, but that only 15 of the 200 plants manufacturing such food are under regular inspection by the Department of Agriculture. Next, and equally serious, is the character of this uninspected—one can hardly call it food—product. It comes from two sources: Carrion, made from dead animals, or else from the diseased lungs, livers, and fibrous tissues which make up the refuse from slaughterhouses. On the farm and around the stockyards it is known as tankage. Before this bonanza in dog foods began, it was used exclusively in the manufacture of fertilizer, and that is all it is actually fit for.

For the sake of fairness and the record, I desire to name the 15 packers whose product is inspected by the Department of Agriculture. They make pure, wholesome food products, and the public has a right to know who they are. These packers include Armour & Co., Chicago; Chappel Bros., Rockford, Ill.; Foell Packing Co., Chicago; George A. Hormel & Co., Austin, Minn.; Illinois Meat Co., Chicago; Loyal Pack-

ing Co., Chicago; Modern Food Process Co., Philadelphia; John Morrell & Co., Ottumwa, Iowa; Rath Packing Co., Waterloo, Iowa; Rich Products Corporation, Rockford, Ill.; Republic Food Products, Chicago; Rival Packing Co., Chicago; Schlesser Bros., Portland, Oreg; Swift & Co., Chicago; Wilson Packing Co., Chicago.

Passing for the moment the danger arising from the possibility of the spread of disease through the use of uninspected brands, and considering merely the nutrition value of such food, this fact has also been established: Through actual tests it has been shown that dogs fed exclusively on a diet of this stuff will die of malnutrition after a few months.

America had its embalmed-beef scandal in the days of the Spanish-American War; there was the "jungle" of 1906; but never before has there been a situation parallel to that now revealed—an administration which boasts of its humanitarian purpose, and yet permits shipment of offal in interstate commerce and permits its flagrant mislabeling as "fit for human consumption". Such is the exact wording which some of the labels carry.

That human consumption of dog food reached its peak at the very time the per-capita consumption of meat was at its low point may be merely a coincidence. It may have no relationship to the New Deal policy of scarcity or the ruthless and deliberate destruction of our fresh-meat animals. I do not know. But in no depression before this have we deliberately destroyed our meat animals or raised food prices out of reach of the masses of our people. How such a policy—which alters so radically the Nation's food habits—can benefit anyone in the long run is beyond my comprehension. It certainly can never make sense to the farmer, even with all of Secretary Wallace's or Mr. Tugwell's artful persuasion.

Another phenomenon which always follows in the wake of scarcity, whether "planned" or the more natural variety known as "famine", is the appearance in this country of certain diseases well known in China and other famine areas.

This product is so labeled that the public believes it—I now quote the exact wording of the label—is—

Manufactured under light sanitary conditions, and contains meat byproducts, muscle meat, hulled cracked wheat, fresh carrots, red bran, garlic, fat, charcoal, soybean flour, cooked green bone, and bone marrow.

It almost makes your mouth water, does it not?

The conditions which I have recited here are described in great detail in 237 typewritten pages of hearings held on the code of fair competition for the canned dog-food industry. Those hearings, held in Washington under the very shadow of the Capitol, were attended by representatives of the Department of Agriculture. They heard this recital of facts, yet none of the material allegations were challenged, nor was any action ever taken with regard to the conditions revealed.

Mr. P. M. Chappel, of Chappel Bros., Inc., introduced exhibits of gross mislabeling. I shall quote from only one or two of the labels.

At the top of the list is one which reads: "Contains 85% U. S. inspected meat." A second puts forth the claim: "It contains U. S. inspected meat."

Now, every properly inspected food must bear the legend: "U. S. inspected and passed by the Department of Agriculture."

It seems obvious to me that these racketeers have labeled their product so as to mislead people to believe that it complied with the Government's specifications. Not only is this the fact, but the Government has permitted this fraud notwithstanding that there is ample law on the statute books which would have prevented it.

In all fairness to Dr. Mohler, I desire to say that I consider him to be one of the most efficient public officials in the Government service in Washington, D. C. The officials of the Department of Agriculture have had a serious time in deciding whether or not they had full authority to inspect all these plants. It is my understanding that the legal department of the Department of Agriculture has recently rendered an opinion holding that the law is not broad enough; so I take it that an additional bill on the subject should be introduced and enacted. I do find, however, that for a number of years there has been an inspection of the various types of food that have been put out before these labels could be put on the packages. Therefore, I wish to make no suggestion with reference to curtailment of the right of the Department of Agriculture to inspect these products. What I should like is to see the authority extended to a point where inspection is compulsory on all these products before they are permitted to be put on the shelves of dealers and sold under the conditions named.

Mr. LEWIS. Mr. President, will the Senator allow me to interrupt him?

The PRESIDING OFFICER (Mr. LOGAN in the chair). Does the Senator from Iowa yield to the Senator from Illinois?

Mr. DICKINSON. I do.

Mr. LEWIS. Will the Senator allow me to ask him if he has had opportunity to investigate, as a result of which he may now say where and by whom the food he describes as dog food is manufactured? Do the packers at the city of Chicago to whom the Senator has referred by name make this product and put it on the market?

Mr. DICKINSON. They make an inspected product, and there is no criticism of its sale, so far as I know, and the two plants in Iowa I have named make an inspected product. The theory I have is that such inspection ought to be extended to all products where there is any possibility of it being used for human consumption.

Mr. LEWIS. Does the Senator happen to know and can he tell whence come these products which he feels have not been properly inspected and should not have been put on the market?

Mr. DICKINSON. I think that knowledge is in the hands of the Department of Agriculture. I think it is in the records here. I do not care to put it into the Senate RECORD.

Mr. McKELLAR. Mr. President, does the Senator intend to introduce a bill to correct the trouble of which he speaks?

Mr. DICKINSON. I think I shall. The matter came to my notice just a few days ago. I think it ought to be corrected. I have conferred with Dr. Mohler about it, and he wants it corrected. I do not believe we ought to let a condition continue under which 20,000,000 cans of dog food are being consumed by humans without some more protection than we are now giving.

Mr. McKELLAR. How long has this been going on?

Mr. DICKINSON. It was recited here February 5, 1935, in the code hearings, a transcript of which I have. Some of those who testified said the practice had been in effect sometime prior to that. I think the practice has increased with the depression, since the demand for cheaper foods has grown on the part of the public.

Mr. McKELLAR. Has the Senator any evidence that this dog food is used for human consumption?

Mr. DICKINSON. I merely have the evidence of the experts who testified at the code hearing.

Mr. McKELLAR. What did they testify?

Mr. DICKINSON. They testified that 20 percent of all the sales was used for human consumption, and the officials of the Department of Agriculture have said that there was knowledge on their part that there was such use.

Mr. COPELAND. Mr. President, will the Senator yield to me?

Mr. DICKINSON. I yield.

Mr. COPELAND. I have not had the benefit of the early part of the Senator's remarks, but one reason behind the attempt to pass a pure food and drug bill through the Congress is the desire to do away with the possibility of many abuses such as that suggested. We passed a bill in the Senate looking to that end, and it is now before the committee of the House.

A great many things are going on in the sale of foods and drugs which ought not to be permitted. Of course, it is most distasteful to think that people are selling for human consumption food prepared for dogs, although I can conceive that many human beings are getting food these days which would not be good for dogs. If there is such a

practice as that suggested by the Senator, it is because of the failure of the enactment of legislation to give protection to the American human family.

Mr. DICKINSON. It seems to me we could remedy this situation by simply expanding the authority of the Meat Inspection Act to cover not only human foods but making it broad enough to take in many things which might be used for human food. In other words, I think the definition must be broadened, in view of the interpretation of the Department attorneys that they do not have the right of inspection. They have been inspecting the products in the plants I have named. I think the law ought to be extended so that the inspection would cover every plant where there is a possibility that the products may reach human beings for consumption.

Mr. BONE. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. BONE. I did not hear the first part of the Senator's remarks, but I have tried to get the drift of his address. Do I understand that dog food is being put on the market and is being consumed by human beings?

Mr. DICKINSON. That is a fact, as I understand.

Mr. BONE. I was impelled to inquire of the Senator because I wondered whether the product was marked "dog food."

Mr. DICKINSON. It is; but it is marked "Inspected by the United States Department of Agriculture", when as a matter of fact much of it is not inspected. It is a fraud, and I think the Senator from New York is right; I think the matter should be covered by the food and drugs law.

Mr. BONE. The point of the Senator's remarks was that the product should be properly labeled?

Mr. DICKINSON. Properly labeled and properly inspected.

Mr. BONE. Of course, there would be no way legally to prevent people buying the food and consuming it themselves if they wanted to do it.

Mr. McKELLAR. Mr. President, is the Senator from Iowa charging that the Department of Agriculture is permitting these labels to be put on dog food when it has not been inspected?

Mr. DICKINSON. Oh, not at all. There are some concerns which are putting on the United States inspection label when there has not been an inspection. That is a fraud.

Mr. McKELLAR. Does the Senator mean to say that the Department of Agriculture is responsible for that?

Mr. DICKINSON. No.

Mr. McKELLAR. Do they know about it?

Mr. DICKINSON. I think the trouble is the lack of proper law. I do not know that the Department of Agriculture can really inspect any dog food.

Mr. McKELLAR. Surely there is no law which permits dog food to be advertised as having been inspected when it has not been inspected.

Mr. DICKINSON. There is no law permitting that. The idea I wish to convey is that these labels are written so as to advertise the wholesomeness of the food, when as a matter of fact it is not inspected and it is not wholesome, as the testimony shows.

Mr. COPELAND. Mr. President, will the Senator yield further?

Mr. DICKINSON. I yield.

Mr. COPELAND. It is a pathetic fact that today there are on the market many products which are improperly used by the human family. There is a famous mange cure, for example. I am not an authority on mange, but the particular remedy, which is supposed to be good for mange in beasts, is being sold to people as a cure for tuberculosis, a perfectly outrageous and fraudulent affair.

Further, the Department of Agriculture has discovered that 20 percent of the drugs on the shelves of the drug stores of the United States are below standard. A physician exercising his skill and training, may write a prescription and send it to the drug store, and the druggist, who is a trained man but who has to depend upon the manufacturer for his stock of drugs, will fill the prescription with a product which is inferior, which is not at all what was prescribed.

The question is, How can such things happen? They are all along the same line as that suggested by the Senator from Iowa. The truth is that a niggardly Congress, failing to appropriate sufficient money to provide inspectors to go out and uncover these conditions in the markets, is responsible for these evils.

There was the "ginger jake" epidemic. Thousands of people in the Southwest were permanently paralyzed by reason of this product getting into commerce.

There must be better inspection. In the last agricultural appropriation bill as it passed the Senate the amount of money for inspection was increased by $250,000. The Budget Bureau had recommended $500,000, but the House cut the amount to $250,000, and the Senate added $250,000 in order that there may be officials of the Government to go out and discover such transgressions of the law as those mentioned by the Senator from Iowa and make corrections.

It is not the fault of any one official; it is the fault of the United States Congress in failing to appropriate money. It is not any political party's fault, because it is a fault which has existed through all administrations since I have known anything about foods and drugs.

Mr. DICKINSON. Mr. President, in order to present a graphic recital of the conditions, I shall quote from a letter written by Dr. D. M. Campbell, editor of Veterinary Medicine. He said:

> I am intimately acquainted with the canned dog-food industry and have known it for years. At present it is in a deplorable condition due to unconscionable practices of racketeers who infest it in large numbers. Its products are to a large extent filthy, unwholesome, innutritious, unfit for a dog to eat or for its owner to take into his home. Sales are made through fraud and deception in labeling and advertising. I, and most other veterinarians, maintain that unwholesome canned dog food is responsible for a vast amount of illness and mortality among dogs and cheats dog owners out of millions of dollars annually. The protection of honest dog-food manufacturers no less than of the public demands official regulation of this industry. Such regulation has already been delayed much too long. The industry, as a result of abuses, is in a chaotic state. It is unprofitable to those engaged in it and a calamity to the dog-owning public. Proper regulation will benefit every worthy manufacturer, give the public something of value for its money and eliminate incalculable cruelty to man's best friend, the dog.

This is suggestive of a favorite story they tell around the stockyards. A manufacturer, so the story goes, claimed that he was packing a 50–50 product of horse meat and rabbit. When asked what he meant by "50-50", he explained that he ground up one horse and one rabbit. That is a pretty good ratio of inspected meat in some of this dog food.

Now let us see what the record reveals in respect to the human consumption and the ingredients of dog food.

At the hearing on the canned dog-food industry before the National Industrial Recovery Administration, held February 5, 1935, Mr. Charles Wesley Dunn, executive secretary of the code authority of the dog industries (p. 53), said:

> When I first came to this position as investigating the dog-food business, one of the first things I learned was that this phrase "Fit for human consumption" was actually working out to induce, according to the reports I received, the consumption of dog food in different parts of the country by human beings, and I was informed that some of the dog food which was being so consumed was not fit for human consumption.

Mr. C. J. Rich, Rich Products Corporation, Rockford, Ill., on page 82, said:

> I believe the Government Department of Agriculture has evidence that a great deal of canned dog food is being used for human consumption. From our own experience we are sure that canned dog food is being used for human consumption.

Mr. P. M. Chappel, Chappel Bros., Inc., Rockford, Ill., on page 164, said:

> I think that the Department of Agriculture has some figures on this. I do not know if those gentlemen have been familiar with this or not, but there have been some tests made of districts, and I was notified that in one alley there were 68 cans and there was not a dog in the block.
>
> I wanted to check up on some of them and I made some tests of our own in Chicago, and I was quite astonished at the number of people that were eating dog food.

Mr. Rich, on page 85 of the record, said:

Another example: Throughout the eastern part of the country people, and especially the housewife, do not generally know what "tankage" is. For instance, when calling on a certain jobber in the New York territory, I saw a competitive dog-food salesman eating the uninspected products he was selling; and he claimed—I heard him say it—that it was good enough to eat because the meat content was a high-grade "tankage." That is not a second-hand tale. I was there when he did that, when he was eating it. I told the fellow after the man had left—he didn't know who I was—"You had better tell that fellow what tankage is." And he said, "What is it?" I said, "It is sewage; it is packing-house garbage. If it is good sewage or poor sewage, that is what that fellow was eating."

As to Government neglect in this emergency, let the executive code officer, Mr. Dunn, speak to you from the record. Mr. Dunn said:

As the situation now stands, dog food is subject to composition and label control under both the Food and Drugs Act and this code; and some of such food is also subject to similar control under the Federal Meat Inspection Act. Moreover, its label is further subject to control under the Trade Commission Act.

The fact of the case is that the Food and Drugs Act has complete jurisdiction over dog food in interstate commerce, and the only reason that the administration is not paying attention to dog food, or has not in the past, is that they have something more important to do in dealing with human food.

"Something more important to do"! What could be more important than safeguarding the Nation's health? In that lame apology we have the full measure of the shortcomings of Mr. Roosevelt and his butterfly-chasing mentors. While they aimlessly flutter hither and yon seeking a new civilization that can exist only in their own visionary minds, they completely overlook the very real remedies provided by an older and wiser civilization. That is the reason this Nation has lagged behind other nations in recovery.

The administration cannot deny responsibility. As shown by the record, for more than a year—since February 1935—they have known that this shocking condition has existed. If, for any reason, they did not agree with Mr. Dunn as to their authority to act under existing statutes, they need only to have asked this Congress for additional legislation, and it would have been granted. But they did nothing. They continued to permit the uninformed victims of their planned scarcity to eat food that was literally unfit even for dogs.

Gentlemen of the New Deal, while you are indulging your dream of Utopia, please, out of the billions of our money you are so recklessly spending, spare us the paltry few pennies needed to enforce the pure-food laws so we may know that third-class food is clean food.

EXTENSION OF VOCATIONAL EDUCATION

Mr. GEORGE. Mr. President, with the consent of the senior Senator from Utah [Mr. KING], ranking member of the Committee on Immigration, in charge of the pending measure now before the Senate, I ask unanimous consent that the unfinished business, being Senate bill 2969, be temporarily laid aside, and that the Senate proceed to the consideration of Senate bill 2883, the vocational education bill, which is Calendar No. 1590.

Mr. KING. Mr. President, I have no objection to that course. I assume that under that request the unfinished business will again come before the Senate and be taken up as soon as the vocational education bill is out of the way.

Mr. McNARY. I did not distinctly hear the request of the Senator from Georgia.

Mr. GEORGE. I requested that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Senate bill 2883, the vocational education bill, being Calendar No. 1590.

Mr. McNARY. I have no objection, provided the bill does not in any way interfere with the special order for 2 o'clock today.

Mr. GEORGE. It will not do so. Of course I shall ask that the bill be laid aside temporarily, if necessary, to take up the special order.

Mr. McNARY. The Senator will make that request, and upon completion of the special order for 2 o'clock the unfinished business will come back before the Senate?

Mr. GEORGE. The Senator is correct.

Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Senate bill 2883.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 2883) to provide for the further development of vocational education in the several States and Territories, which had been reported from the Committee on Agriculture and Forestry with amendments.

Mr. GEORGE. I ask unanimous consent that the formal reading of the bill be dispensed with and that it be read for amendment, the committee amendments to be first considered.

Mr. McNARY. Mr. President, I am not in disagreement with that request. However, the bill is an important one, modeled after the one bearing the Senator's name in part. I think a statement by the Senator of the purposes of the bill would be rather helpful at this time.

Mr. GEORGE. Mr. President, I shall be pleased to make an explanation of the bill. I do not believe I can do so before the hour of 2 o'clock, when the special order is to come up.

Mr. McNARY. Then, if the Senator will yield to me, I shall suggest the absence of a quorum.

Mr. GEORGE. I yield.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Pittman
Ashurst	Copeland	King	Pope
Austin	Couzens	La Follette	Radcliffe
Bachman	Davis	Lewis	Reynolds
Bailey	Dickinson	Logan	Robinson
Barbour	Dieterich	Lonergan	Russell
Barkley	Duffy	Long	Schwellenbach
Benson	Fletcher	McAdoo	Sheppard
Bilbo	Frazier	McKellar	Shipstead
Black	George	McNary	Smith
Bone	Gerry	Maloney	Steiwer
Borah	Gibson	Metcalf	Thomas, Okla.
Bulow	Glass	Minton	Thomas, Utah
Burke	Guffey	Moore	Townsend
Byrnes	Hale	Murphy	Truman
Capper	Harrison	Murray	Vandenberg
Caraway	Hastings	Neely	Wagner
Carey	Hatch	Norris	Walsh
Chavez	Hayden	O'Mahoney	Wheeler
Connally	Johnson	Overton	White

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present.

REGISTRATION OF LOBBYISTS

Mr. BLACK. Mr. President, I ask to have inserted in the RECORD a letter from the American Farm Bureau Federation. It is only a little over a page in length, and I therefore ask that the clerk may be permitted to read it from the desk.

There being no objection, the letter was read by the Chief Clerk, as follows:

WASHINGTON, D. C., *April 1, 1936.*

Senator HUGO L. BLACK,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR BLACK: The so-called lobby-registration bill has now passed the House in a form which is too greatly modified and is back before the Senate, and will, one may assume, be considered by the proper committee. Since this question has been before Congress in one form or another for 10 years, it would not appear to be necessary to have more hearings on the measure; however, if hearings are to be held, the American Farm Bureau Federation will desire to be heard in favor of a more inclusive bill than the House measure.

Any organization which is not ashamed of its program, its resources, its personnel, and its methods of activity should not ask to be excluded from registration before proper House and Senate officials. Whether the financial resources of an organization are great or small, and whether these resources come from a few individuals in large amounts or from a multitude of individuals in small amounts, the facts relative to financial resources should be made known, not only for Members of Congress but for the public at large.

In fact, there should be no exemption on the part of any organization which works at Washington, whether or not it maintains regular offices here, in regard to registration. There should be no loophole in the language of the measure, so that certain organizations might not be compelled to register if their activities were not principally those which are usually characterized as lobbying. Furthermore, lobbying, whether or not defined specifically in the

measure, should be the general context of the bill, but understood to include not only legislative work on Capitol Hill in seeking to promote or defeat bills pending, but should include also activities among the departments of Government and independent offices thereof.

The legislative above described has been supported by the American Farm Bureau Federation for several years. The type of registration sought to be required will not stop lobbying. Its definite tendency, however, will be to place lobbying on a higher plane by bringing lobbying and those who usually classify as lobbyists out in the open. All this will be good, not only for great citizenship organizations, one of which the American Farm Bureau Federation happens to be, but will also be beneficial in securing legislation which has been more thoughtfully considered by all concerned. This type of registration proposed for lobbying groups and for lobbyists employed thereby, whether or not such lobbyists are definitely stationed in Washington or come here upon call or voluntarily, will also serve the very useful purpose of protecting Members of Congress and other Government officials from pressure, the hidden sources of which sometimes prove deeply frightful.

It will be along the above outline of objectives that the American Farm Bureau Federation will testify if any further public hearings are desired to be held on this proposition.

Very respectfully,

AMERICAN FARM BUREAU FEDERATION,
CHESTER H. GRAY,
Washington Representative.

BENEFIT PAYMENTS UNDER AGRICULTURAL ADJUSTMENT ACT

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, in pursuance of the unanimous-consent agreement the Chair lays before the Senate Senate Resolution 265, which will be read.

The Chief Clerk read the resolution (S. Res. 265) submitted by Mr. VANDENBERG on March 23, 1936, and reported from the Committee on Agriculture and Forestry with amendments, on page 1, line 2, after the word "Senate", to strike out "forthwith the name and address and the amount paid to each producer, receiving $10,000 in each calendar year" and insert "as soon as practicable the name, county, and State (including Puerto Rico and Hawaii), and the amount paid to each producer, in the sum of $10,000 or more, for each contract year, together with commodity, acreage, or number of livestock involved for which payment was made"; and in line 10, after the word "amended", to insert the following proviso: "*Provided,* That the total amount paid for each basic commodity, for each State or Territory or possession, be given for each contract year and the total number receiving such payments", so as to make the resolution read:

Resolved, That the Secretary of Agriculture be, and he is hereby, directed to furnish to the Senate as soon as practicable the name, county, and State (including Puerto Rico and Hawaii), and the amount paid to each producer, in the sum of $10,000 or more, for each contract year, together with commodity, acreage, or number of livestock involved for which payment was made, pursuant to the Agricultural Adjustment Act, as amended: *Provided,* That the total amount paid for each basic commodity for each State or Territory or possession be given for each contract year and the total number receiving such payments.

Mr. BARKLEY. Mr. President, I send to the desk an amendment which I propose to offer to the pending resolution and ask that it be read for the information of the Senate.

The PRESIDING OFFICER. The clerk will read the amendment intended to be proposed by the Senator from Kentucky.

The CHIEF CLERK. At the end of the resolution it is proposed to add the following:

Provided, That the United States Tariff Commission shall, and is hereby directed to, report to the Senate within 60 days the names and addresses of manufacturing corporations in the United States having statutory net incomes in 1934 of $1,000,000 or more producing commodities protected by the tariff, the rates of duty on principal commodities produced by each, and the 1934 selling prices derived from general sources of such commodities: *And provided further,* That the Commission shall and is hereby directed to supplement this report as soon as the information can be compiled, but with the time for compilation not limited to 60 days, similar information as to corporations, commodities, rates, and prices for the year 1935, together with the Commission's estimates of the following: (1) The effect of the tariff on selling prices of such commodities; (2) the effect of the tariff on the statutory net incomes of these corporations; (3) the effect of such rates of duty on consumer expenditures for such commodities as compared with revenue derived by the United States Treasury therefrom.

Mr. ROBINSON. Mr. President, the resolution now before the Senate has been pending for several days. The able Senator from Michigan [Mr. VANDENBERG] has been anxious to have it considered. It has not been taken up earlier for the reason that information reached me that several Senators desired to discuss the resolution. What I shall have to say in connection with the subject matter now before the Senate will be brief.

Everyone familiar with the history and the terms of the resolution recognizes that the promptings behind it are partisan political considerations. Evidently some have thought—not only some in the Senate, but others who have written upon the subject—that some great political advantage was to be derived by the opponents of the administration now in power by publishing the names of the beneficiaries of the large payments made under the Agricultural Adjustment Act. Let it be understood in the beginning, Mr. President, that the Agricultural Adjustment Act was primarily for the purpose of regulating or controlling the production of staple or basic commodities of which there were alleged to exist large surpluses at the time of the passage of the act; and everyone must have known also that in order to make the regulation effective, it would be necessary to extend the operation of the act to large producers as well as to small producers.

Under the Agricultural Adjustment Act, more than six and a half million payments of benefits to landowners and tenants have been made, and of this number most of them have been relatively small payments. The plan of the act could not have been effective if the greatest producers had been excluded from its operations and the benefits paid only to small producers. So there is nothing surprising, nothing amazing, to any intelligent person, even though he be a Senator [laughter], that large payments were made in the course of the administration of the act.

The Senator from Michigan may boast a measure of consistency which other Senators on the other side of the Chamber are not in a position to claim. For instance, the great keynoter for the next Republican convention, if one is to be held this year [laughter], voted for the Agricultural Adjustment Act, but the Senator from Michigan voted against it. I find, however, upon examination of the record, that the Senator from Michigan was more inconsistent than were the Senator from Oregon [Mr. STEIWER] and myself when we voted for the Agricultural Adjustment Act, because, while the Senator from Michigan voted against the measure that permitted millions of small payments to be made and at the same time authorized a comparatively small number of large payments, he voted for the one act connected with this program that he must have known contemplated only large payments. When the Senator from Michigan voted for the Jones-Costigan Act, the sugar-control act, he supported a measure that he well understood at the time contemplated benefit payments to the large sugar growers. Since most of the sugar growers, when compared with the producers of cotton, wheat, tobacco, rice, and other so-called basic commodities, cultivate large areas they therefore would be entitled to receive large benefits. Nearly all the really big payments were made to the sugar growers, and the Senator from Michigan voted for that act, notwithstanding the fact that he must have known that the successful administration of the law would require large payments to be made. For instance, in Hawaii the sugar production is limited to large corporations. If attempt had been made to exclude them from the operations of the law there could have been only ineffectual regulation of production.

The Senator has become a great champion of publicity. He and I have usually taken similar views on that subject. We have not sought to arouse antagonism by giving publicity to records which might very well have been withheld. In 1932 the Senator from Nebraska [Mr. NORRIS] submitted a resolution in the Senate requiring the publication of the names of all borrowers from the Reconstruction Finance Corporation. Under the operations of the law those charged with its administration found it necessary to make very large loans, enormous loans, to a considerable number of corpora-

tions. Loans ranging in the neighborhood of $50,000,000 to $100,000,000 were made to banks, railroads, and other corporations.

When it was sought to publish the names of the borrowers the Senator from Michigan made a very eloquent appeal to the Senate not to adopt the Norris resolution, which had that end in view. Those Senators who hear him now as the emboldened champion of publicity for political purposes will be amazed to recall what he said when no Presidential campaign was in prospect for him and when only a senatorial campaign in Michigan was in the offing. I quote from the CONGRESSIONAL RECORD, where the Senator from Michigan said:

On the other hand, Mr. President, I am bound to say that I profoundly disagree with the analysis of the Senator from Nebraska respecting the advisability of pursuing the thing still further and pursuing it, as I see it, unnecessarily, after we have established this point of contact between the Senate and the Corporation. I disagree that wholesale publicity for these fiduciary relationships would be useful. On the contrary, I feel that elementary prudence requires that their confidential character be respected. We can make all necessary inquiry in behalf of the public welfare through the agency of this proposed committee. I favor it. But we defeat this same public welfare if we make these fiduciary relationships a matter of common advertising and gossip, and thus too often a matter of illegitimate popular speculation and of unwarranted hysterical suspicion. We would tear down the very edifice which we have sought to erect.

That was part of the speech which the able Senator from Michigan made in this body on the 11th of July 1932. He thought it would be distinctly harmful to publish the names of the borrowers from the Reconstruction Finance Corporation and the amounts which they had secured in the way of loans from that organization. He characterized it as "tending to promote gossip and speculation." He expressed a very "virtuous" indignation against the policy of giving publicity at that time. He referred to the fact that fiduciary relationships existed between the Government and the borrowers. There was under discussion a very large loan which it was well known had been made to a single bank. There was under discussion at different times during the debate other large loans which had been made by the Reconstruction Finance Corporation. The Senator from Michigan took the position then, and I agreed with him, that it was neither necessary nor advantageous to give the publicity which was sought in the resolution of the Senator from Nebraska.

At another time there was what was known in the Senate as the "pink slip" amendment. I believe the original amendment was offered by the able Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. LA FOLLETTE. Mr. President, will the Senator permit me to correct him in that regard?

Mr. ROBINSON. Certainly.

Mr. LA FOLLETTE. The amendment which I offered and which was adopted by the Senate provided for making income-tax returns public records. The so-called "pink slip" provision was reported by the conference committee as a compromise between the position which the Senate took and the position taken by the conferees on the part of the House.

Mr. ROBINSON. I was about to say, when the Senator anticipated me, that the Senator from Wisconsin introduced in this body an amendment authorizing publicity with respect to income-tax returns. Again I agreed with the Senator from Michigan. We supported that modification of the provision which came to be known as the "pink slip" amendment. The Senator from Michigan was again eloquent in opposing publicity. He thought it would be harmful, not advantageous, but there was no Presidential campaign in prospect for him then. There was just an ordinary congressional campaign in the offing. The Senator spoke very eloquently against the amendment providing for publicity of income-tax returns. He opposed the Agricultural Adjustment Act which for the most part provided for small payments to the beneficiaries, but he supported the Jones-Costigan Act, which contemplated enormous payments to its beneficiaries.

Mr. BARKLEY. Mr. President, will the Senator from Arkansas yield?

Mr. ROBINSON. Certainly.

Mr. BARKLEY. The Senator remarked a moment ago that at the time of the controversy over the publication of loans made by the Reconstruction Finance Corporation, there was a Presidential election in the offing. In July 1932, of course, there was a Presidential election in the offing, but I suppose the Senator from Arkansas meant that the Senator from Michigan was not in the offing at that time. [Laughter.]

Mr. ROBINSON. That is what was meant, and I thank the Senator for the correction.

Mr. President, I do not criticize the Senator from Michigan for changing his attitude on these subjects. He has a perfect right to do so; but it would be interesting to know the processes by which he has come to occupy an entirely different position from that which he assumed or occupied in 1932.

The statement which I read, in which the Senator opposed publicity with reference to loans of the Reconstruction Finance Corporation, epitomized very ably the argument of those who did not think any public advantage was to be gained by advertising the names of persons who had secured financial assistance through a Government agency.

I ask, now, what is the advantage, other than a political advantage, that the Senator can seek by advertising the names of the beneficiaries of these payments under the administration of the Agricultural Adjustment Act?

To illustrate what some outside of the Senate think of it, I refer to a recent speech made by that great radio speaker to whom all delight to listen, Mr. Boake Carter. A few nights ago I had the pleasure of hearing him when he took for his principal subject the resolution of the able Senator from Michigan, which is now under consideration by the Senate, and he said:

Well, Senator VANDENBERG is still fishing for answers to his query: How many people have received $10,000 a year or more from Triple A in benefit checks? So he prodded Secretary of Agriculture Wallace anew this afternoon in Washington by saying that first the Secretary had said $29,000 was the highest check paid out, but later had corrected himself and admitted that $78,000 topped the list. But, insofar as total payments go, it is said now that a Hawaiian sugar company pulled down nearly a million—

And so forth.

Reference is then made to the payment to a cotton company in the State of Arkansas.

Continuing the quotation from Mr. Carter:

All of which is causing much puffing and snorts of indignation among Republican high commanders.

Senator VANDENBERG is included. Well, if the snorts of indignation are because of an outraged sense of righteousness, then perhaps the snorters are indulging in a little public hypocrisy. They are snorting at nothing less than a tariff, and a tariff is a pet G. O. P. baby. The Triple A has been building up a domestic tariff for the farm group and the cotton group and the sugar group and all the rest of them, and surely it's been swatting the consumers and paying out to the farmer group to be sure.

The total benefits paid by the Triple A are said to be in the neighborhood of a billion dollars to date, and that covers the 2-year life of the Triple A. And take the manufacturers' tariff which has been in effect for a little over a century, and which reached a climax in the Smoot-Hawley business; and the millions paid out by consumers into the pockets of manufacturers, when totaled up, would make the Triple A benefits to agriculture look like a pink-tea party in comparison.

And if a sugar grower walked off with more than a million of Triple A checks, then go back to the Smoot-Hawley Act, which boosted the sugar rates up 2 cents a pound in 1930. This made sugar more expensive to the American housewife to the tune of more than a hundred million dollars a year. The Government got half of that, and the producers got the other half. Nineteen hundred and thirty—sixty million a year—5 years—three hundred millions. Surely it looks as if Senator VANDENBERG is indulging in a little of what that good old political stuff of his once called the pot calling the kettle black. * * * It doesn't necessarily follow at all that when the Triple A pays out pretty handsome benefit checks, it's doing right; but the point is that when the G. O. P. high command shoots holes through the administration's A. A. A. for paying out such checks, then the high command is forgetting that it started the whole protective tariff principle years and years ago.

The farmer eventually shouted that if his manufacturing brother was going to get a subsidy through tariff protection, then he, too—the farmer—ought to get something like that. The A. A. A. catered to the farmers, and there are big farmers as well

as little ones; and to big farmers somewhat naturally, it would seem, would go the big checks, because the acreage they cover is bigger in proportion than his little neighbor.

So long as the manufacturer is protected by his tariff, so long will the farmer demand that he get some sort of like protection to equalize his income. In a word, then, all the farmers have been doing is wearing the tariff hat, and the G. O. P. does not like it. Unfortunately though, for the G. O. P., it is vulnerable on this point—although you tread on one of its tenderest corns when you tell them that it is. The Senator from Michigan would sound perhaps a wee bit more convincing if each time he cracked down on the tariff-promoting A. A. A. he also issued a comparative set of figures showing how much similar benefits the G. O. P. has paid out in tariff during the last 100 years. Then he would not be open to the come-back that most of his pecking at the A. A. A. was political.

That is the statement of an eminent citizen of this country, a publicity man who speaks to us frequently over the radio. He has not any particular appreciation for the A. A. A., but he has severe criticism for those who vote against the A. A. A. on the ground that it will give the farmers some of the benefits of a tariff, and who at the same time vote for a high protective tariff.

Mr. President, I respectfully submit that this "political issue" will not avail the opponents of this administration. When the Agricultural Adjustment Act was passed, there was a condition relating to agriculture in this country that is difficult to describe. The returns which farmers then received for their products were disproportionately small compared with the prices paid for manufactured products. Since the close of the World War, every administration that has come into power has sought to devise some practical way to put the farmer on a plane of equality with the manufacturer. Every effort that has been made failed until the Agricultural Adjustment Act was passed. You may say what you please about it, you may criticize it if you will, but it did accomplish its primary purpose. It did raise and maintain at a fair standard the prices of staple agricultural products. It did give to the farmers of the Nation, who were then impoverished beyond my power to describe, some measure of benefits which tended to put them on a plane of equality with others to whom they had been contributing in the form of excessive tariffs paid throughout a hundred years.

I also suggest that one who voted for the sugar program, under which only large payments can be made, cannot very effectively criticize another who voted for the act under which millions of small payments have been made, as well as a few large payments.

The Senator from Kentucky [Mr. BARKLEY] has indicated his purpose to offer an amendment which, while you are embarrassing the farmers of the country and seeking to embarrass the administration by making public that which the Senator from Michigan in 1932 said ought not to be made public, will also give publicity to the benefits paid to those who are engaged in other spheres of industry.

Mr. VANDENBERG obtained the floor.

Mr. CONNALLY. Mr. President, will the Senator yield for a moment? I desire to offer an amendment to his resolution. I do not wish to discuss the amendment.

Mr. VANDENBERG. There are several amendments pending. However, I am very happy to yield to the Senator.

Mr. CONNALLY. The Senator has such an attractive resolution that we all wish to be associated with it.

Mr. VANDENBERG. Yes; and if it is to be an omnibus resolution, I assure the Senator that there are numerous additional amendments to be offered on this side of the aisle.

The PRESIDING OFFICER (Mr. NEELY in the chair). The amendment offered by the Senator from Texas will be read for the information of the Senate.

The CHIEF CLERK. On page 1, after line 13, it is proposed to insert:

Resolved further, That the United States Tariff Commission be, and it is hereby, directed to furnish the Senate forthwith the names and addresses and the gross volume of sales of the three corporations or factories (naming them separately for each article or group listed below) which did the largest gross business during the calendar year 1934 in the production and manufacturing of the following tariff-protective articles and commodities: (1) Aluminum; (2) steel and iron; (3) photo cameras and films; (4) chemicals and dyes; (5) electric appliances and equipment; (6) cellophane and rayon; (7) plate glass; (8) cast-iron pipe and fittings; (9) articles or wares manufactured of tin.

Such Commission is also requested to furnish the tariff rates or schedules then in effect as to each of such listed commodities or articles.

Such Commission is also requested to furnish the total amount in dollars of benefits or protection each of such corporations received during such year, assuming that the tariff was fully effective. Such Commission is also requested (if it would not delay the filing of such report) to give its estimate as to the percentage of effectiveness of such tariff rates for such year as to each of such articles or commodities.

Mr. BONE. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. BONE. I should like to tender an amendment to the pending resolution, and I ask that it be read by the clerk.

The PRESIDING OFFICER. The clerk will read.

The Chief Clerk read as follows:

Provided further, That on the basis of the data submitted, the Senate Committee on Agriculture and Forestry shall report to the Senate the degree to which land ownership had by 1933 become concentrated in large corporate holdings, with such recommendations as the committee may see fit to make to Congress.

Mr. VANDENBERG. Mr. President, I greatly enjoyed the performance of the able Senator from Arkansas [Mr. ROBINSON], as I am sure he did. But it is a very curious circumstance to me, as it has been for the last 6 weeks, that every time I have undertaken to ask for simple information regarding the Triple A benefit payment checks someone has wanted to change the subject. The administration's spokesmen immediately want to talk about something else.

In the first instance, the Secretary of Agriculture spent a week providing himself with one excuse after another as to why this information should not be made public. His consternation was little short of pathetic. Finally he came to the conclusion, apparently, in an eleventh-hour repentance, that it would be better if the information were made public; and I commend him for the position which he now occupies in that respect, inasmuch as he now joins me in asking that the resolution shall be agreed to. After better than a month of shadow-boxing, the administration spokesman in the Senate also has finally come to a similar healthy conclusion. But apparently we must first have an afternoon of diverting debate.

Mr. President, the able Senator from Arkansas indicates that there is nothing but a political purpose motivating this inquiry. He constantly refers to the inquiry as being "criticism." Yet, if he will search the RECORD, he will discover that I have been exceedingly careful not to prejudge the case in any aspect. I have merely asked for information regarding the public business. I have merely asked for information regarding the payment of $1,000,000,000 out of the Treasury of the United States on the ipse dixit of one nonelected public official, who spent it where he pleased, when he pleased, how he pleased, and as he pleased. I have merely asked for information, and apparently the mere quest for information has been interpreted as criticism. Evidently the information is expected to carry dynamite, I can only conclude that these eminent gentlemen anticipate what will be the result if the information is furnished. They would apparently fear that the information will itself stir the criticism which they hasten in advance to condemn.

My able friend from Arkansas says that my motive in respect to the inquiry is political. I doubt if any of us could search our hearts this year and find them free from some degree of political interest, and I include the very able Senator from Arkansas, who will preside with great efficiency over the coming Democratic National Convention, ably preceded by the author of one of the amendments to the resolution, who will preside as temporary chairman over the same convention. I suspect they probably have about the same element and measure of politics—if not more—in their contemplations as they charge to me. Politics is not a closed book to my friends across the aisle, as I presume they will

continue to demonstrate during the remainder of the afternoon.

But I should like to submit, Mr. President, that there is a phase of this matter which does transcend partisan politics. I wish to submit that the meager information which the Senate has obtained and which the country has obtained as a result of the utterly inadequate disclosures thus far made since my resolution was submitted in the Senate proves the importance, as a matter of sound public policy, and without relationship either to Republicanism or Democracy, of having this information available for serious congressional study. The truth is dangerous only to those who shun it.

Let me tell the Senate precisely what I mean. If and when we resume benefit payments to agriculture in any form whatsoever, should we not sharply concentrate the benefits upon the average, small, individual farmer, speaking loosely, upon the family farm, and progressively decrease the rate of benefits for the large farm and the corporation farm? Is not the application of the principle of graduated-income taxation in reverse necessarily applicable if we are to confine the general principle of farm relief within legitimate and rational boundaries? Is it not a fact that the cumulative effect of prorating benefits paid to the big corporation farmer gives the latter a far greater relative benefit than is enjoyed by the smaller, individual, family farmer? Surely it is not politics to probe this calculation.

Indeed, if it be politics to get these facts about million-dollar subsidies, I can only say to the Secretary, and I can only say to my able friend from Arkansas, make the most of it. I think it is essential, I think it is utterly important to any rational development and expansion of a sound farm program that precisely the information which we already have bearing upon this subject of corporation farming should be definitely and specifically available, and I emphatically welcome the amendment which has been offered by my able friend the Senator from Washington, and I hope it will be added to the resolution, because it bears specifically upon this farm-ownership problem.

The whole country, and every farmer in it wants to know about a subsidy system which pays, for example, $219,825 in 2 years—and pays it in secret—to one corporation for not raising hogs on 445 California acres. They want to know about $168,000 paid in joint benefits to one cotton corporation for abandoning 7,000 acres. They want to know about wheat checks totaling $78,638 to one beneficiary in 2 years. They want to know about enormous sugar checks. It is utterly pertinent to an adequate study of this whole problem for the future. The country wants all this related information, and it would be absurd to deny it.

Mr. President, there are a few other things which we have already learned as a result of the disclosure that has been made in a preliminary fashion since the resolution was offered, and I again submit that they do not fall under the indictment of a mere political purpose. Without questioning the honesty of anyone, a thing which I flatly renounce, are we not put upon inquiry, as a result of the meager information already available, whether it is sound public policy to leave any share of the responsibility for the granting of the payment of these subsidies in the hands of Government officers who are themselves large beneficiaries of these subsidies being granted and paid? Can there be any two opinions upon this proposition? Does it not involve a conflict of interest which the prudent administration of public affairs cannot tolerate? If it be politics to ask this question, is it not essential politics in the most useful sense of that word?

I do not believe any attempt will be made to defend the mingling of functions which we already see occurring in respect to the receipt of large benefit payments with the left hand from a right hand dealing them out in an official capacity in relationship to the responsibility of administering the benefit-payment law.

Mr. President, at this point I ask to have inserted in the RECORD Mr. Stanley Chipman's discussion of this particular phase of the problem, which appeared in the Providence Journal on April 5.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the Providence (R. I.) Journal of Apr. 5, 1936]

BRITISH-OWNED FIRM IN MISSISSIPPI GETS HUGE A. A. A. PAYMENTS—CONCERN HEADED BY ASSOCIATE OF WALLACE—OPERATES LARGE COTTON PLANTATION—SENATE COMMITTEE TO URGE PUBLICITY FOR THOSE RECEIVING BENEFITS

By Stanley Chipman

WASHINGTON, April 4.—A $5,000,000 cotton-growing enterprise in Mississippi, British-controlled according to Dun & Bradstreet, and headed by a $42,000-a-year president, who is also one of the ranking officials in A. A. A., has been an outstanding beneficiary of Federal subsidies in the form of rental and benefit payments, the Providence Journal learned today.

The Senate Committee on Agriculture agreed this afternoon to report, with recommendation for passage, a resolution ordering Secretary of Agriculture Wallace to identify for the Senate all farmers who received more than $1,000 in such payments. The measure's sponsor, VANDENBERG, of Michigan, had asked for a report on all payments in excess of $10,000. On the floor he has asserted that some participants in the crop-control program have received more than $200,000.

The British-controlled firm is the Delta & Pine Land Co., of Scott, Miss. It owns 50,000 acres and operates one of the largest cotton plantations in the country, if not the largest.

According to Dun & Bradstreet, it is controlled by the Fine Spinners and Doublers Association of Manchester, England. Fixed assets of the Mississippi enterprise are set at $5,290,000 and current liabilities at $2,600. Current assets amount to $276,000; outstanding bonds total $5,000,000.

Its president is Oscar G. Johnston, prominently associated with Secretary Wallace and Administrator Davis in the A. A. A.

The Delta Pine & Land Co. has participated extensively in the A. A. A. program. The Department of Agriculture has refused to disclose how much money was given the company in subsidies, but it is known to be a huge amount. Reliable information is that the company is the fourth largest beneficiary of A. A. A. funds.

Its acreage is in the Delta area of the Mississippi, where the rich soil produces long-staple cotton, used in the finest of cotton textiles. A. A. A. records show that the average per acre benefit for the country was $8.60, but that in the Mississippi Delta the average was $10.60. Past productivity of the land was a major factor in A. A. A.'s determination of payments. In some cases, notably in the Mississippi Delta, the per-acre payments were much higher than $10.60.

Secretary Wallace has refused firmly to disclose the total amounts paid out to big participants in his crop-control program. At least two Senators have formally asked for this information specifically with regard to the Delta Pine & Land Co., but without success.

Mr. Johnston, who is regarded as one of the most able cotton growers in the South, manages the cotton producers' pool from A. A. A. headquarters, where he is paid on a per-diem basis. He is also a director and first vice president of the Commodity Credit Corporation, created by an Executive order of President Roosevelt to deal in agricultural commodities and to lend or borrow money upon them. It is essentially a lending institution and may make loans directly to producers or through banks.

Vested with official powers which enable him to exercise vast influence over cotton growing and merchandising of raw cotton, Johnston's remuneration from the Government is understood to be far less than he receives as president of the British-controlled company.

Treasury tax records, which were sent to the present Congress in compliance with recently enacted law, show that for the 1934 period the company paid him a salary of $27,000 and a bonus af $15,055.29, giving him a total of $42,055.29.

The Delta & Pine Land Co. as such does not retain all moneys distributed by A. A. A. in subsidies for cotton acreage voluntarily taken out of production on its property; its sharecroppers or tenant farmers have received a percentage. According to A. A. A. officials here, the tenant growers' last share amounted to about 18 percent.

Mr. Johnston's integrity as a Government official never has been questioned. Attention has been attracted to his dual capacities, however, in view of charges on the Senate floor that big interests have been the principal gainers from A. A. A. funds.

The question also may be raised whether the financial interests held in the Delta & Pine Land Co. by the English textile firm has not aided it to compete with American textile manufacturers. Inasmuch as the English company is reported to be the principal bondholder in the Mississippi enterprise, it is assumed that it enjoyed interest payments through revenue derived in substantial measure from United States Government subsidies. It is recognized in that connection that such subsidies were largely financed by processing taxes levied on American processors. Domestic cotton textile manufacturers had to pay many millions of dollars in processing taxes before the latter were found to be invalid by the Supreme Court.

Mr. VANDENBERG. Mr. President, there is another question which already is laid at the bar of the Senate. If it

wants seriously to discuss the question of farm benefits on a basis of equitable distribution, there is another question which already rises as a result of the preliminary information which we thus have.

If one branch of the Government leases public or quasi-public lands to a big farm operator, is it wise for another branch of the same government to pay the same operator large subsidies for not cultivating the lands thus leased? By any stretch of the imagination can this be defined as "planned economy"? Is it not instead a species of planless extravagance with other people's money? Are we not put upon notice that we need a new and larger measure of coordination? Surely it is not a political motive which inquires into the importance of this coordination.

Mr. President, rather than burden the Senate's time with a detailed discussion of this phase of the matter, I ask that a discussion of this question of large wheat payments to the operators of Government-leased lands, as it appeared in the New York Times on April 8, be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of Apr. 8, 1936]

RENTED LAND GAVE CAMPBELL $50,000 IN A. A. A. PAYMENTS—"WHEAT KING" SHOWN RECEIVING BENEFITS FROM INDIAN TRACTS OBTAINED AT "BARGAIN PRICES"—WALLACE SEES "POLITICS"—HE THUS DESCRIBES DEMANDS FOR DATA ON GRANTS—VAN DEVANTER RETURNED CHECKS

By Felix Belair, Jr.

WASHINGTON, April 8.—From information obtained from several Federal bureaus, it was disclosed today that Thomas Campbell, Montana "wheat king", received more than $50,000 from the A. A. A. for not planting a full crop on land rented from the Indians at "bargain prices."

For not planting wheat, the large-scale operator received about $7 an acre on land which Indian Bureau officials said could be rented for 50 cents to $1.50 an acre, according to data supplied by the Federal offices.

It was through the Indian agency that Mr. Campbell arranged his land rentals and since the checks he received for cooperating in the invalidated A. A. A. production-control programs indicate a per acre yield of about 7 bushels of wheat, it would appear that he received about $1 a bushel for each bushel he refrained from producing in the 3 years of the A. A. A.

This disclosure climaxed the unfolding of further details of A. A. A. benefit payments and related developments in the Federal administrative and legislative branches. These included:

A statement by Secretary Wallace in which he contended that "politics" was alone responsible for the demand for information on past A. A. A. benefit checks and the Vandenberg resolution calling for a report of all such payments above $10,000.

JUSTICE RETURNED MONEY

A report that Supreme Court Justice Willis Van Devanter, who, with a majority of his colleagues, handed down the decision that voided the A. A. A., had sent back to that agency about $100 it paid his farm for compliance in the wheat-control programs.

Release of a letter from Secretary Wallace to the Senate Agriculture Committee in which he placed the highest wheat benefit payment to a farmer under a single A. A. A. contract at $78,634. This was to correct a statement made in the Secretary's first preliminary report to the committee recently in which he said the largest such payment was $29,398.

An attempt by Senator VANDENBERG to call up in the Senate his resolution for reports on the A. A. A. payments, a move that was halted by Senator ROBINSON, the majority leader, who would not permit action on the measure in the absence of Senators who, he said, wanted to be heard on the subject.

The first piece in the story of A. A. A. payments to Mr. Campbell came from Secretary Wallace himself. In his preliminary report on the A. A. A. benefits he told the Senate committee that a Montana farmer had received $22,325 in 1933–34 for bringing under the voluntary-control program lands rented from the Indians.

The total amount received by Mr. Campbell, only roughly estimated by officials in the absence of detailed figures on the 1935–36 wheat program, placed him in the ranks of the 12 largest individual beneficiaries of the Agricultural Adjustment Act, it was said.

INDIAN BUREAU ALSO BENEFITS

In addition to the more than $50,000 paid Mr. Campbell for his retired Indian lands, records of one Federal agency showed that he was entitled to about $5,000 in A. A. A. payments for bringing his own privately owned Montana farm under the control programs.

The Indian Bureau itself was said by officials to have been a substantial beneficiary from the A. A. A. payments to Mr. Campbell because of its guardianship of the Indian-owned lands. One official placed the amount paid the Federal agency as a result at $5,000, while another said it would probably be nearer $8,000.

Brought under the A. A. A. wheat-control program by Mr. Campbell were 16,519 acres of land rented from the Indians and 2,155 acres of his own farm. The exact terms of his contract with the A. A. A. for land retirement could not be learned tonight, but Indian Bureau officials said that land similar to that operated by Mr. Campbell could be rented for from 50 cents to $1.50 an acre, depending upon its productivity.

The "wheat king" received $18,400 for not planting a part of his rented acres in 1934. That year the A. A. A. program called for a reduction of 15 percent under what had been normally planted, and checks were based on 55 percent of average yields or "domestic allotment" at a rate of 30 cents a bushel.

Since Mr. Campbell actually withheld from cultivation about 2,470 acres of the land he rented from the Indians, and his payments from the A. A. A. totaled $18,400 on that portion, the officials indicated that he had received about $7 an acre for his cooperation.

Mr. Campbell's A. A. A. payments were largely on the Indian acreage in all years. He had two large Indian tracts, and received in 1933–34 crop payments on the largest tract $16,360; on the smaller Indian tract, $2,049; and on his own land, $2,727.

In 1934–35 payments he received for the large tract, $17,279; the small tract, $2,164; and on his own land, $2,881.

Some of the Indian acreage was operated on a sharecropper basis, as A. A. A. records indicated "landlord" checks paid to the Crow Reservation agent of $1,817 in one year and $1,920 another year for the large acreage.

In 1935 Secretary Wallace lifted all spring-wheat restrictions, permitting cooperators to get benefit payments without any performance.

Mr. VANDENBERG. Mr. President, the article indicates that there are questions involved in these major Triple A benefit payments which seriously and in an impersonal, unpartisan sense ought to be studied for the benefit of whatever advantageous information may flow therefrom as we proceed to continue this method of farm relief.

I think it makes very little difference what my own voting record in the Senate has been in respect to previous problems which have been in the Senate forum.

My able friend from Arkansas has honored me by a considerable discussion of that record. I would not change the record in any respect if I could, and I think in a word I can demonstrate its complete consistency, if that be of the slightest interest to any Senator.

The Senator from Arkansas refers to the fact that I voted for the Jones-Costigan Act, the Sugar Control Act, under which a portion of the benefit payments have been made in large and staggering sums. I certainly did; and, Mr. President, the fact that I voted for it gives me a double right to be critical in respect to what has happened under it. Why did I vote for it? I desire to read from the RECORD, and I read from page 6803 of the RECORD of April 18, 1934.

The Jones-Costigan bill was then pending for a final vote in the Senate after many of us had sought repeatedly to amend it, after many of us had fought many phases of it to the utmost limit, and had succeeded in having it changed in many important particulars. This, however, is what I said on the floor of the Senate, and I read it to the Senator from Arkansas and my other colleagues:

Mr. President, those who have a right to speak for domestic sugar farmers and processors in this emergency reluctantly announce that they have no choice except to ask for the passage of the bill—indeed, any bill—because of the impending purpose of the President to reduce the sugar tariff. Against the latter hazard their only relative hope is the substitution of quota protection.

In such circumstances any quotas, however hostile, are better than none at all. They must take what they can get. But let this be plain, namely, that they are not free agents when they make their choice. It has been said that they choose with a gun at their head. That is the truth. It is a double-barreled gun. One barrel is loaded with impending sugar-tariff reductions, menacingly promised by the President; the other barrel is loaded with unrestricted Philippine imports until such time as the new and inadequate Philippine bill becomes effective.

In other words, Mr. President, if we must linger for a moment upon this ancient history of cold-blooded facts as in terms of politics, if that be the interpretation that must be put upon it, the cold-blooded fact is that the great President of the United States in his Baltimore speech preceding his election said that under no circumstances would he reduce a single agricultural tariff. It was a positive statement, without reservation or equivocation; but the fact is that within 18 months thereafter he twice reduced the tariff upon sugar, affecting in a fundamental degree the farming interests in 16 States of the Nation. Sugar was the only com-

modity included within the Triple A benefits which was not a surplus commodity. Sugar beets and domestic sugar cane were placed in the Triple A bill as a direct and specific compensation for the fact that the tariff to which they admittedly were entitled had been removed for the benefit of encouraging Cuban trade.

When the matter finally came to a vote upon the floor of the Senate, the vote was a shotgun vote; and the only chance on earth the domestic sugar-beet farmer had under those circumstances was to take what he could get. The best proof of my own good faith in that aspect is that I introduced, and there is pending in the Finance Committee today, a substitute for the Jones-Costigan Act, which does not involve the payment of a single penny of benefits from the Treasury of the United States, and which involves solely giving to the American farmer the American market, giving to him a right to produce to his own capacity that which his own fellow Americans can consume.

Mr. President, my able friend finds some sort of inconsistency in the fact that I am in favor of publicity respecting money going out of the Treasury, although I was not in favor of publicity for loans presumably to be repaid, and publicity upon the income-tax reports of private citizens. I think he knows just as well as I do that there is no remote analogy between the two situations. If there were any analogy, I should be asking for publicity for the loans that are made to farmers through the various and multiple farm-loan agencies which exist in the country. I am not asking for any information respecting the private affairs of the farmer in respect to anything which originates within the individual citizen's private rights. My position today is just as consistent as it was then. I shall never be found seeking to prevent any publicity for one nickel that goes out of the Public Treasury of the United States.

Insofar as any discussion of income-tax publicity is concerned, insofar as concerns any consideration to be given to the submission that the income-tax payer ought to make to scrutiny in respect to any dispute regarding his taxes, I may as well say here as at any other time that I distinctly dissent from the Presidential Executive order issued on June 10, 1933, under which the Attorney General alone, in the secrecy of his own chambers, may now compromise and dismiss suits for the collection of income taxes, whereas prior to the issuance of the Executive order it had to be done by the Commissioner of Internal Revenue, with the advice and consent of the Secretary of the Treasury, and with the recommendation of the Attorney General. If Senators wish to talk about publicity in respect to any phase of the income-tax problem, I wish to talk for a moment about an Executive order which strikes down at least a portion of the protection which heretofore has existed in respect to the composition of these suits.

As I was saying, Mr. President, it seems to me that what my record is or is not has remote bearing upon whether or not the Senate should pass a resolution frankly asking for information regarding a disbursement of public funds made by a nonelective officer of the Government, under his own formula, and when, where, and how he pleases, to the tune of $1,000,000,000. I have been amazed for the past 6 weeks that there should have ever been the remotest thought of opposing or retarding any such inquiry.

Now, apparently, an effort is to be made to load down the resolution with a number of amendments. That will not embarrass me in the slightest degree. I am in favor of the adoption of any Senate resolution which asks for legitimate information from any department of the Government whenever any one Senator of the United States rises and asks for it; and I shall never be in favor of subjecting him to a gauntlet of battle in order to get the information. Senators may put on all the amendments they desire, seeking all the information they wish, and I hope some additional amendments will be put on from this side of the aisle if the resolution is to become an omnibus. Let the same rule apply to our amendments from this side of the aisle that applies to your own. Let there be light, regardless of whence it comes. If this resolution is to be an omnibus, let us fill all the seats in the omnibus. Let us first agree to the resolution submitted by the Senator from Wyoming [Mr. CAREY], and then to the one submitted by the Senator from Oregon [Mr. STEIWER], asking for a full disclosure of the W. P. A. pay rolls up and down the land. Let us take that resolution out of the committee where apparently it has been given an anesthetic. Let us add that to the omnibus, and let us add any other resolutions seeking information that anybody wishes to put on. I know of no way in which the Senate can proceed intelligently in the absence of all the information it can secure from the departments.

With respect to the amendment submitted by my able and genial friend from Kentucky [Mr. BARKLEY], I will say that I have no objection to it. I am totally at a loss to understand how, in the final analysis, it is going to be possible for anybody, even a man as conveniently and expediently generous as is the chairman of the Tariff Commission, to make a clinical break-down of trade statistics to identify the precise element of tariff benefit, and where it is allocated as between labor and capital and the ultimate public welfare. But, bless your heart, if you want to make the effort to get the information, I have not the slightest objection in the world. I fail to see its connection with the Triple A inquiry I have made; but perhaps there is a connection, Mr. President, because a rather amazing thing happened a week ago Sunday which would indicate that there may be something in this dual contemplation respecting the Triple A and the tariff. Perhaps there is something which ought to be probed.

I was tremendously interested to discover that Mr. Chester C. Davis, who is still, I believe, the Administrator of the Triple A, sent a self-written interview to the United States about 2 weeks ago, to be released, under a Berlin date line, on April 18 for publication in the Sunday newspapers of that week. Let me tell the Senate, before I read portions of this article of Mr. Davis, what happened to the article, because it will at least excite your curiosity if it fails to challenge your suspicion. As nearly as I can discover, there was only one newspaper in America that published this article, to wit, the Newark Sunday Call, published at Newark, N. J. Why did not any other newspaper publish it? Well, I think I can tell you about that. No other newspaper published it because on the afternoon when it was intended for publication and for release a cablegram was received from Mr. Davis, then in London, requesting that it be withdrawn, and unfortunately for him, but fortunately for our illumination, the notice arrived too late to stop the publication in the Newark Call.

Why Mr. Davis changed his mind about this article I leave to you. Perhaps he concluded that the things he was reporting were not so. Perhaps, on the other hand, a carbon copy of his article also went to his high superior, to the Secretary of Agriculture, at the same time it went to the Associated Press, and perhaps it was there discovered what an astonishing, amazing, and totally unanticipated breach had suddenly arisen between the stated opinions of Mr. Chester Davis respecting the agricultural problem and the tariff problem in connection therewith on his part and that which is persistently proclaimed by the administration. Now, listen, quoting Mr. Davis:

> I am afraid that those who hope for a suddenly revived European market for our farm products as the immediate solution to our American agricultural problem are destined for disappointment. All over Europe there is bad news for the American farmer or exporter who hopes to regain the great market he enjoyed in this part of the world a decade ago.

That is precisely what I have insisted upon time and time again in the course of tariff debates upon this floor; precisely the condition which denies the policy that is preached to us by our good friends across the aisle and down Pennsylvania Avenue that the sum total of our economic hope is to rely upon a fertilized export trade which is to bring us back to our prosperous normalcy. Mr. Davis says it cannot be done.

I quote further from Mr. Davis:

Under the rising surge of nationalism and the continued threat of war, with the possibility of food supplies choked off by blockade, the leading countries in western Europe are striving to become self-sufficient and, as far as possible, to produce their own foodstuffs.

Of course that is true; and it is perfectly absurd to contemplate that we ever again, within this generation at least, can recapture that section of our export trade.

Continuing to quote:

Nearly every nation has been developing national programs involving trade regulations and other artificial means to check the inflow of foreign products and to stimulate greater production on its own acres—no matter how immediately unprofitable such production may be.

Now listen:

I see no—

This is Chester C. Davis speaking in an interview which was not supposed to be published—Chester C. Davis speaking—the head of the Triple A—

I see no sense wasting our soil resources and great national heritage of productive and fertile soil to produce for a market we cannot have because of circumstances far beyond our control. * * *

These are stubborn facts—

Mr. Davis testifying—

These are stubborn facts that no amount of wishful thinking—

Did you ever suspect you would find that phrase in Mr. Davis' mouth?—

That no amount of wishful thinking in the United States will change, and they affect European export trade in western Europe and England in many lines, particularly food products and agricultural raw materials, which nationalistic policies over here seek to develop.

Just one more paragraph:

If I appear at this stage to emphasize the negative side of farm-trade prospects with Europe rather than the positive, it is because a constructive farm policy for our country must start, first, with a square look at the facts as they exist.

That is all I have been asking for for a month, Mr. President, that we take "a square look at the facts as they exist." If we take "a square look at the facts as they exist", we are driven to the inevitable conclusion, as is Mr. Davis, when once he reaches the other side of the ocean, that we pursue a mirage when we try to build our economic restoration upon the basis of a recaptured foreign trade in any such degree as heretofore existed; and that applies equally to the agricultural situation to which Mr. Davis is attached.

I ask that this entire article may be printed in the RECORD, in order to save time.

The PRESIDING OFFICER. Without objection, the article will be printed in the RECORD.

The article is as follows:

[From the Newark Sunday Call of Apr. 19, 1936]

EUROPE CLOSING DOOR UPON UNITED STATES FARM PRODUCTS—CHESTER DAVIS SEES NO HOPE FOR BOOM LIKE THAT 10 YEARS AGO

(Chester C. Davis, Administrator for the Agricultural Adjustment Administration, now is touring Europe on a mission for President Roosevelt to determine how nationalistic tendencies and the threat of war will affect present and future markets of the American farmer. He has visited Great Britain, Holland, Luxemburg, and Germany, and later will see Sweden, Belgium, the Balkan countries, Italy, and France. He has authorized the following interview for the Associated Press.)

BERLIN, April 18.—I am afraid that those who hope for a suddenly revived European market for our farm products as the immediate solution to our American agricultural problem are destined for disappointment. All over Europe there is bad news for the American farmer or exporter who hopes to regain the great market he enjoyed in this part of the world a decade ago.

Under the rising surge of nationalism and the continued threat of war with the possibility of food supplies choked off by blockade, the leading countries in Western Europe are striving to become self-sufficient and, as far as possible, to produce their own foodstuffs.

Nearly every nation has been developing national programs involving trade regulations and other artificial means to check the inflow of foreign products and to stimulate greater production on its own acres—no matter how immediately unprofitable such production may be.

MUST RECOGNIZE FACTS

Incidentally it is not for us to question the wisdom of such a policy; we must recognize the facts as they exist.

The tendency of first apparent in the British Isles. While we in the United States are driving to shift plowland to grass, the British are encouraging, through national programs, a shift from grass to plowland.

Agricultural self-sufficiency seems to be an ever more dominant policy on the Continent, where it entrenches behind import controls of a scope undreamed of a few years ago.

Controls undertaken as an economic policy are strengthened by the current apprehension of war. No Englishman ever will forget those black World War days when Britain, under the menace of the U-boat, was within 6 weeks of exhausted food supplies and starvation.

Germany likewise will not forget the fact that it was behind the lines it lost the war through crushing blockades that cut off its food supplies.

ONE LESSON LEARNED

Europe remembers that lesson better than she seems to remember some other lessons taught by the World War. Until peace finds a home in Europe again the outlook for increased takings of our cereal and meat staples appears none too bright.

I am concerned with what these changes mean to the American farmer. We plowed up 50,000,000 acres to grow wheat and meat for Europe from 1914 to 1919. They will not be needed to the same extent for that purpose again.

I see no sense wasting our soil resources and great national heritage of productive and fertile soil to produce for a market we cannot have because of circumstances far beyond our control.

Nearly every country we have visited has supplemented its tariffs by import quotas on some commodities. Some nations have put in effect rigid exchange-control systems which put the Government in charge of every item of foreign trade. Germany is a notable example. Some countries have invoked outright embargoes.

STUBBORN FACTS

These are stubborn facts that no amount of wishful thinking in the United States will change and they affect American export trade in western Europe and England in many lines, particularly food products and agricultural raw materials, which nationalistic policies over here seek to develop.

The more progressive European countries are sick of quotas and control arrangements, but under the circumstances they find them necessary.

We are just beginning to realize in the United States that staggering as our war profits on agricultural commodities appeared during the World War, we lost in the end and were worse off afterward. We have not yet reorganized from the effects it left.

As far as staples are concerned, American subsidies looking toward dumping surpluses simply will not work, because the nations over here are equipped with all sorts of devices to offset them.

Subsidies will not enlarge quotas or break down embargoes.

Even in England, which until 1931 was the world's great free market, I cannot see anything to indicate a change in the national policy of protection for the home farmer and preference for the dominion farmer, at least as long as there is a possibility of European war.

NEGATIVE ASPECT STRESSED

There is no question of whether England or any other country likes this departure from its former trade policies. The conditions simply compelled the action.

If I appear at this stage to emphasize the negative side of farm-trade prospects with Europe rather than the positive, it is because a constructive farm policy for our country must start, first, with a square look at the facts as they exist.

What appears to be true of cereals and meat and fats certainly is not wholly true of tobacco, which has recently enjoyed an extraordinarily flourishing sale in England.

Other factors than those mentioned influence the cotton trade, and with certain of our smaller specialty crops some interesting possibilities may be developed.

Mr. VANDENBERG. Mr. President, I think perhaps there is a vague and remote connection between the Triple A and the tariff in connection with my resolution. It is rather a nebulous, attenuated sort of relationship, but if the Senator from Kentucky wants to ask for tariff information in connection with my resolution, he is more than welcome to do so, and so far as I am concerned I shall not contest any amendment which seeks information. I simply say what Chester C. Davis said from London, let us get the facts; and I am reasonably certain that the Senate will not want to deny a quest for facts either in respect to large Triple A benefit payments or in respect to any other phase of the problem as it may subsequently develop. I am perfectly sure that the Senator from Arkansas, and the Senator from Kentucky, and all their colleagues across the aisle, will be willing that the resolution shall be adopted, and that we shall get the facts, and I only regret that it has been so exceedingly difficult to bring them to this state of mind.

Mr. BARKLEY. Mr. President, I have no desire to consume very much of the time of the Senate in discussing the pending resolution, but in view of some of the implications involved not only in the resolution itself but in the particular form of publicity which has been given to the introduction and the tendency of the resolution, which, I assume, has not been altogether uninspired by its author, I desire to make a few observations with respect to it, and with particular reference to the amendment I have offered, which I hope will be adopted and which I am glad the Senator from Michigan has agreed to support.

In the first place, Mr. President, there has been and there will always be a very definite connection between the welfare of the American farmer and the tariff laws that are in force either for his benefit or of which he is the victim. I recall in 1928, 1929, and 1930, when we had the tariff bill—which is now the law—under consideration, that, without regard to political affiliation—inasmuch as such a tariff bill was to be enacted—sincere, honest, and intelligent efforts were made to adjust whatever benefits might grow out of it to all classes of our people alike. I recall that after the election of 1928, which was held in November of that year, the Ways and Means Committee of the House of Representatives began hearings on a new tariff law in December 1928. They held hearings almost all winter. President Hoover called an extraordinary session of Congress to consider the tariff; the House of Representatives passed a bill, which was sent here, and that measure consumed the almost undivided attention of both Houses of Congress from December 1928 to June 17, 1930, when the President signed the tariff bill which was enacted after that 18 or 19 months of deliberation.

I mention that in order to emphasize the fact that when the administration now in power came in on the 4th of March 1933 it was recognized that in the dilapidated and distressed condition of the American people at that time it was nothing short of folly to try, under those circumstances, to rewrite a tariff law having general application throughout the United States. There were more immediate considerations that had to demand our attention.

The effect of the tariff law upon agriculture may be disputed by men, depending upon their preconceived notions of tariffs and their ideas about protection and tariff for revenue and free trade, and all the theories that enter into a tariff bill, but there can be no dispute as to the condition of the American farmers and as to the status of our foreign trade on the 4th of March 1933, without regard to the causes that led up to that disastrous situation. In 1929 our commerce with other nations amounted to about $10,000,000,000. That involved large employment of American labor. It involved the sale of large quantities of American farm products as well as American factory products.

From 1929 to 1932 our foreign commerce declined from about $10,000,000,000 per year to $3,100,000,000 per year, and a considerable portion of that decline was represented by our inability to sell our export agricultural products which were piled up in the field or in the factories or in the granaries. Testifying before a committee of which I happened to be a member, Mr. Robert T. Lamont, who was Secretary of Commerce under Mr. Hoover, made the statement that the loss of that $7,000,000,000 of American commerce with the nations of the world was responsible for the loss of employment by more than 3,000,000 able-bodied American workingmen.

When we came to deal with the agricultural situation we were faced by the fact that the agencies of credit to the farmer had practically collapsed and ceased to function. During all of 1932 there was scarcely any loans at all made to the American farmer, resulting in half a million American farmers being immediately in danger of foreclosure, and our surplus products such as cotton, wheat, corn, livestock, tobacco, and other commodities were unsalable and were incapable of sale at least in part because of the terrific artificial barrier which had been erected through the Smoot-Hawley tariff law, which encouraged other nations to take similar action, each one in turn trying to lift the wall higher than its neighbor had lifted it, so as to create a sort of vacuum, commercially speaking. We had to deal with that condition. We could not remedy it, so far as tariffs were concerned, except in some artificial way.

Nobody will deny that the remedy which we applied to our agricultural program and our agricultural problem had to be artificial, just as the things which had produced that condition were artificial. We either had to decide that we would reduce our production of unsalable surpluses, or continue their production and, in the absence of foreign markets, dump them on our own domestic market and drive the prices of our products still further down.

It will be recalled that at that time cotton was selling for about 5 cents a pound, and a million bales of cotton were piled up in this country, for which we had no market. Wheat was selling in the summer of 1932 as low as 25 cents a bushel. Corn sold as low as 10 cents a bushel; pork sold as low as 2½ cents a pound; cattle sold as low as 3½ cents a pound. The price of tobacco in the United States, notwithstanding the fact that certain high qualities brought a very high price, was on the average less than 5½ cents a pound. The entire European market, with a few exceptions, had been closed to American tobacco. It so happens that in the State which I in part represent a large portion of what we call the dark-fired tobacco is exportable. About 85 percent of what we produce finds a market in other countries of the world.

When we came to consider what we would do for agriculture we either had to continue the production of these unsalable surpluses and, by dumping them on the domestic market, drive the price of the product still lower, or we had to find some artificial way by which we might reduce these unsalable surpluses by a reduction in production which meant a reduction in the acreage of the American farmer.

We all recall that the American Farm Board had been created during a previous administration and had sunk about $500,000,000, taken out of the Treasury of the United States, in a futile and ineffectual effort to revive American agriculture. Notwithstanding this fact, notwithstanding the sinking of half a billion dollars in this futile way, agriculture continued to decline, and the condition of the American farmer became worse and worse every day and every year. When the Democratic administration came into power and undertook to arrive at some conclusion by which it might give stimulation, even artificial stimulation if necessary, to the condition of the farmer, the Triple A, the agricultural-adjustment plan, was devised and became a law.

Under the Agricultural Adjustment Act and such other legislation as we enacted in behalf of the farmer, and under the improved conditions which were the result of that legislation, cotton increased in price from 5 cents a pound to 12 cents a pound. The American wheat grower, instead of being compelled to sell his wheat for 25 cents a bushel, sold it for 70 to 90 cents and as high as $1 a bushel, and it is now selling around a dollar a bushel for May wheat, and even July wheat is quoted above 90 cents as the prospective price for the American crop of wheat for the coming summer.

Corn went from 9 or 10 cents a bushel to 60 or 70 or 75 cents a bushel. Tobacco went from an average of less than 5½ cents a pound, taking the United States as a whole, to about 11 cents a pound. In the same proportion, pork and cattle and other products increased in price until, under the A. A. A. and the associated laws and the improvement in economic conditions which was produced by them, we were able, before the Supreme Court declared the A. A. A. law to be unconstitutional, to increase the net income of the American farmer by more than $3,000,000,000 per annum.

Mr. President, I am not going to discuss the Supreme Court decision. It is not material to this issue at all, except to say that the decision did not declare unlawful the tax we levied per se; it did not declare unlawful the reduction of crop production per se; but held that the combination of the tax and the inducement offered by the benefits that were to be paid out of the tax to individual farmers in the States, created a sort of national coercion on the farmers designed

to bring about a crop production which we had not jurisdiction to bring about because it was a local matter and would have to be undertaken by local communities and the States.

After that decision was rendered, in order that we might not abandon our program of farm relief, in order that we might continue as long as it might be necessary to offset one artificial influence with another artificial influence in the way of increase in the rewards to agriculture, we enacted the Soil Conservation and the Domestic Allotment Act, under which the Department of Agriculture is now framing its program for the future.

There was nothing in the law that compelled any farmer to join hands with Uncle Sam in a voluntary agreement by which he would reduce production of corn or wheat or tobacco or cotton, and in return receive a benefit payment for the amount that he reduced his production. In other words, he was to receive a reward for the uncultivated acres by which he reduced his normal production of these basic crops which were designated in the act.

The Senator from Michigan [Mr. VANDENBERG] has offered a resolution asking for information with respect to the payments to individual or corporate farmers in the United States who received more than $10,000 benefit by reason of these agricultural adjustments.

However, the remarks made by the Senator from Michigan indicate, I assume, that he believes in a sort of graduated benefit payment dependent entirely upon the amount of crop production or the size of the farmer's operation.

I should like to ask the Senator from Michigan—who seems temporarily to have departed the Chamber—under any voluntary system for farm relief where no farmer under any system or plan is compelled to join in the program, whether he thinks any real benefit will come to the average American farmer if all those who operate farms upon an enormous scale are not to be drawn into the program, but permitted to continue their larger production without regard to the agricultural-adjustment program which has been planned or may be planned by the Department of Agriculture that is now in office or any that may succeed it or exist hereafter.

What we were seeking to do was to reduce production. The primary object of the A. A. A. was not to reward any man in larger proportion than any other man or any other entity was to be rewarded for reduction in acreage.

Mr. ROBINSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Arkansas?

Mr. BARKLEY. Certainly.

Mr. ROBINSON. If the large producers had been encouraged to expand their production while the smaller producers were being contracted to reduce their production, the inevitable result would have been that there would have been a failure of the program, would it not?

Mr. BARKLEY. Absolutely; because if there were enough large producers who might retain their normal production or expand it to offset the production of the small producers, what we would have had would have been an agricultural stalemate, which would have resulted in no good to anyone.

Mr. ROBINSON. The large producers would have profited, because they would have had more to sell.

Mr. BARKLEY. Of course.

Mr. ROBINSON. The small producers would have suffered, because they would have realized low prices in spite of the fact that they had reduced their production.

Mr. BARKLEY. Decidedly so; and they would not have received any compensatory reward for the voluntary reduction they made in order that they might join a Nation-wide movement to bring about an adjustment of production to consumption, in view of the world situation.

The Senator from Michigan, in his remarks a while ago, indicated that he believed in a graduated system of benefit payments depending upon the size of the operation, somewhat on the theory that the income tax is graduated according to the amount of the income which an individual or a corporation may earn in any year. That is totally beside the question. There is no relationship whatever between the present program of reduction of unsalable agricultural surpluses and taxing a man according to his ability to pay in a scheme of taxation designed to raise revenue for the Government. Although the Senator intimated that he favored such a system, when he thinks of the matter in a judicial and calm way, aside from any publicity or any reaction that may boost or inflate, artificially or otherwise, the reputation of any man here in view of the political situation which now exists, and when the theory is applied to the productions of his own State, and a law designed to regulate those productions is based upon the primary theory that if the farmer is to receive an increased reward for his labor the price of his product must be increased, and if the price is to be increased the unsalable surpluses must in some way be removed from the markets and not continue to hang as a cloud over the agricultural horizon, I dare say the Senator would not favor any such proposition as that, because it would work to the injury of his own State, as it would work to the injury of all farmers, for it would nullify and defeat the entire program.

Mr. President, I have no desire to enter into a tariff discussion. I have offered this amendment, which is designed to obtain from the Tariff Commission a list of all the corporations whose net income for 1934 was more than a million dollars, and which are manufacturing, selling, and distributing an article upon which there is a protective tariff in the present tariff law.

I do not think anyone can deny the connection between the farm situation as we found it in 1933 and the tariff laws which had been enacted. I do not think anyone can deny that for generations the American farmer has been bearing the burden of tariff taxation without any compensatory reward upon his part for the taxes he has indirectly paid for the benefit of industry. When we passed the Tariff Act of 1930 efforts were made in someway to adjust that difference, although everyone recognized the impossibility of a complete adjustment. The Agricultural Adjustment Act of 1933 has been described as the tariff act of the American farmer. Indirectly it was, because it did seek to offer him some compensation for the burden which he willingly bore out of his meager earnings, and thus assist him in the solution of his own domestic agricultural problems.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Florida.

Mr. FLETCHER. I understood from the argument of the Senator from Michigan that he contends that it is impossible now to increase our foreign trade. I think the figures will show, as the Senator from Kentucky has mentioned, that the imports and exports of the United States dwindled to some $3,000,000,000 in 1932.

Mr. BARKLEY. In 1932; yes.

Mr. FLETCHER. I think the statistics will show that that trade has increased up to almost $5,000,000,000 today.

Mr. BARKLEY. There has been an increase; and I will say to the Senator that while we recognize, in the emergent circumstances which have existed since the depression began, the impossibility in a year or a year and a half of Congress writing a general tariff act, Congress followed the example of previous administrations from the very beginning of the history of our Government in 1792, it followed the example of at least three Republican administrations in the McKinley Act and in the Dingley Act in authorizing the President, not as a matter of tariff, not as a matter of taxation, but in the exercise of the power to regulate commerce between the United States and other nations, to enter into trade agreements designed to open up markets in some parts of the world, wherever a fair and equitable agreement might be made for some of the surplus products of the American farm and the American factory.

But if it be true, as Mr. Davis says in the interview quoted by the Senator from Michigan, that it is nothing more than a midsummer night's dream to hope to recover the markets of the world for American agriculture, then it becomes more important that we in someway regulate our own production so that we shall not again be faced with

an unsalable surplus which would have to be dumped upon the American market and would drive down still further the price of American products.

So the very interview quoted by the Senator from Michigan in support of his own argument is a stronger argument in favor of a program of curtailment of all the export products for which we now have no market and for which the Senator says we can hope to have no market in the immediate future.

If the Senator from Michigan is so solicitous about all the farmers who have received more than $10,000 by reason of their willingness to enter into voluntary contracts with the United States Government and with each other, and now is so willing that we shall also seek information with respect to the names of those who have net incomes of more than a million dollars to which contribution is made by the artificial wall which has kept our products from the markets of the world, I am wondering why he did not become so generous when he introduced his resolution instead of now being willing to accept it as an amendment which has been offered to his resolution.

I think it will be an easy matter for the Tariff Commission, through its access to the Treasury Department, the Department of Agriculture, and other agencies of the American Government, to furnish to the Senate and to the country the names of industrial corporations whose net annual income has been more than a million dollars, while we are undertaking to discourage the little farmer or to make him discontented because he received only one thousand or two thousand or five hundred dollars because of his small sacrifice, while seeing in blazing headlines that some great farmer, some corporate farmer out in the West or in the South or in Michigan or somewhere else has been able, because of the large curtailment involved in his operations, to receive more than $10,000 or $20,000 or $50,000 or $100,000.

My information is that in 1933 there were only 46 American farmers or American corporations, or combined individual and corporate farmers, who received anything like an enormous amount of benefits because of their curtailment. But why is it that the Senator from Michigan now, in this campaign year of 1936, is so anxious to expose what a few farmers received out of the Treasury of the United States in a great crop-reduction program, but was unwilling to expose in the beginning those who had been able to fatten because of their power to use the taxing agencies of the Government in an indirect way to levy tribute upon the very farmers in whose behalf we have undertaken to work out some relief?

It is a source of great pleasure to me, at least, that the Senator from Michigan is willing that we shall receive some of the information that is reposed in the Tariff Commission with respect to great industrial corporations which have been benefited by an artificial process, while at the same time he seeks to expose and seeks to embarrass and seeks to create resentment among the great mass of small farmers because they see in some newspaper headline a story that some great farmer has been able to receive fifty or one hundred or two hundred thousand dollars as a reward for his sacrifice.

Mr. President, I am in favor of the resolution offered by the Senator from Michigan. I hope the amendment I have offered will be agreed to, and inasmuch as the Senator agrees to it, I presume it will be. I dare say these two sets of information from the Tariff Commission and the Department of Agriculture, which are inseparably related in their antecedents and in their background, will show the American people something of our efforts to do a service to the great body of American farmers without embarrassment, without insinuation, without any charge that we are being actuated by favoritism toward one class as against another.

In my judgment, there can be no sound farm program of reduction of crop production that does not take in the largest farmers of the Nation on the same basis that we expect the smaller farmers to be actuated in their reduction and their sacrifice, in order that the whole body of farm life may be elevated, and the rewards for agriculture may be more remunerative and more satisfactory, which will enable the farmers of the Nation to pay their debts, and to buy some of the things produced in the great industrial centers, under which we hope to acquire a general, widespread and permanent prosperity upon a just basis and a firm foundation.

Mr. BYRNES obtained the floor.

Mr. BARKLEY. Mr. President, I desire to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Has there been any order entered that committee amendments should be first considered?

The PRESIDING OFFICER. No order to that effect has been entered, but that is the usual practice.

Mr. BYRNES. Mr. President, I do not wish to speak to the amendment offered by the Senator from Kentucky [Mr. BARKLEY]. In fact, I intend to occupy the floor only a short time.

We have had the pleasure of hearing two speeches today from candidates for the Republican nomination for the Presidency. The Senator from Iowa [Mr. DICKINSON] first addressed the Senate. He is my candidate, and I wish to enter my emphatic protest against the seeming studied effort on this side of the aisle to ignore my candidate.

The Senator from Michigan [Mr. VANDENBERG] announced himself in favor of publicity. I believe him. I believe he is in favor of publicity from now until the convention. He came out boldly in favor of publicity. But he said not one word about the controlling issue in the coming campaign, which was so clearly presented today by the Senator from Iowa [Mr. DICKINSON]. That issue is dog food.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. CONNALLY. I should like to inquire as to what has become of the Senator from Michigan [Mr. VANDENBERG].

Mr. BYRNES. Mr. President, the Senator from Michigan is in the lobby just outside the door, and the Senator from Iowa, I am glad to say, has returned to the floor.

Mr. CONNALLY. I ask unanimous consent that a page be sent out to advise the Senator from Michigan that we are considering his resolution.

Mr. BYRNES. The Senator from Michigan has returned to the floor.

Mr. BARKLEY. Mr. President, the Senator no doubt is familiar with the old quatrain:

> He who fights and runs away
> May live to fight another day;
> But he who is in battle slain
> Can never rise and fight again.

[Laughter.]

Mr. BYRNES. I thank the Senator. The candidates have returned. As a matter of fact, my only objection to the Senator from Michigan is that, with the opportunity presented to come out in an open declaration of his views on the subject of dog food, he said not one word in his 30-minute address in the Senate about that all-important subject.

The Senator from Iowa [Mr. DICKINSON], my candidate, presented the issue clearly. He presented it eloquently and with great force, and, having something of the love of publicity of which the Senator from Michigan has spoken, saw to it that there would be no mistake about this dog-food issue being carried to the country. Therefore there was sent to the newspapers of the country today from the Republican National Committee, with instructions to be released after the address of the Senator from Iowa was delivered, the sheet which I hold in my hand.

Some of the Members of the Senate will be surprised at what the newspapers are going to publish tomorrow morning for the enlightenment of the people of the Nation. They will be surprised, as I am, because I came upon the Senate floor about 1 o'clock and I saw about three Senators on the Democratic side of the Senate and about three on the Republican side of the Senate. Of the three on the Republican side there was the distinguished Senator from Idaho [Mr.

BORAH], who has a little interest in this nomination business; the distinguished Senator from Michigan [Mr. VANDENBERG], who likewise is interested; and the minority leader, the Senator from Oregon [Mr. MCNARY]. With the exception of the Senator from Oregon only the candidates were present, and I must say that the Senator from Idaho has not yet expressed himself on this issue which has been projected into the campaign by the Senator from Iowa and the Republican National Committee.

This is what the country will read tomorrow:

WASHINGTON, April 27.—In a sensational address before the Senate—

[Laughter.]

That can be proved by each of the three candidates for the Republican nomination, the Senator from Iowa himself, the Senator from Michigan, and the Senator from Idaho. I do not know what the testimony would be from the three Senators who occupied their seats on the Democratic side of the Senate. But the Senator from Idaho was present, and I know he will be surprised when he reads in the great newspapers of the country tomorrow that—

In a sensational address before the Senate, United States Senator L. J. DICKINSON, of Iowa, today laid bare a condition under which poor people throughout the United States had been forced to eat diseased and contaminated food which the speaker described as "literally unfit for even dogs to eat."

Mr. President and Members of the Senate, no more serious issue could be presented to the country. The people have resorted to the eating of dog food, according to this candidate for the Republican nomination. He said it in a most forceful way.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. BYRNES. I will yield to the Senator in a moment. The announcement from the Republican National Committee reads:

The white-haired Iowan arrived in the Senate Chamber with cans of prepared dog food which, he explained, people were actually eating because the Government permitted the manufacturers to advertise on the labels that it was "fit for human consumption." The cans and labels were exhibited to the Senators with actual photographs of some of the plants, showing the processes of manufacture.

Of course, Senators did not see the exhibit. I do not know where the Senator from Iowa has been for the last hour. I have looked over on the other side, and I was satisfied that he forgot to bring that dog food to the Senate this morning. He may have been hunting it, and I will now ask him. Has the Senator the dog food?

Mr. DICKINSON. I have the dog food. It is in my office, and I also have pictures of it, if the Senator would like to see them. I did not care to present them on the floor of the Senate.

Mr. BYRNES. But the newspapers will publish that he did exhibit them on the floor. I have for years known the distinguished Senator, and have had for him real affection. I regret to hear him say that he is now storing dog food in his office [laughter], because the paper issued from the Republican National Committee tells the people of the United States that the Senator said in the conclusion of this sensational address:

Gentlemen of the New Deal, while you are indulging your dream of utopia, please, out of the billions of our money you are so recklessly spending, spare us the paltry few pennies needed to enforce the pure-food laws, so we may know the third-class food you compel us to eat, at least, is clean food.

I thought that was only rich and riotous rhetoric. I did not know the Senator was eating it. [Laughter.] Yet the Senator says that he now has it in his office. Well, I hope that the labels on the cans are correct, and that it is fit for human consumption.

Mr. DICKINSON. Mr. President, will the Senator yield to me?

Mr. BYRNES. I yield.

Mr. DICKINSON. I wish to suggest that the record is right here. It is taken under your pet Blue Eagle N. R. A. The evidence is available. The Senator cannot laugh the thing out of the Senate for the reason that the evidence shows that 100,000,000 cans of dog food are being consumed by the human race in the United States now, and you cannot laugh that off the floor of the Senate.

Mr. BYRNES. Mr. President, I am not asking that it be laughed off. I am demanding that the Senator from Michigan and the Senator from Idaho express themselves on this momentous issue. I am not in favor of it being laughed off the floor.

This paper from the Republican National Committee refers to the Senator as "the white-haired Iowan." I love to look at his white hair, too. Whenever they sent out this statement of the "sensational speech", yesterday or the day before, they knew it would create a sensation. I take it seriously. I resent the fact that other Senators on this side of the aisle should reply to the speech of the Senator from Michigan and utterly ignore the speech of the Senator from Iowa.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. BYRNES. I want the Senate first to know what is going to be published tomorrow about the speech. This is the next statement that was written by the Republican National Committee. Here is the story:

Sarcastically—

I can hear him now—

Sarcastically DICKINSON referred to the Roosevelt cure of slaughtering food animals, restricting the growing of grain.

Then it reads:

Every gangster, every counterfeiter, every dope peddler now incarcerated in a Federal penitentiary not only lives better—

The writer of the Republican National Committee put these words in—

he said with studied deliberation.

Now, that is good! When the writer was picturing this thing yesterday he knew that my candidate, when he reached that point in his speech, would speak with "studied deliberation." [Laughter.]

He said with studied deliberation, "The man who is in the penitentiary has actually twice as much to eat as the average of our free citizenship in this year of Roosevelt—1936."

I do not know what penitentiary the Senator has been in, but I am glad to know that the unfortunates sentenced to serve time in the penitentiary are having such excellent menus afforded them. I trust he is correct in his statement. But I hope it will not prove an incentive to crime.

Mr. DICKINSON. Mr. President, will the Senator yield now? I wish to get permission to insert something in the RECORD.

Mr. BYRNES. I am delighted to yield.

Mr. DICKINSON. I ask unanimous consent to have printed in the RECORD the resolutions of the American Newspaper Publishers' Association with reference to the Black investigation. [Laughter.]

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BYRNES. Mr. President, I do not think the Senator should try to divert me from his dog-food issue. I wish to call attention to the fact that this writer from the Republican National Committee says that the Senator, after speaking with "studied deliberation", held aloft a can of uninspected dog food for the edification of the Senate. [Laughter.]

The Senator from Iowa is leaving the Chamber, Mr. President. I hope—I know he will bring back that dog food. [Laughter.]

Mr. President, I do not object to this sheet from the Republican National Committee. My only objection to it is that it pictures to the country that the United States Senate Chamber has been turned into one of these county fair exhibits, with canned dog food scattered all around the Senate. The Senator from Iowa did not do it. He would go a long way for the "brain trust", but he could not go that far. The real issue at this time is not canned food; it is canned speeches. [Laughter.]

Anyone listening to the Senator reading that speech and knowing how freely he discusses all questions must have recognized, as I did in the short time I listened to him, that he was not quite familiar with the speech. I think I know where it comes from. That speech comes from the "brain trust." Only Professor Saxon's outfit with the distinguished professors down at the Republican National Committee would project such an issue into the campaign. The Republican Committee has had a rather difficult time finding an issue. With the coming of the professors we wondered what the issue was to be. Now we know the issue—dog food.

I am satisfied that it was born in the brain of Prof. Asher Hobson, because we are advised by the Associated Press that until recently he was employed in the Department of Agriculture. Only a few weeks ago he was employed in the soil-conservation program as a liaison officer for the Central Statistical Board. He was also employed as an economist at quite liberal compensation. But just as soon as the contributions began to roll in from Delaware, from the State of Du Pont, and big money was available, the professor saw the light, and he transferred his scene of activities over to the Republican National Committee. It was ever the way of expert witnesses.

But the Republican National Committee chairman, Mr. Fletcher, did not know the professor. He said:

> Those who have joined us have done so in the belief that the policies of the Roosevelt administration are in violation of the teachings of experience and subversive of the fundamental principles of American tradition.

Professor Hobson only a few weeks ago was on the pay roll of the Roosevelt administration and was formulating plans for the soil-conservation program.

The Republican National Committee has issued another document—On Our Way. That was issued on Saturday. It has splendid pictures in it. Having come to the conclusion that millions of people in this country have no more sense than to eat dog food when it is labeled dog food, the Republican National Committee also came to the conclusion that there are so many people in the Republican Party who cannot read that they must send them pictures.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. CONNALLY. Does not the Senator think that instead of worrying about dog food they ought to devote their attention to a little elephant food?

Mr. BYRNES. I think the elephant needs more nourishment than ever before in our political history. Now, I do not object to Mr. FLETCHER going to Harvard and getting one of the pupils of Dr. Frankfurter to come down here and establish a "brain trust." The good Lord knows that if there ever were a people on the face of the earth who were in need of brains of some kind it was the Republican National Committee. If these professors really are to furnish material for speeches, as we are told, it is an excellent thing and I hope they will continue to furnish material to the Senator from Iowa. Even though he is my candidate, there are times when I think he is in the need of a little assistance.

This funny paper is a wonderful thing. It says:

> Mr. Roosevelt's half-baked potato program was laughed out of existence by the American people.

That is a professor's idea of the Supreme Court decision which ended the potato-control program. However, when it is called "Mr. Roosevelt's half-baked potato program", Members of the Senate and of the House know that that program originated in the Congress. They know that among the gentlemen who espoused it most heartily was the Senator from Maine [Mr. HALE]. They know that he led all the rest. My good friend, the Senator from Maine, was more interested in its passage than any other Member of the Senate.

I think the Senator from Idaho was in favor of it.

Mr. BORAH. Mr. President, what makes the Senator think so?

Mr. BYRNES. I understood so at the time. I should be delighted to be corrected if it is not so.

Mr. BORAH. The Senator has stated that I was. What makes the Senator think so?

Mr. BYRNES. I said I thought he was. There was no roll call, and I understood at the time that the Senator was, but if the Senator from Idaho tells me that he was not, I shall be glad to accept his correction of my statement.

Mr. BORAH. It is true there was no roll call, but I advised my constituency over and over again that I believed the bill unconstitutional and unsound economically.

Mr. BYRNES. I accept the statement. That at least eliminates the candidate from the State of Idaho, and even though I have expressed my preference for the Senator from Iowa, I do not want to misquote my distinguished friend from the State of Idaho, for whom I have the greatest respect.

The Senator from North Carolina on this side offered the amendment. There was no roll call, but my friend the Senator from Maine expressed his great interest in the bill. But certainly the Senator from North Carolina had a very difficult time getting the Department of Agriculture to enforce the potato amendment. The executive departments were opposed to it. The professor who wrote the statement I quoted should have known better.

On the third page we find four pictures showing people in want, in distress, and the members of the Republican National Committee, which is sending out material to oppose all the efforts of the administration to give help to the hungry and to furnish jobs to those who are out of work, are picturing in this supplement unfortunates who are in need of medicine, unfortunates who are in need of jobs. I think there must be a lack of coordination between the professors, because when one looks at the picture of a woman, with four children gathered around her, in need of relief, he will believe that the efforts of this administration to give help to the needy throughout this country are to be commended and not condemned. He will condemn a political party that opposes appropriations for relief of human suffering.

On the last page is the following:

> As You Like It—Not by Shakespeare.

Some professor wrote that. One would know that. The one who wrote it is Professor Saxon, I am satisfied. The head of the "brain trust" must be the author of this literary gem:

> Do you like On Our Way? Thank you. So do we. We do not like Mr. Roosevelt's funny business either. You know how it is. Just when things begin to look better along comes somebody like Mr. Roosevelt and spoils everything.

That is the "brain trust's" idea of appealing to the people of this Nation. Mr. Roosevelt came along in March 1933. This "brain trust" wants the people to believe that things were looking better in March 1933. Think of that.

It will cause the mind of every reader of this funny paper issued by the Republican committee to revert to that time and conclude that if the highly paid "brain trust" can produce nothing more convincing than this funny paper which I hold in my hand that the sooner they stop the expenditure of the money of Mr. Du Pont for that purpose the better will it be for what is left of the Republican Party.

Mr. MURPHY. Mr. President, consideration of Senate Resolution 265, which was submitted by the Senator from Michigan [Mr. VANDENBERG], and which is now pending, presents to the Senate one question which may be very readily answered, and another deeper, more significant question which takes on the complexities of a problem.

I think there is no disposition present in the Senate to deny the Senator from Michigan the information he seeks. Certainly I know it is not my disposition to deny it to him, and I believe it is not the disposition of the Secretary of Agriculture to deny it.

In consideration of the relatively few large payments made under the Agricultural Adjustment Act, there should be an understanding of what the act itself sought to accomplish. The end sought to be achieved was a general and substantial improvement in agriculture by raising the level of farm

prices as rapidly as possible back to "parity" or equality with nonfarm prices; and parity for most products was defined in the act as the relationship that prevailed in the pre-war years.

Since reasonable farm prices and enormous surpluses do not exist side by side, and since the markets for farm products were bogged down in 1932 and early 1933 by immense unsalable supplies of farm products, the act sought to restore the farm-price level by a direct attack upon the cause, by control of production and removal and prevention of surpluses.

Mr. President, that act was not a partisan approach to the problem. I am less concerned with the partisan aspects of the resolution of the Senator from Michigan than I am with its implied attack upon the agricultural policies of the present administration. That it was not a partisan approach to the farm problem is shown by the following excerpts from the 1932 platforms of the two major political parties.

The Democratic platform of 1932 pledged:

> The enactment of every constitutional measure that will aid the farmers to receive for their basic farm commodities prices in excess of cost.

The Republican platform of 1932 included the following paragraph:

> The fundamental problem of American agriculture is the control of production to such volume as will balance supply with demand. In the solution of this problem the cooperative organization of farmers to balance production and the tariff to hold the home market for American farmers are vital elements. The third element, equally as vital, is the control of the acreage of lands under cultivation as an aid to the efforts of the farmer to balance production.

To enable farmers to get together voluntarily and adjust their production, the act authorized benefit payments to cooperating producers to compensate them for smaller production and to assure a workable means of obtaining general cooperation in the plans. In other words, the benefit payments were the mainspring in the machinery for relating adjustment of farm production to increasing farm prices.

The act was intended to be, and was, a general effort to raise and strengthen the whole farm price structure as a means of lifting agriculture out of its ruinous condition and laying the basis for industrial recovery as well.

In order to accomplish their fundamental purpose of a general rise in the farm price level, the adjustment programs had to have general cooperation among producers. This meant that not only small producers but also large producers would have to be attracted to the programs and join in them. Obviously there would be no chance for the farmers to control production if only the small farmers should participate and all the largest growers, staying out, should expand their production without limit, thus breaking down the program.

All farmers understood the purpose of the benefit payments. They viewed them as a mechanism necessary to carry out a practicable operation in production control.

Congress also understood this purpose. We assumed when we passed the act that the plan would not work if the payments were disbursed on any other basis than as a uniform compensation to farmers for the extent of their production adjustment, whatever that extent might be.

Therefore, as passed by Congress, the act made no provision whatever for varying the rates of payment in proportion to the size of the producer. The act authorized the Secretary of Agriculture to make rental and benefit payments at rates considered by him to be fair and reasonable. But there was not a line in the act to indicate that rates should be stepped up for small producers or stepped down for large producers. No provisions for progression of rates as to small producers or regression of rates for large producers were included in the amendments to the act passed in August 1935. The assumption underlying both the act and the amendments was that the rates would be uniform.

So the act worked out, according to its own terms, in the payment of rates which were uniform per unit of adjusted production, and hence it resulted in the payment of large sums to the relatively small number of exceptionally large producers in each of the adjustment programs. Naturally the comparatively few large payments now appear especially large when we read in the newspapers 3 years' payments lumped into one figure without any inkling that the sum was spread over both landlord and tenants. I read a story in an excellent newspaper the other day which told about a $78,000 payment to "a wheat farmer" without any indication whatever that the sum mentioned really represented two payments, and that instead of going to "a wheat farmer", as the story related, $49,000, or nearly two-thirds of the total, was divided among 50 wheat farmers who were tenants of the parent company and who were entitled to share in the benefit payment in the same ratio as they shared in the crop. So the great $78,000 payment to "a wheat farmer" turned out to be 51 payments, 50 of which, making up $49,000, went to the 50 tenant farmers, leaving $29,000 for the company owning the land.

Large payments were most common in those branches of agriculture in which large-scale farming is a most firmly established practice, as for example, cane sugar and rice.

These large payments are a symptom of a national agricultural malady—concentration of ownership and control of the resources of farm production, particularly in certain special branches of agriculture.

Now, Mr. President, I will give specific figures of benefit payments in the case of cotton, corn-hog, wheat, tobacco, rice, peanut, and sugar producers. It will be found from the figures that only a very small fraction of the benefit payments as to each basic commodity went to large corporations or large growers and that by far the greater part of the money paid out by A. A. A. went to the small or average producers.

In the case of cotton, only 46 rental and benefit payments out of 1,031,549 paid out in the 1933 program exceeded $10,000. Altogether, these 46 payments totaled $818,656, or seven-tenths of 1 percent of the $112,794,039 paid to all farmers.

In the case of corn-hogs, in 1934, the year in which largest payments were made under the corn and hogs adjustment programs, there were 19 corn-hog contracts on which total payments were in excess of $10,000. This was out of a total of 1,155,294 contracts accepted under the program for that year. In 1935 only two payments were made in excess of $10,000. In this connection reference is made to page 7 of Secretary Wallace's letter of April 4 to the Senator from South Carolina [Mr. SMITH].

In the case of wheat, a preliminary check—and again reference is made to page 7 of Secretary Wallace's letter to the Senator from South Carolina—disclosed seven wheat contracts under which a total of more than $10,000 had been paid in second 1934 and first 1935 payments; which represented a year of the wheat-adjustment program. At the date this check was made, however, second 1934 and first 1935 payments had not yet been made on certain of the large contracts. A later and more complete check, which reached back into the year represented by the second 1933 and first 1934 payments, showed that a total of more than $10,000 had been paid on 16 different contracts for this year of the wheat-adjustment program. These 16 contracts were out of a total of approximately 580,000 contracts in effect for that year.

In the case of tobacco, the total number of contracts in all tobacco programs in 1934 was 288,908. The largest 1934 payment under a tobacco contract was $41,454, made to a Florida concern operating 49 farms. The second largest payment under a contract in the 1934 tobacco programs called for payments of $20,530.91 that year; the third largest was for $16,843.79; the fourth largest for $15,450.38; and the fifth largest for $13,263.20. In other words, out of the 288,908 tobacco contracts in effect that year, only five paid as much as $13,263.20. (See p. 8 of Secretary Wallace's letter of Apr. 4 to Senator SMITH.)

In the case of rice, 19 out of 10,659 rice contracts in effect for 1935 amounted to more than $25,000. All these contracts belonged to corporate landlords and canal companies which

furnished land and/or water to large numbers of producers on a share basis. One company, for instance, operated through 650 share-tenants. (See p. 9 of Secretary Wallace's letter of Apr. 4 to Senator SMITH.)

In the case of peanuts, out of a total of 40,000 contracts in the peanut-production adjustment program, the largest payment was less than $3,000 under the adjustment contract. (See p. 9 of Secretary Wallace's letter of Apr. 4 to Senator SMITH.)

In the case of sugar, out of a total of about 77,000 sugar-beet contracts, benefit payments under 26 contracts exceeded $10,000. Because of the corporate production common in the sugarcane industry, payments exceeding $10,000 were called for in a larger number of sugarcane contracts, both in the continental United States and in the insular possessions. A detailed statement of the larger individual payments under sugarcane contracts is given in pages 10 through 16 of Secretary Wallace's letter of April 4 to the Senator from South Carolina.

Mr. President, of course it is true that big farmers benefited along with little farmers, as the large payments received by a few of them show; but the all-important thing to bear in mind is that the trend of farm foreclosures up to 1933 was reversed by the great improvement in farm income as shown by the statement which will be appended to my remarks. In 2 years, from March 15, 1933, to March 15, 1935, the number of forced farm sales declined almost 50 percent. Farm bankruptcy cases concluded fell off 20 percent in the year ending June 30, 1934, from the number of the previous year. Trend of farm sales was to farmer buyers instead of to bankers and insurance companies. In 1934, 70 out of every 100 farms sold by the Federal land banks were sold to farmers and only 30 percent to nonfarmers.

So I say that the greatest single service in checking the loss by farmers of their lands was performed by the Roosevelt administration and by the A. A. A. in its big-scale and successful effort to improve farm prices and improve farm income.

Forced by the decision of the Supreme Court in the Hoosac Mills case to adopt other measures for agriculture, Congress in February last enacted the Soil Conservation and Domestic Allotment Act, and programs have been launched under that act which are designed to continue improvement in farm income, without production control pending transition to a State basis, and with production control after that, if the farmers desire it. The legislation referred to, designed to increase farm income, will also help farmers retain the ownership of their farms. But, unfortunately, the Senator from Michigan opposed this measure, as he opposed the original A. A. A.

The Federal Government, through the Farm Credit Administration, has brought about an immense improvement in the agricultural-credit situation since 1932. Title II of the Agricultural Adjustment Act, against which the Senator from Michigan voted, was entirely devoted to legislative measures to improve the farm-credit condition that existed in 1932. Through loans to farmers at lower interest rates, thousands who otherwise would have lost their farms to banks or insurance and investment companies were enabled to retain them and to continue as independent farmers. Further improvements were made by the Farm Credit Act of 1935, but I notice that the Senator from Michigan was not sufficiently interested even to express himself on that legislation.

In conclusion, Mr. President, let it be stated that the Senator from Michigan not only did not put his hand to the plow to improve the condition of the farmer, but he tried to lock up the plow in the barn and thus perpetuate the tragic conditions existing during 13 years of his party's administration of national affairs.

Mr. President, I ask to have printed in the RECORD a statement prepared by the Agricultural Adjustment Administration, Division of Information, entitled "Farm Progress in the United States Under the Agricultural Adjustment Act."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FARM PROGRESS IN THE UNITED STATES UNDER THE AGRICULTURAL ADJUSTMENT ACT

Farm cash income up 58 percent * * * farm prices up 66 percent * * * farm wage rates up 27 percent * * * farm real-estate values up 8 percent * * *. Such is the 1935 record of agricultural change in the United States since early 1933.

The initiation of a long-time soil-conservation plan under the provisions of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, consequently finds American agriculture in a far better condition than it was before the passage of the Agricultural Adjustment Act in May 1933.

The attack through adjustment programs on the emergency problem that agriculture faced 3 years ago went far toward making it possible for the Nation now to turn its attention to a long-time soil-conservation program.

Because of the situation of the Nation's farmers in the spring of 1933, the major objective of the Agricultural Adjustment Act, as framed by Congress, was to restore farm prices to their pre-war level of purchasing power and thereby to promote national recovery. To this end the program included reduction, through production-adjustment programs and other measures, of the price-depressing surpluses of major agricultural products that had piled up by the early part of 1933. Increased production of soil-improving and erosion-preventing crops was made possible and was encouraged through measures adopted under the act, but not until the emergency problem was at least partially solved could the raising of farm prices and the control of surpluses be subordinated to soil conservation as the first and paramount object of the Nation's agricultural program.

INCREASED FARM PRICES AND FARM PURCHASING POWER

The yearly average price of all groups of farm products increased 66 percent during the 1932–35 period, rising from 65 to 108 percent of the pre-war level. The low point occurred in March 1933, when farm prices averaged only 55 percent of the pre-war level, while in December 1935 they averaged 110 percent of that level. These figures do not include rental and benefit payments.

The gain in exchange value per unit of farm products was somewhat less than the gain in farm prices, since prices farmers pay for commodities used in living and production also advanced about 17 percent from 1932 to 1935. The exchange value per unit of farm products increased from 61 percent of the pre-war level in 1932 to 86 percent in 1935, a gain of about 41 percent.

In December 1935 farm prices were still 25 percent under their 1929 level, while industrial prices were only about 20 percent under that level.

Price changes on certain selected farm commodities are shown in table 1.

TABLE 1.—*Average annual prices received by United States farmers, 1932 and 1935*

Commodity	Unit	1932	1935 (preliminary)
Wheat	Bushel	$0.380	$0.838
Corn	do	.318	.577
Oats	do	.157	.279
Barley	do	.220	.381
Rye	do	.276	.384
Buckwheat	do	.434	.535
Tobacco	Pound	.105	.185
Cotton	do	.0652	[1].1110
Potatoes	Bushel	.396	.586
Hay (all)	Ton	6.26	7.28
Apples	Bushel	.596	.718
Hogs	Hundredweight	3.34	8.36
Beef cattle	do	4.25	6.21
Veal calves	do	4.91	7.10
Lambs	do	4.46	6.90
Rice	Bushel	.419	.624
Chickens	Pound	.109	.149
Butter	do	.208	.265
Eggs	Dozen	.142	.230
Milk (wholesale)	Hundredweight	1.29	1.71

[1] Average for marketing season to Dec. 1.

INCREASED FARM INCOME

Rise in farm prices since adjustment programs were put in effect has meant a substantial improvement in farm income. Cash income from farm production in the United States was $4,377,000,000 in 1932, $5,131,000,000 in 1933, $5,673,000,000 in 1934, $6,420,000,000 in 1935. In addition to this, farmers participating in the adjustment programs received cash income from the rental and benefit payments portion of their price of $278,000,000 in 1933, $594,000,000 in 1934, $480,000,000 in 1935.

Total farm cash income from production in 1935 was thus $6,900,000,000, an increase of $2,523,000,000, or nearly 58 percent, over the 1932 figure of $4,377,000,000. Rental and benefit payments

related to 1935 production accounted for about $480,000,000 of this increase, or about 19 percent.

Between 1932 and 1935 the income from cotton, tobacco, wheat, corn, and hogs increased about 90 percent, including rental and benefit payments. This compares with an income increase of 43 percent for all other farm products. Including rental and benefit payments, the cash income of cotton farmers increased from $464,000,000 in 1932 to about $877,000,000 in 1935; that of wheat growers from $196,000,000 to approximately one hundred and eighty-one million; that of tobacco producers from $108,000,000 to about $254,000,000; and that of corn-hog raisers from $597,000,000 to approximately $981,000,000.

CASH INCOME AVAILABLE FOR FARM LIVING

Improvement in farm cash income from 1932 to 1935 was particularly significant in terms of cash income available for farm living. Cash available to agriculture from 1935 income, after making deductions for wages, operating expenses, taxes, and interest, is estimated at $3,575,000,000. This is the largest cash return available for farm living since 1929 and nearly two and a half times as large as the return for 1932. The cash return to agriculture as an industry from 1932 production was $1,473,000,000; from 1933 production, $2,548,000,000; and from 1934 production, $3,257,000,000.

IMPROVED FARM REAL-ESTATE SITUATION

A general upturn in farm real-estate values—the first since 1920—and a reduction in the frequency of distress sales have accompanied the increased farm prices and income. From its 1933 low of 73 percent (1912–14=100) the Bureau of Agricultural Economics index of estimated value per acre of farm real estate rose to 76 in the year ended March 15, 1934, and to 79 by the year ended March 15, 1935. The increasing prices of agricultural products, the expanded credit facilities of the Farm Credit Administration, and the Agricultural Adjustment programs contributed largely to this rise.

While there has been an increase in the number of voluntary farm real-estate sales and trades since 1932, there has been a decrease in the number of forced sales. In 1932, 16.2 farms per thousand were sold and traded voluntarily, while the number sold because of delinquent taxes, foreclosures, bankruptcies, etc., was 41.7 per thousand. But with the year ending March 15, 1935, while the number of voluntary farm real-estate sales and trades increased to 19.4 farms per thousand, the number of forced sales and related defaults decreased to 28.3 per thousand. Indications point to a still greater improvement in these prospects for the real-estate year ending March 15, 1936.

REDUCTION OF SURPLUSES

The primary problem before American farmers in 1933 was the reduction of the surpluses which were weighing down farm prices. Much of the general improvement in the agricultural situation since then has been made possible because adjustment programs and other measures enabled farmers to reduce these surpluses.

The world carry-over of United States cotton, which was 12,960,000 bales at the beginning of the 1932–33 cotton season, was reduced to 10,634,000 bales at the beginning of the 1934–35 season. By the beginning of the 1935–36 season on August 1, 1935, it had been reduced to approximately 9,000,000 bales.

When the 1934 tobacco-adjustment program started, the total supply of United States tobacco in this country was 3,650,000,000 pounds. A normal supply for the level of consumption then prevailing would have been about 2,900,000,000 pounds. The existing supply thus gave a surplus of some 750,000,000 pounds. By the end of 1935 this surplus had been reduced by about one-third, to around 500,000,000 pounds.

The wheat carry-over on July 1, 1933, was at an all-time high of 393,000,000 bushels. Largely because of the short crop of 1933, the carry-over had, by July 1, 1934, been reduced to 290,000,000 bushels. As of July 1, 1935, it had been reduced to 152,000,000 bushels. Two successive years of short crops, accompanied in 1933 and 1934 by the adjustment programs, have been responsible for reducing the surplus of wheat. The problem now before the American wheat grower is largely that of maintaining such an adjustment that a burdensome surplus will not reappear.

TABLE 2.—*Annual carry-over of major crops, 1932–33 to 1935–36*

Year	Cotton (world carry-over of American, in bales)	Corn (bushels)	Wheat (bushels)	Tobacco (pounds as of July 1)
1932–33	12,960,000	269,683,000	384,564,000	2,238,738,000
1933–34	11,588,000	377,654,000	393,291,000	2,099,037,000
1934–35	10,634,000	330,543,000	289,111,000	2,213,997,000
1935–36	9,009,000	64,117,000	150,000,000	2,161,081,000

Number of hogs (including pigs) on farms, Jan. 1

1932	59,301,000
1933	62,127,000
1934	58,621,000
1935	39,004,000
1936	42,541,000

SURPLUSES REMOVED BY GOVERNMENT PURCHASE

In addition to surplus reduction through adjustment programs, surpluses of several farm products have been purchased by the Government and removed from the market in order to support prices for these products. These commodities have for the most part been distributed through relief channels.

A program for removing surplus agricultural products from commercial channels was begun late in 1933. It was coordinated with the drought-relief activities during the drought of 1934. The program included purchases, for relief distribution, of hogs and pork products, dairy products, and sugar. Drought-relief activities included buying and salvaging for relief use of surplus cattle, sheep, and goats which otherwise would have died under the existing drought conditions. Also, feed, forage, and stocks of adapted seed varieties were conserved for sale and distribution to farmers in the drought areas for 1935 seedings.

Including the drought cattle-purchase program and the seed-conservation program, in reality a surplus-removal as well as a drought-relief operation, expenditures by the Agricultural Adjustment Administration in these surplus-removal activities amounted to approximately $204,801,642 at the close of 1935. Of this amount, about $45,623,169 was spent for the removal of surplus hogs and pork products. From this operation were recovered products valued at $24,748,007 that were distributed to relief or sold as grease and tankage. Market value of surplus dairy-products purchases, delivered and distributed to the needy, totaled $22,626,432. Surplus butter delivered was valued at $16,425,059; cheese, at $3,065,878; evaporated milk at $2,223,487; and dry skim milk at $912,008. The market value of domestic beet sugar purchased by the A. A. A., as a surplus-removal and relief-operation value, amounted to $365,536. This does not include approximately 2½ million pounds of Michigan beet sugar already delivered, but for which no vouchers have been received.

THE DROUGHT EMERGENCY

While the reduction in cotton and tobacco carry-overs has been largely due to the adjustment programs, the heavy reduction in wheat, corn, and other grains in 1934, and the reduction in livestock numbers—a necessary accompaniment of the reduction in food grains and pasture—was largely due to the drought.

The first problem in agricultural adjustment was that of surpluses. The second was the drought and the shortages which it brought. The number of cattle on farms when the drought appeared was the highest in more than a decade. The drought cut the supplies of water, feed, and forage supplies far below the needs of these cattle, and producers were forced either to sell their stock without regard to the effect on prices or to let them die of thirst and starvation.

The Government purchased 12,240,262 head of cattle, sheep, and goats at a cost of $119,256,056. Purchases, by States, are shown in table 3.

TABLE 3.—*Drought-relief purchases of cattle, sheep, and goats through Dec. 31, 1935*

State	Cattle		Sheep		Goats		Total	
	Number of head	Payments	Number of head	Payments	Number of head	Payments	Number of head	Payments
Arizona	101,390	$1,448,761	11,347	$22,694	21,608	$30,251.20	134,345	$1,501,706.20
Arkansas	137,775	1,593,607	94	188			137,869	1,593,795.00
California	19,784	305,715	23,206	46,412			42,990	352,127.00
Colorado	289,588	4,147,938	207,195	414,390	3,427	4,797.80	500,210	4,567,125.80
Florida	16,335	224,161					16,335	224,161.00
Idaho	41,807	522,394	145,664	291,328	36	50.40	187,507	813,772.40
Illinois	2,587	42,650					2,587	42,650.00
Iowa	23,073	326,609	1,767	3,534			24,840	330,143.00
Kansas	521,171	7,526,018	9,569	19,138	149	208.60	530,889	7,545,364.60
Louisiana	57,016	565,533					57,016	565,533.00
Minnesota	257,473	3,766,418	6,561	13,122			264,034	3,779,540.00
Missouri	511,465	7,476,005	7,575	15,150	468	655.20	519,508	7,491,810.20
Montana	349,989	5,021,002	491,775	983,550	9	12.60	841,773	6,004,564.60
Nebraska	480,881	6,599,725	24,671	49,342			505,552	6,649,067.00
Nevada	36,272	568,089	99,260	198,520	190	266.00	135,722	766,875.00
New Mexico	547,249	7,333,959	299,341	598,682	22,592	31,628.80	869,182	7,964,269.80

TABLE 3.—*Drought-relief purchases of cattle, sheep, and goats through Dec. 31, 1935*—Continued

State	Cattle		Sheep		Goats		Total	
	Number of head	Payments	Number of head	Payments	Number of head	Payments	Number of head	Payments
North Dakota	970,984	$13,681,540	84,023	$168,046			1,055,007	$13,849,586.00
Oklahoma	503,459	5,741,557	2,270	4,540			505,729	5,746,097.00
Oregon	12,482	184,300	162,779	325,558	1	$1.40	175,262	509,859.40
South Dakota	915,039	13,124,556	148,900	297,800	32	44.80	1,063,971	13,422,400.80
Texas	2,015,621	24,538,947	1,091,338	2,182,676	283,221	396,509.40	3,390,180	27,118,132.40
Utah	126,095	1,755,458	205,551	411,102	17,981	25,173.40	349,627	2,191,733.40
Wisconsin	56,916	866,140					56,916	866,140.00
Wyoming	285,697	4,185,022	586,768	1,173,536	746	1,044.40	873,211	5,359,602.40
Total	8,280,148	111,546,104	3,609,654	7,219,308	350,460	490,644.00	12,240,262	119,256,056.00

Because of starvation and thirst, approximately 3,950,000 of these animals were unfit for food purposes and were condemned. The remaining animals were given to the Federal Surplus Relief Corporation for slaughter largely for distribution to those on relief. From them were obtained approximately 766,593,000 pounds of beef and veal of all kinds, 20,741,700 pounds of mutton, and 195,000 pounds of goat meat.

These livestock purchases relieved commercial channels of the pressure by the distressed stock and alleviated the glutting, which would have forced prices still lower. Furthermore, as a result of this measure, farmers whose cattle would otherwise have died on the range had money with which to rebuild their herds on a better basis, many of the inferior animals having been culled out.

When in the early summer of 1934 it became apparent that for the 1935 seedings there would be an acute deficiency of adapted varieties of seed wheat, oats, barley, and flax in the drought areas, the Agricultural Adjustment Administration began a seed-purchase program with a $25,000,000 allocation from emergency funds. Adapted varieties of seed were purchased and prepared for distribution during the 1935 planting season. Expenditures for seed grain, in 20 States and in Canada, as shown in table 4, totaled $16,841,960.63 through December 31, 1935.

Sales were made for cash to farmers who were able to purchase, and seed was transferred to the Federal Emergency Relief Administration to be used in relief.

The livestock and seed purchase programs were only part of the relief brought to the drought-stricken farmers by the Agricultural Adjustment Administration. The benefit payments due them under the wheat and corn-hog programs were calculated on production during a previous base period, rather than on the current year's production, and consequently served as a form of crop-income insurance. Rental and benefit payments in the 23 States in the drought area totaled $786,593,652.63 at the close of 1935.

DROUGHT AND CURRENT AGRICULTURAL IMPORTS

The unparalleled drought of 1934 is directly connected with the volume of imports of agricultural commodities into this country in 1934 and 1935. While it is true that at no time since before the depression were our imports of grain, meat, and butter so large as during 1934 and 1935, these imports are insignificant in comparison with the domestic production and consequently in their effect on prices to United States farmers. For the most part they were due to losses caused by the drought rather than to adjustment programs. For example, whereas the estimated 1934 wheat loss from drought amounted to 36 percent of the average 1929–32 annual production, the A. A. A. reduction amounted to only 6.3 percent. On the same basis the corn loss due to drought was approximately 39 percent, the adjustment program accounting for only 7.1-percent reduction.

TABLE 4.—*Emergency seed purchases, Aug. 8, 1934, to Dec. 31, 1935*

State	Bushels	Amount expended
Arizona	17,183.36	$23,813.87
California	30,186.35	32,383.96
Colorado	35,803.43	36,821.51
Idaho	39,792.40	29,741.36
Illinois	359,004.81	219,760.69
Indiana	65,954.37	39,418.16
Iowa	1,357,409.18	796,018.72
Kansas	215,400.57	149,246.87
Minnesota	7,827,318.25	6,240,936.56
Missouri	135,426.25	98,637.61
Montana	1,994,270.60	2,060,251.35
Nebraska	252,004.29	162,478.02
New Mexico	1,200.00	1,836.00
North Dakota	3,160,422.86	3,643,615.00
Oklahoma	57,161.88	36,567.46
Oregon	1,470,112.69	1,027,325.52
South Dakota	64,914.63	68,163.10
Texas	26,767.89	23,418.45
Washington	618,986.47	432,245.93
Wisconsin	351,828.12	232,183.33
United States total	18,081,148.40	15,354,863.47
Canada	976,150.91	1,487,097.16

The proportion borne by the imports of grains, to the total domestic production, even during the drought period, is apparent when combined production of the principal feed and cereal grains—wheat, corn, oats, barley, and rye—measured in tons, is compared with the combined tonnage of imports of the same grains. In the crop year 1934–35 this production was approximately 50,711,461 tons, a drop of 49 percent, or 47,446,071 tons, from the 1928–32 average production.

In the same crop year the imports of these grains totaled about 2,267,837 tons, or 4.4 percent, of the reduced domestic production for the year, 2.3 percent of the average annual production; and only 4.7 percent of the difference between 1934–35 production and the annual average production. The tonnage of imports of these grains in 1934–35 rose from the 5-year average of 506,501 tons to 2,267,837 tons, an increase of 1,761,336 tons. But this increase in imports amounted to only 3.7 percent of the decrease in production.

During the first 6 months of the crop year 1935–36 for which figures are available, imports of grains amounted to approximately 1,185,808 tons and were dropping rapidly as the effect of the increased 1935–36 domestic production was felt. In oats and rye, for example, imports had dropped to zero in January 1936.

SOIL CONSERVATION AND THE A. A. A.

The Soil Conservation Service estimates that approximately 50,000,000 acres of farm land in the United States is already so badly eroded as to be essentially unfit for production of cultivated crops; that another 50,000,000 acres is in almost as bad a condition; that there are now in cultivation 100,000,000 acres of land seriously impaired by erosion, and another 100,000,000 acres on which erosion has begun. Part of this condition has been due to the plowing up of grasslands which should have stayed in sod. Part has been due to the farmers' inability, in the face of distressingly low prices for their products, to take proper care of their farm land. A recent report from the National Resources Committee to the President pointed out that "* * * in another century this great American granary may have become inadequate to support our population if erosion is permitted to continue at the present rate of increase."

The programs of agricultural adjustment, from their launching in the spring of 1933, were concerned with good use of the land of cooperating farmers, as well as with adjustment of the acreage of surplus crops into line with effective demand. The adjustment programs supplemented those of the Soil Conservation Service, the Forest Service, the Resettlement Administration, the State experiment stations, the Agricultural Extension Service, and other agencies, in dealing with the land problem. Farm leaders and administration officials recognized from the start that relieving a proportion of farm land from the soil-exhausting burden of major crop production created an unprecedented opportunity for putting this land to the soil-conserving uses which farm specialists had been advocating for many years.

Provisions were included in contracts offered to more than 3,000,000 cooperating farmers which would insure that the acreage taken out of surplus crops would be put to beneficial uses. The first corn-hog contract, offered for the crop year 1934, authorized use of the rented acreage only "for planting additional permanent pasture, for soil-improving and erosion-preventing crops not to be harvested, for resting or fallowing the land, for weed eradication, or for planting farm wood lots." The first wheat contract, covering the 1933 period, contained similar provisions with respect to the rented acreage. The cotton contract for 1934–35 specified use of the rented acres only for "soil-improving crops, erosion-preventing crops, food crops for consumption by the producer on his farm, feed crops for the production of livestock or livestock products for consumption or use by the producer on his farm, or fallowing, or such other uses as may be permitted by the Secretary of Agriculture or his authorized agent." Food and feed crops for home use were authorized on rented acres in the South, because it was recognized that the standard of farm living in this region, which contains half of the farm population of the country, might thereby be improved. The tobacco contracts carried similar provisions.

In the 1934 crop year, the first in which the adjustment programs were in full swing, farmers agreed to shift their production on nearly 36,000,000 acres. This was an acreage as large as all the acreage harvested in 1931 in the States of New York,

Pennsylvania, Virginia, Ohio, and Indiana. It represented 1 out of every 9 acres of cultivated land in the country.

This acreage shifted from intensive major-crop production was distributed through 46 States, as table 5 shows. The largest proportions were in the chief agricultural States, the States where agricultural land is most valuable and most worth conserving. Farmers in Kansas, for example, shifted 2,867,000 acres from corn and wheat; in Iowa, 2,567,000 acres were shifted, mostly from corn; in Nebraska the contracted acreage was 2,253,000; in Illinois, 1,722,000 acres; and so on.

It has been estimated that about one-third of these 36,000,000 shifted acres were put in pasture or meadow crops; approximately another third were used for emergency forage crops and for crops that supplied food and feed for home use; and that the remainder were fallowed, planted to farm wood lots, or left idle. The acreage left idle was very small.

"The most significant change in the use of farm and ranch lands in the United States between 1929 and 1934 was the large increase in the acreage used for pasture or grazing", according to the Bureau of the Census. "In 1934 land in farms and ranches in the United States used for pasture or grazing, other than that from which crops were harvested, amounted to 517,900,401 acres. This was an increase of 53,745,877 acres, or 12 percent, over the 464,154,524 acres reported as pastured or grazed in 1929. This increase was rather general throughout the country with the largest gains in the Southeastern and Gulf coastal areas, in the Great Plains Region, and in the Mountain States. The largest percentage of increase was in the South Atlantic States, with the pasture acreage increasing from 21,794,426 acres to 25,541,975 acres, or a gain of 17 percent. For the most part the increased acreage in pasture represented farm land not suitable for crops and, to a lesser extent, a shift from land formerly used for crops."

TABLE 5.—*Estimated rented acres by States and by commodities from which withdrawn, 1934* [1]

	Corn, contract acres	Wheat, contract acres	Cotton, contract acres	Tobacco (all types), contract acres
Maine				
New Hampshire	10			102
Vermont				123
Massachusetts	10			5,138
Rhode Island				
Connecticut	10			11,559
New York	600	1,871		1,242
New Jersey	500	506		
Pennsylvania	6,000	13,339		21,248
Ohio	465,000	92,889		32,332
Indiana	672,000	112,504		4,444
Illinois	1,570,000	151,821		37
Michigan	70,000	36,905		
Wisconsin	159,440	2,167		32,861
Minnesota	571,660	128,395		1,700
Iowa	2,545,000	21,741		
Missouri	1,090,000	105,013	145,693	2,888
North Dakota	188,700	1,521,635		
South Dakota	1,025,000	543,026		
Nebraska	1,854,000	399,336		
Kansas	1,020,000	1,847,244	332	181
Delaware	1,850	5,505		
Maryland	21,000	43,579		2,150
Virginia	45,000	32,114	23,440	38,272
West Virginia	10,000	4,946		2,324
North Carolina	32,000	3,297	499,697	184,771
South Carolina	20,000		712,998	28,840
Georgia	9,500	627	1,198,657	22,145
Florida	17,000		43,280	1,778
Kentucky	140,000	20,958	5,248	259,662
Tennessee	172,900	10,449	391,591	42,820
Alabama	30,800		1,287,280	91
Mississippi	3,700		1,467,364	
Arkansas	39,500	272	1,312,297	29
Louisiana	5,620		727,679	
Oklahoma	233,000	543,015	1,269,982	
Texas	223,000	546,020	5,330,947	
Montana	5,000	653,292		
Idaho	1,000	147,653		
Wyoming	44,000	35,885		
Colorado	320,000	225,921		
New Mexico	40,000	57,142	44,093	
Arizona	900	925	62,843	
Utah	500	31,519		
Nevada	86	1,290		
Washington		292,477		
Oregon	500	127,075		
California	12,000	67,633	61,760	
Puerto Rico				[2] 17,748
Total	12,655,986	7,829,986	14,585,181	696,746

[1] Estimated by commodity sections of Agricultural Adjustment Administration.
[2] Not included in totals.

Total acreage, 35,767,899.

In a series of six referendums a total of 4,256,439 producers' votes were cast. Votes for continuation of the various programs and measures totaled 3,693,732, or 86.8 percent of the votes cast. Tabulations of the results in the different referendums are as follows:

TABLE 6.—*Votes in farmers' referendums on continuation of agricultural-adjustment measures*

Measure on which held	Number of producers voting	Number of votes for continuation	Percentage of votes for continuation
Wheat program (1936–39)	466,720	404,417	67.0
Bankhead Cotton Act in 1935	1,521,954	1,361,418	89.5
Corn-hog program for—			
1935	550,445	379,401	68.9
1936	[1] 941,403	[1] 813,063	[1] 86.37
Kerr-Smith Tobacco Act for 1935	[2] 398,867	374,973	94.0
Adjustment program for 5 types of tobacco in 20 States, 1935	377,050	360,460	95.6
Total	4,256,439	3,693,752	86.8

[1] Preliminary. [2] Estimated.

FARM BANKRUPTCIES AND BANK FAILURES

After 2 successive years of marked increases, farm bankruptcies declined 20 percent in the fiscal year ending June 30, 1934, as compared with the preceding year. This decline was a greater relative decline than that for any other occupational group in the country except merchants. The latest data available on farmer bankruptcies are those for the year ended June 30, 1934.

In 1931 banks to the number of 1,705 failed in towns of less than 5,000 population. Another 1,129 failed in 1932. The greater part of the more than 4,000 banks whose position early in 1933 was too weak to enable them to obtain licenses after the moratorium were country banks.

After the bank moratorium, till the end of 1933, figures for the whole country show that while 1,121 of the nonlicensed banks went into liquidation or receivership, only 179 others failed. For the whole year 1934, 927 nonlicensed banks failed, but only 57 licensed banks.

FARM RECOVERY AND INDUSTRIAL PICK-UP

The farmer's increased purchases of city-made goods is making itself felt in the industrial areas of the country.

This has been most clearly evidenced, perhaps, in the case of the automobile industry. Now, automobile registrations in the United States increased from 1,276,524 in 1932 to 1,739,663 in 1933, to 2,292,443 in 1934, and to 3,253,591 in 1935. The increase from 1932 to 1935 was 155 percent.

The relationship between this increased automobile business and increased farm income has been recognized by the automobile industry itself. Automobile Fact and Figures, a publication of the Automobile Manufacturers' Association, points out that the 1934 retail-sales gain was greatest in small towns and on farms, evidenced by the fact that new passenger-car registrations in towns under 10,000 population increased 38 percent over the 1933 figures, where as in cities over 10,000 population the increase amounted to only 18 percent.

The value of sales by large mail-order houses, which do a large proportion of their business with farmers, has shown steady increases. The monthly average sales of these firms were: $38,345,000 in 1932, $39,775,000 in 1933, $49,640,000 in 1934, and $59,878,000 in 1935. The value of sales averaged higher in 1935 than in any period since 1929.

The value of rural retail sales in 1935 for the Nation as a whole, was higher than in any other year since 1929. The 1935 sales value increased 58 percent over that in 1932 and 44 percent in 1933. When compared with 1934, the increase in total sales was largest in the South, which showed a gain of 20 percent. The Far West came next, with a gain of 19.5 percent, while the remaining sections of the country showed an 18-percent gain over 1934.

A study recently made by the Agricultural Adjustment Administration of carlot shipments of industrial products over 4 railroads from 16 industrial States of the Northeast to 10 agricultural States of the Southeast shows that shipments in the year ending July 1, 1934, were 816,302,238 pounds, or 38.8 percent greater than in the preceding 12 months.

Fertilizer tax tag sales, compiled for 17 Southern and Midwestern States only, indicate increased purchases of fertilizer since 1933. During 1933 the equivalent tons purchased in these 17 Southern and Midwestern States totaled 3,342,855. For 1934, purchases aggregated 3,838,875 equivalent tons. For 1935, purchases aggregated 4,317,860 equivalent tons, or an increase of 29 percent over 1933.

According to the American Petroleum Institute, gasoline consumption in the United States increased from 15,436,324,000 gallons in 1933 to 17,632,143,000 gallons in 1935, an increase of 14 percent.

Sales of new ordinary life insurance for the Nation as a whole increased from $5,623,660,000 in 1933 to $6,181,255,000 in 1935, or an increase of 10 percent.

Improved banking conditions are further indications of increased business activity. Monthly statements issued by the Federal Reserve System indicate that debits to individual accounts increased greatly from 1932 to 1935. For 1932 debits in 141 centers throughout the United States totaled $322,365,547,000. By 1934 they had risen to $331,937,074,000, and a preliminary estimate shows that by 1935 debits in these reporting centers stood at $375,423,826,000, or 16 percent above the 1932 figure.

Individual deposits, including both savings and commercial deposits, in banks throughout continental United States aggregated $41,720,194,000, an advance of $6,173,787,000, or 17 percent for the year ending June 29, 1935, in comparison with the year closing June 30, 1933. These figures are based on reports received by the savings division of the American Bankers Association.

The number of all commercial failures dropped steadily and rapidly from 1932 through 1935. From a high of 31,822 in 1932 such failures declined to 20,307 in 1933, to 12,185 in 1934, and to 11,879 in 1935. Commercial failures in 1935 therefore amounted to only 37 percent of those in 1932.

Other indexes show further improvement. Estimates by the Bureau of Labor Statistics indicate that expenditures for building operations in 257 identical cities aggregated $382,389,451 in 1933, compared with $655,213,410 in 1935. This represents an increase of 71 percent.

Employment and pay rolls in manufacturing industries are also on the upturn. The average number of persons employed in these industries jumped from a low of 5,374,000 in 1932 to 6,891,000 in 1935, thereby increasing 28 percent. During the same period the average weekly pay roll of these industries rose from $93,757,000 to $142,990,000, or 53 percent.

Further indications of general recovery, as influenced in part by the adjustment programs and other recovery measures, are shown in table 7.

TABLE 7.—*Key indexes of the recovery, 1932–35*

	Percentage change 1935 related to—	
	1932	1934
Prices:		
All commodities, wholesale [1]	+24.7	+7.9
Nonagricultural, wholesale [1]	+17.4	+4.3
Finished products, wholesale [1]	+16.9	+5.1
Raw materials, wholesale [1]	+39.9	+12.4
Farm products, wholesale [1]	+63.5	+20.7
Retail prices of food [1]	+17.9	+9.1
Prices received by farmers [2]	+66.2	+20.0
Prices paid by farmers [2]	+16.8	+1.6
Production:		
Net agricultural production [2]	−9.0	0.0
Agricultural marketings [2]	−10.7	−8.5
Production of manufactures [4]	+42.9	+15.3
Production of minerals [4]	+28.2	+5.8
Construction contracts awarded [4]	+36.5	+19.5
Stocks of raw materials:		
Metals [3]	−27.8	−14.2
Textiles [3]	−16.6	−10.7
Food and raw materials, world [3]	−20.4	−13.7
Commerce and trade:		
Carloadings, l. c. l. [4]	−11.1	−1.5
Total carloadings [4]	+12.5	+1.6
Passenger traffic [5]	+6.9	+.6
Total domestic exports, value [6]	+42.3	+6.8
Exports of farm products (volume) [2]	−38.3	−13.4
Agricultural exports, value [6]	+13.0	+1.9
Other exports (nonagricultural) [6]	+63.5	+9.4
Total imports, value [6]	+54.1	+24.6
Agricultural imports, value [6]	+65.6	+28.9
Other imports (nonagricultural) [6]	+40.9	+18.6
Passenger-car registrations [3]	+150.3	+45.3
Department store sales [4]	+12.0	+5.0
Rural retail sales [3 7]	+57.5	+18.8
Fertilizer sales [8]	+50.5	+10.8
Agricultural implement sales [9]	+260.5	+72.5
Finance:		
Bank debits [4]	+16.5	+13.1
Bank suspensions [4]	−93.5	−90.5
Commercial failures [3]	−59.5	−2.5
Bank deposits [4 10]	+14.5	+6.5
New capital issues [4]	+23.4	+2.6
Industrial stock prices [11]	+85.0	+21.6
Aggregate value of industrial stocks [12]	+65.9	+10.7
Corporate bond prices [4]	+27.7	+5.9
U. S. Government bond prices [4]	+7.2	+2.8
Number of shares traded [3]	−10.2	+17.9
Income and wages:		
National income excluding farm [13]	+11.3	+5.8
Factory pay rolls [1]	+52.3	+13.4
Dividend payments [14]	+1.1	+9.6
Pay rolls in—		
Wholesale trade [1]	+2.0	+4.0
Retail trade [1]	−1.9	+2.0
Farm cash income (with benefits) [2]	+57.7	+10.0

[1] Bureau of Labor Statistics.
[2] Bureau of Agricultural Economics.
[3] Survey of Current Business.
[4] Federal Reserve Board.
[5] Revenue passengers carried 1 mile on class I steam railways, Interstate Commerce Commission.
[6] Foreign Agricultural Service.
[7] 3 large mail-order companies, and a large group of chain units operating in small towns and agricultural regions of the country. This sample represents about one-fifth of all general merchandise sales in places of less than 30,000 population. An estimate by the Agricultural Industrial Relations Section, A. A. A., of total farm retail sales shows a gain of 19 percent from 1932 to 1935 and a gain of 23 percent (preliminary) from 1934 to 1935.
[8] National Fertilizer Association.
[9] Estimated wholesale value based on Interstate Commerce Commission carloadings reports (first 3-quarter figures).
[10] Nov. 1, 1935, partly estimated and reported figure for Dec. 31, 1932, for all banks exclusive of interbank deposits.
[11] Dow-Jones, monthly average 30 industrials.
[12] New York Stock Exchange.
[13] Agricultural Adjustment Administration, Program Planning Division.
[14] New York Times.

Mr. CONNALLY. Mr. President, the Senator from Texas does not quite agree with some of the strictures which some of his colleagues seem to have passed upon the Senator from Michigan [Mr. VANDENBERG]. I greatly sympathize with the Senator from Michigan, because I realize that he is engaged in seeking after truth and information. I admire the man who is always struggling for more information, more enlightenment, more knowledge regarding great public questions.

I remember when as a young boy I first knocked at the door of the public school. I did not do it voluntarily. I did it because my father and mother, with rather great insistence and threat of a hickory switch, urged that I attend—and I attended. But the man who has an innate and overwhelming passion for knowledge and information is the man I admire, and that is why I desire to second in every way I can the efforts of the Senator from Michigan. I do not mean the idle curiosity of the gossip who merely wants to mull over the sordid and venal details of some neighborhood story; I do not mean the manifestations of interest which sometimes actuate a senatorial committee in boring into the seemingly private affairs of individuals; nor do I refer to the rabid desire of some newspaper correspondents to publish all the horrible details of crime and other events. But here is the Senator from Michigan in a sincere search for the truth. He wants to know about the big farmers. He is not concerned with the little farmer. He is for the little farmer. There are a great many more little farmers than there are big farmers, so the Senator from Michigan is perfectly willing to vote out of the Treasury generous amounts for the small farmer; but the big farmer is the object of his wrath.

Mr. President, I am surprised that the Senator from Michigan did not have the statesmanship and the foresight to realize, when the A. A. A. bill was pending, that the big farmers were going to get something out of that measure. I wonder why he did not offer an amendment graduating the rates as he now proposes. If he had done that and we had adopted the amendment, these horrible things would not have occurred, and the country would not have been shocked at the prospect of a farmer somewhere getting more than $10,000 in benefits.

But we have now no bill before us for consideration. The A. A. A. is a thing of the past. It has gone down before the decision of the Supreme Court. We have passed another agricultural-relief bill, but I have no recollection that the Senator from Michigan offered any amendment to the soil-conservation bill. Why did he not advance at that time the suggestion he has made today? Other Senators did not have the initiative, we did not have the foresight, we did not happen to think about it, but the Senator from Michigan sat here in the Senate with that secret wrapped up in his bosom and refused to let us know anything about it.

As a matter of fact, let us see how the Senator's plan would have worked if we had adopted it. He would have denied the large farmer anything except a very small benefit for reducing his production. The result would have been that the large farmers would not have reduced; they would not have come into the program, while the small farmers would have come in, and the result would have been that the large farmers, like all large concerns do, would soon have monopolized agriculture, and the little farmer, about whose interests the Senator is so greatly concerned, in large measure would have disappeared from the picture because the field would have been occupied by the large farmer.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Kentucky?

Mr. CONNALLY. I yield.

Mr. BARKLEY. The Senator knows, of course, as we all do, that wherever and whenever the farmer has tried to organize without any encouragement on the part of the Government, the organizations have frequently and usually broken down because of the willingness of a few to stay on the outside and do as they please and reap the rewards of those who cooperated in order that they might benefit the condition of all. If the large farmers to whom the Senator

from Michigan has referred, who are now being discussed by the Senator from Texas, by reason of the smallness of their proportionate reward for any curtailment had remained out, the story of agriculture in this country in the last 3 years would have been quite different from what it is.

Mr. CONNALLY. Of course. Selfishness operates on farmers just as it does on Senators. Therefore, naturally, the big farmer is going to do that which he thinks is to his advantage or to his interest. Had he been excluded from the benefits of the measure he would have gone out and gotten all the benefits he could outside of the program and to that extent would have destroyed or lessened the effectiveness of the Government's program.

Why is it, I ask the Senator from Michigan, when for the first time in the history of the Government Congress has really done something to aid agriculture, when for the first time since the War between the States political parties have kept their promises to give agriculture somewhat of an even break with industry, that that is made the occasion for the assault by the Senator from Michigan?

Not only was the Senator from Michigan opposed to the A. A. A. bill, but now that it is buried and the green grass is growing over its grave, the spirit and spleen of the Senator from Michigan are not content, but he must desecrate its grave and heap odium upon that which he fears did something substantial for agriculture.

Mr. President, I have offered an amendment to the pending resolution. I hope it may be adopted. It is brief. It calls for information. It emulates the example of the Senator from Michigan in seeking information. The amendment asks the Tariff Commission, and it already has the information I am sure, to advise the Senate the names and gross business of three—I am not asking for all of them, but only of three—corporations in those respective fields which did the largest gross business in 1924. The first one is aluminum. Why is not the Senator from Michigan concerned with the great profits made by the Aluminum Trust under the sheltering protection of the Government of the United States? Where did its inordinate profits come from except that it sells here in a highly protected market with palisades erected by law lifted up to keep out any foreign competitor?

The former Secretary of the Treasury, Mr. Mellon, under the administration of the party to which the Senator from Michigan belongs, reaped untold millions of profit from the aluminum industry, protected as perhaps no other industry in America is protected. Is there any inquiry here, or was there ever any inquiry at any time by the Senator from Michigan, asking the Treasury Department to tell us why Mr. Mellon gets his millions from the tariff-protected aluminum industry? But while perfectly willing for that sort of thing to go on, the Senator from Michigan is aroused, his spirit is in turmoil, because somewhere, somehow, some farmer, for the first time in history, was able to obtain from the Congress his first tariff benefit by reason of the A. A. A.

In the next classification, I ask about the steel industry. I should like to have the American people know, because the Senator from Michigan already knows—this is not for his information, but it is for the information of the American people—why it is that he is so content for the Steel Trust to reap millions upon millions of dollars from these same farmers. Every time the farmer sticks his plow in the ground he pays tribute to the Steel Trust. Every morning, when he unhooks his old hoe from the rack and goes out under the burning sun, amid the cockleburs and the crabgrass, to struggle with the cotton or with the corn, he must first pay tribute to the masters of steel who are taking down, by reason of the force of law of the United States, untold millions in profits. Yet the Senator from Michigan looks upon that exploitation of the steel master with complacency, and turns his gaze from the steel master, with his untold millions, to the poor, sweating farmer, and says, "Get a detective; go down and see if the farmer has not got a few dollars left in his jeans."

It reminds me of the effort of the Senator from Delaware [Mr. HASTINGS] when a few poor farmers were able to thumb their way to Washington last year, or to get up here in some way, to thank the administration for the enactment of the A. A. A. bill. Before they got out of town, the Senator from Delaware, actuated by the same kind of motive that moves the Senator from Michigan, submitted a resolution of investigation to see how the farmers got to Washington, who paid their way, and how they came to be here. He assumed, of course, that none of them had enough money to pay their own way, and under normal conditions they would not have had enough money.

I desire to know how much money the Bethlehem Steel Co. gets through the protective tariff when it cannot only pay its president, Mr. Eugene Grace, $100,000 in salary but in a single year paid to him a bonus of $1,650,000. Under the administration of Mr. Hoover, under the administration of the party to which the Senator from Michigan belongs, under the Smoot-Hawley Tariff Act, for which the Senator voted, if he was here, Mr. Grace, of the Bethlehem Steel Co., was able to filch from the treasury of that concern $1,650,000 as a bonus for a single year's work.

Oh, but that is all right. The Senator from Michigan, by his silence, says it is all right. We heard no outcry from the Senator from Michigan; we heard no resolution from the Senator from Michigan inquiring where that $1,650,000 came from—no inquiry, no interest, no care, no concern—but if a farmer, out of the sweat and the blood of his toil, gets a little handful of money, the Senator from Michigan wishes to ferret it out. He wishes to placard it before the world: "Look at this profiteer. Look at this highwayman, this farmer, who, for the first time in his life, got any of the advantages of government."

Who paid the $1,650,000 to Mr. Grace, of the Steel Trust? It was the farmer who paid for it, in the tires on his wagons, in the steel in his plows and in his hoes, and in all the implements that go to enable him by his toil to produce from the earth the things that feed the world.

Mr. President, when the Democrats came into power in 1933 the farmer stood pauperized in the presence of his own growing crops that fed a hungry world.

Yet because this party and this administration had the courage and the practical ability to frame a measure that did something for agriculture—it did not do much—we are presented with the spectacle of the Senator from Michigan, who in all probability will lead the hosts of his party next November if he is willing to serve, taking the public attitude of condemning the administration of the A. A. A. Act, thereby condemning the act itself. Let it go out from this Chamber today that the Senator from Michigan is not only opposed to the Agricultural Adjustment Act but he is opposed to the way in which it is administered on a basis of equality, on a basis of equity, on a basis of impartiality, to give to the large farmers, though few there be, the same measure of justice that is given to the small farmers.

I wonder if the Senator from Michigan will subscribe to any other doctrine than that. Does the Senator from Michigan believe that because one man has 200 acres of land, he ought to be treated differently from another man who has 100 acres of land? If the Senator does, he has introduced into this Chamber a new philosophy and a new political theory.

If Senators wish to reach the larger farmer, let them reach him by taxation. I am one who does not believe in the accumulation of great masses of land in the hands of one individual or in the hands of a corporation; but the way to distribute ownership is through taxation, or through a comprehensive land program to break up large holdings. When it comes to the administration of law, however, if all men are not equal under the law, we remove one of the best and one of the most treasured and one of the most sacred American traditions. When one man who stands before the bar of justice or before a Government department is to be treated in one way and another man is to be treated in another way, the very safeguards of our institutions are to be broken down.

Mr. President, in conclusion I ask for some other information. I wish to know about photographic cameras and films. I wish to know about chemicals and dyes. The chemical industry of America has received tremendous help from the Government. Great tariff favoritism has been shown to it. I desire the Tariff Commission to tell us about that while the Agricultural Department is telling us about some poor little one-horse farmer who, for the first time in his life, got a little taste of the things upon which these great masters and captains have fattened for more than half a century; and because he likes it, the Senator from Delaware [Mr. HASTINGS] and the Senator from Michigan [Mr. VANDENBERG] are outraged. I desire to know about electric appliances and equipment, and cellophane and rayon. I should like to know something about plate glass, which has its headquarters yonder in Pittsburgh, and which has reaped millions upon millions of profits from the people of America. I should like to know about cast-iron pipe and fittings, and articles manufactured of tin.

This information is available. While the Senator from Michigan is searching out information about the farmers, let us get also some information on the other side of the books. While we are getting a picture of the farmer's profits and his benefits, it is fair, I think, to get something on the other side of the ledger, as to his burdens and his obligations.

How can the Budget be properly balanced unless the credits and the debits are shown? The Senator from Michigan wants to show all of the debits, he wants to show how the farmer is rolling in luxury. I want to show some of the profits which are made from his bending back and his aching body, along with the tremendous benefits which the Senator from Michigan points out.

Mr. President, I hope my amendment to the resolution may be adopted. I have no objection to the resolution. I do not believe that the operations of government ought to be secret. I believe in the fullest publicity of all things with respect to the relation of the Government to the citizen.

I have no objection to the Secretary of Agriculture giving the Senator from Michigan the information he seeks, but while we are on the hunt for that information, let us get something on the other side of the ledger which may in some degree justify the small pittance which the Government provided for the farmer through the Agricultural Adjustment Act, which was later declared to be unconstitutional.

Mr. BONE. Mr. President, I have sent to the desk an amendment which I proposed to add to the resolution as it is now drafted:

The amendment I propose reads as follows:

Provided further, That on the basis of the data submitted, the Senate Committee on Agriculture and Forestry shall report to the Senate the degree to which land ownership had by 1933 become concentrated in large corporate holdings with such recommendations as the committee may see fit to make to Congress.

My reason for proposing this addition to the resolution should be clear to all.

The Senator from Michigan [Mr. VANDENBERG] must have back of his resolution some idea besides merely a desire for publicity on payments.

In effect, the Senator deplores the large payments that have been made by the A. A. A., yet he has found no fault whatever with the manner in which the big payments were made. He has disavowed entirely any implication that there was any irregularity in making the big payments. What, then, is the real essence of the criticism which the Senator is making? I have been thinking about that and have been trying to arrive at the really fundamental thought back of his resolution.

I have reached the conclusion which I believe everyone must reach who studies the matter closely. This conclusion is that the real criticism of the Senator from Michigan is against the alarming growth of corporation farming in this country. This must be what he is really driving at, because he cannot very well offer any criticism of a uniform system of making payments.

The fact is that paying small and large farmers the same per unit of land or production resulted in enormous sums going to a few big corporations. If that idea, that criticism, is the heart of the Vandenberg resolution, then I am 100 percent for doing something about it.

I think the Senate ought to study deeply into the reasons for the trend toward corporation farming on the Continent and in the islands. This used to be a nation of small landowners—a nation of farmers whose farms were their homes. If the present trend keeps up it will become a nation in which the agricultural resources of the Nation will be in the hands of land barons and corporation farmers.

The trend toward concentration of land ownership was running strong through the decade from 1920 to 1930.

The number of farms in this country operated by tenants increased over 200,000, or 8.5 percent during those years, as shown by the following figures:

Number of farms operated by tenants

1920	2,454,804
1925	2,462,608
1930	2,664,365

This shows a step-up of 8.5 percent in a decade.

But while the tenant-operated farms were increasing so rapidly in number, the total number of all farms was decreasing 2.5 percent.

All land in farms increased 3.2 percent during this decade, while land operated by tenants increased 15.6 percent.

Of all farm operators in 1920 tenants operated 38.1 percent.

Of all farm operators in 1925 tenants operated 38.6 percent.

Of all farm operators in 1930 tenants operated 42.4 percent.

After the depression hit agriculture mortgage holders began gobbling up farms right and left through foreclosure. That was what Secretary Wallace meant when he pointed out that the collapse of farm prices in 1932 forced great numbers of farmers to lose their lands, and that if this trend toward centralized land ownership was to be stopped, something had to be done toward raising farm prices high enough above the ruinous levels of 1932 so that farmers could make enough money to keep their farms.

The number of farm bankruptcies increased from 4,464 in the fiscal year 1930 to 5,917, or more than 30 percent, in 1933. This was the way small farmers lost their farms in the depression.

The number of forced farm sales increased from 19.5 per thousand in the year ending March 15, 1929, to 54.1 per thousand in the year ending March 15, 1933.

The collapse of farm prices in that period placed the farmers at the mercy of the bankers and the mortgage holders, as the figures show. If the depression had gone on for a few more years probably most of the small farms of the country would have been sold at forced sales and thousands of them would have passed into some form or another of corporate ownership.

After the Roosevelt administration got into action with farm and other recovery programs the trend toward concentration of farm-land ownership was stopped.

The number of farm bankruptcy cases concluded decreased from 5,917 for the fiscal year ending June 30, 1933, to 4,716 for the year ending June 30, 1934. This was a decline of more than 20 percent.

The number of forced farm sales dropped from 54.1 per thousand for the year ending March 15, 1933, to 28.3 per thousand for the year ending March 15, 1935.

This great decline—of almost 50 percent—in the number of forced farm sales shows the tremendous service of the A. A. A. and the Roosevelt administration in protecting small farmers who had been losing their farms at a great rate in the Hoover depression.

Still it is true that while the riot of farm foreclosures was stopped there are in existence now great corporations holding sway over vast areas of farm lands.

The lands held by these corporations are not operated by independent farmers owning and tilling their own lands, living in their own homesteads. Instead, the great feudal estates of these corporation farms are often operated by wage hands having no interest in the land and often receiving only meager wages.

Secretary Wallace's letter to the Senator from South Carolina [Mr. SMITH] about the large payments to sugar

corporations show how the A. A. A. contracts were made to contain provisions for definite scales of wages, working hours, and prohibition of child labor. This was necessary so that the wage hands would share in the Government's payments, and one of the biggest Puerto Rican corporations refused to sign such a contract.

I agree with Secretary Wallace that the great problem is not the size of these payments but the social and economic implications about the degree of concentration of land ownership which they show has taken place in this country.

I hope the Senator from Michigan agrees with me that something needs to be done to break up these great land holdings.

I have been able to follow his resolution, and everybody—Secretary Wallace, and I assume that most of us in the Senate agree that the names of the recipients of big payments may be published. There does not appear to be the slightest disagreement about that.

That is not the real point in the resolution; the real point is the existence in some farming industries and the prevalence in others—as, for example, the sugar industry of Hawaii, which is entirely in the hands of 39 corporations—of great farming corporations.

In view of the real meaning of the Senator's resolution, I have been at a loss to understand his votes on some of the agricultural issues raised in this body, to which full reference has been made by the Senator from Arkansas.

I agree that the Jones-Costigan Act was primarily for the little sugar farmers of Michigan and Colorado and Louisiana and Puerto Rico.

I agree that it was necessary, in order to help little producers, to have an act that would bring about an adjustment of production and a disappearance of surpluses, so that prices would rise and farmers would be able to hold their farms. I agree that no adjustment in production would have been possible if the big sugar corporations had been left out—had been free to expand production and put the whole burden of low prices on the little fellows.

But why oppose the A. A. A. and the A. A. A. amendments and then vote for the Jones-Costigan Sugar Act? The big corporation payments are concentrated in the sugar program.

I do not follow the logic of the able Senator from Michigan. I think the logic of his resolution is clearer than the logic of his votes. I think the logic of his resolution leads to the conclusion that steps should be taken to break up the corporation farms. I wonder if the Senator from Michigan will stand with me and others in a fight to do something about that?

Mr. COPELAND. Mr. President, in the speech President Roosevelt made in New York Saturday night he outlined his philosophy, which I learn from the clipping I have in my hand is that of—

> Higher wages for workers, more income for farmers, more goods produced, more and better food eaten, fewer unemployed, and lower taxes.
>
> That is my economic and social philosophy and, incidentally, my political philosophy as well—

The President said in closing his speech.

As I see it, the surest way to lower taxes is to make the people tax-conscious. I can think of no one thing that would make a large group of citizens of the United States more tax-conscious—no other one thing, certainly—than the publication of the bounties received from plowing under crops and reducing production on the farms.

I did not think it was quite fair of Senators on our side of the aisle to make the references they did to what to me was the perfectly plain position of the Senator from Michigan. I did not see, in what he was doing, any bid for political popularity. Perhaps there would be a great bid for political popularity if he proposed at some time more bounties for more persons.

There is a great distinction in my mind between publicity of bounties given by the Triple A and the publicity given to income received by business concerns or by private individuals. The two forms of publicity are not the same. If we were to put the farm income on the same plane as the income of manufacturers and private individuals, then we should ask for the publicity of farm returns. How much did the farmer receive from the operation of his farm? But that we are not doing.

In the resolution it is proposed that the country shall know how much was given to reduce crops and to whom the money was paid. I myself prepared a resolution on the subject, and I was not so modest as was the Senator from Michigan. Two months ago I prepared a resolution asking that in the case of everyone who had been given $500 or more in the way of an A. A. A. bounty publicity should be given to the amount received.

Why should we not know about these things? I think we should let everyone know what money has been handed out for the reduction of crops, and so on.

I stood here in bitter opposition to the publication of income-tax returns. I gave reasons why I thought it was a bad thing that publicity should be given—that it makes every person whose income is publicized the target for kidnapers and blackmailers and extortionists and robbers. That is an entirely different thing from the little revenue received by a few farmers through the bounty of the Government and which has no relationship to the normal earnings of the recipients.

Mr. President, I congratulate the Senator from Michigan that he stood up under the barrage he received. He does not need any sympathy. He carries himself well.

For my part, I am in 100-percent agreement with the thought that there should be the widest possible publicity of the bounties given out in accordance with the Triple A project and any other bounties which are distributed. We have not hesitated to tell how much money the ship operators have had. The widest possible publicity has been given to that. Why should not the same publicity be given to the men who have had bounties from another department of Government?

Of course, for myself, while I voted for the A. A. A., I was never content with the effect of its application. I am glad to say I did not vote for the Costigan sugar bill. I did not do so because I thought it was an outrageous invasion of the welfare of the people of Puerto Rico. I feel the same way about the quota placed upon the tobacco production of that island. I should like to say, in passing, that I cannot understand the philosophy of suddenly throwing into the Senate the idea of turning the Puerto Ricans loose upon the world. I had no part in passing the Costigan Act.

I do protest, with all the seriousness I possess, against the publication of the incomes of those who are engaged in industry in this country, and of the incomes of private individuals as well. But if we are to do that at all, let us have everybody, including the farmer, share in the publicity. However, when it comes to the bounties which are given by the lavish hand of the Government, let us know to whom we give the money, and in every instance how much has been the contribution.

The PRESIDING OFFICER (Mr. BACHMAN in the chair). The question is on agreeing to the amendments reported by the committee.

Mr. McNARY. Mr. President, may I inquire of the Senator from Arkansas if he desires to go further tonight in the consideration of the measure?

Mr. ROBINSON. I thought we might dispose of the pending resolution. Let us dispose of it.

Mr. McNARY. Other amendments to it will be offered. I shall have to suggest the absence of a quorum at this point, unless we may have an understanding that we shall recess at this hour or take up the proposal of the Senator from Georgia, which is now the temporary unfinished business.

Mr. ROBINSON. Mr. President, I do not understand that there is to be further debate on the pending resolution.

Mr. McNARY. Very well. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Carey	King	Overton
Austin	Chavez	La Follette	Robinson
Bachman	Connally	Logan	Schwellenbach
Bailey	Copeland	Lonergan	Sheppard
Barbour	Couzens	Long	Shipstead
Barkley	Frazier	McAdoo	Smith
Benson	George	McKellar	Steiwer
Bilbo	Gerry	McNary	Thomas, Okla.
Black	Gibson	Maloney	Thomas, Utah
Bone	Glass	Metcalf	Townsend
Borah	Guffey	Minton	Truman
Bulow	Hale	Murphy	Vandenberg
Burke	Harrison	Murray	Wagner
Byrnes	Hatch	Neely	Walsh
Capper	Hayden	Norris	Wheeler
Caraway	Keyes	O'Mahoney	White

The PRESIDING OFFICER. Sixty-four Senators have answered to their names. A quorum is present.

Mr. SMITH. Mr. President, in justice to the Secretary of Agriculture I ask that the clerk may read the letter which I send to the desk.

The PRESIDING OFFICER. The Senator from South Carolina submits a letter, which the clerk will read, as requested.

The legislative clerk read as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., April 15, 1936.

Hon. ELLISON D. SMITH,
Chairman, Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR SMITH: When Senate Resolution 265 comes up for consideration I hope you will make clear to the Senate that the Department of Agriculture stands ready to supply any information whatever the Senate wants to ask for as to benefit and rental payments under the Agricultural Adjustment Act. We do not wish to be misunderstood as asking for any limitations on the publication of information about A. A. A. payments.

The question as to the form the resolution takes is wholly one of the time that the Senate wishes the Agricultural Adjustment Administration to devote to compilation of the information concerned.

Information as to payments over $10,000 or over $1,000 under each adjustment program in any contract year could be obtained with the least time, and with little or no risk of delaying payments to farmers either under the new soil-conservation program or the old adjustment programs.

Since the information on payments is filed separately for each commodity program, and since there are about 6,900,000 contracts in all, to cross-check all contracts in different commodity programs so as to segregate and report on totals of individuals' payments in more than one program would be a compiling task of great magnitude, requiring several months at least.

Nevertheless I wish to make clear the Department's complete willingness to report any information on payments that the Senate may ask for.

Sincerely yours,

H. A. WALLACE, *Secretary.*

The PRESIDING OFFICER. The question is on agreeing to the amendments of the committee.

Mr. McNARY. Mr. President, may we have the amendments stated?

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. On page 1, line 2, after the word "Senate", it is proposed to strike out the words "forthwith the name and address and the amount paid to each producer exceeding $10,000 in each calendar year" and insert "as soon as practicable the name, county, and State (including Puerto Rico and Hawaii), and the amount paid to each producer, in the sum of $10,000 or more, for each contract year, together with commodity, acreage, or number of livestock involved for which payment was made"; and at the end of the resolution to add a proviso, so as to make the resolution read:

Resolved, That the Secretary of Agriculture be, and he is hereby, directed to furnish to the Senate as soon as practicable the name, county, and State (including Puerto Rico and Hawaii) and the amount paid to each producer in the sum of $10,000 or more for each contract year, together with commodity, acreage, or number of livestock involved for which payment was made pursuant to the Agricultural Adjustment Act, as amended: *Provided*, That the total amount paid for each basic commodity for each State or Territory or possession be given for each contract year and the total number receiving such payments.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the committee.

The amendments were agreed to.

Mr. BARKLEY. Mr. President, I believe those are the only committee amendments?

The PRESIDING OFFICER. The Chair is advised that those are the only committee amendments.

Mr. BARKLEY. Then I offer now the amendment which I had read earlier in the day.

The PRESIDING OFFICER. The amendment of the Senator from Kentucky will be stated.

The LEGISLATIVE CLERK. At the end of the resolution it is proposed to add the following:

Provided, That the United States Tariff Commission shall, and is hereby directed to, report to the Senate within 60 days the names and addresses of manufacturing corporations in the United States having statutory net incomes in 1934 of $1,000,000 or more, producing commodities protected by the tariff, the rates of duty on principal commodities produced by each, and the 1934 selling prices derived from general sources of such commodities: *And provided further*, That the Commission shall, and is hereby directed to, supplement this report as soon as the information can be compiled, but with the time for compilation not limited to 60 days, similar information as to corporations, commodities, rates, and prices for the year 1935, together with the Commission's estimates of the following: (1) The effect of the tariff on selling prices of such commodities; (2) the effect of the tariff on the statutory net incomes of these corporations; (3) the effect of such rates of duty on consumer expenditures for such commodities as compared with revenue derived by the United States Treasury therefrom.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. BARKLEY].

The amendment was agreed to.

Mr. CONNALLY. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the resolution it is proposed to insert the following:

Resolved further, That the United States Tariff Commission be, and it is hereby, directed to furnish the Senate forthwith the names and addresses and the gross volume of sales of the three corporations or factories (naming them separately for each article or group listed below) which did the largest gross business during the calendar year 1934 in the production and manufacturing of the following tariff-protective articles and commodities: (1) Aluminum; (2) steel and iron; (3) photo cameras and films; (4) chemicals and dyes; (5) electric appliances and equipment; (6) cellophane and rayon; (7) plate glass; (8) cast-iron pipe and fittings; (9) articles or wares manufactured of tin.

Such Commission is also requested to furnish the tariff rates or schedules then in effect as to each of such listed commodities or articles.

Such Commission is also requested to furnish the total amount in dollars of benefits or protection each of such corporations received during such year, assuming that the tariff was fully effective. Such Commission is also requested (if it would not delay the filing of such report) to give its estimate as to the percentage of effectiveness of such tariff rates for such year as to each of such articles or commodities.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas [Mr. CONNALLY].

Mr. McNARY. Mr. President, I have not previously heard the amendment read. Is it the idea that the Department shall remain silent and dumb until these facts are all discovered? Will the amendment deter the Secretary of Agriculture from making a report on the body of the resolution?

Mr. CONNALLY. It will not interfere with the Department of Agriculture acting at once. This inquiry is addressed to the Tariff Commission, which will reply when it secures the information.

Mr. McNARY. Then it is not the purpose of the Senator to delay unnecessarily a report from the Secretary of Agriculture?

Mr. CONNALLY. It is not. I will say to the Senator from Oregon that I am perfectly agreeable to the resolution of the Senator from Michigan. Let us have this information. I am so hungry for information that I desire more than the Senator from Michigan desires.

Mr. VANDENBERG. Mr. President, I wish to join the Senator from Texas in expressing the hope that his amendment will be adopted, and that his hunger for information will not be appeased when some additional amendments shall be offered later from this side of the aisle.

Mr. CONNALLY. I should like to see them when they come from that side of the aisle. [Laughter.] I always like to look them over very carefully before I agree to them.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas.

The amendment was agreed to.

Mr. BARBOUR. Mr. President, I send to the desk an amendment, which I ask to have stated.

Mr. McNARY. Mr. President, I desire to make an inquiry. Have all the amendments heretofore proposed been read and adopted?

The PRESIDING OFFICER. The Chair is informed that the Senator from Washington [Mr. BONE] presented an amendment which has not been acted upon.

Mr. BARBOUR. I shall be very glad to have the amendment of the Senator from Washington supersede mine.

Mr. SCHWELLENBACH. Mr. President, I will say that my colleague [Mr. BONE] is on his way to the Senate Chamber from his office and will reach here very shortly.

Mr. VANDENBERG. Mr. President, let me offer the amendment on behalf of the Senator from Washington, because I am cordially in concurrence with it.

The PRESIDING OFFICER. The Senator from Michigan will present the amendment of the Senator from Washington.

Mr. VANDENBERG. I assume that it is at the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from Michigan on behalf of the Senator from Washington will be stated.

The LEGISLATIVE CLERK. It is proposed to add at the end of the resolution the following:

Provided further, That, on the basis of the data submitted, the Senate Committee on Agriculture and Forestry shall report to the Senate the degree to which land ownership had by 1933 become concentrated in large corporate holdings, with such recommendations as the committee may see fit to make to Congress.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. VANDENBERG] on behalf of the Senator from Washington [Mr. BONE].

The amendment was agreed to.

Mr. BARBOUR. Mr. President, I now ask to have stated the amendment which I have sent to the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from New Jersey will be stated.

The LEGISLATIVE CLERK. At the end of the resolution it is proposed to insert the following paragraph:

Resolved further, That the Resettlement Administration is requested to report to the Senate, at the earliest practicable date: (1) The nature and extent of all expenditures made or proposed to be made by such Administration; (2) the nature and extent of projects undertaken by it, and the advisability of undertaking future projects; (3) the effect of each such project on State and local taxation and on local real-estate values; (4) the extent to which such projects have benefited and will benefit labor; and (5) the circumstances relating to the securing of persons as tenants or purchasers in connection with such projects, and the effect on such persons of becoming such tenants or purchasers.

Mr. ROBINSON. Mr. President, I move to lay on the table the amendment offered by the Senator from New Jersey.

Mr. McNARY. Mr. President, I understand that motion is not debatable. I ask for the yeas and nays upon it.

The PRESIDING OFFICER. The question is on the motion of the Senator from Arkansas [Mr. ROBINSON] to lay on the table the amendment offered by the Senator from New Jersey [Mr. BARBOUR]. On that question the yeas and nays have been requested.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. LOGAN (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. DAVIS], who is absent. I transfer that pair to the junior Senator from Idaho [Mr. POPE], and will vote. I vote "yea."

Mr. METCALF (when his name was called). I have a general pair with the Senator from Maryland [Mr. TYDINGS]. As he is not present, I withhold my vote. If at liberty to vote, I should vote "nay."

The roll call was concluded.

Mr. CONNALLY (after having voted in the negative). I withdraw my vote, since I have a pair with the Senator from Florida [Mr. FLETCHER], who, if present, would vote "yea."

Mr. CAREY (after having voted in the negative). I find that I have a general pair with the senior Senator from Ohio [Mr. BULKLEY]. I transfer that pair to the Senator from North Dakota [Mr. NYE], and will permit my vote to stand.

Mr. BARKLEY (after having voted in the affirmative). I have a pair with the senior Senator from Delaware [Mr. HASTINGS], who is absent. I transfer that pair to the junior Senator from Florida [Mr. TRAMMELL], and will let my vote stand.

Mr. BILBO. I am paired with the Senator from Iowa [Mr. DICKINSON]. I transfer that pair to the Senator from Alabama [Mr. BANKHEAD], and will vote. I vote "yea."

Mr. ROBINSON. The Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Nevada [Mr. McCARRAN], and the Senator from Florida [Mr. TRAMMELL] are detained from the Senate on account of illness.

The Senator from Missouri [Mr. CLARK] is detained on account of illness in his family.

The Senator from Virginia [Mr. BYRD] and the Senator from New Hampshire [Mr. BROWN] are members of the Committee to Visit the Naval Academy, and therefore are necessarily detained.

The Senator from Arizona [Mr. ASHURST], the Senators from Ohio [Mr. BULKLEY and Mr. DONAHEY], the Senator from Massachusetts [Mr. COOLIDGE], the Senators from Illinois [Mr. LEWIS and Mr. DIETERICH], the Senator from Florida [Mr. FLETCHER], the Senator from Oklahoma [Mr. GORE], the Senator from West Virginia [Mr. HOLT], the Senator from Kansas [Mr. McGILL], the Senator from New Jersey [Mr. MOORE], the Senator from Nevada [Mr. PITTMAN], the Senator from Idaho [Mr. POPE], the Senators from Maryland [Mr. TYDINGS and Mr. RADCLIFFE], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Georgia [Mr. RUSSELL], and the Senator from Indiana [Mr. VAN NUYS] are unavoidably detained.

Mr. McNARY. I announce that the Senator from California [Mr. JOHNSON] is absent because of his duty as a member of the Board of Visitors to the Naval Academy.

The result was announced—yeas 32, nays 30, as follows:

YEAS—32

Adams	Caraway	Lonergan	O'Mahoney
Bachman	Chavez	Long	Overton
Barkley	Guffey	McAdoo	Robinson
Bilbo	Harrison	McKellar	Schwellenbach
Black	Hatch	Minton	Sheppard
Bone	Hayden	Murray	Thomas, Utah
Bulow	King	Neely	Truman
Byrnes	Logan	Norris	Wagner

NAYS—30

Austin	Copeland	Keyes	Thomas, Okla.
Bailey	Couzens	La Follette	Townsend
Barbour	Frazier	McNary	Vandenberg
Benson	George	Maloney	Walsh
Borah	Gerry	Murphy	Wheeler
Burke	Gibson	Shipstead	White
Capper	Glass	Smith	
Carey	Hale	Steiwer	

NOT VOTING—34

Ashurst	Davis	Johnson	Pope
Bankhead	Dickinson	Lewis	Radcliffe
Brown	Dieterich	McCarran	Reynolds
Bulkley	Donahey	McGill	Russell
Byrd	Duffy	Metcalf	Trammell
Clark	Fletcher	Moore	Tydings
Connally	Gore	Norbeck	Van Nuys
Coolidge	Hastings	Nye	
Costigan	Holt	Pittman	

So Mr. BARBOUR'S amendment was laid on the table.

Mr. CAREY. Mr. President, to the resolution I expect to offer an amendment to which I do not believe there will be any objection on the other side. This amendment is identical with one offered by the senior Senator from Tennessee [Mr. McKELLAR] during the second session of the Seventy-second Congress, and the RECORD shows that the resolution was agreed to unanimously, with very little debate.

Mr. ROBINSON. Mr. President, the difficulty with the manner in which we are proceeding now is that no one is familiar with the amendments which are being presented except the Senators offering them. There has been no opportunity to study them, no opportunity to know what is proposed. It was my thought that the resolution should be confined to the subject matter believed to be germane to the original provisions of the resolution although I know there is no rule of the Senate which so limits our action. The debate has developed the fact that there is a disposition to present a great many amendments, so I should like to have an opportunity to see the amendment the Senator is about to offer, and other Senators would like to see it, or have it read.

Mr. CAREY. I shall be very glad to have the clerk read the amendment, but I should like to hold the floor and make some remarks after the amendment shall have been read.

The VICE PRESIDENT. The clerk will report the proposed amendment.

The LEGISLATIVE CLERK. It is proposed to add at the proper place the following:

Provided further, That the Civil Service Commission be, and it is hereby, directed to furnish the Senate with a full and complete list of all offices, positions, places, and employments, listing the same by departments, bureaus, boards, commissions, and independent establishments, including the government of the District of Columbia, unofficial observers, special attorneys, or special agents, and Federal employments of all kinds, with the amount of salaries of each attached, under the Government of the United States and not under civil-service rules and regulations.

Mr. ROBINSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Arkansas?

Mr. CAREY. I cannot yield now. I will take but a moment.

As I have stated, this amendment is identical in wording with a resolution offered by the Senator from Tennessee [Mr. MCKELLAR] on January 3, 1933, and in offering the resolution the Senator from Tennessee made the following statement:

Mr. President, I want to make just a brief statement about the proposed resolution. In 1921 a similar resolution was offered and unanimously adopted, as I recall, having looked the matter up a short time ago, and the information was furnished by the Civil Service Commission. The Civil Service Commission probably is doing some of the work already which would result from the adoption of this resolution, at the request of the Senate, expecting the resolution to be passed. I hope there will be no objection to it.

I find that later the Senator from Tennessee stated:

It may not be an official notice, but it will be information open to all, to Democrats as well as Republicans. I recall very distinctly that in 1921 a similar resolution was offered, and it was agreed to without objection.

I also wish to quote from the Senator from Mississippi [Mr. HARRISON], who said on that occasion:

Mr. President, I understand the Civil Service Commission has the whole list prepared, so there cannot be any expense attached to the resolution, and it does not seem to me there ought to be any objection to it.

Mr. President, I wish to say that if the information was necessary at that time, it is just as necessary now. In fact, some 250,000 more employees would come under this classification than there were at that time.

As for the amendment not being germane, I submit that it is as germane to the original resolution as were the amendments accepted on the other side this afternoon. I ask for the adoption of the amendment.

Mr. ROBINSON. Mr. President, this amendment relates to a subject wholly unconnected with the subject matter of the resolution now under consideration, and I move to lay the amendment on the table.

Mr. VANDENBERG and Mr. MCNARY asked for the yeas and nays; the yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BARKLEY (when his name was called). I have a pair with the Senator from Delaware [Mr. HASTINGS], which I transfer to the Senator from Florida [Mr. TRAMMELL], and vote "yea."

Mr. BILBO (when his name was called). I have a pair with the Senator from Iowa [Mr. DICKINSON], which I transfer to the Senator from New Hampshire [Mr. BROWN], and vote "yea."

Mr. CAREY (when his name was called). On this question I have a pair with the Senator from Ohio [Mr. BULKLEY]. I transfer that pair to the Senator from North Dakota [Mr. NYE], and will vote. I vote "nay."

Mr. METCALF (when his name was called). I have a general pair with the Senator from Maryland [Mr. TYDINGS]. The Senator from Maryland not being present, I withhold my vote. If at liberty to vote, I should vote "nay."

The roll call was concluded.

Mr. LOGAN. On this question I have a pair with the senior Senator from Pennsylvania [Mr. DAVIS]. I transfer that pair to the junior Senator from Idaho [Mr. POPE], and will vote. I vote "yea."

Mr. SHIPSTEAD (after having voted in the negative). I have a general pair with the senior Senator from Virginia [Mr. GLASS]. That Senator not being present, I am obliged to withdraw my vote.

Mr. ROBINSON. The Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Florida [Mr. TRAMMELL] are detained from the Senate on account of illness.

The Senator from Missouri [Mr. CLARK] is detained on account of illness in his family.

The Senator from Virginia [Mr. BYRD] and the Senator from New Hampshire [Mr. BROWN] are members of the Committee to Visit the Naval Academy and, therefore, are necessarily detained.

The Senator from Arizona [Mr. ASHURST], the Senators from Ohio [Mr. BULKLEY and Mr. DONAHEY], the Senator from Massachusetts [Mr. COOLIDGE], the Senators from Illinois [Mr. LEWIS and Mr. DIETERICH], the Senator from Florida [Mr. FLETCHER], the Senator from Oklahoma [Mr. GORE], the Senator from West Virginia [Mr. HOLT], the Senator from Kansas [Mr. MCGILL], the Senator from New Jersey [Mr. MOORE], the Senator from Nevada [Mr. PITTMAN], the Senator from Idaho [Mr. POPE], the Senators from Maryland [Mr. TYDINGS and Mr. RADCLIFFE], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Georgia [Mr. RUSSELL], the Senator from Indiana [Mr. VAN NUYS], the Senator from Tennessee [Mr. BACHMAN], the Senator from New York [Mr. COPELAND], the Senator from Georgia [Mr. GEORGE], and the Senator from Virginia [Mr. GLASS] are unavoidably detained.

Mr. MCNARY. I announce that the Senator from California [Mr. JOHNSON] is necessarily absent on official business.

The result was announced—yeas 41, nays 16, as follows:

YEAS—41

Adams	Chavez	McAdoo	Sheppard
Bailey	Connally	Maloney	Smith
Barkley	Duffy	Minton	Thomas, Okla.
Benson	Gerry	Murphy	Thomas, Utah
Bilbo	Guffey	Murray	Truman
Black	Harrison	Neely	Wagner
Bone	Hatch	Norris	Walsh
Bulow	Hayden	O'Mahoney	Wheeler
Burke	Logan	Overton	
Byrnes	Lonergan	Robinson	
Caraway	Long	Schwellenbach	

NAYS—16

Austin	Carey	Hale	Steiwer
Barbour	Couzens	Keyes	Townsend
Borah	Frazier	La Follette	Vandenberg
Capper	Gibson	McNary	White

NOT VOTING—39

Ashurst	Davis	Johnson	Pittman
Bachman	Dickinson	King	Pope
Bankhead	Dieterich	Lewis	Radcliffe
Brown	Donahey	McCarran	Reynolds
Bulkley	Fletcher	McGill	Russell
Byrd	George	McKellar	Shipstead
Clark	Glass	Metcalf	Trammell
Coolidge	Gore	Moore	Tydings
Copeland	Hastings	Norbeck	Van Nuys
Costigan	Holt	Nye	

So Mr. CAREY's amendment was laid on the table.

The VICE PRESIDENT. The question is on agreeing to the resolution as amended.

The resolution as amended was agreed to as follows:

Resolved, That the Secretary of Agriculture be, and he is hereby, directed to furnish to the Senate as soon as practicable the name, county, and State (including Puerto Rico and Hawaii), and the amount paid to each producer, in the sum of $10,000 or more, for each contract year, together with commodity, acreage, or number of livestock involved for which payment was made, pursuant to the Agricultural Adjustment Act, as amended: *Provided*, That the total amount paid for each basic commodity for each State or Territory or possession be given for each contract year and the total number receiving such payments: *Provided further*, That on the basis of the data submitted, the Senate Committee on Agriculture and Forestry shall report to the Senate the degree to which land ownership had by 1933 become concentrated in large corporate holdings, with such recommendations as the committee may see fit to make to Congress.

Resolved further, That the United States Tariff Commission shall and is hereby directed to report to the Senate within 60 days the names and addresses of manufacturing corporations in the United States having statutory net incomes in 1934 of $1,000,000 or more, producing commodities protected by the tariff, the rates of duty on principal commodities produced by each, and the 1934 selling prices derived from general sources of such commodities and; *Provided further*, That the Commission shall and is hereby directed to supplement this report as soon as the information can be compiled, but with the time for compilation not limited to 60 days, similar information as to corporations, commodities, rates, and prices for the year 1935, together with the Commission's estimates of the following: (1) The effect of the tariff on selling prices of such commodities; (2) the effect of the tariff on the statutory net incomes of these corporations; (3) the effect of such rates of duty on consumer expenditures for such commodities as compared with revenue derived by the United States Treasury therefrom:

Resolved further, That the United States Tariff Commission be, and it is hereby, directed to furnish the Senate forthwith the names and addresses and the gross volume of sales of the three corporations or factories (naming them separately for each article or group listed below) which did the largest gross business during the calendar year 1934, in the production and manufacturing of the following tariff-protected articles and commodities: (1) Aluminum; (2) steel and iron; (3) photo cameras and films; (4) chemicals and dyes; (5) electric appliances and equipment; (6) cellophane and rayon; (7) plate glass; (8) cast-iron pipe and fittings; (9) articles or wares manufactured of tin.

Such Commission is also requested to furnish the tariff rates or schedules then in effect as to each such listed commodities or articles.

Such Commission is also requested to furnish the total amount in dollars of benefits or protection each of such corporations received during such year, assuming that the tariff was fully effective.

Such Commission is also requested (if it would not delay the filing of such report) to give its estimate as to the percentage of effectiveness of such tariff rates for such year as to each of such articles or commodities.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions:

S. 753. An act to carry out the findings of the Court of Claims in the case of the Wales Island Packing Co.;

S. 4335. An act to authorize the coinage of 50-cent pieces in commemoration of the centennial celebration of Cleveland, Ohio, to be known as the Great Lakes Exposition;

H. R. 399. An act for the relief of A. F. Amory;

H. R. 1265. An act for the relief of N. N. Self;

H. R. 1363. An act for the relief of Petra M. Benavides;

H. R. 1440. An act for the relief of Arthur W. Bradshaw;

H. R. 1915. An act for the relief of Henry O. Goddard;

H. R. 1963. An act for the relief of Edgar H. Taber;

H. R. 2189. An act for the relief of Julia M. Ryder;

H. R. 2622. An act for the relief of M. Waring Harrison;

H. R. 2623. An act for the relief of J. W. Hearn, Jr.;

H. R. 2936. An act for the relief of J. H. Taylor & Son;

H. R. 3152. An act for the relief of Joseph Jochemczyk;

H. R. 3155. An act to confer jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of the Bankers Reserve Life Co. of Omaha, Nebr., and the Wisconsin National Life Insurance Co. of Oshkosh, Wis.;

H. R. 3383. An act to provide a preliminary examination of the Greenbrier River and its tributaries in the State of West Virginia with a view to the control of its floods;

H. R. 3384. An act to provide a preliminary examination of the Cheat River and its tributaries in the State of West Virginia with a view to the control of its floods;

H. R. 3385. An act to provide a preliminary examination of the Potomac River and its tributaries, with a view to the control of its floods;

H. R. 3513. An act for the relief of Archie P. McLane and Hans Peter Jensen;

H. R. 3573. An act for the relief of Jens H. Larsen;

H. R. 3673. An act for the relief of Bernard V. Wolfe and the Dixon Implement Co.;

H. R. 4031. An act for the relief of Stanley T. Gross;

H. R. 4277. An act for the relief of James R. Russell;

H. R. 4362. An act for the relief of Patrick J. Leahy;

H. R. 4411. An act for the relief of Mary L. Munro;

H. R. 4571. An act for the relief of William W. Bartlett;

H. R. 4638. An act for the relief of Elizabeth Halstead;

H. R. 4660. An act for the relief of Robert C. E. Hedley;

H. R. 4725. An act for the relief of Catherine Donnelly, Claire E. Donnelly, John Kufall, Mary F. Kufall, and Elizabeth A. Tucker;

H. R. 4779. An act for the relief of Capt. Chester Gracie;

H. R. 4951. An act for the relief of the Moffat Coal Co.;

H. R. 4953. An act for the relief of Doris Lipscomb;

H. R. 4965. An act for the relief of M. M. Smith;

H. R. 4999. An act for the relief of Marie Linsenmeyer;

H. R. 5491. An act for the relief of the Bethlehem Fabricators, Inc.;

H. R. 5625. An act for the relief of Sperry Gyroscope Co., Inc., of New York;

H. R. 5753. An act for the relief of Edith H. Miller;

H. R. 5827. An act for the relief of Elizabeth Wyhowski, mother and guardian of Dorothy Wyhowski;

H. R. 5874. An act for the relief of Hugh B. Curry;

H. R. 5974. An act for the relief of Thelma L. Edmunds, Mrs. J. M. Padgett, Myrtis E. Posey, Mrs. J. D. Mathis, Sr., Fannie Harrison, Annie R. Colgan, and Grace Whitlock;

H. R. 6344. An act for the relief of the estate of John A. McGloin;

H. R. 6520. An act for the relief of Preston Brooks Massey;

H. R. 6578. An act for the relief of Joseph A. Therry;

H. R. 6599. An act for the relief of Florence Helen Klein, a minor;

H. R. 6669. An act for the relief of Mrs. Earl Poynor;

H. R. 6698. An act for the relief of Mae C. Tibbett, administratrix;

H. R. 6821. An act for the relief of Alfred J. White, M. J. Banker, and Charlyn DeBlanc;

H. R. 6828. An act for the relief of George H. Smith;

H. R. 6848. An act for the relief of the First Federal Savings & Loan Association of Shawnee, Okla;

H. R. 6999. An act for the relief of Frank Rottkamp;

H. R. 7031. An act for the relief of Georgiana Minnigerode, widow of Capt. Karl Minnigerode;

H. R. 7529. An act for the relief of Mariano Biondi;

H. R. 7861. An act for the relief of Mrs. J. A. Joullian;

H. R. 7867. An act for the relief of Adolph Micek, a minor;

H. R. 7904. An act for the relief of Grant Hospital and Dr. M. H. Streicher;

H. R. 7963. An act for the relief of J. Edwin Hemphill;

H. R. 8034. An act for the relief of Mae Pouland;

H. R. 8088. An act for the relief of Nahwista Carr Bolk;

H. R. 8094. An act for the relief of Dr. J. C. Blalock;

H. R. 8113. An act for the relief of Louis George;

H. R. 8301. An act to authorize a preliminary examination of the Marais des Cygnes River, in the State of Kansas, with a view to the control of its floods;

H. R. 8320. An act for the relief of Mrs. John H. Wilke;

H. R. 8414. An act to provide a preliminary examination of the Yakima River and its tributaries and the Walla Walla River and its tributaries in the State of Washington, with a view to the control of their floods;

H. R. 8486. An act for the relief of John A. Baker;

H. R. 8510. An act for the relief of John Hurston;

H. R. 8551. An act for the relief of J. C. Donnelly;

H. R. 8685. An act for the relief of Edwin Pickard;

H. R. 8694. An act to provide a preliminary examination of Chickasawha River and its tributaries in the State of Mississippi, with a view to the control of their floods;

H. R. 8706. An act for the relief of Frank Polansky;

H. R. 9076. An act for the relief of W. H. Dean;

H. R. 9171. An act for the relief of Myrtle T. Grooms;

H. R. 9190. An act for the relief of J. P. Moore;

H. R. 9208. An act for the relief of Foot's Transfer & Storage Co., Ltd.;

H. R. 9235. An act to provide for a preliminary examination of the Cosatot River in Sevier County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods;

H. R. 9236. An act to authorize a preliminary examination of the Red and Little Rivers, Ark., insofar as Red River affects Little River County, Ark., and insofar as Little River affects Little River and Sevier Counties, Ark., to determine the feasibility of leveeing Little River and the cost of such improvement, and also the estimated cost of repairing and strengthening the levee on Red River in Little River County, with a view to the controlling of floods;

H. R. 9249. An act to provide for a preliminary examination of the Little Missouri River in Pike County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods;

H. R. 9250. An act to provide for a preliminary examination of the Petit Jean River in Scott and Logan Counties, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods;

H. R. 9267. An act to provide for a preliminary examination of Big Mulberry Creek, in Crawford County, Ark., from the point where it empties into the Arkansas River up a distance of 8 miles, to determine the feasibility of cleaning out the channel and repairing the banks, and the cost of such improvement, with a view to the controlling of floods;

H. R. 9273. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Weldon Spring, Mo.;

H. R. 9380. An act for the relief of Edgar M. Barber, special disbursing agent, Paris, France, and Leo Martinuzzi, former customs clerk;

H. R. 9866. An act to extend certain provisions of the act approved June 18, 1934, commonly known as the Wheeler-Howard Act (Public Law No. 383, 73d Cong., 48 Stat. 984), to the Territory of Alaska, to provide for the designation of Indian reservations in Alaska, and for other purposes;

H. R. 9874. An act authorizing a preliminary examination of Cadron Creek, Ark., a tributary of the Arkansas River;

H. R. 10135. An act to authorize the construction of a model basin establishment, and for other purposes;

H. R. 10388. An act to aid the veteran organizations of the District of Columbia in their joint Memorial Day services at Arlington National Cemetery and other cemeteries on and preceding May 30;

H. R. 10487. An act to authorize a survey of Lowell Creek, Alaska, to determine what, if any, modification should be made in the existing project for the control of its floods;

H. R. 10521. An act for the relief of Joseph Mossew;

H. R. 10575. An act for the relief of Catharine I. Klein;

H. R. 10583. An act to authorize a preliminary examination of the San Diego River and its tributaries in the State of California, with a view to the control of its floods;

H. R. 10631. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y.;

H. R. 10985. An act to repeal Public Law No. 246 of the Seventy-second Congress;

H. R. 10991. An act for the relief of Harry Wallace;

H. R. 11042. An act authorizing a preliminary examination of the Matanuska River in the vicinity of Matanuska, Alaska;

H. R. 11043. An act to extend the times for commencing and completing the construction of a bridge across the Waccamaw River at or near Conway, S. C.;

H. R. 11073. An act granting the consent of Congress to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge across the Current River at or near Powder Mill Ford on Route No. Missouri 106, Shannon County, Mo.;

H. R. 11231. An act for the relief of Rasmus Bech;

H. R. 11402. An act authorizing the Delaware River Joint Toll Bridge Commission of the State of Pennsylvania and the State of New Jersey to construct, maintain, and operate a toll bridge across the Delaware River at a point near Delaware Water Gap;

H. R. 11476. An act to revive and reenact the act entitled "An act granting the consent of Congress to the Lamar Lumber Co. to construct, maintain, and operate a railroad bridge across the West Pearl River at or near Talisheek, La.", approved June 17, 1930;

H. R. 11478. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between St. Louis, Mo., and Stites, Ill.;

H. R. 11486. An act for the relief of Mary Hemke;

H. R. 11562. An act to renew patent no. 25909 relating to the badge of the United States Daughters of 1812;

H. R. 11573. An act to amend the act entitled "An act for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey", approved August 19, 1935;

H. R. 11613. An act to extend the times for commencing and completing the construction of a bridge across the Tennessee River between Colbert County and Lauderdale County, Ala.;

H. R. 11644. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Morgan and Wash Streets in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.;

H. R. 11685. An act to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind.;

H. R. 11729. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Natchez, Miss., and for other purposes;

H. R. 11738. An act granting the consent of Congress to the State Highway Commission of Mississippi to construct, maintain, and operate a free highway bridge across Pearl River at or near Monticello, Miss.;

H. R. 11772. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Sistersville, W. Va.;

H. R. 11793. An act to authorize a preliminary examination of various creeks in the State of California with a view to the control of their floods;

H. R. 11806. An act to authorize a preliminary examination of Passaic River, N. J., with a view to the control of its floods;

H. J. Res. 223. Joint resolution conferring upon the Court of Claims jurisdiction of the claim of the Rodman Chemical Co. against the United States;

H. J. Res. 412. Joint resolution to authorize an investigation of the means of increasing capacity of the Panama Canal for future needs of interoceanic shipping, and for other purposes; and

H. J. Res. 553. Joint resolution extending the time for the Federal Trade Commission to make an investigation and file final report with respect to agricultural income and the financial and economic condition of agricultural producers generally.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the Committee on Appropriations, reported favorably the nomination of Joseph E. Parker, of Montana, to be State administrator in the Works Progress Administration for Montana, vice Ray Hart.

He also, from the same committee, reported favorably the nominations of the following persons to be State directors of the Public Works Administration: Henry S. Geismer, Alabama; and Alexander Allaire, Arkansas.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of several officers for appointment in the Regular Army and also the National Guard of the United States.

Mr. DIETERICH, from the Committee on the Judiciary, reported favorably the nomination of Charles O. Gregory, of Illinois, to be Solicitor for the Department of Labor, vice Charles Wyzanski, Jr., resigned.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

ARTHUR W. HALEY

Mr. McKELLAR. From the Committee on Post Offices and Post Roads, I report back adversely the nomination of Arthur W. Haley to be postmaster at Coeur d'Alene, Idaho. I ask unanimous consent that the nomination be acted upon at this time.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the nomination.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

The nomination was rejected.

MARGARET C. SOUDERS

Mr. McKELLAR. From the Committee on Post Offices and Post Roads, I report back favorably the nomination of Margaret C. Souders to be postmaster at Mount Holly Springs, Pa. I ask unanimous consent for the consideration of the nomination at this time.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the nomination.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

The nomination was confirmed.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

IN THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. WALSH. I ask that the nominations for promotions in the Navy be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nomination in the Navy are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. WALSH. I ask that the nominations for promotions in the Marine Corps be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations in the Marine Corps are confirmed en bloc.

That completes the calendar.

ORDER OF BUSINESS AND RECESS

The Senate resumed legislative session.

Mr. ROBINSON. Mr. President, the bill of the Senator from Georgia [Mr. GEORGE] relating to vocational education is before the Senate, consent having been given for its consideration this afternoon. The hour of 5:30 having nearly arrived, some Senators do not think it would be appropriate to take up the bill this afternoon. It is expected that the bill will be proceeded with when the Senate meets tomorrow.

I now move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 25 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, April 28, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 27 (legislative day of Apr. 24), 1936

PROMOTIONS IN THE NAVY

Charles H. Murphy to be lieutenant commander.
John T. Bottom, Jr., to be lieutenant commander.
William Hibbs to be lieutenant commander.
Herbert E. Schonland to be lieutenant.
Andrew E. Harris to be lieutenant.
Edwin R. Swinburne to be lieutenant.
Virgil F. Gordinier to be lieutenant.
Arthur B. Thompson to be lieutenant.
James M. Smith to be lieutenant.
Percy H. Lyon to be lieutenant.
Paul M. Clyde to be lieutenant.
Charles W. Truxall to be lieutenant.
Gordon B. Rainer to be lieutenant.
Richard A. Guthrie to be lieutenant.
Matthew T. Betton to be paymaster.
Clark H. Miley to be paymaster.
Philip White to be passed assistant paymaster.
Louis S. Butler to be chief radio electrician.
Thomas C. Thrasher to be chief radio electrician.
Faun S. Fritts to be chief radio electrician.
Robert E. Trapeur to be chief radio electrician.
Willard C. Calkins to be chief pharmacist.
Ericson Fernquist to be chief pharmacist.
Carl J. Stommel to be chief pharmacist.
Clyde V. Cuson to be chief pharmacist.
Ralph W. Price to be chief pharmacist.

MARINE CORPS

Gilder D. Jackson, Jr., to be lieutenant colonel.
Fred G. Patchen to be lieutenant colonel.
James Snedeker to be captain.
John D. Blanchard to be captain.

POSTMASTERS

MARYLAND

Charles A. Stewart, North East.

MINNESOTA

Ward E. Willford, Canton.
Thomas W. Comnick, Gaylord.
Herman Herder, Jordan.
Vera M. Parks, Nisswa.
Alice M. Freeman, Olivia.
John A. Hilden, Oslo.
Werl I. Smith, Proctor.
Norman T. True, Truman.
Mary A. Bradford, Verndale.
Jennie M. Wurst, Watkins.
Joseph Trojohn, Woodlake.

NEW JERSEY

George J. Imlay, Allenhurst.
Reuben Coyte, Coytesville.
Raymond A. McGrath, Cresskill.
Raymond W. McGreevey, Manasquan.
John N. Rumley, Towaco.

PENNSYLVANIA

Margaret C. Souders, Mount Holly Springs.

VERMONT

Cornelius Buckley, Barton.

WASHINGTON

Aaron W. Wilson, Clarkston.
LeRoy R. Reynolds, Concrete.
John A. Bush, Dishman.
James H. Van Gesen, Ellensburg.
Robert Kinzel, Entiat.
Selma Peterson, Marcus.
William B. Dingle, Newport.
George Allan Carlin, Port Ludlow.
Henry Thom, Ritzville.
Thomas Woodward, Roslyn.
James F. Brislawn, Sprague.
Arthur R. Schooler, Tieton.
May Hanson, Touchet.
Genevieve C. Maurer, White Salmon.

REJECTION

Executive nomination rejected by the Senate April 27 (legislative day of Apr. 24), 1936

Arthur W. Haley to be postmaster at Coeur d'Alene, in the State of Idaho.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 27, 1936

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty and everlasting God, give ear to our supplication and answer us in Thy righteousness and faithfulness; incline our hearts to seek Thee and to revere Thy word. Look through our limitations with the light of Thy sovereign wisdom and command our understanding. O Maker and Ruler of all, before whose infinite greatness we worship, we thank Thee most humbly for splendid visions, for wondrous prospects, and for mighty hopes. We entreat Thee to make Thyself more real in our lives, full of meaning and power. Inspire us to be brave with exemplary conduct that constitutes a telling influence amid the shadows of our day. Bless our President, our Speaker, and every Member of the Congress; as lovers of the truth, we pray that our patriotism and aspirations may glow with incense kindled at the feet of the Master. In His name. Amen.

The Journal of the proceedings of Friday, April 24, 1936, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne its enrolling clerk, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H. R. 399. An act for the relief of A. F. Amory;
H. R. 1265. An act for the relief of N. N. Self;
H. R. 1363. An act for the relief of Petra M. Benavides;
H. R. 1440. An act for the relief of Arthur W. Bradshaw;
H. R. 1915. An act for the relief of Henry O. Goddard;
H. R. 1963. An act for the relief of Edgar H. Taber;
H. R. 2189. An act for the relief of Julia M. Ryder;
H. R. 2622. An act for the relief of M. Waring Harrison;
H. R. 2623. An act for the relief of J. W. Hearn, Jr.;
H. R. 2936. An act for the relief of J. H. Taylor & Son;
H. R. 3152. An act for the relief of Joseph Jochemczyk;
H. R. 3155. An act to confer jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of the Bankers Reserve Life Co. of Omaha, Nebr., and the Wisconsin National Life Insurance Co. of Oshkosh, Wis.;
H. R. 3383. An act to provide a preliminary examination of the Greenbrier River and its tributaries in the State of West Virginia, with a view to the control of its floods;
H. R. 3384. An act to provide a preliminary examination of the Cheat River and its tributaries in the State of West Virginia, with a view to the control of its floods;
H. R. 3385. An act to provide a preliminary examination of the Potomac River and its tributaries, with a view to the control of its floods;
H. R. 3513. An act for the relief of Archie P. McLane and Hans Peter Jensen;
H. R. 3573. An act for the relief of Jens H. Larsen;
H. R. 3673. An act for the relief of Bernard V. Wolfe and the Dixon Implement Co.;
H. R. 4031. An act for the relief of Stanley T. Gross;
H. R. 4277. An act for the relief of James R. Russell;
H. R. 4362. An act for the relief of Patrick J. Leahy;
H. R. 4411. An act for the relief of Mary L. Munro;
H. R. 4571. An act for the relief of William W. Bartlett;
H. R. 4638. An act for the relief of Elizabeth Halstead;
H. R. 4660. An act for the relief of Robert C. E. Hedley;
H. R. 4725. An act for the relief of Catherine Donnelly, Claire E. Donnelly, John Kufall, Mary F. Kufall, and Elizabeth A. Tucker;
H. R. 4779. An act for the relief of Capt. Chester Gracie;
H. R. 4951. An act for the relief of the Moffat Coal Co.;
H. R. 4953. An act for the relief of Doris Lipscomb;
H. R. 4965. An act for the relief of M. M. Smith;
H. R. 4999. An act for the relief of Marie Linsenmeyer;
H. R. 5491. An act for the relief of the Bethlehem Fabricators, Inc.;
H. R. 5625. An act for the relief of Sperry Gyroscope Co., Inc., of New York;
H. R. 5753. An act for the relief of Edith H. Miller;
H. R. 5827. An act for the relief of Elizabeth Wyhowski, mother and guardian of Dorothy Wyhowski;
H. R. 5874. An act for the relief of Hugh B. Curry;
H. R. 5974. An act for the relief of Thelma L. Edmunds, Mrs. J. M. Padgett, Myrtis E. Posey, Mrs. J. D. Mathis, Sr., Fannie Harrison, Annie R. Colgan, and Grace Whitlock;
H. R. 6344. An act for the relief of the estate of John A. McGloin;
H. R. 6520. An act for the relief of Preston Brooks Massey;
H. R. 6578. An act for the relief of Joseph A. Therry;
H. R. 6599. An act for the relief of Florence Helen Klein, a minor;
H. R. 6669. An act for the relief of Mrs. Earl Poynor;
H. R. 6698. An act for the relief of Mae C. Tibbett, administratrix;
H. R. 6821. An act for the relief of Alfred J. White, M. J. Banker, and Charlyn DeBlanc;
H. R. 6828. An act for the relief of George H. Smith;
H. R. 6848. An act for the relief of the First Federal Savings & Loan Association of Shawnee, Okla.;
H. R. 6999. An act for the relief of Frank Rottkamp;
H. R. 7031. An act for the relief of Georgiana Minnigerode, widow of Capt. Karl Minnigerode;
H. R. 7529. An act for the relief of Mariano Biondi;
H. R. 7861. An act for the relief of Mrs. J. A. Joullian;
H. R. 7867. An act for the relief of Adolph Micek, a minor;
H. R. 7904. An act for the relief of the Grant Hospital and Dr. M. H. Streicher;
H. R. 7963. An act for the relief of J. Edwin Hemphill;
H. R. 8034. An act for the relief of Mae Pouland;
H. R. 8088. An act for the relief of Nahwista Carr Bolk;
H. R. 8094. An act for the relief of Dr. J. C. Blalock;
H. R. 8113. An act for the relief of Louis George;
H. R. 8301. An act to authorize a preliminary examination of the Marais des Cygnes River, in the State of Kansas, with a view to the control of its floods;
H. R. 8320. An act for the relief of Mrs. John H. Wilke;
H. R. 8414. An act to provide a preliminary examination of the Yakima River and its tributaries and the Walla Walla River and its tributaries in the State of Washington with a view to the control of their floods;
H. R. 8486. An act for the relief of John A. Baker;
H. R. 8510. An act for the relief of John Hurston;
H. R. 8551. An act for the relief of J. C. Donnelly;
H. R. 8685. An act for the relief of Edwin Pickard;

H. R. 8694. An act to provide a preliminary examination of Chickasawha River and its tributaries in the State of Mississippi with a view to the control of their floods;

H. R. 8706. An act for the relief of Frank Polansky;

H. R. 9076. An act for the relief of W. H. Dean;

H. R. 9171. An act for the relief of Myrtle T. Grooms;

H. R. 9190. An act for the relief of J. P. Moore;

H. R. 9208. An act for the relief of Foot's Transfer & Storage Co., Ltd.;

H. R. 9235. An act to provide for a preliminary examination of the Cosatot River in Sevier County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods;

H. R. 9236. An act to authorize a preliminary examination of the Red and Little Rivers, Ark., insofar as Red River affects Little River County, Ark., and insofar as Little River affects Little River and Sevier Counties, Ark., to determine the feasibility of leveeing Little River and the cost of such improvement, and also the estimated cost of repairing and strengthening the levee on Red River in Little River County, with a view to the controlling of floods;

H. R. 9249. An act to provide for a preliminary examination of the Little Missouri River in Pike County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements, with a view to the controlling of floods;

H. R. 9250. An act to provide for a preliminary examination of the Petit Jean River in Scott and Logan Counties, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements, with a view to the controlling of floods;

H. R. 9267. An act to provide for a preliminary examination of Big Mulberry Creek, in Crawford County, Ark., from the point where it empties into the Arkansas River up a distance of 8 miles, to determine the feasibility of cleaning out the channel and repairing the banks, and the cost of such improvement, with a view to the controlling of floods;

H. R. 9273. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Weldon Spring, Mo.;

H. R. 9380. An act for the relief of Edgar M. Barber, special disbursing agent, Paris, France, and Leo Martinuzzi, former customs clerk;

H. R. 9866. An act to extend certain provisions of the act approved June 18, 1934, commonly known as the Wheeler-Howard Act, Public Law No. 383, Seventy-third Congress (48 Stat. 984), to the Territory of Alaska, to provide for the designation of Indian reservations in Alaska, and for other purposes;

H. R. 9874. An act authorizing a preliminary examination of Cadron Creek, Ark., a tributary of the Arkansas River;

H. R. 10135. An act to authorize the construction of a model basin establishment, and for other purposes;

H. R. 10388. An act to aid the veteran organizations of the District of Columbia in their joint Memorial Day services at Arlington National Cemetery and other cemeteries on and preceding May 30;

H. R. 10487. An act to authorize a survey of Lowell Creek, Alaska, to determine what, if any, modification should be made in the existing project for the control of its floods;

H. R. 10521. An act for the relief of Joseph Mossew;

H. R. 10575. An act for the relief of Catharine I. Klein;

H. R. 10583. An act to authorize a preliminary examination of the San Diego River and its tributaries in the State of California, with a view to the control of its floods;

H. R. 10631. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y.;

H. R. 10985. An act to repeal Public Law No. 246 of the Seventy-second Congress;

H. R. 10991. An act for the relief of Harry Wallace;

H. R. 11042. An act authorizing a preliminary examination of the Matanuska River in the vicinity of Matanuska, Alaska;

H. R. 11043. An act to extend the times for commencing and completing the construction of a bridge across the Waccamaw River at or near Conway, S. C.;

H. R. 11073. An act granting the consent of Congress to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge across the Current River at or near Powder Mill Ford on Route No. Missouri 106, Shannon County, Mo.;

H. R. 11231. An act for the relief of Rasmus Bech;

H. R. 11402. An act authorizing the Delaware River Joint Toll Bridge Commission of the State of Pennsylvania and the State of New Jersey to construct, maintain, and operate a toll bridge across the Delaware River at a point near Delaware Water Gap;

H. R. 11476. An act to revive and reenact the act entitled "An act granting the consent of Congress to the Lamar Lumber Co. to construct, maintain, and operate a railroad bridge across the West Pearl River, at or near Talisheek, La.", approved June 17, 1930;

H. R. 11478. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between St. Louis, Mo., and Stites, Ill.;

H. R. 11486. An act for the relief of Mary Hemke;

H. R. 11562. An act to renew patent no. 25909, relating to the badge of the United States Daughters of 1812;

H. R. 11573. An act to amend the act entitled "An act for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey", approved August 19, 1935;

H. R. 11613. An act to extend the times for commencing and completing the construction of a bridge across the Tennessee River between Colbert County and Lauderdale County, Ala.;

H. R. 11644. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Morgan and Wash Streets in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.;

H. R. 11685. An act to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind.;

H. R. 11729. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Natchez, Miss., and for other purposes;

H. R. 11738. An act granting the consent of Congress to the State Highway Commission of Mississippi to construct, maintain, and operate a free highway bridge across Pearl River at or near Monticello, Miss.;

H. R. 11772. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Sistersville, W. Va.;

H. R. 11793. An act to authorize a preliminary examination of various creeks in the State of California with a view to the control of their floods;

H. R. 11806. An act to authorize a preliminary examination of Passaic River, N. J., with a view to the control of its floods;

H. J. Res. 223. Joint resolution conferring upon the Court of Claims jurisdiction of the claim of the Rodman Chemical Co. against the United States;

H. J. Res. 412. Joint resolution to authorize an investigation of the means of increasing capacity of the Panama Canal for future needs of interoceanic shipping, and for other purposes; and

H. J. Res. 553. Joint resolution extending the time for the Federal Trade Commission to make an investigation and file final report with respect to agricultural income and the financial and economic condition of agricultural producers generally.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 396. An act for the relief of the Virginia Engineering Co., Inc.;

H. R. 3823. An act for the relief of Albert Thesing, Jr.;

H. R. 4016. An act to repeal section 16 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes", approved May 29, 1934;

H. R. 4159. An act for the relief of Anchorage Commercial Co., Inc.;

H. R. 7092. An act for the relief of Capt. Percy Wright Foote, United States Navy;

H. R. 7253. An act for the relief of James Murphy Morgan;

H. R. 7468. An act for the relief of Izelda Boisoneau;

H. R. 7736. An act to provide for the establishment of the Whitman National Monument;

H. R. 8599. An act to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board and increase efficiency in administration of the steamboat inspection laws, and for other purposes;

H. R. 9125. An act for the relief of Dr. F. U. Painter, Dr. H. A. White, Dr. C. P. Yeager, Dr. W. C. Barnard, Mrs. G. C. Oliphant, Amelia A. Daimwood, the Sun Pharmacy, Bruno's Pharmacy, Viola Doyle Maguire, Louise Harmon, Mrs. J. B. Wilkinson, Sisters of Charity of the Incarnate Word, Grace Hinnant, and Dr. E. O. Arnold;

H. R. 9153. An act for the relief of Evelyn Harriett B. Johnstone;

H. R. 9484. An act to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended;

H. R. 9673. An act to authorize the recoinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1936;

H. R. 10193. An act to amend the act to fix the hours of duty of postal employees;

H. R. 10267. An act to provide for adjusting the compensation of division superintendents, assistant division superintendents, assistant superintendents at large, assistant superintendent in charge of car construction, chief clerks, assistant chief clerks, and clerks in charge of sections in offices of division superintendents in the Railway Mail Service to correspond to the rates established by the Classification Act of 1923, as amended;

H. R. 10565. An act for the relief of Mr. and Mrs. William O'Brien; and

H. R. 11103. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 1435. An act conferring jurisdiction upon the United States District Court for the District of Connecticut to hear, determine, and render judgment upon the claim of Elizabeth Kurau;

S. 2158. An act for the relief of Franz J. Feinler;

S. 2243. An act relating to the allocation of radio facilities;

S. 2694. An act to add certain lands to the Columbia National Forest in the State of Washington;

S. 3053. An act conferring jurisdiction on the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboine Indians may have against the United States, and for other purposes;

S. 3067. An act for the relief of A. J. Watts;

S. 3080. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of John W. Hubbard;

S. 3191. An act for the relief of John C. Crossman;

S. 3241. An act authorizing adjustment of the claims of F. L. Forbes, John L. Abbot, and the Ralph Sollitt & Sons Construction Co.;

S. 3296. An act to authorize certain payments to the American War Mothers, Inc.;

S. 3301. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the heirs of James Taylor, deceased Cherokee Indian, for the value of certain lands now held by the United States, and for other purposes;

S. 3369. An act providing for the posthumous appointment of Ernest E. Dailey as a warrant radio electrician, United States Navy;

S. 3441. An act for the relief of C. T. Hird;

S. 3452. An act to amend an act entitled "An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes;

S. 3544. An act authorizing adjustment of the claim of the Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans;

S. 3600. An act for the relief of S. C. Eastvold;

S. 3607. An act for the relief of T. H. Wagner;

S. 3608. An act for the relief of Vinson & Pringle;

S. 3645. An act for the relief of Dampskib Aktieselshap Roskva;

S. 3652. An act for the relief of George E. Wilson;

S. 3762. An act to authorize the Reconstruction Finance Corporation to make loans secured by receipts on account of national forest reserves, and for other purposes;

S. 3768. An act for the relief of E. W. Jermark;

S. 3769. An act for the relief of Marcellus E. Wright and Lee, Smith & Vandervoort, Inc.;

S. 3784. An act to extend the benefits of the Adams Act, the Purnell Act, and the Capper-Ketcham Act to the Territory of Alaska, and for other purposes;

S. 3797. An act to amend an act entitled "An act authorizing certain tribes of Indians to submit claims to the Court of Claims, and for other purposes", approved May 26, 1920;

S. 3805. An act to authorize the Secretary of the Interior to reserve certain lands on the public domain in Nevada for addition to the Walker River Indian Reservation;

S. 3818. An act authorizing the Secretary of the Treasury to consider, ascertain, adjust, and determine certain claims for damages resulting from the operation of vessels of the Coast Guard and Public Health Service;

S. 3824. An act for the relief of Maud Kelley Thomas;

S. 3839. An act granting a pension to Randall Krauss;

S. 3843. An act to provide for the entry under bond of exhibits of arts, sciences, and industries, and products of the soil, mine, and sea, and all other exhibits for exposition purposes;

S. 3850. An act for the relief of Mrs. Foster McLynn;

S. 3861. An act for the relief of the Alaska Commercial Co., of San Francisco, Calif.;

S. 3907. An act for the relief of the State of Nevada;

S. 3932. An act for the relief of Ann Rakestraw;

S. 3956. An act for the relief of Jacob Kaiser;

S. 3977. An act to authorize the Washington Gas Light Co. to alter its corporate structure, and for other purposes;

S. 3989. An act to provide for the construction and operation of a vessel for use in research work with respect to Pacific Ocean fisheries;

S. 4023. An act to provide for the continuation of trading in unlisted securities upon national securities exchanges, for the registration of over-the-counter brokers and dealers, for the filing of current information and periodic reports by issuers, and for other purposes;

S. 4052. An act for the relief of W. D. Gann;

S. 4115. An act for the relief of Charles D. Birkhead;

S. 4116. An act for the relief of Grant Anderson.

S. 4119. An act for the relief of Bernard F. Hickey;

S. 4184. An act to amend the last paragraph, as amended, of the act entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", approved February 7, 1925;

S. 4207. An act for the relief of Reuben M. Wright;

S. 4214. An act to provide for a preliminary examination of the Sabine and Neches Rivers, with a view to controlling their floods and regulating, conserving, and utilizing the waters thereof, and for other purposes;

S. 4228. An act to authorize a preliminary examination of the Salmon River in the State of Oregon with a view to the control of its floods;

S. 4230. An act to amend section 28 of the enabling act for the State of Arizona, approved June 20, 1910;

S. 4233. An act for the relief of William H. Brockman;

S. 4265. An act to authorize the Secretary of War to set apart as a national cemetery certain lands of the United States Military Reservation of Fort Bliss, Tex.;

S. 4271. An act to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind.;

S. 4298. An act to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933;

S. 4326. An act granting the consent of Congress to the Department of Public Works of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at or near Northampton, Mass.;

S. 4353. An act to provide for the establishment of a term of the District Court of the United States for the Western District of Oklahoma, at Shawnee, Okla.;

S. 4355. An act to authorize a preliminary examination of the Delaware River with a view to the control of its floods;

S. 4358. An act for the relief of Harry L. Parker;

S. 4359. An act for the relief of W. D. Reed;

S. 4360. An act for the relief of Melba Kuehl;

S. 4374. An act for the relief of Ruth Edna Reavis (now Horsley);

S. 4379. An act for the relief of the Indiana Limestone Corporation;

S. 4391. An act authorizing certain officers and enlisted men of the United States Army to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered;

S. 4395. An act for the relief of the State of New Jersey;

S. 4400. An act for the relief of Barbara Jaeckel;

S. 4405. An act to amend section 11 of the Federal Register Act, approved July 26, 1935 (Public, No. 220, 74th Cong.);

S. 4416. An act for the relief of Josephine Russell;

S. 4432. An act authorizing and directing the Secretary of War to lease land on the Fort Moultrie (S. C.) Military Reservation to the owners of certain cottages thereon;

S. 4444. An act directing the Court of Claims to reopen certain cases and to correct the errors therein, if any, by additional judgments against the United States;

S. 4447. An act for the relief of J. L. Summers;

S. 4448. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the issuance of the charter to the city of Lynchburg, Va.;

S. 4470. An act to authorize the issuance of additional coins in commemoration of the fiftieth anniversary of Cincinnati, Ohio, as a center of music;

S. J. Res. 61. Joint resolution to repeal an act approved February 17, 1933, entitled "An act for the relief of Tampico Marine Iron Works", and to provide for the relief of William Saenger, chairman liquidating committee of the Beaumont Export & Import Co., of Beaumont, Tex.;

S. J. Res. 219. Joint resolution authorizing the President of the United States to award a posthumous Congressional Medal of Honor to William Mitchell; and

S. J. Res. 247. Joint resolution authorizing the recognition of the three hundredth anniversary of the founding of Harvard College and of the beginning of higher education in the United States, and providing for the representation of the Government and people of the United States in the observance of the anniversary.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 753. An act to carry out the findings of the Court of Claims in the case of the Wales Island Packing Co.;

S. 998. An act to carry out the findings of the Court of Claims in the case of George Lawley & Son Corporation, of Boston, Mass.;

S. 1110. An act for the relief of A. Randolph Holladay; and

S. 4335. An act to authorize the coinage of 50-cent pieces in commemoration of the centennial celebration at Cleveland, Ohio, to be known as the Great Lakes Exposition.

The message also announced that the Senate had passed the following resolution:

Senate Resolution 291

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOHN T. BUCKBEE, late a Representative from the State of Illinois.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative the Senate do now take a recess until 12 o'clock m., Monday, April 27, 1936.

RURAL-ELECTRIFICATION ACTIVITY IN WISCONSIN

Mr. SCHNEIDER of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks on rural electrification and include therein a letter from the State board of rural electrification.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SCHNEIDER of Wisconsin. Mr. Speaker, under leave to extend my remarks I desire to include a report made by Hon. Orland S. Loomis, director of the State of Wisconsin rural electrification coordination, to the National Emergency Council on April 20, 1936. This report reviews the activities of Director Loomis and his associates and the committee representing farm and cooperative organizations to help Wisconsin farmers get electric-power service for their farms.

This report is of a special interest now in view of the fact that Congress has just approved legislation continuing the rural-electrification program for a 10-year period. Hon. Morris L. Cooke, Director of the Rural Electrification Administration, and the present staff will continue to handle the administration of the act and granting of loans through the central office in Washington.

I want to direct particular attention to the statement by Director Loomis that private power companies have constructed practically no power lines to farmers in the past 5 years. He also shows that a minimum guarantee of $15 per month for 3 years has been required in Jefferson County, and even then many farms were refused service. Now the company is willing to serve all farmers, including those previously refused service, for a payment of only $4 per month. Farmers in many communities have had similar experiences.

REPORT OF ORLAND S. LOOMIS, STATE DIRECTOR OF RURAL ELECTRIFICATION COORDINATION, TO THE NATIONAL EMERGENCY COUNCIL, APRIL 20, 1936

The Rural Electrification Administration, known as R. E. A., was created by an Executive order of President Roosevelt on May 11, 1935, as an independent agency to initiate, formulate, administer, and supervise a program of projects designed to promote the generation, transmission, and distribution of electric energy in the rural areas of the United States.

Although the Rural Electrification Administration itself has no regional or State offices, coordinating offices and agencies have been set up in many States. Realizing that the farmers of Wisconsin were desirous of taking advantage of the benefits and good purposes which the R. E. A. had to offer, Governor La Follette, in October 1935, created the office of rural electrification coordination in this State, to the end that Wisconsin might obtain for this State its proportionate share of the $100,000,000 allotted for rural-electrification work in this country. The work of this office is that of a coordinating agency. It acts as a liaison between the farmers in this State and the R. E. A. at Washington. During the entire period of its existence the closest of cooperation has existed between this office and that of the R. E. A. at Washington.

The policies of the office are established and guided by representatives of all the educational farm organizations in the State, including the consumer and marketing cooperatives, to wit: Farmers' Equity Union, Wisconsin Farm Bureau Federation, Wisconsin Cooperative Milk Pool, Progressive Farmers of Wisconsin, Wisconsin State Grange, Wisconsin Farm Holiday Association, Cooperative League of Wisconsin, and Northern States Cooperative League. The work is carried out in accordance with such established policies by the undersigned as director.

Wisconsin has much need for rural electrification, because only 20 percent of the farms of this State are now electrified. By reason of the fact that it is a dairy State, it has more needs for the use of electricity than almost any other State in this country. Every effort, therefore, is being made by this office to assist the farmers of this State in obtaining electric service and to thus promote the work of economic recovery in this State.

This office has been furnished quarters at 213 SE in the State capitol, where it is able to carry on the work of distributing R. E. A. literature to interested persons or groups, furnishing speakers for educational meetings, engineering services in the preparation of projects, and other assistance in forming organizations capable of qualifying for loans from the R. E. A.

Although privately owned utilities are eligible and may formulate projects and borrow money from the R. E. A. for the building of rural lines, very few have made application for loans, and those who have made application have been denied loans by reason of the fact that their retail rates were too high to meet the approval of the R. E. A. As a result, practically all of the activity through this office has been necessarily confined to the formation of cooperative organizations. A few municipally owned plants have made application, and the balance, or 95 percent, of the work of this office consists of projects sponsored by farmer cooperatives.

The desire for rural electrification in this State on the part of the farm groups has been unusual. For the past 5 years or more there has been practically no construction of rural electric lines and no desire for electrification has been manifested by the farmers to the privately owned utilities. Since the establishment of this office, however, the growth of the desire of farmers for rural electrification through projects financed by the R. E. A. has been tremendous.

This office has received approximately 600 written inquiries, has interviewed and advised approximately 1,000 farmers, has mailed out 7,000 pieces of R. E. A. literature, has received inquiries expressing interest in rural electrification from nearly 600 townships in this State, and has furnished township maps for proposed projects in 570 townships in this State.

As a result of the inquiries on the part of the farmers of this State and their desire for information concerning the R. E. A. program, this office has furnished speakers who have addressed 240 meetings, the total attendance at which is estimated to have been approximately 30,000 people.

As a result of this interest and activity, farmers have banded themselves together and have driven from farm to farm at their own expense for the purpose of promoting projects. From this activity we have received in this office consumer request blanks signed by more than 16,000 farmers. Seventeen projects have been completed and submitted to the R. E. A. at Washington for approval and allotment. These projects will require a loan allotment of approximately $2,400,000, and will require the building of 2,402 miles of high lines, designed to serve a minimum of 9,500 farm customers. Of these 17 projects, 7 have already been approved by the R. E. A. as to feasibility and self-liquidation.

In addition to the 17 projects heretofore submitted to the R. E. A., 6 additional projects are being completed in this office at this time. These projects cover 2,100 miles of line, proposed to serve a minimum of 6,800 customers and will require an allotment of approximately $2,000,000. Thus, projects which have already been completed in the field and are considered by this office to be feasible and self-liquidating will approximate 4,500 miles of high lines, serving approximately 16,000 farm customers, and will require an allotment of about $4,500,000. Another additional 1,500 miles of high lines, proposing to serve a minimum of 5,000 farm customers and will require an allotment of $1,500,000, are now in the formative stage and in the field at this time.

The formation of these projects by the farmers on a cooperative basis has awakened the privately owned utilities and spurred them to action. As a result some of the privately owned utilities in this State have rolled up their sleeves and put forth activity designed to retain the rural business which they have ignored for many years. Although the extensions on the part of the privately owned utilities in the rural areas during the past 5 years have been practically nil, the activity of this office, backed up by the good purposes which the R. E. A. at Washington has to offer, has crowded many of these companies into the field, resulting in a very substantial contribution to economic recovery in this State.

The chief reason for the activity of the privately owned utilities is the fear on their part that the establishment of cooperative projects will create a yardstick of power cost much lower than that in force among the private utilities, and that such yardstick will cause them to reduce the rates they are now collecting. In other words, this program for rural electrification is accomplishing the same results as the Federal program in the Tennessee Valley, in crowding the privately owned utilities into the field. Heretofore they have served only those areas which they considered the cream. They have overlooked and ignored some of the lean territory known as the skimmed-milk area. The R. E. A. projects aim to include as much of the skimmed-milk area as possible, and privately owned utilities are for the first time willing to take care of some of it.

In addition to the activity of many of the private companies in the willingness which they are showing in their desire to build rural lines, they have developed a very decided opposition to the cooperative projects. They have hampered them in their development by spreading propaganda in opposition to them. They have attempted to cripple them by building lines in strategic parts of contemplated projects. These lines, in some instances, have been built with no intention of serving even a single customer. They have been built to occupy highways in such a manner as to block R. E. A. loans or to pick out the cream of the territory, and thus reduce the density of customers in such manner as to leave the project unfeasible.

Such activity on the part of some of the companies in this State has caused much delay and confusion. A project of 650 miles in Rock and Jefferson Counties, heretofore approved by the R. E. A. as to feasibility and self-liquidation, has been split into two parts, and the work which should now have been under way in this project has not commenced. As a result of the splitting of the project, 225 miles which were to be built in Jefferson County are now to be built by a private company. The willingness of the farmers in this area to accept service from the private company has come about by reason of the private company's reduction in its rates and line-extension requirements. Where it heretofore required the farmer to pay approximately $15 per month for 36 months as a minimum guaranty, it now requires the payment of only $4 per month. In addition, the company is now willing to serve anyone in the area, many of whom it had heretofore refused to serve. As a result, more than 1,000 farmers in this area will be saved approximately $11 per month for 36 months, or a total of approximately $400,000.

Another 225 miles of electric lines in Walworth County and in one township in Rock County, heretofore organized as a part of one of the cooperative projects, is to be taken over and built by one of the privately owned utilities. This area will serve approximately 700 farmers, at a saving of more than $275,000 over the former requirements of the company.

In addition to these cooperative projects, approximating 450 miles of lines in the three counties heretofore referred to, much additional activity has been stimulated. The Wisconsin Gas & Electric Co. has 600 signed contracts which will require the building of approximately 200 miles of line. The Wisconsin-Michigan Power Co. has 446 signed contracts, which will require the building of approximately 150 miles of line. The T. M. E. R. & L. Co. has 260 contracts signed, which will require the building of approximately 85 miles of line.

The activity of other companies added to that of these 3 companies will bring about the building of nearly 1,200 miles of high lines by private utilities, requiring an expenditure of more than $1,000,000 and serving approximately 4,000 farms. Thus it is estimated that private utilities alone at this time have been stimulated and crowded into making a contribution of $1,000,000 toward economic recovery through the building of these high lines.

To recapitulate, these contributions toward economic recovery should be approximately as follows:

1. Activities of privately owned utilities in building approximately 1,200 miles of line to serve approximately 4,000 customers at an estimated expenditure of $1,000,000.

2. Cooperative and municipal utility projects now set up in this office and at Washington totaling 4,500 miles, serving approximately 16,000 consumers, and requiring an estimated expenditure of $4,500,000. All of the construction work to be done by privately owned, municipally owned, and cooperative projects in this State in 1936 can therefore be estimated to require an expenditure of approximately $6,000,000.

In estimating the contribution toward economic recovery which will result because of the stimulation or crowding of work by the private utilities and by the contemplated work of the municipal and cooperative projects, we cannot stop at this point. It can be readily seen that the building of the contemplated approximate 6,000 miles of high line will require expenditures other than the cost of the high line itself. Reliable estimates indicate that for every dollar spent for the building of high lines 3 additional dollars are expended for the wiring of buildings and the purchasing of appliances and other equipment. Thus, for the approximate contemplated $6,000,000 to be expended for high lines another $18,000,000 will be expended for wiring, appliances, equipment, and other purposes in connection therewith. Thus, for the projects which have been sent to Washington and totaling 2,402 miles of high line, of the 7,500 consumers who have expressed their wishes with respect to appliances which they contemplate purchasing, it is interesting to note the following contemplated use:

Refrigerators	2,118
Electric ranges	492
Washing machines	6,275
Irons	4,238
Radios	6,498
Utility motors	3,332
Milk coolers	24
Milking machines	1,451
Cream separators	304
Vacuum cleaners	2,719
Toasters	2,337
Water pumps	3,622
Water heaters	690
Miscellaneous	1,540

One of the important factors which has contributed to the success of the program for rural electrification is that it has been demonstrated that high lines can be constructed at a more reasonable cost. Prior to the creation of this office and the establishment of R. E. A., private companies insisted that the cost of high lines would average $1,500, and many of them claimed that the cost would exceed $2,000 per mile. In testimony before the public service commission the first part of March, engineers for

private utilities testified that the minimum cost of high lines would be $1,250 per mile. The R. E. A. and this office has insisted that the cost should not exceed $1,000 per mile, and only a few days ago one company, in justifying its liberal line extension policies which it was putting into effect in the Jefferson territory, where it was supplanting the cooperative organizations, said that the line was to be built at a cost of $900 per mile. The driving down of the construction costs of these high lines, thus placing the price more within the reach of the average farmer, is of itself a contribution to economic recovery and will mean much in making possible a greater growth in the desire and demand of the farmers for rural electrification. Resulting from this there will be an added stimulus to our general return to better economic conditions.

It is to be regretted that the privately owned utilities in this State do not cooperate more with the R. E. A. program. Instead of attempting to break up the cooperative projects and refusing to give reasonable wholesale rates, such cooperation would make for a greater force toward general rural electrification and its resultant effect of spurring on business activity. This situation, however, is not peculiar to Wisconsin, because the same attitude and problem exists throughout the Nation.

Although it is a fact that none of the projects which have been submitted to Washington have reached the point where construction work has started; nevertheless it is now contemplated that it will not be very long before such construction work may be started. The 650-mile project in Rock and Jefferson Counties would be under construction today were it not for the activity of the private companies in splitting it, as has heretofore been explained. It had been singled out as the first project upon which construction work was to commence. The private-company activity, however, has required the Rock portion of the project to be resubmitted, with the result that it will have to be resubmitted for allotment. Progress has been made, however, in other projects. The Richland County project of 231 miles, the Columbia project of 244 miles, and the Dane-Iowa-Green project of 150 miles have been approved by the R. E. A. and are now before the Treasury Department for allotment. The first two of these projects have a municipal utility as their source of wholesale power, and unless some unforeseen difficulties arise should be under construction within the next 60 days. It is anticipated that with construction work commenced on one or two projects that such projects will then constitute a very great influence upon the remaining projects. Once under way, the contribution which rural electrification can make for economic recovery in Wisconsin should become very pronounced.

Dated at Madison, Wis., this 20th day of April 1936.

ORLAND S. LOOMIS,
Director, Rural Electrification Coordination.

PROCEDURE IN COMMITTEE

Mr. MAPES. Mr. Speaker, I desire to submit a parliamentary inquiry to the Chair.

The SPEAKER. The gentleman will state it.

Mr. MAPES. During the debate in the Committee of the Whole House on the state of the Union on the revenue bill on Friday the question was brought up at different times——

Mr. BANKHEAD. Mr. Speaker, if the gentleman will permit, what page does the gentleman expect to refer to?

Mr. MAPES. I shall refer to the pages in just a moment if the gentleman will permit.

The question was brought up at different times with regard to the latitude which should be allowed Members in the discussion of the tax bill in the Committee of the Whole House on the state of the Union under the special order which was made in the House to consider that bill.

Certain Members were given permission to extend their remarks in the RECORD, and in looking over the record of the proceedings of Friday the question again arose in my mind, and I desire to ask the Speaker what latitude Members may exercise, not only in the debate that takes place on the floor during the consideration of the bill in the Committee of the Whole House on the state of the Union but also in any extension of their remarks, and in that connection I call the attention of the Speaker to just what was done by the House in making in order the consideration of this bill.

If the Speaker will give me his attention for just a moment, and in answer to the gentleman from Alabama I may say that on page 5709 of the RECORD the gentleman from North Carolina, the chairman of the Committee on Ways and Means, Mr. DOUGHTON, asked unanimous consent that—

When the tax bill is taken up there may be 16 hours' general debate on the bill, the time to be equally divided between those favoring the bill and those opposing the bill, the time of those favoring the bill to be controlled by myself, and of those opposing the bill to be controlled by the gentleman from Massachusetts [Mr. TREADWAY], and that the debate be confined to the bill.

This request was granted by the House. When the House convened on the morning of Thursday, April 23, the distinguished Democratic leader, Mr. BANKHEAD, addressing the House, said:

Under the special order of the House, 16 hours has been provided for general debate on the bill, the debate to be confined to the bill. After conference with the Speaker of the House and the chairman of the Committee on Ways and Means we have reached the decision that it is most important for us to go through with the consideration of this bill without interruption, and therefore I want to give notice that I trust no Member of the House on either side will submit any request for special consideration to speak or for permission to speak out of order or for special time outside of the consideration of the bill as now provided.

I may say in passing that requests were made in the Committee of the Whole, or at least a request was made by one Member, to speak out of order, and the question was raised as to the power of the Committee to grant such request under this agreement, and, of course, the Chairman of the Committee very properly held that the Committee could not violate the express order of the House, although the individual Member seemed to take some offense at the rule being complied with. On April 24, page 6079 of the RECORD, the distinguished chairman of the Committee on Ways and Means submitted this request:

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days after the passage of the tax bill in which to extend their own remarks in the RECORD on the bill.

The SPEAKER. Was that request made in the House or in Committee of the Whole House on the state of the Union?

Mr. MAPES. It was made in the House, but the request was expressly confined, as the Speaker will note, to extensions of Members of their own remarks in the RECORD on the bill, for 5 legislative days after the passage of the bill.

I now wish to submit the question to the Speaker without making any reference to any individual remarks, because I assume the extensions were made in perfect good faith and, with one possible exception, they are extensions which would have been perfectly proper if permission had been given in the House for the Member to extend his remarks. My inquiry is, Is there any limitation upon the right of a Member to extend his remarks made in the Committee of the Whole on any subject or in any way he sees fit, and if there is, what the limitation is, keeping in mind the special order of the House that debate be confined to the bill, which I assume carries with it the assumption that extensions of remarks shall also be confined to the bill?

Mr. WARREN. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I yield to the gentleman from North Carolina.

Mr. WARREN. I think the gentleman should be specific both for the information of the House and especially for the information of the Chairman of the Committee of the Whole House on the state of the Union, who is presiding during the consideration of this bill.

Mr. MAPES. I may say to the gentleman that my inquiry is not directed at any decision of the Chairman of the Committee. The question which arises in my mind is with respect to extensions over which, of course, the Chairman of the Committee has no jurisdiction whatever.

Mr. WARREN. Of course, I do not know whether it is a mild indictment of me or not, and that is beside the mark, but I think the gentleman should be specific with the Speaker in pointing out what it is that has gone in the RECORD that should not have gone into the RECORD under this rule or agreement.

Mr. MAPES. Let me say to the gentleman from North Carolina that he knows, I think, that I would not attempt to indict him in any way, and I want to make this just as impersonal as possible, because in what I have said I do not want to convey any criticism of anybody, but I do think that for the integrity of the RECORD we ought to have some understanding about it. It does not seem to me that when the House has granted permission to Members to extend their remarks on the bill only that they have the right to wander all over the universe in making such extensions.

Mr. WARREN. I wish to say this: I think an examination of the RECORD will disclose that if any extraneous matter was inserted, the Chair asked the question specifically was there objection, and if there is any—and frankly I think there has been some—the gentleman from Michigan who always religiously attends meetings of the House, was present and offered no objection at the time.

Mr. MAPES. What the gentleman says is correct; but it is to be assumed that the requests were made under the limitations which controlled the Committee of the Whole House on the state of the Union, and that the extension would be confined to the bill. A request in the Committee cannot overrule or override the express order of the House.

Mr. WARREN. If the gentleman will look at the RECORD he will see that the Chairman specifically asked the question was there objection to the inclusion of the papers. The gentleman from Michigan sat there and offered no objection and it went into the RECORD.

Mr. MAPES. The Chairman of the Committee of the Whole did ask the question; there is no question about that. I have in mind no criticism of anybody, and particularly the Chairman of the Committee of the Whole House on the state of the Union.

Mr. BANKHEAD. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. BANKHEAD. Of course, the Speaker will have no difficulty in answering the parliamentary inquiry submitted by the gentleman from Michigan. There is no question that under the consent given the remarks were to be confined to the bill. But the gentleman will recall, as well as the Chairman of the Committee of the Whole House on the state of the Union, that even some members of the Ways and Means Committee departed very largely from the rule, although they were not called to order. The gentleman from New York [Mr. TABER], the gentleman from Michigan [Mr. WOODRUFF], and others, and even the gentleman from Michigan who is now speaking, departed somewhat from the limitation. Of course there is some latitude in these matters unless the Member is called to order.

The gentleman has not pointed out any specific ruling that could be made by the Chair except on general principles.

Mr. MAPES. I will state that I think it is largely a matter, or partly a matter, in the discretion of the individual Member in the first instance, and it is partly for the purpose of calling the attention of Members to the rule that I am raising the question.

The gentleman from Alabama mentioned individuals. I am going to refrain from mentioning any individual, although all the remarks or extensions that I have in mind were made by Members on the Democratic side of the Chamber. I think, if the gentleman from Alabama will read the remarks which I can point out to him, he will reach the conclusion that the extensions were not in compliance with the rule; and I may say to the gentleman that I think a great deal of latitude was indulged in on both sides of the House in discussion of the bill, although the particular remarks that I have in mind seem to me to go further than the others.

The SPEAKER. After all, the Chair must be guided by the rule of reason. Under the circumstances under which the bill is being considered, if we adhere to the orders of the House, debate must be confined to the subject matter of the bill, and any debate which does not confine itself to the subject matter of the bill or which is not in some way related to the tax matters under consideration would not be in order.

The Chair does not think the Committee of the Whole House on the state of the Union, under the orders previously made, and to which the gentleman from Michigan [Mr. MAPES] has referred, would have the right to permit the inclusion of articles, editorials in newspapers, or magazine articles as a part of one's remarks, unless specific permission has been obtained from the House for that purpose.

Under the request of the gentleman from North Carolina [Mr. DOUGHTON] all Members of the House have 5 legislative days within which to extend their own remarks in the RECORD. The Chair calls attention of the House to the fact that the request was so worded and so granted, as appears in the RECORD, so as to limit such extensions to the subject of the tax bill. It is clear to the Chair that if any Member desires to insert editorials, articles in newspapers and magazines, or any matter other than the remarks uttered by him on the floor he would have to secure that permission from the House. The Committee of the Whole has no power to authorize the extension of matters which do not in some way relate to the tax bill under discussion.

Does that answer the gentleman's parliamentary inquiry?

Mr. MAPES. Mr. Speaker, I think the Chair has answered the question as definitely as it can be answered. I take the answer of the Chair to mean that matters that are clearly extraneous to the tax bill cannot be included in extension of remarks, even though they are the Member's own statements.

The SPEAKER. That is true. Of course, as the Chair intimated at the outset, it is largely a matter of common sense in the application of the rule and its construction.

PAYMENT OF THE ADJUSTED-SERVICE CERTIFICATES

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address by my colleague from Virginia [Mr. FLANNAGAN] on the soldiers' bonus.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, under leave granted, I submit for printing in the CONGRESSIONAL RECORD an address delivered by the gentleman from Virginia [Mr. FLANNAGAN] at Norfolk on March 15:

After a long and bitter fight, we have won a great victory. And we have met here today in the city of the one who started that fight to celebrate that victory.

In the beginning may I pause for just a minute and pay tribute to one of your fellow townsmen, W. B. Shafer, Jr., who initiated the movement that finally resulted in doing simple justice to our soldier boys by paying them an honest debt long past due, and thereby removing a stain from our national honor. Did you ever stop to think that the first and only default this Government ever made in the payment of an honest debt was in the payment of the debt due the men who crossed the sea and fought in a foreign land to defend and uphold the name and honor of this Republic? Thank God that default has been wiped out! All honor to Mr. Shafer, who started the fight that wiped out the default.

It has been a long fight, at times a bitter fight, which makes the victory all the sweeter.

There were those arrayed against us, I am aware, who were honest, conscientious, patriotic men and women, and who fought the payment of the adjusted-service certificates from honest motives that satisfied their own consciences. Whatever the cause back of their opposition, I know they acted from honest motives, and for them I entertain the highest regard. I never criticize men because they fail to see things as I see things, if I know they are looking through honest and conscientious glasses.

But there were those arrayed against us who seemed to resent the soldier boys taking an interest in affairs of state. To them, let me say this: The man who defends his country in time of danger is certainly entitled, at least, to a voice in time of peace in the government he has defended and held secure. And may I add that, in my humble opinion, it is his duty to express that voice in such a way as to bring justice and fair treatment to his comrades in arms.

And there were those arrayed against us who had hogged—I know the word may grate upon the literary sensibilities of a certain element, but I use it advisedly because it expresses the thought I have in mind—this Government during the conflict, and who were determined to continue to hog this Government, even at the expense of the soldier boys, in time of peace. Cruel words, I hear some say. Yes; many truthful words are cruel words, but remember, I am applying them to cruel men. These are the fellows who ever clothe themselves in the raiment of the patriot, but whose patriotism is only vocal. There are the fellows who unfurled the flag and spread the wings of the eagle when the conflict was raging, the boys fighting at $1.10 per day, and they were putting on extra bookkeepers and auditors to keep track of the money they were making out of human misery and human suffering, but who, when the conflict was over, and the boys demanded in the name of simple justice that their compensation be adjusted as was contemplated in the beginning by the Congress, that their disabled be taken care of, and their sick ministered unto, draped themselves in the folds of Old Glory, posed as patriotic guardians of the Treasury, and used the beak and talons of the eagle to ward off the just claims and demands of the defenders of our country.

Let me make this proposition to these vocal patriots, whom gunpowder would affect like poison gas, and the crack of the rifle or the roar of the cannon would give the jitters, that the fighting patriots in this country are perfectly willing to fight for love of country plus clothing, bread, and meat, if they will stay at home and only receive as compensation for their home service the same kind of clothing, the same kind of meat, and the same kind of bread. Isn't that fair? Isn't that right and just? Why call upon the flower of American manhood in time of danger to make the supreme sacrifice and at the same time give the stay-at-home the opportunity of a lifetime?

Let me tell you something: You take the profit out of war and make the stay-at-homes undergo just a few of the many hardships that the soldier boy is subjected to daily and you will go a long way toward getting rid of war. But let me give you a sure recipe against war: The next time you write a draft law provide that the munitions makers, the international bankers, and the large industrialists are to be the first drafted and are to be the first to occupy the front-line trenches, and you will see old Mars retreat before a single draft board is set up.

We who have gathered here today, along with countless millions in this land, maintain that it is not right for some men to defend their country for love plus $1.10 per day, while others remain at home, only to capitalize financially on human suffering, human misery, and even death itself. If you conscript men to fight, you should also conscript men to keep the home fires burning. In other words, those who remain at home, under the protection of those who go to the front, should not be allowed to pocket a single dollar denied those who fight.

And we who have gathered here today, along with countless millions in this land, not only believe the soldiers were entitled to an adjustment, but we further believe that the adjustment should have been paid in cash back at the time the service was rendered and not with an I O U payable 26 years after the conflict and after the debt became due and payable.

But as strange as it may sound, after the war, in spite of the fact that the Congress, when the Selective Service Act was passed fixing the pay for soldiers, clearly indicated that an adjustment would be made after the conflict in the event it was deemed proper, and in spite of the fact that the Congress after the war solemnly adjudicated that an adjustment was proper and fixed the amount of the adjustment, we were told that the Government did not have the money, and this at the very time when we paid out in cash by way of this, that, and the other adjustment, several times the amount required to pay the adjusted-service certificates.

Let's look into some of the adjustments that were made at the time we were being told Uncle Sam was so hard up that he didn't have the money to pay our fighting men.

After the war we rewrote around 7,000 war contracts, making adjustments with the contractors, at a cost to the Government of several billion dollars. And we not only rewrote these contracts but we found the money to pay the adjustments in cash.

During the war we took over the railroads, agreeing to pay the owners a guaranteed return equal to the average return 3 years prior to our entry into the war, which was the most prosperous period of railroading in this country. After the war we adjusted these railroad contracts, agreeing to pay $3,000,000 per day for the next 6 months after being turned back. Although this adjustment amounted to between one and two billion dollars, we paid it in cash.

There were around 500,000 civilian employees during the war, each working for the Government under a contract that called for a certain salary per month or per year. After the war all these civilian employees who received $2,500 or less per year had their contracts rewritten and were given by way of adjusted compensation, on the average, $1,000 in extra pay. These adjustments were made in cash.

During the war many soldiers worked on the public roads in this country side by side with civilian employees who were receiving $8 per day. These soldiers who had never heard the crack of a rifle or the roar of a cannon had their pay adjusted, receiving by way of adjustment $7 per day, the difference between their soldier pay of $1 per day and the $8 per day drawn by the civilians. These adjustments were paid in cash.

After the war thousands of large income-tax payers had their income-tax returns rewritten or adjusted on the theory that they did not charge off a sufficient amount for depletion and depreciation. And while these refunds amounted between 1922 and 1929 to more than $3,000,000,000 they were paid in cash, plus 6 percent interest. The then Secretary of the Treasury, Andrew W. Mellon, made large refunds not only to himself but to his companies, and in every case Uncle Andy found the cash to pay the refunds plus interest, though at the same time he was advising the Congress that the Government could not raise the money to pay the adjustment found due the soldiers.

How, may I ask, can you justify cash adjustments to contractors, railroads, civilian employees, many soldiers who served at home, and income-tax payers, and at the same time adjust the payment due the fighting men with I O U's payable 26 years after the service was rendered?

And lest we forget, let me remind you of the fact that at the very time we were putting the soldier boys off with a hard-luck story, we were able to loan foreign nations billions of dollars—four or five times the amount required to pay the debt to the soldiers—knowing at the time that the foreign nations intended to use a part of the money to make a cash adjustment with their own soldiers.

Now, may I ask, can you justify loans to foreign nations in order for them to make a cash adjustment with their soldier boys, and at the same time adjust the payment with our soldier boys by giving them I O U's due 26 years after the service was rendered?

This treatment was not only unfair, it was unjust. It was not right. And while we love patriotism, which is only love of country, we should ever remember that unjust treatment is the germ that breeds resentment and disloyalty.

And so I welcome you here today to celebrate our great peacetime victory. And while the greater honors should go to the leaders in the movement, such as Shafer, Patman, Vinson, Van Zandt, and others, the glory is great enough to be shared by all, even by those of us who only fought as privates in the ranks.

And in welcoming you here, may I say that my beloved native land, the old Mother of States, welcomes you as men and women worthy of her parentage; as those who fought for a principle, not for a season but through the years and until the principle was established.

ROSS A. COLLINS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address by Hon. Ross A. Collins, of Mississippi, on the Leadership of the President.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address which was delivered by Hon. Ross A. Collins before the Democratic League of the District of Columbia on April 24, 1936:

Ladies and gentlemen of the Democratic League, the Republicans are fond of speaking of experience and the lessons to be derived from it. It is true that experience and knowledge are mutually corrective and advance together. However, it is not a simple matter to ascertain the lessons of experience insofar as social problems are concerned. One is very much under the dominance of traditional ideas and they often predetermine his conceptions to a point that he totally misunderstands the lessons of experience and misconstrues the facts. Therefore, we constantly have to revise our conceptions of social problems. The Republicans want to keep us back in the seventeenth century and are irritable at the fact that all attainments of knowledge in the social field have gone against their pet doctrines.

This is not a new phenomenon; throughout the ages in one form or another there have been those interested in keeping the world stationary; the invariable result has been that they have been swept away and their doctrines repudiated. We have such examples in our short history as a nation. All social measures are experiments, and though it may be wise to advance with caution, it does not mean that it is possible to lag too much behind in the solution of pressing problems, or to repudiate proposed solutions because they depart from traditional ideas. History has abundantly shown that such an attitude is often a too high price for any nation to pay.

Such has been the attitude of the orthodox Republicans during the present crisis. The Republican Party has been identified with big-money interests. These interests are financing a campaign against the President based on criticism of details, attempting to magnify these details enough to becloud the whole picture in the minds of the voters. There is a determined attempt to distract the attention of the people to a few faulty details, instead of discussing the whole policy of the administration agencies, their aims, the measures taken to attain them, to what extent these aims have been realized, and how far these measures have stimulated recovery or attained the readjustment necessary for a more balanced position between agriculture, industry, labor, trade, etc., fractions of the community.

The Republican Party is seeking "issues" and slogans to draw away the attention of the people from the imperative needs of the present, and the achievements of the first Roosevelt administration. Why? Because it is not in a position to adopt a program equal to the requirements of present conditions. It is under the control of privileged wealth. If progressive elements asserted themselves, it would mean a repudiation of the fundamentals and traditional policies of the party—a split and disintegration would be the result. The very criticism made to the measures enacted so far—a criticism intensively carried on under various formulas (unconstitutionality, socialism, regimentation, etc.) has been directed at the slight adjustments which these measures effected. It is a campaign demonstrating the fact that the Republicans have no alternative except a tendency of evasion of the problems of the present crisis.

For instance, planning in the economic field has been condemned as unnecessary interference on the part of the Government. Yet planning is but a more sound form of formulation of an economic policy; that is, ascertaining the causes of an undesirable situation with a greater measure of exactitude and care, and attempting a solution of the problems on their merits with a knowledge of their requirements, instead of remaining inactive and let chaos drag down the whole economic structure of the country and reduce the numbers of our Nation to poverty and discontent that may take the forms of degeneration, crime, and total violence.

Every policy involves a degree of regulation by the Government. As our Republican friends would have it, when a measure benefits the upper few, as is the case with the tariff, at the expense of the masses of the people, then it is not interference on the part of the Government, it is constitutional and sound; but when a measure is intended to benefit some section of the mass of the people (farmers, labor, tradesmen, etc.), then it is condemned under a number of formulas (unconstitutionality, undue interference, socialism). As a matter of fact, the tariff and the A. A. A. fundamentally rest on the same principle. If the people accept the one, by the same token they must support the other; realizing that the interdependence of the various economic activities, in the long run, benefits them also. But accumulated wealth is uneasy, afraid of precedents of such mutual assistance as disturbing the existing state of disproportion in the exploitation of the national resources and the producing and consuming capacities of the Nation.

Thus the New Deal has been condemned by Republicans as a departure from traditional democracy. This very criticism shows that our opponents admit that it has not been merely a new slogan aiming to evade the solution of difficult problems, but has advanced so far toward their solution as to make the partisans of privilege panicky and bent on getting rid of the measures of the present administration.

The true tradition of the Democratic Party has been to meet the problems of the Nation from the point of view of the great mass of the people. New problems, complex and difficult, have called for new solutions, and the present administration has boldly advanced toward their solution, making use of the knowledge and experience that the country has to offer.

Jeffersonian Democracy and Rooseveltian Democracy are essentially the same; neither looks backward nor closes its eyes to the requirements of the present and the dangers of the future. Both have been and will be as progressive as the problems of the times impose. It was no one else but Jefferson who realized that social requirements and knowledge change so rapidly as to require constant revision of policies and laws, including perhaps the Constitution itself, from generation to generation.

Our opponents are unable to deny that the measures of the Roosevelt administration have brought about recovery. It has come and is progressing. They must answer, then, how was it possible for such bad, utopian measures to be so effective as to bring back so rapidly an economic structure which under the Harding-Coolidge-Hoover regime had reached the point of total collapse. The leader of the present opposition was eager 3 years ago to retire in silence and exile himself. This same leader is becoming vociferous of late to the point of poor taste, displaying the naive belief that this is still the good old time in which politics was a game of rhetoric, high-sounding slogans, and issues intended to conceal evasive positions. If one takes the trouble to reduce this verbosity to a social platform, one easily will find its meaning—neutralization of all readjustment measures and going back to the big-money ideas with as little deviation as possible. It is hardly necessary for me to stress the point of the meaning of such a step.

Recently we are hearing criticism also in connection with the problem of unemployment; that the present administration has not solved it. The fact is that it has reduced but not solved it. Why? For the simple reason that the administration has advanced by degrees slowly, cautiously, and very conservatively toward the solution of the complexity of economic problems. We have had to rebuild the old structure by stimulating economic life upward; a policy of reconstruction, not of violence and destruction, taking full advantage of the natural forces of recovery. In other words, while progressive, the administration has been soundly conservative.

If we face the problem of unemployment frankly, we must admit that even now unemployment cannot be eliminated without further readjustments. Nevertheless, we have the accusations of the Republicans that the New Deal is radicalism. Do they mean to accept widespread unemployment as a permanent condition? Is that their philosophy of hopelessness; that the condition cannot be remedied and hence the people must starve? Could anything be so conclusive of the utter incapacity of the Republican Party of attaining a solution of our problems?

All sorts of wisecracks have been made about the agencies of the Government intended to afford relief in one form or another to the unfortunate victims of unemployment. The Nation shoulders the burden, and it is privileged wealth that is worried about it. The most interesting point is, however, in the question as to how did this situation come about that so many citizens found themselves on the streets and thus became a burden to the National Treasury. The answer is that the economic policy of past governments has allowed such extreme laissez faire to dislocate the population of the country; to upset their source of subsistence without insuring itself that those responsible for this dislocation and its eventual consequences meet the expenses it involves.

In this manner it is quite clear that those who are responsible for this expense of the Nation are the ones most vociferous against expenditures to relieve the situation and stimulate a normal movement. The Nation pays for their sins, and, of course, what they are uneasy about is that they may be forced out of their vested wealth to help pay for measures necessary to correct the evils they have created, measures being taken to prevent drastic upsets in unemployment, to afford some measure of security to the wage earners and agriculture, and to the National Treasury itself.

We have heard much talk about extravagance. The opponents of the administration certainly cannot say that the relief afforded the unemployed has been extravagant. Their objections are directed at expenditures in general to the point of a cynical interpretation of the popularity of the measures of the Government as partisan calculation. An appreciation of the distress of the masses or the consequences of the continuity of an upset economic structure is so foreign to these gentlemen that they have not hesitated even to coin phrases at the expense of the millions of unemployed countrymen. To protect their property interests today they would let millions starve and go in want, blind to the fact that they could not devise a policy more certain in the end to accomplish their own complete destruction.

Another of their proposals is to balance the Budget. Has this country always had a balanced Budget, even under normal conditions? By no means. Half of the years of its existence the country has not balanced its Budget. More than that, there have been times when the financial medium of the country has been worthless, yet the Nation overcame this, grew and expanded on the basis of the natural resources and the industry of the people. The situation is far from being such at the present time. The Nation has a sound and adequately backed currency and ample credit to meet the requirements of the present crisis. Are we to succumb to old-fashioned calculations in order to let privilege remain immune, and risk social unrest, or are we to be true Americans and Democrats and relieve the great mass of the people affected by the present crisis, and thus relieve the economic distress of the country as a whole? What does the demand for balancing the Budget at this time mean? It means a premature abandoning of all measures of stimulation and relief connected with expenditures. It is hardly necessary to point out that such a step at this time will result in a relapse so rapid as to destroy all that has been gained with such effort to the point that at the end of the financial year the Budget balanced on paper will prove to have remained unbalanced in fact. Because it means nothing to balance the Government Budget if the people's budget remains permanently unbalanced. Even the lords of finance recognize the fact that public finance is something entirely different from the old-fashioned arithmetic which the Republicans employ in considering the financial problems of the country.

The opponents of the administration are fond of high-sounding words; they speak of ideals and think in terms of money. They condemn materialism if it shows a tendency toward a social equilibrium, and yet their conception of liberty is purely materialistic, while the spiritual and intellectual impulses of the Nation be repressed to the point of insuring the dominance of the orthodox dogma in social problems. They constantly condemn communism. Yet orthodox Republicanism has the greatest affinities with it. Republicanism and communism represent the two extremes of a one-sided materialism (laissez faire and complete social control). The present attainments of political economy have repudiated both equally.

That is why the cry against the specialists and against the measures undertaken by the present administration. That is why, instead of solutions, they propose ill-considered demands and contradictory slogans.

The present administration has been practically active in every field of national economy, agriculture, farm credit, labor, and industry, electric power, housing problems, public works, transportation, foreign trade, emergency relief. In all these fields the results have been felt and appreciated by the great numbers of the people as an effort to approach the problems without preconception and solve them on their merits. That is why we rely on the instinct and common sense of the mass of people with utmost confidence. That is why our opponents are dissatisfied with the "education" of this same people who prefer to support those who attend to their problems and give them a chance to make an honest living instead of a perpetual temporizing and waiting for miracles to happen and feeding them on slogans like the notorious "prosperity around the corner."

It is astonishing and dismaying to note the extent to which the lords of finance have concentrated their fear that their vested interests may be disturbed into hatred of one man. A recent magazine article says that the outstanding political development of the last year is that Franklin Roosevelt's opponents now hate him with profound passion, as exemplified by the depth of the bitterness of the excesses of the Liberty League and its allies and by the vast number of wholly malicious rumors attacking the President.

Fortunately, this fanatical hatred which has taken hold on some people who have found that their gods of gold had feet of clay is more than compensated by the grateful love and admiration of millions of people who realize that Franklin D. Roosevelt, as the leader of our new democracy, has opened to them new gates of hope and has saved and restored to them a Government which was toppling on the brink of collapse at the end of the old regime. As time goes along it is more and more apparent that the American people are not going to be led, like dumb beasts, to the slaughter at the hands of the ancient vested oligarchy, but that they are rallying in tremendous and overwhelming majorities to the leadership of Franklin Roosevelt and the practical application of the new ideals for which he and his administration stand.

CALL OF THE HOUSE

Mr. DOUGHTON. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from North Carolina makes the point of order that there is no quorum present. Evidently there is not.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 77]

Adair	Ditter	Houston	Ramsay
Allen	Dorsey	Huddleston	Rankin
Andrew, Mass.	Doutrich	Imhoff	Ransley
Andrews, N. Y.	Duffey, Ohio	Jenckes, Ind.	Reed, Ill.
Barden	Dunn, Miss.	Jenkins, Ohio	Reilly
Berlin	Dunn, Pa.	Johnson, W. Va.	Rich
Bolton	Eagle	Kee	Richardson
Brennan	Eaton	Kinzer	Rogers, Okla.
Brooks	Eckert	Kniffin	Romjue
Brown, Mich.	Edmiston	Kvale	Ryan
Buckley, N. Y.	Ellenbogen	Lambertson	Sabath
Bulwinkle	Faddis	Lamneck	Sanders, La.
Burdick	Fenerty	Larrabee	Sandlin
Cannon, Wis.	Ferguson	Lee, Okla.	Schaefer
Carter	Fish	Lesinski	Sears
Cary	Flannagan	Lewis, Md.	Sirovich
Cavicchia	Focht	Lundeen	Smith, Conn.
Chapman	Ford, Calif.	McGroarty	Smith, W. Va.
Claiborne	Frey	McLean	Stack
Clark, N. C.	Fulmer	McLeod	Starnes
Cochran	Gasque	McMillan	Steagall
Collins	Gassaway	McSwain	Sumners, Tex.
Connery	Gavagan	Marcantonio	Sweeney
Cooper, Ohio	Gifford	Marshall	Taylor, Tenn.
Crosby	Gildea	Maverick	Thomas
Cross, Tex.	Gingery	Montague	Turner
Crowe	Goldsborough	Montet	Turpin
Crowther	Gray, Pa.	Moritz	Utterback
Culkin	Greenwood	Murdock	Weaver
Daly	Gregory	Nichols	White
Darden	Hartley	Norton	Whittington
Darrow	Hill, Knute	Oliver	Wigglesworth
Dear	Hobbs	Peterson, Fla.	Wilson, La.
DeRouen	Hoeppel	Pettengill	Zimmerman
Dietrich	Hope	Quinn	

The SPEAKER. Two hundred and eighty-eight Members have answered to their names, a quorum.

Mr. DOUGHTON. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

THE REVENUE BILL OF 1936

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12395, with Mr. WARREN in the chair.

The Clerk reported the title of the bill.

Mr. DOUGHTON. Mr. Chairman, I yield 1 hour to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain tables, charts, and other matters.

The CHAIRMAN. The Chair will say to the gentleman, in reference to his request for extension, that the Speaker has ruled that that authority should be obtained from the House rather than from the Committee. The gentleman already has authority to extend his own remarks without further permission.

Mr. VINSON of Kentucky. Mr. Chairman, as I heard the Speaker's ruling, permission to include remarks that are extraneous must be obtained in the House. My request, of course, is with respect to remarks confined to the bill.

The CHAIRMAN. Under the procedure so far gentlemen on both sides of the aisle under the privilege of extension have placed in the RECORD documents and quotations from documents that are extraneous to the bill, but under the ruling of the Speaker the Chair thinks that the gentleman from Kentucky should obtain further permission when we get back in the House.

The gentleman is recognized for 1 hour.

Mr. VINSON of Kentucky. Mr. Chairman, it will be my purpose to address my remarks to the tax bill under consideration. [Applause.] I am armed with the report of the subcommittee, with the report of the full committee, with copies of the hearings and a copy of the bill. When I conclude my remarks I will be very happy to yield to any Member of the House for questions. The debate upon this bill shows development to the *n*th degree of the desire and purpose of our minority friends to confuse the issue. With warm personal feeling and friendship for the minority members of the Ways and Means Committee, and without any feeling of rancor in the matter, I ask the House and the country, What objections have been presented to this measure, either in the report or on the floor of the House, other than generalities of conclusions rather than arguments that appeal to the intellectual processes?

Our Republican friends begin the minority report with the statement:

Increased taxes versus reduced expenditures.

Again there is nothing except generalities. No effort is made to point to a specific dollar that could be saved through reducing expenditures. They say that too much money is being spent, and, frankly, I agree with them on this point—but, I ask the question, Who is spending the money? The Congress of the United States must appropriate every dollar of the taxpayers' money that is spent by the Government. As a matter of fact, the situation has been such that the needs of the unfortunate unemployment condition, the hangover from the Hoover administration, have been a tremendous money burden, but, getting down to brass tacks, our friends of the minority have, with deliberate and calculating cunning, refused to specify the spending that they would curtail. They issue a blanket indictment and refuse to submit a bill of particulars. Their real attitude, however, boiled down, is set forth in the minority report. After stating their views in regard to reduction in governmental expenditures they say "until that—(reduction of expenditure)—is done, we are opposed to the imposition of any new tax burden on business or the people."

So we start off with the idea that no tax bill would suit our friends of the minority in this session of Congress. This is their position, even though for months and months prior hereto they have lectured and chastised the party in power with negligence, and even cowardice, for failing to bring in a tax bill that would balance the Budget. I do not say this in severity because I realize that this is a campaign year and that our friends on the minority, for political reasons, may justify their shifting their positions with the winds.

THE SIZE OF THE BILL

The fact that there are 236 pages in this bill is cited in argument against it. Its opponents make much of the fact that there are 236 pages in it; a columnist has referred to it and its technical language; radio broadcasters talk about the length of time required to read it; editorial writers, following the Republican lead, deal with its voluminous size. Frankly, unless a person understood the situation, it is an awesome sight to contemplate. However, let us analyze this particular situation and argument.

In the bill introduced there are 236 pages. In the committee print, which carried the language in the existing law that is not contained in the bill under consideration, there are 249 pages; consequently, by simple subtraction, there are 13 pages of existing law that are omitted from this bill.

The bill under discussion is built in the following manner: The committee took the Revenue Act of 1934, as amended, and used it as a base for H. R. 12395. The revenue laws now in full force are not affected for the taxable years prior to the effective date of this act. We do not repeal existing revenue laws as affecting past taxable years. To do so would see confusion confused. We reenact, for the taxable years involved, so much of existing law as is desired and necessary.

The committee has taken the Revenue Act of 1934, as amended, and has recommended its reenactment, subject to the changes therein necessary to accomplish the purpose of the proposed plan. Excluding the tax on unjust enrichment—the "windfall" tax—and refunds of floor stock tax,

which two titles take up 16 pages of the new bill, there are 220 pages of the present bill dealing with the corporate-income tax. The entire new language in the bill covers about 47 pages, of which only 31 pages deal with the corporate-income plan. In other words, while this measure appears to be a real volume, the actual new matter covers only about 47 pages. Now this does not mean that all that was necessary to do was to write these pages and stick them in the bill. Throughout the bill there are amendments to the existing law, and it was necessary for the committee to virtually dissect the existing laws and make the changes applicable. In some instances it was only necessary to make a change in the rates; in other instances language is stricken which, under the new plan, was not necessary; in still other instances entire new sections were included to express the new plan.

The point that we want to especially emphasize is that while the bill numbers 236 pages there are only about 47 pages of new matter. It might be well at this time to call the attention of the House to the size of similar bills as presented to it heretofore for consideration. In 1924, 1926, and 1928 bills were presented to the House for its consideration which called for reduction in existing income taxes.

Then in 1932, when we had the Hoover administration but a Democratic House, in response to the request of the Treasury and President Hoover, the Democratic Ways and Means Committee rose to their responsibility and presented a tax bill increasing revenues pursuant to their request. That bill contained 278 pages. The much-praised Revenue Act of 1934, which had only 7 votes in the House against it, contained 232 pages. So I do not think anybody need be frightened by the awesome spectacle of 236 pages when 80 percent of it is existing law.

COMPLEXITY OF THE BILL

It is stated that the proposed bill is complex. For that matter, the existing revenue laws are complex—the business structure of the country is complex. We must tax business as we find it. It is because of the versatility of the legal minds advising the taxpayer to create complexity of business structures that requires the close attention in the language used in revenue acts to secure any taxes from such favored taxpayers. I say, without fear of any contradiction, that there is more complexity in the existing laws which we reenact as a part of this revenue measure than in the new language contained herein.

I want to read to you a statement from the hearings upon the present bill by a man who knew what he was talking about, Ellsworth C. Alvord, who in 1921 came with the drafting service. In 1922 he came from the Senate to the House. Then he remained here and helped draft this complicated system of existing law. I say to you that no one is more able to speak of its complexities than Mr. Alvord. Leaving the legislative counsel he went into the service of the Treasury and then we find him as special assistant to the Secretary of the Treasury. Then later, as I understand, personal counsel for Andrew W. Mellon in some of his tax complexities. He is an expert and knows whereof he speaks.

I read:

Mr. ALVORD. Perhaps I am in position to dicuss the complexities of our present tax law. Certainly, at least as much as anyone else, I regret the utter impossibility of the present situation. The statute is unreadable—

He is talking about existing law—

The statute is unreadable, beyond comprehension, and ambiguous. The maze of regulations, ruling, and decisions is appalling.

There is no certainty. Tax liabilities are not known and cannot be computed. There is no finality within a reasonable period of time. Regulations are amended, and rulings reversed, frequently with retroactive application. Litigation is prolonged. The expense to the taxpayer and the Government adds a heavy load to the tax burden. I predict that our present income-tax system will some day fall of its own weight. I am forced to accept my share of the responsibility.

That is the indictment he returns against the existing tax law. I want to be frank and candid in respect to the matter. He said this bill would probably make it worse, although he made certain suggestions as to simplifications that might be made, and I submit we have made almost all of them.

One of his objections to this measure was something that they hoped would be in it but which is not there, God bless them. They have been grabbing and grasping for something vulnerable about this tax measure. They put it out over the whole country that it would require an algebraic formula to compute the tax. Mr. Alvord, expert that he is, asked whether we would have an algebraic formula or tables to compute the tax. Now, there is no algebraic formula in the bill, even though the eminent opponents asserted one would be necessary.

Now, as an example of simplicity, which, as I recall, is a part of the handiwork of our friend, Mr. Alvord, I read herewith the section of existing revenue laws that we commonly refer to as the China Trade Act, enacted under a Republican administration:

CHINA TRADE ACT CORPORATIONS

SEC. 263. (a) For the purpose only of the tax imposed by section 230 there shall be allowed, in the case of a corporation organized under the China Trade Act, 1922, a credit of an amount equal to the proportion of the net income derived from sources within China (determined in a similar manner to that provided in sec. 217) which the par value of the shares of stock of the corporation owned on the last day of the taxable year by (1) persons resident in China, the United States, or possessions of the United States, and (2) individual citizens of the United States or China wherever resident, bears to the par value of the whole number of shares of stock of the corporation outstanding on such date: *Provided*, That in no case shall the amount by which the tax imposed by section 230 is diminished by reason of such credit exceed the amount of the special dividend certified under subdivision (b) of this section.

(b) Such credit shall not be allowed unless the Secretary of Commerce has certified to the Commissioner—

(1) The amount which, during the year ending on the date fixed by law for filing the return, the corporation has distributed as a special dividend to or for the benefit of such persons as on the last day of the taxable year were resident in China, the United States, or possessions of the United States, or were individual citizens of the United States or China, and owned shares of stock of the corporation;

(2) That such special dividend was in addition to all other amounts, payable or to be payable to such persons or for their benefits, by reason of their interest in the corporation; and

(3) That such distribution has been made to or for the benefit of such persons in proportion to the par value of the shares of stock of the corporation owned by each; except that if the corporation has more than one class of stock, the certificates shall contain a statement that the articles of incorporation provide a method for the apportionment of such special dividend among such persons, and that the amount certified has been distributed in accordance with the method so provided.

(c) For the purposes of this section shares of stock of a corporation shall be considered to be owned by the person in whom the equitable right to the income from such shares is in good faith vested.

(d) As used in this section the term "China" shall have the same meaning as when used in the China Trade Act, 1922.

Opponents of the present bill say that the language of the bill under discussion is complicated and that it cannot be administered, but I suggest that anyone that can understand the language in the China Trade Act and any Bureau of Internal Revenue that can administer such an act, as it is doing, can certainly understand and administer this proposal much more easily.

THE SCHEDULES IN THE BILL

But to get back to the bill under discussion. Confusion is pretended to exist in respect of the tables set out in the bill to enable the taxpayer to know what the rate of tax in his particular case is. The bill is taken in hand and they say, "What does column 1 and column 2 on page 15 mean?" If you do nothing more than look at it, it means nothing to you, but if you will read the four lines next preceding these tables it becomes as simple as anything can be.

Column 1 is the percentage of retained income. This figure is arrived at by dividing the adjusted net income into the undistributed net income (retained net income). Now, if it comes out to an even percentage you will find that figure in column 1. Then column 2, opposite column 1 in the table,

is the rate of tax for such percentage of adjusted net income that is undistributed. For example, say your adjusted net income is $100 and you desire to retain $10: Divide $100, the adjusted net income, into $10, the amount retained, and you get ten one-hundredths or 10 percent. We know, without computation, that $10 is 10 percent of $100, but the same rule will apply regardless of what the amount retained is. Now, in column 1 we have 10 percent retained and opposite, in column 2, you see at a glance that the tax rate applicable is 1 percent of the adjusted net income. Therefore, the tax in this instance would be $1, in lieu of the present tax of $12.50. In the event a retention of 20 percent is desired, or $20 in the above case, the tax rate applicable would be 3½ percent or $3.50. If the retention desired amounts to 30 percent, a rate of 7½ percent would apply or a tax of $7.50; under a 40-percent retention a tax rate of 13 percent would apply or $13 tax would be paid in the last-above-cited case.

The use of these tables is so simple that the only explanation that I can give of criticism of them is that the critics have not read the four lines next preceding the table or that they intentionally do not want to understand the mechanics of the bill.

Our friends over on the other side of the aisle have never tried to understand the bill. The first thing they did when this finished bill was given to them was to pore over it to see if that algebraic formula was in it; and it was the most disappointed crowd you ever saw when they found it was not there. Let me tell you, that is so. Instead of putting in an algebraic formula we have made it more simple than existing law. We have given you the brackets by 1 percent instead of by brackets of 10 percent. We have broken it down into 1-percent graduations. So that if you have an even percentage, if the undistributed net income is an even percentage of the adjusted net income all you have to do is to turn to the table and immediately you determine the rate of tax.

I submit that where the amount retained is an even percentage it is much easier to ascertain the tax to be paid by the taxpayer than it is to ascertain what the surtax is under existing law—that is, of course, to anyone who really wants to understand the workings of the new plan.

THE IPTERPOLATOR

Frankly, if the amount retained is not an even percentage, it does become slightly more difficult to ascertain the rate, but anybody who can read and who can add, subtract, multiply, and divide will not have any difficulty in ascertaining the rate of tax applicable to his own individual case. I have noted that certain papers have picked up this language and printed it as not being understandable. I quote from the bill (pp. 15 and 16):

If the undistributed net income is a percentage of the adjusted net income which is more than 10 and less than 20 (and such percentage is not shown in the foregoing table) the tax shall be a percentage of the adjusted net income equal to the sum of 1, plus one-fourth of the amount by which the percentage which the undistributed net income is of the adjusted net income exceeds 10.

Of course, with this language alone, you have no beginning or ending, but when you take it in connection with the table next above it in the bill, and with the language preceding the table in the bill, it is not so complex. An illustration of the workings of it might be helpful here:

We still use the adjusted net income of $100. In this particular instance the taxpayer wants to retain $14.50 in his surplus. Now we glance at table 1 in the bill—there is no percentage for $14.50 and the query arises—"What rate will be applied in this case?" By reading the bill you will find that the section which we have just quoted is the applicable section. The percentage retained in this case is more than 10 and less than 20 percent of the adjusted net income. This language says that the tax rate will be the sum of 1 plus one-fourth of the amount by which 14.50 exceeds 10. We therefore subtract 10 from 14.50 and the result, we find, is 4.50. Multiplying this by one-fourth or 0.25 we get a product of 1.12½. Now add this product to 1 and you get 2.12½ percent. Multiplying the $100 by this percentage—2.12½—you will find that the tax payable will be $2.12½.

It works likewise from the dividend end. If the dividend declared is an even percentage of the adjusted net income we run our pencil down to whatever this percentage may be in column 1 and find opposite it in column 2, the tax rate applicable.

If the dividend distributed is not an even percentage, then you take your interpolator and ascertain the rate. For instance, assume the adjusted net income is $100 and it is desired to pay out in dividends $75.50, which, of course, we know is not an even percentage of the total adjusted net income. By reading the bill, we find this language applicable to the assumed case:

If the dividend credit is a percentage of the adjusted net income which is more than 62.5 and less than 76.5 (and such percentage is not shown in the foregoing table) the tax shall be a percentage of the adjusted net income equal to the sum of 3.5 plus two-sevenths of the amount by which 76.5 exceeds the percentage which the dividend credit is of the adjusted net income.

Now, following the language of the bill, we subtract 75½ (the percentage of the adjusted net income desired to be paid out in dividends) from 76½ and we have 1. Following the bill, two-sevenths of 1 is two-sevenths, which, reduced to percentage, equals 0.2857 percent—add this to 3.50 percent and we have 3.7857 percent. Applying this percentage to the adjusted net income of $100 we have an applicable tax of $3.79.

Just a few minutes ago a distinguishing gentleman of this House, Mr. SHANLEY, went to a member of the drafting service and wanted to know why we put in these interpolators. Well, we could say that it was interpolated according to the straight-line method. Then our language could have been omitted. We put the language in because some folks might not understand what is meant by interpolating according to the straight-line method. We drew the actual picture, and I say it is plain enough that even the gentleman from Massachusetts [Mr. TREADWAY] can understand it if he wants to do so.

SCHEDULES 2 AND 2A. BASED ON UNDISTRIBUTED NET INCOME AND ON DIVIDEND CREDIT FOR CORPORATION WITH ADJUSTED NET INCOME OF MORE THAN $10,000

Computations under these schedules are figured in exactly the same manner as illustrated in the foregoing paragraph under schedules 1 and 1A.

SCHEDULE 3. ALTERNATIVE SCHEDULE FOR ADJUSTED NET INCOME OF MORE THAN $10,000 AND LESS THAN $40,000

Now, we had this situation arise. Remember, we are trying to draft a tax bill that is fair and just.

Schedules 1 and 1A deal with corporations with net incomes of less than $10,000. There is no concern whatsoever as to corporate size. It may be a corporation with capital of $1,000 or $1,000,000; the only requisite for securing the lesser tax rate is to have an adjusted net income of $10,000 or less. The same thing applies to schedules 2 and 2A. The condition that deprives the taxpayer of the use of lower rate is his having an adjusted net income of more than $10,000. Our study developed the fact that the increase in rates would be quite abrupt and very unfair to taxpayers in a certain intermediate field. In schedule 1 corporations with net incomes of $10,000 and less, the rate applicable, on basis of 10-percent retention, is 1 percent, while the rate applicable on corporations with adjusted net incomes of more than $10,000 is 4 percent. Under schedule 1 corporations retaining 20 percent, with adjusted net income of $10,000 and less, pay 3½ percent, while under schedule 2 the rate is 9 percent; corporations retaining 30 percent of their adjusted net income under schedule 1 would pay 7½ percent, while under schedule 2 they would pay 15 percent. As an illustration of the situation, assume that a corporation under schedule 1 has a net income of $10,000 and desires to retain 30 percent; the tax would be $750. If the corporation had an adjusted

net income of $10,001 under schedule 2, the tax would be $1,500, or a tax of $750 on $1 over $10,000 of adjusted net income.

In order to level out the inequality of such a condition, we adopted schedule 3, which affects corporations having adjusted net income of more than $10,000 and less than $40,000. The option is given to the taxpayer to compute his tax under schedule 2 and 2A or schedule 3—paying the lesser tax. As this works out, corporations having an adjusted net income of less than $40,000, retaining 10 percent will pay less than that called for under schedules 2 and 2A. Corporations with adjusted net income of $25,700, retaining 20 percent will pay less tax than under schedules 2 or 2A; and corporations with adjusted net income of less than $20,000, retaining 30 percent will pay less than they would pay under schedules 2 and 2A. There are 257,000 corporations making a report of net incomes and of this number 214,000 will have adjusted net incomes of less than $10,000 and will use the lesser rates under schedules 1 and 1A. There are 17,852 corporations having net incomes between $10,000 and $20,000 and such number of these corporations having adjusted net incomes of less than $20,000 and retaining 30 percent will pay a lesser rate than under schedules 2 and 2A. There are 22,881 corporations with reported adjusted net income of between $10,000 and $25,000. All such corporations with adjusted net incomes of less than $25,700 and retaining 20 percent will pay less tax under schedule 3 than under schedules 2 and 2A. There are 29,834 corporations with reported net incomes of between $10,000 and $40,000. Such corporations with adjusted net incomes of less than $40,000, retaining 10 percent will pay less tax than they will under schedules 2 and 2A.

It is stated to us by the actuarial experts in the Treasury that corporations having net incomes of $10,000 or less can retain 42 percent of their net incomes and still pay the same tax as they are now paying under existing law; that corporations having more than $10,000 with rates figured under schedules 2 and 2A can retain 31.9 percent of their adjusted net income and pay the same tax as they are paying under existing law. Of course, this would mean that practically all those corporations in the intermediate class could retain a larger percentage of their adjusted net income and still pay the same tax as they do today.

Schedule 3 is said by some to be tremendously difficult. In order to clarify this in the minds of the Members, we give an illustration of the method that would be followed in making computation under this section:

Assume that a corporation has an adjusted net income of $15,000 and 30-percent retention is desired—what would be their tax?

Apply the low rate in schedule 1 to the entire $15,000. The table shows you that that rate is 7½ percent—$15,000 times 7½ gives you $1,125. Subtract $10,000 from $15,000, and you have $5,000, which is the excess of $15,000 under schedule 1. Now apply the high rate of 15 percent, the rate applicable in schedule 2 with 30-percent retention, to such excess, $5,000, and you have $750. Add the $1,125 and $750, and you have a total of $1,875, the tax to be paid.

To compute the tax under schedule 2, simply take the $15,000 adjusted net income and multiply it by the applicable rate for 30-percent retention, which would be 15 percent, and you get $2,250. As illustrated by this computation, the taxpayer in making his return will pay the lesser rate, or a tax of $1,875, and save $375 because of this optional treatment for the intermediate corporation that is provided in the bill.

Straight-line method is used in arriving at the tax rates for the intermediate corporations. The merging point for 10-percent retention is $40,000; for 20-percent retention, $25,700; and for 30-percent retention, $20,000. Passing the merging points, the applicable rates in schedules 2 and 2A are used.

CUSHIONS

At one time it was thought that all corporations should receive the same treatment under the proposed plan. Some of us felt that there should be preferred treatment accorded taxpayers who were in need of it. Such thought was the father of the classifications of corporations heretofore discussed. In respect of net incomes, giving a material preference in rates to the corporations with smaller net incomes.

The graduated rates under schedules 1 and 1A, as compared with other schedules, follow the same principles and philosophy that are the basis of the graduation in the present individual surtax brackets—it is an income tax; a graduated income tax with lesser rates on the lesser incomes. In all the criticism that has been forthcoming, I have heard none arraigned against the classification of corporations according to whether the net income is more than $10,000, nor have I heard any criticism of the ratio of the rates in schedules 1 and 1A as compared to schedules 2 and 2A.

Criticism has been hurled at the maximum rates provided in the schedules, particularly to the maximum rates applicable to schedules 2 and 2A; namely, the 42½-percent rate. It is natural that this should be the object of political criticism, owing to the fact that the difference between such rates and rates under existing law, approximately 16.4 percent, is considerably larger than the difference between the 29½-percent rate under schedules 1 and 1A and existing law, approximately 14.2 percent.

At one time the corporate rate in Great Britain was 27½ percent—only 2 percent less than the maximum rates under schedules 1 and 1A. This was a flat rate. It is true that by steps this rate was reduced to a 22½-percent rate, which is the existing rate in Great Britain today. However, within the past few days it has been proposed to increase this rate from 22½ percent to 23¾ percent.

When 42 percent of the adjusted net income of a corporation of this class can be retained without the imposition of any additional tax it is apparent that the surplus of such corporation will not be weakened. I make this statement because it is shown that the average amount of net income retained in surplus over the period of the last 10 years is approximately 30 percent, and over the 15-year period next preceding it has averaged approximately 25 percent. It would seem to me that the larger corporations, and particularly those who are using the corporate devices for the purpose of avoiding personal-income tax in the surtax brackets, would average a higher rate of retention than the smaller corporations. Certainly it is true that in the corporations with smaller net income there are numerically more closely held corporations than in those with larger incomes, and naturally in the smaller field there is more need for dividend payments to provide a livelihood. Certainly there is not the natural desire to evade the higher surtax rates, because such shareholders are not within them—or, if within them, the amount of dividends received from corporations with net incomes of less than $10,000 would be so small as to make the increase in tax hardly appreciable to them. However, we have endeavored to protect the working capital of corporations both large and small with certain added rates. Some are prone to refer to them as relief provisions, and our opponents immediately point out that there is an increase in the relief rates in excess of rates under existing law. The rate itself is an increase over the existing rates, but the tax that may come from the combined treatment of the relief provisions and the proposed plan may be substantially less than the corporate tax paid by the taxpayer today. In any event, a rate of 22½ percent is less than the rate of 29½ percent against which maximum rate the provisions afford relief.

Accumulated surpluses are not taxed in this bill. Some folks inadvertently have said it is a tax upon surplus or it is a tax upon undistributed income. This is not correct. It is a tax upon the adjusted net income. We are using the undistributed net income, or the distributed net income, if you please, as the yardstick to determine the corporate tax.

Under existing law, you have gross income and you work from gross income down to your net income. You take off the debts, operating expenses, losses, depreciation, depletion, interest, and a dozen and one other things. The method of computing your tax is not changed in this bill, except we are adding the intercorporate dividends to the gross income.

DEPRECIATION AND DEPLETION

Between the years 1926 and 1930, the official records show that there were written off for depreciation and depletion 16.2 billion dollars; that between the 4 years next following, 1930–33, there was written off in depreciation and depletion 16.4 billion dollars; that for this last period of 4 years, 1930–33, the amount written off and deducted from gross income for depreciation and depletion was 49.9 percent of the net income of the corporate taxpayers; in other words, depreciation and depletion were practically one-half of the net income upon which they paid tax.

So, I say we are not disturbing the present system of computing the tax. We provide schedules 1, 2, and 3, which we think prefer the small income corporations to the larger income corporations, but we did not stop there. We recognized that there were certain corporations that were in a particular field that could not declare dividends. Under the philosophy of this bill, declaring cut dividends means a reduction in the tax. We thought that if your corporations could not declare cut dividends, they should not pay the maximum rates.

The plan suggested for these relief provisions is to impose the tax of 22½ percent upon the amount that may be used under the law. Then, the adjusted net income is to be reduced by the sum of the tax and the amount to which the relief rates were applied. With this new base, then, the general plan is followed. Sections 14, 15, and 16 are the applicable sections to the particular relief provisions to which we have just referred.

SECTION 14

Section 14 permits the imposition of a 22½-percent rate upon such amount as represents the difference between the adjusted net income and the accumulated earnings and profits (computed without diminution by reason of the distribution during the taxable year of earnings and profits, or by reason of the taxes imposed by this title for the taxable year).

To illustrate its application. Say the adjusted net income for the year is $100 and the accumulated earnings and profits are $80—it is apparent that there is a deficit of $20 which, if paid out, is not taxable in the hands of the individual shareholder, since it is a distribution of capital. The amount that makes up this deficit, $20, takes the relief rate of 22½ percent, or a tax of $4.50. The new tax base is the difference between $100 and the sum of $4.50 (the tax) and $20, or $24.50. The new base is $75.50. If this is all distributed the corporation will have paid a tax upon its adjusted net income of 4½ percent. Personally, I am inclined to the notion that the 20 percent, representing capital replacement, should not be deducted from the taxable base of the owner in arriving at capital gain from sale or liquidation, or the rate should be the same as receivership, 15 percent for that part that goes to make up deficit.

This section also meets the many cases where dividends cannot be paid out while a capital deficit exists. Many of the States have provisions to such effect, and we have reduced the rate of tax upon such sums that cannot be declared out as distribution of income from 29½ to 22½ percent.

SECTION 15

Section 15 deals with cases, and there are many of them, where there has been a written agreement executed prior to March 3, 1936, not to pay out dividends until the provisions of the contract have been complied with.

Moneys are obtained upon expressed promises that dividends will not be declared until the loan and interest is repaid in whole or in part. The committee recognizes the position in which the taxpayer is placed and we have reduced the maximum rate applicable in cases of this kind from 29½ percent to 22½ percent. In these cases any part, or all, of the adjusted net income may be used up under this provision. If the entire amount does not come within the provisions of the contract, the total adjusted net income is reduced by the amount that comes under the contract plus the tax thereon, and the new base comes under the general plan. It should be stated that in sections 14 and 15 recognition is taken of State laws, written contracts, and the general principle dealing with nontaxation of return of capital. There may be some discussion as to the rate that should be imposed. Some would maintain that the relief rate should be a lesser figure than 22½ percent, but certainly no one will condemn with fairness the principles involved in these two sections.

SECTION 16—DEBTS

The major opposition presented by witnesses during the hearing was the penalization of corporations for paying their debts. I hardly think that such criticism is really fair, especially when considering the manner in which it was given, because under existing law there is a penalty upon moneys that go toward the payment of debts. Under existing law approximately 16.4 percent must be deducted from the adjusted net income even if every dollar of the remainder goes toward the payment of debts. We have made provisions for the taxpayer to amortize debts as defined in this paragraph over such period of years as he may desire, but not less than 5 years, and to permit the application of the 22½-percent rate to such sums. As an illustration: The taxpayer determines how he will treat his debt structure in connection with taxes. Assume that the debts total $100,000 and that he wants to amortize them over a period of 5 years. In each of his returns for the next 5 years the taxpayer may use $20,000 of the adjusted net income at the 22½-percent rate and then reduce such adjusted net income by the sum of $20,000 plus the tax of $4,500, resulting in a new base of $75,500. If he desired to retain 30 percent of his new adjusted net income, the tax on the remainder would be $11,325. The total tax would be $15,825, or about 15.825 percent on the total adjusted net income.

We must keep in mind that under the philosophy of this bill all dividends distributed by the corporation pay no tax. Now, there will be many corporations that will pay no tax. That money will be paid into the hands of individual income-tax payers, and certainly they are going to be happy to get that income and they will have income with which to pay the tax.

If there is a complete distribution, it is estimated that you will have $4,800,000,000 additional paid to the individual shareholders in this country. If you have 70-percent distribution to the stockholders, it is estimated that there will be paid to those shareholders $3,360,000,000 more dollars.

If every dollar of the additional $620,000,000 in tax were to be paid by the individual shareholders, they would still have in their treasury the difference between $3,360,000,000 and the $620,000,000, or $2,740,000,000.

A COUNTER PROPOSAL

A very distinguished member of the committee on our side of the House was very strong in his denunciation of this tax program. He claims that undue tax burdens will be placed upon industry in this country if this bill goes into effect. We were told that it would require an increase in the corporate tax to 25½ percent to bring in the yield this bill would bring in. That is a flat rate—no preferred rates nor exemptions for crippled companies. Yet my friend from Ohio [Mr. LAMNECK] actually moved the adoption of a 22½-percent flat rate on corporations, the retention of the capital-stock and excess-profits tax. I respectfully submit that industry and particularly crippled industry would be much worse off under such a plan.

I do not quite get the viewpoint of my friend. Under this bill corporations per se will pay less tax, but the owners of the corporation who would pay whether it came out of the corporate treasury or out of their own individual treasury, will pay more because they will receive more income. I have not heard of any shareholders objecting to this bill on the ground that they would pay more individual income tax.

TREATMENT OF DEBTS

In regard to debts, I do not know whether our treatment of the debt situation is all that it should be or not. I know it was the best that we could do under the situation, taking into consideration the time element and everything else. Here is what we do. We define debts. We do not include as debt any money that has been borrowed for operating expenses. That may not suit some folks. The theory of that is that if you borrow money to buy inventory, when you sell your stock the money you borrowed to purchase the inventory comes back to you. What we have done is to freeze debts as of March 3, 1936. The first class of debts brought in this division are debts, bond issues, contracts to pay, where the maturity date is more than 3 years beyond the date of its execution; and, secondly, bewhiskered debts, debts that were created at least 3 years next before March 3, 1936, and exist in original form or have been renewed from time to time. We include the paper that represents that debt as sufficient to bring it under this particular class. This cares for renewals. Then we say that debts embracing moneys that went into capital assets are to be considered under this relief provision. I say to the membership of this House, and the hearings will bear me out, that the major objection directed to the proposed plan grew out of the treatment of debts, and particularly money that had gone into capital assets, which would include plant extensions and things of that kind.

The first time the taxpayer makes a return he will set out what debts he has that come under this provision. Then he has the option of determining the period that he will take to amortize those debts under this 22½-percent plan. Let us assume that the debts aggregate $300,000. He can take 5 years. He cannot take less than 5 years, but he can take 5 years or 10 years or 20 years. All you have to do, if it is a 5-year proposition, is to divide your $300,000 by five, and that means that you can take $60,000 of your adjusted net income and apply it to the debt at the 22½-percent rate and as I pointed out a short time ago, if the other money is distributed, the corporation tax will be 22½ percent of the amount that goes to debt, instead of 22½ percent of the adjusted net income. Then you deduct the amount that goes to debt with tax, and you have a new base for the purpose of calculating the remainder of the tax. Further, the taxpayer does not have to take this money and apply it on the debt. He can take the money and put it wherever he wants to put it.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I am sorry, but I cannot yield at this time. One other major criticism which has been directed at this bill is that it would impair the surplus, and the working capital of the corporation. I say frankly that if I thought this bill would do this I would not be for it. I made the effort to secure fair treatment for corporations that have their capital impaired.

AGAIN—CUSHIONS

The fact is that our critics do not understand the mechanics of this bill. They have not tried to realize the philosophy of the bill or the mechanics of the bill. If 42 percent of adjusted net income, which is 12 percent more than the average for the past 10 years, or 17 percent more than the average for past 15 years of moneys retained to surplus, can go to surplus for the same tax they are paying now, is that a real hardship? You understand corporations pay this capital-stock tax and excess-profits tax now, regardless of whether they are in receivership, whether they have a capital deficit, and regardless of a contract not to pay dividends, or regardless of their debt structure. They pay that amount now. When 42 percent can go to reserves I submit that that in itself is a real cushion. On the larger corporations, when 31.9 percent can be retained for the same tax they are paying now, that is a real cushion. That is not all that the corporations have. They have the ability to retain 100 percent without paying this maximum rate, either 29½ or 42½ percent. Why do I say that? I say it because it is a fact. Out of the 214,000 small corporations, those with net incomes less than $10,000, how many of them are closely held? How many of them started out as individuals or partnerships in business and then, seeking to get advantage of the corporate entity, of which I have no criticism, they formed a corporation?

A splendid gentleman from Mount Vernon, Ohio, appeared before the committee. He was in the bridge-building business. He was very much disturbed about the bill. He kept talking about this 42½-percent rate. Under his set-up it looked like it would be a tremendous burden. This man impressed me as being a high-class gentleman. I believe his name was Mr. Conley. Finally I asked him about his corporate set-up. He said there were several corporate shareholders. I said, "What kind?" He said, "Common and preferred." I said, "How many are preferred and how many are common?" It developed there were only six people who owned common stock. Of course, salaries had been paid to each of them, I think $36,000 a year for several years. There were six shareholders of common stock. That corporation could declare in dividends 100 percent and pay no corporate tax whatever. It would go into the hands of the six common-stock holders, the owners of the common stock. It would be divided up in their hands. Whether or not they reached the high surtax brackets depended upon income from other sources. There is nothing in this law that would prevent these owners of the common stock, if they wanted this money to be retained by the corporation, after they pay the tax upon the dividends, to buy new stock in the corporation, to buy bonds of the corporation, or to loan it on a plain note of hand, as we say in Kentucky, to the corporation.

You would have identically the same amount of money, less the tax, in the working capital of the corporation, and they would never reach 29½ percent, or 42½ percent, or any other rate. There would be no corporate tax.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. In just a moment. Now take the large corporation with the larger number of stockholders, the broader spread. I think, possibly, what the gentleman from New York [Mr. WADSWORTH] has in mind was the larger corporation. What do they do now? They sell stock rights. They pay out dividends. They sell stock rights. They sell stock in their corporation. They may issue preferred stock for dividends. They may pay dividends in bonds. They may declare dividends and give an option to buy stock. There are any one of a half dozen legal ways of doing it. The gentleman from New York the other day thought it might be evasion or avoiding the tax. It is not at all. The point is that the earnings, the net income, the income intended by the people of this Nation when they adopted this income-tax amendment, is subject to tax by the Federal Government.

I yield to the gentleman from New York.

Mr. WADSWORTH. Referring to the illustration which the gentleman gave a moment ago, using the corporation closely held, with only six shareholders, as I understand, the gentleman states that if that corporation distributed 100 percent of its adjusted net income into the hands of the six shareholders and held none of it for surplus, that the situation can be retrieved for the corporation or the situation balanced by those six shareholders lending money back to

the corporation, less the tax that they have paid as individual income-tax payers. Is the analogy correct? If they loan the money back to the corporation, it is not the corporation's money. It is the corporation's debt.

Mr. VINSON of Kentucky. That is right, and they pay interest on that debt, but they do not pay 29½ percent and they do not pay 42½ percent. That is the point. The gentleman was much concerned about maximum rates. That is all we hear about from the opponents—maximum rates. I say to you that the maximum rates will not attach, will not apply, except in the unusual case. They pay interest on the debts. Yes. What happens? Next year, when they make their income-tax returns they deduct the interest charge on that debt as a part of the deductible items before they arrive at the net income upon which they pay taxes.

Between 1921 and 1930 the American Telephone & Telegraph Co. paid to its stockholders $854,000,000 in dividends. During this same period they collected back from these same stockholders $958,000,000 through the sale of stock rights. In other words, in this 10-year period they recovered into their treasury $104,000,000 more than they declared out in stock dividends. This is the reason we do not hear opposition coming from the real operating companies.

Oh, yes; friends came down here representing the United States Chamber of Commerce. God bless them! I should like to see some legislation sometime that would suit them. We thought we were suiting them in the reciprocal-trade agreements. We wrote the bill in conformity with one of their resolutions. Despite that, they came down and endeavored to have it done thus and so.

The distinguished chairman of our committee in the opening address in this debate referred to the United States Chamber of Commerce representing small business crying against this bill because it tended toward monopoly. I ask you what crowd other than the crowd that met as the finance committee of the Chamber of Commerce would grasp more kindly, more quickly an effort that would tend toward monopoly?

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 additional minutes to the gentleman from Kentucky.

Mr. COOPER of Tennessee. Mr. Chairman, I ask unanimous consent that the gentleman from Kentucky may proceed for an additional 10 minutes.

The CHAIRMAN (Mr. ROBERTSON). Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. GEHRMANN. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. GEHRMANN. In my district I have some of the largest cooperatives in the country, for instance, the Northern States Cooperative League. They are worried as to whether they are exempt from the provisions of this bill.

Mr. VINSON of Kentucky. Are they exempt under section 101 of the income-tax laws?

Mr. GEHRMANN. They so state.

Mr. VINSON of Kentucky. Then they are exempt under this bill?

Mr. MEAD. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. MEAD. The gentleman from Ohio the other day made some observations that disturbed me quite a bit. He said there was a provision in the bill that might have a tendency to drive out of business the small packer who, because of the unjust-enrichment tax would have to pay back that which he has not got.

Mr. VINSON of Kentucky. I should like to know, even with all the ingenuity of the gentleman from Ohio [Mr. LAMNECK], just how they are going to collect an income tax on something the taxpayer has not received.

In the first place, the "windfall" tax if it is absorbed—and the gentlemen to whom my friend from Ohio referred all claimed that it was absorbed by them; that because of the competitive condition they could not pass it on, that they never passed it on; if it was absorbed they pay no tax; and, even if it was not absorbed, under the provisions of this bill they must have a net income for that part of the business that deals with the commodities upon which they have collected the tax but have not paid it.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. ASHBROOK. The gentleman is discussing a portion of this tax bill in which I am very much interested. I wish the gentleman would tell me whether or not a company that has received a refund of processing taxes from the Government will be subject to this tax when it has operated at a loss.

Mr. VINSON of Kentucky. Is the company engaging in one business or in many businesses?

Mr. ASHBROOK. It is engaged in one business.

Mr. VINSON of Kentucky. Is this business concern one of the pork packers?

Mr. ASHBROOK. Yes; it is one of the pork packers.

Mr. VINSON of Kentucky. And it does nothing else?

Mr. ASHBROOK. The gentleman is correct.

Mr. VINSON of Kentucky. And they made no net income?

Mr. ASHBROOK. They have no income.

Mr. VINSON of Kentucky. They pay no tax.

Mr. ASHBROOK. Is the gentleman absolutely certain of that?

Mr. VINSON of Kentucky. That is my understanding. I am just as certain of that as I am of anything.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield right there?

Mr. VINSON of Kentucky. I yield.

Mr. SAMUEL B. HILL. There is absolutely no question about that.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. BIERMANN. Is there anything to the accusation that this corporation tax will discourage a company from investing in new equipment and expanding its plant? How is this feature treated in the bill?

Mr. VINSON of Kentucky. If they need more than the surplus left them under all the provisions of the bill the tax might be somewhat larger.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield at this point?

Mr. VINSON of Kentucky. I yield.

Mr. SAMUEL B. HILL. I suggest the gentleman call attention to the provision for reserves, depreciation, depletion, and so forth.

Mr. VINSON of Kentucky. Yes. Take, for instance, depreciation. We found back of 1934 that some were taking more than 100 percent. When we realize that 49.9 of the statutory net income of corporations over the period from 1930 to 1933 is represented in allowances and deductions for depreciation and depletion, that is a pretty fair indication.

The bill contains language relating to complete liquidation which is going to bring in several millions of dollars and which, I think, is a very fair provision. I hope to discuss it more fully.

STOCK DIVIDENDS

Coming now to stock dividends, this is a field that has more or less been surrounded with mystery. Existing law provides that no tax shall be levied upon stock dividends. We strike that from this bill. There are innumerable types of stock dividends that are taxable under the Constitution and under the celebrated case of Eisner versus Macomber.

The kind of securities issued and the change in the proportion of ownership of a person in a corporation are the determining factors as to whether or not it is taxable income under the sixteenth amendment. I am surprised that our

friends on the minority have not been saying that we are trying to undermine the Constitution of the United States when we attempt to tax stock dividends. There are many stock dividends that are taxable.

It is our purpose to allow as a dividend credit distribution in stock of corporations, or in rights to acquire stock of a corporation which constitutes income to the shareholder within the meaning of the sixteenth amendment. In no sense is this is an attack upon the Eisner against Macomber decision. There are many dividends received in stock and stock rights that are distinguishable from the character of stock dividend in the Macomber case, supra, and are actual realized taxable income.

As we see it, a stock dividend that is not taxable is one in which the relative interest of each shareholder of a corporation is unchanged in his stock ownership. The Supreme Court, in the Macomber cases, uses this language:

A stock dividend, evidencing merely a transfer of an accumulated surplus to the capital account of the corporation, takes nothing from the property of the corporation and adds nothing to that of the shareholder; a tax on such dividends is a tax on capital increase and not on income, and to be valid under the Constitution such taxes must be apportioned according to population.

There are however many instances in which dividends in stocks or bonds are issued which are realized taxable incomes under the 16th amendment. The yardstick of ownership in many cases is changed—that is, the relative proportion of ownership in the corporation by a shareholder is increased or decreased.

With permission of the chairman, I insert herewith memorandum furnished me by Mr. Kent, Acting General Counsel of the Bureau of Internal Revenue:

Reference is made to the request of Representative VINSON for a compilation of cases involving the taxability as income of stock dividends.

In the following cases the stock dividends or rights received were considered a mere change of form and not the realization of income and, therefore, were not taxable.

Towne v. *Eisner* (245 U. S. 418).

Eisner v. *Macomber* (252 U. S. 189).

Miles v. *Safe Deposit & Trust Co. of Baltimore* (259 U. S. 247, aff'g. 273 Fed. 822).

United States v. *Mellon* (279 Fed. 91, aff'd. 281 Fed. 645).

United States v. *Davison* (1 Fed. (2d) 465, aff'd. 9 Fed. (2d) 1022, cert. den. 271 U. S. 670).

Michaels v. *McLaughlin* (80 Fed. (2d) 959).

Teehan v. *West* (25 Fed. (2d) 884).

Irving v. *United States* (44 Fed. (2d) 246).

Jackson v. *Commissioner* (51 Fed. (2d) 650).

Pearl B. Brown v. *Commissioner* (69 Fed. (2d) 602, aff'g. 26 B. T. A. 901, cert. den. 293 U. S. 570).

Frances E. Clark (77 Fed. (2d) 89, aff'g. 28 B. T. A. 1225).

Commissioner v. *Kashland* (81 Fed. (2d) 641, cert. granted 56 Sup. Ct. 669).

Theresa Zellerbach et al. (2 B. T. A. 1076).

W. Q. Wright v. *Commissioner* (10 B. T. A. 806).

George T. Smith v. *Commissioner* (21 B. T. A. 782).

T. I. Hare Powel v. *Commissioner* (27 B. T. A. 55).

In the following cases the dividends received were distinguished from stock dividends and could, therefore, be treated as realized, taxable income.

Peabody v. *Eisner* (247 U. S. 347) (dividend of preferred and common stock of a different corporation).

Doerschuck v. *United States* (274 U. S. 739) (dividend of debenture bonds of the same corporation).

Vogt Machine Co. v. *United States* (39 Fed. (2d) 986, certiorari denied, 282 U. S. 861). (Company declared cash dividend, bearing interest at 4 percent, to be paid 6 and 12 months thereafter in stock to be issued.)

United States v. *Fuller* (42 Fed. (2d) 471). (Dividend of the corporation's own bonds.)

Tillotson Manufacturing Co. v. *Commissioner* (76 Fed. (2d) 189, affirming 27 B. T. A. 913). (Accrued dividends on preferred stock paid in common stock of the corporation, some preferred-stock holders, however, accepting cash instead.)

Eugene E. Paul et al. v. *Commissioner* (2 B. T. A. 150). (Cash dividend declared. Six days later new stock issue was authorized, and stockholders agreed that dividend checks would be used to purchase the newly issued common and preferred stock.)

W. J. Hunt v. *Commissioner* (5 B. T. A. 356). (Prior to declaration of cash dividends, stockholders agreed among themselves to apply checks toward purchase of previously issued stock.)

Luthe Hardware Co. v. *Commissioner* (6 B. T. A. 53). (Cash dividend declared, but holders of 294 out of 300 shares held checks until new stock was issued and then endorsed checks over for purchase of new shares.)

J. E. Brading v. *Commissioner* (17 B. T. A. 429). (New stock issued to stockholders of close corporation after passage of resolution that debt thus incurred was to be liquidated by application of dividends due, or to become due, or as the board of directors might direct. A dividend was then declared and applied toward payment of the price of the new stock.)

Margaret B. Payne v. *Commissioner* (19 B. T. A. 1305). (Cash dividend was declared, and checks were issued, but, in accordance with previous agreement among stockholders that this dividend was to be treated as a stock dividend, the stockholders used it to purchase a new issue of stock.)

Joseph Paper v. *Commissioner* (29 B. T. A. 523). (Resolution gave stockholders option to take dividends in cash or in preferred stock.)

L. Elmer Wood et al. v. *Commissioner* (29 B. T. A. 731). (Resolution provided that accrued dividends on 6-percent preferred stock should be paid from net earnings, but preferred-stock holders were given opportunity to use dividends for purchase of entire new issue of 7-percent preferred.)

May I say also that a professor has recently written a very splendid article upon the taxability of stock income—and, by the way, this comes from Columbia University. I want to say that there is not a single Member on the Republican side of this House who will not bear witness with me that Roswell Magill is an authority upon taxation. Even though he is a professor, he is a sound professor, a sound student, and a real teacher in the field of taxation. If they try to back up on this I shall get some of the speeches which have been made by them praising Professor Magill, and properly so. This splendid article appears in the April 1936 volume of the Columbia University Law Review.

BANKS AND TRUST COMPANIES

Under section 104, a rate of 15 percent of the amount of net income of banks is imposed. A bank is defined as a bank or trust company incorporated under the laws of the United States or of any State or Territory, a substantial part of whose business is the receipt of deposits and the making of loans and discounts.

The argument has been used that because we make a flat rate for such corporations, that it is an admission that surplus should be permitted to be built up without restrictions. However, banks and trust companies occupy a peculiar situation in our economic structure. They are under supervision of either the State or Federal Government. They are required by law and by regulations to maintain certain reserves and because of such restrictions they are unable to pay out dividends and consequently they would be injured if they were subjected to the maximum rate.

Again if they were to pay out in dividends their earnings and profits, it might be only the next day thereafter the bank inspector, either State or Federal, would require them to strengthen their financial structure in assessments upon the stockholders involved.

There is another angle to it—the deposits in most of the banks of the country are insured, and it is thought necessary not only for the benefit of the depositors and stockholders, but for the Government as well, that the reserves provided for by law and regulations be securely and strictly maintained.

CORPORATIONS IN RECEIVERSHIP

Such corporations carry a 15-percent flat rate. It is evident that being in receivership that they are not under the control of their directorate but are answerable to the court for its management. Most corporations coming in this category cannot pay out dividends even if they desired to do so. Consequently we have imposed a flat rate of 15 percent applicable to such corporations.

DIVIDEND CARRY-OVER

In order that the taxpayer would receive credit in full for dividends paid, we have provided in this bill that if the dividends declared in any subsequent year is more than the adjusted net income of such year that they can carry over into such taxable year any excess in dividend over the adjusted net income of either one of the 2 years preceding the

taxable year involved and use such excess dividends as a dividend credit for such taxable year.

THE USE OF THE MONEY

Mr. Chairman, this permanent money, $620,000,000, under the President's message is for specific purposes. Five hundred million dollars is for the soil-conservation program, and $120,000,000 for 9 years for the soldiers' bonus. Personally, I take issue with the figure $120,000,000, but we passed over the President's veto a bill which provided for the payment of the veterans' adjusted-compensation certificates. We also passed in this session of Congress a soil-conservation bill for the farmers. I find when it comes to voting on the veterans' bill that 67 of my minority friends voted for the cash payment with 31 against. Two-thirds of them voted for cash payment. They thought it was right. I thought it was right, and I still think it is right. When it comes to soil conservation, however, 18 of them voted for the Soil Conservation Act and 72 voted against. But it takes money to pay the bill, and the $620,000,000 involved herein is for these two specific purposes.

THE AMOUNT OF YIELD

The statement is made that this bill will not yield the money. If it will not yield the money, it will not harm business, as some of our friends may think. I know how they got that idea of fear. It is complex, and I do not blame them particularly. I probably would evidence more of it than you do if it were a campaign year and I was out groping for an issue. I probably would be afraid of anything and everything. We had it here when the reciprocal-trade agreements were up. We heard the cry then that that act would drive the small businessmen out of business. They have even misquoted Secretary Wallace in this idea of driving out business.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. VINSON of Kentucky. Mr. Chairman, in our service on the Ways and Means Committee there has been no individual in our recollection who suffers one added copper cent as an additional tax burden, or even if he anticipates that there is a chance that he might pay an additional copper cent who favored any new revenue bill. It is the natural thing for them to slap it—fight back on anything that might tend toward an increase in their tax burden. I do not want to be critical of that attitude, it is a natural one. It may be that membership on the Ways and Means Committee creates a callousness relative to the attitude of people toward legislation. I recall distinctly that in 1932 the automobile people made a most strenuous effort to avoid the imposition of a small excise tax levy upon the sale of automobiles and automobile parts. They stated that it would ruin their business—that it would drive them out of business. Yet we saw the automobile industry lead the way toward industrial recovery. The most mournful pleas to which I have ever listened fell from the lips of witnesses before the committee and Members of the House in opposition to the reciprocal-trade agreement, and, after its enactment, each time there would be an agreement with some foreign country, and before it was announced, Members of the House would cry anew at the injury sustained. They were jumping before they were hit—they were dodging before they were struck and yet, just a few days ago, the United States Chamber of Commerce in its annual report was forced to admit that the benefits to American industry and the American producer through these reciprocal-trade agreements were of material benefit. Reading from this report we see:

Exports of manufacturers and crude materials improve.
Unmanufactured cotton in renewed demand abroad.
Automotive products constituted tenth of export trade.
Machinery exports up 20 percent.
Iron and steel scrap exports set record.
Petroleum exports record new high.
Foreign purchases of chemicals increase.
Demand for American fruits increases.

I insert at this point a summary of this report by the Associated Press.

[From the Washington Star of Apr. 23, 1936]

GAIN IN EXPORTS IN 1935 IS REPORTED—WIDE RANGE OF PRODUCTS COVERED IN LIST OF TRADE BODY

An upward swing in American exports of a wide range of products during 1935 was reported today by the Chamber of Commerce of the United States.

An analysis by the chamber's foreign commerce section said the "continued, though not spectacular", improvement was "coincident with general recovery, and increased purchasing power in many parts of the world."

Topping the list of products for which increased world demand was reported were cotton, automobiles, machinery, and petroleum products.

"Our export trade was still hampered by quotas, exchange controls, and other important restrictions", the review said. "In some nations these and other efforts to build up self-sufficiency, particularly in products of the soil, limited our trade."

RESTRICTIONS REMOVED

"Our Government's reciprocal trade agreements policy, however, has been removing some of these restrictions", the report added.

Measured by value, 68 percent of 100 leading exports showed increases over 1934, and 56 percent gained over the 5-year average, 1930-34.

Measured by quantity, 63 percent of 167 chief exports gained over the previous year and 59 percent were larger than the 5-year average.

Unmanufactured cotton exports, the review said, "made a strong come-back" in the second half of 1935. A 39-percent increase in shipments was recorded for that period after a 29.1-percent drop in the quantity exported up to the end of June. In the final quarter of the year the gain was called "even more striking"—63 percent over the same period in 1934.

Total cotton exports for the year amounted to 3,234,000,000 pounds, 2.7 percent greater than in 1934, but 17.6 percent below the 5-year average.

ELEVEN PERCENT OF CARS EXPORTED

"Eleven percent of all the passenger automobiles produced in this country in 1935, and 24 percent of our motor truck and bus production were exported, concrete evidence of the importance of foreign trade to the automotive industry", the analysis said.

The export of 173,681 passenger cars was described as higher than for any year since 1929 and 19.7 percent higher than in 1934. Trucks and busses exported totaled 99,080 units, also the high mark since 1929.

Machinery exports topped last year's figure by 20 percent, while iron and steel products, including scrap, were exported in greater quantities than in the 17 years since the World War.

A new high record was reported in the export of crude petroleum, 51,430,000 barrels of which were shipped, 66.6 percent higher than the five-year average.

FURTHER, WITH REFERENCE TO YIELD

It is a hard matter to keep up with the critics in regard to this item. In one breath they say the tax is going to be so onerous and burdensome that our corporate system will be undermined and destroyed. In the next breath they say that because of the provisions of the bill that corporations will pay less tax, that individuals will pay a little more, and that the revenue purposes of the bill fail. Now, these two things simply cannot be. The revenue philosophy underlying this bill is to get a fair tax upon the income permitted to be taxed under the sixteenth amendment. That is all there is to it. The President's message came to us on March 3, 1936. The estimates of yield under this bill made prior to March 15, 1936, necessarily had to be based upon estimates for the taxable year 1935 and likewise 1936. The critics were possessed of the net income figures for 1933, which was the latest available public figures at that time. The Treasury experts in their estimates had an advantage of having the 1934 figures available to them, but at the time of making these estimates they did not have the figures for 1935 running through March 15, which is the main tax pay day. I looked with some concern on the estimates when they first came to us. I compared the net income with the latest figures available to us, which were 1933, but, as I say, the Treasury experts had the 1934 figures available to them. My attention was called to that, but I still doubted that the 1935 yield would square with the estimates, but when March 15 arrived we learned that the figures used by the Treasury experts in their estimates of return under the proposed plan were conservative and that their figures and estimates were

nine-tenths of 1 percent under, or in dollars, $9,200,000. I insert herewith table showing the situation as it existed on March 21, 1936:

Receipts from income taxes

[Amounts in millions of dollars]

Actual receipts		Estimated receipts July 1, 1935, to Mar. 21, 1936	Increase, fiscal year 1936 over fiscal year 1935 through Mar. 21		Increase actual receipts over estimated, fiscal year 1936 through Mar. 21	
July 1, 1934, to Mar. 21, 1935	July 1, 1935, to Mar. 21, 1936		Amount	Percent	Amount	Percent
760.8	1,002.3	993.1	241.5	31.7	9.2	0.9

You can see at a glance that for the comparable period beginning March 21, 1935, the actual income-tax receipts were $760,800,000; for the comparable period ending March 21, 1936, the Treasury experts' estimate was $993,100,000, whereas, in fact, for this return period they actually collected $1,002,300,000. The increase was $241,500,000 over the same period in the preceding year and $9,200,000 under the Treasury estimates.

Consequently there is only left the taxable year of 1936 for estimates, and all agree that under present business conditions that the estimated yield is conservative. As a matter of fact, statements made on the floor in regard to the yield, I am inclined to think, are merely echoes of the first impressions. Many of the more able critics now agree that the estimates are conservative, which group includes, so I am informed, the experts of the United States Chamber of Commerce. At this point we include the estimate of taxable base and revenues for the calendar year 1936, showing net income, and so forth:

ESTIMATED REVENUE UNDER PROPOSAL TO TAX UNDISTRIBUTED CORPORATE PROFITS

It is estimated that if a tax on undistributed corporate profits was imposed, accompanied by the repeal of the present corporate income, capital-stock, and excess-profits taxes, and the elimination of the present exemption of dividends from normal tax, the net increase in revenue based on calendar year 1936 incomes would be about $620,000,000. The following table summarizes the basic data underlying this estimated increase:

Estimate of taxable base and revenue, calendar year 1936—Corporations showing net income

[In millions of dollars]

1. Statutory net income	7,200
2. Taxes included in (1) to be repealed:	
Capital-stock tax	[1] 103
Excess-profits tax	5
3. Dividends received not included in (1), 90 percent of total dividends received	1,000
4. Aggregate taxable income	8,308
5. Cash dividends paid	3,540
6. Withheld earnings, (4) less (5)	4,768
7. Estimated tax on (6), assuming distribution to individuals, plus normal tax on present dividends	1,752
8. Loss in revenue from repeal of corporate income, capital-stock, and excess-profits taxes	1,132
9. Net increase in revenue	620

[1] Total estimated capital-stock tax of both net income and deficit corporations, $163,000,000.

Corporate statutory net income and dividend distribution

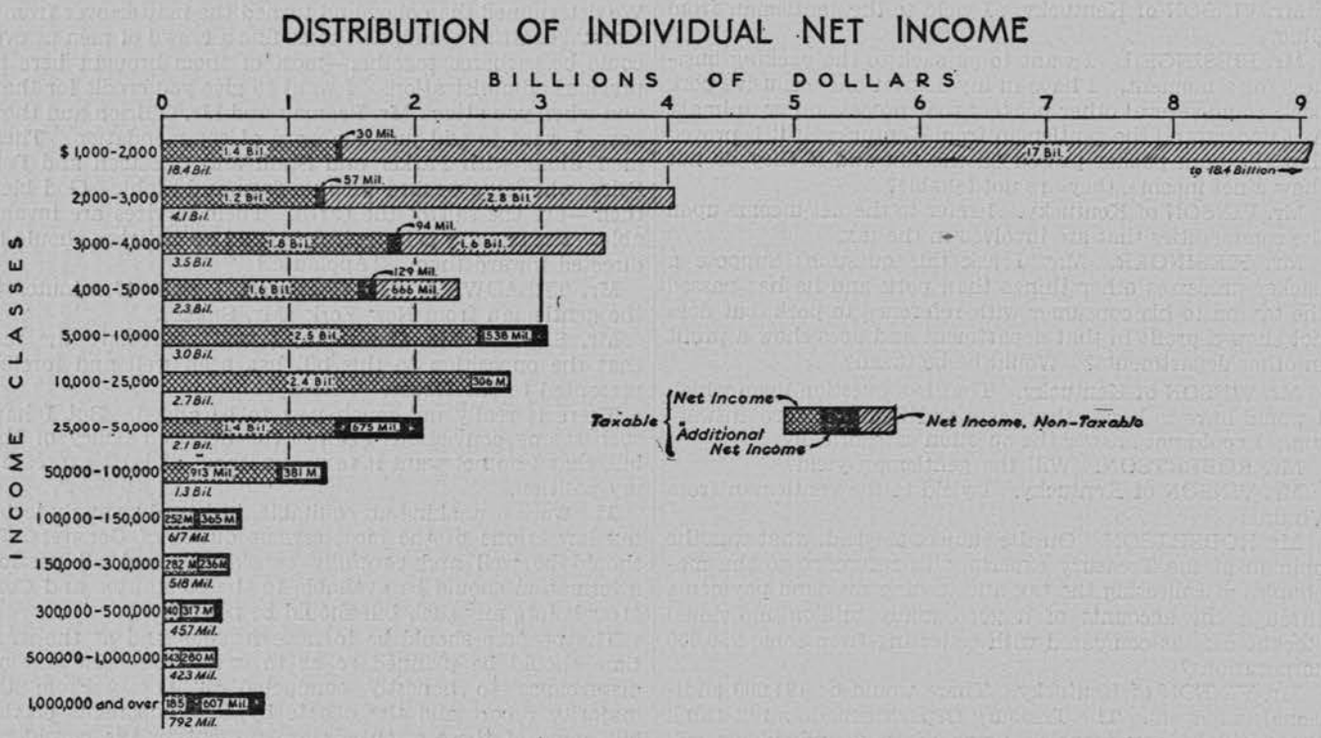
[In thousands of dollars]

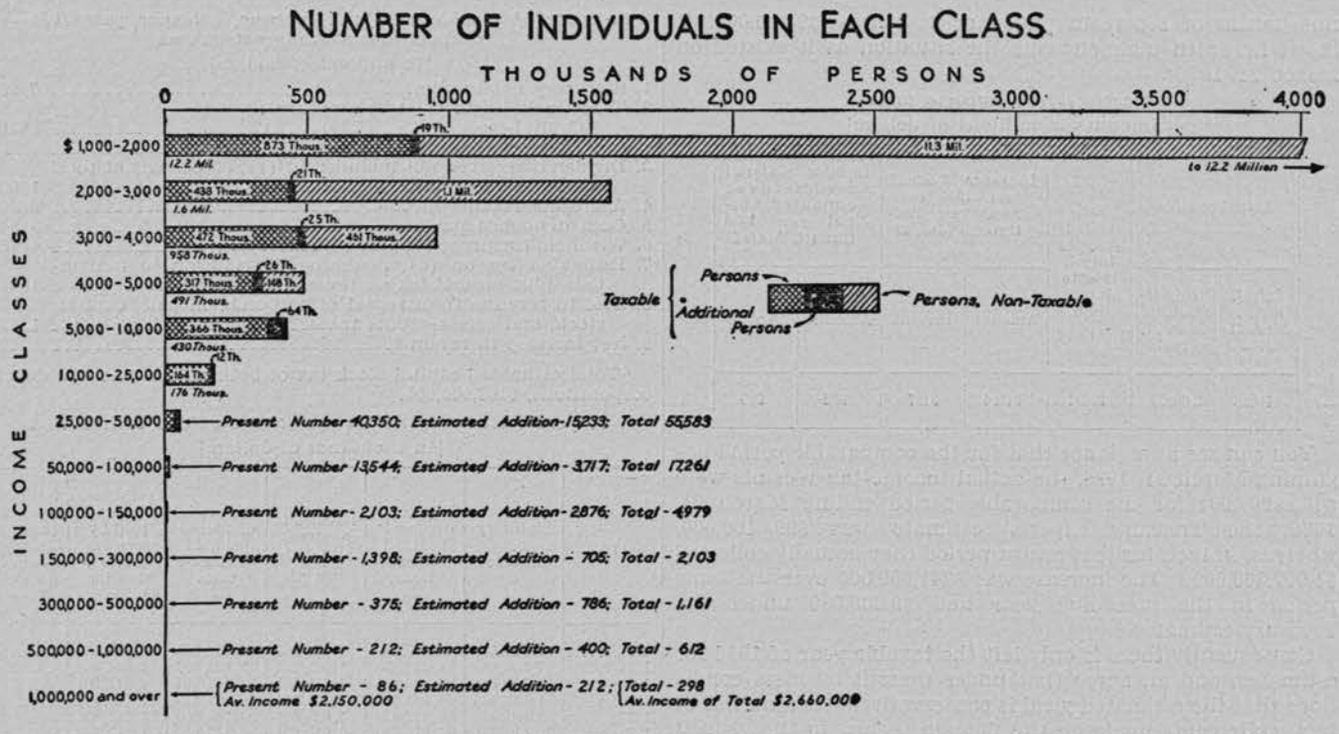
Years	Statutory net income	Total cash dividends paid, all corporations	Dividends received, all corporations	Net cash dividends paid, all corporations	Total cash dividends paid by corporations showing net income	Net cash dividends paid by net-income[1] corporations
1923	8,321,529	4,169,118	870,088	3,299,030	3,820,620	----------
1924	7,586,652	4,338,823	915,216	3,423,607	3,994,991	----------
1925	9,583,684	5,189,475	1,175,481	4,013,994	4,817,301	----------
1926	9,673,403	5,945,293	1,506,154	4,439,139	5,530,211	----------
1927	8,981,884	6,423,176	1,658,076	4,765,100	5,785,476	----------
1928	10,617,741	7,073,723	1,916,671	5,157,052	6,585,169	----------
1929	11,653,886	8,355,662	2,593,052	5,762,610	7,841,802	----------
1930	6,428,813	8,202,241	2,571,231	5,631,010	6,841,050	----------
1931	3,683,368	6,151,082	1,969,229	4,181,853	3,871,880	2,640,000
1932	2,153,113	3,885,601	1,259,982	2,625,619	2,320,386	1,570,000
1933	2,985,972	3,127,459	1,025,709	2,101,750	2,385,889	1,600,000
1934 [1]	4,220,000	3,300,000	1,025,000	2,275,000	2,540,000	1,750,000
1935 [1]	5,500,000	3,600,000	1,120,000	2,480,000	2,990,000	2,060,000
1936 [1]	7,200,000	3,900,000	1,200,000	2,700,000	3,540,000	2,430,000

[1] Estimated.

It is fair to say that this estimate was made prior to the writing of the bill, but with certain increased revenues the net increase in revenue is $591,000,000, to which might be added increased revenues from other provisions of the bill.

At this point I want to insert charts showing distribution of individual net income and the number of individuals in each class.





*Estimated increases if all corporate earnings were distributed

Note: In income classes less than $5000 only, there are additional non-taxable persons or net income which are not shown

This shows that there are 2,687,768 taxable under existing law, and that there will be added to the taxpayers' list 191,302 persons. You will note that Mr. McLEOD estimates that the total tax from individual incomes and corporate incomes, capital-stock tax, and excess-profits tax will yield $2,285,000,000 for the calendar year 1936. This is exclusive of $40,000,000 estimated to be recovered into the Treasury under the amendment in the law relating to complete liquidation and increase in taxes received from foreign corporations and nonresident aliens.

Mr. FIESINGER. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield to the gentleman from Ohio.

Mr. FIESINGER. I want to go back to the packing business for a moment. I have in my district one exclusive pork packer and several other packers that process other animals. As I understand the gentleman from Kentucky, if it is proved that the pork packer passed on the tax and if they do not show a net income, they are not taxable?

Mr. VINSON of Kentucky. I refer to the net income upon the commodities that are involved in the tax.

Mr. FIESINGER. May I ask this question: Suppose a packer processes other things than pork and he has passed the tax on to his consumer with reference to pork, but does not show a profit in that department and does show a profit in other departments? Would he be taxed?

Mr. VINSON of Kentucky. That is a question upon which I would have to have other facts and figures before answering. I could not answer the question categorically.

Mr. ROBERTSON. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield to the gentleman from Virginia.

Mr. ROBERTSON. On the subject of yield, what was the opinion of the Treasury experts with reference to the mechanics of collecting the tax and tracing dividend payments through the accounts of a good many million individual stockholders as compared with collecting from some 250,000 corporations?

Mr. VINSON of Kentucky. There would be 191,000 additional taxpayers. The Treasury Department does not think there will be any trouble. Some of these individuals will pay no tax at all. Some of them will have exemptions which will wipe out the dividends entirely; others will go into the higher surtax brackets.

CONCLUSION

Just one word in conclusion. We have been criticized because we used the legislative counsel and the experts of the joint committee. I want to plead guilty to that charge. We have done what has been done here since you have had a legislative counsel, which is our drafting service, and a joint committee. We agreed in subcommittee and made recommendations to the full committee. Hearings were held and the recommendations of the subcommittee were considered. We determined the policy and turned the matter over from a manual drafting standpoint to as fine a crowd of men as ever could be gathered together—most of them brought here by previous administrations. I want to give you credit for that; and when you attack Mr. Beaman and Mr. O'Brien and those boys, I want to add just one word of commendation. These men, along with Parker and Stam and Chesteen and Pete Price, who have worked with us days and nights—God bless them—are the salt of the earth. Their services are invaluable. The country is in their debt, and no criticism should be directed toward them. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 40 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Chairman, I well appreciate the fact that the opposition to this bill has been well and forcibly presented to the House.

There is really not much new to be added. But I have such strong convictions against the declared policy of this bill, that I do not want it to pass without at least expressing my position.

The work of making an equitable, just, and properly levied tax law is one of the most serious duties of Congress. It should be well and carefully considered, and all possible information should be available to the committee and Congress before any such bill should be passed.

The purpose should be to raise revenue and at the same time should be planned so as to cause the least possible disturbance to honestly conducted business. From the majority report and the debate by the proponents of this bill, none of these essentials are present in the consideration of this bill. The only real proponent of the bill, besides

the Government officials—and they were conspicuously lacking in detailed information, and especially in the one particular they were supposed to be informed, the amount of money it would raise—was a representative of the Communist Party. This alone should raise a question of doubt in minds of most of the Members. And when I read a statement said to come from the Member most active in its preparation that he was not informed as to the exact amount of revenue the bill would produce, and when I read in the majority report that probably the next Congress would be in position to pass more intelligently on a tax measure, I thought that this measure was simply a stopgap bill for election purposes, and I could see no compelling reason for supporting this measure at the present time.

Before beginning my statement, I want to make one or two references to some of the statements made by my good friend from Kentucky. The gentleman opened his remarks by saying that the Republicans, of course, were against the provisions of this bill because they are against all taxes, and to bear him out he read from the minority views on the bill, saying, "I will prove to you that this is so", and then he read from the first section of the minority views, as follows:

We do not favor the imposition of any new taxes.

Now, if the gentleman had really intended to give the House and the country a fair interpretation of the Republican situation in regard to this bill, why did he not read the entire sentence. It is only one and one-half lines long—and I will read it to you:

We do not favor the imposition of any new taxes until the waste of public moneys is stopped.

I do not know that the gentleman from Kentucky intended to give you any false impression, because I well appreciate the fact that the waste of public moneys means nothing to the Democratic administration at the present time, so I absolve him of trying to give a wrong impression.

Furthermore, he said there has been some talk going about the country that the average citizen could not understand this bill. If any argument was needed to convince the average Member of this House, to say nothing of the average citizen of the country, that he could not understand this bill, all that was needed was to hear the plain, lucid, and complete explanation of its workings made by the gentleman from Kentucky. You know that explanation reminded me of trying to figure out how much one will get under a Government retirement old-age plan. You start in by taking the average salary for the last 5 years, divide that by 70, multiply it by 22, then guess at the result. This is about what you would get from his explanation of the workings of the pending bill.

When Congress is writing a tax bill, that is really about as important and far-reaching a piece of business as it ever becomes our duty to perform. All possible information should be available to the committee and to the Congress. Of course, the purpose of a tax bill is to raise revenue, and it should be so arranged as to cause as little disturbance to business as possible.

In reading over the majority report and after listening to the debate on this bill by its proponents, it seems to me very few of these essentials have been presented in connection with the bill up to the present time.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes; if I have misrepresented the gentleman in any way.

Mr. SAMUEL B. HILL. I think if the gentleman will examine my remarks on this subject, he will find I did give those figures.

Mr. SNELL. The gentleman gave out several interesting statements, but I am referring to the statement he gave to the papers the day he introduced the bill in the House. Does the gentleman deny that statement, or is my statement wrong?

Mr. SAMUEL B. HILL. I did not have such definite information at that time, but I had it when I made my speech here.

Mr. SNELL. Then the gentleman and I agree that he did not have the information at that time, which is the statement I made.

Mr. SAMUEL B. HILL. Will the gentleman yield further?

Mr. SNELL. I yield.

Mr. SAMUEL B. HILL. We made certain changes in the bill while we were considering it, and of course we added something here and lost something there, and therefore I did not have the definite information at the time the gentleman refers to.

Mr. SNELL. Has the gentleman definite information as to what this bill will produce?

Mr. SAMUEL B. HILL. I have the estimates of the Treasury Department, and the gentleman will find them in the remarks I made on Thursday of last week.

Mr. SNELL. I think it is largely a matter of guesswork even at the present time.

Mr. SAMUEL B. HILL. Well, we can always depend on Treasury estimates. I think they have never missed it very far.

Mr. SNELL. Mr. Chairman, the guess is that this bill will produce six hundred to eight hundred millions more than the laws it repeals. But no one actually knows. But before I vote to increase the burden of the taxpayers that amount I want to know it is going to be wisely and economically expended.

There is not a man in this House but knows in his own mind that the present administration is not now spending the taxpayers' money either wisely or economically. There is not a man here who does not know he would not spend his own money in foolish boondoggling and on extravagant and wasteful projects, such as the present administration is now fostering in every community throughout the land.

And I have made up my mind I will not vote for any new taxes for the present administration to waste, throw away, or use for purely political purposes.

Any tax sums necessary for the legitimate expenses of the Government, emergency or ordinary, I will support, but no sober-minded man should vote to levy new taxes on our people to further encourage the extravagant and wasteful spending of the present administration.

Let me review briefly the financial history of the last 3 years. The present session of Congress is the fourth since the inauguration of President Roosevelt. There has been one special session and this is the third regular session. These four Congresses, from March 4, 1933, to date, have actually appropriated out of the funds of the United States Treasury for expenditure by the Federal Government the sum of $27,783,545,000. That amount does not include any appropriation for the 10 regular departments of the Federal Government for their operations during the fiscal year 1937, because all those appropriation bills have not yet been passed by Congress. It does not include the $1,500,000,000 additional money which the President has requested for the relief program for the next fiscal year. It does not include the deficiency appropriation bills which are customarily enacted at each session of Congress to cover items not included in the regular appropriation bills. It does not include the $450,000,000 bill for rural electrification which has passed both the House and the Senate, but is not yet law. It does not include $460,000,000 which the President will need for the social-security law. It does not include the $440,000,000 authorization in the highway bill which the House passed last week, or any other similar bills which authorize appropriations.

A conservative estimate at this time of the appropriations which Congress will make during the remainder of this session amounts to approximately $4,890,000,000. This estimate assumes that there will be no large requests for money by the President and the Government departments beyond those I have just mentioned.

Adding together the appropriations made by the preceding Congresses since March 4, 1933, and by this session, and the estimate of the appropriations to be made during the remainder of this session, we arrive at the round sum of $32,673,500,000.

Translating the total figure of $32,673,500,000, which I gave, into terms of each person in the United States, it means that Congress, under the Roosevelt leadership, has appropriated out of the funds of every man, woman, and child now living in the United States the sum of $254. It means that on the Census Bureau basis of families, the head of each family in the United States has had over $1,011 appropriated out of his funds. This includes every family on relief as as well as the families not on relief. I ask each mother and father to ask themselves this question: "Has it been worth $1,000 of our own money to have Mr. Roosevelt in office for the past 4 years?" Bear in mind the fact that this $1,000 must be paid by you in addition to all other expenses, whatever they may be. In answering this question you should remember that Mr. Roosevelt was the man who said on July 2, 1932:

> Well, I know something of taxes. For 3 years I have been going up and down this country preaching that Government—Federal and State and local—costs were too much.

He is the man who said on October 19, 1932:

> Taxes are paid in the sweat of every man who labors, because they are a burden on production and can be paid only by production. * * * Our workers may never see a tax bill, but they pay in deductions from wages, in increased cost of what they buy, or (as now) is broad cessation of employment. * * * Our Federal extravagance and improvidence bear a double evil: First, our people and our business cannot carry its excessive burdens of taxes; second, our credit structure is impaired by the unorthodox Federal financing made necessary by the unprecedented magnitude of these deficits.

In that statement he admits the laboring man pays the taxes, yet today you want to increase the laboring man's burden. Furthermore, if any administration in history has had unorthodox financing it is the present one. It has never yet presented to Congress at the beginning of the year a complete picture of the Government's finances. It has always been incomplete and piecemeal. It has never at one time placed the whole picture before us so we could study it and pass on it intelligently. It has always held a part back. It always paints a rosy picture at the beginning of the year. There is no need of taxes, and there are ample funds for everything. Then, just before the close of the session, to the surprise of everyone, in comes a tax bill from the President. There is not a single emergency today that did not exist the day the President sent his Budget message, yet he said again there would be no need of additional taxes, and now he says we need $1,137,000,000 in new taxes.

It all goes to prove beyond any shadow of doubt that the present administration does not have a single semblance of a financial program nor has it had once since it has been in office.

The only program it has is to spend all the money, in as many ways as possible, and then tax the people in every known way to get the money. What it cannot get by taxation it just borrows.

If the present administration would first find out the expected receipts and then govern its expenditures accordingly you would then perhaps have a financial program.

This tax bill is here as the inevitable result of these tremendous appropriations of money by Congress and the resulting expenditures by the executive departments under the personal direction of the President. In 1933 and 1934 President Roosevelt requested, and Congress enacted, a new tax law. In 1935 the President requested, and Congress enacted, a new tax law. Now, in 1936, the President requests the passage of another tax law, and Congress is at present engaged in complying with this request. So for the fourth time in 4 years Congress is at work on a tax law to get more money for Mr. Roosevelt to spend.

One would ordinarily think that with three new tax laws already in operation and a fourth one pending, all of them designed to raise more money, together with increased revenues we hear so much about, the Federal Government ought to be getting enough money to meet its expenses. But the sad truth is that it is not. Let us look into this for a moment because it has a direct bearing on the legislation which we are considering.

For the fiscal year 1934 the gross deficit of the Federal Government; that is to say, the amount by which the Government's expenses exceeded its receipts was $3,989,000,000. For the fiscal year 1935 the gross deficit was $3,575,000,000. These are the President's own figures, taken from his Budget message of January 3, 1936, page VIII. In that message he estimated that the gross deficit for the fiscal year 1936 would be $3,234,000,000. However, this did not include the amount necessary to pay the soldiers' bonus, for which Congress has already appropriated $1,730,000,000. Neither did this include the loss of the revenue from the illegal A. A. A. processing taxes. This means that the gross deficit for the fiscal year ending June 30, 1936, will amount to at least $5,000,000,000.

Now, the total receipts of the Federal Government for the fiscal year 1936 were estimated at $4,410,793,946 by the President in his message of January 3. This means that the Federal Government in the present fiscal year actually needs more than twice as much revenue as it is getting in order to equal its expenditures. If we omit the soldiers' bonus on the theory that it is a nonrecurring item and it will not have to be paid again, the Government needs 75 percent more revenue than it is getting in order to pay the Roosevelt bills.

Therefore, we find that in spite of the two new tax laws of 1934 and 1935 the Government is nowhere near a balancing of its Budget, and each year that the present administration continues in power, we are getting deeper and deeper in the hole.

Yet it was Mr. Roosevelt who said on July 30, 1932:

> Let us have the courage to stop borrowing to meet continuing deficits. Stop the deficits. * * * Revenues must cover expenditures by one means or another. Any government, like any family, can for a year spend a little more than it earns. But you and I know that a continuation of that habit means the poorhouse.

Contrast this statement with the most recent utterance of President Roosevelt. In his speech made at Baltimore, Md., on April 13, 1936, he said:

> For the next few months you are going to be thoroughly bored by so-called answers. There are two or three new panaceas in every day's paper. Here is one, picked out at random from three on the same page of one newspaper. The eminent author suggests a four-point cure for all our ills. I hope you will be as thrilled and excited by them as I was. Here they are:
>
> "1. Establish a monetary unit with a definite gold content, subject to change only by Congress.
>
> "2. Restore convertibility of money into gold coin and private ownership of gold.
>
> "3. Accept responsibility as the world's greatest creditor nation.
>
> "4. Put Federal finances in order."
>
> I ask you what do panacea planks like these offer to you as a way out of the problems that you had today and will get up to face tomorrow?

What a strange utterance from a man who flew to Chicago in the summer of 1932 to accept the nomination as the Democratic candidate for President and who said in his acceptance speech:

> I propose to you, my friends, and through you, that government of all kinds, big and little, be made solvent and that the example be set by the President of the United States and his Cabinet.

What a remarkable change of attitude in a man who toured the country from one end to the other in 1932, pledging his solemn word to the people that he would reduce the expenses of the Federal Government, that he would balance the Budget, and who asked that he be put in office on the basis of such promises! A solemn promise to the people, which in 1932 was one of the principal reasons urged by Candidate Roosevelt for his election as President, has become in 1936 a panacea which bores President Roosevelt.

Let us trace this remarkable change of attitude through its various stages. In President Roosevelt's Budget message of January 3, 1934, which was 10 months after he had taken the oath of office as President, he said, on page 8:

> Furthermore, the Government during the balance of this calendar year should plan to bring its 1936 expenditures, including

recovery and relief, within the revenues expected in the fiscal year 1936. * * * We should plan to have a definitely balanced Budget for the third year of recovery and from that time on seek a continuing reduction of the national debt.

The especial aptness of the President in forgetting his promises and pledges to the people in money matters became evident in his Budget message just 1 year later, January 3, 1935. With that message he transmitted the Budget for 1936, which he asked Congress to adopt. Bear in mind that this was the Budget which he had promised 12 months previously would be balanced. He said, on page 13:

If the estimates submitted in this Budget are approved and if the expenditures for which authorization is asked are made in full, the deficit, including statutory debt retirements, will amount to $4,528,000,000 for the fiscal year 1936.

On January 3, 1936, he revised this estimate to make it $3,234,000,000. However, as I have pointed out, the payment of the bonus was not included in the revised figure and actually the deficit for 1936 will approximate $5,000,000,000.

Now let us look at something else the President said on January 3, 1935, in his Budget message for the fiscal year 1936. He said (p. 10):

If this Budget receives the approval of the Congress, the country will henceforth have the assurance that, with the single exception of this item—

Referring to unemployment relief—

every current expenditure of whatever nature will be fully covered by our estimates of current receipts.

One year later, on January 3, 1936, he said in submitting the Budget for 1937:

The gross deficit for the fiscal year 1937 is estimated at $1,098,388,720. * * * The figure for 1937 does not include such amounts for work relief during the coming year as may be determined upon by the Congress.

In other words, the President had again failed to fulfill a positive assurance made to the country 1 year previously that he would balance the Budget for 1937. Perhaps it will be balanced in '40.

The picture presented by the President's Budget message of January 3 of this year was actually more incomplete than would at first appear. Everyone knows that the expenditures for relief purposes continue to be one of the largest single items in the Federal Government expenditures. The present Relief Administrator, Mr. Hopkins, has recently expressed his opinion that the Federal Government must expect to continue to expend money for relief as a permanent part of its program. Everyone also knows that money which is expended for relief purposes will not be repaid to the Government.

For the fiscal year 1937 the President has already requested Congress to appropriate $1,500,000,000 for relief. According to the best evidence now available, this figure will not carry the Government through the fiscal year, and another request will have to be made to Congress in January of next year for additional funds for this purpose. Even assuming that the President was able to get by on the additional $1,500,000,000 requested, the gross deficit for the fiscal year 1937 would amount to $2,598,388,720, on the President's own estimate. Judging by the record which has been made during the last 3 years, the deficit will come nearer reaching the three and a half billion dollar figure.

What does all this mean to the individual citizen? It means that in spite of a new tax law every year since 1933, every one of which increased the tax rates, the present revenues of the Government are only about 65 percent of what is required to meet the Roosevelt expenses. Who is going to pay this? The rich? That is impossible, because the 1935 tax law was admittedly aimed at the wealthy. One of the fundamental rules of taxation is that revenues must be provided without discouraging initiative and enterprise. The 1935 act placed the rates as high as was considered possible without entirely ruining the source of revenues which it was intended to tap. If the goose that lays the golden egg has not already been killed, it certainly has been squeezed to the point where further squeezing would kill it.

This means that any additional revenues to run the Government have to come from people who are not wealthy. They have to come, in one form or another, from the citizen with a small income and from the so-called middle classes. The present tax bill is definite proof of this fact. In it the administration has abandoned its oft-repeated policy of making a distinction between the large taxpayer and the middle-sized and small taxpayers. In it any corporation having a net income of more than $10,000 a year is treated exactly on the same basis as the largest corporation in the United States. It makes no difference whether a corporation has a net income of $11,000 a year or $10,000,000. If the little company is attempting to retain its earnings so as to enable it to grow larger and for that reason 70 percent or more of its profits are not distributed, then the rate of tax is precisely the same as if the $10,000,000 corporation retains the same percentage of its profits. Likewise, all dividends are subjected to the same rate of normal tax, whether the taxpayer receiving them has a net income of $1,000 a year or $1,000,000. No longer can the present administration masquerade under the banner "Soak the rich." It now becomes the banner "Soak everyone."

But the difficulty does not end there. The present revenue bill is a typical example of the never-ending policy of the present administration to make changes which produce uncertainty. It proposes to overturn the entire system of taxing corporation earnings, which has been in existence for approximately 20 years and the people have become familiar with it, and to substitute a new system, the results of which the Treasury Department's own experts admit they cannot state. I intend, at this point, to enter into only a brief discussion of the inequities and hardships involved in the present bill but do want to mention some of them.

The avowed purpose of this bill is to prevent business organizations, large or small, from laying up surpluses. Or in other words, the proponents are opposed to a business having a life-insurance policy to carry it through hard times, the same as is done by nearly every provident man when he takes out a life-insurance policy to protect his family in case of sickness or death. Surplus in business is just a paid-up life-insurance policy to protect business in times of distress. I know from sad personal experience that if it had not been for the surpluses that well-managed businesses had laid aside in former good years the depression would have been worse; dividends, more needed than ever, would have been less, and unemployment much greater.

The surpluses of business have been drawn on during the last few years to the extent of nearly $27,000,000,000 to fight the depression, nearly twice as much as the Federal Government has contributed, and where would they have been without them? What would you have done during the last few years if Congress had been foolish enough to pass this kind of legislation 10 years ago?

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. SNELL. I yield.

Mr. SAMUEL B. HILL. Under the existing tax system, to which the gentleman refers, we had one of the most disastrous depressions in the history of the entire world.

Mr. SNELL. I appreciate that; but it was the surpluses of business, accumulated in good times, that went a long way in relieving the distress of our people and helped to keep many people from starvation and out of the bread lines. If it had not been for that, I do not know what would have happened to the country.

Mr. SAMUEL B. HILL. If the gentleman will yield for one further question, if this money had been forced out and evenly distributed, does not the gentleman think it would have helped to equalize and stabilize the situation?

Mr. SNELL. Well, I prefer to place some dependence on what has happened in the past rather than to depend entirely on experiments in the future. According to this law you will never have these backlogs again. It is going to be a deterrent to the small, struggling business organization

which, in my judgment, is the backbone of our community life.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. SNELL. I yield to the gentleman from Washington.

Mr. SAMUEL B. HILL. Under the present bill corporations having a net income of $10,000 or less can lay aside 42 percent of their net income into reserves without paying any more taxes than they are paying now.

Mr. SNELL. If they are not going to pay any more taxes, how are you going to get any more out of this bill, then?

Also bear in mind the fact that these earnings which are accumulated are reinvested in improvements and expansions which in turn are productive of income and additional revenue. Remember, too, if there are any discriminations in favor of corporations over individuals or partnerships, you can transfer your business to a corporation and then work under the same conditions as your competitors.

Will someone tell me why it is this administration is always proposing something to "soak the thrifty"; is continually discouraging saving and personal independence and rather encouraging shiftlessness and dependence on the Government for a living? Its whole policy toward working, saving, and taking care of yourself is wrong. It certainly is not the policy that built up America and made it what it is today.

Just think this over carefully before you do anything to destroy this system. Furthermore, I am concerned over substituting an uncertainty for a certainty.

If the purpose of the present bill is to raise additional revenues for the Government, then the plain, simple way of accomplishing that would be to raise the tax rates; and if that was not enough, then to broaden the tax base and start taxing all the little fellows directly instead of indirectly. Let the little fellow know what he is being made to pay instead of taking it away from him through indirect and concealed taxes. But this is an election year and such a course would be a clear indication to the people of the enormous drain which the present administration is making on their resources. It would bring clearly into focus the question whether it would be better to turn out of office the present party in power and substitute therefor a party which would honestly carry out an economy program or whether the present administration should be kept in power and the taxes raised to a point where their expenditures could be met out of current revenues. Any honest attempt to bring up the tax revenues to a point which would equal the expenses of this Roosevelt administration would mean the imposition on every person in the United States having any income whatsoever of taxes so high that the question would be immediately answered: The entire administration would be thrown out of office. To keep this from happening the present administration apparently decided to confuse the issue by raising the cry that a few corporations in this country were not properly distributing their dividends and to use this as a pretext for changing the entire existing system of taxing corporate earnings.

The present corporation-tax law has provisions to keep corporations from depriving the Government of revenue by improperly accumulating earnings and failing to pay dividends. If the purpose of the present bill is to correct any defects which may exist in the present structure of the tax laws, there are ample ways and means of accomplishing this. There are reforms which can be put into effect in the matter of administration. There are reforms which it would be perfectly possible for Congress to enact into legislation to cover the cases of abuse which the administration apparently had in mind when it proposed this sweeping revision of the law. It is not necessary to completely upset the entire system and threaten one of the principal sources of revenue of the Government. So far as I have been able to ascertain, no one has been able to predict with any degree of certainty the amount of revenues which this bill will produce and no one knows fully the effects it will have on business.

Personally, I believe it will destroy many small and struggling business organizations and is entirely in favor of the large corporations that already have a sufficient surplus. It will create monopolies and place additional hardship on small business or those organizations that have depleted their surpluses during the depression. It will destroy for all time the backlog that business had at the beginning of this depression and materially hamper the growth and financing of all new or small businesses that are the backbone of our community life.

The proper conduct of any business, be it small or large, requires that there be some basis on which plans for the future can be made with reasonable certainty. Without such planning we live on a day-to-day basis, subject to the vicissitudes of fate, without any of the usual protections or safety measures which every prudent person adopts as a part of his daily life. We all know that a continuing state of uncertainty in our personal affairs is not conducive of happiness. Uncertainty in business is not conducive to success or progress. One trouble with this administration is that it has no idea where it is going or what it is going to do from one year to the next or what the results of its proposals will be. It is founded upon guesswork and we are being led up one blind alley and then another. How much longer can the country endure the strain of being used as an experimental guinea pig? I submit that what the people of the United States now want more than anything else in the administration of their Federal Government is: First, a definite financial program on the part of the Government on which they can rely in the planning of their own affairs; second, an immediate stoppage of the wasteful spending of this administration; third, an adoption of sound business principles in the operation of the Government.

In conclusion let me suggest that if we are really trying to do something which will promote the welfare of the people of this country and of their Federal Government, such revolutionary schemes of taxation as the present bill ought not to be railroaded through Congress under the pretext of an emergency. They ought to be presented to a nonpartisan committee which would be given time to study the proposals from a nonpolitical point of view and to determine what the effect of such proposals will be. Perhaps such a committee should consider the broad question of a revision of the present system of taxation—Federal, State, and local. As to that I venture no opinion at this time. But, in any event, let us stop this practice of cramming down the throat of Congress all these revolutionary schemes without an opportunity to study them in a nonpartisan way and see what their effects will be. Let us stop this continuous substitution of uncertainty for certainty. Let us not pass a tax bill we know will not become a law; but just hope the Senate will make a real bill out of it before it goes to the President.

I regret we are not assuming our share of responsibility in passing an intelligent, understandable revenue measure that is a credit to the House of Representatives. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 30 minutes to the gentleman from Arkansas [Mr. FULLER].

Mr. FULLER. Mr. Chairman, the Republican minority membership of the Ways and Means Committee which drew this bill state they had little opportunity to see the bill and are not familiar with the contents of the same. I concede it is clearly demonstrated from their discussions that they know little about the bill and their criticism is not confined to the real merits of the measure. The principles set forth in this bill were advocated by the President in his message of March 3. For 2 weeks the subcommittee, composed of Democratic and Republican members, studied and submitted a plan. For almost 2 weeks we held public hearings, in which all members participated and in which time we exhausted all the witnesses desirous of being heard. Learning that the minority membership would not support the bill, the Democratic members worked the balance of the time with the able assistance of our committee's legal staff. The minority knew what the bill would contain from the former report. Regardless of how the measure was drawn or what it contains, everyone knows its general import. This measure was conceived by a Democratic administration, the bill was drawn

by the Democratic majority membership, and we take full responsibility for the measure.

It is true this bill is full of technical words and language that perhaps the ordinary person cannot interpret, and I am frank to admit with all the study I have made of the measure, which covered several weeks, there is much of it I cannot understand except when I hear it explained by tax experts, but that is true in connection with the drawing of all these hard technical tax measures.

The underlying principle of this bill is to require accumulated wealth, doing business in a legal form as corporations, to distribute its net income to stockholders or pay a tax upon such net income passed to surplus. It has been the policy of these unjustly enriched corporations, where the stock is held by a few, to pass their net income to surplus or undivided profits, thus escaping taxation. By this procedure, by the investment of a few dollars, stocks have increased in value thousands of percent.

There is no reason why a corporation should not be taxed on their net earnings any more than an individual or partnership. If they pay a dividend and thus distribute their net income, they are relieved from a tax and the stockholder pays a tax upon the dividends he receives. Of 257,000 corporations in the Nation, 214,000 have net incomes of $10,000 or less per year. These corporations can pass 42 percent of their net profits to surplus, the balance to dividends and be required to pay no more Federal taxes than under existing laws. In our opinion, 42 percent is a sufficient amount for these corporations to annually pass to their surplus. Of the 43,000 larger corporations, many of them are in the twilight zone, and will be treated the same as those with a net income of $10,000 or less. Much revenue will come from stockholders being required to pay the normal tax on their dividends.

It is not these small corporations, greatly in the majority in number, that are complaining about this bill. It is the same old story of entrenched wealth seeking to avoid taxation. They are the ones who receive more protection under our Government and they should bear their just burden of taxation. The measure collects a tax upon the net earnings from those who are able to pay. By the terms of this bill the deductions allowed under the present law can be taken, in arriving at the net earnings. In order to help those who are in the red, who have outstanding debts and mortgages scattered over a long period of years, a liberal provision is allowed for credit. In addition thereto, these corporations are allowed a credit for depletion and depreciation, which is generally figured at 10 percent, and the money retained in the company's treasury, which in the last 4 years has amounted to $16,000,000,000, half of the public debt of the United States. That is one opportunity of avoiding taxation.

The other main revenue feature of this bill is to collect 80 percent of the "windfall" taxes collected under the processing tax. We feel that those who collected the processing tax and failed to pass it on to the consuming public and have the money in their possession should pay at least 80 percent of it into the Federal Treasury. What right has any corporation or individual to retain and be enriched by a tax which they collected and which was to be used for relief of agriculture and industry? If they passed this processing tax on they are not liable. Inasmuch as the Government collected the processing tax on floor stocks when the law went into effect, we feel that merchants should be paid the tax upon the floor stocks on hand as of the 6th of January 1936, when the measure was declared unconstitutional. We have, therefore, provided for this refund.

The banks and insurance companies which, under the law, are required to keep a legal reserve, will pay no more tax under this measure than under existing laws.

The necessity of this bill, in order that the ordinary disbursements of the Government should not be more than the receipts, is to take care of the deficit, in the interest of agriculture and the payment of the bonus. By reason of the Supreme Court having declared the A. A. A. unconstitutional, the Government is required to pay back much of that tax and will be required to pay, in round numbers, one-half billion dollars a year for the soil-conservation program in the interest of agriculture.

We have heard a great hue and cry from our Republican brethren about balancing the Budget. Here is a fine opportunity to show their good faith. How can one be for an appropriation to aid agriculture and balance the Budget and then oppose raising the money from those who are most able to pay? They are in exactly the same condition as the Manufacturers' Association and the United States Chamber of Commerce. In fact, the minority report of the members of the Ways and Means Committee, which is amplified by their arguments, is in the very language of the spokesmen of these organizations when before our committee.

The United States Chamber of Commerce and the Manufacturers' Association, through their representatives, contend that we should balance the Budget and also contend that this measure will cripple and kill industry and business. They suggest no taxation to offset this necessary law. They never suggest remedial and necessary measures, but always oppose all measures which seek to tax or regulate entrenched wealth. They, like the Republican Members of the House, know that there is no other way to get this revenue except possibly through a manufacturers' sales tax or reducing the exemptions and increasing the income tax on the small incomes and the little man. They prefer to except big business from taxes and substitute a sales, excise, or processing tax upon the essential necessities of life, such as food, clothing, and so forth. For years their policy has been to make those who are less able bear the burden of government.

Mr. Chairman, we heard the distinguished minority leader [Mr. SNELL], in his concluding remarks today, say that in trying to get this money back from the big corporations we ought to broaden the base in order to get the little fellow. In other words, we should reduce the exemption and pass the burden on to the little fellows.

In this debate the Republican membership of the House have contended that there is no need for this tax, which is as much as to say that we should not have paid the bonus, which added nothing to the public debt, and we should have done nothing, in a financial way, to help agriculture. It is the same old cry they have made, voicing the sentiments of the representatives of big business, that there was nothing good that could come from the New Deal. However, an inspection of the record will show that on most of the New Deal measures the Republican membership of this House has voted for them.

This is an election year, and it becomes necessary for the Old Guard to find some thought to be contained in the Republican platform. They are like a Congressman I once knew who declared he was in favor of all appropriations but against all tax bills. They are in the attitude before their home people of being willing to receive all the benefits of the New Deal in their districts, but are opposed to responsibility and payment of the necessary tax. Some of them contend that the measure will not produce any revenue. Of course, this is not true or they would not be opposed to it. If it is true, then no one will be hurt. Like all tax measures, I concede there will be some inequities and possibly some will be injured, but in all such measures the question to consider is the greatest good to the greatest number. It took courage and statesmanship for President Roosevelt to recommend a tax bill in an election year. He could just as well have added these expenditures to the public debt or waited for the next session of Congress.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. FULLER. I yield to the gentleman from Tennessee.

Mr. COOPER of Tennessee. The gentleman has made reference to the position taken by the United States Chamber of Commerce in reference to this bill. May I ask the gentleman if it is not true that the leading spokesman for the United States Chamber of Commerce before the committee took the position that we should not levy this proposed tax on corporations, but should, instead, levy a processing tax on the necessities of life?

Mr. FULLER. He certainly did, and I offered a motion in the committee, which prevailed, eliminating that proposition. There is much talk about this bill not being properly prepared and that the Senate will have to rewrite it. It is a well-known fact that practically all of the legislation that the Ways and Means Committee of this House has drawn has gone through the House without amendment and 95 percent of it has stood up in the Senate without amendment. I am sure the same thing will happen in connection with this bill.

Mr. HOLLISTER. Will the gentleman yield?

Mr. FULLER. I yield to the gentleman from Ohio.

Mr. HOLLISTER. May I ask if anybody having connection with business life testified before the committee in favor of this bill?

Mr. FULLER. Well, not many.

Mr. HOLLISTER. Did anybody?

Mr. FULLER. Yes; a few.

Mr. HOLLISTER. Who were they?

Mr. FULLER. Does the gentleman mean businessmen?

Mr. HOLLISTER. Businessmen; yes.

Mr. FULLER. I do not know. I suppose there were not many, because they were satisfied. They were not like these big fellows who fought this thing through the Chamber of Commerce and through the Manufacturers' Association.

Mr. DOUGHTON. Will the gentleman yield?

Mr. FULLER. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. May I state it is not customary for men to come before the committee and ask for additional taxes. A great many businessmen said to me that if called they would be glad to come and testify with reference to the virtues of this bill, but I did not invite any of them to testify except the experts of the Treasury Department. We could have had hundreds of them before our committee.

Mr. FULLER. Why should four-fifths of the corporations of the United States be opposed to this bill, since they will not be taxed any more than they are now being taxed? Why should businessmen come before the House and before the committees of Congress and oppose an administration that they have confidence in, an administration that has brought business out into the daylight and has caused prosperity to be returned to us!

Mr. HOLLISTER. I wonder if the gentleman can tell us whether in the history of taxation there was ever a bill reported to the Congress where all business interests appeared and opposed the bill and the forces of the administration were in favor of it.

Mr. FULLER. Oh, yes.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman from Arkansas yield?

Mr. FULLER. Yes.

Mr. VINSON of Kentucky. In my experience here I do not recall any tax bill where any businessman affected favored any tax. I recall, in 1932, the automobile industry of the country had one of the highest-priced lawyers they could get appearing before the Ways and Means Committee. We were told that if we levied the small excise tax that is now on automobiles and automobile parts it would destroy the automobile industry. We have lived now long enough to see the automobile industry lead the way out of the depression.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. FULLER. If it is germane to this discussion; yes.

Mr. WADSWORTH. I was going to make an inquiry about the witnesses.

Mr. FULLER. I yield.

Mr. WADSWORTH. What was the name of the witness who came before the committee and expressed his approval of this measure? I think he represented the Communist Party.

Mr. FULLER. Yes; he was one of your constituents—he was from New York [laughter], and he was most severely condemned by me. I hate them like a rattlesnake. Seriously, I think he was from New York City.

Mr. WADSWORTH. He is supporting your bill; why condemn him?

Mr. FULLER. He is not supporting this bill. It was too mild for him.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. VINSON of Kentucky. I know the gentleman from New York [Mr. WADSWORTH], who is really an illustrious Member of this body, and honors this body by being such an illustrious Member, while he smiles when he speaks of the attitude of the gentleman representing the Communist Party, if he will read the hearings and all the testimony of that witness and then say that he actually favored this bill, we are ready to take the burden relative thereto.

Mr. WADSWORTH. I understand he said this was a step in the right direction.

Mr. VINSON of Kentucky. He also said he was against the repeal of the corporate tax, the repeal of the capital-stock tax, the repeal of the excess-profits tax. He was not satisfied with only taxing the surpluses to be accumulated in the future. He wanted to tax the surpluses now in existence. He wanted to tax tax exempts. When you consider his entire attitude, he was against 99 percent of the bill.

Mr. FULLER. And I was against his appearance and surprised he was allowed to appear. I did not know he was a Communist. I will say one thing for my district. They cannot organize down there like they do in New York, parade the streets, and take possession of public places. We do not allow that where they are opposed to our Government and seek to tear it down and destroy it. [Applause.] I oppose all such communistic organizations which seek to destroy all value, advocate the existence of no God—have no regard for moral rights, and seek to rule by force. We should deport everyone possible.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield to me?

Mr. FULLER. No; I do not care to yield any more on that subject. I do not want to waste my time on anybody that even bears the stain or mark of being a Communist.

We have heard much about the public debt. When President Woodrow Wilson left the Presidency in 1921, after the World War, the public debt was, in round numbers, $24,000,000,000. This debt was soon reduced $3,500,000,000 by repayment of war loans by European nations and the sale of Army equipment and supplies. Big incomes over an 8-year period should and did cause a big reduction. When President Coolidge turned over the reins of government to President Hoover in 1929, the public debt was, in round figures, $16,000,000,000. In 4 years under Hooverism, the happy days of Republicanism, and in the golden era of the high protective tariff, which brought ruin, not only to the Republican Party but to agriculture, industry, and the Nation, the public debt increased $5,000,000,000—not one cent of which went to relieve the worst panic in the history of our Nation. Not a cent of it went to feed and clothe the hungry, naked, and sick. Soup houses and bread lines prevailed all over the Nation; agriculture was prostrate; industry was bankrupt; banks were closing all over the Nation; the auctioneer's hammer could be heard every hour of the day; and yet a deaf ear and cold shoulder was turned to this condition. Even the pot that was to contain the two chickens could not be found. The corner around which prosperity lurked could not be located. That supposed garage for two cars was taken possession of by the homeless and hungry poor. Although given to understand that no one should go hungry or die for lack of sustenance, the administration did nothing. It was only due to the tender mercies of the Red Cross, charity of city and States which went bankrupt, that these people were able to live until a humane administration came into power. Certainly these conditions were not chargeable to the Democratic Party.

It is true that since President Roosevelt took office the Democratic administration has increased the public debt ten or eleven billion dollars, but we have something to show for it. We have restored our country to an almost normal con-

dition; business is prosperous; confidence is restored; the national income is increasing; the poor and distressed have been aided; banks are on a firm foundation with their deposits guaranteed; public improvements of a substantial nature are in evidence in every community which will stand as a monument in future generations to a wise administration. Two million home owners, upon the farm and in the cities, are rejoicing that their homes have been saved from foreclosure and the auctioneer's voice. From the great increase in taxes resulting from business incomes this public debt will soon be materially reduced. [Applause.]

For the first time in the history of our Nation, due to the humanitarian foresight of our great President and a Democratic Congress, crippled, delinquent, and neglected children, the expectant mothers, the blind, and the aged have been granted relief and pensions. Certainly we have spent large sums of money, much more than we wanted to, but when we come into power we discovered that conditions were much worse than we anticipated under 4 years of Republican misrule.

Under such conditions it is right and proper, equitable, and just that big corporations should bear their part of the burden to take care of this relief program. Had it not been for the New Deal, all of the corporate business would have been on the rocks. We found it helpless and crying for relief and like dutiful parents we gave relief. Most of which is appreciated. Corporations being creatures of law, should be regulated by law and not permitted to go without regulation and taxation while individuals and partnerships cannot escape. If this law proves unjust and too burdensome, the same power that enacted it will be ready to amend it.

Let us see as to whether or not it is true, as contended by the minority, that this tax measure is not necessary and that it will kill or injure industry. They desire to pursue the old tactics of the sad days of Hooverism, by letting well enough alone, by protecting big business, allowing it to grow rich and opulent at the expense of the rest of the Nation. The entire Nation is convinced that there can be no prosperity in this country when the people as a whole do not prosper; that industry and business cannot prosper when the producers, the farmers of this country, fail to prosper.

When they contend we seek to destroy business, ask who restored the breath of life to these bankrupt institutions? Americans should thank God that in these days of "isms" and radical demands we have had such a great leader and President at the helm to steer the ship of state. [Applause.]

In the winter of 1932 and 1933, corn was selling in the great Corn Belt for 9 cents per bushel, it is now 60 cents; wheat was selling for 25 cents, it is now $1; cotton was selling for 5 cents a pound, it is now 11 cents; hogs were selling for $2.50 to $3 a hundred, now they are $10; cattle are today selling for three times more, and mules, horses, sheep, and all other farm products in proportion. This was brought about by the New Deal, by our agricultural program. We are now seeking to carry it out by a soil-conservation program, the money for which is provided for in this measure.

Let us further look at the record, to ascertain whether this program and the so-called New Deal is advantageous to the Nation and to business.

In the last 3 years on the stock markets cotton advanced 92 percent, wheat advanced 111 percent, corn advanced 152 percent, industrial production advanced 51 percent, listed stocks advanced 134 percent, and listed bonds 22 percent. And in this time unemployment declined 30 percent, public-utilities power production advanced 326 percent.

Big business, industry, and corporations have prospered under this administration. The following quotations from the New York Stock Exchange, from January 1, 1933, to January 24, 1936, clearly show how common stock and preferred stocks and bonds have doubled and trebled in value for almost all industry, including building materials, telephones, railroads, steel, tobacco, oil, manufacturers, public utilities, tire and rubber, mining, food and meat packers, automobiles, farm machinery, merchants, banking, milling, and so forth:

Name	Kind of stock	Jan. 1, 1933	Jan. 24, 1936
Baldwin Locomotive	Preferred	10⅞	38½
American Telephone & Telegraph		97⅞	160
American Locomotive	Preferred	20	80
Du Pont de Nemours		33¾	144¼
General Electric		11⅝	38⅜
Hercules Powder	Common	15¼	84¼
International Cement		6¼	37⅛
Johns Manville		13¼	101¼
Loew's, Inc		12	51⅜
National Cash Register		5½	23¼
Owens, Ill., Gls		32	143½
Remington Rand	First preferred	9	24¾
Do	Common	2¾	22¼
Savage Arms		3	16⅛
Union Carbide		21¾	74½
United Fruit		25	69½
United States Industrial Alcohol		14⅜	43¼
Baltimore & Ohio	Preferred	10½	24½
Atchison R. R	Common	36⅛	70⅜
Chesapeake & Ohio		26¼	55¼
Great Northern Ry. Co	Preferred	7¼	34
Illinois Central Ry	do	33	59
New York City Ry. Co		15¼	28¾
Pennsylvania R. R		15	33½
Reading R. R	Common	24	40¾
Southern Pacific Ry		12¾	27½
Southern Ry. Co	Preferred	6	20
Union Pacific	Common	67½	120¾
Bethlehem Steel	Preferred	25½	130¾
American Rolling Mill	Common	6¼	30⅞
Midland Steel		3	22½
United States Steel	Preferred	54¼	119¼
Do	Common	24⅞	47¾
American Tobacco B	Preferred	53½	99¾
Liggett & Meyers B		52	113
Lorillard Tobacco		11	25½
Reynolds Tobacco B		28⅜	57⅞
Houston Oil	Common	1⅞	10½
Standard Oil of California		20¾	41⅞
Standard Oil of New Jersey		23	55¼
Texas Corporation		11¾	34
Tide-Water Association		3⅜	16⅜
American Can		52⅜	125½
American Steel Foundry		4¾	25⅞
American Woolen	Preferred	22⅜	67½
Diamond Match	Common	17¾	39¾
Procter & Gamble		21	48¼
Pullman, Inc. (railroad equipment)	Common	18⅝	41¼
United States Pipe & Foundry	do	6½	31¼
Colorado Gas & Electric	Preferred	59	106½
Consolidated Gas		91	106½
Electric Power & Light		10⅛	47½
Firestone Tire & Rubber	Common	10	26
Goodrich Rubber	do	3	16⅜
Do	Preferred	9	86
Goodyear Rubber	do	27¾	94
Do	Common	10⅞	23½
United States Rubber	do	2⅞	18⅛
Do	Preferred	5½	55¼
American Smelting	Common	10⅞	63¾
Anaconda Copper		5⅝	30½
Cerra De Pasco		7	54⅛
United States Smelting & Refining	Common	17½	94¼
Armour & Co	Preferred	7¾	109¾
Wilson & Co	do	19	84
Do	Common	1	10¼
General Motors	do	10¾	56¼
Mack Truck		14	27½
Hudson Motor Co		3⅜	16⅜
J. I. Case	Preferred	41	121
Deere & Co., farm implements	do	7½	29½
International Harvester	do	14¾	57⅝
Oliver Farm	do	3½	26¾
Gimbel Bros	do	5¼	76¾
Kresge Chain Store	Common	5¾	24½
Marshall Fields		4½	11⅝
May Department Store		10	48¾
Montgomery Ward		9⅝	36½
Sears, Roebuck & Co		13¾	62¼
Woolworth		27½	53
Ward Baking	Preferred	12	70
Loose Wiles		20	44¾
Western Electric	Common	20½	94
Western Union		21	76
Pillsbury		9½	35⅞

These are the same class of corporations it is contended we will ruin. All others have likewise advanced. Their bonds and stocks are higher now than last January.

When we passed the act controlling the stock exchange so these gamblers could not play with stacked decks and marked cards, and when we passed the Securities Exchange Act providing that corporations must pass inspection before being permitted to sell gold bricks and worthless securities to an unsuspecting public, the same argument was made that we were killing and bankrupting business and industry. The converse has proven true that these just regulations,

stimulated and made legitimate business, and the same will prove true as a result of this tax measure.

We cannot always continue going into debt; we must collect as much as we pay out; in other language, balance the Budget. It is to be hoped that we can soon, as I feel we must, dispense with large appropriations for relief. But as we are emerging from this, the greatest panic and the most trying time of our Nation's recent history, it is necessary that we should carry on.

At times I feel sorry for the reactionary Republican membership of this House. They are the few faithful who have survived the storm, veterans of a lost cause. Here is hoping they may be long remembered and honored for their able defense of Republicanism at Waterloo. Personally they are fine fellows and from a Republican viewpoint real statesmen, loyal, able, patriotic Americans. But they are out of tune with that popular, very appropriate American melody Happy Days Are Here Again, and they are out of step in this great American march of progress. [Applause.] They are without a leader and are going hither and thither like a ship without a rudder. They are like the children of Israel, lost in the wilderness, their leaders gone, they have set up false gods to worship, emblematic of the high protective tariff and big corporations. [Applause.] Being driven from the pie counter to which they were so accustomed, is enough to make them desperate. I would that I could relieve the heartaches of this little band of battle-scarred veterans, that I could remove the scales from their tear-stained and swollen eyes that they might see the birth of a New Deal, a new condition in America in which unjust enrichment and accumulated wealth shall not be the dominant and controlling factor. [Applause.]

Mr. WOODRUFF. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, in order that my good friend from Arkansas may remove some of the scales from his own eyes I should like at this time to set the committee right on the matter discussed a few moments ago with reference to the position of the Communist Party on this bill.

I find on page 385 of the committee hearings that Mr. Bedacht, the gentleman who appeared before the committee representing the Communist Party, made this statement:

> Of course, we are in favor of taxing corporate surpluses and undivided corporation income, but I shall try to show that the proposals of your committee leave loopholes which will be used by the big corporations to dodge tax payments in the future as they did in the past.

Then again, on page 389, Mr. Chairman, I find this colloquy between the very able and distinguished gentleman from Kentucky [Mr. VINSON], and the witness:

> Mr. VINSON. Mr. Bedacht, I understand you are against this bill because of the abolishing of the present corporate taxes——
> Mr. BEDACHT. Pardon me?
> Mr. VINSON. I say you are against this bill because it abolishes the present corporate taxes, the capital-stock tax, and the excess-profits taxes?
> Mr. BEDACHT. We are not against the bill. We say it does not go far enough. We say it does not go far enough.

Then again, Mr. Chairman, on page 390, there appears a colloquy between the witness and myself in which this statement was made:

> Mr. WOODRUFF. May I ask you this, Mr. Bedacht: You say you believe in taxing undivided profits and surpluses?
> Mr. BEDACHT. Yes.
> Mr. WOODRUFF. Then you must approve to a much greater extent the proposal originally sent to us by the administration which provided a tax of 33.5 percent on all surpluses? That is more in harmony with your views, isn't it?
> Mr. BEDACHT. Well, I base myself and my statement on the draft that was published in, I believe it was the New York Times, as being the draft of this committee.
> Mr. WOODRUFF. Then you are not familiar with the original proposition that was sent to the committee?
> Mr. BEDACHT. No.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 30 minutes to the gentleman from California [Mr. BUCK].

Mr. BUCK. Mr. Chairman and members of the Committee, before I go into the remarks I have prepared for this occasion I think we should clarify this question of communism. I thought that this matter had been fully discussed by the incorporation on page 5999 of the RECORD by the gentleman from Washington [Mr. SAMUEL B. HILL] of the essential portion of the testimony of Mr. Bedacht.

Other quotations from it have been incorporated in the RECORD by the gentleman from Michigan [Mr. WOODRUFF]. I think we ought to conclude the whole subject with the statement of Mr. Bedacht made on page 390 of the hearings, in which he said, in answer to a question by the chairman of the Ways and Means Committee, where the chairman said:

> You are against about everything there is in it. Then you could not be for it, could you?
> Mr. BEDACHT. I didn't say that.
> The CHAIRMAN. I said you just stated you are against about everything in it. Then you could not be for it.
> Mr. BEDACHT. Well, we are for it in addition to the old taxes. We are certainly not satisfied with the draft of the law as it was published by this committee.

Mr. DOUGHTON. Will the gentleman yield?

Mr. BUCK. I yield.

Mr. DOUGHTON. Notwithstanding the fact on cross-examination he was against practically everything regarding the bill, would the gentleman from Michigan refuse to eat food cooked by a good warm fire simply because the devil uses fire in his business? [Laughter.]

Mr. WOODRUFF. I could not hear the remarks of the gentleman from North Carolina. Will the gentleman yield?

Mr. BUCK. I yield.

Mr. WOODRUFF. The gentleman will not say that I did not quote the record correctly. Mr. Bedacht said that the bill did not go far enough, and naturally he would not expect the majority of the House to report a bill that he would be 100 percent in favor of.

Mr. BUCK. He was opposed to the corporation tax; he was opposed to repeal of the capital tax; he was opposed to the repeal of the excess-profits tax; and he thought the bill ought to tax previously accumulated surpluses.

Mr. WOODRUFF. I think the gentleman is going a step too far.

Mr. BUCK. Let me read from the testimony:

> Mr. VINSON. Are you against abolishing the capital-stock tax?
> Mr. BEDACHT. We are against——
> Mr. VINSON. That is the present tax that is on the capital stock of corporations.
> Mr. BEDACHT. Yes.
> Mr. VINSON. $1.40 a thousand?
> Mr. BEDACHT. Yes.
> Mr. VINSON. Are you against the repeal or abolishing of the excess-profit taxes?
> Mr. BEDACHT. Yes.
> Mr. VINSON. Now, you say that this bill ought to tax present surpluses?
> Mr. BEDACHT. Surpluses accumulated up to now; yes.
> Mr. VINSON. The accumulated surpluses?
> Mr. BEDACHT. Yes.
> Mr. VINSON. And you think that they ought to be taxed?
> Mr. BEDACHT. Yes.
> Mr. VINSON. And I believe you say that you ought to tax tax-exempt securities?
> Mr. BEDACHT. Yes.

Mr. McCORMACK. Will the gentleman yield?

Mr. BUCK. I yield.

Mr. McCORMACK. Does not the gentleman think that we are making a mountain out of a molehill?

Mr. BUCK. I do. Let us call it a day and go on with the consideration of the bill.

Mr. Chairman, I decline to yield further. It is not my intention to answer all of the remarks the gentlemen on the minority side have made, because it must be extremely confusing for anyone who has endeavored to follow the debate on this tax bill to ascertain on just what grounds the minority is opposing it. It is true, of course, that they have listed in the minority report a number of objections to the bill, and each of their speakers has taken some phase or other of this report as a basis for opposition. But there has been no consistency in their plan and, indeed, no consistency in even the positions taken by individual opponents. I do not know that consistency is an indispensable virtue. Daniel Webster once said, "Inconsistencies of opinion arising from

changing circumstances are often justifiable." But certainly it is inconsistent to oppose a bill on the ground that it will wreck business and in the next breath on the ground that it will not produce sufficient revenue. Circumstances are not changing while one speech is being made.

The gentleman from New York [Mr. REED], in the course of his remarks, ascribed the source of the proposed graduated tax on income of corporations measured by the amount of earnings and profits set over to surplus to Under Secretary Tugwell, yet elsewhere in his remarks the gentleman from New York stated that this was a "method considered and rejected by both the Treasury and the Congress at various times during the past 16 years." I hope the gentleman will be able to agree with himself before the debate is over. The truth of the matter is, as the able chairman of the subcommittee on taxation [Mr. SAMUEL B. HILL] explained last Thursday, that this same principle, a provision that the gains and profits of corporations should be included in the annual gain, profit, or income of any person entitled to the same, whether divided or otherwise, was actually the law of the country from 1861 to 1872.

Now, that is just the aim of this most-discussed, revised form of tax on corporations; to prevent the accumulation of earnings and profits in corporate surpluses which are not distributed to the individual taxpayer and which thus free him from his just tax responsibility to the Government.

The provisions of the pending bill have been so thoroughly and ably discussed today by the gentleman from Kentucky [Mr. VINSON] that I do not propose to repeat that explanation. I do, however, desire to say a few words about the philosophy of the major change made by it, and in doing so I want you to remember that this is a revenue act. At this point I compliment the minority leader [Mr. SNELL], who is the first member on the Republican side to admit that the purpose of a tax bill is to raise revenue. No matter if he did refuse to vote new taxes until some alleged waste of public moneys ceased, without ever specifying what that waste was. No matter if in speaking of deficits he forgot to call attention to the testimony of Acting Director of the Budget Bell—page 671 of the hearings—that the deficits for the fiscal year 1931, under the preceding administration, was $902,716,845; for the fiscal year 1932, $3,153,097,507; and for the fiscal year 1933, $3,068,266,874, or a total deficit for the 3 consecutive years of $7,124,081,226. Other members on the Republican side seem to have forgotten the purpose of this bill—revenue.

Philosophy, therefore, must be mixed with fact. The whole truth of the matter is that this additional money is needed as a result of certain definite events. The decision of the Supreme Court invalidating the processing taxes levied by the Agricultural Adjustment Act, which had been included in both the 1936 and 1937 Budgets; and the enactment of the Soil Conservation and the Adjusted Compensation Payment Acts by Congress. The first of these events imposed the necessity of raising some $517,000,000 of revenue, referred to in the committee's report. Of course, it is true that Congress could have avoided the payment of some $286,000,000 of this by refusing to appropriate anything for the payment of the benefit contracts that the farmers had already entered into in good faith, but I fail to remember anyone on either side of the House urging that that be done.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BUCK. Yes.

Mr. COOPER of Tennessee. It so happens it was my privilege to be presiding over the Committee of the Whole House on the state of the Union during the consideration of the deficiency appropriation bill, which carried that item. I do not recall that there was a vote on either side of the aisle against the inclusion of that amendment, which was offered by the gentleman from Texas [Mr. JONES], chairman of the Agricultural Committee.

Mr. BUCK. I am sure that the gentleman is correct. That was my own recollection. The gentleman from New York [Mr. TABER], who spoke against the bill, and some others, may, in all fairness object that they did not personally vote for the imposition of the additional obligation made necessary by the passage of the bonus bill, but the vast majority of Congress did, and it must assume the responsibility, therefore, of raising the additional funds. It is equally idle for the gentleman from New York or others to object to the other event which makes necessary the raising of permanent revenue, the passage of the Soil Conservation Act. It may not seem to them good policy, but again it has met with the approval of the vast majority of Congress, and the funds for it must be provided.

We are not facing the question of raising money for deficits incurred in past years. We are faced with the question of providing money for the particular items which this session of Congress has passed and has adopted—a farm program, permanent and additional funds for 9 years for the veterans.

In the course of his remarks, the gentleman from New York [Mr. SNELL] referred to the fact that the President, in his message in opening Congress, had promised that there would be no new taxes. For the sake of accuracy, I shall read into the RECORD the exact language used by President Roosevelt in that message:

> National income increases; tax receipts, based on that income, increase without the levying of new taxes. That is why I am able to say to this, the second session of the Seventy-fourth Congress, that based on existing laws it is my belief that no new taxes, over and above the present taxes, are either advisable or necessary.

Mr. Chairman, that is a very different thing from saying that no new taxes would be levied. The events I have referred to have happened since then—the invalidation of taxes that were in the Budget and the decision of Congress in these two acts to appropriate money. Let us therefore stop this theorizing and face the facts.

When we have to raise new moneys, it is necessary to go into somebody's pocket or to invade somebody's strong boxes. It is only natural that new taxes should be objected to. It is the privilege of the taxpayer to have proposed tax changes as carefully considered as it is his privilege later to have the tax laws strictly construed. On the other hand, it is our congressional duty to see that all loopholes in tax laws are closed and see that the taxes levied produce the maximum amount of revenue.

Some of the members of the minority have wanted to talk about retrenchment of expenditures. Retrenchment! Let us discuss that at the proper time. Let us find out what definite proposals the minority will make. But make them definite, my friends. Generalities will accomplish nothing. And this is not the time or the place. We are dealing here only with specific taxes for specific subjects and revenue required for specific appropriations. Back to our revenue bill.

One of the most serious evasions under the present tax law is the failure of corporations to declare as dividends their earnings and profits, and so keep them untaxed. Not only is the Government defrauded, but you and I, engaged in a partnership business, are placed at a disadvantage, for partnership profits are taxed to the individuals whether drawn down in cash or not. Similarly, I, as an individual doing business, am taxed on the full 100 percent of my earnings, whatever they may be.

The gentleman from New York [Mr. REED] says that the new plan proposes to determine in advance, irrespective of circumstances, the amount of savings for every business in the United States, and said that we would not dare do that with regard to the farmer or the wage earner. Why, gentlemen, that is exactly what we do do in regard to them. One graduated scale confronts both of them, a tax on all their earnings. They have no opportunity to deduct from taxation the amount that the one may desire to invest in a new barn, or the other in new tools, which are the equivalent of the plant investment that the minority members have been talking about. No; every cent of their income, no matter for what it is spent, is subject to taxation.

The gentleman from New York [Mr. SNELL] likens corporate surpluses to paid-up life insurance policies, but he

should remember that the individual gets no deduction in his tax return for the money that he pays as premiums on any kind of life insurance policy.

I repeat, that all this bill proposes to do is to put the stockholders of corporations in the same category as partners or individuals.

The gentleman from Vermont [Mr. PLUMLEY], with his usual and characteristic candor, stated "experience has conclusively and undeniably demonstrated one thing: that is, that people will avoid or escape, whenever it is within their power to do so, the payment of any tax." That, gentlemen, is just what has been happening throughout the United States for these many years, and is still happening today. I do not charge that corporations, by and large, are formed for the purpose of evading tax liability. There are a great many other advantages possessed by the corporate form of structure, including limited liability of the stockholders, concentration of management, and so forth, but when corporations do not currently distribute the major portion of their earnings and accumulate surpluses, they are depriving the stockholders of a return on their investment which they have a right to expect, and they are depriving the Government of the revenue that it has a right to expect. These accumulations may often have dire social consequences. Take for example the large amounts of money that were lent out from their surplus funds by corporations to stock market operators in 1928 and 1929. That these funds helped produce the ensuing crash in the market, few doubt.

That when they had been recovered from the borrowers they were subsequently declared in dividends, is claimed as a virtue by the minority Members, but they should have been declared in the years when they were earned.

On the other hand, if these funds remain idle, they are of no value to our social structure. They are a temptation to the management of the corporation to enter into a program of expansion of plant facilities, often unjustified, as we have learned from the overexpansion of these facilities during the so-called Coolidge boom. Capital becomes invested in plant facilities to a point where interest can no longer be earned on the investment.

One of the saddest things in this controversy is the failure of the minority to see that the declaration in dividends of accumulated earnings and profits will not decrease, but will increase new enterprises. I know that the gentleman from Michigan [Mr. WOODRUFF] has propounded the theory that these declarations may be so heavy that large stockholders will dispose of their holdings and invest in tax-free securities. There is a possibility that some people may do so. The possibility is greatly limited by the fact that if conditions are such as the gentleman imagines, the present holders of these tax-free securities will probably not want to sell them. It is further limited by the fact that those who may dispose of their holdings will have to pay a capital-gains tax. Furthermore, the purchaser of such corporation's stock will thereafter be taxable on the dividends declared. I cannot see, therefore, why we should anticipate any loss in revenue to the Government from such a procedure.

Moreover, dividend money put into circulation must seek some form of investment, and it is not only logical but entirely natural that this money will be available in increasing quantities for the formation of new enterprises instead of lying idle as it does at the present. Even the dividends received by small shareholders, placed in circulation for the purchase of consumption goods, will require, indirectly, investment by someone to increase the consumer supply.

It has been further argued that the proposed tax system will destroy small corporations; that it will prevent the gradual growth of a new enterprise. All these arguments may be dismissed as nonsense. In the first place, small corporations are now in more danger of being put out of business by existing large corporations with huge surpluses which they can use to wreck their rivals than they will be hereafter; secondly, new corporations may set over to surplus, according to their earnings, between 30 and 40 percent of their annual income each year, and pay no more tax than they pay at the present time, and so gradually accumulate a surplus; or if their earnings are large enough from the start, they may, as long as the interests of the stockholders are not changed, reinvest the earnings in plant facilities and declare stock dividends tax free; or they may declare all the earnings in dividends, pay no tax, and have the stockholders reinvest the money in new stock issues; or the money may be declared as dividends and lent to the corporations by the stockholders. There are no penalties on advancement or expansion of business under this bill—only on the withholding of unduly accumulated earnings and profits from taxation. We are only concerned with seeing that these earnings go through the tax mill in the hands of the shareholder.

Of course, the corporations, and especially the small corporations, are not going to be the sufferers. It is the individual who holds a large amount of stock in some profitable corporation and who, through that corporation's failure to declare dividends, is escaping surtaxes, who is behind the protest against this principle of taxation, in whatever form that protest comes. That individual does not want to consider the question of tax inequalities. Nevertheless, it is our duty to provide the needed revenue for the Government and secure it where it can be secured without creating a tax inequality, and instead, abolishing one that exists. But, said the gentleman from New York [Mr. SNELL], and I believe the gentleman from Pennsylvania [Mr. RICH], all a man has to do is to take his wife and daughter and organize a corporation. As to his income, he will then be on the same basis as other corporations and can accumulate his earnings and pay no tax. Other members of the minority have expressed this same thought in varying language. Are they hunting additional revenue or additional evasions? Are not these remarkable suggestions from those who are shouting "Balance the Budget"? Oh, yes, "Balance the Budget", they cry, but at the first real effort to secure money to help balance it, they revolt. I repeat, we are trying to raise money and not trying to increase the number of those who evade their tax responsibilities.

Governmental functions that are new have been called into existence as a result of popular demand. The people realize that these must be paid for by taxes. They do not object to paying what is demanded of them if they consider the tax fair. What the ultimate requirement that the Government revenue will be must depend on what the people demand of it in the way of service. In the meantime, as long as we depend to a considerable extent upon the income tax for Federal revenue, it is our duty to see that that income tax is distributed as equitably as possible, and that no one, through a corporate device, a fiction of law, is permitted to escape payment of his just proportion of that tax. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. WOODRUFF. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. HOLLISTER].

Mr. HOLLISTER. Mr. Chairman, there has been a great deal of discussion of this tax bill from a political point of view, and a great deal of discussion from the point of view of the raising of revenue. We all know that if money is to be spent, revenue must be raised. I imagine enough has been said about this for the time being. I do not think very much has yet been said, however, about basic theories of taxation as applied to this bill.

As I understand the theory of taxation there are three methods of approach. Taxation may be used as a means of coercion. The tax set up in the Guffey coal bill was a typical example of the use of taxation as a method of coercion. Taxation may be used as a weapon of social justice. When estate, inheritance, or even income taxes get beyond a certain point—and no one can tell exactly when that point is reached, even though the law of diminishing returns begins to operate—they may, of course, be carried still higher as a weapon of social justice to bring about the leveling of classes and the sharing of wealth.

Taxation is used chiefly, however, for the purpose of raising revenue; and it was our understanding when the President first suggested this tax that it was to be a tax for the particular purpose of raising revenue, not to coerce any par-

ticular group into any particular thing or to bring about any particular social readjustment.

There are several provisions in the bill as drafted which have little to do with the raising of revenue and which would seem to indicate that the chief purpose of the bill has been forgotten. As I stated earlier, if money is to be spent, we know it must be raised. If spending has stopped, if we were not raising all the revenue we should need for the next few years and were raising it on a permanent basis, we might give very serious thought to the complete change of the whole system of corporate taxation which this bill brings about.

No system of taxation, of course, that any one of us can think of is going to satisfy everybody, but it does seem that when we completely revamp the whole structure of corporate taxation we ought to give a little more thought to how permanent it is going to be, whether or not the total amount of revenue which is to be raised will bring about a balanced Budget, and whether or not we are going to be able to follow such a tax through to its logical conclusion and not consider it merely as a stopgap, which, in turn, will have to be eliminated, perhaps, next year or a few years in the future.

Whatever else may be said about this tax bill, it must not be forgotten that it will require deep study by lawyers, deep study by accountants, and a great deal of work which will be completely de novo. We will have to start again from the beginning and work out what this is going to mean to the corporate structure of the country. Whatever we may say of the existing tax laws, and heaven knows they are hodgepodge, and I am not here defending them, we at least have a certain experience behind them on which we can work, a certain number of years in which lawyers, accountants, and courts have given full consideration to the subject. To change this structure completely overnight and start afresh on a tax bill which is merely a temporary stop-gap seems to me a very unwise thing.

There has been a great deal of talk of the propriety of taxing corporations. The fact that a corporation enjoys a privilege which an individual or partnership does not enjoy is true, and that is why taxes on corporations are justified, even though the profits of corporations may in turn be passed on to individuals, who are again taxed for the same profits on which the corporation is taxed. But let us stop and consider what the corporate entity has done for this country. The reason people are willing to put their money into a corporation in order to achieve a certain business purpose is because they are relieved from certain responsibilities and hazards which they would have in the event the purpose were undertaken by them personally or by a partnership; there is ease of management, there is a flexibility which no individual and no partnership has, and there is also the very important consideration of limitation of personal liability. The development of corporations has made possible in this country the amassing of large sums of capital for industrial development. Whether in small corporations or in large corporations, the amassing has been the same, and through the use of these large sums of capital it has been possible to develop this country to an industrial position no other country in the history of the world has ever reached. This had been done chiefly through the use of the corporate entity. This does not necessarily mean we should give a corporate entity special privilege, that we should not tax it, that we should not limit it by proper legal restrictions, but it does mean that we should not necessarily consider the corporation as a thing suspect and say to a corporation, as we are doing in this bill, "You shall run your corporation according to a set of absolutely strict and inexorable rules which we lay down in this bill." We do that in this legislation without giving consideration to whether it is a corporation dealing with producers' goods or consumers' goods; whether it is a corporation which employs a large amount of labor with respect to its gross business, or a small amount of labor; whether it is a corporation dealing with a large mass or raw materials or small amounts; whether it is a corporation which has a high peak and a low valley of business, so that it must protect itself during the slack periods. We put them all on a uniform basis and say that over the years it is not permitted for them to accumulate surpluses without penalties.

Mr. Chairman, in the brief time allotted me it would manifestly be impossible for me to run the whole gamut of corporate enterprises in this country and show how different they are.

It is sufficient for me to mention this defect in pointing out how little study has really been given to an attempt to change the whole method of corporate taxation without due regard to all the differences of corporate enterprise in the country.

Let us take the matter of chain stores. Chain stores are not very popular, I am led to believe, on the floor of this House; yet it seems to me in this bill you have put the chain store in a particularly advantageous position. The chain store has little need to build up any kind of a corporate surplus. A chain store can restrict very quickly its purchases and its stocks of raw materials or even finished goods. It can very quickly close any number of its small stores and let out any number of workers. If you will examine the records of chain stores you will find that to a great extent their earnings are paid out in dividends; therefore, to that extent the chain stores, under this bill, become almost exempt from taxation.

Take, on the other hand, a company that engages purely in the production of capital goods; a company engaged in the manufacture of great machinery, for instance. Let us assume a company which makes, we will say, paper-making machinery, where one order runs up to $500,000 or more and where a concern which gets two or three orders in a single year is very lucky in these times. Is it possible for a concern of that kind to operate from day to day on a small accumulated surplus? In the very nature of things, if they are going to accept orders at all and be able to get those orders out, they must over a period of years accumulate a large surplus with which to buy steel, with which to pay their employees, and with which to do all of the other things which have to be done while the finished product is in process of manufacture, thereby differing absolutely from the other typical example which I gave of the chain store.

I could, if I cared to, take one corporation of one kind and another corporation of another kind and point out the manifest differences in the way in which they must operate. Yet, Mr. Chairman, what you are doing in this bill is to say with respect to every one of those corporations: "You must be handled in an absolutely ironclad strait jacket no matter what your situation is; the same rules apply as to whether you are permitted to accumulate corporate surpluses."

This is particularly harmful to the one line of business which had lagged furthest behind in the recent improvement, which many gentlemen have pointed out has occurred lately with respect to American business. The heavy-goods industries are those which have most lagged behind and it is those which are particularly injured by a bill of this nature.

Mr. Chairman, up to this time I have simply been discussing generalities, the theory of taxation behind this whole scheme, and why it is so unwise in order to raise a certain amount of revenue to adopt suddenly a new system of taxation rather than a flat corporate levy or a flat income-tax levy, or whatever it may be, which can be easily computed under existing law. However, there are a few particular things to which I want to call the attention of the membership, and perhaps I may best do that by addressing one or two questions to one of the gentlemen at the majority table.

I should like to ask the gentlemen if they can tell whether any thought has been given to the situation of a corporation which has made no definite contract against the declaration of dividends but is subject to certain contract conditions so that if dividends should be declared at all, or in excess of a certain amount, some very unfortunate condition will come into effect with respect to that corporation. Was any consideration given to that matter?

Mr. VINSON of Kentucky. To what condition does the gentleman refer?

Mr. HOLLISTER. I shall try to be specific. I understand the law to provide that in the event a corporation has made

a binding contract that it will not declare dividends at all, or perhaps not beyond a certain amount, if that contract cannot be gotten around in some way, and if there is no way in which dividends may be declared except through breach of that contract, then a special arrangement is made by which the corporation pays a flat rate?

Mr. VINSON of Kentucky. Where there is an express contract; yes.

Mr. HOLLISTER. Let me call attention to the fact that many corporations have either in the indentures covering their bond issues or in the agreements covering their debentures or perhaps in the provisions covering their preferred stock, a statement that in the event the corporation declares a dividend over a certain amount, or at all, then the mortgage will become due or the note will become due or certain voting rights in the preferred stock may be affected.

Mr. VINSON of Kentucky. That would come under section 19.

Mr. HOLLISTER. I do not think so. That is where there is a binding contract. If the corporation declares dividends, it is in violation of the contract. But I am not asking about that. I refer to the case where there is no binding contract, but a very onerous condition which will come into effect.

Mr. VINSON of Kentucky. When I said "section 19", I was referring to the subcommittee report. I think the case to which the gentleman refers, if it does not come under the dividend section at all, would probably come under the debt section.

Mr. HOLLISTER. Why would it come under the debt section?

Mr. VINSON of Kentucky. Because the gentleman referred to the indentures and the bond issues. If they mature in more than 3 years——

Mr. HOLLISTER. I am not discussing the debt situation. Let us assume this condition comes into effect with respect to a preferred-stock issue.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HOLLISTER. Let us suppose in the preferred-stock issue it is provided that in the event dividends are declared of more than a certain amount, then certain voting rights will come into effect or certain things will have to happen. Has that been covered in any way?

Mr. VINSON of Kentucky. It seems to me that certainly comes under section 15, the contract provision.

Mr. HOLLISTER. That is not a contract.

Mr. VINSON of Kentucky. Certainly it is a contract.

Mr. HOLLISTER. If the gentleman will read that section, the gentleman will see that it gives the exception in the event dividends are declared in violation of the contract. I am not discussing that provision. I am discussing the situation where there is merely a breach of a condition that is in no sense the violation of a contract.

Mr. VINSON of Kentucky. I do not see why not.

Mr. HOLLISTER. If the gentleman does not understand the difference between a contract and a condition——

Mr. VINSON of Kentucky. The gentleman need not lecture me in that regard. I am trying to help the gentleman.

Mr. HOLLISTER. I beg the gentleman's pardon.

Mr. VINSON of Kentucky. Of course, I must understand exactly what the gentleman is saying.

Mr. HOLLISTER. Yes.

Mr. VINSON of Kentucky. But I am stating that, in my opinion, with that sort of statement made in your indentures, it would fall under section 15. Now, you have the deficit proposition in section 14 and you have the debt situation that probably would attach to the case the gentleman refers to in section 16.

Mr. HOLLISTER. Would the gentleman object to a perfecting amendment to clear up a condition of that kind?

Mr. VINSON of Kentucky. I would want to see the amendment first.

Mr. HOLLISTER. But on theory the gentleman would believe that I am correct in stating that in the event this is not covered in the bill, it should be covered where a very unpleasant condition will happen to a corporation in the event it declares such dividends.

Mr. VINSON of Kentucky. When the gentleman submits the amendment, if it is not covered by sections 14, 15, or 16, we will be pleased to consider it.

Mr. HOLLISTER. Another matter I would like to call to the gentleman's attention is this: Why is provision made that one corporation, 80 percent of whose income comes from dividends in another corporation, is not enabled to take a credit if these dividends are paid to a holding corporation holding more than 50 percent of the stock of the paying corporation?

Mr. VINSON of Kentucky. I should think that would be very obvious to the gentleman.

Mr. HOLLISTER. I would be very pleased to have the gentleman explain that.

Mr. VINSON of Kentucky. I will give the gentleman an illustration. If corporation A declares out a dividend, and if the dividends are received in a taxable year other than the one in which they are declared, of course such dividends are subject to tax in the latter year. For instance, if the dividends are received in 1937 on income derived from a corporation in 1936, of course the tax upon the dividends would attach to the taxable year of 1937. If the dividends were paid by corporation A to corporation B and received by corporation B in 1937, it would be a very simple matter, without this language in the bill, to form corporation C and pay the dividends from corporation B to corporation C and have no tax in the taxable year 1937, and so on ad infinitum.

Mr. HOLLISTER. Would not corporation C have to declare them out?

Mr. VINSON of Kentucky. Yes; but they do not get them until 1938.

Mr. HOLLISTER. Would not that be perfectly easy to cover by a reference to the particular year rather than the kind of corporation?

Mr. VINSON of Kentucky. I would be very happy if the gentleman would submit something on that, because that section is intended to prevent pyramiding or prevent the setting up of corporations for the sole purpose of tax evasion.

Mr. HOLLISTER. That may have been the purpose, but what the gentleman has really done is to massacre a corporation——

Mr. VINSON of Kentucky. We have heard a lot about the massacring of corporations.

Mr. HOLLISTER. I am not referring to what the gentleman has heard. I am stating what has happened. I am asking the gentleman some questions, and I do not want him to use all my time in stating what has happened. I am pointing out that what the committee has done is to take a whack at a holding corporation of that kind, whether a utility or not, and practically put it out of business.

Mr. VINSON of Kentucky. A personal holding company?

Mr. HOLLISTER. Does the gentleman want to ask me a question?

Mr. VINSON of Kentucky. No; I will never ask the gentleman a question again as long as I am a Member of the House. I thought the gentleman had yielded to me.

Mr. HOLLISTER. I shall be very pleased to yield, but I have only a minute or two.

Mr. VINSON of Kentucky. I was trying to help the gentleman by saying that this refers both to operating company and personal holding companies as well.

Mr. HOLLISTER. The gentleman misunderstands me. I am not discussing personal holding companies. This is not a personal holding company. This is the case of a corporation which gets its dividends from another corporation and, in turn, is held by a third corporation and has nothing to do with personal holding companies.

Mr. VINSON of Kentucky. Personal holding companies are also involved here.

Mr. HOLLISTER. Not in this particular aspect of it.

Mr. VINSON of Kentucky. Yes.

Mr. HOLLISTER. I wish the gentleman would point it out or get someone on his side to point that out.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 5 additional minutes to the gentleman from Ohio.

Mr. HOLLISTER. There are a number of questions of this kind, Mr. Chairman, which we could go into, but the bill in its present form I am assuming will never become law. Manifestly, even if the Senate does not very greatly change this whole theory of taxation, which I confidently predict, it will certainly fill up some of the gaps now in the measure, because you can drive a coach and horse through it in 20 different places. It is a typical example of trying, in a few days, to revamp the taxation set-up which has been built up over a period of years, and which may not be the best we can get, but, at least, is based on considerable sound experience.

The particular worry, it would seem to me, in a bill of this kind, would be what the average person will be able to do who is trying to consider what his taxes are going to be under this measure. It will be easy enough for the large corporation to get expert accountants and get excellent attorneys to handle the picture, but it is going to be the hardest thing in the world for the little fellow to know what his tax liability is going to be.

I know I will be met with the familiar argument, "Oh, what you are really trying to do is to comfort the big corporation and soak the little fellow and you are just talking the other way around", but I want you to think it over as you read this bill. What would you do if you yourself had to sit down, running some little business, and figure out just what change it meant in your whole corporation set-up? Just think that over without listening to the camouflage that may be thrown over the thing by a few excellent orators.

Think what it means to any man trying to work out the meaning of this bill for his own particular business. It does seem to me that in this bill, in addition to the unsoundness of the basic tax principles, we have another example of attacking thrift. That seems to be the aim today. There is no encouragement to save, there is no encouragement for accumulating something to pay your debts, there is no encouragement to do those things which have made this country great.

This bill says to the corporations, "Do not accumulate a surplus, do not collect something to carry you through a rainy day, do not lay aside money so that you can employ labor when hard times come again." It is another manifestation of that continual gnawing at those things which have made this country great.

This bill, if it becomes a law, will do much to disrupt and hamstring the present corporate set-up in this country. If this bill is not so drafted as to carry this method of taxation through to logical conclusion and make it permanent, then it will be nothing but a temporary stopgap and should not in any instance be put into effect at the present time. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman and members of the Committee, the gentleman from Kentucky [Mr. VINSON], in the course of his statement, mentioned the fact that there were only seven Members of Congress who voted against the 1934 revenue measure.

I have the good fortune or the misfortune to be one of that seven who voted against it, and if I had the opportunity I would vote against it again today.

Today I am like the Shakespearean actor who went into a restaurant and ordered everything on the bill of fare but had no money in his pocket to pay for it. He was thrown out. About a year or two later he went back and ordered everything on the bill of fare and then called the manager, and he said, "Do you remember the Shakespearean Hamlet who came in here a year ago and had no money and ordered everything on the bill of fare and had to be thrown out?" The proprietor said, "Yes." "Well," he said, "I think you will have to perform that same painful duty again today." [Laughter.]

I expect it is going to be my painful duty to vote against this bill when the time comes. And I do so for a reason. Understand, every Member of this House has to discharge his own responsibilities according to the light given him. In that connection I might say that when the gentleman from New York chastised the House the other day—it was a verbal chastisement—because only 34 Members were present on the floor, I admit, in deference to myself and in fairness to my constituents, that I was one of those who was not on the floor—and for a very good reason. I had been listening patiently for hours seeking to gain some light, understanding, and erudition in respect to this bill. Perhaps the fault is lack of perception on my part. In any event, I did not get it.

So I went back to my office with the bill and a copy of the report and undertook to get what little truth I could get out of the bill. It is our individual responsibility, and we are going to have to discharge it the best we know how, and I am going to vote against the bill. Yet I can meet the majority two-thirds of the way and still vote in the negative. First of all, I recognize the need for taxes. I voted for many of the appropriation bills, I voted for the bonus, I voted for the Soil Conservation Act, and I have been going around the country preaching against an unbalanced Budget. I do not want to be in the inconsistent and hypocritical position of shouting, like an Ishmael in the wilderness, about a balanced Budget and at the same time not assume my responsibility about getting that Budget balanced. But that is no reason why one has to vote for just any bill that is dragged into this Chamber. I think the inference went out this afternoon, after listening to the gentleman from Kentucky [Mr. VINSON] and the gentleman from Arkansas [Mr. FULLER], that because we had incurred this responsibility we virtually had to vote for the bill. That is not, as the lawyers say, a sequitor. It does not follow that you have to vote for this bill just because you voted for the bonus and the Soil Conservation Acts. Such an intimation begs the question. We need taxes. There is no question about that. Consequently I subscribe to the theory that we ought to levy taxes on the basis of ability to pay. That theory has been so thoroughly written into the tax laws up to this time that I believe every Member of this House subscribes to it. Moreover, I do not believe that corporations as such repel the idea of corporate taxation. The whole question here is not whether we need taxes, because we do, not whether we are going to levy them on the basis of ability to pay, because we are, and I believe in it. The whole question involved in this bill is, Is this bill proper, is this fair, is this the adequate way to go about it so as to conserve the national well-being and still get the money? That is the basis on which I am going to have to vote, and that is the basis upon which I shall vote in the negative.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Please let me continue for a little bit. I am not one who comes here and seeks in a categorical way to make a statement that will solve the tax problems, because, compared with some other Members of this House I am by no means an expert on the subject. I am willing to learn. I have to act according to my own lights. I do not believe that it is going to destroy the country. It may or may not bring in big revenues. I am not sure about that, but here is one thing I feel reasonably certain about in my own mind. I think we are reversing a policy that we started a few years ago when we went on the theory in much of our legislation that passed this House of making corporate enterprise healthy, and keeping it healthy for the sake of the stockholders and bondholders. Pick up a bond indenture in a general way, for instance—and I have seen a lot of them in connection with our work on the Sabath committee—and you will find that almost invariably they carry a recital to the effect that a definite ratio must be maintained between assets and liabilities. The whole idea there is safety. When we passed the Banking Act of 1935 we said in substance there could be no dividends until one-tenth of the profits had been allocated to surplus, and until the surplus was equal to the capital, and why did we do that? For the purpose of making banks healthy and keeping them healthy. Now, if we take corporate enterprise, private corporations, for instance, you

will find that over two-thirds of the States prevent any corporation from paying dividends if paying them is going to impair the capital, and if they do, the Attorney General will probably proceed by quo warranto proceedings before they get through. What I am seeking to stress is the fact that we have built up a philosophy of making corporations healthy and keeping them healthy by having a backlog or a reserve. We have given the Security Exchange Commission vast powers to assist in effecting such a condition. We are called upon now to determine whether or not the allowances made in this bill are insufficient, and we have to answer it as individuals. I think there has been some misconception and misapprehension in the sense that we have confused working capital and reserve. At least so it appears to me from the discussion here, and I do not like to put myself in the position of wanting to tell corporate enterprise just how much reserve they ought to accumulate or not accumulate.

In may be that we can articulate a kind of pet hate against some corporation or individual by saying, "We will write into this bill a philosophy of forcing out dividends whether or not, in order to get them into the hands of the stockholders so that they can pay taxes." Perhaps it is a different philosophy. Perhaps the idea is to build up a kind of purchasing power along with developing a substance that can be taxed in the hands of the shareholder. But, after all, the shareholder is not penalized, because if there is a reserve, it is reflected in the value of the stock; and if the shareholder wants to cash in on that reserve, all he has to do is to sell his stock and he gets his proportionate share of the reserve in a kind of appreciated value. But the thing I want to say is that it comes right back to the gospel of thrift. It is a case of starting out to protect the investors, the stockholders, and the bondholders of America by developing thrift, making these corporations healthy, and keeping them healthy, and now we come along and undertake to impair that health. I do not say we will do it, but we might do it, and I dislike to be in the position of lending myself to support of that sort of a bill.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. VINSON of Kentucky. Is it the understanding of the gentleman from Illinois that under this bill a corporation, for instance, that has a capital deficit or a corporation that is in the class where dividends are prohibited by law, that any dividends that are declared in such a case come under this provision?

Mr. DIRKSEN. I do not know whether they do or not, as a matter of fact.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. DIRKSEN. I will take that up privately with the gentleman afterward.

Mr. VINSON of Kentucky. It is important for the House to know that the distribution of dividends of that character is the distribution of capital, and is not taxable at all. Section 14, I think, reaches the very conclusion which the gentleman desires to reach.

Mr. DIRKSEN. I do not have time to discuss that now. I will take that up with the gentleman privately.

I want to give the other reason why I am opposed to this bill. The biggest problem on the threshold of America today, and to which everybody in this House will subscribe, is the problem of unemployment. We are going to knock down all the good that has been accomplished since 1933 unless we can get people back to work. Who is to put them back to work? We only have two generic employers in this country. One is private industry, and the other is the Government. By "government" I mean county, city, State, or Federal Government. If you are fortunate enough to be elected to Congress or get a job as mail carrier or clerk of the court, you are on the Government side, and if you cannot get a job over there, then you have to go to private enterprise. We have to look to private enterprise to solve the unemployment problem. How are they going to do it? I would rather follow the basic theories expressed recently, that sooner or later we will have to expand production and get prices down, because reduction in prices is the same as an increase in real wages. It will buy that much more and give the American people a chance to buy wanted goods. So it is sixes and sevens whether you boost wages or whether you bring prices down, but the whole theory is that we have to expand production. If you are going to kick these corporations in the face, if you are going to take away the reserves which they think are necessary to expand production, then at one and the same time you are giving them the devil for not expanding and giving employment to the unemployed and on the other hand you are taking away the instrumentality with which to do it. That is the reason why I voted against the 1934 Revenue Act. I never got a satisfactory answer to the questions in my mind at that time, nor have I gotten a single answer today. I see no relationship between this bill and the unemployment problem. It may be said to me, "Well, this is a special fund we are seeking to raise for the Bonus and the Soil Conservation Acts." That is the least important of the whole thing. The important thing about taxes always is the incidence of taxation, the place where they are imposed, the source of the money. If you are going to impair the source, if you are going to hurt the potential job givers, then we are not going to be in a position to solve the greatest and most acute and most dangerous problem that stands on the threshold of the country today, the unemployment problem. I see no relationship whatsoever between the philosophy of this bill and the solution of the problems that I had hoped would eventuate out of a tax measure of this kind. How can one very well discharge what he feels is the responsibility of conviction by voting for a bill of this kind?

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. McCORMACK. Of course, the gentleman recognizes that industry cannot employ unless they are selling their goods. They cannot sell their goods unless there is purchasing power. The gentleman realizes that, I assume?

Mr. DIRKSEN. Yes.

Mr. McCORMACK. Business is not just hiring out of the generosity of their souls. Some businesses claim they have souls, and I think they have, but they are not hiring people just out of generosity.

Mr. DIRKSEN. Does the gentleman mean to infer, for instance, that if through the operation of law we compel them to send out these dividends it is going to make a great deal of difference in the general purchasing power?

Mr. McCORMACK. Oh, yes; yes.

Mr. DIRKSEN. Well, I will say to the gentleman that there are 12,600,000 unemployed who do not happen to be dividend holders who are looking to efficient private enterprise to get a job. Here we come along with an arbitrary policy which seeks to impair confidence; and along with that, not academic at all, we are seeking to make a hole there that is taking away from them the instrumentality by which they are going to live.

Now, Mr. Chairman, there is a gentle and delightful irony in the statement made by the chairman of the Ways and Means Committee early this week that might be considered a magnificent compliment to the perception and grasp of the Members of this body. On Monday of this week, while making a statement relative to consideration of the tax bill, the chairman, as recorded on page 5708 of the RECORD, said:

> So far as I know the committee will be able to take the bill up on Wednesday, but inasmuch as the bill will not be available to Members of the House until Wednesday I think it but fair to the House that we should not take the bill up until Thursday so as to give Members an opportunity to familiarize themselves with the bill and the report.

What could be fairer than that? But when I saw the 249-page bill, made up of 62,000 words so intricately arranged as to baffle an Einstein or a Philadelphia lawyer, I understood the whimsical import of the chairman's statement. In any

event, Members of the House should be deeply grateful to the chairman for the high compliment.

Now let me set out some additional reasons why this bill may be the source of great harm and should therefore be rewritten.

First. In the first place our tax legislation should be so simple as to be understood by the humblest citizen. In no other way can a tax consciousness be developed so as to stimulate interest in national affairs and produce better government. Hardly anyone will contend that the pending bill meets the canons of simplicity. It has been said that it will produce a volume of profitable business for the lawyers. I doubt it. I doubt whether the most astute lawyers will understand it. What it really requires is a fiscal engineer, equipped with a slide rule, a knowledge of integral calculus, higher algebra, the theory of the fourth dimension, and a table of logarithms to understand it. Take for instance the passage on page 15 following the table, which reads:

> If the undistributed net income is a percentage of the adjusted-net income which is less than 10 (and such percentage is not shown in the foregoing table) the tax shall be a percentage of the adjusted-net income equal to one-tenth of the percentage which the undistributed net income is of the adjusted-net income.

The passages on the pages following that are equally abstruse and would do credit to Einstein. The Scripture says that faith is the substance of things not seen, and only through an overwhelming faith in the things which the language of the bill does not disclose could anyone bring himself to approve such a measure. I am afraid my faith is not equal to it. I prefer a little light on the subject.

Second. A good tax bill should not only be easy to understand but also easy to collect, free from uncertainty, should not stimulate litigation, and it's effect on the Nation's business structure should be definitely forecastable. I fancy that the task of collection under this measure will not only be of herculean proportions but costly. It's interpretation will require a whole new body of tax precedents and the litigation which it will inspire should be enormous. It was bad enough under existing tax laws. I am informed that even today there are income-tax cases pending now before the Bureau which are more than 10 years old. Thousands of old cases are still pending before the Board of Tax Appeals and in the Federal courts. It has been estimated that we develop 20 times more tax litigation in this country than they do in Great Britain, and if that be true it is high time that we revise our tax laws, our collection machinery, and regulations so as to minimize the amount of tax litigation and develop a sweeter attitude between the citizen taxpayer and his Government.

Third. Legislation like this imposes enormous expenses upon the taxpayer, and that is quite unfair. The fault lies not with the taxpayer but with the legislation. He, in good faith, after interpreting such an abstruse measure as this determines in full sincerity what he should pay. The tax experts in the Treasury think otherwise. Out of this difernece of opinion springs involved litigation. The taxpayer must engage attorneys, engineers, appraisers, and accountants to defend his position, and that is always costly. I am not reconciled to the view that tax legislation must be so involved and so confusing that the taxpayer cannot understand it without the need of constantly testing his rights before a court. In that respect this bill is a monstrosity. Nor can anyone justify the intricacies of this measure by saying tax bills of the past were also involved.

Fourth. This measure might prove harmful to business just at a time when there are evidences of recovery. I do not make so bold as to say that it will hurt business, but it may. Who will undertake to assure the corporate structure of this country that there will be no recessions, no depressions, no dislocations in the future. What assurances are there that the working capital exemptions are sufficient? Who will assure them that it is quite safe to dissipate their reserves because it "ain't gonna rain no more" after this depression is over? Of course, if we intend to make the R. F. C. a permanent relief institution, if we intend to expand the powers and the authority of the Federal Reserve and make Uncle Sam a kind of permanent Santa Claus, then this measure would be all right. No matter what happened in the future, business could rush to a Federal institution with hat in hand and look for a hand out to tide it over the rough spots. I, for one, am not ready to embrace so paternalistic a philosophy, and meanwhile I am not ready to project business out on the thin ice of uncertainty without proper reserves to meet contingencies. Look at the Interstate Commerce Commission in insisting that sinking funds and amortization features be set up in any railroad financing plans. Instances might be multiplied to show that by legislative enactment we have undertaken to make the corporate structure sound and keep it sound, and now we come along with a tax philosophy that seeks to make them weak and keep them weak. In a measure like this, we virtually set up an incentive for corporations to impair their capital structure, when in difficulties because of inadequate reserves, and I, for one, do not care to be a party to such a complete reversion of policy. It might be pointed out here that the Social Security Act imposes upon business, the need for larger reserves; it is difficult to apprehend just what the effect of this act might be upon business enterprise in that connection. Moreover, working capital is capital in process and cannot be considered as reserves for contingencies.

Sixth. It would appear that the effect of this act might be to restrict business operations and in many instances compel a contraction of business credit. There are countless corporations today in every field of endeavor which do a Nation-wide business on a basis of long-term credit. The aggregate of the credit which they extend is equal in volume to their surplus and in some instances to the capital. If, through the operation of this act, it becomes necessary to dissipate that future surplus accumulation through distribution without an adequate reserve, it is conceivable that such corporations must contract their credit extensions and voluntarily curtail their business operations. This may or may not be the case, but it is quite within the realm of probability. Translated into more practical terms, it might mean not only a curtailment of business but a curtailment of employment as well, and I do not care to lend my vote to such a possibility.

Seventh. From the standpoint of the stockholder it can hardly be contended that nondistribution of dividends operates as a hardship upon him. Accumulation of dividends not only adds to the solidarity of the corporation but is reflected in the appreciated value of the shares held by stockholders. A stockholder can at any time collect his share of the dividends by selling his stock. Nor need it be emphasized that small stockholders everywhere were the real beneficiaries of the prudent reserve policies of corporations which made it possible for many of them to continue paying dividends to such small stockholders in those tragic depressed days when stockholders needed that income.

Eighth. The effect of this measure on corporate financing of the future is to be sure somewhat conjectural and yet it cannot be overlooked. There is every indication that it will increase and heighten speculation in common stocks. The initial distribution to be made plus the distributions of the future warrant this conclusion. It must not be forgotten that as stock speculation is increased, there must necessarily be a transfer of interest from the bond to the stock side of the market in the future. In proportion as future corporate financing is made dependent upon stock rather than upon bond issues, so is speculation progressively increased and it is doubtful whether that would be healthy for the general welfare of the country.

Ninth. This measure appears as a calculated attempt to prevent corporations from repairing depleted reserves. Treasury experts estimate, and it has been stated on this floor, that for the next year four and one-half billions of corporate income will be withheld from stockholders, and that on this huge sum the Federal Government will be deprived of one and three-tenths billions in revenue. The figures are, of course, nothing more than bare estimates,

but even when so considered who shall say but that corporations are merely repairing the losses in reserves that were occasioned by the depression and simply restoring a healthy corporate condition? Apparently such a healthy condition is not desired by the Treasury experts. By compelling indiscriminate distribution they, in effect, say to a corporation that if it experiences losses through fire, flood, or from any other reason, it can go to a bank and borrow funds for the rehabilitation of its business instead of going to its accumulated reserves for that purpose.

Finally, Mr. Chairman, may I say that perhaps it would be unfair to indulge in captious criticism without offering some constructive suggestion as to a substitute? My suggestion is, therefore, this: Why not keep the present corporate taxes in effect and perhaps raise the rates slightly to effect the additional six hundred and twenty millions that are required to meet the bonus and Soil Conservation Act requirements? There is at least a certainty about those revenues now. I understand that the excess-profits tax, the capital-stock tax, and the corporate-income tax now yield in excess of $1,100,000,000. An increase in those rates would produce the necessary revenue and preserve the precedents that have been built up during the last 20 or more years. If then it becomes necessary to enforce the payment of some dividends, that might conceivably be worked out by permitting a draw-back on funds that have been distributed.

To date no justifiable reason has been given for completely destroying our present tax system and the substitution of an entirely new and doubtful tax philosophy.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from New Hampshire [Mr. ROGERS].

Mr. ROGERS of New Hampshire. Mr. Chairman, since the committee report became available I have attempted to make a study of this bill. I have given more consideration to it and paid more attention to its provisions because of certain remarks made on this floor by my distinguished colleague from New Hampshire [Mr. TOBEY] on Friday last, which I did not then have an opportunity to answer. His remarks were very brief, but in conclusion he made this statement. I quote:

> The asinine philosophy of the theorists now advising the present administration—unsound philosophies and theories which make thoughtful men and women cry out, "How long, O Lord; how long?"

I am sorry my colleague is not here. I hoped he would be. I had the honor of serving with him in the New Hampshire Legislature, and I knew him as Governor of the State. He is always crying out, "How long, O Lord; how long?" If you will follow his addresses made in this Congress or anywhere else you will see that this is true. For instance, in an address on neutrality delivered over the radio on January 3 of this year and printed in the RECORD; in an address on the 2d day of February on soil erosion and the Department of Agriculture appropriation bill he talked about the Almighty, crucifixion, and honest-to-God soil erosion.

Mr. Chairman, I yield to no man in my respect for the Divine Providence; but I say that we as a nation are ruled by a civil government, and these things about which my colleague talks with a prayer book in one hand and a Bible in the other will continue just as long as it is the will "of the people, by the people, and for the people" under the administration of such an outstanding general as Franklin D. Roosevelt. [Applause.]

Why, I picked up last Saturday's Manchester Union, a paper published in my district, the president of which is a Presidential aspirant, Frank Knox. I find my colleague's statement, to which I have just referred, printed on page 5 in small type, while on the front page of the same paper, Saturday morning's paper, April 25, in large headlines I find this statement in capital letters.

> New high record in national bank deposits reached.

Followed by a subhead line as follows:

> Exceed 1928 figure by 2.10 percent, O'Connor reports.

I now read as follows from this article:

> The total assets of all national banks were $28,293,019,000 on March 4, an increase of $68,318,000 since the previous call, and a gain of $2,333,736,000 in the last year.

In heavy headlines on the first page of the financial section of yesterday's Sunday Star, published in Washington, D. C., I find this statement:

> Store sales tend higher following post-Easter lag. A high plateau of activity was reached last week by business and industry in the United States.

I find in heavy headlines across another column of this same paper the following statement:

> Securities' drop fails to disturb business upturn. Industrial activity greatest since spring of 1930. Earnings mount. Machinery bookings best in 5 years. Corporation profits rise.
>
> In 1935 the net profit of a group of 900 corporations was 47 percent in excess of 1934.

I also read the following quotation from the Star:

> RECOVERY CHEERS MOVIE INDUSTRY—BOTH RENTALS AND BOX-OFFICE RECEIPTS SHOW STEADY UPWARD TREND
>
> NEW YORK, April 25.—A marked increase in motion-picture attendance is the outstanding feature in this industry for the first quarter of 1936, according to a new survey issued by Poor's Publishing Co.
>
> From the low point reached in 1932, motion-picture attendance has risen steadily, with 1935 recording gains better than had been expected. Theater attendance for last year is estimated at 80,000,000 weekly—15 percent above 1934.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of New Hampshire. I yield.

Mr. RANDOLPH. Is it not a fact that the hardest task the opposition newspapers will face in the coming campaign is the finding of sufficient material on which to base carping criticism in their editorials, especially in view of the facts revealed on their financial pages?

Mr. ROGERS of New Hampshire. It certainly is a fact. Editorial opinion, of course, is frequently an expression of partisan political feeling, but their financial writers are giving the facts. These facts, Mr. Chairman, I assert, in conclusion, tend absolutely to show how false were the statements made by my colleague in this House last Friday when he talked about unsound philosophy and theories making thoughtful men and women cry out, "How long, O Lord, how long!" I believe that with the passage of this bill we shall help the people of this country shout with joy, "Thank God for keeping open the road to further happiness and prosperity." [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, as a member of the committee, I find very little occasion to rejoice over the small part I was privileged to play in the drafting of this tax bill. I do not believe even our most able members on the committee were very much pleased with the arduous task of having to write a tax bill. The fact remains, however, they have done a splendid job on their assignment, and I am pleased to go along, cost what it may. When I voted for the bonus, Mr. Chairman, and to override the veto, I realized it would be necessary to provide funds to pay it. In this connection I may say that six of the seven members of the committee who signed the minority report voted for the payment of the bonus and also voted to override the veto. We may have different ideas as to the means and the method with which to pay the obligations of this Government, but we agree and understand that to vote for an expenditure requires, as a matter of consistency, a vote for a tax bill to provide money with which to pay.

The responsibility is primarily that of the majority and certainly the minority could not expect to write this bill. That would be altogether too heroic on the part of the majority membership of this House; and it seems to me that, inasmuch as the great bulk of the membership of the House, without regard to party affiliation, have voted for the bonus payments and have voted for such beneficial payments as are to be made to the farmers, and there was no opposition when the question came up before the House as to meeting the obligations incurred by this Government to the farmers, that it is now time to stop quibbling about details and go along with something that is concededly sound and equitable.

Mr. Chairman, in this instance I am convinced that the bill will do no harm to the big corporations. A majority

member of the committee the other day made reference to a large corporation in Detroit adjoining my district, the Ford Motor Co. Now, I do not think the Ford Motor Co. needs any defense at my hands. Certainly they have never asked for any assistance and have not appealed to this Government for a reduction or preferential status as regards taxes. Even during the high-handed days when Mellon was handing out money right and left in refunds, I do not believe the Ford Motor Co. every asked for or received a single, solitary dime. The Ford Motor Co. will always meet its responsibility. It will pay its taxes and will always willingly pay its share of the expenses incurred by this Government. I do not believe they need any defense here at my hands, nor to be cited by anyone as an example of a corporation which is marked for deliberate destruction.

In the consideration of this bill before the committee we learned that many corporations have for several years withheld the payment of dividends. I remember distinctly one witness who came before the committee testifying that there were something like 60 stockholders in a certain corporation, nearly half of whom were on the pay roll. I believe he admitted that large salaries were paid the officials, together with certain bonuses, perhaps not in the last year or two, but that had been the policy. Reserves were being accumulated. But this corporation did not see fit to pass on this money to the stockholders which rightfully belonged to them. It was the object of the stockholders who were the officials of the company to retain as much of this money as possible in reserves in order to insure their own salaries for the future. In the meantime, the stockholders whose money was being used in the business were ignored and their interest was not considered in the slightest degree. Under the terms of this bill, the stockholder will receive that protection which the board of directors failed to give him previously. This witness admitted that he had just enough stock to qualify as a director of the company and as an official. He admitted he was receiving a large salary—this to the detriment of the other stockholders. This bill has for its purpose the correction of some of these inequalities. It is my contention that when the earnings of corporations are handed to the stockholders, where they rightfully belong, the Government will then get its share, which will be but a fraction of that received by the stockholders, and, incidentally, only those stockholders who are large stockholders will be called upon to pay the normal income tax. The little fellow will get away from that, because he will not be subject to the income-tax laws as at present constituted. When the stockholders receive this money in the form of dividends, it will add to the buying power of hundreds and thousands—in fact, I should say millions—of stockholders, and in this respect it will add to employment, something which my friend from Illinois expressed such deep concern about, and he has been consistent in that regard. We have been together on several issues, although we are divided along partisan lines.

If the philosophy as contained in this bill prevails, it will undoubtedly scatter the money among a greater number of people and will increase the purchasing power—therefore alleviate unemployment. I have seen much in the newspapers as to the conditions which exist in this country. I have read articles by some of the paid propagandists, who look upon general conditions in this country through a perpendicular crack and who thus obtain a sort of a cockeyed slant on economic conditions and on life. I refer to propagandists like Haney and a number of others, who pose as economists and who are constantly writing about something that they either know nothing about or are endeavoring to misrepresent to the public. They appear on the pages of these newspapers supposedly as unbiased economists, portraying their viewpoint as reflecting conditions which they find to be bad and growing worse.

As a general rule when I read a newspaper, especially a partisan paper, I compare the financial page and the news items with the howling, biased editorials, and there I find how gross is the abuse of the public confidence and the utter disregard for the truth. For the past 3 years conditions have been improving—banks bulging with deposits; business on the upgrade—but partisan propagandists either fail to see the improvement or ignore what is evident to all fair-minded citizens.

Yesterday I noticed an article in a local paper regarding freight loadings.

The freight loadings increased in the last 2 years 8.6 percent. This has been an increase of 20,519 cars, or 3.3 percent, compared with the preceding week and an increase of 31,516 cars, or 5.2 percent, compared with a year ago and an increase of 50,952, or 8.6 percent, compared with 2 years ago.

This article refers to the increase in carloadings, which means an increase in the finished products of automobile concerns and various other factories and manufacturing institutions throughout the country.

There is not a single Member of the House who would do anything to retard prosperity. Even the Republican Members could not reasonably stand in the way.

I am confident this bill, if it does anything, will more equitably distribute the responsibility of tax payments. Certainly, we cannot tax the little fellow who struggles for an existence, we cannot tax the unemployed, and, personally, I cannot go along with those of my friends on the left who would offer a substitute of some kind, since I do not know what they have in mind. I cannot find that they are proposing anything definite as a substitute for the majority idea. They are simply against this bill but offer no alternative plan of their own.

I have some notion, perhaps, of what might be in their minds, a uniform, general sales tax; in other words, a tax that will be placed upon the shoulders of the average individual, who is least able to bear it.

Under the terms of this bill, Mr. Chairman, as I have understood it all along, out of the 257,000 corporations, something like 214,000 small corporations will receive a tax cut of up to 50 percent compared with the tax schedules under the present law. Several thousand additional companies or corporations, in all probability, will pay the same or about the same amount of taxes, and the balance of the corporations, best able to pay, will be called upon to make substantially larger tax payments. Certainly, I could not go along even with the majority, if I had the slightest suspicion that this bill was going to destroy the industry in my district, and I have as much in the way of industry to look after as any other man sitting in this Chamber at any time.

I was very much interested in the windfall taxes and anxious to render every possible aid to the companies subject to proposed tax. To some extent I have been successful. I proposed that the recovery under the windfall taxes, instead of being 90 percent, as originally proposed, should be 75 percent. The committee did not see fit to go along.

[Here the gavel fell.]

Mr. VINSON of Kentucky. Mr. Chairman, I yield the gentleman from Michigan 2 additional minutes.

Mr. DINGELL. The committee did not meet my demands to reduce the percentage of recovery from 90 percent to 75 percent, but the committee did compromise, and the bill provides for an 80-percent recovery, which squares with what is about the practice of the Treasury Department in similar instances.

I proposed, too, Mr. Chairman, that where a corporation, or I should say a processor, has shown a net loss that the wind-fall tax will not apply. Together with my distinguished friend from Kentucky [Mr. VINSON] we discussed this matter with Mr. Helvering, and he agreed to go along. The idea is now well on its way toward becoming the law.

So I am not at all concerned about the ability of those who are to be reached in this tax bill, because the committee, in this instance, as even in the past under Republican rule, has not attempted to destroy corporations but has tried to place the tax where the burden could be more easily borne.

I propose, Mr. Chairman, to vote for the bill, and I may say to you that while we are not any of us proud about our share in bringing out a tax bill, yet I feel certain that I can

go before my people and say that at least in this instance the tax is equitable and just. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. CROWTHER].

Mr. CROWTHER. Mr. Chairman, in all my years of experience in the House I never remember there having been grown in the legislative garden a perfect specimen of a tax bill. I never recall one that was satisfactory to everybody. In other words, there never has been a good tax bill.

A tax bill ought to be a matter of nonpartisan discussion, but it never has been, and it has not been during the discussion of this bill. Much of the argument has been very far afield in this discussion. Taxation has always been a serious problem. I think we can look back into Bible history where the citizens, even in those days, addressed the Savior in this language: "What shall we render unto Caesar?" This was a problem in taxation, and throughout all the ages of 2,000 years and more they have been asking that same question, and we are asking one another that question today—what shall we render unto Caesar?

Of course, we need the money. My good colleague and good friend from Kentucky [Mr. VINSON] this morning spoke of the Hoover period of depression. I want to remind him that we are now in the fourth year of the Roosevelt depression—the fourth year is just commencing—and the necessity of increased revenue is more evident than ever at this moment.

I cannot speak for all the minority, but let me say for myself that I realize keenly the necessity of revenue, and there might be a tax bill prepared that under such circumstances I would be willing to vote for. I have my own ideas about what we might do in a revision of the rate structure in the present law lowering the figures somewhat on our exemptions and raising the rate on the low and intermediate incomes. However, I believe the people of this great Nation are of the opinion that any form of new taxes should be accompanied by a drastic reduction in wasteful spending, and I agree whole-heartedly with that conclusion.

But, of course, we cannot hope to have a tax bill of that kind in an election year.

There has been a good deal of criticism about the way the bill was prepared. The President's message was submitted to a subcommittee, and that subcommittee worked long hours tirelessly and zealously to prepare—not a bill, but to at least prepare an outline of a bill that would form a reasonably good background on which to hold public hearings and on which the business interests of the country might be heard.

While that was not a perfect method, it was a much better plan than we had in 1935, when the hearings were largely a farce held on some glittering generalities contained in the President's message.

This time the subcommittee gave considerable thought to the subject and study with the aid of Internal Revenue and Treasury officials and various experts from their own staff, who presented a very fair background of the subject matter for the business people of the country to oppose or favor.

Of course, the better way would have been to have had a bill and had hearings on the actual bill, on the document which will govern what business people will pay in the next tax year or longer. I hope it may be longer than 1 year. We are changing the taxing policy year after year, due to so-called emergencies, and I am wondering when the word "emergency" will be stricken from the vocabulary of the present administration.

I think the policy adopted in this bill is basically unsound. Taxing the undistributed net income is indeed a radical departure from existing methods.

The proposition may have some merit. I am not going to set up my opinion against the judgment of all of the tax experts, of which there are many in this country, but it certainly is debatable as to whether there is any merit in this proposition. But there is one question which, to my mind, is not debatable, and that is that such a radical revision of corporate taxation is extremely unwise and unfortunate at this time. When you know that in the last 4 or 5 years thousands and thousands of small corporations have suffered impairment in their capital structure, and now are facing a situation where the penalty or pressure rates will make it difficult to repair that damage.

I know that this bill is better than the outline that came to us in the President's message.

I think the cushion provision advocated by the gentleman from Kentucky [Mr. VINSON] and worked out by him largely has been materially helpful in this bill, without question. In its original form it might have destroyed in a few years many of our corporations. However, there are some conditions of unfairness that still exist, and the rate seems pretty high in many instances. If a concern has $100,000 of adjusted net income this coming year, and has had 2 or 3 years of debt, and they think it is advisable for the sake of their stockholders—not only for that, but for the purpose of securing themselves a fairly good commercial-credit standing with the banks in the community—to plow the whole $100,000 back, they have to pay 42½ percent in order to do it; and the "joker in the deck" is that you just cannot put 100 percent back.

You can put only 57½ percent back, because it takes $42,500 to pay the tax, for the Commissioner of Internal Revenue, Mr. Helvering, is not going to accept buttons, bananas, or beans for the tax. He wants real money. So why talk about corporations keeping an undistributed net of 100 percent? It just cannot be done—57½ percent is the limit. Now let us consider corporations that are in debt. Of course, they get some relief, so-called, when in debt. I understand that under the provisions in this bill they may amortize the debt of $100,000 over a period of years, and if I am wrong the gentleman from Kentucky will correct me. They can amortize that debt over a period of 5, 10, or 15 years.

If it is 5 years, the amount would be $20,000 a year, and they are taxed 22½ percent on the $20,000. Then that is subtracted from the original $100,000, and they start out on a new base of $80,000, and are taxed at the new rates on the balance. Of course, that is a relief from what they intend to do to them in this bill, but it is an addition of 7½ percent over what he has to pay under the present law. That is a good deal like hauling a fellow up to the block and chopping his foot off, handing him a crutch, and telling him that now he can go, that he is as good as new. Let us consider a business concern that has a debt and wants to pay in the manner here provided, or a concern that finds it necessary to plow their entire earnings back.

Here is another concern across the State line, 50 miles away, that makes the same kind of a commodity, in the same line of business, but they are more fortunate financially. They have a surplus, and there is no immediate necessity for their plowing this money back, and they can make a complete distribution if they wish. They will pay no tax, because we repeal the corporation tax and the excess-profits tax and the capital-stock tax. Certainly they have a material advantage as to production costs over the first-named corporation. In a sense, what this bill really does is just this: It develops a new type of regimentation of American business by compelling them to conform to a policy laid down by the Federal Government with pressure rates as a penalty that they would not do if it were left to the discretion and business judgment of the board of directors, the production managers, and the sales manager sitting in a conference discussing their problems.

In a word, Mr. Chairman, it seems to me that it is almost impossible to make a yardstick that will apply to corporations; they differ so in character and differ so in their service. For instance, take a personal-service corporation with $250,000 in capital—we had such an instance—engaged in arranging tours for people all over the world. They have not more than 12 or 15 employees. Their work is done largely by transportation agencies with whom they do business. They supply them with their printed matter and their orders and everything of the sort. Here is another corporation with a $250,000 capital engaged in making a standard commodity for which there is a fairly stable demand throughout the year.

It is a manufacturing corporation. They have depreciation and obsolescence and workmen's compensation; they have tenement-house laws and State corporation tax; they have a multitude of problems that the other corporations are not troubled with at all. I think it is just as impossible to create a yardstick that will apply finally and fairly and equitably to corporations as a whole as it is to prepare a yardstick as is being made by the T. V. A. The only material suitable for such a yardstick would be rubber.

One of the speakers suggested to me what seemed to be evasion, the suggestion of getting the money back in by getting stock rights and paying it in after it has been through the tax mill. Professor Adams said to me once, and I think he coined the expression, that the great difficulty in writing tax bills was in trying to prevent loss of revenue through "legal avoidance" rather than "illegal evasion." I thought it was very well put. Those four words described it very clearly. I noticed that the speaker who mentioned that suggested that that would be in a sense legal avoidance, and some individuals might avail themselves of that opportunity and get the money back without paying the heavy rate that applies in this bill, 29½ and 42½ percent.

Another thing, while we may get the money the first year, although I am not so sure about it, I have been unable to get the figures from the proper source—I am reasonably sure that after this bill has been functioning for a year we are not going to get the money. I may be wrong. I have been wrong before. I was wrong when I made the prediction of returning prosperity in closing the debate for the Hawley-Smoot bill. I saw the sun of prosperity rising in the East, and the clouds of depression being dispelled, but I was no more in error than my opponents across the aisle, who figured that prices would be so high that people could not live and could not buy anything. Of course, just the reverse occurred. Prices fell so rapidly that manufacturers and farmers could not get the cost of production, so my Democratic friends were just as wrong as I was at the time. At least, mine was the happiest conclusion to come to. It had the merit of being optimistic, although I am a little afraid of optimism. A friend of mine said to me one day, "You are always optimistic." I said, "Yes; and you are inclined to be a pessimist when we are discussing matters." "But", he said, "I want to tell you this: I do not want to develop that degree of optimism that may class me as a cheerful idiot." [Laughter.]

Ever since then I have been rather chary about being too optimistic. Now, let us suppose we are stockholders in a corporation and we have $100,000 net, and they decide to keep $50,000. As I understand, that costs them 35 percent.

Mr. VINSON of Kentucky. My recollection is that the rate is 17½ percent if $50,000 is distributed.

Mr. CROWTHER. Yes; but I am talking about the part not distributed.

Mr. VINSON of Kentucky. If you kept $50,000, I think the rate of 35 percent is correct.

Mr. CROWTHER. Now, it costs $35,000 to keep that in the business. That leaves $50,000 to distribute, minus the $35,000 tax, because, again, the tax commissioner is not going to take commodities; he demands real money.

Then when our statement comes in and we see that our $50,000 is depleted by $35,000 for the privilege of keeping half of it in the business, I do not know, but I think you will say with me, "I guess I will not stay in that business. I guess I will sell my stock in that company. I am not going to be in a business that depletes my dividend with a $35,000 tax for keeping half the money in the corporation.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. CROWTHER. I yield.

Mr. VINSON of Kentucky. The gentleman will agree that even the 20-percent rate is better than it was at one time when we had a tax upon a tax?

Mr. CROWTHER. We are indebted to the gentleman from Kentucky for the discovery and correction of that very grievous error.

Mr. VINSON of Kentucky. My friend will remember that at one time it was suggested that it was a tax upon a tax, but we have got away from that.

Mr. CROWTHER. I agree; but we still have multiple taxation, which I want to touch on a little later. I want to call attention a little later on to an article that I think will explain that. It is from an authority on finance and monetary affairs. I am astounded that somebody has not said something about it before. But, to return to my penalized stockholders, I think I would say, "I am going to go out and pick up a few tax-exempt securities. I am not going to stay with a company paying that rate for retaining 50 percent of the money with which to do business."

We still have tax exempts. They are being issued at the rate of a billion dollars a year. This administration has recommended against it. The previous administration recommended against it. As a matter of fact, they would be no great subject of revenue. As near as I can determine from a tax report by a man by the name of Hardy, we would probably have difficulty in raising over $75,000,000 in taxes from Federal tax-exempt securities unless we had an extremely high rate. But that is a lot of money and does not deserve to be called just chicken feed in these days. If we had that, in addition to another item that comes pretty near that amount, it would make about $150,000,000.

In considering a new tax bill we should consider the problem of the community property laws in eight States, which permits a husband and wife to make a separate return. A change in this policy has been strongly recommended by the Secretary of the Treasury of both parties; both Mr. Mellon and Mr. Morgenthau have suggested that some adjustment of that inequity should be made. A man and a woman in those eight States, being able to make a separate return, takes from the Government between $60,000,000 and $75,000,000 annually as a result of surtax avoidance. Of course, that is absolutely unfair. I think the gentleman from Massachusetts [Mr. TREADWAY] has a bill pending to change that condition, but we do not expect to have any action on it immediately.

EARLY TAX PROVISIONS

The first income-tax law was passed in 1862 and provided that all incomes below $600 were exempt. It carried a tax of 3 percent on incomes up to $10,000 and a tax of 5 percent on incomes above $10,000. This law was in effect for 10 years, being repealed in 1872.

In 1894 a new law was passed imposing a tax of 2 percent on incomes of over $4,000. This law was declared unconstitutional by the United States Supreme Court.

In 1909 an excise tax was imposed on corporations, computed at the rate of 1 percent "upon the entire net income over and above $5,000 received by it during the year." This tax was declared constitutional on the ground that it was an excise tax—not an income tax.

In 1913 the sixteenth amendment was adopted, giving Congress the power to levy an income tax without apportionment among the several States. A law was promptly passed levying a normal tax of 1 percent and a surtax of 1 to 6 percent. The exemption for a single individual was $3,000 and for a married person $4,000. The surtax began at $20,000. The corporation rate was continued at 1 percent, but the $5,000 exemption was dropped.

I ask permission to extend this short statement in my remarks, and merely state that it is from a paper that is rather friendly to the administration. I shall read only the closing paragraph:

> In the meantime there is a way by which money could be raised, a simple way and a just way. That is a broadening of the base of the present income-tax structure, graduating upward from a very small assessment in the low brackets to a very high assessment in the upper. Such a revision should be sufficiently inclusive to make possible not only the collection of the sum immediately needed but also to make a start on a reduction of those invisible and unjust sales taxes which now constitute 70 percent of our Federal receipts, such a policy to be pursued, as times pick up and tax receipts increase, to a point where all, or at least nearly all, of our revenues are drawn from the visible, ability to pay, as distinct from hidden sources.
>
> About 62 percent of our taxes now are indirect.
>
> Is it too much to hope that such a substitution for the present muddling may be expected, even in an election year?

There is the rub; it is an election year; still, I do not think our people are afraid of taxes. I think the sooner the people of this country become tax-conscious, the better. A number of years ago we reduced the number; we made a change in the exemptions. I think in 1923 or 1924 we took nearly 2,000,000 people from the Federal tax roll—people who paid from $5 to $7.50, $10, or $12. Perhaps it cost a rather high percentage to collect this tax, but they were cognizant of the fact they were supporting the Federal Government; and I do not think you will find a man in this country unwilling to pay $5 or $10 a year in direct taxes.

I want to call to your attention a matter about which nothing has been said. I call attention to the tremendously high percentage rate that obtains between what is paid and what is held under the title of "Undistributed net."

To illustrate, let us take a corporation of $100,000 net income. If it retains $10,000 of that income, it will have to pay $4,000 in taxes. This is 40 percent of the amount retained. If it retains $20,000, its tax will be $9,000. This is $5,000 additional tax in order to retain a second $10,000 of earnings—a 50-percent tax on this second $10,000 retained. Another $10,000 retained will call for an additional tax of $6,000, or 60 percent. If the amount retained is more than 30 percent of the net income, the Government will take $1 in tax for each additional $1 retained.

That is a serious proposition when you study it out.

Such rates of tax are exceedingly heavy penalties for corporations to pay for amounts which they may have to use in their businesses or which they must retain for business needs.

Turning now to the schedule which applies to corporations with net incomes of $10,000 or less. Let us take the corporation with $10,000 of net income. If there is $1,000 of that income which it fails to distribute, it must pay $100 tax. If it retains a second $1,000, it must pay $250 additional tax. For a third $1,000 it must pay a tax of $400. On any further amounts retained beyond the 30-percent bracket it must pay a tax equal to 55 percent of the amount retained.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York.

Mr. CROWTHER. I wish now for a moment to bring to your attention this article by Dr. Irving Fisher, which very clearly demonstrates that the proposed plan means not only double taxation but multiple taxation:

Last week's discussions of the administration's proposed new corporation tax, to replace the taxes now existing, at the hearings before the Ways and Means Committee of the House of Representatives, became rather heated and attracted attention more for the heat displayed than for any new light thrown on the subject.

Winesses from the Treasury Department claimed that the new tax changes would be, if adopted, "the most important tax reform since the income-tax law." On the other hand, the United States Chamber of Commerce complained that it would "mean more tax complexities and not simplification", would "increase tax litigation", "would present grave administrative difficulties", and that the plan "in its main outlines has been rejected in countries with greater experience in the levying and collection of income taxes"; that "in exhaustive reports of successive British commissions there was rejection of various plans of graduated earnings on corporations" because "the yields would be uncertain and the methods of preventing increased avoidance and evasion ineffective."

The new proposal is to tax corporate "adjusted net income", both the part distributed in dividends and the part undistributed at the same rate, but that rate to be on a sliding scale according to how large the part undistributed is compared to the part distributed.

"If there is no undistributed net income, there shall be no tax." From this zero point the rate rises to 42½ percent "if the undistributed net income is 57½ percent of the adjusted net income" (unless that net income is below $10,000).

In a former article I have presented such arguments in favor of this proposal as seemed to me sound. In this article I will stress the arguments on the other side.

There seem to me two main economic arguments against this radical proposal. One is that it unduly stimulates the distribution of dividends, even when the stockholders would prefer to "plow back" in order to let the company grow as it ought to grow, in their interest as well as for the good of the Nation. This has been sufficiently brought out by others.

The second argument against the proposal seems to be entirely overlooked in the discussion at Washington and in the report of the subcommittee of the House of Representatives Committee on Ways and Means.

This is that so far as there would be any undistributed income, it would not really be taxed at the same rate as the distributed income, but at a much higher rate, despite all opinions and intentions to the contrary.

The reason is that all income undistributed, being "plowed back", is no longer income. It is addition to surplus, which is addition to capital.

Therefore any tax on undistributed profits is a capital levy just as truly as would be a tax on the original capital to which these profits are being added.

Now, any capital levy is double taxation if the income from that capital is also taxed.

During the World War Germany and some other countries levied high taxes on capital as an emergency measure. If a capital of $100,000, yielding, say, 5 percent, or $5,000 a year, is taxed 20 percent, then $20,000, or one-fifth of the capital, is handed over to the Government. The remaining $80,000 will then yield at 5 percent only $4,000 a year instead of $5,000, a loss of $1,000 a year forever. This loss of income is the real burden to the owner of that capital of $100,000.

But a second burden is added if, besides that levy on the parent capital, there is also a 20-percent tax on its offspring, the income from it. A tax of 20 percent on the remaining $4,000 a year would reduce it still further—to $3,200, that is, by $800. This with the first $1,000 makes an annual tax of $1,800 out of the $5,000 originally yielded by the capital. This makes, in all, 36 percent. That is, to tax the parent capital 20 percent and, in addition, to tax the income from it 20 percent is, in effect, the same as taxing the income 36 percent. In fact it is is worse, for an income tax of 36 percent would not continue indefinitely whereas the 20 percent on capital means a loss of 20 percent on the income forever. It is irrevocable.

Now let us see how this applies to the new proposal. A company which adds to its capital $100,000 of "undivided profits", or so-called "undistributed net income" (a misleading name), and pays nearly the highest rate, say 40 percent, is depriving its stockholders thereby of 40 percent of their income from said $100,000 for all time. In other words, it is virtually prepaying a perpetual 40 percent tax to be borne by the stockholders on the income from the $100,000.

That should be enough. But in addition to this virtual 40 percent tax on that income they will, until the tax law is repealed, have to pay another 40 percent tax on what is left. This 40 percent on the 60 percent left is $24,000 (24 percent of the $100,000) so that the total tax will amount to 64 percent!

Nor is this the utmost possible. It would be such if all the future income from the $100,000 (or rather from what is left of it) is distributed. But let us suppose it is not distributed. Then, by repeating the above reasoning, we see that we shall have not simply double taxation but triple taxation. First the capital levy prepaid a perpetual 40 percent tax on the future income from the $100,000. Then what is left of that future income is to be taxed 40 percent. And now we are supposing that this remainder is to be undistributed, that is, is to be doubly taxed itself. And so on indefinitely.

What then will ultimately be left of the $100,000 or its future income? After the first tax of 40 percent the remainder will be 60 percent out of that income. But in view of the future 40 percent tax on that remainder, only 60 percent of that 60 percent will be left, or 36 percent. And if said remainder is undistributed, and so its income in turn is taxed 40 percent, we have left up to that stage only 60 percent of 60 percent of 60 percent, which is 21.6 percent. And so on indefinitely.

The remainder may be whittled away to 1 percent if the tax of 40 percent is unrepealed and if the corporation keeps on indefinitely "plowing back" the income from that $100,000—for the benefit of the Government. In that case the tax becomes virtually a 99-percent tax, consisting of 40 percent paid in advance and the rest in the future.

Moreover, this double, triple, quadruple, quintuple, etc., taxation will absorb the full 99 percent and more, whatever the rate of taxation, if the system lasts long enough. If the lowest rate, 10 percent, be used, we still find that 90 percent of 90 percent of 90 percent, etc., will whittle down to less than 1 percent if we keep on far enough.

In short, a tax on undivided profits, as long as they and their progeny remain undivided, is multiple taxation of the extremest kind possible.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. CROWTHER. I yield.

Mr. SAMUEL B. HILL. On the question of the withholding of undistributed net earnings going to surplus and thereby backing capital, I remind the gentleman that under our present system if dividends are declared out of accumulated earnings they are taxable as income in the hands of stockholders.

So that is not in accord with the principle announced by the authority to which the gentleman referred.

Mr. CROWTHER. I wish the gentleman would read this carefully, because I am quite certain he will agree with the conclusions of Dr. Fisher. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. I yield such time as he may care to use to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, today when the tax bill is under consideration, I intend to discuss a subject that is intimately and inseparably related to taxation, and that is debt and the bureaucracy that fosters and creates debt.

A NOBLE CONCEPT OF GOVERNMENT

Whatever may be said of the economic wisdom of the large expenditures under the New Deal—and I have opposed many of them—no one will deny that the President's heart beats in rhythm with the heartbeats of 127,000,000 people. In his encircling love for humanity he is motivated by the same concept that prompted Jefferson to write into the great Declaration the precious doctrine that "all men are created equal." His political creed is the Jeffersonian philosophy of all-embracing benevolence adapted to this modern age. It is the philosophy of the more abundant life—not more abundant for a few but more abundant for all. It is the philosophy that exalts nobility and unselfishness. It is the philosophy that says:

I do not want anything that everybody else cannot have.

It is the philosophy that regards America as one great family, at whose table is always spread a feast of love and whosoever will may come. It is the philosophy which teaches that we should manifest an interest in people, not for the purpose of exploiting them but for the purpose of assisting them to higher and happier levels of living; that we should love our fellow men for what we can do for them and not, as the exponents of special privilege would have it, for what we can squeeze out of them. It is the philosophy which teaches that the concern of this Nation should be to see that the average citizen prospers; that however hard and drab may be the surroundings of boys and girls in whose breasts a righteous ambition burns, they shall have a chance to grow into the larger life; that their God-given right to reach the full stature of useful manhood and womanhood and to enjoy the fruits of honest toil shall not be barred or abridged by privileged statutes and practices that rob them of their birthright before they have fairly started on life's journey.

It is the philosophy which recognizes the eternal truth that a hickory shirt or calico dress may cover a heart as pure and true as any that beats beneath purple and fine linen; that virtue dwells as often in hovels as in palaces. That was the concept of Jefferson, the incomparable humanitarian who founded the Democratic party, and that is the concept of Franklin D. Roosevelt, who has done more than any other President since Jefferson to erect in America the ideals of a great democratic Commonwealth.

BACK TO ECONOMY AND SIMPLICITY

Having written into the statutes his principles of social justice the President, if I interpret his thought and purpose correctly, is now willing to lead the country back to the ancient moorings of economy and simplicity in government, thus pointing the way to a reduction in tax burdens. In reaching these conclusions I hope and believe that I am not taking too much as granted. I draw these deductions from his move to reorganize the executive agencies and from his very marked efforts to taper off expenditures.

Mr. Chairman, with all of the earnestness I can command I appeal to Members of Congress to stand by the President of the United States in all of his efforts to curb bureaucracy and introduce economy in government and not to thwart him, as has been done in several striking instances recently.

The Government has gone altogether too far into the realm that should be occupied by private business and industry. It must abdicate these premises and return to its normal function if we are to see happy days again in this country. In recognizing that this unhealthy condition must terminate, the President has shown the vision of a statesman. It is the duty of Government to encourage honest industry, but not to compete with it.

The President has lately given some positive evidence that he regards the period of heavy spending as over and as being convinced that the time of retrenchment has come. Will the Congress support him in a reversal of the spending program, or will it insist on a continuance of enormous expenditures over the President's opposition? I hope it will sustain the President and cooperate with him in every move he makes to shear bureaucracy of its malign powers and to reduce the cost of government so as to ease the burden of debt and taxation which now bears so heavily on our people. I profoundly believe not only that the road to recovery runs in that direction but that retrenchment is vitally necessary to save America from financial collapse and chaos, possibly from serious social convulsions or actual revolution.

The President has shown he is alive to the evils of bureaucracy by the steps he has taken to set up a body to make a study of the reorganization of government, with a view to eliminating overlapping of activities and reducing overstuffed personnel. His recent letter to Speaker BYRNS on that subject was a most hopeful indication.

In his relief message to Congress on March 18 the President laid down some very sound and salutary principles when he spoke of the desirability of getting the Government out of employment relief and transferring that responsibility to industry, where it belongs. He spoke wisely and patriotically when he said:

It is the task of industry to make further efforts toward increased output and employment, and I urge industry to accept this responsibility. I present this problem and this opportunity definitely to the managers of private business, and I offer in aid of its solution the cooperation of all the appropriate departments and agencies of the Federal Government.

SOME DISQUIETING MANIFESTATIONS

All of this is laudable in the highest degree and I only hope that Congress will strike hands with the President and help him to carry out this change in program. It is not my purpose to scold my congressional colleagues, whom I love and respect, or to deliver any unwelcome homilies, but this is a matter of unusual importance and as friends of our country we should reason together. There have been some disquieting manifestations recently, which indicate that our lawmaking body may not be keen to apply the economy brakes and that, I think, is deplorable. When the President sought to reduce the cost of the Civilian Conservation Corps in the sum of $68,500,000 and to take 50,000 trainees off of the backs of the hard-pressed taxpayers, a ruction in this House of Representatives forced him to beat a retreat. I believe that the Civilian Conservation Corps is one of the best features of the New Deal and that training in these camps is character building, but I could not see my way clear to antagonize the President in this matter, because I believe a reduction in expenditures all along the line will facilitate national recovery and that a return to normalcy and the opportunities which normal prosperity will bring will be best for the young as well as for all.

Another action in Congress that is strikingly out of gear with the President's efforts for economy and, I think, very ill-advised, is the effort being made at the other end of the Capitol to pass over the Presidential veto the bill appropriating $50,000,000 for seed loans during the year 1936. Although the President in his veto message stated that he has balances on hand ample to meet all the legitimate demands for these loans, the Senate Committee on Agriculture has decided by an overwhelming vote to move to override the Presidential veto and thus make a wholly unnecessary appropriation of $50,000,000 out of a bankrupt Treasury. In times like these, with the people groaning under debt and taxes, what could be more inexcusable? Our tax-ridden citizens are going to agree with the President, who said in his veto message that "a special appropriation by the Congress at this time for this purpose is both inadvisable and unnecessary."

TREASURY-POST OFFICE BILL RUNS AMUCK

Even more distressing as a symptom of congressional indifference toward retrenchment is the action taken by the other body on the Post Office and Treasury Departments' appropriation bill. I happen to be chairman of the subcommittee in charge of that bill in the House. In drafting the bill we members of the subcommittee had constantly before us the vision of a sorely tax-ridden people; of an enormous national

debt beyond the power of the human mind to conceive. In such circumstances we believed that economy is the imperative need of the times and that vast extensions of existing services and large accretions of costly personnel, however such adventures might be justified when conditions are normal, should await the coming of better times. We not only refused these great additional charges on the Treasury but with the most meticulous care we cut out of the appropriations estimated for every dollar that was not absolutely needed to maintain regular operations. We labored week after week, and finally we produced a bill which from the first page to the last reflected the strictest economy.

What happened when the bill reached the other end of the Capitol? The other body restored the excesses, and threw economy to the winds. To have been entirely consistent, the upper branch of Congress should have sent a committee to the bureau chiefs of the two departments to inquire if there was anything more they wanted.

FEDERAL REGISTER NOT THE PRESIDENT'S BABY

It is popular among critics of the spending policies of the administration to point the accusing finger at the President, but as a Member of Congress I am not going to say that our lawmaking body is entirely free from blame for some of the excessive expenditures, and candor compels the admission that a few shafts of criticism may well be aimed at the House of Representatives. The Federal Register, for instance, is not a brain child of the President nor can it claim the excuse of having a wild-eyed professor for its parent. It was born in the House of Representatives of very excellent parentage, and having miraculously and unfortunately escaped asphyxiation in infancy, it has developed into a lusty and overgrown youngster that eats $263,320 of the taxpayers' money every year and cries for more. This remarkable publication is issued 5 days a week and costs more than $1,000 for every day it is issued. The receipts from subscriptions amount to virtually nothing, and the publication, according to my information, is as valueless as a last year's bird's nest, but it has brought a nice little addition to the bureaucratic family in the shape of a new division with a personnel of 15 well-paid employees and a pay roll of $38,320 per annum. This division assembles the copy and the remainder of the cost is for work done at the Government Printing Office.

One of the interesting experiences of my journalistic career was my employment as a writer on a full-fledged Indianapolis newspaper that lasted 3 years and then turned up its toes to the daisies. It was a marvel while it lasted and was known all over the country as a model daily newspaper, but it could not stand the gaff, and the publisher lost $300,000 in his ill-starred enterprise. If the comparatively small and insignificant Federal Register continues in existence 3 years, it will sink not $300,000 but more than three-quarters of a million dollars of the taxpayers' money. So in this instance, at least, the President can say, "Shake not thy gory locks at me." It was the House of Representatives and not the White House that incubated the Federal Register, and, with all due respect to the worthy motives that brought it into existence, it should be abolished at the earliest possible moment.

And it is in the House, too, that a proposal is now being discussed to superimpose on the President's new relief appropriation of $1,500,000,000 the additional sum of $700,000,000 for another Public Works Administration program. I hope that will not be done.

If I had any powers of persuasion, I would beg the proponents of this idea not to pursue their plans further. We have too many half-baked public-works projects already on the way sapping the Federal Treasury and straining to the breaking point the local political divisions that cannot afford to keep up the payments to which they have obligated themselves.

TIME FOR ECONOMY IS NOW

If there ever was a time when the Congress of the United States should stand for a reduction in the cost of government, that time is now. If there ever was a time when the Congress of the United States should make an earnest, determined effort to curb and reduce the enormous, domineering bureaucracy that rides this country like a colossus, that time is now.

If there ever was a time when we should take steps to abolish excessive and useless governmental personnel in order to remove a horde of tax-eating parasites from the backs of the long-suffering people who have to bear the burdens of government, that time is now. My main purpose in arising today is to plead with my colleagues in Congress to give serious thought to the disastrous consequences that are certain to follow unless we put a check on unbridled bureaucracy and stop the drains on the Federal Treasury.

When I think of the bureaucracy that has fastened itself on this country during the last few decades and how its ever spreading tentacles have reached out into the lives of our people, to interfere with private business and domestic concerns and grab the revenues that should be bestowed as rewards for individual initiative and toil, I am reminded of the fabled Briarius, who had 300 hands, and each hand had an itching palm to clutch the fruits of honest industry.

THE WATCHWORD OF OUR STATESMEN

For a hundred years economy was the watchword of our statesmen. For a hundred years "We demand retrenchment in the cost of government" was a full, resounding phrase that was featured and exploited in every political platform of every political party, National, State, and local, as the greatest of all desiderata. Political action lost all of its beneficent essence unless it was associated with economy. The hardy pioneers of America knew how they earned every dollar, and they would not tolerate any outcropping of extravagance on the part of their public servants. John Adams was almost driven out of public life when he paid $40 from the Public Treasury for a mirror, which still adorns the Vice President's room in the United States Capitol. From its place on the wall it looks down on all comers, a silent reminder of the era that antedated the soft and easy life, the era when thrift was the dominant national characteristic and America was yet to become acquainted with the blissful experience of a staggering national debt.

The time was when economy was cherished as a national aim and objective; when those of our Senators and Representatives who proved themselves the most loyal and devoted to "government, economically administered"—a phrase much in vogue and embalmed in every political platform in those days—were considered the most virtuous of our public servants. In the era when the foundations of the Nation were being laid deep and strong by these hardy and far-seeing forbears, economy was a virtue to which every public man stood pledged by the immutable demands of public opinion, and the slightest deviation from which meant death to personal ambition.

PRESTO, A MARVELOUS CHANGE

And then, Mr. Chairman, a change came over the spirit of our dreams. The metamorphosis of thought and conduct that followed will forever remain one of the strangest, as well as one of the most marked, developments of our national existence. If the change that has come over our public men has made them less regardful of the time-honored principles of economy, is it not fair to them and entirely reasonable to believe that it is the reflection of a laxness that had already developed among the masses of the people, a sort of projection of the mass psychology into the legislatures, the Congress, and the ruling places of America?

I for one am not going to hold Members of Congress exclusively responsible for what occurred. An inexplicable change in public opinion seems to have been at the root of the metamorphosis. Members of Congress began to be judged not by the amount of money they could save for the taxpayers by rigid economy but by the amount they could contrive by hook or crook to extract from the Federal Treasury for the benefit of their home districts. The larger the amount of "spoils" the Member could thus obtain the greater his popularity thrived and bloomed in his home bailiwick. Blocs were organized to facilitate these center rushes on the Treasury and Members of Congress who de-

clined to play ball with the blocs were shuffled into the discard. Blocs that were not strong enough individually to accomplish these raids entered into hog combinations with other blocs—and the Treasury be damned. The welfare of the Nation as a whole was lost sight of in this game of grab.

Various blocs and special interests opened headquarters at Washington to secure additional leverage on the Treasury. Commissions and bureaus were created in numberless extent and infinite variety to serve these special interests in their efforts to siphon the Treasury. The cost of Government shot upward like the index at a gas-filling station.

Over in the Library of Congress there is a most interesting volume entitled "List of Federal Commissions, Committees, Boards, and Similar Bodies Created During the Period From September 14, 1901, to March 4, 1929." That book contains 147 closely printed pages devoted entirely to listing the titles of the commissions, and so forth, that had been created up to March 4, 1929. I shudder to think of the number that have been created since that time.

Bureaucracy is not a product of either political party alone but of both. The longest arm in America, the arm capable of the farthest reach in striking down that parasitic and un-American outgrowth of Government, is the arm of President Roosevelt—and more power to his arm. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 15 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, there is some compensation in belonging to a political organization that is absolutely independent. I have not been seen about this bill, and no one has talked to me about it, but I have tried to read and understand it. I have gone through the report published in the hearings in connection with this bill, and whatever I have to say on the bill I am wholly responsible for myself.

The purposes for which revenue is asked under the bill are:

First. Five hundred million dollars annually to take care of payments under the new A. A. A. bill.

Second. One hundred and twenty millions annually for the next 9 years to amortize the adjusted-compensation legislation.

Third. Five hundred and seventeen millions spread over the next several years to take care of the actual and anticipated deficit occasioned for the years 1936 and 1937 occasioned by the noncollection and refunding of impounded portions of the processing taxes.

This means, first, six hundred and twenty million of additional annual revenues and five hundred and seventeen millions in temporary revenues to be spread over the next 2 or 3 years.

It was never my plan to institute the A. A. A. program. I never favored the principle of scarcity in a land with starving people. I never favored paying the farmers a dole and abandoning the better principle of giving them parity in price. I never advocated a program that pays millions to large operators and hands merely a few sheckels to the average farmer of the Nation. I never favored a system for farmers that takes away their own independence and destroys self-reliance. But this administration did favor those things which I did not. The new A. A. A. bill has been passed and signed; it is the law. Farmers are carrying on their operations under it; they have been promised benefits; they have so contracted. What shall we do now? Shall we say to them we held out this new hope to you in our legislative act, but we have no money with which to make good our promise unless we issue interest-bearing tax-free bonds? So far as I am concerned, we will make our promise good and provide the money with which to make the payments. That much is my responsibility as a member of Congress. The administration can take the responsibility of passing the new A. A. A. act which I strenuously opposed.

One hundred million dollars annually is needed to amortize the payments of the soldiers' adjusted-compensation certificates. It was not my plan to pay the soldiers in this way. It was my plan to substitute currency in place of the certificates, and if that had been done no damage would have resulted. It would have cost us nothing. The new currency would have been backed by the Government's own outstanding certificates. It would not have been inflation; it would have been replacement of lost circulation, resulting from a period of ruthless deflation. This administration did not believe in these principles; they passed the present act directing that the soldiers should be paid, but the administration did not provide the means by which the payments were to be made. What shall we do now? Shall we fool the soldiers again and say we passed an act to pay you, but we have not the money, except through issuing more tax-free interest-bearing bonds? For one, I refuse to permit this Government to make a promise to the defenders of this country and then fail in carrying out that promise. It is my responsibility now to provide the means by which the soldiers are to be paid; it is the administration's responsibility for not providing a better method of doing the same thing.

Five hundred and seventeen millions will be necessary to take care of the A. A. A. contracts already in existence—contracts which farmers have signed and under which they have performed their part of the contract. Shall this Government escape this liability merely because the act was unconstitutional? These contracts should be liquidated—the Government must keep its word with the farmers. That is my responsibility as a Member of this Congress. The responsibility for passing any such law in the first place rests with this administration.

In searching for more taxes it is the object of this legislation to ferret out and tax that property which under the present income-tax laws escapes taxation; in other words, it is an attempt to put a stop to tax evasions which are known to exist.

This act in general supersedes the present corporation income, capital-stock, and excess-profits tax on corporations. In lieu thereof this act proposes an income tax based upon the proportion of corporate earnings retained by the corporation.

The principles of equity in taxation under this act will be maintained for the following reasons: First, corporations and partnerships will be treated alike; second, a great source of tax evasion will be eliminated; third, to balance the Budget other than for the deficit created for relief purposes; fourth, the most important step which this act takes in equity in taxation is to base the tax on two important considerations—(a) the size of the corporation income; (b) the proportion of the corporation's net earnings that may be retained in its business.

If the earnings are distributed, there will be no tax, for the reason that if they are distributed the stockholder will pay the tax according to graduated surtaxes as now provided. All the Government is trying to do in this regard is to collect the tax, which under the present law it has a right to tax, but which it does not get by reason of tax evasion.

The Government will have the tax evaders "coming and going", whereas today they have them "going", but not "coming."

That the proposed tax will come from those most able to pay taxes can be illustrated by the following:

INCOMES OF $4,000 TO $5,000

Present law for 1936, 317,000 individuals are taxable; under this act, 26,000 additional individuals would be taxable.

Present law, amount taxable, $1,600,000,000; this act, $129,000,000 additional.

INCOMES OF $100,000 TO $150,000

Present taxable income, $253,000,000; this act, $365,000,000 additional; present law, 2,103 are taxable; this act, 2,876 additional are taxable.

These figures prove conclusively that those who are now most able to bear the burden of taxation are escaping it. Those having incomes of $100,000 to $150,000 are evading taxes to the extent of 57 percent in number of persons and

to the extent of 59 percent of their taxable property in their class. Of those in the ordinary class, only 7.8 percent are evading taxes, to the extent of 7½ percent of their taxable property in their class.

INCOMES FROM $300,000 TO $500,000

Present taxable incomes, $140,000,000; this act will add $317,000,000 additional; present law, 375 individuals are taxable; under this act, 786 additional individuals will be taxable.

In this class 67 percent of the individuals are escaping taxation and to the extent of 69 percent of the property of their class.

INCOMES FROM $1,000,000 OR MORE

Present taxable income, $185,000,000; this act will add $607,000,000 additional; present law, 86 individuals are taxable; under this act, 212 additional individuals will be taxed.

In this class 71 percent of the individuals are escaping taxation to the extent of 76 percent of the property in their class.

These tables are based upon the Budget estimates and should be proof enough of where the proposed tax is to come from. It is coming from those abundantly able to pay the tax and from those who also have been abundantly able to escape taxation.

I can see no political issue in this measure. Those who have been in the custom of evading taxes so long that it has become a habit are hard to wean. Whenever the people have ever made any attempt to require them to do equity their only weapon of defense has been to shout, "This proceeding will destroy business." We have heard that before, but this time, I hope, this call for the want of a reason will not disturb this Congress in proceeding to do justice to the American taxpayers.

The present law discriminates against stockholders with small incomes because of the flat tax. Under the new plan, should the earnings be distributed and the total income of the individual fall under the lower brackets, he would pay the normal tax of 4 percent or no tax at all, according to the size of his income.

The tax will come from the upper income groups. It has been estimated that if the 1936 earnings of corporations were distributed the taxable income of individuals would be increased by $4,000,000,000.

Seventy-one percent would be received by individuals whose net income would be more than $25,000 annually.

Forty-five percent would be received by individuals whose net income would be more than $100,000 annually both classes being individuals who are subject to higher surtax rates.

This act adds no new taxes; all it does is to attempt to get that which the Government is already entitled to.

Corporations will in the future, as in the past, be allowed deductions for depreciation, depletion, obsolescence, bad debts.

This law is not changed, and no one can say that corporations are not fairly treated in regard to these deductions. For the years 1930–33 these deductions amounted to barely less than 50 percent of the total net income.

The act provides for one schedule for corporations whose net incomes are less than $10,000 and another schedule for corporations whose net income is more than $10,000. Under this act a small corporation could retain 30 percent of its earnings in surplus and be actually taxed less than it is now.

On this 30 percent retained the corporation would pay 7½ percent, 13 percent if it retained 40 percent. Under the present law the corporation would pay more than 13 percent in the following taxes: First, corporation income; second, capital-stock tax; third, excess-profit taxes.

Also bear in mind that of all the corporations proposed to be taxed under this act, more than 80 percent of them have net incomes of $10,000 or less.

There is no attempt in this act to treat large corporations unfairly as all could carry 30 percent of their earnings as surplus, without paying as much tax as they do under the present law. It is only in cases where large corporations carry more than 30 percent that this act will step in.

There can be no merit in the contention that the act will not yield substantial revenue, because if not distributed the corporation will pay it; and if distributed to avoid the tax, the individual stockholder in the higher bracket will pay it in surtaxes, which he is not doing now.

Assuming that no new currency will be issued to pay the adjusted-compensation certificates, that the new A. A. A. is to be continued, and that parity of prices to the farmer is to be abandoned, and assuming that there is no other way to take from those who acquired the process taxes as a gift, the money that actually belongs to the producer and the consumer, I will now unhesitatingly support this bill.

I will support it for another reason independently of all the considerations I have mentioned. I will support it because it is an attempt to bring about justice in taxation. It is an attempt to make those pay taxes who are the most able to pay, those who have the most ability to pay; it is an attempt to round up the tax evaders of this country and make them bear their fair share of the expense of government, regardless of whether we need this revenue for any of the purposes mentioned in this debate.

In concluding what I have to say in behalf of this measure, let me say that I have always been an advocate of "justice and equity in taxation." Years ago I hoped the day would come when the principle could be realized. With abrupt suddenness that day seems to be here. There are many reasons for it, but the principal one is that we have stuck to the principle of "special privilege for the few and a denial of equal opportunities to the many" so long that in truth and in fact the Government is bankrupt, the States are bankrupt, municipalities and most individuals are bankrupt. Not a single one of the group could pay its liabilities if demands were made. Those at the top have thus far escaped. They have been the beneficiaries of this "special privilege." They are the only ones who have any liquid money left, and now they must come in and take their places in the ranks of the common taxpayers of the Nation.

I am positive that if the ordinary people of this country had any money left, or property upon which they could raise money, that the ones "at the top" would yet escape. In the long course of time the deed returns to the doer. The unequal distribution of wealth brought about by an unfair division between labor and capital has concentrated the wealth of the Nation in the hands of a relatively few persons. Since they now have it, and since we must have money to carry on the business of Government, that same Government which permitted these few to enrich themselves, we must now turn to these "privileged few" and ask them to support the Government.

No thinking person can imagine that the people of this country will forever be content with letting a few individuals, through some special privilege, accumulate the wealth of the Nation in their hands while the great mass of the people remain destitute. This depression has brought out the truth of this statement.

During this depression, and more recently, we have seen the people of this Nation rally behind three great movements, and it is no exaggeration to say that fully 70,000,000 people have been associated with one or more of these movements. I refer to the share-the-wealth program carried forward by that dynamic leader, Huey P. Long; I refer to the Townsend movement launched by Dr. Francis Townsend, of California; I refer to the National Union for Social Justice under the leadership of the Reverend Father Coughlin, of Detroit, one of the most fearless and best-informed leaders this country has ever seen in action. These movements are the expression of the great mass of the American people, who are dissatisfied with the old order and demand social justice.

While the leaders of these great mass movements may be cataloged by the press of special privilege as demagogues and possessing unsound theories and doctrines of government, yet all must admit that the number of people in this country who believe in them far outnumber the people who do not. Again experience through the years has demonstrated that in the long run the people can be trusted. As a group it takes

them a long time to arrive at some common united action, but when they do they create a public opinion based upon experience of life and not based on the headlines in the privileged press.

Regardless of what we may argue and contend, the philosophies found in these three movements are being realized with dramatic swiftness. We are expressing it in this present bill. In the platform of the National Union for Social Justice we find this statement:

I believe in broadening the base of taxation founded upon the ownership of wealth and the capacity to pay.

In this bill we are sharing the wealth; we are doing social justice, and one of the greatest forward steps this Government can take today in taxation is to demand that in the support of this Government those best able to share the burdens of government shall do so. That is what this bill does—it breaks down the barriers of special privilege and takes from those who are abundantly able to pay that just share of the expense of government which they equitably should pay, but which they have heretofore avoided.

I congratulate the Ways and Means Committee, and especially its able and learned chairman, in bringing before this Congress the most just tax measure since the Civil War. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes, had come to no resolution thereon.

JAMES MURPHY MORGAN

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7253) for the relief of James Murphy Morgan, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James Murphy Morgan, of Miami, Ariz., the sum of $10,000, and to Blanche Copelan, of Claypool, Ariz., the sum of $750. Such sums shall be in full settlement of all claims against the United States for permanent personal injuries, medical expenses, property damage, and loss of wages sustained by the said James Murphy Morgan and Blanche Copelan when they were injured in an automobile collision with a United States owned truck (Civilian Conservation Corps truck) near Claypool, Gila County, Ariz., on November 18, 1934: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claims. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claims, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

PROMOTION, ETC., OF COMMISSIONED OFFICERS OF THE MARINE CORPS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4016) to repeal section 16 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes", approved May 29, 1934, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That so much of section 10 of the act entitled 'An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes', approved May 29, 1934 (48 Stat. 811), as provides: 'and officers in the upper four-sevenths of the grades below brigadier general, subject to selection as established by the first section of this act, shall be eligible for consideration by selection boards and for promotion without regard to length of service in grade: *Provided*, That no officer of the Marine Corps shall be ineligible for consideration for promotion by reason of completion of length of commissioned service until he shall have been once considered by a selection board', is hereby amended to read as follows: 'and until January 1, 1938, officers in the upper three-sevenths of the grades below brigadier general, subject to selection as established by the first section of this act, shall be eligible for consideration by selection boards without regard to length of service in grade: *Provided*, That hereafter no officer of the Marine Corps shall be ineligible for consideration by a selection board for promotion by reason of completion of length of commissioned service or because of age without having at least once been considered by a selection board, and any officer of the Marine Corps now on a promotion list shall be eligible for promotion unless removed from said list in accordance with existing law: *Provided further*, That officers of the Marine Corps of the grade of second lieutenant and above, except those appointed or serving as Major General Commandant, as assistant to the Major General Commandant, as the head of a staff department, or whose names appear on an eligible list for appointment as head of a staff department, shall not serve on duty in the Marine Corps Headquarters, Washington, D. C., more than 4 out of any 8 consecutive years unless the President shall determine that the public interests so require.'

"SEC. 2. That section 16 of the said act of May 29, 1934 (48 Stat. 811), be, and the same is hereby, repealed.

"SEC. 3. That officers of the Marine Corps in the grades of lieutenant colonel and major, who prior to June 30, 1935, completed the designated periods of service for their respective grades, shall retain their eligibility for consideration for selection until June 30, 1936, and such officers who on that date are not on a promotion or retention list shall be transferred to the retired list: *Provided*, That a duly constituted selection board appointed as provided by law shall be convened immediately after the approval of this act, which board, in recommending for selection for promotion the number of officers of the grades of lieutenant colonel and major directed by the Secretary of the Navy in accordance with law, shall recommend, from the officers now on the active list in those grades, four officers of the grade of lieutenant colonel and nine officers of the grade of major, who held commissions in those grades, respectively, on May 28, 1934."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. VINSON of Kentucky. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the bill H. R. 12395, by including therein certain excerpts from the hearings, portions of the statute, and other matter.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COINAGE OF 50-CENT PIECES

Mr. BURNHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 9673, an act to authorize the coinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1936 and concur in the Senate amendment.

The Clerk read the Senate amendment, as follows:

Page 2, line 2, strike out ", bearing date 1936" and insert ": *Provided*, That the coins herein authorized shall all be of the same design, shall bear the date 1936, irrespective of the year in which they are minted or issued, and shall be coined at one of the mints of the United States to be designated by the Director of the Mint; and not less than 5,000 such coins shall be issued at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

COINAGE OF 50-CENT PIECES IN COMMEMORATION OF THE TWO HUNDRED AND FIFTIETH ANNIVERSARY OF FOUNDING AND SETTLEMENT OF NEW ROCHELLE, N. Y.

Mr. MILLARD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 10489, an act to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding and settlement of the city of New Rochelle, N. Y., with Senate amendments.

The Senate has amended the bill and the gentleman from Missouri [Mr. COCHRAN] offered an amendment which was adopted. I wish to amend it by striking out "1936" and inserting "1938" and striking out "5" and inserting "25."

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That in commemoration of the two hundred and fiftieth anniversary of the founding and settlement of the city of New Rochelle, N. Y., there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 25,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

"SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of a committee of not less than three persons duly authorized by the mayor of the city of New Rochelle, N. Y., upon payment by it of the par value of such coins, but not less than 5,000 such coins shall be issued to it at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such committee, and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

"SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MILLARD. I ask that the proceedings by which the House agreed to the amendment be vacated.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MILLARD. Now, Mr. Speaker, I offer the following amendments.

The Clerk read as follows:

Page 1, line 12 of the Senate amendment, strike out "1936" and insert "1938."

Page 2, line 1 of the Senate amendment, strike out the word "five" and insert "twenty-five."

The amendments were agreed to.

KEEPING FAITH WITH THE UNITED STATES

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on Puerto Rico.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. IGLESIAS. Mr. Speaker, Members of the House, under date of April 23 Senator TYDINGS, of Maryland, introduced in the Senate S. 4529, on the question of independence for Puerto Rico.

This bill has created considerable agitation, protests, and controversy in Puerto Rico.

I feel it my duty to call the attention of the House to the effect that the passage of such a bill would have on the life and future of our loyal American citizens of Puerto Rico, and for this reason I desire to address the House.

Senator TYDINGS' "cyclone bill", providing for a referendum in Puerto Rico on the question of independence, will not devastate, nor will it destroy, summarily the lives and homes of the innocent as is the case with natural cyclones, but this "cyclone bill" has stirred up impetuously and profoundly the sentimental, moral, and spiritual fundamentals of the citizens of Puerto Rico that love our American institutions.

This "cyclone bill" represents a tremendous ingratitude and scorn to the majority of all citizens of the United States in the island that for 38 years have been fighting a thousand battles to obtain American liberties, cultivating and maintaining with absolute convictions, the principles and ideals of the democratic institutions of the United States of America.

This "cyclone bill" appears as though conceding certain determined liberties, but in its essence it tries to do away with all existing freedom and rights in Puerto Rico, throwing us into tragedy, fascism, and iniquity, without giving us the right to pass upon our own form of Government and imposing on us the exclusive vote for "independence."

The Tydings "cyclone bill" starts by destroying the sentiments of the people, demoralizing the American institutions in the island that for 38 years educated and guaranteed our public rights and the life of our people and will terminate by devastating the island economically to the satisfaction and delight of some individuals and material interests. It means ruin and desolation.

The argument that there exist groups in Puerto Rico favoring independence is not a reason why it should jeopardize the rights of the majority of the people that have maintained the sane and sincere doctrine of "permanent union of Puerto Rico with the United States."

It is the same as if by the mere fact that there now exist various groups in the Nation with communistic tendencies Senator TYDINGS should introduce a bill to determine by a plebiscite if the United States should constitute itself into a Soviet Republic.

The "cyclone bill" of Senator TYDINGS is unjust, arbitrary, ingrate, and devastating for Puerto Rico.

It is indeed very deplorable and regrettable and an injury that without proper consultation with the majority of citizens of the United States in Puerto Rico, the Governor, the Legislature of Puerto Rico, and other constituted authorities of the island such a measure should have been introduced.

The American Federation of Labor has for many years helped to obtain freedom for the workers of Puerto Rico, the guaranty of public assembly, and the right to organize and better their economic and social conditions within the fold of our American institutions. The workers of the island are very grateful for all of this.

The "cyclone bill" of Senator TYDINGS is a destructive measure and certainly will bring about nothing but despair among the people who love the American democracy. The charges of fraud at the elections has the same weight with us as if because of electoral frauds and killings in some of the sections of continental United States it should be proclaimed that the American form of government does not work out well in the United States.

The people of Puerto Rico as a whole are no more responsible for the assassination of Colonel Riggs than the people of the United States for the assassination of the great Presidents Lincoln, McKinley, or any other great man of the Nation. Nor can it be forgotten the assassination of Mayor Cermak in Florida.

It is unfortunate for the island that since the affairs of Puerto Rico were transferred to the Department of the Interior and Dr. Ernest H. Gruening was made the head of the division in charge of the affairs of Puerto Rico, the island has felt the petty political activities from Washington that have been imposed upon the people of Puerto Rico in utter disregard of our organic act, approved by Congress in 1917, which granted us American citizenship after it had been requested time and again from Congress for many years by all parties and by all the people.

The United States, according to the "cyclone bill", is breaking faith with all those that have worked for American ideals in Puerto Rico and with all Governors that have constantly preached and advocated love to the American institutions.

The beautiful island of Puerto Rico which has made wonderful progress in all directions during the American regime, is one of the first customers of commodities of the mainland, and has had over three thousand millions of dollars of commerce with the United States the last 36 years, two-thirds of which has benefited business of the continent. The money sent for relief and reconstruction is practically a compensation to the people of the island, and of which money two-thirds reverted right back to the mainland again.

I suggest that Senator TYDINGS read the official documents of Governor Beverly and the Secretary of War regarding Puerto Rico, referring to our elections of 1932, where it is affirmed that said elections were legal, clean, and just.

NATIONAL FLOOD CONTROL DEMANDED BY INCREASING HAZARDS AND DESTRUCTION

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including an address delivered by me on April 27, 1936, at the Thirty-first Annual Convention of the National Rivers and Harbors Congress.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WHITTINGTON. Mr. Speaker, under the leave granted me to extend my remarks in the RECORD I include the following address, which I will deliver today in Washington, D. C., at the Thirty-first Annual Convention of the National Rivers and Harbors Congress, to wit:

Through the centuries man has searched the continents for abundant waters. At the same time he has sought protection for life and property from uncontrolled waters. Those enjoying abundant waters are now and have always been subject to the perils of floods.

Nations have lost their civilizations because they have mismanaged their lands. China today is a victim of famine and of recurring disastrous floods largely as a result of land abuse and mismanagement.

In the New World there was a revolt against the economic restraints of the Old World. America had apparently inexhaustible resources. With the march of our civilization our national resources are being destroyed. The American attitude is to develop and to exploit. There has been expansion and development, but the policy of exploitation, unless corrected, will lead to the destruction of the natural resources of the country.

The soil has been robbed of its roots and of its grasses. The crust of the earth has lost much of its topsoil, the sod has been plowed, the timber has been cut, the forests have been cleared, the swamps have been drained, canals have been constructed, and rivers have been straightened. The floods come down on homes, farms, factories, and cities, especially in the great alluvial valley of the Mississippi River, in everincreasing volume.

Floods have been accentuated by the clearing of hills and mountains; the velocity of streams has been increased by the building of ditches and the construction of canals. Floods, sometimes caused by cloudbursts, are usually caused by unprecedented rainfall. Floods have not increased in frequency in recent years; snows and rains have been similar through the ages. There is system and regularity in the processes of Nature; floods may be no more frequent now, but because of the development, especially along the lower reaches of the Mississippi River, the floods are of longer duration and of greater magnitude. The works of man have contributed to the perils of floods.

Hernando De Soto found the Mississippi River in flood when he discovered the father of waters. The historian of his expedition gives the following first authentic account of a Mississippi flood in 1543. I quote from Vega:

"It was a beautiful thing to look upon; a sea where there had been fields, for on each side of the river the water extended over 20 leagues of land and all of this area was navigated by canoes and nothing was seen but the tops of the tallest trees."

There were great floods in the United States before the advent of the white man. There were floods before the land was cultivated or the forests cleared. De Soto, as I have stated, found the Mississippi River in flood in 1543; it was a vast inland sea with an average width of 50 miles and a length of 1,100 miles.

LaSalle found the Mississippi River out of its banks in 1684.

The Mississippi River gage at St. Louis in the great flood of 1844 had a higher reading than any flood since. But little timber had been cut, substantially no deforestation obtained in the upper Mississippi Valley or along the Ohio and Missouri Rivers. The soil was virgin and the forests were primeval.

CONSERVATION

I believe in the conservation of the soil, as well as the conservation of all of our national resources. A vast change has been made by draining the lowlands, the marshes, and the swamps; the timber resources of the country have been largely dissipated, the soil has been robbed, our national heritage has been squandered. Every generation should leave the soil as fertile as it was found.

I favor the policy of conservation, I believe in reforestation. There is no conflict between these measures and plans for flood control; they are worth while; they can stand on their merits. It is not necessary for those who advocate the conservation of national resources to maintain that the policy will result in the control of floods. Those who advocate reforestation and soil conservation as substitutes for flood-control measures deal in generalities; they fail to submit any data to show either the costs or results of soil conservation or reforestation as flood relief and control methods; they overlook the fact that long before the soil was depleted or the forests were wasted there were great floods along all of the rivers and streams in the United States. There is a proper place for the conservation of the soil, for the preservation of the land, and for the protection of our national resources. The land must be properly cultivated and properly managed, a long-range policy to preserve the public domain must be adopted. The policies are related to sound policies of flood control but soil conservation and flood control are by no means synonymous.

HAZARDS

The hazards of floods are more numerous and the destruction is greater than formerly. The population of the United States has increased from 3,000,000 to 125,000,000; the factories and fields of America surpass those of any other nation. Floods are therefore more destructive. Sometimes the loss of life is less but the damages are far greater. The Johnstown flood of 1889 came without warning; 2,209 lives were lost; the damages amounted to $10,000,000. In 1936 there were warnings; weather forecasts were accurate; the telephone, telegraph, and the radio enabled people to escape; moreover, the citizens of Johnstown made the reservoirs more secure and built their homes higher up on the hillside, but business and commerce obtained along the river and in the valley. The damages of the flood in 1936 amounted to $30,000,000, while less than a dozen lives in Johnstown were lost, but the poorer citizens lost more heavily as is always the case.

The Government is not an insurer of its citizens against the hazards of the elements. As has been truly said, we shall always have heat and cold, lightning and tidal wave, earthquake and tornado, flood and drought. It is not a province of the Government to undertake to reimburse its citizens for losses incurred as a result of the acts of God, but the Government is charged with responsibility for the welfare and security of its citizens. The Government is charged with the responsibility of rebuilding public works that are damaged or destroyed. The leading nations in all the ages, as a proper governmental function to promote the general welfare, have provided for public works. The improvement of rivers and harbors is of benefit to the entire Nation. There is the humanitarian responsibility to relieve citizens in distress; there is the obligation to provide for employment. Permanent and beneficial public works always contribute to the progress and advancement of the Nation.

PUBLIC OPINION

Public opinion has been focused upon flood control and flood prevention as national issues by the disastrous floods of recent years, and especially the past 2 years. In 1932, 1933, and 1935, there were excessive floods along the tributaries of the lower Mississippi River, including the St. Francis River in Arkansas and the Yazoo River in Mississippi. In 1935 there were enormous floods in the Finger Lake region in central and southern New York and northern Pennsylvania. These floods were largely the result of cloudbursts. In 1936 there were other disastrous floods in New York, Pennsylvania, and nine other States along the Atlantic seaboard and in New England. The melting of the snow of an unusually hard winter was supplemented by unprecedented rains. From March 18 to March 25, 1936, floods occurred in 11 States; 170 lives were lost and according to conservative estimates, property valued at $350,000,000 was destroyed. The damages were especially great in the Pittsburgh area and in the New England States.

FEDERAL INTEREST

Floods know no State lines; neither floods nor dust storms respect States' rights. Floods are not concerned with the capacity to pay of the citizen drowned, nor are they concerned with the ability to pay of the citizen whose property is destroyed.

Minor or local floods may be handled by local authorities, but general flood problems are beyond the capacity of the local interests to solve. Floods, especially on the larger rivers, are the destructive enemies of both life and property. Flood control along the navigable streams where diverse interests are involved is the proper function of the Federal Government. Many rivers are navigable and traverse two or more States. The Federal interest arises from general improvements, especially in interstate streams. State and local interests are unable to provide works made necessary by improvements in other States.

States and local interests are without the facilities to make thorough the studies and investigations required for flood control works along the larger streams and rivers. Drainage and flood-control works have been constructed at immense cost to the taxpayers of the Nation; investors in all parts of the country have bought bonds that were issued for the construction of the works. In many cases, because of inadequate engineering data and inability of the local interests to provide the necessary investigations, the works are utterly inadequate and losses have accrued to the people of the Nation. Sooner or later the losses from major floods must be absorbed by the Nation. For years it has been apparent that the

public interests would be promoted by surveys and examinations of the rivers of the country.

The States and local interests have constructed levees and canals as flood-control works along many of the tributaries of the Mississippi River; levees have been built to protect farms and cities along the Wabash River in Indiana and Illinois. The Miami Conservancy District, with a system of detention reservoirs, protects Dayton and nine other Ohio communities from a repetition of the disastrous flood of 1913. Levee and drainage works have been constructed along the Illinois River, the Des Moines River, the upper Mississippi River, the Missouri River, the Arkansas, the White, and St. Francis, the Red, and the Yazoo Rivers. Levees and other improvements have been made along the lower Columbia River in Washington and Oregon and the Sacramento River in California.

A large amount of work has been done by the local interests throughout the United States. Approximately a billion dollars have been expended by the local districts; progress has been made in flood control but the problem is yet unsolved.

LESSONS

In 1900, 5,000 lives were lost and property valued at $17,000,000 was destroyed by the hurricane waves of the Gulf of Mexico at Galveston. For 30 years Galveston has been protected by a sea wall.

In 1908 Portsmouth, Ohio, at a cost of $750,000, constructed a concrete wall. While other cities in recent floods along the Ohio River were greatly damaged, Portsmouth was secure.

In Vermont the Winooski Dams justified their existence in the floods of New England in 1936. The valleys below were protected, while unprotected valleys in New England were greatly damaged.

Floods cannot be prevented, but they can be reasonably controlled.

HASTY LEGISLATION

As a result of recent floods, much hasty legislation is being advocated; inadequate and unworthy flood-control projects are being promoted. It is well to keep in mind that great floods are of rare occurrence. There is no need for undue haste in the adoption of flood-control measures; well-considered plans for every project should be perfected. On the other hand, where careful studies, surveys, and investigations have been made, where plans have been perfected, where the danger justifies, and where the benefits are evident, there is no excuse for delay. Adequate legislation in all such cases should be passed.

CONSTITUTIONAL AUTHORITY

Congress has power to improve waterways for navigation and for interstate commerce. The commerce clause is not the only constitutional basis. The necessary and proper clause of the Constitution gives ample authority. There is power to provide for the general welfare and to make "all laws which shall be necessary and proper for carrying into execution the foregoing powers." If the end be legitimate, if it be within the scope of the Constitution, all means that are appropriate and plainly adapted and that are not prohibited are constitutional.

There is a difference between the power to appropriate and the power to regulate and control; moreover, the Constitution is broad enough and flexible enough to give to Congress, within its terms, authority to meet fundamentally changing conditions. The Constitution was made for society; man was not made for the Constitution. Under constitutional government, as under parliamentary governments, public opinion, thoroughly crystalized and considered, is a controlling factor in the interpretation of the Constitution.

But, there is no occasion for further discussion of constitutional authority. Congress has assumed jurisdiction for the control of floods. Congress has declared that flood control along the lower Mississippi River is a national problem and that the problem should be solved at the expense of the Nation.

Works for flood control have been constructed along the Tennessee, the Columbia, the Colorado, the Missouri, the Ohio, and the Monongahela Rivers. Congress has contributed to flood-control works along the Sacramento River, and at Lake Okeechobee, in the State of Florida.

SURVEYS

In response to well-considered public opinion, Congress has made provision for surveys of practically all of the rivers of the United States. The people are entitled to know the value of their natural resources. The investigations cover power, flood control, navigation, and irrigation.

The River and Harbor Act of January 21, 1927, and section 10 of the Flood Control Act of May 15, 1928, made provision for the most extensive waterways studies ever undertaken. These investigations were made in accordance with House Document 308, Sixty-ninth Congress, first session. They are generally referred to as "308 documents."

Some 220 rivers and their tributaries have been investigated; 64 of these streams are covered by both the act of 1927 and the act of 1928. The Federal Government has expended $10,300,000 in studies and reports. Substantially all of the surveys have been reported to Congress. The information contained in the reports is of incalculable value to the country.

The Corps of Engineers have investigated some 1,600 projects; the cost of construction amounts to $8,000,000,000. Economically, some of the projects investigated are not justified, but it is believed that 50 percent of the projects studied can be justified from an economic standpoint inasmuch as the benefits exceed the costs of construction. Some of the projects are justified for the protection of human life and for the social security of the people.

ENGINEERING

The science of flood-control engineering has not kept pace with flood-control problems. The schools and universities of the United States have neglected engineering courses to promote the teaching of flood-control engineering.

There are but few first-class textbooks on the economics of flood control. Flood measures involve social, legal, and economic aspects; they require scientific investigation and careful study; one treatment applies to alluvial rivers and another method obtains on nonalluvial streams. In all plans, damages and benefits should be equated. There are many differences respecting the measure of damages. It is difficult to estimate benefits. Generally, the benefits as determined by the courts offer the best criterion.

Cloudbursts often cause floods. This is especially so on smaller streams and rivers. No serious study has ever been made respecting floods caused by cloudbursts, but no area in the mountain or in the valley is immune from cloudbursts.

It would be economically unsound to build streets in the municipalities or highways in the country to protect against the cloudbursts that occur once in a century. It would be equally impracticable and unsound to construct flood-control works where the benefits do not justify as a result of cloudbursts that may come but once in three or four generations. The science of flood control must be perfected.

All floods are not attributable to the same causes. Some result from heavy snows, some from cloudbursts, but generally the cause of floods is unprecedented rainfall.

Rivers differ. All rivers do not have the same characteristics; they are of two general classes, alluvial and nonalluvial. The nonalluvial river is one that has excavated its channel; the alluvial river builds up its own valley. The nonalluvial river carries in its channel all or the greater portion of its floodwaters; it seldom has a serious flood problem. The alluvial river normally carries only a part of its floodwaters in its channel; it usually has a serious flood problem. The Mississippi River in its natural state in the latitude of Vicksburg has a discharge capacity of approximately 1,000,000 cubic feet per second. This is about one-half the ordinary flood and about one-third of the maximum probable flood. The Sacramento River, at a corresponding point, carries in its natural state about one-tenth of its maximum probable flood.

Because of the lack of scientific flood-control information, there are many opinions respecting floods that are neither sound nor supported by the facts. Engineers often do not have the technical knowledge; there is not sufficient data on topography, floods, or flood damages. Accurate plans for flood prevention in many cases are not available.

The Corps of Engineers of the United States have been studying floods for more than a hundred years; they have had more experience in flood-control prevention than any other engineers in the United States or, for that matter, in the world. The engineering school of the corps is an outstanding institution. It is fortunate for the people of the Nation that the surveys provided by Congress have been made by an impartial agency and by the most competent engineers. Plans are thus available for Congress or for any district or State that desires to initiate or construct flood-control projects.

METHODS

Generally speaking there are four methods of controlling floods. Of the four methods, levees are the surest and most commonly used. They hold the water off of the land and confine it to established channels of discharge.

The second method is to increase the slope or cross section of the natural channel by enlarging the discharge capacity by means of widening, deepening, and straightening the stream.

The third method involves the diversion from the main channel into auxiliary or emergency channels of the flood waters in excess of the carrying capacity of the main channel.

The fourth method proposes to hold back temporarily from the natural channels waters in excess of their natural discharge, in reservoirs along the watershed, with provision for the release of stored waters when and as it may be safe to carry them away in the natural channels.

LEVEES

Levees is the best known method of flood control; it is the only method that can be used alone to solve major flood problems; it is normally the most satisfactory and the least expensive method; other systems are aids to the levee method; it has obtained in all countries and it has been tried in all civilizations; it is especially applicable to alluvial rivers; in fact, it is the primary method of flood control along alluvial rivers.

Four thousand years before the discovery of the Mississippi River by De Soto in 1543, the Pharoahs built levees along the Nile.

In Italy the Poe had been controlled by levees prior to the year A. D. 1300.

Levees were constructed along the Danube, the Rhine, the Rhone, the Volga, and other European rivers before A. D. 1700.

Holland has built dykes to keep back the waves of the sea through the centuries. Long before the white man came to America Holland constructed dikes to reclaim lands and to protect the people from the waters of the ocean.

DREDGING AND CUT-OFFS

Dredging contemplates enlarging the stream capacity. Generally the costs are excessive. Again, channel straightening and channel shortening involve cut-offs across bends. In the lower Mississippi River there are cut-offs; they are still in the experi-

mental stage; they give hope and promise of increasing the discharge capacity and lowering ordinary floods; they are most promising especially in minor floods, but their effect in major floods is still speculative; the results are problematical.

The experiments made indicate that marked benefits will result but generally deepening and shortening alluvial streams will not solve the problem of floods. Nature has a way of restoring the equilibrium of its rivers—filling follows dredging. Cut-offs on alluvial streams or along alluvial rivers have not been demonstrated to be satisfactory methods of flood control.

DIVERSIONS AND FLOODWAYS

Flood control along the lower Mississippi River, as well as along the Sacramento and probably other streams, contemplates the diversion method. This involves the diversion of the excess waters; in alluvial streams the troughs of the basins are lower than the banks of the river.

The question of controlled and uncontrolled diversions becomes important. Generally, diversions may be classified as humanly controlled, automatically controlled, and uncontrolled.

The outstanding example of a controlled diversion is the Bonne Carre spillway. The Government owns the lands in the spillway. There are none to protest against the operation of the spillway, but where the diversions occur over lands that are grazed or cultivated the human element must be considered. Experience has demonstrated that the automatically controlled diversion, in such cases, is by far the most satisfactory. One humanly controlled diversion was constructed along the Sacramento River; two automatic diversions were built. There was always difficulty about the operation of the humanly controlled diversion; those who had property in the path of the floods that would be diverted protested; those who were injured because of the excess waters urged the operation of the floodway.

The humanly controlled diversion contemplates a movable dam or other structure which can be operated to control the flow of the water through or over it. The automatically controlled structure contemplates a permanent spillway or sill that will not be destroyed as a result of the diversion of excess floodwaters.

Uncontrolled diversions are generally synonymous with what are called fuse-plug levees. These levees are of lower elevation than the levee on the opposite side or the levees above or below. Their advantage is that the first cost is inexpensive; the disadvantage is that after being crevassed they are not available before the next flood comes.

The term "fuse-plug levee" is new. As a matter of fact, it has obtained, especially in the lower Mississippi Valley, for years. The levees that were lower than the levees on the other side of the stream were the first to crevasse. Those who criticize the fuse-plug levee in one area of the lower Mississippi River have advocated its inclusion in another area. Much damage could be done by not restoring a crevassed levee in time for the next flood season. Automatically controlled structures, therefore, are the most desirable in important diversions.

RESERVOIRS

Reservoirs provide an ideal method of flood control from a strictly engineering standpoint, but the costs are excessive. The costs of reservoirs on the headwaters of tributaries for flood control in the lower stretches of alluvial rivers are really prohibitive.

Reservoirs are effective for the control of floods especially along the smaller streams and the tributaries of the larger rivers. There are two types of flood reservoirs—storage and detention. In the storage reservoirs all water can be held and released through controlled outlets. Rapid emptying is necessary in storage reservoirs. In detention reservoirs the outlets are permanently opened to provide ordinarily for the normal flow of the stream. This method has been used for the flood-control dams along the Miami River in the Dayton, Ohio, area.

Reservoirs for flood control along the lower Mississippi River have been advocated especially by those who live along the tributaries. While an ideal method of control, the costs are excessive and long delays in construction would result.

Section 10 of the Flood Control Act of 1928 directed the Mississippi River Commission to investigate most thoroughly reservoirs along the tributaries. The purpose was to ascertain if reservoirs could be constructed so as to eliminate provisions for diversions or floodways.

A comprehensive report was submitted and was published as House Document 259, Seventy-fourth Congress, first session. One hundred and fifty-seven reservoirs were investigated; the total capacity was approximately 94,000,000 acre-feet; the estimated cost was $1,126,121,000. The Chief of Engineers, the Board of Engineers for Rivers and Harbors, and the Mississippi River Commission reported that if these reservoirs along the Mississippi River were constructed and in operation, a diversion either through the Boeuf Basin or through the Macon Basin, could be eliminated, but they further reported, as all accomplished engineers agree, that the levee system that now obtains, with the reservoir system, would be imperative and must be maintained to protect the lower Mississippi Valley from maximum floods.

Those promoting reservoirs for local flood control along the tributaries of the Mississippi River make the mistake of asserting that the policy of levees has failed. In their eagerness for local protection they would destroy protection in the lower Mississippi Valley.

Gen. H. B. Ferguson, president of the Mississippi River Commission, in testifying before the Flood Control Committee of the House in May 1935, said that about 12 percent of the storage of the 157 reservoirs at about 14 percent of the estimated costs of the 157 reservoirs had been constructed at Fort Peck, on the Muskingum, the Tigret, and the Tennessee Rivers, but he stated that the combined effect would be to reduce the floods only 50,000 cubic second-feet at the mouth of the Arkansas River, where in a maximum flood there are a million cubic feet that must be diverted. The effect would be to reduce the floods at the mouth of the Arkansas River one-half a foot.

Again, Gen. Edgar Jadwin, Chief of Engineers, estimated that in the flood of 1913 if all of the water flowing by Pittsburgh on the Ohio River, all of the water flowing by St. Paul on the Mississippi River, and all of the water flowing by Sioux City on the Missouri River had been held back by reservoirs, the flood waters south of Cairo would have been reduced by only 2 percent.

The reservoirs on the Miami River in Ohio contribute to reducing the Cairo gage one-fifth of an inch.

Arthur E. Morgan, chairman of the Tennessee Valley Authority, made the following statement in connection with the great Mississippi flood of 1927:

"The excessive rains which cause any single flood seldom extend over more than 20 percent of the whole drainage area of the Mississippi River. * * * Flood control of the lower Mississippi by means of reservoirs on the headwaters of the streams is a delusion."

The Chief of Engineers has repeatedly testified in hearings on flood control that the control of the floods in the lower Mississippi Valley cannot be accomplished by reservoirs on the tributaries of the Mississippi River. The cost of construction is prohibitive and the time required would unduly and dangerously delay protection, but if constructed the diversions are necessary insurance while the reservoirs are being built.

Reservoirs constructed primarily for flood control cannot be used for the development of power or for reclamation. It takes an empty reservoir to provide for flood prevention, while it takes a full reservoir to generate power.

Again, reservoirs constructed for flood-control purposes to benefit the lower Mississippi River cannot benefit the local areas as fully and as completely as reservoirs constructed primarily with the view to protecting the local area along the headwaters of the tributaries. The most effective reservoirs for flood control along the lower Mississippi River are those that are located closest to the alluvial valley, as in the Yazoo Basin.

But there is a place for reservoirs; they are beneficial for flood control along the tributaries. There are areas that can be protected by the use of dams. This is especially true where the benefits will exceed the costs of construction.

The best way to promote reservoirs along the tributaries is to concede that they supplement but cannot substitute for levees or diversions along the lower Mississippi River.

MISSISSIPPI RIVER

The Mississippi River is the great drainage canal of the Nation. The alluvial valley extends from Cape Girardeau, Mo., to the head of the passes where the river flows into the Gulf of Mexico. The distance by river is 1,100 miles, but as the crow flies the distance is 600 miles. The valley ranges from a width of 20 miles in the vicinity of Natchez to a width of 80 miles in the vicinity of Greenville, the average width being 50 miles. Twenty million acres, before the building of levees, were subject to overflow. The major floods come on an average of once in 15 years. Ordinary or minor floods occur from 5 to 10 years. The area includes the St. Francis Basin, the Yazoo Basin, the Tensas Basin, composed of the Boeuf and Macon Valleys, the Atchafalaya Basin, and the LaFourche Basin, as well as the alluvial lands adjacent to the Mississippi River on the east bank around Lake Ponchartrain.

The territory drained by the Mississippi River and its tributaries consists of all or parts of 31 States, is equivalent to 41 percent of the area of the United States, and has a total area of 793,600,000 acres. The problem of flood control in the lower Mississippi Valley involves confining the waters between levees 4 miles apart from Cairo to the Gulf that formerly covered a channel 50 miles wide.

Bienville chose the site for New Orleans because it was about high water at the time he found it. The first levee built at New Orleans was in 1717. Ten years later it was the boast of the Governor that the levee was a mile long and 18 feet wide. The country was being settled; lands were being cleared. By 1812 the landowners had leveed the river on both banks for 340 miles above and below New Orleans.

By 1927, the entire levee line from Cape Girardeau to the Gulf had been substantially completed to the 1914 grade. The total amounts contributed by the Federal Government for building the levees, as compared with the local contributions, were small. All of the natural outlets were closed except the outlet through the Atchafalaya River.

The history of the improvement of the Mississippi River, the largest and longest, navigable river in the world, is interesting. The improvements were begun and continued until 1927, primarily in aid of navigation. Flood control came in at the back door. It is worthy of note in passing that more tonnage is carried along the Mississippi River today than in the halcyon steamboat days before the coming of railways.

Congress in 1820 appropriated $5,000 to investigate the Ohio and Mississippi Rivers. S. Bernard and Joseph G. Tutten, Army engineers, made the surveys and submitted the report in 1822. It was in 1850, upon the election of Gen. Zachary Taylor as President, that Congress appropriated $50,000 for starting the surveys made by the Army engineers, Humphreys and Abbott. General Taylor had been a cotton planter in Louisiana; he had lived on the banks of

the Mississippi River. The report of these engineers made in 1861 remains as the most authoritative report ever published on the Mississippi River, or on any other river.

During the War between the States improvements along the Mississippi River were interrupted. Following the war the States and local interests were unable to rebuild. The levees built by the local interests were destroyed during the war by the armies of the contending forces for military purposes. The great floods continued to appear.

From the first Federal aid for improvements along the Mississippi River was primarily for channel stabilization to promote navigation; however, leading statesmen advocated flood control—Henry Clay, John C. Calhoun, Thomas H. Benton, Abraham Lincoln, and James A. Garfield were among the American statesmen who advocated the improvement of the Mississippi River for commerce and for flood control.

The Mississippi River Commission was organized in 1879. In 1881 Congress appropriated $1,000,000 for improvements on the Mississippi River, primarily for navigation.

An appropriation of $4,000,000 in 1882 was vetoed by the President. Subsequent appropriations were increased, and by 1912, $6,000,000 was being appropriated annually.

The Flood Control Act of 1917 authorized the first definite appropriation for flood control. The Government contributed one-half the costs of building levees where the local interests had been unable to build them. The work was interrupted and impeded by the World War. A subsequent flood-control act was passed in 1923 with an authorization of $60,000,000. It was intended to supplement and reenforce the Flood Control Act of 1917 interrupted, as I have stated, by the World War.

The policy of levees only prevailed. The Cypress Creek outlet in the vicinity of Arkansas City, at the head of the Boeuf Basin, was the last natural outlet to be closed. A monumental mistake was made. This outlet was closed in 1921. The great flood of 1927 demonstrated that levees only would not solve the problem. Two hundred and forty-six people lost their lives; 700,000 people were driven from their homes; the lower Mississippi Valley was flooded from April until August; no crops in many areas were made; property was damaged and destroyed, according to the report of the Chief of Engineers, in value from $200,000,000 to $400,000,000. The American people voluntarily contributed, through the American Red Cross for rescue and relief work, $18,000,000.

Congress, in response to public sentiment, put its hand to the plow. The people of the lower valley had done their best; they had spent $292,000,000, according to the report of the Chief of Engineers, in an effort to protect their lives and their property. It was apparent to the country that they were unable to protect themselves from the waters that came from points as far east as Pittsburgh and as far west as Idaho and from the waters of all the territory between the Alleghenies and the Rockies.

The local interests had incurred large indebtedness in building the levees to the 1914 grade. There were millions of dollars in outstanding bonds; recurring floods had resulted in bankruptcy to some of the local levee boards. The Flood Control Act of 1928 was passed; $325,000,000 were authorized. The project provided for diversions, spillways, and floodways to supplement levees. The Flood Control Act in express terms declared, and I quote from the act:

"No local contribution to the project herein adopted is required."

Nevertheless, in spite of their large outstanding bonded indebtedness, the people of the Lower Mississippi Valley were required to furnish the rights-of-way and to maintain the works. Because of the improvement of the country the costs to the people of the Lower Mississippi Valley since the Flood Control Act of 1928 have been substantially what they were prior thereto.

The Flood Control Act provided for an uncontrolled or fuse-plug levee in the vicinity of Cypress Creek. The outlet in that region, as I have stated, had been closed in 1921. Highways had been constructed; lands had been cleared; cities had been established. It was the intent of the act to compensate those who had relied upon the protection of the Government when the outlet was closed in 1921. The property owners have never been compensated. The uncontrolled diversion has always been a source of dissatisfaction and irritation.

No responsible person believed that $325,000,000 would complete the project when the act of 1928 was passed. The Committee on Commerce of the Senate on March 24, 1928, in reporting the bill, made the following observation:

"This work is of such magnitude that the sum of $325,000,000 must be considered as simply an estimate. The actual cost of the work will doubtless be much more. If, as the work nears completion, an additional sum is found to be necessary, there can be no doubt but that Congress will authorize its appropriation.

Maj. Gen. Edward M. Markham, Chief of Engineers, at the hearings before the Commerce Committee of the Senate in January 1936, stated that the costs of protecting the alluvial valley, as recommended by the Mississippi River Commission in 1923, was approximately $775,000,000. He further stated that no one had any expectation that $325,000,000 would effect complete flood control in the lower Mississippi Valley. Moreover, in all of the appropriations made by Congress since the Mississippi River Commission was established in 1879, provision has been made for navigation. It has played a most important part; $100,000,000 of the $325,000,000 authorized in the act of 1928 were for the improvement of the Mississippi River for navigation.

YAZOO AND ST. FRANCIS RIVERS

The Yazoo River in Mississippi and the St. Francis River in Arkansas are located in the alluvial valley. The residents are being taxed for flood protection along the lower Mississippi River. There are 4,250,000 acres of land in the Yazoo Basin. There are two flood problems—one from the overflows of the Mississippi River and the other from the overflow of the Yazoo River system. The Yazoo River takes its source near the Tennessee State line and flows southerly along the foothills of the Yazoo Basin and empties into the Mississippi River at Vicksburg. While the Flood Control Act of 1928 declared that flood control in the lower Mississippi Valley was a national question and that the local interests should not be required to make contribution, the fact remains, as I have stated, that at the time of the adoption of the act the local interests were required to maintain the works after completion and to provide for rights-of-way.

There were millions of dollars in bonds outstanding. The people in the Yazoo Basin, including the Yazoo River system, are now and have been for 75 years contributing to flood-control works along the Mississippi River. In addition, they have expended, as shown by the report of the Chief of Engineers, $20,000,000 for local protection; they have taxed themselves to the limit; they have paid for protection which they have not received. The cases of these rivers are different from any other stream. No other streams, except those now protected in the alluvial valley, are paying for flood works along the lower Mississippi River. Flood-control projects, therefore, along the Yazoo and St. Francis Rivers are included in the pending Overton bill. I repeat that their cases are different from any other rivers that are tributary to the Mississippi River. No other similar taxpayers are now and have been contributing to flood-control works along the Mississippi River. The valleys of these two tributaries are the largest, most productive, and highly improved along the Mississippi River.

OVERTON BILL

On February 12, 1935, after further examination and after thorough study, the Chief of Engineers recommended an expansion and enlargement of the Flood Control Act to provide for the substitution of a controlled diversion, with compensation for flowage rights, at Eudora as a substitute for the Boeuf fuse-plug diversion. Provisions for compensation and for diversion in the Atchafalaya Basin were contained in the recommendation. Flood-control works along the St. Francis and Yazoo Rivers affected by the backwaters of the Mississippi River and located wholly within the alluvial valley were contained in the recommendation.

The Overton bill was considered by the Senate for 3 months. It contains an authorization of $272,000,000. It provides for compensation for flowage rights in the Eudora diversion and in the Atchafalaya Basin. It recognizes and emphasizes that the Flood Control Act of 1928 is sound; that all of the appropriations that have been made for flood protective works by Congress for the past 50 years were wise. The levees only system did not wholly fail; it was inadequate. They were not large enough. It has been supplemented by diversions. All of the money appropriated under the act of 1928 will be utilized; every foot of levee constructed will be continued. There is no change in the fundamental features of the adopted project. The recommendations of the Chief of Engineers are for the expansion and for the enlargement of the project. While it involves an authorization of $272,000,000, $72,000,000 is for channel stabilization and in aid of navigation. The Treasury of the United States is protected. Much has been said about the costs of lands and damages to utilities and railroads. The taxpayers of the Nation are protected. Their rights are safeguarded. The bill provides that the diversions will not be made until and unless flowage rights and property can be acquired at a valuation not to exceed $22,500,000. The amounts authorized will be spent for levees and other protective works. Revetments will be constructed in aid of navigation; stabilization and channelization to promote navigation will obtain.

The Senate has passed the bill. It is now pending in the House. It is sound; it is recommended by the Chief of Engineers; it has been 9 years since a major flood occurred in the lower Mississippi Valley. Delay is dangerous; we are approaching another flood.

There is universal sentiment that the Federal Government should bear the costs of an adequate flood-control system in the lower Mississippi Valley. Congress has so declared in the Flood Control Act of 1928. The pending bill is merely a supplemental authorization to carry out the provisions of the original act and to give effect to the intent of Congress.

Delay is dangerous. The Mississippi River has been studied more carefully than any other river in the world. The solution of the flood-control problem is known. Only the execution of the project remains.

Those who advocate flood-control works in other parts of the country can best promote their adoption by conceding that the problem of flood control in the lower Mississippi Valley should be treated as separate and distinct from any other flood-control problem in the country. The Chief of Engineers so recommends. He speaks for the country; he is impartial. Cooperation and not criticism or selfish opposition will promote flood control not only in the lower Mississippi Valley but throughout the country.

OMNIBUS BILL

In 1935 Congress passed and there is now pending in the Senate a flood-control bill for flood-control works along many of the principal rivers of the United States. The bill, as introduced in the House, contemplated only such projects as the Chief of Engineers approved; it was intended that only those projects where

the benefits exceed the costs would be embraced in the measure. It was passed by the House at a time of widespread unemployment. There were adequate safeguards; the local interests were required to cooperate. The bill provides generally that the works will not be done until and unless the States or other responsible local interests furnish rights-of-way, agree to save the Government free from all damages, and maintain the works after their completion.

The best way to promote flood control is to insist that all unworthy projects be eliminated. A sound program must obtain.

The Senate committee is giving careful consideration to the bill, and earnest efforts are being made to pass an omnibus flood-control measure that will have the approval of the Chief of Engineers of the United States. The bill, as amended by the Senate, containing a policy has been ordered reported to the Senate.

PLANNING

During the past 3 years agencies have been established to study flood-control problems. Too many agencies, however, result in inefficiency. There is a further danger that we are likely to become top-heavy with commissions. The danger with planning is that too much of it is theory. Excellent work was done by the Mississippi Valley Committee of the Public Works Administration and by the National Resources Board; however, their recommendations respecting flood control have followed generally the recommendations of the Corps of Engineers of the United States Army in the surveys to which I have referred. It is a tribute to the Chief of Engineers and to the Corps of Engineers that all boards and all plans have followed the leadership of the Corps of Engineers in the formulation of plans for flood control.

The careful surveys provided by Congress have been made. The leading rivers of the United States have been studied. It is now suggested that instead of passing an adequate flood-control measure, another commission be appointed and that further studies be made, and that additional plans be formulated, before the omnibus bill is passed.

Those who advocate such a cause stand primarily for reforestation and the prevention of soil erosion. Further plans for such purposes may be necessary, but I submit that such plans, so far as flood control is concerned, are not in order and mean nothing more or less than delay. The time for action has arrived. There will be no haste. Studies have been made; engineering plans that are sound have been prepared. Congress has the opportunity to adopt a sound program.

NATIONAL POLICY

I am sympathetic with flood control along all rivers and in all States. There must be no "pork barrel." Projects must be sound. I represent a district, and I represent in part a State where there are many rivers with perplexing flood-control problems. I do not ask that these rivers be given the same treatment as that accorded by the Federal Government to the lower Mississippi Valley. I ask that all rivers and all projects be treated on their merits. I believe that such a policy will promote national flood control.

Excessive floods are a menace to the national welfare. The social security of the people is threatened. Congress should adopt a policy that is national; Congress should declare that destructive floods constitute a national problem, that flood control in proper cases is a proper function of the Federal Government. Legislation should provide that the Federal Government will improve or participate in the improvement of streams for flood-control purposes if the benefits to whomsoever they accrue are in excess of the estimated costs and if the lives and social security of the people are otherwise materially and adversely affected.

Congress should further declare that there is a Federal interest in flood-control improvements, whether they are by levees or reservoirs, that may be impracticable of initiation or execution because of complications between the States, their political subdivisions, or local organizations.

It may be difficult to fix a definite Federal yardstick for contribution. The provision should be flexible; the benefits should control; the works should be distributed among all sections of the country. The requirement of local contribution will serve to eliminate projects that are unsound and the further requirement that the benefits must exceed or equal the costs will protect the Treasury of the United States.

It is imperative that the Flood Control Committee speedily consider and promptly report and that the House pass the Overton bill. It is equally imperative for the Senate to eliminate all inadequate and unworthy projects from the omnibus bill and to report and pass a bill that provides for adequate flood-control projects whenever and wherever needed.

The President insists that prior consideration be given to emergency flood-control measures. It is admitted by all that the problem of the lower Mississippi River is an emergency one. The best way to promote a national policy of flood control is for the friends of flood control to unite to secure the prompt passage of the Overton bill and the immediate passage of the omnibus flood-control bill.

I know of no public expenditures that gives to the people of the United States as large a return as the improvement of our waterways for flood control and navigation.

Many years ago river and harbor projects were regarded as notorious examples of congressional logrolling, but Congress has cleaned house; all river and harbor projects are now considered on a merit basis.

I advocate a policy of national flood control. The plan should embrace the Mississippi River; it should embrace its tributaries; it should provide for flood control whenever and wherever the Federal interests require it.

In all plans the taxpayers must be protected. What agency will better represent both the public and the Government in all plans for national flood control than the Corps of Engineers? They have studied and examined practically all of our rivers; millions of dollars have been spent in making examinations. The Corps of Engineers are familiar with the problems of all of our rivers; they are among the ablest engineers in the United States; they are impartial; there has been no taint or hint of fraud in the works under their control and supervision. There must be an executive who has the final say. The Chief of Engineers should be in charge of the program.

In the interest of efficiency and for the public good, I believe that the formulation and execution of policies for national flood control should be under the supervision of the Chief of Engineers, with the power and authority in him to utilize, in connection with the Corps of Engineers, the best engineering talent among the civilian engineers of the country. There is a place in the picture for all capable engineers.

New times and new conditions demand new measures. I am interested in little waters, but I am emphasizing big waters. The digging of a few ditches, the building of a few dams will not suffice. The planting of grass and trees and soil-conserving crops is not enough. There is a place for the policy of soil conservation, but there is also a definite place in the program for flood control. There must be levees, diversions, and reservoirs. The two policies should supplement each other. There is no conflict but each has its own sphere. The increasing hazards to our advancing civilization demand protection from the floods that can be economically prevented.

The responsibility upon Congress can only be discharged by the prompt passage of measures that will provide for the initiation and execution of a sound policy of national flood control.

VIRGINIA ENGINEERING CO., INC.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 396) for the relief of the Virginia Engineering Co., Inc., with Senate amendments thereto, and concur in the amendments.

The SPEAKER. The gentleman from Maryland asks unanimous consent to take from the Speaker's table the bill H. R. 396, with Senate amendments thereto, and concur in the Senate amendment. The Clerk will report the title of the bill and the Senate amendment.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, after "costs", insert "if any."

Page 1, line 7, after "requests", insert ", if any shall be found to have been made and complied with."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendments were concurred in, and a motion to reconsider the vote by which the Senate amendment were concurred in was laid on the table.

EXTENSION OF REMARKS

Mr. ROGERS of New Hampshire. Mr. Speaker, I ask unanimous consent to extend my remarks made this afternoon on the revenue bill by inserting therein two other additional paragraphs from the articles from which I quoted from the Washington Post.

The SPEAKER. Is there objection?

There was no objection.

IZELDA BOISONEAU

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill—H. R. 7468—for the relief of Izelda Boisoneau, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read as follows:

Page 1, line 5, strike out "$5,000" and insert "$4,000."

The SPEAKER. Is there objection?

Mr. BOILEAU. Mr. Speaker, I reserve the right to object. I understood the gentleman from Wisconsin, my colleague Mr. GEHRMANN had some discussion with the gentleman from Maryland, in which there was to be an effort made to retain the original amount of the House bill.

Mr. KENNEDY of Maryland. That is correct; but I find on examination this bill is not the kind of a bill we previously passed as to Federal employees, but grows out of an accident caused by a Federal employee to a citizen.

Mr. BOILEAU. I withdraw my objection.

The SPEAKER. The question is on agreeing to the Senate amendment.

The Senate amendment was concurred in, and a motion to reconsider the vote by which it was concurred in was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CROWE, for today, on account of important business.

To Mr. ECKERT, for 2 days, on account of important business.

To Mr. FIESINGER, for 12 days, on account of official business.

To Mr. FORD of California (at the request of Mr. COLDEN), for 3 days, on account of official business.

To Mr. KLOEB, for 10 days, on account of important business.

CALENDAR WEDNESDAY BUSINESS

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection?

There was no objection.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 399. An act for the relief of A. F. Amory;

H. R. 1265. An act for the relief of N. N. Self;

H. R. 1363. An act for the relief of Petra M. Benavides;

H. R. 1440. An act for the relief of Arthur W. Bradshaw;

H. R. 1915. An act for the relief of Henry O. Goddard;

H. R. 1963. An act for the relief of Edgar H. Taber;

H. R. 2189. An act for the relief of Julia M. Ryder;

H. R. 2622. An act for the relief of M. Waring Harrison;

H. R. 2623. An act for the relief of J. W. Hearn, Jr.;

H. R. 2936. An act for the relief of J. H. Taylor & Son;

H. R. 3152. An act for the relief of Joseph Jochemczyk;

H. R. 3155. An act to confer jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of the Bankers Reserve Life Co., of Omaha, Nebr., and the Wisconsin National Life Insurance Co., of Oshkosh, Wis.;

H. R. 3383. An act to provide a preliminary examination of the Greenbrier River and its tributaries in the State of West Virginia, with a view to the control of its floods;

H. R. 3384. An act to provide a preliminary examination of the Cheat River and its tributaries in the State of West Virginia, with a view to the control of its floods;

H. R. 3385. An act to provide a preliminary examination of the Potomac River and its tributaries, with a view to the control of its floods;

H. R. 3513. An act for the relief of Archie P. McLane and Hans Peter Jensen;

H. R. 3573. An act for the relief of Jens H. Larsen;

H. R. 3673. An act for the relief of Bernard V. Wolfe and the Dixon Implement Co.;

H. R. 4031. An act for the relief of Stanley T. Gross;

H. R. 4277. An act for the relief of James R. Russell;

H. R. 4362. An act for the relief of Patrick J. Leahy;

H. R. 4411. An act for the relief of Mary L. Munro;

H. R. 4571. An act for the relief of William W. Bartlett;

H. R. 4638. An act for the relief of Elizabeth Halstead;

H. R. 4660. An act for the relief of Robert C. E. Hedley;

H. R. 4725. An act for the relief of Catherine Donnelly, Claire E. Donnelly, John Kufall, Mary F. Kufall, and Elizabeth A. Tucker;

H. R. 4779. An act for the relief of Capt. Chester Gracie;

H. R. 4951. An act for the relief of the Moffat Coal Co.;

H. R. 4953. An act for the relief of Doris Lipscomb;

H. R. 4965. An act for the relief of M. M. Smith;

H. R. 4999. An act for the relief of Marie Linsenmeyer;

H. R. 5491. An act for the relief of Bethlehem Fabricators, Inc.;

H. R. 5625. An act for the relief of Sperry Gyroscope Co., Inc., of New York;

H. R. 5753. An act for the relief of Edith H. Miller;

H. R. 5827. An act for the relief of Elizabeth Wyhowski, mother and guardian of Dorothy Wyhowski;

H. R. 5874. An act for the relief of Hugh B. Curry;

H. R. 5974. An act for the relief of Thelma L. Edmunds, Mrs. J. M. Padgett, Myrtis E. Posey, Mrs. J. D. Mathis, Sr., Fannie Harrison, Annie R. Colgan, and Grace Whitlock;

H. R. 6344. An act for the relief of the estate of John A. McGloin;

H. R. 6520. An act for the relief of Preston Brooks Massey;

H. R. 6578. An act for the relief of Joseph A. Therry;

H. R. 6599. An act for the relief of Florence Helen Klein, a minor;

H. R. 6669. An act for the relief of Mrs. Earl Poynor;

H. R. 6698. An act for the relief of Mae C. Tibbett, administratrix;

H. R. 6821. An act for the relief of Alfred J. White, M. J. Banker, and Charlyn DeBlanc;

H. R. 6828. An act for the relief of George H. Smith;

H. R. 6848. An act for the relief of the First Federal Savings and Loan Association of Shawnee, Okla.;

H. R. 6999. An act for the relief of Frank Rottkamp;

H. R. 7031. An act for the relief of Georgiana Minnigerode, widow of Capt. Karl Minnigerode;

H. R. 7529. An act for the relief of Mariano Biondi;

H. R. 7861. An act for the relief of Mrs. J. A. Joullian;

H. R. 7867. An act for the relief of Adolph Micek, a minor;

H. R. 7904. An act for the relief of Grant Hospital and Dr. M. H. Streicher;

H. R. 7963. An act for the relief of J. Edwin Hemphill;

H. R. 8034. An act for the relief of Mae Pouland;

H. R. 8088. An act for the relief of Nahwista Carr Bolk;

H. R. 8094. An act for the relief of Dr. J. C. Blalock;

H. R. 8113. An act for the relief of Louis George;

H. R. 8301. An act to authorize a preliminary examination of the Marais des Cygnes River, in the State of Kansas, with a view to the control of its floods;

H. R. 8320. An act for the relief of Mrs. John H. Wilke;

H. R. 8414. An act to provide a preliminary examination of the Yakima River and its tributaries and the Walla Walla River and its tributaries in the State of Washington, with a view to the control of their floods;

H. R. 8486. An act for the relief of John A. Baker;

H. R. 8510. An act for the relief of John Hurston;

H. R. 8551. An act for the relief of J. C. Donnelly;

H. R. 8685. An act for the relief of Edwin Pickard;

H. R. 8694. An act to provide a preliminary examination of Chickasawha River and its tributaries in the State of Mississippi, with a view to the control of their floods;

H. R. 8706. An act for the relief of Frank Polansky;

H. R. 9076. An act for the relief of W. H. Dean;

H. R. 9171. An act for the relief of Myrtle T. Grooms;

H. R. 9190. An act for the relief of J. P. Moore;

H. R. 9208. An act for the relief of Foot's Transfer & Storage Co., Ltd.;

H. R. 9235. An act to provide for a preliminary examination of the Cosatot River in Sevier County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river, and the cost of such improvements, with a view to the controlling of floods;

H. R. 9236. An act to authorize a preliminary examination of the Red and Little Rivers, Ark., insofar as Red River affects Little River County, Ark., and insofar as Little River affects Little River and Sevier Counties, Ark., to determine the feasibility of leveeing Little River, and the cost of such improvement, and also the estimated cost of repairing and strengthening the levee on Red River in Little River County, with a view to the controlling of floods;

H. R. 9249. An act to provide for a preliminary examination of the Little Missouri River in Pike County, Ark., to determine the feasibility of cleaning out the channel and

leveeing the river and the cost of such improvements with a view to the controlling of floods;

H. R. 9250. An act to provide for a preliminary examination of the Petit Jean River in Scott and Logan Counties, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods;

H. R. 9267. An act to provide for a preliminary examination of Big Mulberry Creek, in Crawford County, Ark., from the point where it empties into the Arkansas River up a distance of 8 miles, to determine the feasibility of cleaning out the channel and repairing the banks, and the cost of such improvement, with a view to the controlling of floods.

H. R. 9273. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Weldon Spring, Mo.;

H. R. 9380. An act for the relief of Edgar M. Barber, special disbursing agent, Paris, France, and Leo Martinuzzi, former customs clerk;

H. R. 9866. An act to extend certain provisions of the act approved June 18, 1934, commonly known as the Wheeler-Howard Act (Public Law No. 383, 73d Cong., 48 Stat. 984), to the Territory of Alaska, to provide for the designation of Indian reservations in Alaska, and for other purposes;

H. R. 9874. An act authorizing a preliminary examination of Cadron Creek, Ark., a tributary of the Arkansas River;

H. R. 10135. An act to authorize the construction of a model basin establishment, and for other purposes;

H. R. 10388. An act to aid the veteran organizations of the District of Columbia in their joint Memorial Day services at Arlington National Cemetery and other cemeteries on and preceding May 30;

H. R. 10487. An act to authorize a survey of Lowell Creek, Alaska, to the determine what, if any, modification should be made in the existing project for the control of its floods;

H. R. 10521. An act for the relief of Joseph Mossew;

H. R. 10575. An act for the relief of Catharine I. Klein;

H. R. 10583. An act to authorize a preliminary examination of the San Diego River and its tributaries in the State of California, with a view to the control of its floods;

H. R. 10631. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y.;

H. R. 10985. An act to repeal Public Law No. 246 of the Seventy-second Congress;

H. R. 10991. An act for the relief of Harry Wallace;

H. R. 11042. An act authorizing a preliminary examination of the Matanuska River in the vicinity of Matanuska, Alaska;

H. R. 11043. An act to extend the times for commencing and completing the construction of a bridge across the Waccamaw River at or near Conway, S. C.;

H. R. 11073. An act granting the consent of Congress to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge across the Current River at or near Powder Mill Ford on Route No. Missouri 106, Shannon County, Mo.;

H. R. 11231. An act for the relief of Rasmus Bech;

H. R. 11402. An act authorizing the Delaware River Joint Toll Bridge Commission of the State of Pennsylvania and the State of New Jersey to construct, maintain, and operate a toll bridge across the Delaware River at a point near Delaware Water Gap;

H. R. 11476. An act to revive and reenact the act entitled "An act granting the consent of Congress to the Lamar Lumber Co. to construct, maintain, and operate a railroad bridge across the West Pearl River at or near Talisheek, La.", approved June 17, 1930;

H. R. 11478. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between St. Louis, Mo., and Stites, Ill.;

H. R. 11486. An act for the relief of Mary Hemke;

H. R. 11562. An act to renew patent no. 25909 relating to the badge of the United States Daughters of 1812;

H. R. 11573. An act to amend the act entitled "An act for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey", approved August 19, 1935;

H. R. 11613. An act to extend the times for commencing and completing the construction of a bridge across the Tennessee River between Colbert County and Lauderdale County, Ala.;

H. R. 11644. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Morgan and Wash Streets in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.;

H. R. 11685. An act to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind.;

H. R. 11729. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Natchez, Miss., and for other purposes;

H. R. 11738. An act granting the consent of Congress to the State Highway Commission of Mississippi to construct, maintain, and operate a free highway bridge across Pearl River at or near Monticello, Miss.;

H. R. 11772. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Sistersville, W. Va.;

H. R. 11793. An act to authorize a preliminary examination of various creeks in the State of California with a view to the control of their floods;

H. R. 11806. An act to authorize a preliminary examination of Passaic River, N. J., with a view to the control of its floods;

H. J. Res. 223. Joint resolution conferring upon the Court of Claims jurisdiction of the claim of the Rodman Chemical Co. against the United States;

H. J. Res. 412. Joint resolution to authorize an investigation of the means of increasing capacity of the Panama Canal for future needs of interoceanic shipping, and for other purposes; and

H. J. Res. 553. Joint resolution extending the time for the Federal Trade Commission to make an investigation and file final report with respect to agricultural income and the financial and economic condition of agricultural producers generally.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 753. An act to carry out the findings of the Court of Claims in the case of the Wales Island Packing Co.; and

S. 4335. An act to authorize the coinage of 50-cent pieces in commemoration of the centennial celebration of Cleveland, Ohio, to be known as the Great Lakes Exposition.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 45 minutes p. m.) the House adjourned until tomorrow, Tuesday, April 28, 1936, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON THE PUBLIC LANDS

House Committee on the Public Lands will meet Tuesday, April 28, 1936, at 10 a. m., Public Lands Committee room, to further consider H. R. 7086, the Mount Olympus National Park bill.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

820. A communication from the President of the United States, transmitting for the consideration of Congress supplemental estimates of appropriations for the District of Columbia for the fiscal years 1936 and 1937 in the amount of

$169,000 (H. Doc. No. 475); to the Committee on Appropriations and ordered to be printed.

821. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Treasury Department for the fiscal year 1936, amounting to $230,700 (H. Doc. No. 476); to the Committee on Appropriations and ordered to be printed.

822. A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to an existing appropriation of the Agricultural Adjustment Administration, Department of Agriculture, to make available to the Secretary of Agriculture the funds required to give effect to the provisions of the act entitled "An act relating to compacts and agreements among States in which tobacco is produced providing for the control of production of, or commerce in, tobacco in such States, and for other purposes", approved April 25, 1936 (H. Doc. No. 477); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. GOLDSBOROUGH: Committee on Banking and Currency. H. R. 12447. A bill to amend certain provisions of the banking laws relating to the administrative powers of the Comptroller of the Currency, the conversion of State banks into national banks, the payment of dividends on common stock of national banks, and the election and duties of shareholders' agents, and for other purposes; with amendment (Rept. No. 2500). Referred to the Committee of the Whole House on the state of the Union.

Mr. DICKSTEIN: Committee on Immigration and Naturalization. H. R. 12222. A bill to permit the temporary entry into the United States under certain conditions of alien participants and officials of the Leyden International Bureau attending an international conference to be held in the United States in 1936, without amendment (Rept. No. 2501). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. H. R. 9144. A bill conferring jurisdiction on the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboine Indians may have against the United States, and for other purposes; with amendment (Rept. No. 2502). Referred to the Committee of the Whole House on the state of the Union.

Mr. DELANEY: Committee on Naval Affairs. S. 4020. An act to authorize the acquisition of lands in the city of Alameda, county of Alameda, State of California, as a site for a naval air station and to authorize the construction and installation of a naval air station thereon; with amendment (Rept. No. 2503). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 12467) granting a pension to Nancy Ann Whitehead, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUCK: A bill (H. R. 12471) for preliminary examination and survey of Benicia Harbor, Solano County, Calif.; to the Committee on Rivers and Harbors.

By Mr. LANHAM (by request): A bill (H. R. 12472) to amend the act entitled "An act authorizing the erection for the sole use of the Pan American Union of an office building on the square of land lying between Eighteenth Street, C Street, and Virginia Avenue NW., in the city of Washington, D. C.", approved May 16, 1928 (45 Stat. 590), as amended, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. BROWN of Georgia: A bill (H. R. 12473) authorizing the State Highway Board of the State of Georgia to construct, maintain, and operate a free highway bridge across the Savannah River at or near Augusta, Ga.; to the Committee on Interstate and Foreign Commerce.

By Mr. BURNHAM: A bill (H. R. 12474) to authorize the acceptance of certain lands in the city of San Diego, Calif., by the United States for use as a site for a Naval Reserve armory; to the Committee on Naval Affairs.

By Mr. WHITE: A bill (H. R. 12475) to amend section 304 of the Tariff Act of 1930 to require the marking of imported articles upon repacking, and for other purposes; to the Committee on Ways and Means.

By Mr. BACON: Joint Resolution (H. J. Res. 573) authorizing the recognition of the three hundredth anniversary of the founding of Harvard College and the beginning of higher education in the United States and providing for the representation of the Government and people of the United States in the observance of the anniversary; to the Committee on the Library.

By Mr. CANNON of Wisconsin: Joint Resolution (H. J. Res. 574) to amend article III, section 1, of the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARMICHAEL: A bill (H. R. 12476) to quiet title and possession with respect to certain lands in Lawrence County, Ala., to wit: Fractional section 25 and the northwest quarter of section 36, township 3 south, range 7 west, Huntsville meridian; to the Committee on the Public Lands.

By Mr. CROWTHER: A bill (H. R. 12477) granting an increase of pension to Mary A. Smith; to the Committee on Invalid Pensions.

By Mr. GOLDSBOROUGH: A bill (H. R. 12478) for the relief of Mary F. England, Margaret Fulton, and Tyler M. Fulton, children of Winston Cabell Fulton; to the Committee on Claims.

By Mr. HIGGINS of Massachusetts: A bill (H. R. 12479) authorizing the President to present in the name of Congress a medal of honor to James J. Mead; to the Committee on Naval Affairs.

By Mr. HOFFMAN: A bill (H. R. 12480) for the relief of Frank T. Adler; to the Committee on Claims.

By Mr. JENKINS of Ohio: A bill (H. R. 12481) granting a pension to John F. Porter; to the Committee on Pensions.

By Mr. JOHNSON of West Virginia: A bill (H. R. 12482) for the relief of Charles E. Bryant; to the Committee on Claims.

By Mr. MURDOCK: A bill (H. R. 12483) granting a pension to Margret Harrison; to the Committee on Pensions.

By Mr. POLK: A bill (H. R. 12484) granting an increase of pension to Nancy A. Russell; to the Committee on Invalid Pensions.

By Mr. REILLY: A bill (H. R. 12485) granting an increase of pension to Josephine Dolen; to the Committee on Invalid Pensions.

By Mr. SMITH of Connecticut: A bill (H. R. 12486) for the relief of Peter Joseph Costigan; to the Committee on Naval Affairs.

By Mr. TOLAN: A bill (H. R. 12487) granting a pension to Lucy M. Ulyatt; to the Committee on Pensions.

By Mr. TURPIN: A bill (H. R. 12488) granting an increase of pension to Rebecca Aubrey; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10774. By Mr. BEITER: Resolution unanimously adopted by the R. S. Beatty Lodge, No. 910, Buffalo, N. Y., Brotherhood of Railway and Steamship Clerks, protesting against the Supreme Court's usurpation of the powers granted to Congress; to the Committee on the Judiciary.

10775. By Mr. CITRON: Petition of the Fifty-second Annual Encampment of the Connecticut Department, Sons of Union Veterans, held at Derby, Conn., April 15, 1936, regarding widows' pensions; to the Committee on Pensions.

10776. By Mr. DRISCOLL: Petition of the Brockway Glass Co., protesting against passage of the so-called Wheeler anti-basing point bill (S. 4055) by pointing out that it will force numerous manufacturing units out of the competitive field; to the Committee on Interstate and Foreign Commerce.

10777. By Mr. FITZPATRICK: Petition signed by W. C. Robertson, of 2 Knollwood Avenue, Mount Vernon, N. Y., and a number of others residing in New York State, protesting against House bill 12161, to place a 1-cent-per-gallon tax on fuel oil; to the Committee on Ways and Means.

10778. By Mr. JOHNSON of Texas: Petition of R. H. Evans, postmaster, Red Oak, Tex., favoring House bill 2890, amended House bill 11686; to the Committee on the Post Office and Post Roads.

10779. By Mr. KENNEDY of New York: Memorial of the Legislature of the State of New York requesting that the Works Progress Administration and the Congress accept immediate responsibility for relief and employment of transients, and urging that this relief in employment be made effective through permanent departments of State, Government, and coordinate local units of administration, and that funds be made available by the Federal Government on a grant-in-aid basis; to the Committee on Appropriations.

10780. By Mr. LAMNECK: Resolution of Grank C. Karns, president of council, Myron B. Gessaman, mayor of Columbus, Ohio, and Helen T. Howard, city clerk, urging the United States Senate and the House of Representatives to enact at the earliest possible date the United States Housing Act of 1936 (S. 4424 and H. R. 12164); to the Committee on Banking and Currency.

10781. By Mr. RABAUT: Petition of Odiel VanVooren and others in the Fourteenth Congressional District of Michigan, urging passage of House bill No. 8540, known as the national lottery bill, as introduced by Representative KENNEY, of New Jersey; to the Committee on the Judiciary.

10782. Also, petition of Jerry VanderGyp and others in the Fourteenth Congressional District of Michigan, urging passage of House bill No. 8540, known as the national lottery bill, as introduced by Representative KENNEY, of New Jersey; to the Committee on the Judiciary.

10783. Also, petition of the Board of County Commissioners of Summit County, Ohio, petitioning Congress to enact legislation canceling relief loans of the Reconstruction Finance Corporation to cities and counties; to the Committee on Banking and Currency.

10784. Also, petition of the Common Council of the City of Detroit, urging Congress to take immediate favorable action upon House bill 12243, introduced by Congressman RABAUT; to the Committee on Banking and Currency.

10785. By Mrs. ROGERS of Massachusetts: Petition of the State Board of Housing of the Commonwealth of Massachusetts, urging early enactment of Senate bill 4424; to the Committee on Banking and Currency.

10786. By Mr. SISSON: Petition of residents of New York City and vicinity, numbering about 400, urging passage of House bill 9216, National Income and Credit Issue Act; to the Committee on Banking and Currency.

10787. By the SPEAKER: Petition of the Daughters of the American Revolution; to the Committee on Foreign Affairs.

SENATE

TUESDAY, APRIL 28, 1936

(Legislative day of Friday, Apr. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, April 27, 1936, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 10489) to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding and settlement of the city of New Rochelle, N. Y., with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 7468. An act for the relief of Izelda Boisoneau; and

H. R. 9673. An act to authorize the recoinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1936.

The message further announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 396. An act for the relief of the Virginia Engineering Co., Inc.;

H. R. 4016. An act to amend section 10 and repeal section 16 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes", approved May 29, 1934 (48 Stat. 811), and for other purposes; and

H. R. 7253. An act for the relief of James Murphy Morgan and Blanche Copelan.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	King	Reynolds
Ashurst	Connally	La Follette	Robinson
Austin	Coolidge	Lewis	Russell
Bachman	Copeland	Logan	Schwellenbach
Bailey	Couzens	Lonergan	Sheppard
Barbour	Davis	Long	Shipstead
Barkley	Dieterich	McAdoo	Smith
Benson	Donahey	McKellar	Steiwer
Bilbo	Duffy	McNary	Thomas, Okla.
Black	Fletcher	Maloney	Thomas, Utah
Bone	Frazier	Metcalf	Townsend
Borah	George	Minton	Truman
Brown	Gerry	Murphy	Tydings
Bulkley	Gibson	Murray	Vandenberg
Bulow	Glass	Neely	Van Nuys
Burke	Hale	Norris	Wagner
Byrd	Harrison	Nye	Walsh
Byrnes	Hatch	O'Mahoney	Wheeler
Capper	Hayden	Overton	White
Caraway	Johnson	Pittman	
Carey	Keyes	Radcliffe	

Mr. LEWIS. I announce the absence of the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Florida [Mr. TRAMMELL], caused by illness.

I also announce that the Senator from Missouri [Mr. CLARK] is absent because of illness in his family, and that the Senator from Oklahoma [Mr. GORE], the Senator from West Virginia [Mr. HOLT], the Senator from Kansas [Mr. MCGILL], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Idaho [Mr. POPE], and the Senator from New Jersey [Mr. MOORE] are unavoidably detained from the Senate. I ask that this announcement stand of record for the day.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] and the Senator from Delaware [Mr. HASTINGS] are necessarily absent.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

Mr. WAGNER presented a resolution adopted by the National Executive Board of the American Newspaper Guild, urging the continuance of the Federal arts projects on a national basis under direct Federal control, which was referred to the Committee on Education and Labor.

He also presented a petition of the Building Trades Council, of Springfield, Mo., praying for the enactment of House bill 8666, providing for low-cost housing projects and the

creation of a permanent National Housing Administration, which was referred to the Committee on Education and Labor.

He also presented resolutions of the Brooklyn Neighborhood Association, of Brooklyn; the Consolidated Tenants' League of New York City; the Central Trades and Labor Council of Greater New York and Vicinity, and the Modelers and Sculptors of America of New York City, all in the State of New York, praying for the enactment of the so-called Wagner low-cost housing bill, which were referred to the Committee on Education and Labor.

He also presented a resolution adopted by the directors of the Chamber of Commerce of Malone, N. Y., protesting against the enactment of legislation compelling railroad companies in case of consolidation of facilities or reduction of service in effecting economy of operation, to keep on their pay rolls all employees displaced by such efforts for economy, which was referred to the Committee on Interstate Commerce.

He also presented letters in the nature of petitions from Mahopac Grange, No. 840, of Mahopac; Sherman Grange, No. 36, of Sherman; and Whaley Pond Grange, No. 885, of Holmes, all of the Patrons of Husbandry, in the State of New York, praying for the enactment of the so-called Wheeler bill, providing for the repeal of the long- and short-haul clause of the Interstate Commerce Act, which were referred to the Committee on Interstate Commerce.

He also presented petitions of sundry citizens of the State of New York praying for the enactment of House bill 7122, providing pensions to blind persons who are 21 years of age and upward, which were referred to the Committee on Pensions.

He also presented a resolution adopted by Riverside Branch of the American League Against War and Facism, of New York City, N. Y., protesting against the enactment of legislation to suppress efforts to incite disobedience to orders by the enlisted force of the Army and Navy, which was ordered to lie on the table.

Mr. TYDINGS presented a resolution adopted by the sixty-sixth annual session of the State Council of Maryland Junior Order United American Mechanics, in Baltimore, Md., protesting against the enactment of the bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the non-criminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, which was ordered to lie on the table.

He also presented a resolution adopted by the Sixty-sixth Annual Session of the State Council of Maryland Junior Order United American Mechanics, in Baltimore, Md., favoring the enactment of the bill (S. 4011) to further reduce immigration, to authorize the exclusion of any alien whose entry into the United States is inimical to the public interest, to prohibit the separation of families through the entry of aliens leaving dependents abroad, and to provide for the prompt deportation of habitual criminals and all other undesirable aliens, and to provide for the registration of all aliens now in the United States or who shall hereafter be admitted, which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. ASHURST, from the Committee on the Judiciary, to which was referred the bill (H. R. 11994) to provide for the establishment of a term of the District Court of the United States for the Western District of Oklahoma at Shawnee, Okla., reported it without amendment and submitted a report (No. 1964) thereon.

He also, from the same committee, to which was referred the bill (H. R. 11690) relating to the admissibility in evidence of certain writings and records made in the regular course of business, reported it with amendments and submitted a report (No. 1965) thereon.

Mr. TYDINGS, from the Committee on Territories and Insular Affairs, to which was referred the bill (S. 4340) to authorize the President to designate an Acting High Commissioner to the Philippine Islands, reported it without amendment.

He also, from the same committee, to which was referred the bill (H. R. 8766) to authorize municipal corporations in the Territory of Alaska to incur bonded indebtedness, and for other purposes, reported it with amendments and submitted a report (No. 1966) thereon.

Mr. NEELY, from the Committee on the Judiciary, to which was referred the bill (S. 4124) for the relief of the State of Connecticut, reported it without amendment and submitted a report (No. 1967) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBINSON:

A bill (S. 4553) for the relief of Herbert Alexander Heagney; to the Committee on Military Affairs.

By Mr. BARBOUR:

A bill (S. 4554) for the relief of the National Surety Co.; and

A bill (S. 4555) for the relief of Thomas J. Crane; to the Committee on Claims.

By Mr. PITTMAN:

A bill (S. 4556) authorizing an appropriation for the payment of the claim of Gen. Higinio Alvarez, a Mexican citizen, with respect to lands on the Farmers Banco in the State of Arizona; to the Committee on Foreign Relations.

By Mr. COPELAND (by request):

A bill (S. 4557) for the relief of Ida Kallinsky; to the Committee on Claims.

By Mr. LEWIS:

A bill (S. 4558) for the relief of Gladys Hinckley Werlich; to the Committee on Foreign Relations.

By Mr. MURPHY:

A bill (S. 4559) for the relief of Wiley H. Nanney; to the Committee on Naval Affairs.

By Mr. OVERTON:

A bill (S. 4560) to protect domestic producers of sugar beets and sugar cane and to encourage the domestic production thereof by the regulation of foreign and interstate commerce in sugar; to provide for the fixing and revision of yearly quotas of sugar that may be imported into, transported to, or received in continental United States; to maintain a continuous and stable supply of sugar in continental United States for the benefit of both producers and consumers; and for other purposes; to the Committee on Finance.

By Mr. TYDINGS:

A joint resolution (S. J. Res. 255) to provide for the participation of the United States in the commemoration of the seventy-fifth anniversary of the Battle of Antietam; to the Committee on the Library.

PRINTING OF REPORT OF SPECIAL COMMITTEE ON INVESTIGATION OF THE MUNITIONS INDUSTRY

Mr. HAYDEN. From the Committee on Printing I report back favorably, with amendments, Senate Concurrent Resolution No. 37, authorizing the printing of additional copies of each part of Senate Report No. 944, concerning the manufacture and sale of arms and other war munitions, and I ask for its present consideration.

There being no objection, the Senate proceeded to consider the resolution.

The amendments of the Committee on Printing were, in line 2, before the word "part", to strike out "each"; in the same line, after the word "part", to insert "3 and subsequent parts"; and in line 7, after the word "Senate", to strike out "Special Committee on Investigations of the Munitions Industry" and insert "and the House of Representatives", so as to make the resolution read:

Resolved by the Senate (the House of Representatives concurring), That 44,000 copies of part 3 and subsequent parts of Senate Report No. 944, submitted to the Senate pursuant to S. Res. 206, authorizing the appointment of a special committee to make cer-

tain investigations concerning the manufacture and sale of arms and other war munitions, be printed for the use of the Senate and the House of Representatives.

The amendments were agreed to.

The resolution as amended was agreed to.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on April 27, 1936, that committee presented to the President of the United States the following enrolled bills:

S. 371. An act for the relief of G. Elias & Bro., Inc.;

S. 788. An act for the relief of the International Mercantile Marine Co.;

S. 790. An act for the relief of the Compagnie Generale Transatlantique;

S. 1062. An act for the relief of James R. Young;

S. 1138. An act for the relief of Art Metal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period; and

S. 1846. An act for the relief of the estate of Anton W. Fischer.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The VICE PRESIDENT announced his signature to the following enrolled bills and joint resolutions, which had previously been signed by the Speaker of the House of Representatives:

S. 753. An act to carry out the findings of the Court of Claims in the case of the Wales Island Packing Co.;

S. 4335. An act to authorize the coinage of 50-cent pieces in commemoration of the centennial celebration of Cleveland, Ohio, to be known as the Great Lakes Exposition;

H. R. 399. An act for the relief of A. F. Amory;

H. R. 1265. An act for the relief of N. N. Self;

H. R. 1363. An act for the relief of Petra M. Benavides;

H. R. 1440. An act for the relief of Arthur W. Bradshaw;

H. R. 1915. An act for the relief of Henry O. Goddard;

H. R. 1963. An act for the relief of Edgar H. Taber;

H. R. 2189. An act for the relief of Julia M. Ryder;

H. R. 2622. An act for the relief of M. Waring Harrison;

H. R. 2623. An act for the relief of J. W. Hearn, Jr.;

H. R. 2936. An act for the relief of J. H. Taylor & Son;

H. R. 3152. An act for the relief of Joseph Jochemczyk;

H. R. 3155. An act to confer jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of the Bankers Reserve Life Co. of Omaha, Nebr., and the Wisconsin National Life Insurance Co. of Oshkosh, Wis.;

H. R. 3383. An act to provide a preliminary examination of the Greenbrier River and its tributaries in the State of West Virginia with a view to the control of its floods;

H. R. 3384. An act to provide a preliminary examination of the Cheat River and its tributaries in the State of West Virginia with a view to the control of its floods;

H. R. 3385. An act to provide a preliminary examination of the Potomac River and its tributaries, with a view to the control of its floods;

H. R. 3513. An act for the relief of Archie P. McLane and Hans Peter Jensen;

H. R. 3573. An act for the relief of Jens H. Larsen;

H. R. 3673. An act for the relief of Bernard V. Wolfe and the Dixon Implement Co.;

H. R. 4031. An act for the relief of Stanley T. Gross;

H. R. 4277. An act for the relief of James R. Russell;

H. R. 4362. An act for the relief of Patrick J. Leahy;

H. R. 4411. An act for the relief of Mary L. Munro;

H. R. 4571. An act for the relief of William W. Bartlett;

H. R. 4638. An act for the relief of Elizabeth Halstead;

H. R. 4660. An act for the relief of Robert C. E. Hedley;

H. R. 4725. An act for the relief of Catherine Donnelly, Claire E. Donnelly, John Kufall, Mary F. Kufall, and Elizabeth A. Tucker;

H. R. 4779. An act for the relief of Capt. Chester Gracie;

H. R. 4951. An act for the relief of the Moffat Coal Co.;

H. R. 4953. An act for the relief of Doris Lipscomb;

H. R. 4965. An act for the relief of M. M. Smith;

H. R. 4999. An act for the relief of Marie Linsenmeyer;

H. R. 5491. An act for the relief of the Bethlehem Fabricators, Inc.;

H. R. 5625. An act for the relief of Sperry Gyroscope Co., Inc., of New York;

H. R. 5753. An act for the relief of Edith H. Miller;

H. R. 5827. An act for the relief of Elizabeth Wyhowski, mother and guardian of Dorothy Wyhowski;

H. R. 5874. An act for the relief of Hugh B. Curry;

H. R. 5974. An act for the relief of Thelma L. Edmunds, Mrs. J. M. Padgett, Myrtis E. Posey, Mrs. J. D. Mathis, Sr., Fannie Harrison, Annie R. Colgan, and Grace Whitlock;

H. R. 6344. An act for the relief of the estate of John A. McGloin;

H. R. 6520. An act for the relief of Preston Brooks Massey;

H. R. 6578. An act for the relief of Joseph A. Therry;

H. R. 6599. An act for the relief of Florence Helen Klein, a minor;

H. R. 6669. An act for the relief of Mrs. Earl Poynor;

H. R. 6698. An act for the relief of Mae C. Tibbett, administratrix;

H. R. 6821. An act for the relief of Alfred J. White, M. J. Banker, and Charlyn DeBlanc;

H. R. 6828. An act for the relief of George H. Smith;

H. R. 6848. An act for the relief of the First Federal Savings & Loan Association of Shawnee, Okla.;

H. R. 6999. An act for the relief of Frank Rottkamp;

H. R. 7031. An act for the relief of Georgiana Minnigerode, widow of Capt. Karl Minnigerode;

H. R. 7529. An act for the relief of Mariano Biondi;

H. R. 7861. An act for the relief of Mrs. J. A. Joullian;

H. R. 7867. An act for the relief of Adolph Micek, a minor;

H. R. 7904. An act for the relief of Grant Hospital and Dr. M. H. Streicher;

H. R. 7963. An act for the relief of J. Edwin Hemphill;

H. R. 8034. An act for the relief of Mae Pouland;

H. R. 8088. An act for the relief of Nahwista Carr Bolk;

H. R. 8094. An act for the relief of Dr. J. C. Blalock;

H. R. 8113. An act for the relief of Louis George;

H. R. 8301. An act to authorize a preliminary examination of the Marais des Cygnes River, in the State of Kansas, with a view to the control of its floods;

H. R. 8320. An act for the relief of Mrs. John H. Wilke;

H. R. 8414. An act to provide a preliminary examination of the Yakima River and its tributaries and the Walla Walla River and its tributaries in the State of Washington, with a view to the control of their floods;

H. R. 8486. An act for the relief of John A. Baker;

H. R. 8510. An act for the relief of John Hurston;

H. R. 8551. An act for the relief of J. C. Donnelly;

H. R. 8685. An act for the relief of Edwin Pickard;

H. R. 8694. An act to provide a preliminary examination of Chickasawha River and its tributaries in the State of Mississippi, with a view to the control of their floods;

H. R. 8706. An act for the relief of Frank Polansky;

H. R. 9076. An act for the relief of W. H. Dean;

H. R. 9171. An act for the relief of Myrtle T. Grooms;

H. R. 9190. An act for the relief of J. P. Moore;

H. R. 9208. An act for the relief of Foot's Transfer & Storage Co., Ltd.;

H. R. 9235. An act to provide for a preliminary examination of the Cosatot River in Sevier County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods;

H. R. 9236. An act to authorize a preliminary examination of the Red and Little Rivers, Ark., insofar as Red River affects Little River County, Ark., and insofar as Little River affects Little River and Sevier Counties, Ark., to determine the feasibility of leveeing Little River and the cost of such improvement, and also the estimated cost of repairing and strengthening the levee on Red River in Little River County, with a view to the controlling of floods;

H. R. 9249. An act to provide for a preliminary examination of the Little Missouri River in Pike County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements, with a view to the controlling of floods;

H. R. 9250. An act to provide for a preliminary examination of the Petit Jean River in Scott and Logan Counties, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements, with a view to the controlling of floods;

H. R. 9267. An act to provide for a preliminary examination of Big Mulberry Creek in Crawford County, Ark., from the point where it empties into the Arkansas River up a distance of 8 miles, to determine the feasibility of cleaning out the channel and repairing the banks, and the cost of such improvement, with a view to the controlling of floods;

H. R. 9273. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Weldon Spring, Mo.;

H. R. 9380. An act for the relief of Edgar M. Barber, special disbursing agent, Paris, France, and Leo Martinuzzi, former customs clerk;

H. R. 9866. An act to extend certain provisions of the act approved June 18, 1934, commonly known as the Wheeler-Howard Act (Public Law No. 383, 73d Cong., 48 Stat. 984), to the Territory of Alaska, to provide for the designation of Indian reservations in Alaska, and for other purposes;

H. R. 9874. An act authorizing a preliminary examination of Cadron Creek, Ark., a tributary of the Arkansas River;

H. R. 10135. An act to authorize the construction of a model basin establishment, and for other purposes;

H. R. 10388. An act to aid the veteran organizations of the District of Columbia in their joint Memorial Day services at Arlington National Cemetery and other cemeteries on and preceding May 30;

H. R. 10487. An act to authorize a survey of Lowell Creek, Alaska, to determine what, if any, modification should be made in the existing project for the control of its floods;

H. R. 10521. An act for the relief of Joseph Mossew;

H. R. 10575. An act for the relief of Catharine I. Klein;

H. R. 10583. An act to authorize a preliminary examination of the San Diego River and its tributaries in the State of California, with a view to the control of its floods;

H. R. 10631. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y.;

H. R. 10985. An act to repeal Public Law No. 246 of the Seventy-second Congress;

H. R. 10991. An act for the relief of Harry Wallace;

H. R. 11042. An act authorizing a preliminary examination of the Matanuska River in the vicinity of Matanuska, Alaska;

H. R. 11043. An act to extend the times for commencing and completing the construction of a bridge across the Waccamaw River at or near Conway, S. C.;

H. R. 11073. An act granting the consent of Congress to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge across the Current River at or near Powder Mill Ford on Route No. Missouri 106, Shannon County, Mo.;

H. R. 11231. An act for the relief of Rasmus Bech;

H. R. 11402. An act authorizing the Delaware River Joint Toll Bridge Commission of the State of Pennsylvania and the State of New Jersey to construct, maintain, and operate a toll bridge across the Delaware River at a point near Delaware Water Gap;

H. R. 11476. An act to revive and reenact the act entitled "An act granting the consent of Congress to the Lamar Lumber Co. to construct, maintain, and operate a railroad bridge across the West Pearl River at or near Talisheek, La.", approved June 17, 1930;

H. R. 11478. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between St. Louis, Mo., and Stites, Ill.;

H. R. 11486. An act for the relief of Mary Hemke;

H. R. 11562. An act to renew patent no. 25909 relating to the badge of the United States Daughters of 1812;

H. R. 11573. An act to amend the act entitled "An act for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey", approved August 19, 1935;

H. R. 11613. An act to extend the times for commencing and completing the construction of a bridge across the Tennessee River between Colbert County and Lauderdale County, Ala.;

H. R. 11644. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Morgan and Wash Streets in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.;

H. R. 11685. An act to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind.;

H. R. 11729. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Natchez, Miss., and for other purposes;

H. R. 11738. An act granting the consent of Congress to the State Highway Commission of Mississippi to construct, maintain, and operate a free highway bridge across Pearl River at or near Monticello, Miss.;

H. R. 11772. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Sistersville, W. Va.;

H. R. 11793. An act to authorize a preliminary examination of various creeks in the State of California with a view to the control of their floods;

H. R. 11806. An act to authorize a preliminary examination of Passaic River, N. J., with a view to the control of its floods;

H. J. Res. 223. Joint resolution conferring upon the Court of Claims jurisdiction of the claim of the Rodman Chemical Co. against the United States;

H. J. Res. 412. Joint resolution to authorize an investigation of the means of increasing capacity of the Panama Canal for future needs of interoceanic shipping, and for other purposes; and

H. J. Res. 553. Joint resolution extending the time for the Federal Trade Commission to make an investigation and file final report with respect to agricultural income and the financial and economic condition of agricultural producers generally.

PRICE DISCRIMINATION—ADDRESS BY SENATOR LOGAN

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an able address delivered Sunday night last over the Mutual Broadcasting System of New York by my colleague the junior Senator from Kentucky [Mr. LOGAN] on the subject of the so-called Robinson price-discrimination bill.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the radio audience, I want to help you to understand the Robinson-Patman bill. I regard it as one of the most important pieces of legislation that has come before Congress in many years. I want to tell you this evening, first, about the ideals upon which it is conceived; second, the competitive evils against which it is directed; third, the methods by which it would attack those evils; fourth, some misunderstandings that have been broadcast with regard to it by its opponents; and, finally, the importance of its enactment.

This bill is founded upon ideals of equal treatment, equal opportunity, and fair play. There is nothing new or startling in the idea that a merchant should treat all his customers alike. The one-price system, the principle of equal treatment of customers, has in fact become so deeply rooted in popular habits of thought and feeling, that every effort is usually made to keep any departure from it shrouded in secrecy. Thus, when the American Can Co. gave a special 18-percent discount on tin cans to the Van Camp Packing Co. it kept it secret even from its own salesmen and insisted to its other customers that it was making the same prices to all. When the Goodyear Tire Co. gave a similar price advantage on rubber tires to Sears-Roebuck, it did the same thing, bound Sears-Roebuck not to mention it orally or in writing, guarded the contract in its confidential files, and even denied to its own independent dealers that it was selling tires to Sears-Roebuck when they complained that they could not possibly compete against such an arbitrary price advantage.

Equal treatment, however, does not mean equal prices, and the Robinson-Patman bill does not require equal prices. The ideal of

equal opportunity expresses the right of every man to devote his ability and efforts to the satisfaction of human wants and to be rewarded according to their value, skill, and efficiency; the ideal of fair play, on the other hand, expresses his willingness to accord the same right to every other man. None but the narrowly selfish and grasping would ask for a system of equality that would give every customer the same price regardless of the differing costs of serving them. The Robinson-Patman bill prohibits price discriminations only to the extent that they exceed those differences. To that extent they have nothing to do with efficiency. To that extent they become instruments of oppression in the hands of the powerful, with which the advantages of real efficiency may, in fact, be destroyed in their competitors.

The evils at which the Robinson-Patman bill is aimed are the outgrowth of two particular developments in trade and industry during the last 20 years. These are the increase in machine production and the rise of the mass distributor with his large and concentrated buying power. Machine production has increased the burden of overhead cost in industry—costs which regularly fall due and must be met, regardless of the volume of production; undiminished when it falls and unaugmented when it rises.

Anxiety to meet those costs is the manufacturer's weakness upon which the mass distributor preys. For a manufacturer can afford to sell part of his goods at a price below their net cost and still make something on them against this burden of overhead, which he would lose entirely if that business were withdrawn. And any competing manufacturer who is running below capacity will be glad to take that business away from him at that same low price below cost, since it will yield him something additional against his burden of overhead. Mass buyers are thus able to play off the financial necessities of one manufacturer against another, and out of their competing distress coin price advantages which their smaller competitors cannot possibly meet.

This has nothing to do with any question of efficiency. The advantages to which I refer are those granted without any reference to comparative efficiency—advantages, indeed, which may run directly opposite to comparative efficiency. Chains and mass distributors are not more efficient just because they are larger. Independent merchants are also efficient. They must be so, or so many of them could not have survived against the chains, armed, as they are, with these oppressive advantages. The independent renders many distinctive services which the chains have never attempted to duplicate, and the consumer is entitled to the benefit of those services without having them loaded with a burden of cost from which the favored mass distributor has managed to escape. For every manufacturer depends upon his sales to all his customers to cover his necessary cost and yield him his reasonable profit. To do this he may either charge each customer a price representing his proportionate share of that cost and profit, or he may charge some less and others more. If he does charge less to some, he must charge more to others or he will land in the red. Thus it is that price favors to a few cast an inevitable burden upon all the rest and upon the consuming public whom they serve.

Such discriminations naturally favor the larger buyer and the larger seller, as against their respective competitors. The larger the buyer the more serious it is to the seller to lose his business and the further he will cut his prices to keep it. The larger the seller and the more numerous his list of smaller customers the easier it is to make up from them the losses he sustains in price cuts to the favored mass buyer. Price discriminations thus become ever more and more effective in the hands of the larger and larger buyer and seller, against their smaller competitors. As such, it is a natural menace to competition; an instrument for the promotion of monopoly. To deny this merely because an actual monopoly has not yet been achieved is like denying that a leak in the dike may grow to a flood just because the flood has not yet reached your doorstep.

Now, as to methods. The Robinson-Patman bill is directed at the three particular forms in which discriminatory abuses are prevalently found. The first is excessive-quantity discounts. Quantity discounts that reflect real savings or economies made possible by the greater quantities purchased are economically sound and beneficial to the consumer. With them the bill does not interfere. It expressly exempts from its prohibitions price differentials reflecting differences in cost, whether in manufacture, sale, or delivery, whether direct or indirect, whether operating cost or overhead, so long as they result from the differing methods or quantities in which sales and deliveries are made to the customers concerned. But it prohibits price discriminations in excess of those differences, for there it is that the mass buyer evades his proportionate burden of costs and casts it upon his smaller competitors. Sometimes, however, a manufacturer offers a special discount only on such a large quantity order that only one or two large buyers in the whole field are able to take it. This, too, may become a weapon of oppression and monopoly, and the bill accordingly authorizes the Federal Trade Commission where necessary to fix quantity limits beyond which further special discounts shall not be permitted. But it can only fix quantity limits; it cannot fix the discounts themselves. And it can only fix those limits as to an entire commodity line or industry. It cannot fix them selectively as to particular buyers or sellers.

The second favorite form of discrimination lies in the exaction of brokerage commissions where true brokerage services have not been rendered. A true broker is an agent of trust engaged by the seller to find a buyer or by the buyer to find a seller and paid by the one whom he serves. Large buyers, however, frequently set up an employee or a subsidiary corporation in the guise of a broker, refuse to buy except through him, and pocket the commissions which the manufacturer is thus forced to pay him for serving another. The Robinson-Patman bill eliminates this betrayal of faith from the streams of commerce by prohibiting the payment of brokerage direct to the buyer or to anyone acting in fact in his behalf or under his control. It does not require the employment of brokers. It only forbids the payment of brokerage for a prostitution of that function.

The third favorite method of discriminatory abuse lies in the grant of special allowances for so-called advertising or promotional sales services to be rendered by the buyer in the resale of goods which he has purchased from the manufacturer. The buyer, of course, makes his own profit on the resale of those goods. He buys them only for that purpose; and if he doesn't sell them, they become a dead loss on his hands. Yet mass buyers have spun the fairy story that this is a special service to the manufacturer, and that he must pay them extra for doing only what they must do in any case for their own advantage and profit. It is merely a thinly disguised vehicle for another form of price discrimination. The Robinson-Patman bill forbids the payment of such allowances unless they are made available to all competing customers on the same terms.

The Robinson bill in the Senate then contains an additional provision which I am sorry to see omitted in the Patman bill as it has been reported to the House. This fixes the measure of damages for persons injured by violations of the act. It is designed to enable those suffering such injury more easily to seek their own redress in the courts. As such it will serve as an added deterrent against violation, and will relieve the Government, and consequently the taxpayers, of a corresponding burden and cost of enforcement. Its principle is justice. Its virtue is simplicity. I hope to see it incorporated in the bill as finally enacted.

Now, this bill has been subjected to much misunderstanding, some of which, I am sorry to say, has been studiously fomented by selfish interests opposed to its enactment. It is aimed at abuses which are profitable to those who practice them, abuses which are hard to defend on their merits; so it is perhaps natural that they have sought to draw a veil of misunderstanding across the public vision.

This is not a price-fixing bill. It has nothing to do with price fixing. It regulates only the relations between a seller and his several customers. It has nothing to do with the relations between one seller and another. It does not limit competition, except that vicious competition which sells below cost in order to destroy competition. It has nothing to do with methods of production or distribution. It lays no shackles upon them. It leaves everyone free to use the shortest and most efficient processes he can find or devise for the manufacture, sale, or distribution of goods; and it leaves him free to translate any savings so effected in the service of particular customers into price differentials favoring them accordingly. It only says, thus far may you go and no farther. You may outdistance your competitor, you may extinguish him, if you can, by superior efficiency, but you may not do so by force of your greater size and the mere power which that size affords.

There is nothing in the bill that can increase prices to the consumer, since it does not affect production costs. On the contrary, it will lower prices to that vast body of consumers who purchase from the independent merchant and from cooperatives and smaller chains, for it will relieve them of that added burden of cost which the mass buyer is now able to evade and to shoulder off upon them.

The bill is not designed in the special interest of any one class, unless you wish to call those oppressed by discriminatory abuses a particular class. It applies to all industries. On the contrary, attempts have been made by its opponents to have it limited to particular commodities, or to exclude particular commodities from it, in the hope, no doubt, that it might thereby be rendered unconstitutional.

It is not an anti-chain-store bill. It is intended as much for the protection of the smaller chain against the larger chain, and of the cooperative and voluntary chain against the larger corporate chain, as for the protection of the independent against mass distributors as a whole.

Finally, a word as to its importance. In the protection it offers to independent enterprise, it is important not alone to the millions of smaller merchants and manufacturers engaged in that field and to the greater millions of the consuming public whom they serve; it is of still greater importance to the thousands of smaller communities throughout the land who depend upon independent enterprise as embodied in their local merchants and manufacturers, for the principal support of their social, educational, and spiritual institutions, and for the employment of their youth. It stands for a richer and a more abundant life for those masses of our people who are the backbone and pride of our civilization.

Ladies and gentlemen, I have tried to explain to you the Robinson-Patman bill. If you want it enacted into law, I know your Senators and Representatives in Congress will be glad to hear from you to that effect.

POSITION OF AMERICA IN INTERNATIONAL AFFAIRS—ADDRESS BY SENATOR LEWIS

Mr. BORAH. Mr. President, I ask unanimous consent to have printed in the RECORD an able and interesting radio address delivered by the Senator from Illinois [Mr. LEWIS] on April 20, 1936, dealing with America's position with relation to the nations of Europe and Asia at this time.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Citizens of the United States, for centuries up to 1920 the world nations turned upon each other to rend and destroy. This course of demolishing civilization and devastating mankind was the obedience to the edicts of secret treaties pledging destruction to any who became opponents to unknown decrees.

To abolish this execrable injustice, our America, in the name of liberty and democracy, sacrificed her treasure in billions of money and sent her sons to death in distant fields, buried in hidden hills—all smitten by the vengeance of revenging war. This World War commanded the toll of four hundred billions of dollars in value of money and property. Twelve million lives sacrificed. Five millions more crippled, blinded, shrunken, and withered to uselessness, destined to creep and hobble through the world to the hour of the final dispatch called death.

Then it was that civilization and Christianity molded a new world compact. This was to endow the order of family of nations, founded on faith of obligation and the declared love of mankind. A generation is now newborn. The captains of the modern formation revive and reinstate treaties for death of nations and covenants with the hell of war.

NEW DESTRUCTION BEING BORN

The old order resurrected is again to establish the secret vows of some part of mankind to desolate men and demolish the structure of worlds. This as penalty to such as do not yield obedience to the despot or tyrant. To achieve this purpose, armies and navies are anew constructed to quantity and quality unparalleled in all experience. To these are added engines and systems of heretofore unknown process of new annihilation.

Behold the panorama of nations arrayed for action:

England tortures Italy to combat; Italy cements France to alliance—this to assail the English contestant; France knits new bonds with Russia, to the purpose of frustrating Germany. Germany prepares to shatter France with aid of Austria and Italy. In this melee of wrestling horrors there arises in the shadows Japan, the new sovereign of Asia. This Japan confronts Russia, commanding from the Siberian slopes. China pits herself against invaders and prepares to slaughter wherever promiscuous and mysterious destruction can give deliverance.

"PEACE UNDER SWORDS"

Truly, with the oriental philosopher, we must exclaim:

"Peace is only under a canopy of swords!" while "life now survives under the swirling ships of the air raining down argosies of consuming flame."

To each of the death-dealing area confronts the organization of leagues of nations, combination of masters, compacts of sanctions, and control by committee of conquerors. These devices through their directors summon to the array the joint operation and solicit participation of our United States of America.

And here we propound the query: On what basis of justice can these historic nations command the partnership or adherence of the United States? We have it from the ancient law: "By the fruits of a tree, ye shall know it." These great nations now summoning us to bear responsibilities with them received from us what approximates twenty billions of American money.

Now, for months upon months these countries refuse to affirm the debt, decline to pay the interests, and openly assert to the world that they have stricken the obligation from what is called their budgets. This open announcement of repudiation of this debt has awakened the revolt impelled by the sense of honor from their own statesmen and eminent voices of authority.

DEBT HONOR TARNISHED

In England, the leaders of the Labor Party in Parliament express astonishment that the United States could be treated so unjustly. The great editors of the great papers of the party in power in England declare their abhorrence to the policy of "cheat and flee" pursued against us. In Canada, one of the great divisions of the British Government, the members of the board of aldermen, resenting the intimation of England that Montreal had not paid her debts as due to England upon some bond issue, hurled in retaliation that "England should have little to say as to repudiation of debts in view of the treatment she had subjected the United States to in the matter of the debts due that country."

In France, Herriot in the very late hours puts the query to France: "Where shall you go if again you should have the need to borrow and what shall we say as the reason for treating the United States as we have, when the world knows that but for that friendship a greater peril would have come upon us than can now be described?"

LINKS UNITED STATES IN EFFORTS

Again on this day the reports come that the premier, Baldwin, in his speech to his country constituents last week proclaimed the necessity for the United States to join as a necessary condition to obtain mass security for peace. France, asking that the Locarno Treaty be preserved to the point of granting security to France, makes known to the world the need of the United States joining England to the point of reviving the Locarno Treaty, now forsaken by Germany and repudiated by all nations with the exception of the two asking its revival.

Let us ask where is anything that can be adopted as an inducement to America to make any other move of favor or benefit toward these debtors whose treatment has humiliated America before the world and discredited their own honor before mankind? Since such has been their treatment in the past, what can be looked forward to for the future?

This Nation, in obedience to the policy of home preservation, has kept aloof. She rides her seas and treads her low paths alone. She gives salutation of friendship to all nations and offers prayer for peace to all people.

NO PROFIT IN CHOICE

We summon the witnessing mankind to the vindication by events of the American nationalist policy. Reflect upon the situation:

We are at peace with all the world. Were this United States to have joined with England in sanctions, there would be for us at this time the enmity of Italy, the suspicion and accusation of France, and the chill or hot temper from Germany. Did we ally with France, we would have the enmity of the German people and the hostility of England. And were we to espouse with Germany, we invite the antagonisms of Russia—while to conjoin with Russia is to arouse either Japan or Germany, or perchance both, in union against us.

To this add the thought of how our taking sides would bring disputes and conflicts in our home places among those who are the descendants of those lands in war, were we to espouse one or more against opponents in the others. We would be beseiged at our doors with enemies, where had been patriots devoted to our flag.

This United States, with the churning seas mounting between us as though constructed by Heaven as our barrier and protection, our obligation of non-interference with the affairs of European nations, standing fortified by an adequate Navy, constructed only for the fullness of defense, and an Army continued in volume to the sufficiency only of a national police to oppose invaders, affords the triangle of barricades as our sure safety.

By these tokens we summon civilization to witness how the gods of creation destined our situation as the sure divine preservation of the American.

SHALL WE ESPOUSE DELUSION?

By this exhibit we command you to answer: Shall we forsake our promontory of guardianship reaching to the stars at eventide and gilded by the daily sun of celestial splendor? Shall we leave this Elysium of happy isolation to risk the fate of shattered existence under the assaults of the offended nations revenging our partiality to rivals and foes? Shall we indulge the fatuous allurement of prated peace and mock friendships of secret enemy, to obey the deluded persuasion that with the United States entwined in the maze of world murders, all would surrender to our signal and under our entrance a new impulse of love would flow universal?

Let no such deceiving credulity possess our now separate and sovereign national Commonwealth. Let none of our countrymen be so bold in their seduced confidences as to persuade this people to depart its faith and desert its path. Fixed in the devotion to peace with all nations, abiding in the friendship of the world on the basis of honor sanctified in religion, this United States stands at a distance alone on the heights of acknowledged eminence. We hold the hands of our children to guide them through the vale of distractions, as we pray the blessings of heaven. Yet with all we proclaim to the world, "This is America"—and—

"True to our colors, tho' our shadows grow dark
We'll direct our sails as before—
And hold hard the rudder that governs our bark
Nor ask how we look from the shore."

I thank you. I bid you good night.

THE HOUSING PROGRAM—ADDRESS BY SENATOR WAGNER

Mr. ROBINSON. Mr. President, I ask unanimous consent to have published in the RECORD an address delivered on April 27, 1936, by the Senator from New York [Mr. WAGNER] on the subject of The Housing Program. The address is quite informative and very interesting.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Friends of the radio audience, any discussion of public issues at the present time should commence with the recognition that business recovery has been largely achieved. It is impossible for me in the short space of a single talk to cite all the evidences of this recovery. Let me call your attention, however, to an outstanding fact. It is generally conceded that the automobile trade is one of the best indexes of industrial conditions. According to an estimate by Dun & Bradstreet, issued last week, the number of automobiles produced during the month of April will be about 100,000 greater than during the month of March. These impressive figures, if taken alone, might be explained by special causes. But we know that they exemplify what is going on in steel, in retail trade, in railroading, and in our other key industries.

These gains have been promoted through the instrumentality of the New Deal policy. So effective an instrument cannot be laid aside when one task is accomplished. It must rather be devoted to the new problems of society and the new responsibility of government. While the depression has been broken, there is still need to create even wider opportunities for reasonable business profits. There is still need to give the average man an even better chance to earn a decent living in the present and to look with fearless security toward his future. Above all, there is still need to make sure that large and deserving sections of our population are not forgotten in the midst of recovery. The yet un-

cured sore spots in our economic system must not be neglected or they will again threaten the whole system with disease.

While we have made tremendous progress toward national health, there are some of these sore spots which require additional treatment. Most important of all is the fact that millions of our people are unemployed. This is a strain upon the Government, because it means heavy relief rolls. It is a severe tax upon business because, in the final analysis, the Government is supported by business enterprise. It is a terrible social injustice to millions of men and women who see opportunity denied to them in a land founded upon the principle of equal opportunities for all.

Any sincere search for a cure for unemployment must commence with a careful diagnosis of its cause. This cause is not merely a hang-over from the depression, which will wear off in a few years of its own account. It is more serious than that. It is the result of changes in the mechanical methods of business, which have replaced men by machinery in hundreds of industries. During the first three decades of the present century these inventions were so far reaching that by 1930 one man was able to turn out as much work as two men could in 1900. Since the beginning of the depression this tendency has continued, so that today four men in a factory can accomplish as much as five men in 1929.

It has always been our American philosophy that these so-called technological improvements have been good for the people as a whole. We have felt ourselves progressing further and further away from the olden times, when human drudgery was the only form of labor, and when standards of living were very low. We are now approaching the possibilities of a new era of abundance, when standards of living will be uniformly higher and when working people will have greater opportunities for leisure and self-development. But if we are to capitalize upon these possibilities, work must be found somewhere for the millions who are being displaced by new inventions. Otherwise a costly army of unemployed, draining our national resources, will more than outweigh the benefits flowing from the new machinery. The great challenge still confronting our country, and, in fact, all civilization, is the challenge of the jobless.

All business interests are in unanimous agreement upon one phase of this problem. They are all agreed that the best way, the only permanent way, to remedy unemployment is to create useful jobs in private industry. They are also convinced that the occupation which offers the widest field for expansion at the present time is home building. While so many of our industries have climbed back to normal, the construction of dwellings is still in a very decided slump. Only 1 family was provided with new quarters in 1935 for every 10 families so provided for in 1925. During the first 4 months of the present year, home building has been proceeding at only one-fourth the normal rate. It is clear that about one-half of the total unemployment today is due directly to the lag in the construction industry.

The housing bill which I have introduced is therefore addressed toward the major economic problem of today. It is designed to assist in bringing the construction trades back to normal. It does not attempt to do this by substituting government for private initiative; for that would be a hopeless and an un-American task. But the measure is based upon the firm conviction that just as the Government helped so much to protect 2,500,000 home owners from foreclosure and eviction, just as the Government played its part in clearing up a mortgage situation that was ruining both lenders and borrowers, so the Government can and must face the affirmative task of getting the construction industry going at a faster pace.

The bill is based upon another equally important sense of responsibility. We all recognize that during the crisis of the recent emergency it was necessary to put people to work as rapidly as possible. Under such circumstances it was humanly impossible in all cases to select the most useful and permanent type of undertaking. It is remarkable how much good was done under the circumstances. But now the time has come when we should tie up reemployment even more closely with the development of long-term projects of a self-supporting character, selected solely upon the basis of their usefulness to the Nation.

There is nothing that could be so useful to the Nation as better housing. At least 11,000,000 families, meaning approximately 45,000,000 people, are now living under conditions that do not protect their health and safety. These bad housing conditions are not confined to the city nor to the country. The traveler who sets out upon a tour of the United States will find slums and shacks, inhabited by the underprivileged, in every State and county from New York to the Golden Gate.

If the traveler puts aside the superficiality of a quick visit, and delays long enough to enter these lowly homes and study the lives of their people, he will gather a very tragic history. He will learn that the danger of contracting tuberculosis is 30 times as high within the slums as elsewhere. He will find that in the lowest class of tenement rooms the infancy death rate is three times as high as normal. He will discover rundown sections of our country where the rate of juvenile delinquency is 300 times as high as in more prosperous areas. He will see that generation after generation of American children are forced to live in environments polluted by crime, by disease, and by the demoralizing knowledge that they are denied the chances which other people have.

Of course, thousands of people survive these conditions and are none the worse for them. Once every hundred years there may even be an Abraham Lincoln. But the exceptional case should not blind us to the ordinary cases—to the millions of cases where parents, even if they retain their health, see their children denied the right to live and learn and play in clean and healthful surroundings. The multiplication of hospitals, reformatories, and houses of correction, the fact that our homicide rate is over 30 times as high as in England, where the slums are being cleared, the very fact that the underworld is becoming the hunting ground of the young should be sufficient indication of what must be done. The probability that most people would not get smallpox in any event does not destroy the value of compulsory vaccination. We must now vaccinate all our people against the peril of the slums. The only way to do this is to destroy the slums. It must be emphasized frankly and at once that the slum problem is not a problem of low individual standards of morals or of taste. It cannot be solved by education, nor by propaganda, nor by preachments about better living. It is primarily a problem caused by millions of decent and respectable people who have not sufficient incomes to live decently. At the present time 18,000,000 families in America have earnings of less than $1,000 a year. Contrasted with this, the lowest income upon which a normal family of five can house itself in safety and sanitation is about $1,500 a year. This cold, cruel state of affairs has led all except the blind to acknowledge that some public assistance is necessary, if the poor are to be provided with decent housing, and if the well to do are to be protected from the contaminating influence of infected areas.

The bill, therefore, authorizes the Federal Government to make loans to State and municipal housing authorities, and to limited-dividend companies, to finance new dwellings for persons of low income. It also provides for supplementary grants, but only in an amount necessary to build homes for families of low income, and in no case to exceed 45 percent of the cost of any housing project. This grant may be made in a lump sum, or it may be spread equally over a period of years on an annuity basis.

Financial assistance of this type represents an eminently wise investment of public funds. Today both the National and State Governments are forced to pay huge rent subsidies in the form of pure relief to the needy. In New York City alone rent relief is now going on at the rate of $25,000,000 a year. The pending proposal will substitute business revival for relief. It will tie up every dollar of expenditure with genuine construction activity.

It will be cheaper for the Government, better for industry, and infinitely more just to the people who want decent homes.

Intended as it is to stimulate business and provide reemployment, the measure will not offer a single iota of competition to legitimate private industry. Every housing project that receives a penny of Federal assistance, either loan or grant, will be available only to those families of low income who cannot purchase safe or sanitary quarters elsewhere. No opportunities will be revoked, except the license to extract profit from dealing in the degredation of the meanest slums.

The huge possibilities of stimulus to private industry cannot be measured by the limited extent of the public undertakings under the bill. In England Government assistance to only about 15 percent of housing has ignited a huge building boom, which has been the main factor in the economic recovery of the country. Over here, as well, the construction of 125,000 family quarters a year with partial Federal assistance, and that predominately in the form of sound interest-bearing loans, should provide the groundwork of the development of 875,000 units each year by private industry alone. When we consider also the vast field of housing for the well to do, every $1 of Federal grant for low-rent housing during the next 4 years should mean $48 of private investment for home building of every type.

The most significant aspect of the bill, however, is not merely that it will stimulate building, but rather that it will stimulate the right kind of building. The foundation of a healthy home-construction industry is adequate provision for those at the bottom of the economic structure who need better homes most. We must not repeat the errors of the 1920's, when the building boom took care of those at the top but neglected the foundation, and thus ended in collapse. Our objective today is to transform the construction industry from a wavering luxury trade into a permanent stabilizing force.

Housing is a community matter. All the direction, planning, and management in connection with publicly assisted housing projects are to be vested in local authorities, springing from the initiative of the people themselves. The Federal Government will merely extend its financial aid through the medium of these agencies. The only exception to this rule is that for a limited time the Federal Government may set up a few demonstration projects in order that local communities without adequate instrumentalities of their own may benefit by an experience in low-rent housing. It is provided, however, that these demonstration projects shall be transferred to local agencies as soon as possible.

During the past week the Senate Committee on Education and Labor has held hearings upon this United States housing bill. While there were a few witnesses who differed with some of its specific provisions, all were in agreement upon its major objectives. Furthermore, the vast majority were in accord that the bill presented the best method now attainable for reaching these objectives. It was a remarkable experience to hear leaders in business, in social work, and in public life from every section of the country who came to Washington with an account of the deplorable effects that slums are producing upon the lives and hopes and aspirations of our people. But these spokesmen came also with the sure

confidence that the Government now stands ready to do what it can to remedy such conditions. I am sure that this confidence on their part will be justified by the Congress at this session.

There is not a single interest which would be affected adversely by this measure, except those few who thrive by vending unsafe and unsanitary homes to the men, women, and children of America. By providing widespread employment in the industries that are most depressed, the bill will round out the cycle of recovery in banking, in commerce, and in industry. It will evoke the maximum outflow of private capital with a minimum investment of public funds. And it will combine these economic objectives with the humanitarian policy of clearing away the areas where disease and crime find their natural breeding place, and establishing a cleaner and healthier atmosphere in which the mothers of America may watch over their families, and in which the children of America may grow to a happier maturity.

TENNESSEE—ADDRESS BY SENATOR BACHMAN

Mr. BURKE. Mr. President, I ask unanimous consent to have printed in the RECORD an address on Tennessee, delivered by the Senator from Tennessee [Mr. BACHMAN] on Tennessee Day at the Washington Memorial Chapel, Valley Forge, Pa., April 26, 1936, under the auspices of the Colonial Dames of America.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Perhaps no State in the Union was so quickly evolved from a wilderness into an abode of cultured activity. It bears the sixteenth star, being third in order of admission into the Union, and the last State to be admitted under the administration of President George Washington.

The earliest attempt at settlement was made by North Carolina in 1754. Prior to that time there was a store and place of trade by the French on the Mississippi River where Memphis now stands, but this was transitory. This effort by North Carolina failed, as the settlers were driven away by the Indians.

In 1757 Fort Loudon was built on the Little Tennessee about 30 miles from the present site of Knoxville. The tragic story of this fort has been well described by Charles Egbert Craddock—one of the most pathetic narratives of American history.

In 1761 a larger force of enterprising settlers entered from Virginia and North Carolina, subdued the Indians, made a treaty with them, and established the "Watauga Association", near where Elizabethton now stands. North Carolina claimed all the region as its own and called it the "District of Washington", and for 7 years it was part of North Carolina.

In 1785 the people became dissatisfied with their government by North Carolina and formed an independent State under the name of "the State of Franklin" and maintained that organization till 1788, when they again acknowledged the control of North Carolina. In 1789 North Carolina ceded the region to the General Government, which in 1790 organized "the Territory of the United States south of the Ohio."

In 1796 part of this Territory was admitted into the Union as a State and the cumbersome title changed to the more euphonious one of Tennessee, upon the suggestion of Andrew Jackson, taken from the Cherokee name of its chief river "the Tenassee", the river of the big bend. The constitution of the new State was greatly praised by Thomas Jefferson as one of the best and most democratic. Through all the vicissitudes of the founding of their State the Tennesseeans maintained their freedom of thought and their own ideas of self-rule. They were from the beginning a cultured people and set their churches and schools in the center of every settlement, the University of Tennessee—old Blount College—was chartered in 1794, 2 years before the State was admitted, and Washington, Tusculum, and Maryville were log colleges in a wilderness.

In addition to the settlers from Virginia and North Carolina a small element came from Maryland, a fact which has been generally overlooked—these settlers were particularly well educated, some bearing degrees from the University of Glasgow and Trinity College, Dublin, and sufficiently grounded in the classics to be able to correspond in Latin during the Revolutionary War, as well as to expound "The Word" from the original Hebrew and Greek.

In the early twenties these humble log colleges had changed into brick, and academies, seminaries, and churches arose in every village, with white columns and gilded domes gleaming in the sunlight.

The first inhabitants, hunters and trappers, came on foot, cutting their way through the forest with the short ax, being armed with long guns, and later the Deckhart, used at Kings Mountain. After a trail was cut through, came the horse and pack saddle, for no wagon crossed the Allegheny Mountains into Tennessee before 1776.

After wagon roads were made trade became possible, and long lines of wagons came from Lynchburg, Va., which was the great entrepôt; and dry goods and delicacies were brought from Philadelphia and Baltimore. Many a bride's costume was brought out with "store tea", real coffee, and other luxuries.

The first houses were, of course, of logs. As soon as a clearing was made the cabin was raised, and in that day a man was famous as he lifted up his hand against a tree, not as he planted one. Everything had to be for utility; there was little time for sentiment, oak, elm, and tulip trees fell alike, and the ruthless slaughter of the walnut trees brings a pang to the heart of the true tree lover; many an old rail fence around a cabin being made of that beautiful wood; and in some cases the crossties of the first railroad in the State were cut from hardy walnut trees. This clearing was a prime necessity for cultivation but also as a protection against the Indians who would creep as closely as possible to any habitation, hiding behind a tree and imitating so accurately the scream of a wildcat or gobble of a wild turkey that many a luckless settler, hearing these sounds, went out with his gun, never to return.

Stone houses were built very early, both in eastern Tennessee and the middle part of the State, wherever an outcropping of limestone was found, and a crude cement was made from the sand by the creek or river bank.

The houses were usually comfortable but very cold in winter, as there was no mode of heating save by cavernous fireplaces, and to provide fuel magnificent hickory, ash, and cherry trees were destroyed.

The first brick house in Sullivan County was built from bricks burned on the place in 1799, the office in the yard and some of the cabins for the Negroes being made of the same material.

The first thought, of course, was for protection against wild beasts—the bear, panther, and wildcat—and the prowling Indians. The shutters were made of solid wood, and the iron hinges of the doors, hand forged, of the strap variety, were more than 2 feet long, heavily bracing the door at top and bottom, and the keys to the locks of these old cabins were large and heavy enough for weapons.

In the beginning everything was made on the place, and the location of a cabin near a spring was imperative and a running stream for the location of a mill to grind the corn into meal a necessity, as the settlers largely subsisted upon it for bread—and for a journey came the johnnycake, or journey cake. Parched meal was also used; the patriots who went over the mountains to Kings Mountain carried it as their rations, stooping, like Gideon's band, to lap up the water from the mountain brooks, for they stayed not on their march until they reached their objective and smote the Tories hip and thigh.

An important matter was the making of the candles, a necessary but laborious and tiresome job, but they were the only form of illumination except pine knots. Before the invention of matches it was a catastrophe for the fire to go out, and unless a spark could be struck from a flint and tinder a live coal must be brought a long distance from a neighbor's house.

The ash hopper, of V-shaped appearance, was a component part of every back yard, the ashes used for lye in making the soft soap, and in more than one case a small child has been hidden there during an Indian foray until his parents could claim him again, they fleeing more rapidly than his short legs could carry him, but taking time to place him carefully in and cover with dry leaves, and so carefully trained were the children by the "hushing" habit that even the smallest ones made no outcry when the Indians were about.

The spinning wheel and loom for weaving were also both necessities, for not only every garment but the cloth from which they were fashioned had to be made by the housewife and her helpers.

The linsey-woolsey, from which many a suit and dress was fashioned, was made in the house, as were also the great heavy woven coverlets (coverlids) of marvelous designs and beautiful colors, and the finely ribbed white counterpanes.

There were also woven on the plantations, summer blankets, a delightful covering, thin as cambric, and as warm as the sheep's wool from which it was made, with beautiful Roman striped borders, colored blue with indigo and a lovely rose, with madder.

The flax fields were important as the table linen and bed linen and towels were made from the fiber, the snow drop, a memory of old England, and Scotland, being a favorite pattern for the table linen.

There were no fresh fruits in the winter, so much labor was bestowed upon drying apples and peaches upon long racks in the hot sun, and carefully rolled peach leather was a great delicacy. Apple butter was made in large iron kettles over an open fire in the yard and stirred with a wooden perforated board, made oval shape, and attached to a handle 4 feet long. Honey was always plentiful, and a drink called metheglin was made from it. Game was abundant and the food soon became lavish and no stranger passed a gateway. In one old home of which I know, 30 people often sat at dinner, and guests who came for a day stayed for several; in some cases the visit lengthened into weeks.

The earliest dress for the men was the hunting garb, made Indianwise, with the fringed jacket and belt and worn with moccasins, or high leather boots, when they could be procured. A factory for hats was early established in Sullivan County and a good serviceable wool hat made there. The long woolen hose were knitted at home.

A few knee buckles existed, brought out with other small articles, but such fripperies were soon laid aside as unsuitable for the work to be done.

In the early pioneer days the dresses of the women were of the plainest, only the kind useful for the helpmeet of the pioneer subduing the wilderness, though many a bit of finery brought out in saddlebags from old Virginia was tucked away to be used at a bridal or christening, and many an old beaker or silver cup was brought forth upon a similar occasion.

Carefully cherished was the thread lace used to adorn the caps which the women began to wear when they were 40 years of age.

The furniture was simple, in most cases made on the plantation with the exception of a few ancestral pieces brought out in ox carts and wagons later. Beautiful bureaus, tables, beds, and

chairs, still the pride of descendants, were made from the cherry and walnut trees which were so plentiful, also from the sweet gum, called liquid amber or the patriot's wood, as they refused to bring in any mahogany from the British colonies.

This furniture was usually plain, but of beautiful lines, with legs turned and backs hand carved, ample and strong. Often amid this simple furniture in a log cabin stood, incongruously, a fine old Chippendale clock tracing its ancestry back to old England, like the portrait of an ancestor, bespeaking a time and day of better things. The winding of these old clocks on Saturday night was a task which no one but the master of the house was allowed to perform, and with the passage of time it became almost a rite denoting eternity.

A quarter of a century after it became a State, Tennessee had greatly increased in wealth and goods, and was taking her rightful place among the sisterhood and was especially noted for virility of thought and valor of action, becoming known as the Volunteer State, as a native chivalry quickly proffered service in every emergency and a natural eloquence, mountain born, made her sons sought as orators. A preacher who could not preach or a politician who could not speak were as rare as birds which could not sing.

Slavery was coexistent with the State, but was largely patriarchal in character; the slaves spoken of as "my people" or "the blacks" or, colloquially, as "the darkies", which was an affectionate term. Cabins were built for them in the quarters, where they grew certain truck and raised fowls to sell as they pleased. There was an obligation felt toward them more as dependent children; they were housed, fed, and clothed and their spiritual and mental welfare not neglected.

The teaching on Sabbath afternoons largely devolved upon the mistress and her daughters, and with their retentive memories the colored pupils quickly absorbed the gospel truths; and many an old plantation preacher, though he could not read, almost knew the Bible by heart, as they did the old-time hymns, from which evolved the so-called spirituals, some of them of true conviction—not the spurious ones attributed to them today.

I recall in my childhood quavering old voices singing variations of old hymns and being crooned to sleep in old black arms with

"Yo may tak me to de Eas',
Yo may tak me to de Wes';
But I'll heah de trumpet soun' in dat day"—

and then, in a mumble to herself, "Ole Mis' done taught me dat."

Such care was attested to by the devotion of the Negroes during the War between the States, instances of which are too well known and authenticated ever to be disputed; the body of many a young Confederate soldier was brought back "to de ole place" by the faithful black comrade of his youth, who had accompanied him to the war.

And in many a family graveyard will be found, resting by "ole Marse" and "ole Mis' ", the faithful black ones, between whom was a bond of devoted attachment.

The Scotch-Irish (or Ulster Scotch) in eastern Tennessee, although slaveholders by inheritance, were opposed to the system, and in that section efforts were made at abolition, before Garrison began his activities. Many of them freed their slaves and sent them to Liberia after that experiment was set up, in President Polk's administration, and kept up a correspondence with them as long as they lived, for contrary to the usual opinion, some of the house-reared servants could read and write after a fashion.

The women of Tennessee have always been homemakers; they rose up early and ate not the bread of idleness; they became notable housekeepers, and were satisfied to be the helpmeets of husbands who were known within the gates, but from earliest times were distinguished for daring and individuality of thought when occasion demanded.

There was Katherine Sherrill, leaping like a young doe over the stockade at Watauga, when pursued by the Indians; Mrs. McEwen quickly remolding the bullets fired by the Indians and sending them back to them; and Elizabeth Rhea, writing her young soldier son on the high hills of Santee: "I would rather hear that you were numbered among the slain defending our sacred cause, than know that you proved profligate or a coward", an injunction so well heeded that later Matthew Rhea bore a commission as major, signed by Gen. George Washington, and you do not wonder that the descendents of such women were with Sevier at Kings Mountain, Jackson at New Orleans, over the walls at Chapultepec, through the tense agony of the War between the States, and the long, long trail of the World War.

There was a love of home among the Tennesseeans more than common. An early English traveler wrote that he had never encountered people of any State so homesick when removed from its bounds.

Many of the customs were transplanted from Scotland and the songs as well, also that love of books and fervor for education. On the rude shelves in many a pioneer cabin stood the calf-bound classics, old Elzevirs and early copies of The Word, brought out from the old home, in saddle bags across the mountains.

An early and beloved custom was the "infare", which was the reception for the young bride at the home of the groom's parents; she wore her white dress at her wedding in her parents' home, but her "second-day" dress, usually of dark silk, was as carefully selected, for it was worn at the "infare" where she was always anxious to make a good impression among the new relatives since she had "fared out" from the home of her childhood.

The care of the "wee bairn" was another pronounced custom, and the high chair was more carefully made than any other. There were few homes so unfortunate as to have no little ones, but where there were none the custom prevailed of "borrowing the baby"—some trusted member of the family would come early to beg the more fortunate neighbor to lend the baby for the day.

But always before sunset, across the fields and meadow, would come the mother to get her child; and as night fell the question always was: "Are the children all in?"

In 1896 Tennessee celebrated her one hundredth anniversary, and a great State came into her own.

Her sons and daughters came from far and wide to observe the centennial and were welcomed by a native-born Governor, the beloved Robert Love Taylor, whose forebears were at Watauga, Kings Mountain, and New Orleans.

It was a far cry from the log cabin in the wilderness to the gleaming walls of the Parthenon, reproduced in size and scale for Tennessee's centennial, but it had all been wrought well and by worthy builders.

ADMINISTRATION OF CRIMINAL JUSTICE—ADDRESS BY ATTORNEY GENERAL CUMMINGS

Mr. FLETCHER. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject Progress Toward a Modern Administration of Criminal Justice in the United States, delivered by the Attorney General of the United States, Hon. Homer Cummings, at the annual meeting of the North Carolina Conference for Social Service, at Durham, N. C., April 27, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The subject we are to consider tonight is of such wide philosophic interest and involves so many problems of practical consequences that I can do no more in a brief discussion than touch upon its fringes. That I should be speaking upon such a topic to a State conference on social service illustrates in somewhat striking fashion the trend of present thought in this important field. I am glad to participate in your deliberations because your organization is rightly regarded not only as one of the most forward looking but as one that from year to year has made vital contributions to the improvement of legislation and administrative procedure.

The political philosophy dominant in this country at the time of the Declaration of Independence emphasized, as of primary importance, the individual rights of man as distinguished from the requirements of organized society. It was natural that this concept should have been uppermost in the minds of our forefathers. Government in the countries from which they came had been largely oppressive in character. The criminal law there administered was frequently employed as a whip to compel obedience upon the part of reluctant, if not recalcitrant, subjects. Most of the early colonists came to America to escape the compulsions of arbitrary laws which seemed to them unwarranted interferences with their religious, political, and social beliefs. Moreover, the country to which they came was a wilderness in which each individual lived largely on his own responsibility. In the small clusters of population which constituted the first communities only the most primitive forms of governmental structure were possible. Until comparatively recent years there has always been a frontier beyond which the restless could find escape. It was natural, therefore, that in the building up of our laws, particularly those which related to crime and punishment, there should have been a sharp emphasis on the rights of the individual and a constant resistance to any form of social control which seemed to involve a limitation upon individual activity.

In the early days, the scope of criminal law was relatively narrow. The prevailing conditions of life made unnecessary the elaborate present-day structure of criminal statutes. Such crimes as were committed were, of course, matters of vital consequence to the localities in which they occurred. The courthouse was a center of community interest and court day was an occasion for the assembling of the populace from the far corners of the country. When a murder was committed it was of such general concern as to disrupt the quiet of the countryside and to warrant the calling out of all available resources for the capture and punishment of the criminal. In fact, it was a matter of such moment that, in the absence of an effective local government, vigilante groups were active and methods of hue and cry and outlawry were employed.

It was under these circumstances, then, that there grew up in our constitutions and laws, the system of judicial determination which we know so well and which guarantees to each person charged with the commission of a crime, the right to counsel, the right to a day in court, the right to a jury trial, the right to have witnesses subpenaed in his behalf, the right to be tried only upon an indictment found by a grand jury, the right to bail, the right to employ the writ of habeas corpus, the right of the presumption of innocence, the right to be present at his own trial and to be faced by the witnesses who testified against him, the right to be convicted only upon proof beyond reasonable doubt, the right of appeal, and the rest of the elaborate formulae. Every law student was taught that it is better for 99 guilty men to escape than that one innocent man should be punished. In modern days these wholesome processes and sound guaranties have far too often been debauched and diverted from their original purpose.

It was but natural that we were led into many grievous difficulties of administration.

Criminal laws were frequently enacted to satisfy the wishes of interested minority groups or in response to tempests of popular emotion. Moreover, this confusion was increased by the fact that not only the Federal Government, but each State and each political subdivision thereof was possessed of large power to define crimes and to fix penalties.

The Federal criminal law, as a system distinct from that of the States, followed two major lines of development. One had to do with the control of territories directly administered by the Federal Government. The other body of law was concerned with such problems as treason, piracy, sedition, interference with the mails, the collection of internal revenue, and other purely Federal functions.

Let us not forget that the development of the United States has produced certain phenomena peculiar to ourselves which present problems of the most varied and baffling character. There came to our shores a heterogeneous population, bearing within itself national strains and racial traits that were to contribute to the cosmopolitan character of American life, but which, at the same time, could not be welded into a common pattern of behavior without subjecting our new citizens to many of the compulsions which their arrival on these shores was designed to avoid. The mere territorial extent of our domain, while affording opportunities for the assertion of the vigor of the pioneer, at the same time subjected the influence of law and order to a process of indefinite attenuation. Industrial and manufacturing communities, great centers of population and of enterprise, grew up, each with its particular texture, atmosphere, and standards of public morals. Between some of these large centers the greater part of Europe might have been superimposed with room still left for an almost uninhabited frontier. There came into existence 48 States, each sovereign within its own jurisdiction, each with its own capital, each with its own government, and each with a population drawn together through some common interest in the natural or human advantages of its peculiar environment. The Federal Government, established through fiat on the banks of the Potomac, isolated with conscious purpose from the great centers of population, trade, manufacturing, business, and industrial life, bore a relationship of limited and delicate character toward all of these other units.

Out of this relationship, fixed in our Constitution, and out of the great impulses that created the drama of our material conquest of this continent have arisen intricate problems in the administration of human relationships that confront us all at this hour. Of these problems, the administration of criminal justice is one of the most fundamental.

The dangerous inroads that organized crime was making were apparent on every hand and finally reached a climax in a notorious series of kidnapings that brought the issue into the focus of national attention. To put it bluntly, we had outgrown our law-enforcement system and it had broken down under the strain.

Many of us felt that in the premises a heavy responsibility rested upon the Federal Government and that means could be devised to meet it within the limitations of the Constitution, and without doing violence to the genius of our institutions or the customs of our people.

The first significant appearance of the Federal Government in this field took place when the so-called Lindbergh Antikidnaping Act was passed in June 1932. While this was an excellent beginning, it dealt somewhat inadequately with but a single class of crime. It was imperative that the Federal authorities should be empowered to go much further.

Between Federal and State jurisdictions there existed a kind of twilight zone, a sort of neutral corridor, unpoliced and unprotected, in which criminals of the most desperate character found an area of relative safety. It was the unholy sanctuary of predatory vice. Here the instructed criminal sought and found refuge. It was into that zone that the Federal Government has sought to enter. We have resisted, and we shall resist, all attempts to bring the Department of Justice into the sphere of State or local criminal activities. Frankly, I have endeavored to develop in the Department of Justice a structure and a technique predicated upon cooperation with State and local agencies, as well as with appropriate semi-public groups, toward the accomplishment of the common end—the eradication of crime in its more outrageous and organized phases and the progressive control of the rest.

It was therefore from no desire to usurp the functions of State or local authorities that the Department of Justice requested from the Congress and secured authority to deal with this difficult situation. There was introduced in the Seventy-third Congress what has been termed the "12-point program of the Department of Justice", which ultimately resulted in the passage of 21 important enactments.

Throughout these difficult and formative days the Congress and its committees rendered every assistance in their power; and I pay grateful tribute to them for their unfailing confidence and support.

In order to assist the States in developing a more effective program of Nation-wide cooperation, I sponsored the adoption by the Congress of a law authorizing interstate compacts for mutual cooperation in the prevention and punishment of crime. The passage of this law has already stimulated wide interest in a hitherto unused means of approach. An Interstate Commission on Crime has been formed, composed of members representing every State in the Union; and a comprehensive program of legislation is in process of development.

The other enactments dealt with racketeering, transportation of stolen property where the value exceeded $5,000, extensions of the kidnaping statute, flight from one State to another to avoid prosecution or the giving of testimony in felony cases, bank robberies, killing or assaulting a Federal officer, riot in or escape from a Federal penal institution, taxation upon the manufacture or sale of submachine guns and certain other types of firearms, the right of agents of the Federal Bureau of Investigation to carry firearms and to make arrests, improvements in criminal procedure, rewards, and similar matters. These beneficial and constructive acts were carefully worked out and served as an answer to a great national need. Moreover, the Congress wisely provided additional appropriations for equipment, personnel, laboratories, scientific apparatus, and the like.

The immediate result of these various acts and measures was to enable the Federal Bureau of Investigation and the Criminal Division of the Department of Justice to deal successfully with a series of outrageous kidnapings, and to put an end to the operations of many notorious murderers, gangsters, bank robbers, and hold-up men, whose activities had made American justice a subject of wonder to the rest of the world. The Federal authorities confronted a desperate situation and, I am proud to say, met it in a manner that received national and even international commendation. Encouraging as these events were, thoughtful persons realized that much remained to be done.

With that thought in mind, I summoned to meet at Washington, D. C., in the winter of 1934, a conference on crime, based upon a new method of approach. Theretofore the public, expressing itself through conferences or otherwise, had appealed to the public authorities for aid in dealing with the menace of lawlessness. Now the process was about to be reversed—the Government was to appeal to the public for its thoughtful advice, for its sustained interest, and for its active help.

Attended by 600 delegates, each an expert in his own field, the conference sought to approach the question in as dispassionate, as objective, and as practical a manner as possible; to consider crime in the light of the experience of the participating groups, without at the same time getting into the field of particular crimes, specialized suggestions, and minute professional preoccupations.

This gathering, I believe, elicited an unusually valuable exposition of basic facts and was of great assistance in enabling the public to see the problem of crime in its broader aspects and to see it whole. Since that time a number of State conferences of a similar nature have been held. Many things are afoot. The psychology of our people has undergone a wholesome change. No longer does the public glorify the gangster. Its admiration and its gratitude go out to those who, daily taking their lives in their hands, seek to enforce the laws that are our common protection.

Public opinion has begun to express itself in many ways. It is not an opinion that impinges alone upon the Federal Government. If I mistake not the signs, it is beginning to affect all governmental authorities throughout the Nation, whether their jurisdiction be great or small. There is a demand for action in each particular jurisdiction for the most expert coordination of which the authorities are capable. These large expectations should find an unreserved welcome on the part of law-enforcement officials, for there is thus provided the encouragement and stimulation necessary to such an administration of justice as befits the dignity of American life.

With respect to the practical recommendations of that conference time does not permit me to offer a discussion except to state that one of the important actions taken was that approving the establishment at Washington, D. C., of a scientific and educational center to provide national leadership in the broad field of criminal law administration and the treatment of crime and criminals. The Advisory Committee which I appointed to consider this recommendation approved the creation of the proposed center within the structure of the Department of Justice, and it was decided to use the existing facilities of the Department for this purpose.

For several years, under the guidance of its skilled Director, Mr. J. Edgar Hoover, there had been in successful operation in the Federal Bureau of Investigation an excellent training school for the instruction of special agents whose high personnel standards are too well known to require comment on this occasion. It was decided to make that training course, with suitable adaptations, available to selected law-enforcement officials throughout the United States.

The first police training school was held in the summer of 1935, and a second group of law-enforcement officers was graduated a short time ago. Plant, technical equipment, scientific facilities, lecturers, and instructors are made available for this important work. The sole expense to those who take these courses is the cost of transportation to and from Washington, and of personal maintenance during the period of instruction. The Department cannot, of course, offer these advantages indiscriminately, but it can and does undertake to supply to a limited number of experienced police officials instruction in all of the manifold scientific and technical subjects in which special agents of the Federal Bureau of Investigation are now trained. In this way we both teach and learn.

We have followed the subsequent careers of the graduates of this school. Many of them, promoted in rank and given increased compensation, are now passing on this instruction to their colleagues and subordinates in various States and local police jurisdictions. The results thus far have been highly satisfactory.

Under the Federal Bureau of Prisons of the Department of Justice there has been set up a classified prison system which includes a reformatory for women; two reformatories for youthful first of-

fenders; a special institution for the treatment of narcotic addicts; the United States Hospital for Defective Delinquents at Springfield, Mo., where remarkable rehabilitative work is being done with the insane and tuberculous, as well as those suffering with chronic, degenerative diseases; four regional jails; five prison camps; four walled penitentiaries; and finally, on Alcatraz Island, a maximum security prison for persistently intractable prisoners and those with serious records of violent crimes. Supplementing the classification program there is a carefully conceived procedure for the individual study and treatment of inmates in each institution.

In the selection of personnel, both at Washington and in the field, the Federal Bureau of Prisons has recognized the importance of professionalizing the service. A comprehensive plan of inservice training for the custodial officers is now being put into operation, and in the future all promotions and salary raises will be made upon the basis of the completion of the training requirements as well as the maintenance of satisfactory service records. Not only does the proposed scheme offer an opportunity for developing the best qualities in candidates for the position of prison officer, but it also assures to them something in the nature of a career service.

This training course for Federal prison officials now maintained under the experienced direction of Mr. Sanford Bates, Director of the Federal Bureau of Prisons, can, I hope, be made available under proper conditions to selected State and other officers in this field. While this is a difficult arrangement to work out, it is being given serious study.

Probation, as a device for penal treatment and for the protection of society, has been widely developed under the Federal system and with increasingly satisfactory results. Although the appointment of probation officers is, under the law, left to the discretion and authority of the United States district judges, the administrative, instructional, and inspectional phases of the probation system as a whole have been placed under the Director of the Bureau of Prisons, on whose staff there is a highly competent Supervisor of Probation.

Persons sentenced in the Federal courts to terms of more than 1 year are, under the law, eligible for parole when they have served one-third of the full sentence. The decision as to whether parole shall be granted and when it shall be effective rests with the United States Board of Parole, consisting of three members appointed by the Attorney General. The Board has its headquarters in Washington, but regular hearings are held at the various institutions.

In general, it may be said that parole is granted when, in the judgment of the Board, a prisoner is competent and willing to readjust himself socially and when the factors which will affect him and his family after release guarantee adequate public security. A definite "parole plan", which includes suitable employment and an approved "local adviser", together with such other conditions as the Board thinks necessary for the protection of society, must be submitted for the approval of the Board before release on parole is actually effective. The details of all such parole plans must be verified by field investigations made by an accredited social-service agency or by a United States probation officer.

One of the most important phases of our crime problem is that of the care and treatment of juvenile offenders. Under a statute passed for that purpose there has been established a special policy for dealing with those under 19 years of age who violate Federal laws. A person trained and experienced in the work of dealing with youthful offenders has been assigned to the further development of this policy. Distinct and gratifying progress is being made in this field, the importance of which cannot be overemphasized. If we can perfect our own system, it will have a stimulating effect in every State in the Union.

There has been much discussion as to the relative merits and results of various methods of parole. Unfortunately, we suffer from a woeful lack of reliable information.

Because of the variations existing among the statutes and practices of the several jurisdictions I became convinced that a Nationwide survey should be made and that it should also include within its scope pardon, probation, commutation, suspended sentences, and related subjects. With these considerations in mind I procured funds for such an inquiry from the Works Progress Administration. During the following weeks, under the direction of Mr. Justin Miller, a former president of this conference and a member of the staff of the Department of Justice, a group of trained workers was sent into the field to initiate the undertaking. Such a survey has never heretofore been undertaken. It is in the nature of a large but promising experiment. We are receiving excellent cooperation in the various States, and the compiled results will be made available to all who are interested in the subject. Perhaps at last we are in a fair way to come to grips with the vexing problem of parole.

I am persuaded that as time goes on our national program must place an increasing emphasis upon crime prevention. Here is a great field which many people, either because of inadequate information or lack of imagination, are reluctant to enter. In this area, as in the matter of detection and apprehension, as well as of punishment and rehabilitation, the Federal Government owes a duty of leadership. With only a moderate extension of activities, the Department of Justice can be made a nerve center of helpful impulses and a clearing house of useful information. The chief reliance, however, will naturally be placed upon scientific groups, universities, and training schools, many forms of industrial, business, and social agencies, and the States and local governments. Here again cooperation is the key word if we are to have a unified and coordinated program.

During recent months there has been a tremendous increase in the activities of various agencies all along the line. In several universities courses of training have been provided for improving the personnel of police administration. Chambers of commerce and municipal leagues have been engaged in similar programs. Fraternal and religious organizations, women's societies, the Boy Scouts, and other groups have been helpfully active. The movement to establish and extend boys' clubs, playgrounds, and the like, is in line with the desired end. The American Bar Association, as well as the various State and local bar associations, have been carrying on an intensive program, particularly for the improvement of laws relating to procedure and administration. The important work of the American Law Institute in the preparation of a model code of criminal procedure is one of the most striking of recent achievements.

The American Judicature Society, the American Institute of Criminal Law and Criminology, the International Association of Chiefs of Police, the National Probation Association, the American Prison Association, and many other organizations, have made substantial progress in forwarding their respective programs of action. The creation of juvenile courts and coordinating councils, proposals for State departments of justice, and State police departments all merit careful attention and promise rich results. In short, we are slowly but surely developing a national program and an adequate public leadership.

When one speaks of leadership one speaks, perhaps, of the most essential single factor in our entire program. On another occasion I made this assertion:

"Much has been said about the importance of an informed public opinion. This aspect of the matter is not for a moment to be underrated; but all too often public officials are content merely to lecture the citizen for his alleged indifference to the duties which inhere in citizenship. This seems to me to be somewhat less than fair and an altogether too convenient escape from the responsibilities which rest upon the public officials themselves. Our people have placed such officials in key positions of power and trust and have a right to expect that their high responsibilities will be faithfully and efficiently discharged.

"Our experience has shown that what might have appeared to be public indifference was largely the apathy of the disillusioned, resulting from the frequent failure of public authorities to supply the service and the type of leadership to which the American people are entitled. Once a reasonable course of action has been projected and representatives of Federal, State, and local interests have been brought together for concerted action, public opinion is inspiringly spontaneous in its support of the common objective."

There is no magic formula for the solution of the problem of crime, and, with our human frailties, no perfect administration of criminal justice is apt to be devised. But all of us, each in his own field and each maintaining cooperative contact with the others, can contribute to our common purpose. That objective, if I understand the temper of the American people, is to put into effect a program for crime control scientifically conceived, broadly based and adapted to modern conditions of life and government.

Such a program must include, among other essential elements, compassion for the unfortunate, instrumentalities to guide those in danger of antisocial contaminations, solicitude for first offenders, rehabilitation where rehabilitation is possible, progressively improved procedures, prompt detection and apprehension followed by the swift and inevitable punishment of the guilty, vigorous and understanding administration, unfaltering resistance to political interference, and the raising of the personnel in this great field of human relationships to unimpeachable standards of individual character and professional competence. Without such a program to guide us, progress at best will be intermittent and wavering, but with its aid the American people can put their house in order and go about their ways of living under conditions of domestic peace.

ACTIVITIES OF RESETTLEMENT ADMINISTRATION

Mr. BARBOUR. Mr. President, yesterday afternoon we were subjected, as I see it, to as vivid an indication of either fear, on the one hand, or pique or unfairness, on the other, as has been exhibited in the Senate for a long period. Senators will remember that while the Senator from Wyoming [Mr. CAREY] was discussing an amendment which he offered to the resolution which was submitted by the Senator from Michigan [Mr. VANDENBERG], and adopted by the Senate, the distinguished leader of the majority asked him to please suspend so that the amendment itself could be read and Senators would know to what the discussion was being directed. Prior to that, Mr. President, I had followed exactly that procedure, a procedure which had not been followed by my distinguished friends on the other side of the aisle, who were permitted, without interruption, to discuss at length amendments offered by them and to have them incorporated in the resolution, as was done in each instance.

In the case of my amendment, Mr. President, when I sent it to the desk and it was read, the distinguished leader of the majority, the Senator from Arkansas [Mr. ROBINSON],

immediately arose in his seat and moved to lay the amendment on the table, thus eliminating all discussion, explanation, or debate. It was significant, I think, that, even despite the fact that the Senator from Arkansas was the author of that motion, the amendment offered by me received 30 votes and only 32 votes were cast against it, and among those who voted not to table the amendment offered by me were a number of distinguished Senators on the other side of the aisle. Yesterday afternoon I purposely did not make any statement or explanation of the amendment or otherwise make mention of the course which was adopted by the majority toward the amendment, for the reason that I felt too keenly interested in the resolution of the Senator from Michigan inadvertently to incur any further evidence of wrath on the part of those on the other side of the aisle, and thus possibly to militate against the adoption of the resolution. However, I now wish to say at least a few of the things that I was ruthlessly denied an opportunity to say yesterday. I shall speak in no personal spirit, as I am sure all Senators know, for I hold the distinguished Senator from Arkansas in the high esteem to which he is entitled.

Mr. President, the Senator from Arkansas to whom I have referred made the statement that the amendments offered by myself and others were not germane to the resolution. True, he qualified that by saying he realized there are no rules of the Senate which require germaneness. If I may be permitted to refer to the amendments of our friends on the other side of the aisle, I can demonstrate that there could not be any more clear-cut or vivid examples of nongermaneness.

One amendment offered by the Senator from Kentucky [Mr. BARKLEY] asked for the names of corporations having statutory net incomes of $1,000,000 or more, together with benefits derived from the tariff. The Senator from Texas [Mr. CONNALLY] offered another amendment asking for the names of corporations benefiting to the extent of $100,000 a year or more from the tariff during the last 3 years. In addition to that, the Connally amendment sought publicity specifically with reference to corporations benefiting by the tariff on aluminum, steel, cameras and films, chemicals and dyes, electric appliances, and tin.

If anyone can trace the most remote connection between those undertakings and the undertaking of the Senator from Michigan [Mr. VANDENBERG], I should like to have him enlighten me. As a matter of fact, I had no objection to those amendments and the Senator from Michigan had none. I can only say that the amendment which I offered requesting needed information concerning the Resettlement Administration was a very innocuous and simple undertaking as compared to what I had originally intended. I can appreciate the justification, perhaps, of advancing the feeling that the various amendments came as surprises. They all came perhaps as surprises, but in the case of my own amendment I should like to point out that on March 11 I submitted Senate Resolution 248 calling for a special committee to investigate the Resettlement Administration. That resolution provided for paying expenses of the committee up to $25,000 from the contingent fund of the Senate, and afforded an opportunity to subpena witnesses and question them, and to have produced books, papers, and documents. In brief, in my resolution of March 11 there was set up the machinery for a complete and thorough investigation.

The amendment which I offered yesterday was my original resolution to which I have just referred with all the teeth drawn. The amendment merely requested the Resettlement Administration to report to the Senate the information sought in the original resolution. There was no machinery at all provided for investigating the Resettlement Administration. That agency, under my amendment, could have answered anything it pleased. I offered the amendment in that form in the hope that it would be adopted and might elicit some of the information which I had sought.

The reason why I feel that the whole undertaking should be investigated has been emphasized, in my humble judgment, by the speedy denial of any character of investigation of any sort, type, or description.

Now, I should like to give the Senate certain pertinent facts in this connection which I think are very enlightening. I quote from an article by Felix Bruner, which appeared in the Washington Post of February 10:

Occupying all or parts of 19 Washington buildings—ranging from the palatial former home of a millionaire to temporary Government structures—are the administrative directors and staff of one of the most far-flung experiments in paternalistic government ever attempted in the United States.

This organization, which is really a government within the Government, was not created by an act of Congress but by an Executive order of the President. Its activities do not require congressional sanction or approval. It directly affects, virtually rules, the lives of hundreds of thousands of people who are told how much they can spend for food, for clothing, for rent; what crops they shall plant; how they shall conduct the most minute details of their lives.

Administering this huge experiment are 13,045 men and women, all on the Federal pay roll, but none of them under civil service.

There is not one of these Government employees who is not being paid out of the relief funds voted by the Congress, and each one of them takes the place of someone who would be getting relief if it were not for this great mushroom bureau into which we are not to be allowed to inquire.

Quoting further from Mr. Bruner:

The activities of the Resettlement Administration are so varied, take so many directions, that there is no possibility of characterizing its work. In a measure, it is interested in relief. But that is only part of its program. It ranges from buying a mule for a farmer to building houses for industrial workers; from establishing game preserves to encouraging formation of cooperative organizations to can beans.

The Resettlement Administration is an outgrowth of the $4,880,000,000 Emergency Relief Appropriation Act of 1935, but it is not specifically mentioned in the act. The law gave President Roosevelt almost unlimited powers to spend the relief money. In turn, the President gave Tugwell equally unlimited powers to spend a considerable chunk of it. These latter powers were given in a series of Executive orders, two of which are of outstanding importance.

The first order was dated April 30, 1935. It gave the Resettlement Administration these powers:

(a) To administer approved projects involving resettlement of destitute or low-income families from rural and urban areas, including the establishment, maintenance, and operation, in such connection, of communities in rural and suburban areas.

FOUR IMPORTANT WORDS

(b) To initiate and administer a program of approved projects with respect to soil erosion, stream pollution, seacoast erosion, reforestation, forestation, and flood control.

(c) To make loans as authorized under the said Emergency Relief Appropriation Act of 1935 to finance, in whole or in part, the purchase of farm lands and necessary equipment by farmers, farm tenants, croppers, or farm laborers.

This order was widely publicized. But the second of the two important orders, dated September 26, 1935, passed unnoticed. It looked like a perfunctory document, but it was far from that. It repeated the paragraphs just quoted but it added four words to paragraph (b). The words were:

"* * * and other useful projects."

Those four words gave Tugwell the power to "initiate and administer" anything.

Congress had delegated to the President and the President had delegated to Tugwell almost every power possessed by both except the power to declare war.

I have a copy of the Executive order, and I shall read it a little later, but in the meantime I want to turn to some other facts which I think will give some conception of the enormity of the bureau which has grown from this undertaking.

I should like, if I could, to find out from someone what has been the result of all this expense and undertaking. I can tell my colleagues, and will tell them later on in a brief way, the results I have seen in the State of New Jersey.

Here is an article that appeared in the Washington Star of March 12:

If work lags in the Resettlement Administration and there are delays, the fault cannot be attributed to any lack of assistants.

A survey of the set-up in that organization reveals that Professor Tugwell is aided by Assistant Administrator W. W. Alexander, also Assistant to the Administrator F. P. Bartlett, Assistant Administrator C. B. Baldwin, Executive Assistant Grace E. Falke, Assistant to Executive Assistant M. E. Gilfond, Special Assistant to Administrator G. S. Mitchell, Assistant to Assistant Administrator R. I. Kimmel, Special Assistant to Administrator L. I. Hewes, Special

Assistant to Administrator Brooks Hays, Special Assistant to Administrator R. A. Pearson, Assistant Administrator L. C. Gray, Assistant Administrator C. C. Taylor, Assistant Administrator J. L. Dailey, Assistant Administrator E. E. Agger, Assistant Administrator J. S. Lansill, General Counsel Lee Pressman, Chief of the Correspondence Section Anne McIntyre, and Chief of Mail and Files F. B. Oppenborn.

A letter written by a farmer in Virginia "goes in" through Mr. Oppenborn, "goes 'round" in an upward and then in a downward spiral to and from Professor Tugwell, and finally "comes out" to Mr. Oppenborn again. By that conclusive moment there has been some reasonable delay. Every single one of approximately 3,300 employees may have had a crack at it. At best, it has wandered in a labyrinthian maze of administrators and assistants.

It may also have journeyed up and down any of 16 different divisions. There are such sectional departments as business management, captained by A. B. Thatcher; investigation, A. C. Bachrach; personnel, Winston B. Stephens; procedure, Warren Bruner; construction, Frank Schmitt; rural resettlement, W. A. Packard; management (as distinct from business management), John O. Walker; information, J. F. Carter; land utilization, L. C. Gray; rural rehabilitation, Paul V. Maris; urban resettlement (as distinct from rural), J. S. Lansill; labor relations, Mercer G. Evans; legal, Monroe Oppenheimer; finance and control, Max J. Wasserman; special plans, Robert A. Schroeder, and special skills, Adrian J. Dornbush.

Or the theoretical epistle may have been routed to any of a dozen regional offices, located in New Haven, Conn.; Madison, Wis.; Champaign, Ill.; Raleigh, N. C.; Montgomery, Ala.; Little Rock, Ark.; Lincoln, Nebr.; Dallas, Tex.; Berkeley, Calif.; Denver, Colo.; Portland, Oreg., and Amarillo, Tex.

Again, it may have circulated through no less than 27 different buildings in Washington. The resettlement family divides its patronage among 1333 F Street, Fourteenth and the Mall, 1025 Vermont Avenue, 910 Seventeenth Street, Fourteenth and New York Avenue, 927 Fifteenth Street, 1724 F Street, 1320 G Street, 1322 New York Avenue, 1420 New York Avenue, 510 Twenty-sixth Street, Eighteenth and Pennsylvania Avenue, 1410 H Street, 916 G Street, Seventh and I Streets, 821 Fifteenth Street, Fifteenth and New York Avenue, 801 G Street, 1503 Twenty-first Street, Fourteenth and Independence Avenue, Seventh and the Mall, 2020 Massachusetts Avenue, 501 Twenty-sixth Street, Fifteenth and G Streets, 1328 G Street, 1727 L Street, and 2216 M Street. If laid heel to toe in a straight line, the perfectly good shoes worn out tramping from one office to another would reach from the Nation's Capital to Whoosis in Siberia.

A little earlier in my remarks I mentioned that here in Washington this enormous Bureau occupied 19 buildings. Between the date of that first item of information and the date of this later information it has spread to 27 buildings, and I have in my hand a record of the addresses and locations of each of these 27 buildings.

I think it may interest Senators to know that the Resettlement Administration has gotten out a special telephone directory of its own. In other words, I am trying sincerely to prove, if I can, with the indulgence of the Senate, that I am not inquiring into some slight and insignificant or passing undertaking of the Government, but into one of the very largest, though least known or understood, activities of the Government; or, perhaps, I should say the New Deal.

Mr. CAREY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from New Jersey yield to the Senator from Wyoming?

Mr. BARBOUR. Yes; I am very glad to yield.

Mr. CAREY. The Senator stated that there were some 13,000 employees of the Resettlement Administration. I should like to ask if that many persons have been put on homesteads or located.

Mr. BARBOUR. That is one of the things I should like to find out definitely. I have my convictions about that, but I want the true facts.

Mr. CAREY. I wondered if there were not more employees than persons who had been put on the homesteads.

Mr. BARBOUR. I am quite sure there are many times more employees in the Bureau itself than persons who have been put at work or accommodated in any capacity in any of these resettlement undertakings; that is my definite impression and opinion. What I should like to know is whether or not that is so.

I, of course, am not going to attempt to read the telephone book to Senators, but I should like to go through some of its groupings, with the number of subdivisions in each:

Resettlement Administration Divisional Codes, 17.

Buildings occupied by Resettlement Administration, as I have said before, 27, with their various telephones and addresses.

Divisional Files, 30.

Administrative Staff, 14.

Business Management, including space as one of the designations, 7. I myself have been a businessman, and I should not want any softer job than to manage space.

Investigation, 6.

Personnel, 6.

Procedure, 10.

Construction, 10.

Rural Resettlement, 10.

Management, 9.

Information, 9.

Land Utilization, 6.

Rural Rehabilitation, 8.

Suburban Resettlement, 7.

Labor Relations, 5.

Legal, 11.

Finance and Control, 29.

Special Plans, 2.

Special Skills, 8.

Then, in addition, come 84 pages, with 50 names to the page, of miscellaneous employees in the District of Columbia alone, totaling 4,200 names and telephone numbers.

I do not know that I can properly charge intentional secrecy to the Resettlement Administration, but I do know that each and every report I have been able to get—and they are meager—is marked "Confidential." We pride ourselves in America that our Government is conducted in the open; that we have nothing to conceal from our people—yet options are secured from private landowners for resettlement projects, not in the name of the Government but ostensibly for private parties. This procedure is apparent in the Report on the Works Program, March 16, 1936, which states that five suburban resettlement projects have been approved. It names four of these, and the report states that there is "one other site which has not yet been announced." The report continues:

Work on the four projects mentioned has been started, and options on the land for the other are being secured.

Another element about which I think we are entitled to information, if we are entitled to information any longer in the Senate of the United States, is that in relation to expenditures.

From the Report on the Works Program, March 16, 1936, page 55, I give verbatim the following:

By December 15, 1935, a total of $196,070,000 had been allotted to the Administration, of which nearly $100,000,000 will be used for work projects, $7,000,000 for the completion of homesteads, $31,000,000 for suburban developments, $15,000,000 for land development (made available by W. P. A.), and $47,000,000 for construction on resettlement projects. Of the remainder, $44,000,000 was allotted for rehabilitation, $7,420,000 for relief in stricken agricultural areas, $22,000,000 for purchase of land, $2,000,000 for farm-debt adjustment, and $20,650,000 for administration.

This last item is very significant—$20,650,000 out of $196,000,000. In other words, more than 10 percent of the cost of this undertaking goes to administration alone; and the bulk of that cost is for purchases—acquisition of properties. That, I myself have been able to garner, and those are the official figures. But no; the Senate must not have any detailed information so far as this undertaking of the Government is concerned. We went along very nicely here yesterday in respect to other requests for information until I stepped on Professor Tugwell's toes. Then there was a very distinct change in the whole situation; a definite change in attitude.

I spoke a while ago of the Executive orders which make possible this great, terribly expensive, and far-reaching undertaking. There is no statute that calls for it. There is no law which prescribes it. Those who operate it may do exactly as they please, and they now do not have to give the information that the Senate asks them to give.

Executive Order No. 7027, issued April 30, 1935, and Executive Order No. 7200, issued on September 26, 1935, amending Executive Order No. 7027, established the Resettlement Administration and prescribed its functions and duties. These two orders provided that the Resettlement Administration was "to administer approved projects involving rural rehabilitation, relief in stricken agricultural areas, and resettlement of destitute or low-income families from rural and urban areas, including the establishment, maintenance, and operation, in such connection, of communities in rural and suburban areas." They further provided that it shall "initiate and administer a program of approved projects with respect to soil erosion, stream pollution, seacoast erosion, reforestation, forestation, flood control, and other useful projects." That of itself is an omnibus grant of unlimited power if there ever was one, and gives latitude for anything.

To proceed further, authorization for making loans under the Emergency Relief Appropriation Act of 1935, "in whole or in part, for the purchase of farm lands and necessary equipment by farmers, farm tenants, croppers, or farm laborers" is contained in the same Executive order.

This bureaucratic monster, which may lap up half the vacant mansions in Washington, was created by no act of Congress but by a couple of Executive orders.

Professor Tugwell, the Administrator of the Resettlement Administration, is, of course, responsible only to the President himself. He is answerable only to the President; and, as I have now found out, his reports, which are confidential—and I take it when they are sent to me marked "confidential" they are not for public use—are meager, and now we cannot get anything in any other form at all.

If some other Senator can get this information, if any Representative can get it, I, of course, will be very glad indeed to have him do so. I have made my effort and have been unsuccessful; so I desire to emphasize again that I feel complimented, under the circumstances, if any Senator did vote for my amendment feeling that this undertaking was justified, especially in the very moderate nonexacting terms of the amendment which I apparently had the temerity to offer to the resolution of the Senator from Michigan [Mr. VANDENBERG].

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BARBOUR. I am very glad to yield.

Mr. VANDENBERG. I should like to give the Senator a specific example in my own experience indicating what I believe to be the necessity for the precise type of ventilation which the Senator seeks.

In connection with the Wisconsin resettlement projects, one farm, which is assessed for less than $5,000, has been optioned to the Government for $40,000. I have spent the last month trying to get specific information regarding that particular parcel. Yesterday I finally obtained a letter from Dr. Tugwell's department which undertook to demonstrate abstractly that the $5,000 farm was worth $40,000. He may be right. The point is that I have no way of finding out; neither has the Senator from New Jersey, neither has anyone else in the Government, except Dr. Tugwell's department itself, and when we are dealing with the enormous sums which are involved in this sort of an experiment, an experiment without precedence, it seems to me that it is elementary prudence to put a miscroscope on it. I think the Senator's resolution is utterly justified.

Mr. BARBOUR. I thank the Senator. The example he cites is not at all a lone example. There are many others. I would have preferred to have this whole inquiry take a very orderly course and have sought to be fair to the administration. There has not been a word of criticism from me heretofore. I wanted to give Dr. Tugwell and his horde of satellites an opportunity to tell us what they were doing. But, now that that is denied, I have to state why I undertook this inquiry. Frankly I am glad that I have been given, inadvertently perhaps, the chance to say what I am saying today.

There have been two undertakings in New Jersey, one quite an old one, near Hightstown. This originally was glowingly described as a sort of Utopia. It was to be a manufacturing community. There was to be erected a huge garment factory. There were to be 235 $3,000 houses surrounding it. There were to be sewage-disposal, light, heat, and water plants. Each house was to be surrounded by a sort of a little farm.

Speaking to the man in charge at the time—and he has been superseded by several others, so I cannot catch up with who is undertaking the job now—he told me there were to be, for instance, 100 cows. They were to be allotted very carefully among the 200 houses, each cow, I suppose, trained in the necessity of standing on the line between each two houses, one good lady from each household working on her side of the cow twice a day. Knowing something about cows, I told my friend, who was to go out and buy these cows and train them in that way, that he had a very difficult proposition on his hands.

Mr. LEWIS. Mr. President, will the Senator from New Jersey allow me to ask a question seeking information?

Mr. BARBOUR. I yield.

Mr. LEWIS. Will the Senator from New Jersey feel free to say whether he has made an inquiry of the department, as a Senator, seeking governmental information which has been denied him?

Mr. BARBOUR. Mr. President, I thank the Senator from Illinois, who is always so courteous and fair. I have never obtained the full measure of information I have sought, I may say to the Senator. I have gotten certain "confidential" reports, as I said before, which I will be glad to show the Senator at any time. I am not trying to conceal anything. Those reports, in the first instance, were meager, and, in the second place, as I have said, were always marked "confidential."

Mr. LEWIS. I ask the Senator whether in some matter affecting a Government undertaking he has sought information which was denied him?

Mr. BARBOUR. Mr. President, I will be glad to go into the matter more specifically later on, because the Senator is entitled to a specific answer to a question very well justified, even if I have to do it on another day, but I can say that I feel I am not being unfair to the administration, nor am I clothing my answer in any subterfuge, when I state that I have not been able to get the information to which I feel I am justly entitled as a Senator.

Now, let me come back to the Hightstown project. I wish the distinguished Senator from Arkansas [Mr. ROBINSON] or any of the other Senators would go there and have a look at that undertaking. If there ever was a chaotic mudhole with a few tin houses to glorify the money that has been spent, that is one example. I would warn Senators, however, if they desire to go there, to proceed cautiously, because the only people on the premises, apparently, are a kind of body of guards, who pop out on the scene and demand who you are and what business you have there. The people in the locality, regardless of party affiliations or any other consideration, have been vexed and annoyed by the whole thing. Local contractors have not been paid. It is all confusion, misunderstanding, and failure, and nothing to show of any consequence for all the money that has been wasted.

I do not know how much that undertaking has cost. I do not believe any Senator or Representative knows how much it has cost. I do not believe there has been an enlightening report on any of these undertakings. I can imagine what it would have cost had the whole proposition gone through. It would have cost many, many million dollars simply for the initial capital outlay. It was to be a factory to make clothing, as I said before, employing the heads of 200 families, with or without skill in the manufacture of clothing, who were to be selected in some way which was not disclosed, from undesignated communities.

After 25 years of business experience I know that if we were to undertake to make clothes by any such method as that, a set of rompers would cost $40 or $50. The same amount of money could be spent, if it is supposed to be spent for unemployment relief, to very much better advantage in some other way, and would have gone infinitely farther.

There is one other project in New Jersey which is in a very embryonic stage at present. It is at Bound Brook. Although the Bound Brook, N. J., suburban resettlement project is not fully complete even on paper, the Resettlement Administration has published a little pamphlet, a copy of which I have in my hand, to attract prospective householders. The front cover shows an attractive walk, with houses and trees. It sets forth the slogan repeated through the leaflet, "A garden home you can call your own." Of course, the homes are not to be the property of the people who will occupy them, if they are ever occupied, though the householders may contribute something in the way of rent.

On the inside the leaflet paints a fine picture of the future development, and I must say it sounds very attractive standing by itself. If I had not intimate personal knowledge of the failure of the other operation at Hightstown I might have more confidence that some success would attend this one. Anway, it is declared that it will bring $6,000,000 into the community, and it offers 3,000 jobs. It says to the towns surrounding Bound Brook that it will bring the "end of relief payments and the return of self-respect and work."

It states that these things will occur at no cost to the township or to neighboring communities.

On the last page are these statements:

To the average family of northern New Jersey the garden community will bring—

1. A new home at a rent you can afford to pay.
2. Modern conveniences: Electricity, sewers, running water, central heat, modern equipment at unusually low rates.
3. Elimination of traffic hazards for your children.
4. Parks, recreation facilities, community buildings, good neighbors, highest American standards.
5. Breathing space, healthy country air, and attractive community life in which your children may grow.

These are highly desirable features which would appeal to families of modest income. I submit, however, that any prospectus advertising stocks, for instance, backed by a nonexistent company, if printed, would be banned by Securities Exchange Commission.

Here, however, there is no complete project; I know there is no complete project. I know the undertaking is in a formative stage and has an indistinct status; but the Government of the United States offers the people of my State these unbuilt homes with cheap rent, heat, water power, and all the rest of it. How can one reconcile that promise on the one hand with the failure of performance not many miles away under the same management?

No one is more sincerely desirous than myself of seeing the aims of these undertaking fulfilled. But, Senators, how can anyone criticize at this stage of the game when one asks to be given, in connection with any resettlement project which has heretofore been undertaken, a report of its success, a report of what it costs, a report of its effects on local conditions, a report as to its influence on employment, and any of those elements which it is designed to carry out?

There is another thing concerning which I have not been able to get information—it is very pertinent—and that is whether, in the final analysis, the Federal Government intends to enter the States and become a permanent resident therein, or whether it intends to set up these certain projects and then retire from the States and leave them to some local administration or management.

I do not know that I shall have any success, Mr. President—in fact, I think the handwriting is on the wall indicating that I shall not succeed—but I am going to change my approach to this investigation, and I am going to press my original resolution from time to time. I may also, from time to time, add to the data I have submitted to the Senate today. I have a number of interesting affidavits, a number of interesting items of specific information, which I did not have in shape to present yesterday or today.

I am very much in accord with the request for information contained in the resolution of the Senator from Michigan [Mr. VANDENBERG]. His resolution would have languished in committee, however, had it not been that he undertook to present it in his able and convincing way and force it through. He was given an opportunity to talk about it first, and not afterward. I am glad he was, because he can use the time to splendid advantage.

Mr. President, I take exception to the way my amendment was treated. I do not do it in any personal sense, but I feel that I was not given my day in court, as were other Senators. Yesterday, however, I did not desire to pursue the subject, because, as I have previously said, the feeling in the Senate was getting so tense, as I sensed it, that had I pressed for the adoption of my amendment it might have militated against the adoption of the resolution of the Senator from Michigan in connection with A. A. A. payments.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 998. An act to carry out the findings of the Court of Claims in the case of George Lawley & Son Corporation, of Boston, Mass.;

S. 1110. An act for the relief of A. Randolph Holladay;

H. R. 396. An act for the relief of the Virginia Engineering Co., Inc.;

H. R. 4016. An act to amend section 10 and repeal section 16 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes", approved May 29, 1934 (48 Stat. 811), and for other purposes;

H. R. 7253. An act for the relief of James Murphy Morgan and Blanche Copelan;

H. R. 7468. An act for the relief of Izelda Boisoneau; and

H. R. 9673. An act to authorize the recoinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1936.

EXTENSION OF VOCATIONAL EDUCATION

The Senate resumed the consideration of the bill (S. 2883) to provide for the further development of vocational education in the several States and Territories, which had been reported from the Committee on Agriculture and Forestry with amendments.

Mr. GEORGE. Mr. President, yesterday unanimous consent was given to consider first the committee amendments to Senate bill 2883.

The PRESIDENT pro tempore. The amendments of the committee will be stated.

The first amendment of the Committee on Agriculture and Forestry was, in section 1, on page 1, line 6, after the word "beginning", to strike out "after the date of the enactment of this act and annually thereafter until June 30, 1941, the sum of $12,000,000; for the fiscal year ending June 30, 1942, the sum of $11,500,000, and annually thereafter the sum authorized for the previous fiscal year decreased by the sum of $500,000 until the total amount annually authorized is $6,000,000, which latter sum shall be authorized annually thereafter" and to insert in lieu thereof "July 1, 1936, and annually thereafter, the sum of $12,000,000."

Mr. GEORGE. Mr. President, with reference to the first committee amendment, I now desire to offer an amendment. In lieu of the date "July 1, 1936", in line 2, on page 2, I move to insert "July 1, 1937."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Georgia to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment reported by the committee.

The next amendment was, on page 2, line 4, after the word "shall", to strike out "not."

The amendment was agreed to.

The next amendment was, on the same page, line 4, after the word "match", to strike out "more than" and to insert in lieu thereof "by State or local funds or both."

The amendment was agreed to.

The next amendment was, on page 2, line 6, after the word "section", to strike out "prior to July 1, 1940, and not more

than 75 percent in each subsequent year" and to insert in lieu thereof "until June 30, 1942, 60 percent for the year ending June 30, 1943, 70 percent for the year ending June 30, 1944, 80 percent for the year ending June 30, 1945, 90 percent for the year ending June 30, 1946, and annually thereafter 100 percent of the appropriations authorized under the provisions of this section."

The amendment was agreed to.

The next amendment was, on page 3, line 19, after the word "year", to insert "50 percent of which shall be matched by State or local funds or both."

The amendment was agreed to.

The next amendment was, on page 3, line 22, after the word "beginning", to strike out "after the date of the enactment of this act" and to insert in lieu thereof "July 1, 1936."

Mr. GEORGE. Mr. President, I offer the same amendment at that point, changing the date "July 1, 1936" to "July 1, 1937", so that the authorization will become effective for the fiscal year beginning July 1, 1937.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Georgia to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Section 1, as amended, is as follows:

That for the purpose of providing for the further development of vocational education in the several States and Territories there is hereby authorized to be appropriated for the fiscal year beginning July 1, 1937, and annually thereafter, the sum of $12,000,000: *Provided*, That the several States and Territories shall be required to match by State or local funds or both 50 percent of the appropriations authorized under the provisions of this section until June 30, 1942, 60 percent for the year ending June 30, 1943, 70 percent for the year ending June 30, 1944, 80 percent for the year ending June 30, 1945, 90 percent for the year ending June 30, 1946, and annually thereafter 100 percent of the appropriations authorized under the provisions of this section. One-third of this sum each year shall be allotted to the States and Territories in the proportion that their farm population bears to the total farm population of the United States and Territories, according to the United States census last preceding the end of the fiscal year in which any such allotment is made, and shall be used for the salaries and necessary travel expenses of teachers, supervisors, and directors of agricultural subjects in such States and Territories. One-third of the sum appropriated for each fiscal year shall be allotted to the States and Territories in the proportion that their rural population bears to the total rural population of the United States and Territories, according to the United States census last preceding the end of the fiscal year in which any such allotment is to be made, and shall be used for the salaries and travel expenses of teachers, supervisors, and directors of home-economics subjects in such States and Territories. One-third of the sum appropriated for each fiscal year shall be allotted to the States and Territories in the proportion that their nonfarm population bears to the total nonfarm population of the United States and Territories, according to the United States census last preceding the end of the fiscal year in which any such allotment is to be made, and shall be used for the salaries and necessary travel expenses of teachers, supervisors, and directors of trade and industrial subjects, including public and other service occupations, in such States and Territories: *Provided further*, That the allotment of funds to any State or Territory for each of the three purposes enumerated in this section shall be not less than a minimum of $10,000 for any fiscal year, 50 percent of which shall be matched by State or local funds or both, and there is hereby authorized to be appropriated for the fiscal year beginning July 1, 1937, and annually thereafter the sum of $175,000, or so much thereof as may be needed, which shall be used for the purpose of providing the minimum allotments to the States and Territories provided for in this section.

The next amendment was, on page 4, line 3, to insert a new section, as follows:

SEC. 2. In addition to the sum authorized to be appropriated by section 1 hereof, there is hereby authorized to be appropriated, and required to be matched in the same proportions as such sum, the sum of $1,200,000, to be allotted to the States and Territories in the proportion that their total population bears to the total population of the United States and Territories, according to the United States census last preceding the end of the fiscal year in which any such allotment is made, and shall be used for the salaries and necessary travel expenses of teachers, supervisors, and directors of, and maintenance of teacher training in, distributive occupational subjects in such States and Territories: *Provided, however*, That the allotment of funds to any State or Territory for the purpose of this section shall be not less than a minimum of $5,000 for any fiscal year after July 1, 1936, and there is hereby authorized to be appropriated for the fiscal year beginning July 1, 1936, and annually thereafter, the sum of $27,000, or so much thereof as may be needed, which shall be used for the purpose of providing the minimum allotments to the States and Territories provided for in this section.

Mr. GEORGE. Mr. President, to that amendment I desire to offer the same amendment that I offered previously; on page 4, in lines 17 and 19, to change the date in each case from July 1, 1936, to July 1, 1937.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Georgia to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. GEORGE. Mr. President, I also desire to offer an amendment, on page 4, line 17, increasing the minimum amount that shall be allowed to any State or Territory from $5,000 to $10,000, and a corresponding amendment, made necessary if that shall be adopted, by increasing the amount in line 20 from $27,000 to $54,000.

I make the statement, Mr. President—the Presiding Officer of the Senate and other Senators are interested in the subject—that these amendments are intended to take care of States where the maximum allotments to the States would probably not equal $10,000. I think it is obvious that neither vocational education nor any particular branch of it of importance can be carried on in any State unless the minimum allotment to the State is $5,000. Most all the States would receive more than that allotment, anyway. In probably two or three, or perhaps six States, at the outside, the allotment would not exceed $10,000. It seems to me to be fair that each of the States with the smaller population should receive at least a minimum of $10,000 a year under this particular amendment.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. ADAMS. May I ask the Senator to give me a definition of the language used in line 13 on page 4, "distributive occupational subjects"? Perhaps I should know just what that means, but I am frank to say I do not.

Mr. GEORGE. Section 2 was not contained in the original bill but was inserted by the committee. In the original Smith-Hughes Vocational Act, passed in 1917, provision was made, among other things, for teaching agricultural and also industrial subjects, primarily designed, of course, to take care of the rural high-school areas of the country. Subsequently vocational education has been made applicable and has been adapted to industrial centers in other States. The distributive agencies and the distributive occupations simply deal with those occupations in civil life that have to do with the distribution or sale of the products of the farm, as well as the articles or goods of industry or manufacture, and the phrase embraces the retail and wholesale distributive agencies both for the individuals and for the cooperative organizations or organizations of larger groups, particularly in the farm areas, rather than mere individuals in the community.

Mr. COUZENS. Mr. President, I should like to ask the Senator a question.

Mr. GEORGE. I inquire if the amendment suggested in line 20 is agreed to?

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Michigan?

Mr. COUZENS. I do not object to having the amendment first agreed to.

The PRESIDENT pro tempore. Without objection, the amendment, on line 17, to the committee amendment, and the amendment, on line 20, to the committee amendment are agreed to; and, without objection, the amendment as amended is agreed to.

Now does the Senator from Georgia yield to the Senator from Michigan?

Mr. GEORGE. I yield.

Mr. COUZENS. I was much interested in the question propounded by the Senator from Colorado [Mr. ADAMS] with respect to the meaning of the words "distributive occupational subjects", in lines 13 and 14, page 4. Do I understand correctly that that involves the distribution of stocks and bonds and merchandise?

Mr. GEORGE. Oh, no; only the products of the farm and goods that are manufactured, the articles of industry.

Mr. COUZENS. Where does the Senator find that language limited to the activities he has mentioned?

Mr. GEORGE. There is no specific language limiting it. I explained to the Senator from Colorado that section 2 was included by the committee in the bill as a committee amendment; but it is intended to apply only to those distributive agencies that have to do with the physical sale or the exchange of the products of the farms and articles of manufacture.

Mr. COUZENS. There is no limitation in the bill to that effect?

Mr. GEORGE. There is no express limitation, I may say to the Senator, unless the whole purpose of the proposed legislation be considered and the organic act itself be considered. I think the organic act, read in connection with this bill, very clearly evidences that purpose and very clearly limits it to distributive agencies or occupations of that character.

The PRESIDENT pro tempore. The next amendment reported by the committee will be stated.

The LEGISLATIVE CLERK. In section 3, page 5, line 4, after the word "beginning", it is proposed by the committee to strike out "after the date of the enactment of this act" and insert "July 1, 1936", so as to make the section read:

SEC. 3. That for the purpose of cooperating with the States and Territories in preparing teachers, supervisors, and directors of agricultural, trade and industrial, and home-economics subjects there is hereby authorized to be appropriated for the use of the several States and Territories for the fiscal year beginning July 1, 1936, and annually thereafter the sum of $1,000,000. Said sum shall be allotted to the several States and Territories in the proportion which their population bears to the total population of the United States and Territories, according to the last preceding United States census: *Provided*, That the allotment of funds to any State or Territory shall be not less than a minimum of $5,000 for any fiscal year. And there is hereby authorized to be appropriated for the fiscal year beginning after the enactment of the act and annually thereafter the sum of $27,000, or so much thereof as may be needed, which shall be used for the purpose of providing the minimum allotments to the States and Territories provided for in this section.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. COUZENS. Mr. President, before that amendment is agreed to, should not the Senator change the date so as to read "July 1, 1937"?

Mr. GEORGE. Mr. President, the Senator from Michigan is correct. I move to amend the amendment by striking out "1936" and inserting "1937."

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment reported by the committee.

The LEGISLATIVE CLERK. In section 4, on page 5, line 22, after the word "beginning", it is proposed by the committee to strike out "after the date of the enactment of this act" and insert "July 1, 1936."

Mr. GEORGE. I offer to that amendment the same amendment as in the preceding case, namely, to strike out "1936" and insert "1937."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Georgia to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment reported by the committee.

The LEGISLATIVE CLERK. In section 4, page 5, line 24, after the words "sum of", it is proposed to strike out "$150,000" and insert "$175,000", so as to make the section read:

SEC. 4. For the purpose of carrying out the provisions of this act there is hereby authorized to be appropriated to the Office of Education, Department of the Interior, for vocational education, for the fiscal year beginning July 1, 1936, and annually thereafter, the sum of $175,000, to be expended for the same purposes and in the same manner as provided in section 7 of the act approved February 23, 1917, as amended October 6, 1917.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment of the committee was, in section 6, page 7, line 6, after the word "year", to insert "that the provisions of section 11 of the act of February 23, 1917, requiring at least one-third of the sum appropriated to any State to be expended for part-time schools or classes shall be held to include any part-time day-school classes for workers 14 years of age and over, and evening-school classes for workers 16 years of age and over; except that the appropriations made by this act for distributive occupational subjects shall be limited to part-time and evening schools as provided in said act of February 23, 1917, for trade, home economics, and industrial subjects and as qualified by the provisions of this section"; and in line 17, after the word "section", to strike out "3" and insert "4", so as to make the section read:

SEC. 6. The appropriations made by this act shall be in addition to, and shall be subject to the same conditions and limitations as, the appropriations made by the act entitled "An act to provide for the promotion of vocational education; to provide cooperation with the States in the promotion of such education in agriculture and in the trades and industries; to provide cooperation with the States in the preparation of teachers of vocational subjects; and to appropriate money and regulate its expenditures", approved February 23, 1917, except that the appropriations made by this act for home economics shall be subject to the conditions and limitations applicable to the appropriation for agricultural purposes under such act of February 23, 1917, with the exception of that part of section 10 thereof which requires directed or supervised practice for at least 6 months per year; that such moneys as are provided by this act for trade and industrial subjects, including public and other service occupations, may be expended for part-time classes operated for less than 144 hours per year; that the provisions of section 11 of the act of February 23, 1917, requiring at least one-third of the sum appropriated to any State to be expended for part-time schools or classes shall be held to include any part-time day-school classes for workers 14 years of age and over, and evening-school classes for workers 16 years of age and over; except that the appropriations made by this act for distributive occupational subjects shall be limited to part-time and evening schools as provided in said act of February 23, 1917, for trade, home economics, and industrial subjects and as qualified by the provisions of this section; and that the appropriations available under section 4 of this act shall be available for expenses of attendance at meetings of educational associations and other organizations and for expenses of conferees called to meet in the District of Columbia or elsewhere, which, in the opinion of the Commissioner, are necessary for the efficient discharge of the provisions of this act.

The amendment was agreed to.

The PRESIDENT pro tempore. Without objection, the clerk will be authorized to renumber the sections.

Mr. GEORGE. Mr. President, I think there is one amendment that must necessarily be made now in order to make the other portions of the bill correspond to the amendments which were made on page 4, in line 17, and in line 20. I therefore move to change the figures "$175,000" in line 24, page 5, to "$350,000."

In connection with that amendment, I will state that it simply doubles the amount which may be paid to the States; otherwise they would receive less than the maximum amounts fixed in the bill. It authorizes the use of only so much as may be necessary.

The PRESIDENT pro tempore. The amendment suggested by the Senator from Georgia is an amendment to a committee amendment already agreed to. Without objection, the vote by which the committee amendment was agreed to will be reconsidered and the amendment offered by the Senator from Georgia to the amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 5, line 24, after the words "sum of", it is proposed to strike out "$175,000" and insert in lieu thereof "$350,000."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. GEORGE. Mr. President, I offer an amendment in line 12, page 5, to strike out the numerals "$5,000" and

insert in lieu thereof "$10,000." The amendment is offered for the same reason as stated in connection with the preceding amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia.

The amendment was agreed to.

Mr. GEORGE. Mr. President, I believe that takes care of all the committee amendments except the numerals $10,000 on page 3, in line 19, where, in order to make the bill conform to the other amendments already inserted, the figures should be increased from $10,000 to $20,000.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 5, line 12, after the word "of", it is proposed to strike out "$5,000" and insert "$10,000."

The amendment was agreed to.

Mr. GEORGE. Mr. President, I merely wish to make a brief statement. The purpose of this bill is to place vocational education on a permanent basis; that is, so far as the additional appropriations carried in the bill are concerned. The act of 1917, known as the Smith-Hughes Act, provides for a continuing appropriation, but from time to time since 1917 additional appropriations have been made for limited periods. This bill, if enacted into law, contemplates a continuing appropriation to cover and to increase the appropriations heretofore made for limited periods of time, supplementing the original continuing appropriations made by the act of 1917.

I should like to say, Mr. President, before I take my seat, that in 1935 there were enrolled in federally aided vocational schools 1,178,896 adults and minors above the age of 14. Training in some 300 occupations was afforded to that vast enrollment. I may say also that in 1935, after the period of the depression had been continued to that year, the actual expenditure by the States and Territories for every dollar of Federal funds devoted to vocational education amounted to $2.13; so that the primary objective and the initial hope of those who fostered vocational education in the United States have been realized; that is to say, that the States have expended more than twice the amount contributed by the Federal Government for vocational education in the several States and Territories.

Mr. KING. Mr. President, it is not my purpose to detain the Senate for more than a few minutes. I am led to submit a few observations only because of communications which I have received, in favor of the National Government assuming control over the public-school systems of the States, or of granting large annual subsidies to the States for educational purposes.

I have been requested to support a plan for a Federal Department of Education. During the period of the depression through which we have passed some of the States and their political subdivisions have been compelled to reduce their expenditures, including appropriations for public schools. This has resulted in requests being made for appropriations from the Federal Treasury to aid the States in carrying out the duties and responsibilities which belong to them.

I think it must be admitted that the power and authority of the Federal Government has been increased, and this increase has been at the expense of the rights of sovereign States, and the authority and rights of local communities as well as of individuals. It is obvious that if the power of the Federal Government is increased, it will be at the expense of the authority and rights of sovereign States and their political subdivisions, as well as of the citizens therein. I think all Senators will admit that there has been a constantly increasing centripetal movement which has operated against individuals and States, in favor of the National Government. This has resulted, as I have indicated, in increasing the power of the Federal Government and the weakening of the authority of the States. That fine equilibrium, that balance of authority between sovereign States and the Federal Government contemplated by the fathers, and provided for in the Constitution of the United States, has been disturbed. The assumption by the National Government of the duty and responsibility resting upon the States, even if challenged in the beginning as a violation of the Constitution and the impairment of the rights of States and of individuals will, if long continued, create a situation and develop a psychology that will make it difficult, indeed if not impossible, to restore the equilibrium between the Federal Govenment and the States which formerly prevailed.

When power is once exercised by a government, particularly if it is obtained by usurpation or by the indifference and apathy of the people, it is seldom relinquished. Gravitational forces operate in governments as well as in the universe. The founders of the Republic, having the lessons of history before them, and knowing the propensity of governments to magnify their authority, were determined to fix barriers beyond which the National Government could not go, and to provide protection to individuals in the States and their inhabitants so that local self-government might be enjoyed and individual rights preserved.

I appreciate that appeals to maintain the rights of the States and to restrict the Federal Government to the paths in which, under the Constitution it should walk, will not by many be regarded with favor. Measures increasing Federal authority and creating new organizations and bureaus, meet with more or less approval. The landmarks set up by the fathers are not always observed. The chief concern of Jefferson and those who gave us the Constitution, was to protect the rights of individuals.

We hear much about property rights. It is important to have liberty and personal rights and justice and law and order. Individual and personal rights are usually the first to be attacked, when governments reach out for additional authority. The loss of liberty, when it has been gained, does not occur overnight. It results from insidious advances, often when the people are unaware or indifferent or complacent. Thomas Jefferson and the founders of the Democratic Party, and indeed those who laid the foundations of the Republic, were deeply concerned with the problem of education. They believed that educational processes would largely determine economic and political policy. They were essentially interested in individual growth and development, and in the domestic affairs and the maintenance of vigorous and dynamic States. They believed that one of the primary responsibilities resting upon the States was that of education; they believed in the public schools, democratic in character, and operated and controlled by local communities and the States.

As I have indicated, they feared an aggressive, grasping, and all-pervading National Government. They understood that one of the weapons used by strongly centralized governments to bring the masses of the people under its control, and to accept its philosophy, was to control the fountains of education, the springs of intellectual progress, the press, and the liberalizing forces that make for a progressive civilization. They believed that democratic institutions could only survive where there was freedom and liberty and a high standard of education. They were therefore vitally interested in a democratic public-school system, controlled by local communities and the States, and free from the authority of the National Government and the temptations that would arise to secure benefits and gratuities from the latter to be followed, as would be inevitable, by the extension of Federal authority and the diffusion of the philosophy that strongly national government, in counter-distinction to local self-government, is advantageous and important.

Accordingly, under the philosophy of Jefferson and others, one of the most important duties of the States was to provide a public-school system, democratic in character and free from external influences or Federal control. They believed that democratic institutions with freedom and liberty inherent therein could only be maintained where there was an enlightened public, where education was free, and where opportunity for individual development and growth was secure. Jefferson emphasized this philosophy in his own State of Virginia, and sought the establishment of a free

public-school system, beginning with the primary and culminating in a great university. As Senators will recall, when preparing the words to be engraved upon his tombstone, he did not speak of the fact that he had been Governor or President, or had served his country abroad; he spoke of the Declaration of Independence, the standard for religious liberty, and the fact that he was the founder of the University of Virginia.

Jefferson was not only the great apostle of liberty, of justice, but he laid the foundation of a broad and liberal educational system and sought to promote the highest form of cultural and intellectual development. Liberty with him was a religion, and it was his passion to inaugurate and see carried into effect, plans and policies that would develop the highest type of intellectual and cultural greatness. He was a profound student of the Scriptures, and accepted the doctrine of the Founder of Christianity, that salvation, temporal and spiritual, must result from individual growth and development. He was opposed to powerful organizations of every sort or character that would seek to control by force or improper methods the thoughts and lives of the people or compress them into a standardized form, whether lifeless or aggressively dynamic. Believing in liberty with all its connotations, he sought the establishment of a public-school system controlled by the States and beyond the authority of the Federal Government.

I have indicated that the Federal Government is extending its authority into fields reserved to the States and individuals and local communities. Undoubtedly there is a growing disposition manifested in various parts of the United States to have the Federal Government intrude into the field of education. Perhaps those who are seeking Federal intrusion into the field of education are content, for the moment, with obtaining Federal contributions. However, upon mature thought, they must reach the conclusion that if it becomes a policy of the National Government to expend money for educational purposes within the States, it will be inevitable that such expenditures will ultimately be accompanied by rules and regulations and demands that the Federal Government shall influence, if not control, the curricula, determine the character of the teachers employed, and generally prescribe the objectives to be sought.

History is replete with examples of the augmented authority central governments assert when they once transgress the limitations prescribed for them. The preservation of the States and the rights of individual liberty are problems which even this Republic must meet. There must be no compounding of the States, no standardization of life, no such unification as results from an educational system directed or controlled by the National Government.

Mr. President, what is desired is education and more education, liberty and more liberty, freedom of expression, freedom of thought, freedom of religion, and freedom to walk the paths of life unmolested and unafraid. This great Republic, founded by men who fought for liberty and justice, priceless and immeasurable in its wealth and glory, must be preserved.

Mr. President, the observations which I have made are not aimed at the bill before us. A number of years ago Congress enacted a law, of which the bill before us is a part, under which a limited sum was advanced for vocational education. The measure before us is in harmony with that bill and seeks only to increase the annual appropriation heretofore made and to give a permanency to the policy which, as stated, has heretofore been adopted. I am somewhat apprehensive that this measure, which has great merit, may later on be regarded as a precedent for the intrusion upon the part of the Federal Government into the educational systems of the States. It may be that efforts will be made to secure large Federal contributions for expenditure in every educational field. It would be most unfortunate if demands were made upon the Federal Government to control our schools and direct our education, and this measure pointed to as a precedent and justification for such action. It is to be hoped that such will not be the case.

As I have stated, the bill before us has meritorious features; that provision should be made for proper instructions in agriculture, I think, will be conceded by all; and the States perhaps should do more than they are now doing in this field of education. But this measure must not and should not be used as a basis or pretext for national control of our educational systems or for its intrusion into the public-school systems of the States.

Mr. LEWIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Illinois?

Mr. KING. Certainly.

Mr. LEWIS. Will the able Senator from Utah let me, for information, ask his opinion? First, let me say that he will recall that on this floor I was one of the first defenders, opening a demand for money from the Federal Government to pay the teachers of the city of Chicago who were then greatly in distress. The city of Chicago had no funds with which to pay them. I will ask my able friend, knowing he is a great advocate of what we may call the sovereign States, how he would afford the education of these people where there is no money in the State upon which taxes could lay a hand and where there is none with which to pay for schools or education?

Mr. KING. Mr. President, in taking this position the Senator must assume that the people of his State are incompetent to govern themselves and to manage their own affairs. Illinois is a rich State—one of the pillars of the Republic. It has large cities, among them Chicago, important manufacturing institutions, and one of the richest and most prosperous agricultural sections in the United States, if not in the entire world. The value of its property, real and personal, amounts to many billions of dollars. My recollection is that not more than two or three States in the Union pay more taxes to the Federal Government than does Illinois. In my opinion, the people of that great State have the capacity and the ability and the financial resources to handle their own affairs and to deal with all problems that come to them. If Illinois, with its wealth and power, cannot maintain its schools, how can it be expected that the Federal Government has resources for that purpose? The Federal Government must tax the people in order to obtain funds for its operations. The Federal Government is compelled to reach its hands into the pockets of the people of Illinois in order to obtain funds for national expenses. If the States were bankrupt, the Federal Government's revenues would cease, and it would be unable to meet its own expenses unless it had credit; and if the bankruptcy of the States continued, obviously the credit of the Government would not only be impaired but probably destroyed. If the Federal Government were required to advance money and maintain the public schools of Illinois, it would be required to increase the taxes, a portion of which the people of Illinois would be required to pay. The Government, in that event, would send its tax gatherers to Illinois to take money from the pockets of the people and transfer the same to the Federal Treasury, and then through its machinery and bureaucratic agencies return it to Illinois and then expend it.

It has been estimated that it costs perhaps from 10 to 15 percent of the moneys collected by the Federal Government to impose the taxes, collect them from the people, and then distribute the same back to the people through the various agencies and bureaus employed in the process. It would mean, therefore, that the people of Illinois would be required ultimately to pay all that the Federal Government advanced to them, plus the incidental and inevitable costs incurred in the various transactions incident thereto.

Mr. President, I repeat when I say that I would rather trust the good people of Illinois—or of any other State, for that matter—to govern themselves and to handle their internal and domestic affairs than to subject them to the control of the Federal Government. Illinois and all the other States that were formed after the Constitution was adopted were Territories. Their inhabitants in due season believed that they were competent to govern themselves, and to

manage their own affairs, and they therefore sought admission into the Union as sovereign States. Their appeals were granted and the crown of statehood was placed upon them. It seems to me they may not be heard now to renounce the positions which they occupy and abdicate the sovereignty with which they have been clothed.

As the Senator knows, the Federal Government, notwithstanding the enormous taxes which it has imposed upon the people, has enormous deficits, and its expenditures for this fiscal year will add several billions of dollars to the columns of deficits. It were better for the welfare of the people of the United States to support their States in all their vigor and power and discharge all the obligations resting upon them as sovereign States.

Mr. LEWIS. Mr. President, at this point, seeking guidance from my able friend and knowing how sincere he is, I put this question to him:

Is there such a thing as a citizen of a State obtaining education? Is it not true that he is a citizen of the United States as much as he is a citizen of a State?

Therefore, is it not appropriate from the point of view of my able friend that the citizen, though a citizen of a State in his existence, being also a citizen of the United States, should have education, support, and aid from his whole Government, to which he must give his life at any time of call?

Mr. KING. If a State will not provide education commensurate with the responsibilities that devolve upon its inhabitants and will not discharge the duties and responsibilities resting upon it as a member of the Federal Union, then its right to be a sovereign State might be questioned.

Mr. President, while it is true we are citizens of sovereign States, we are citizens of the United States, but because we are citizens of the United States does not confer upon the National Government unlimited authority and control over us, nor does citizenship of the United States rob us of our citizenship in the States in which we live or absolve us of our duties and obligations to the States nor the duties and obligations of the State to us as individuals. One of the most important duties of the State is to provide a public-school system. That is not and cannot be the function or responsibility of the Federal Government. I cannot concede that anyone will assume that the public-school system of any State will ignore the dual form of government under which we live and fail to take cognizance of the fact that as citizens of the States we all owe allegiance to the United States. No public-school system will be so one-sided, narrow, or provincial that it will perceive no relationship between the Federal Government and the States.

I am sure that the schools of Chicago and Illinois and the teachers therein will not advocate views or expound policies that will not fit their charges for the high duties of citizenship, State and National, and for the responsibility, State and National, which will come to them in life. I repeat when I say that upon the States rests the duty to provide, establish, and maintain a public school and a proper system of education.

History furnishes examples of governments which sought to strengthen their authority over provinces, states, or local political subdivisions and to concentrate political power in the hands of a central government. Rulers have not infrequently sought to accomplish that end by gaining control over the sources of information and education. We are told that Bismarck, when he sought to strengthen the German Empire, endeavored to obtain control over the schools of the various German States. Subsidies were paid to them, the compensation of teachers was increased by the central government, and little by little the teachers, and, of course, the pupils, were brought under the influence of a powerful central government, which was inculcating the view among the people that there must be a powerful German Empire, imperial and imperialistic, military and militaristic. The result was that when the World War burst upon the world the German teachers and professors and the boys and girls who had been educated in the public schools and in the universities were amenable to the teachings which they had received and their thoughts in life were largely determined by the imperialistic policies which had been expounded to them under the influence of Bismarck and the Central Government.

Mr. President, having occupied more time than I intended when I arose, I surrender the floor.

Mr. ROBINSON. Mr. President, the bill before the Senate does not initiate a new movement. It does not provide that the Federal Government shall assume a responsibility relating to education which it has not heretofore assumed.

In 1917, realizing that the subject matters of vocational education were affected with national concern, the Congress passed a bill which met the approval of the Executive; and during the nearly 20 years that have elapsed since that time we have been making appropriations, to be spent in conjunction with similar funds appropriated by the respective States, for the purpose of providing vocational education. Substantially the same thing has been done with regard to the construction of highways.

While this bill does contemplate an increase in the amount which the Federal Government shall contribute to the subject, it also contemplates an enlargement of programs, which enlargement has been made necessary by experience in the administration of the existing law.

If I thought for one moment that the dire consequences depicted by the able Senator from Utah [Mr. KING] would result from the passage of this measure, I should, of course, refuse to support it; but, sincerely, I do not believe that any real question of the permanence of American institutions, or of the preservation of democratic institutions, is involved in the proposed legislation.

This is rather a critical time for those who are young, and who are becoming the responsible citizens of this great Government. Thousands of them are passing out of colleges, universities, and high schools who have no fitness for any occupation or profession in which there is an opening for them, or in which, even by great sacrifice, they may secure employment.

Because of those circumstances there is in this country a resource of great value to the present and to future generations that is in danger of being wasted—a resource for which there can be no substitute. I refer to the young manhood of the Nation. It is not wrong—it is right, in my judgment, from every standpoint—to combine the efforts and the activities of the Federal Government with those of the local political organizations, the States and their subdivisions, in an effort to extend this wholesome service to the communities which now are denied it. Because to do so will conserve the Nation's wealth in its young men and women.

If Senators will analyze the figures which are, no doubt, in the possession of the Senator from Georgia [Mr. GEORGE], they will find that while the system in existence has operated effectively and economically, there are still large areas which have not been reached because the combined funds of the Federal and the State Governments are insufficient to make the necessary provision; and it is admittedly true that when this measure shall have gone into effect that condition in a lessened degree may still exist in a number of the Commonwealths composing the Union. This movement, however, is wholesome, it is helpful, at a time when it is worse needed than when it was created.

The argument of the Senator from Utah [Mr. KING] implies that instead of expanding the efforts to promote vocational education, so far as the Federal Government is concerned, we should entirely withdraw from that field. I do not believe that such a suggestion will strike a responsive chord in many breasts. Assuming that the service is valuable and helpful, giving encouragement and hope and usefulness and opportunity to those who are soon to become primary factors in control of both the social and political affairs of the Nation, this is the time to increase the effort rather than to diminish it.

Mr. GEORGE. Mr. President, before a vote is taken on the pending bill, I ask unanimous consent to have inserted in the RECORD a statement with reference to the part of the bill which makes provision for training in distributive occupations for the purpose of assuring the able Senator from Michigan

[Mr. COUZENS], who is now absent from the floor, that his apprehensions are not well founded.

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). Without objection, it is so ordered.

The statement is as follows:

DISTRIBUTIVE OCCUPATIONS

1. Less than 500 small store operators out of 1,700,000 retailers in this country are being shown how to meet competition from chain and other large selling organizations.

2. Only one State now—Wisconsin—is offering classes to help small retailers and shopowners manage better.

3. Two hundred and fifty thousand or more beginners are employed in stores each year without any preparation for this kind of work.

4. Less than 2,500 beginners are trained in high schools each year for store employments.

5. Few courses in selling farm products to consumers are now being given.

6. Less than 300 high schools out of 26,000 high schools offer courses preparing youth for store service occupations.

7. Apprenticeship for boys preparing for retail store management necessary for reducing cost of distributing products of farms and factories.

8. Classes for helping farmers and other producers sell their products to consumers will help farmers to market their products to better advantage.

9. Classes for training men in managing cooperative marketing organizations are necessary for further development of cooperative marketing.

10. Vocational education for retailers and other distributors is necessary for reducing cost of distribution to consumers and also producers.

11. Only when efficiency of distributors is equal to efficiency of primary producers will there be a better balance between production and consumption.

12. The economic distribution of the products of agriculture and of industry depends upon increased efficiency of retailers and wholesalers. Vocational education for distributors is as necessary as for primary producers.

13. Vocational education for distributors and other middlemen will aid producing industries and also consumers.

Mr. GEORGE. I also ask unanimous consent to have inserted in the RECORD a statement showing the present field occupied by agricultural education, and the additional needs.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement is as follows:

AGRICULTURAL EDUCATION

Demand for vocational agriculture during emergency greatly increased; 600 new departments started during present school year due to permanent character of instruction; demands will continue to increase.

Although 5,700 localities are now reached by vocational agriculture, 15,000 rural communities need to be reached. With sufficient Federal funds an additional 1,000 rural centers on a matched basis or 3,000 additional rural centers with unmatched funds could have been established.

Twenty-three thousand out-of-school farm boys received part-time instruction in vocational agriculture in 1934–35, a total of 3,000,000 out-of-school farm youth in the United States.

Mr. GEORGE. Also, Mr. President, I should like to have inserted in the RECORD a letter typical of letters received of all of the farm leaders of the United States, without an exception. This particular letter is addressed to the President of the United States by L. J. Taber, master of the National Grange. I merely ask to have it inserted because it illustrates the attitude of all the farm organizations in the United States on this question.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 29, 1936.

Hon. FRANKLIN D. ROOSEVELT,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: Allow me to call your attention to the valuable service that vocational education has rendered, not only during the emergency but ever since the passage of this legislation years ago. There is pending in the Senate the George bill which continues this service and makes additional appropriations available now when it is so badly needed.

In my travels from one end of the Nation to the other I have found in practically every State in the Union requests for increased vocational, educational assistance. There is an opportunity to establish many new schools or departments in every State in the Union.

I believe that no expenditure of Federal funds can bring over the years larger dividends in happiness and human welfare than money spent in vocational education, club work, and similar activity that enables boys and girls to live more useful and happier lives.

I am confident that there is no legislation pending in Congress with more unqualified endorsement of the Grange and all its members than legislation expanding the usefulness of vocational education.

Yours very truly,

L. J. TABER,
Master, National Grange.

Mr. GEORGE. Mr. President, without going more into detail or discussing the subject longer, I offer for the RECORD a statement dealing with the pending bill specifically, paragraph by paragraph, as well as the general subject.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

1. The 1935 enrollments in Federally aided vocational schools represented training for 300 occupations and included:

		Percent
109,970	adult farmers, in evening schools, training to improve their methods	9.3
215,715	farm youths over 14, in rural high schools, in training for full-fledged farmers	18.3
154,352	wage-earning adults, in evening schools, training to improve themselves in their jobs	13.1
131,580	youths over 14, in full-time trade schools or classes, training to enter the skilled trades	11.2
217,933	wage-earning youths over 14, in part-time schools, learning while they earn a living	18.5
134,391	rural and urban adult women in training to improve their homemaking methods	11.4
176,321	rural and urban girls, in high schools, training for home making	14.9
38,634	wage-earning girls over 14, in part-time classes, training for homemaking	3.3
1,178,896		100.0

2. That the present Federal cooperation with the States under the Smith-Hughes Act and George-Ellzey Act stimulates the States to promote vocational training is shown by the fact that every State promptly accepted the provisions of the act; with few exceptions the States and local communities use practically all Federal funds allotted, and now after 6 years of depression they spend for the same purpose $2.13 of State and local money to every dollar of Federal aid.

3. Greatly increased funds for agricultural education are needed to provide the present and future farmer with the training necessary to bring about the diversified and balanced commercial and subsistence agriculture for which our Nation is so tremendously striving.

4. Greatly increased Federal cooperation with the States in training for trade and industrial, wage earning, public and private service occupations is needed to further stimulate and aid the States in solving the pressing and momentous training problems incident to:

a. The continuous vocational retraining of wage earners, unemployed, unsteadily employed, or likely to be, because of increasing mechanization, progress in business, and industrial efficiency, and changing economic demands, into operators of the newer machines and processes, or into new and expanding occupations, as similar as possible to the occupations in which they are experienced.

b. The continuous vocational improvements of wage earners, unemployed, unsteadily employed, or likely to be, because of their lack of the hand and technical efficiency increasingly demanded of the occupations in which they are attempting to earn their livelihoods.

c. The vocational training of older tradesmen into the lighter and more skilled branches of their respective trades in which their past experiences will be continuing assets and declining strength will be no bar.

d. The discovery and vocational retraining of permanently displaced former employees of mass-production industry who possess the required talent into the individual production and sale of hand-craft articles.

e. The training of the Nation's increasing number of apprentices in the skilled trades and learners in other occupations to a high degree of all-around hand and technical efficiency in their chosen occupations as insurance against future unemployment and loss of wages and as assurance of an adequate supply of thoroughly skilled workers for the Nation.

5. Additional Federal funds are needed for the training of the people displaced by the increasing efficiency of, and demanded in, agriculture and industry into employment in the distributive occupations in order to move more efficiently to the consumer the product of such increasing efficiency. The need for efficient training for distributive occupations is reflected in the relatively tremendous increase in youths and adults engaged in distributive occupations as compared with productive occupations. This need is reflected by the increase of 17.3 percent in all gainfully employed persons in the country, the 1.9-percent decrease in those employed in agriculture, the 16.3-percent increase in those

employed in manufacturing, and the 42.8-percent increase in those employed in distribution.

6. Paralleling the increasing need for agricultural education and trade and industrial education for farmers and wage-earning men and their sons is the correspondingly, tremendously increasing need of training the farmers' and wage earners' wives and daughters to a balanced production, intelligent consumption, and conservation in the life of the home.

7. Additional Federal aid for vocational education is needed to furnish a sound and constructive outlet for the rapidly developing Nation-wide interest of educators, parents, and youths in the problem of training of our youths for the lives which they must live.

8. While agriculture and employment are now doubtless on the upgrade and will thereby, with the foregoing needs, make greatly increasing demands upon vocational education in the next few years, the ravages of the depression will continue to be felt for several years in State and local community financing of education, thus indicating the necessity of a substantial portion of the increased Federal funds for vocational education not being required for several years to be matched by State or local funds.

9. Additional funds are needed, and needed badly, by both the United States Office of Education and by the States, and jointly, for training of vocational teachers, prospective and already in service, including the stimulation of research and the collecting of research data vital to the efficient functioning of vocational education.

Mr. DAVIS. Mr. President, the problems of long-time planning for American youth and the aged are not new to us. They have challenged our attention for years, but never more insistently than today. The necessity for meeting them in a practical way rises far above the clamor of party rivalries. The issue of vocational education now before the Senate is in no way a partisan one, but calls for the best thought of us all. During the decade while I was Secretary of Labor I served as chairman of the Federal Board for Vocational Education and I had an excellent opportunity to observe the benefits which have come to the youth of our Nation through Federal aid to education. I consider the expenditure of money for education as one of the best of investments, and this was never more true than now in view of unemployment difficulties.

Many States and most rural communities are unable to finance the needed expansion of vocational programs for the farmer, industrial workers, and unemployed youth. The appropriation now under consideration will help the States and local communities to meet the present emergent situation and will provide also for the permanent needs of our cooperative vocational program.

Mr. President, if the depression has taught us anything in the field of education, it has shown that education must be related more practically to the economic needs of individuals. Through practical experience and first-hand supervisory knowledge of trade education, I have long been convinced that the great majority of our youth need an educational chance to develop skill and trade techniques. Probably we all know of specific institutions where these great advantages are now available to both youth and adults alike. However, a survey of the national situation and visitation in the several States will demonstrate an appalling dearth of practical educational opportunity for great numbers of the underprivileged masses of our citizens. It is for them and their children that I would bespeak these blessings. Living as we do in a time when we have appropriated and are spending billions to maintain the physical well-being of our people, we cannot afford to refuse an appropriation of a few million dollars for their permanent educational and vocational needs. In the final analysis we shall doubtless find that the solution of our unemployment problem is closely related to a proper distribution of our youth in the various fields of labor. Vocational education is a step in that direction.

I wish to read excerpts from the declaration of rights of American youth, which was adopted by the Second American Youth Congress at Detroit on July 4, 1935, by delegates of 853 organizations representing 1,350,000 American youth:

We declare that our generation is rightfully entitled to a useful, creative, and happy life, the guaranties of which are full educational opportunities, steady employment at adequate wages, security in time of need, civil rights, and peace.

We are determined to realize in actuality the ideals of a free America. We demand not only the maintenance but the extension of our elementary rights of free speech, press, and assemblage. We oppose company unions and affirm the right of workers to join labor unions of their own choosing in order to advance their economic interests. We consider full academic freedom essential to progress and enlightenment. We strongly oppose fascism, with its accompanying demagogy, as a complete negation of our right to liberty.

Our right to work includes the right of proper preparation for work. Education must be available to everyone without discrimination, poor as well as rich, Negroes as well as white, through free scholarships and Government aid to needy students. Our educational system should provide for vocational training at adequate wages under trade-union supervision.

I have quoted only portions of this declaration, selecting those parts which relate most closely to the topic of vocation education, which we have under consideration. This is the voice of youth, and youth has a right to be heard.

The task before us is so great that it outruns the imagination of those who have never seriously considered it. It is estimated that from 5,000,000 to 8,000,000 young people between the ages of 16 and 25 are wholly unoccupied. They are neither working nor attending school. Almost 3,000,000 young people are on relief. Seven hundred thousand young people had to quit school last year before they had finished high school. Last June hundreds of thousands of them graduated from school and college into a labor market which offered them no work. This situation is loaded with dynamite. It holds a triple threat in its challenge to our democratic institutions, American wage standards, and Christian morality. It requires but little imagination to see that if we do not do something with our young people we may be sure that they will do something with us. Were we to return to the standards of 1929, as many as 20 percent of the employable unemployed would still remain idle. Mr. Isadore Lubin, Commissioner of Labor Statistics, has shown that if we should return to 1929 conditions there would still be four and one-half million people unemployed, and the majority of these would be young people.

The United States Office of Education estimates that there are 2,000,000 young people in this country who need financial aid in order to continue their education. I believe this to be a very conservative estimate.

The problems of proper care for our youth and provision for our aged are today joined together. These problems unite in the unsolved problem of unemployment. Practical plans must be developed whereby youth may enter the labor market later and retirement may be provided for the aged. I have been talking about this problem for over a quarter of a century. Now the time has come when we must actually do something about it, or we shall feel the heavy hand of compulsion resting upon us. One of these days I dare say we will see organized youth and the organized aged bring their forces together into a solid phalanx of public opinion. When that occurs we shall all be ready to take constructive action on this very important problem. What we do for youth and age will not then be something incidental to our legislative program, but will be at the very center of our best progressive thinking.

Mr. President, if I know the young people of America, as I believe I do, they desire an opportunity to grapple with the great social, economic, and political problems of our day. Many are now bitter and disillusioned. They do not ask for charity. They want work and the necessary preparation for work. If we seek to deny them what is rightly theirs, we may well expect that our places will be taken by those who will meet their practical needs. Here is our land with untold riches, industries, and factories, geared and mechanized to the point where everyone could live in decency and comfort and lack for nothing; its farms capable of producing enough food and cotton to feed and clothe its citizens and a goodly portion of the rest of the world; a transportation system spanning the country from sea to sea; an inventive genius which is the marvel of the world; laboratories and research departments probing the depths of the earth and the mysteries of the skies, and yet, with it all, millions are on relief, unclothed and improperly fed, barely existing on a dole, and under our present program with no future ahead. Why is this? Long ago the answer

was given. Where there is no vision the people perish. And the elected representatives of the people are responsible for the appalling situation which confronts us today. We have just as many unemployed in 1936 as we had in 1932.

The bill before the Senate today authorizes an appropriation of $12,000,000. It will be $12,000,000 well spent, but it will not be enough. When we really begin to see the problems before us, we shall see that this is not enough. Where are the young people of our cities today? Where are our boys and girls 16 and 17 years of age? No longer are they in school. No longer are they in the shops and factories. Social workers tell us, as did Mr. Phil Schiff, head worker of Madison House, New York:

From my own experience in neighborhood work, I have seen houses of prostitution open in greater number than ever before. I have had to enlist the aid of the New York City police department in closing up the most flagrant ones. I have seen my young people, 16 and 17 years of age, dilly-dallying around in these places, with a resultant increase in venereal diseases. We have had to embark on a campaign of education, not to stop these young people so much from entering these brothels, as to tell them what to do after contracting gonorrhea or syphilis.

Self-respect and moral regard for the opposite sex are greatly on the decline. The churches of America can preach day in and day out on the subject of "love of God and your neighbor", but unless we dedicate ourselves to the task of providing youth with jobs and proper schooling, thus making possible a wholesome outlet for their leisure time, just so long will we suffer from the pangs of a declining morality.

Listen to this description of life in a mining town by a woman who is a daughter of a West Virginia coal miner. She says: "I was forced to quit school because my books cost me $15 and because I could not buy clothes, shoes, and lunches. I knew of no one I could work for because most of the other families were about as badly off as we were. One of my friends' family was also on direct relief. They live in a one-room shack with no sanitary conditions. There are two windows. There is no sewer. Dishwater stands in the yard. The outside toilet breeds flies. The house has no screens.

"Life in a mining town is different from other places. The homes are all of one dull color. Outside toilets sometimes drain into the well that everyone uses. Coal and wood fires are used for heat. Children are everywhere. There is no privacy indoors. Usually three people sleep in a bed. Families eat the cheapest kind of food. Usually a meal consists of one dish. In winter it is dried beans. Green vegetables are too expensive, except during the summer, when the family may have a garden.

"Mining towns have almost no social activities, and the result is that young people turn to sex, forcing them into marriage much too young, before they really have seen anything of life. If these children were properly educated and had jobs, they would not have to turn to sex to amuse themselves. Many of them are very intelligent and do want to get away from it all. But do they have a chance? What is their future?"

Mr. President, I ask with this young woman, What is the future of the youth of this land if we do not provide work opportunities for them and adequate, practical, educational preparation for the work to be done? The pending proposed legislation is a step in the right direction.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

TWO HUNDRED AND FIFTIETH ANNIVERSARY OF NEW ROCHELLE, N. Y.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the amendment of the Senate to the bill (H. R. 10489) to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding and settlement of the city of New Rochelle, N. Y., which were, on page 1, line 12, of the Senate engrossed amendment, to strike out "1936" and insert "1938"; and on page 2, line 1, of the Senate engrossed amendment, to strike out "five" and insert "twenty-five."

Mr. ADAMS. I move that the Senate concur in the amendments of the House to the amendment of the Senate.

The motion was agreed to.

DEPORTATION OF ALIEN CRIMINALS

The Senate resumed the consideration of the bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes.

PROHIBITION OF PRICE DISCRIMINATIONS

Mr. ROBINSON. Mr. President, I had hoped that the Senate might be able to proceed to a conclusion with the pending bill. The Senators in charge of the measure inform me, however, that some of those most interested are necessarily and unavoidably absent from the Senate, that efforts to produce an agreement are in progress, and that the efforts are likely to succeed. I therefore ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate bill 3154, commonly known as the fair-price bill.

Mr. McNARY. Mr. President, the Senator from Arkansas has asked unanimous consent temporarily to lay aside the unfinished business, and that raises an important question, inasmuch as the request is followed by a request that the Senate proceed to the consideration of an entirely different measure. For that reason I should like to have a larger attendance, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	King	Reynolds
Ashurst	Connally	La Follette	Robinson
Austin	Coolidge	Lewis	Russell
Bachman	Copeland	Logan	Schwellenbach
Bailey	Couzens	Lonergan	Sheppard
Barbour	Davis	Long	Shipstead
Barkley	Dieterich	McAdoo	Smith
Benson	Donahey	McKellar	Steiwer
Bilbo	Duffy	McNary	Thomas, Okla.
Black	Fletcher	Maloney	Thomas, Utah
Bone	Frazier	Metcalf	Townsend
Borah	George	Minton	Truman
Brown	Gerry	Murphy	Tydings
Bulkley	Gibson	Murray	Vandenberg
Bulow	Glass	Neely	Van Nuys
Burke	Hale	Norris	Wagner
Byrd	Harrison	Nye	Walsh
Byrnes	Hatch	O'Mahoney	Wheeler
Capper	Hayden	Overton	White
Caraway	Johnson	Pittman	
Carey	Keyes	Radcliffe	

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present.

Mr. McNARY. Mr. President, I think the request should be restated, inasmuch as there are now some Senators present who were absent when the matter was first proposed.

The PRESIDING OFFICER. The Senator from Arkansas has asked unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate bill 3154, making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases, and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors. Is there objection?

Mr. ROBINSON. Mr. President, a number of Senators have entered the Chamber since I first submitted the request, and I should now like to explain that Senators who are in charge of and most vitally interested in the unfinished business have announced that they are not ready to proceed. Some of those most concerned are absent from the city. I am, therefore, making a request that the unfinished business be laid aside temporarily and that the Senate proceed to the consideration of the so-called price-discrimination bill.

Mr. AUSTIN. Mr. President, the subcommittee of the Committee on the Judiciary, to which was referred a bill of a similar character, was remodeled, after the appointment of the committee, so as to include the Senator from Kentucky [Mr. LOGAN], who reported the Robinson-Patman bill, and the Senator from New Mexico withdrew from the chairmanship of the subcommittee when the Senator from Kentucky came on the subcommittee. Thereupon hearings were held which included testimony relating to the Robinson-Patman bill. The testimony is rather voluminous, and it has taken longer than was expected to print it. Information

which came to me on inquiry this morning, when I learned that there was a possibility of the bill referred to by the Senator from Arkansas being brought forward, indicates that the proof of the hearings has been read and sent back to the Printer, and that there probably remains nothing more to be done except to sew up the books and get them into our hands by tomorrow. It is the estimate of the Printing Office that we may have the testimony by tomorrow.

Of course, the mere possession of the books would not do Senators any good if they did not have an opportunity to read the testimony, and there would be no opportunity to do so between now and tomorrow. Therefore, I submit this interrogatory to the Senator from Arkansas, whether he does not think that under the circumstances it would be beneficial not to bring the measure on for consideration for 2 or 3 days?

Mr. ROBINSON. Mr. President, may I ask the Senator from Vermont when the hearings on the Borah-Van Nuys bill were closed by the subcommittee?

Mr. AUSTIN. I cannot recall instantly the date when the hearings were concluded.

Mr. LOGAN. Mr. President, let me say to the Senator from Vermont that the hearings were closed some time ago, but some of those who participated in hearings did not get their testimony corrected in time for the hearings to be promptly printed. They will be printed in a few days.

There is nothing new in the hearings, but let me say to the Senator that my thought is that the House committee, after many months of hearings, have reported a bill radically different from the bill reported to the Senate. If we wait much longer, we will get behind the tax bill, and those who favor legislation along this line will perhaps be disappointed in their desire to have any bill passed.

My suggestion is that we proceed to the consideration of the bill, well realizing that the House will pass its own bill, or a different bill from that passed by the Senate. Then we will hold our hearings on the Borah-Van Nuys bill, and we hope that we may get something worked out which can be agreed upon before a conference committee. That is what I had in mind. Otherwise, we will have no legislation at all. It will be absolutely necessary for a conference committee to work out the provisions of a bill satisfactory to those who favor the proposed legislation.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Idaho?

Mr. AUSTIN. I yield.

Mr. BORAH. I only wish to say that I am rather in harmony with the views expressed by the able Senator from Kentucky [Mr. LOGAN]. It seems to me that in all probability this measure will have to be worked out in conference, and I should like to suggest to the Senator from Arkansas [Mr. ROBINSON] and the Senator from Kentucky both, the advisability of giving consideration to the Borah-Van Nuys bill as an amendment to the present bill, so that all these measures will be before the conference when it goes to work out the measure.

Mr. ROBINSON. Mr. President, may I inquire of the Senator from Idaho, through the courtesy of the Senator having the floor, whether there would be any inconsistency in adopting the Borah-Van Nuys bill as an amendment to the bill under discussion?

Mr. BORAH. I do not think so. When we introduced the Borah-Van Nuys bill we did not introduce it with a view of embarrasing the consideration of the Robinson bill.

Mr. LOGAN. Mr. President, if I may be permitted to interrupt, let me say that, as indicated by the remarks of the Senator from Vermont, I am very anxious to have a meeting of the subcommittee, so that we may consider all these bills, and give our best thought to working out something which will be satisfactory. By the time we shall have done that, perhaps the opportunity to consider the matter at all will be gone. However, we can consider the bills and report to the Senate, and have all the information available for the conferees when they meet to consider this bill. That is one reason why I think it is of the utmost importance that we proceed with the consideration of this bill at the present time.

Mr. ROBINSON. Mr. President, will the Senator yield to me so I may make a statement?

Mr. AUSTIN. Reserving the right to object later, I take my seat and yield the floor to the Senator from Arkansas.

Mr. BORAH. Mr. President——

Mr. ROBINSON. I yield to the Senator from Idaho.

Mr. BORAH. I was going to say that it was my desire to secure, if practical, the adoption of the Borah-Van Nuys bill as an amendment to the Robinson bill so that we may have the entire subject matter in conference, because there is where it will ultimately go. In my judgment, the measure which will really pass ultimately will be the measure which the conference works out. I myself do not think there is any inconsistency between the bill which the Senator from Arkansas sponsors and the bill of which I am coauthor. I think the principle embodied in the Borah-Van Nuys bill ought to be incorporated in this legislation.

Mr. ROBINSON. Mr. President, I will say to the Senator from Idaho that I do not think it would be possible now, under the present situation in the Senate, to determine the question he has raised. The suggestion is well worthy of consideration. The Senator from Kentucky is well and fully advised with reference to this subject matter, and I recognize the fact that he is much better informed concerning it than I myself.

The bill was introduced June 26, 1935, nearly a year ago. Similar subjects matter of legislation were under consideration in the House of Representatives. Prolonged hearings were had not only by the House committee having jurisdiction of a bill similar to the one now under consideration but also by a special committee of the House of Representatives making inquiry into the proceedings of the retail trade associations. There was also available the information supplied by the Federal Trade Commission as a result of careful and complete investigations made by that body into alleged abuses of fair practices which have relationship to the terms of this bill.

The Senate subcommittee had the Robinson bill under consideration for several months, finally reported it to the full committee, and that committee reported favorably on the bill, although there were two Senators who reserved the right to take any attitude they thought proper when the bill should come before the Senate.

The report was made by the Senator from Kentucky [Mr. LOGAN], who was chairman of both subcommittees—chairman of the subcommittee considering Senate bill 3154 and also chairman of the subcommittee considering the Borah-Van Nuys bill. The chairman of the subcommittee was authorized by the full committee to make a report, and he did report to this body on the calendar day of February 3, 1936. Since that time I have been repeatedly urged by those who are in favor of the proposed legislation to bring it before the Senate. The opponents of the bill have insisted that they have not had a fair hearing; that hasty action was being sought. In view of that insistence, I waited until long after hearings on the Borah-Van Nuys bill, during which hearings the entire subject matter was gone into fully by the subcommittee and by the full Committee on the Judiciary.

It has been apparent to me throughout the session, since the report was made, that those who are opposed to the proposed legislation have done what they have the right to do; namely, encourage delay. They insisted on delay long after the hearings were finished. It seems that it was impracticable to have the hearings printed, for the reason that the witnesses did not promptly correct or revise their statements. It has been several weeks since the hearings on the Borah-Van Nuys bill were closed. It has been several months since the consideration of the bill we are now asking the Senate to take up was completed by the committee; and we are, we hope, within about—about—I said "about"—30 days of the end of the session. "About" may mean 40 days, or it may mean 41 days, as suggested by the Senator from Utah [Mr. KING]. [Laughter.]

Mr. LEWIS. Mr. President, I should like to interrupt to say that we shall be here until July 4 if the present conditions in the Senate continue.

Mr. ROBINSON. The Senator from Illinois is a prophet of evil. He ought not to interrupt my dreams of a 2-day vacation before the political conventions by suggesting that we are to be here until the Fourth of July. Oh, no; the Senator from Illinois is too much of an optimist to bring that pessimistic proposal in here at this time. We all wish to get away. I do not know—I doubt if the Almighty knows—what the Republican convention is going to do; but I should like to have them enjoy a free and full opportunity to do whatever they please. I am satisfied that whatever they do will be wrong [laughter] and that the judgment of the country will reflect that conviction. But, of course, that may be a somewhat partial or prejudiced statement. I mean the statement may originate from a source that some of my colleagues may believe is not wholly unprejudiced. However, if we do not finish before the conventions, we shall be here after the Fourth of July, and that prompts me to ask my brilliant friend, the very efficient whip of the majority, to join his efforts with mine and the efforts of others, including those on the other side of the Chamber, to bring these services to a close as early in the month of June as it is possible to do.

Mr. LEWIS. Mr. President——

Mr. ROBINSON. I yield to the Senator from Illinois.

Mr. LEWIS. I assure my able leader that I gladly look forward to cooperating in that respect, because, I may be pardoned by the Senator for saying, I am not without some personal interest in matters to transpire shortly. So I should like as much as possible of the summer, during which time I may address the intelligence of the great State of Illinois upon the important questions of the day. But I cannot overlook the fact, I say to my able friend, that we have coming on a tax bill, and I have watched the procedure on previous tax bills in this honorable body, and it is that that fills me with somewhat of a forlorn sense of hope of being away from here before the Fourth of July.

Mr. ROBINSON. Mr. President, to my surprise the Senator from Illinois persists in being a pessimist. It is no depreciation of his powers as an orator and public speaker to say that from all the indications of the recent primary it does not matter whether or not he goes back to Illinois to make a campaign. If he could, in fact, get in the Illinois primary twice as many votes as both the Senator from Idaho and the candidate for President from Illinois, Mr. Knox, he ought to be in no haste to get back to make a campaign, for, as is well known, candidates sometimes lose votes while making campaigns. [Laughter.] That has no application, of course, to the Senator from Illinois. It applies to some of the rest of us, but not to him.

Speaking seriously, the question is whether the Senate wishes to consider this bill. If there are objections to its consideration I propose to move to displace the unfinished business and proceed to its consideration, because that is the only way in which the purpose of the Senate can be arrived at.

Now, as to the request that we wait until the hearings on another bill have been published, let me say that I think there has been ample time to have those hearings published. There are hearings already available—hearings by the committees in the House that I described in the beginning of my remarks that no one in this body has read completely unless it be the Senator from Kentucky [Mr. LOGAN]. And if we wait until the hearings are printed before taking up the bill they will be used by some of us to find statements in support of the measure and by others to find declarations in opposition to the measure, and no one is going to read those hearings in complete detail.

I know how the Senate tries cases. We try a great many issues here and we avail ourselves of all the information we can secure; but it is not very often that a Senator reads the hearings on even the most important bill that comes before the Senate. He reads the committee report; he refers to the hearings to obtain information on some phase of the subject which is of peculiar interest or concern to him. So, in view of the course the matter has taken, I feel constrained to insist that the Senate pass on the question whether it wishes to proceed with this bill.

There is no desire to make undue haste. It is not expected that the bill will be disposed of today, but if we wait until the tax bill gets here or until the relief bill has come over from the House and is ready to be considered by the Senate, we preclude ourselves from any action on this important subject matter of legislation during the present session; and some outside the Chamber are well informed as to that and are anxious to have us take that course.

It has been said that there is a large number of measures dealing with this subject pending before the two Houses. There are several bills in the House, and I think there are more than two bills in the Senate, and each one of those measures reflects difference of opinion as to some details; but the purpose of this proposed legislation runs through all the bills, and that is to correct the defects in the Clayton Antitrust Act which undertook to prevent by law unfair price discriminations which gave to those who had the power to do so the opportunity to destroy their competitors and to gain a monopoly of the business in which they were interested, to the detriment of both dealers and consumers. Those who are sincerely interested in that purpose may stand on a common ground.

They may differ respecting some details, but if they are earnestly desiring to prevent the building up of monopolies in this country in the trade of the country they may adjust their differences and reach a fair conclusion.

During the course of this debate it will be shown that certain business organizations have been able to buy enormous quantities of articles going into commerce from large producers at prices from 25 to 50 percent less than the sales agents of the seller are able to secure. That means that under the guise of brokerages that were never earned, brokerages charged for services that were never performed, gigantic organizations have driven into ruin and bankruptcy hundreds of small competitors. By reason of the unfair practices implied by the sellers granting a large brokerage fee where no brokerage service was earned large organizations have been able to sell at prices so low that the independent dealer could not continue in business.

All I ask is that this bill be taken up; that the Senate give it fair consideration and send it to the other House, which, as suggested by the Senator from Kentucky and, I think' by the Senator from Idaho, is likely to substitute its bill by striking out all after the enacting clause of the Senate bill and adopting as a single amendment the House proposal. That will throw the whole subject matter into conference and give the conferees the opportunity of reconciling the differences between the two measures. With that in view, I see no objection to incorporating as an amendment the provisions of the Borah-Van Nuys bill, so that if the conferees finally prefer the plan of that bill to either the House bill or the Senate bill—speaking now of the original measures—they will have the opportunity of doing so.

Mr. President, I think I have said all that I care to say on the subject. I will, however, add that I do not expect a vote on the measure this afternoon. I have already indicated that a number of Senators are absent who want to be present when the vote is taken.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request preferred by the Senator from Arkansas?

Mr. MCNARY. Mr. President, I have not risen to object formally. So far as this side of the Chamber is concerned, the matter will be in charge of the Senator from Vermont [Mr. AUSTIN], who is a member of the committee.

I wish to say to the Senator from Arkansas [Mr. ROBINSON] that there is reason why Members on both sides of the Chamber were not ready to go forward today. I did not know until a few moments ago that the hearings before the Judiciary Committee had not been printed. It is rather unusual to bring forward a bill and ask that it be made the

unfinished business until after the hearings are printed and opportunity given to every Member of the Senate to study the question.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. McNARY. In just a moment. I find it better sometimes to claim the floor until I have finished a few sentences at least.

I think every bill on the calendar is entitled to consideration sometime on the floor of the Senate. I have never yet attempted, in the capacity which I have occupied on this side of the aisle, to suppress pending legislation or prevent a fair hearing on the floor. On the other hand, I have always maintained that Senators are entitled to a report on a bill and are entitled to have the hearings on the bill printed before it is called on the floor of the Senate for consideration. How can a Senator, whatever his attitude may be, know what the opposition is to a bill unless he has had opportunity to resort to the hearings?

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Kentucky?

Mr. McNARY. I yield.

Mr. LOGAN. I may state to the Senator from Oregon that there were several bills pending, one in the House and one in the Senate. The House held hearings covering many weeks. Those hearings have been printed for many months and have been available to every Member of Congress. When the Judiciary Committee considered the Robinson bill it used the hearings on the Patman bill because the bills were identical. Since that time the Judiciary Committee of the House has made an altogether different report than did the Judiciary Committee of the Senate. The hearings on the Patman bill have been available at all times. The hearings which have just been held on the Borah-Van Nuys bill contain nothing new that I can find, but I understand they will be available perhaps tomorrow. That is the information I have from the clerk of the Judiciary Committee.

Mr. McNARY. I confess a lack of knowledge of the contents of those hearings, but I am told there is a strong dissimilarity between the Patman bill now on the House calendar and the Robinson bill now on the Senate calendar.

Mr. LOGAN. There is a very marked difference now.

Mr. McNARY. I am suggesting that there be no unusual delay, but a delay only of a day or two until the hearings on the Robinson bill can be printed. I refer to the hearings held before the Judiciary Committee of the Senate.

Mr. LOGAN. But may I say to the Senator from Oregon there have been no hearings held on the Robinson bill at any time.

Mr. ROBINSON. Mr. President, will the Senator yield to me now?

Mr. McNARY. When I shall have concluded with the Senator from Kentucky.

Mr. LOGAN. The hearings which were held recently were on the Borah-Van Nuys bill. The Robinson bill had been reported to the Senate. The hearings, and the only hearings on the Robinson bill, were those held by the House committee on the Patman bill and used by the Senate committee. The two bills then were identical. Since that time the House Judiciary Committee has made a report in which it adopted in principle the Patman bill. It is the hearings on the Borah-Van Nuys bill which have not as yet been printed.

Mr. McNARY. I excused, and I hope I exonerated myself, by stating I did not understand the true situation. No one could, because the matter was brought up unexpectedly and surprisingly a few moments ago.

I understand now from the able Senator from Kentucky that there have been no hearings on the Robinson bill.

Mr. LOGAN. Except those on the House side.

Mr. McNARY. And the Senator says there is a great dissimilarity between the two bills?

Mr. LOGAN. Hearings on the Borah-Van Nuys bill have not as yet been printed. They would have been printed, but because some of the witnesses took some time to correct their evidence a delay occurred. Only yesterday were the hearings completed and ready for printing. Then one of the chief witnesses said that some of the pages of his testimony had been transposed in the printing and asked for a reprinting of the whole thing. I told the clerk of the Judiciary Committee I did not think that was justified.

What I propose to do individually, though I have no interest in the bill further than has the Senator from Oregon, is to ask, as soon as I can, which will be done even if we take up the bill now, the Senator from Idaho [Mr. BORAH], the Senator from Vermont [Mr. AUSTIN], and the other members of the subcommittee to get together so that we may go over and analyze that evidence. If they are ready to do so, I shall be glad to have that meeting in the morning.

Mr. McNARY. Then I understand the true situation to be that hearings were held in the House on the so-called Patman bill; that that bill is wholly dissimilar to the Robinson bill, upon which no hearings were held.

Mr. ROBINSON. No, Mr. President, it is identical. The two bills are identical. The House, however, amended the bill introduced in the House just as the Senate Committee on the Judiciary amended the bill introduced by myself in the Senate. Hearings were had in the House on a bill identical with the one introduced in the Senate and considered by the Senate committee. Of course, the Senate committee did not resort to the foolish practice of having the same witnesses who were heard before the House committee come here and testify before the Senate committee when the hearings before the House committee were available for use of the Senate committee. I tried to point out to the Senator in the beginning, but he would not permit me to do so, that the hearings, for which it is now insisted the Senate shall wait, were on an entirely different bill from the one which we are now asking to have considered.

If the Senator will yield for that purpose, I will resolve the difficulty by asking unanimous consent that when the Senate convenes Thursday next it shall proceed to the consideration of the fair-price bill.

Mr. McNARY. I have not concluded my remarks.

Mr. ROBINSON. I understand that.

Mr. McNARY. I shall at the proper time defer to the able Senator from Arkansas.

I understand now there have been no hearings on the Robinson bill in the Senate. There were hearings on the Patman bill in the House. There were hearings on the Borah-Van Nuys bill in the Senate which have not as yet been printed. That is the status. I am not objecting to the consideration of the bill by the Senate at the proper time. I do not know why a delay of 2 or 3 days would be to the disadvantage of the Senator from Arkansas or his party or the country. I do not know what legislation is pending at this time that is of very great importance. What is the rush? Today is Tuesday. The immigration bill has gone over until Wednesday. All we are asking is a few days' time for the proper study of the hearings and consideration of the bill before it is brought to the floor of the Senate for debate.

We know the tax bill will not be here for several weeks. I may say at this time if it had not been for the introduction of the tax bill, this session of Congress would have been over at this time. I was told by the leaders of the Democratic Party when the present session commenced that there would be no tax bill. That is when I prophesied, with my usual accuracy, that the session would terminate by the 1st day of May. But this year, as last year and the year before, the mill has never got through grinding, and here today we have confronting us a tax bill. That is the reason why we have not been able to conclude the session by this time. Every Member on this side of the Chamber, including the minority leader, has cooperated to shorten the present session of Congress. All we have left beyond the tax bill is the so-called relief bill. Hearings have been had on that, but even now the form and fashion of that measure have not been presented to the House. When it will come here no one knows.

Mr. President, I repeat I am only seeking at this time that those in the Senate who have not had an opportunity to prepare themselves to consider the measure and read the hearings shall have opportuinty to do so, and that the bill shall not be taken up until proper preparation is had. I repeat to the Senator from Arkansas that there is no measure pressing that should compel us to rush violently forward. We have ahead of us a tax bill on which we have not as yet had hearings. We have ahead of us a relief bill which is not prepared and ready for consideration.

If the Senator from Arkansas would take the attitude which, I think I may say without being unjustly critical, would be an attitude of fairness and give the Members of this body an opportunity to study the measure, I doubt if there would be any objection. Certainly it would not come from me. I am not prepared to discuss the merits of the bill. I will support the measure. I want an opportunity to examine the Borah-Van Nuys bill.

Another surprise came to us today. The Senator from Idaho [Mr. BORAH] suggested that his bill be accepted as an amendment. It was supported by the Senator from Kentucky [Mr. LOGAN]; and a moment ago, very happily, the Senator from Arkansas said probably it would be a wise thing to do to take all the bills to conference and work them out. I should prefer to work them out before a subcommittee. It may be a good idea to go into conference with them; but, Mr. President, the Senator threatens at this hour to bring up a bill that has not been reported by the Judiciary Committee, a bill on the calendar on which the hearings have not been printed. I say it is very unfair at this time to insist upon legislating in this fashion.

Mr. ROBINSON. Mr. President I ask unanimous consent to proceed with the consideration of the bill. I have proposed to make the consent effective on Thursday. The Senator from Oregon rejected that proposal. I now ask unanimous consent to lay aside the unfinished business and proceed with the bill.

The PRESIDING OFFICER. Is there objection?

Mr. AUSTIN. Mr. President, much has been said since I took the floor for the purpose of trying to induce postponement of consideration of this bill rather than to object to it; but I reserved the right to object, and I now reserve that right for the purpose of saying something with respect to the situation of this matter.

It has been implied that there is a purpose to delay this particular proposed legislation on the part of those who are opposed to it. So far as has been developed in the subcommittee, no one can say that anybody is opposed to the enactment of legislation of this character seeking the objectives claimed. It happens that there are before the subcommittee several bills which relate to the same objectives; and the purpose of having the Senator from Kentucky take the chairmanship of the subcommittee was obvious—so that the evidence taken on those bills could be considered with reference to the bill which he had reported—and it was so considered.

I need only call attention to one extract from the proof which has been handed me since this discussion began to show that the claim that the testimony relates only to the Borah-Van Nuys bill is inaccurate. I read from a proofsheet.

Mr. LOGAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Kentucky?

Mr. AUSTIN. I do.

Mr. LOGAN. I did not mean to make the statement that the evidence did not relate to anything but the Borah-Van Nuys bill. I said the hearings were on the Borah-Van Nuys bill; but the testimony drifted away, and we allowed it to go into the realm of other measures. The witnesses talked about the Copeland bill, as I said a while ago; the Robinson-Patman bill, the Utterback bill, and any other bill they desired to talk about; but actually it was a hearing on the Borah-Van Nuys bill.

Mr. AUSTIN. I accept that statement. All I intended to accomplish by reading the record was to show that that is exactly what happened. So there is contained in this record important, precise evidence applying to the Robinson-Patman bill.

As to the delay that has occurred, we have a very diligent secretary of the Judiciary Committee. I am confident that he has tried in every way that was consistent with his other duties and obligations to have the testimony printed. He has just informed me that the material cause of delay was the impeachment proceedings which intervened, and which necessitated extra printing. So there is no disposition on the part of anybody, so far as I know, to delay this matter beyond reasonable consideration of an important bill.

As to the request to proceed immediately with the consideration of the bill, I feel impelled to object, and I do object.

Mr. ROBINSON. Mr. President, I move that the Senate proceed to the consideration of Senate bill 3154.

The PRESIDING OFFICER. The question is on the motion of the Senator from Arkansas.

Mr. COUZENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	King	Reynolds
Ashurst	Connally	La Follette	Robinson
Austin	Coolidge	Lewis	Russell
Bachman	Copeland	Logan	Schwellenbach
Bailey	Couzens	Lonergan	Sheppard
Barbour	Davis	Long	Shipstead
Barkley	Dieterich	McAdoo	Smith
Benson	Donahey	McKellar	Steiwer
Bilbo	Duffy	McNary	Thomas, Okla.
Black	Fletcher	Maloney	Thomas, Utah
Bone	Frazier	Metcalf	Townsend
Borah	George	Minton	Truman
Brown	Gerry	Murphy	Tydings
Bulkley	Gibson	Murray	Vandenberg
Bulow	Glass	Neely	Van Nuys
Burke	Hale	Norris	Wagner
Byrd	Harrison	Nye	Walsh
Byrnes	Hatch	O'Mahoney	Wheeler
Capper	Hayden	Overton	White
Caraway	Johnson	Pittman	
Carey	Keyes	Radcliffe	

The PRESIDING OFFICER. Eighty-two Senators have answered to their names. A quorum is present.

The question is on the motion of the Senator from Arkansas [Mr. ROBINSON] that the Senate proceed to the consideration of Senate bill 3154, the fair-price bill.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 3154) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases, and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors, which had been reported from the Committee on the Judiciary with an amendment in the nature of a substitute.

Mr. LOGAN. I ask unanimous consent that the committee amendment be first considered.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will read the amendment in the nature of a substitute.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and in lieu thereof to insert:

That section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, as amended (U. S. C., title 15, sec. 13), is amended to read as follows:

"SEC. 2. (a) That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price or terms of sale between different purchasers of commodities of like grade and quality, where either or any of the purchases involved in such discrimination are in commerce, where such commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, and where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or receives the benefit of such discrimination, or with customers of either of them: *Provided*, That nothing herein contained shall prevent

differentials in prices as between purchasers depending solely upon whether they purchase for resale to wholesalers, to retailers, or to consumers, or for use in further manufacture; nor differentials which make only due allowance for differences in the cost, other than brokerage, of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered: *Provided, however,* That the Federal Trade Commission may, after due investigation and hearing to all interested parties, fix and establish quantity limits, and revise the same as it finds necessary, as to particular commodities or classes of commodities, where it finds that available purchasers in greater quantities are so few as to render differentials on account thereof unjustly discriminatory or promotive of monopoly in any line of commerce; and the foregoing shall then not be construed to permit differentials based on differences in quantities greater than those so fixed and established: *And provided further,* That nothing herein contained shall prevent persons engaged in selling goods, wares, or merchandise in commerce from selecting their own customers in bona fide transactions and not in restraint of trade.

"(b) That it shall be unlawful for any person engaged in commerce, in the course of such commerce, to pay or grant, or to receive or accept, anything of value as a commission, brokerage, or other compensation, or any allowance or discount in lieu thereof, in connection with the sale or purchase of goods, wares, or merchandise, either to the other party to such transaction or to an agent, representative, or other intermediary therein where such intermediary is acting in fact for or in behalf, or is subject to the direct or indirect control, of any party to such transaction other than the person by whom such compensation is so granted or paid.

"(c) That it shall be unlawful for any person engaged in commerce to pay or contract for the payment of anything of value to or for the benefit of a customer of such person in the course of such commerce as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the processing, handling, sale, or offering for sale of any products or commodities manufactured, sold, or offered for sale by such person, unless—

"(1) Such payment or consideration is offered on proportionally equal terms to all other customers competing in the distribution of such products or commodities; or unless

"(2) The business, identity, or interests of such customers are in no way publicly associated, by name, reference, allusion, proximity, or otherwise, with or in the furnishing of such services or facilities, and the consideration paid therefor does not exceed the fair value of such services or facilities in the localities where furnished.

"(d) For purposes of suit under section 4 of this act, the measure of damages for any violation of this section shall, where the fact of damage is shown, and in the absence of proof of greater damage, be presumed to be the pecuniary amount or equivalent of the prohibited discrimination, payment, or grant involved in such violation; limited, however—

"(1) Under subsections (a) and (b) above, by the volume of plaintiff's business in the goods concerned, and for the period of time concerned, in such violation;

"(2) Under subsection (c) above, to the amount or share, or its pecuniary equivalent, to which plaintiff would have been entitled if the payment concerned in such violation had been made or offered in accordance with paragraph (1) of said subsection (c)."

Mr. LOGAN. Mr. President, the Senate has not as yet voted on the amendment, has it?

The PRESIDING OFFICER. No; the amendment has not been voted on.

Mr. LOGAN. Mr. President, as I understand the parliamentary situation, if the amendment of the committee shall be adopted, then the committee bill, as amended, will be subject to amendment.

The PRESIDING OFFICER. Any amendment to be offered should be offered before the pending amendment is agreed to, because it is an amendment in the nature of a substitute.

Mr. BORAH. Mr. President, I desire to ascertain the parliamentary situation. Must all amendments be offered before the amendment just read is voted upon?

The PRESIDING OFFICER. Perfecting amendments take precedence, and all amendments must be offered before the amendment just read, which is in the nature of a substitute, is voted upon.

Mr. McNARY. Mr. President, if the amendment as offered be adopted, then there will be only one vote left. All amendments must be offered prior to the acceptance or rejection of the substitute.

The PRESIDING OFFICER. The amendment being in the nature of a substitute for the whole bill, the Senator has correctly stated the parliamentary situation. All amendments must be offered before the pending amendment is adopted.

Mr. McNARY. May I ask the Senator from Kentucky whether he desires to speak this afternoon, or would he prefer to proceed tomorrow?

Mr. LOGAN. I may say to the Senator that it does not make very much difference to me. I do not propose to take very much time, but I thought that since other Senators desired to speak tomorrow, perhaps I might as well finish what I have to say. I understand the Senator from Idaho [Mr. BORAH] will be here only tomorrow, and the Senator from Indiana [Mr. VAN NUYS] has suggested he would like to speak tomorrow, so I thought I might go ahead and explain the bill, as I understand it, in the next 30 or 40 minutes.

Mr. McNARY. I think that is a very wise arrangement. I recall that the Senator from Arkansas stated that it is not his intention to attempt to pass the bill today.

Mr. LOGAN. Oh, no; that would not be fair. Let me say to the Senator from Oregon that all my life I have tried to be fair, and I would not think of trying to take advantage of anyone. I have no interest in the world in the pending bill; I am not concerned about it one way or the other except as a matter of legislation which would affect the public. There has been so much misunderstanding and misinformation floating about that I should like to explain what is in the bill, and if the bill does not mean what I say it means, so far as I am concerned we will make it mean that, if any Senator wants it to mean what I say it means.

Mr. McNARY. I know the Senator is at all times fair, and it is always a pleasure to have him in charge of a bill. I wanted to have the understanding that there would be no vote today on any amendment which might be offered to the pending amendment.

Mr. LOGAN. There should be no vote. While I do not know that I have the authority to control the matter, although the majority leader asked me to look after it and to take charge of it on the floor, I do not think there should be any amendment voted on this afternoon; and there will not be, so far as I have any control of the measure.

Mr. McNARY. I am willing to accept that statement of the Senator, and I know he will conform to it. I have not so much interest in the consideration of the merits of the bill, but I am interested in having it fairly presented on the floor, after opportunity has been given to study the measure, the report, and the hearings. I have presented the matter to the Senator in that spirit, knowing that he will not ask for any vote today on any amendment which may be proposed.

Mr. LOGAN. That is agreeable to me, and, so far as I am concerned, let me say to the Senator from Oregon, the only purpose I have in saying anything is a desire to help Senators understand what the proposed legislation is, so that they may check up on what I say, compare it with the language of the bill, and ascertain for themselves whether I am correctly interpreting the provisions of the bill.

Mr. BORAH. Mr. President, will the Senator from Kentucky yield to me?

Mr. LOGAN. I yield.

Mr. BORAH. For the information of the Senate, I may state that at the proper time the Senator from Indiana [Mr. VAN NUYS] and myself will offer as an amendment an additional section to the bill, and the amendment will consist of Senate bill 4171.

Mr. LOGAN. Mr. President, as I started to say a moment ago, before I was interrupted, there is so much misunderstanding about the provisions of the bill that I desire to tell the Senate what is proposed by the measure, and if I make any statement with which any Senator does not agree I ask him to compare what I say with the provisions of the bill and ascertain whether or not I am correct.

There have been floods of telegrams, briefs, and letters going out over the country supposedly relating to the pending bill, but an examination of nearly all of them has convinced me that the attacks which are made on the bill are aimed at imaginary provisions of the bill, provisions which do not exist. I do not mean to say to anyone that there may not be a necessity for amending the language of the

bill in some particulars, but it is satisfactory to me as written.

For the further information of those who are interested let me say that in the House of Representatives, if I may refer to it, there are several bills pending. The one finally reported by the Committee on the Judiciary in the House is not satisfactory to me, and it is very different from the bill reported by the Committee on the Judiciary to the Senate.

In the Senate we have what is known as the Copeland bill, satisfactory to some of those who favor such legislation; the Borah-Van Nuys bill, which satisfies some who favor this legislation, and the Utterback bill, and I believe one that is called the Mapes bill, all of them seeking to attain or achieve the same end. But those who sponsor the bills disagree as to what is the best method of reaching the proper conclusion.

Many of the telegrams and letters Senators have received make no distinction, and they attack the Robinson-Patman bill, they say, because it is called the Robinson-Patman bill in the press. There is no such thing existing now as the Robinson-Patman bill. The two bills were identical, one introduced in the House, and one in the Senate. Later the Senate committee amended the Robinson bill in many particulars. The House Judiciary Committee, at the conclusion of its consideration of the question, added many amendments, and may have substituted a different bill for the Patman bill. So it is necessary to know exactly what is in the Robinson bill, now before the Senate for consideration.

I will tell the Senate as best I can what is in the bill. I have no desire but to give correct information, and if I am mistaken about any provision of the bill I shall be deeply grateful to any Senator who will find out the mistake I make.

It was in 1914 that the Congress enacted what has since been known as the Clayton Antitrust Act, or the Clayton amendment. The purpose of that act was to prevent unfair price discrimination. The purpose of the act was to prevent a seller disposing of his goods to one purchaser at one price and to another purchaser, under the same conditions and circumstances, at another price. The Clayton Act was to prevent discriminations in the prices of goods sold to customers.

Let me digress long enough to say that the bill now under consideration has nothing to do with competition between or among sellers. If one concern desires to sell to its customers at one price, and another concern handling the same line of commodities desires to sell to its customers at another price, there is not a thing in the Robinson bill that would interfere with that. The bill relates to the sale of goods by a seller to his own customers, and the Clayton Act originally related to that particular situation. The Clayton Act, however, contained a provision that there might be a discrimination in price based upon cost of manufacture, cost of transportation, and quantity sold. That sounded very well.

Then there was another provision in the Clayton Act which was fatal, namely, that price discrimination might be made in order to meet competition. That is where the chief defect in the Clayton Act is to be found. For instance, a seller has a customer, we will say, in Louisville, Ky., and he has a customer in Detroit, Mich. They are both in the same class or group of purchasers. Cost of transportation, cost of manufacture, and the quantity involved are all the same. The Clayton Act allows the seller to sell to the concern in Louisville at a lower price than that at which he sells to the concern in Detroit, provided the seller's competitor in the same line is selling to customers in Louisville at a price making it necessary for the seller to cut prices in Louisville, while it is not necessary to cut prices in Detroit. The old Clayton Act, however, prohibited discrimination in prices except when based upon cost of production, cost of transportation, and quantity. Let us bear that in mind and see what change it is proposed to make by the provisions of the Robinson bill.

It was found by experience that those who were able to employ good lawyers could evade the provisions of the Clayton Act and could bring about unfair price discrimination, and that was done in several ways. The Robinson bill, which we are now considering, deals only with three of those methods of evading the Clayton Act, because there are other methods and ways of evading the Clayton Act which perhaps cannot be reached by Congress. We can reach only those things that relate to interstate commerce or have a direct bearing upon interstate commerce. The practice of using loss leaders, for instance, by a store in Kentucky or by a store in Arizona, could not perhaps be reached by an act of Congress.

The Clayton Act prohibited price discrimination. Let me say for purposes of brevity that under its provisions, where the purchasers were in the same group purchasing the same quantity, conditions all being the same, the seller could make no discrimination. He was, however, allowed to make discrimination based on cost, including overhead, distribution, transportation, and all that.

Discrimination might be made, but one might go no further than was justified by the cost and quantities sold.

How did some of them find ways to evade that provision? I said "some of them." I do not refer to chain stores. The bill under consideration has been designated an anti-chain-store bill. It is nothing of the kind. It treats everyone alike. All who sell and all who buy from the same seller alike are placed in the same class. Therefore, it is of the utmost importance that the provisions of the bill be entirely fair, that the provisions of the bill do no harm to any group, sellers or buyers. The only thing the bill seeks to do is to make them be fair with each other. I may say to those listening to me that I realize that we may never be able to put into effect here on earth the Golden Rule as announced by the Christ. We may never be able to make men live according to the Golden Rule, but I believe no one should be blamed or condemned for trying to bring about the desired condition.

I shall now speak of the matter of brokerage. Let me say in the beginning that the bill does not affect legitimate brokerage either directly or indirectly. Where the broker renders service to the buyer or to the seller the bill does not prohibit the payment of brokerage. It is not aimed at the legitimate practice of brokerage, because brokerage is necessary. The broker has a field all his own and he should not be interfered with. In order to evade the provisions of the Clayton Act, however, it was found that while direct price discrimination could not be indulged in, the buyer, if he were sufficiently powerful, could designate someone and say, "That is my broker." Perhaps it was a clerk in his office. Perhaps it was a manager of a store. Perhaps it was a subsidiary corporation organized for the purpose. However, the buyer would say to the seller, "You must sell through that man, and you must pay him a certain percentage or amount of brokerage"; and when the so-called broker or dummy broker received what was paid him, he turned it over to the buyer, and in that way a price discrimination was brought about.

I undertake to say in this august body that there is not a Member of the Senate, there is not a Member of the House, who will not at once condemn a practice of that kind, which provides secret rebates under the guise of brokerage. A very important case was heard by the Federal Trade Commission recently, wherein the rebate, the brokerage, or whatever one may wish to call it, amounted almost to 40 percent, and one concern had been enabled to purchase automobile tires at an average of 40 percent less than independents could purchase tires throughout the country. What was the result of that practice? The independent dealers in the small towns and in some of the larger towns could not meet such competition as that; their businesses were destroyed; and there are wrecks of such businesses all over the country, growing out of that particular practice.

Do not tell me that any manufacturer willingly and gladly gives such tremendous sums to the purchaser. He is coerced into it by the fact that the purchasing power has become so great that the seller is afraid to antagonize it. He must yield to any demand that may be made by the great purchaser, and, if he does so, the purchaser gets an advantage

so to build up his business and carry it on that monopoly must eventually result.

The first thing which the Robinson bill does—and it represents about one-third of the bill—is to provide that no buyer shall engage in this trick brokerage practice whereby a rebate may be made by the seller. Under the provisions of the bill no payment may be made to a man acting as a broker unless he actually is a broker. Is there anyone in the whole country, from one end of the Nation to the other, who will not heartily approve of the provisions of the bill aimed at fraudulent practices like that which tend toward the destruction of the small man and also tend toward the destruction of the seller himself in many instances? Should not such practices be prevented if we can prevent them? That is the first thing in the bill.

What else is there in the bill? One practice which has been indulged in to evade the provisions of the Clayton Act is for the seller to make certain service allowances to the purchaser. They may be called advertising allowances. When the purchaser had great purchasing power he could demand that great concessions be made to him; but here was the Clayton Act, which said, "You cannot make discriminations in prices." So there was devised a second scheme under which the seller said, "We will make you an advertising allowance or a service allowance which will bring about a discrimination in prices." That practice has been indulged in to such an enormous extent that I should hesitate to give Senators the facts, even if I had them available this afternoon, which I do not.

The Robinson bill does not say that an allowance may not be made for advertising services. Legitimate allowances for advertising and matters of that nature may be made, but allowances must not be made for the purpose of giving the purchaser an opportunity to buy goods at a lower price than others similarly situated may buy them. It is provided in the Robinson bill that money allowed for advertising purposes must be used to advertise the goods of the seller and not the purchaser's goods, except those which he secured from the seller. How does it work? What has been the result?

One man, who has a good business, demands a large advertising allowance. He does not use it to advertise the goods of the seller; he does not use it to service the seller's products; but he uses it to advertise his business in all lines—in the newspapers, by handbills, and by personal solicitation. One man gets that advantage while another man does not get it. Thus the one who gets that advantage shifts the advertising of his own business over to the seller, while the other man cannot do so; and consequently it amounts to a discrimination in price. The Robinson bill—that is Senate bill 3154—which the Senate now has under consideration, provides that the allowance for services or for advertising must be used for that purpose legitimately and cannot be used as an instrument of price discrimination.

I believe I may safely say that there is no businessman, there is no legislator in the Congress, there is no one who has ever given thought to the matter at all who will not heartily agree that fraudulent advertising allowances made for the purpose of bringing about price discrimination should be prohibited. That is the second thing the Robinson bill does. I am merely telling the Senators what the bill proposes to do. If Senators disagree with me let them read the bill. It is short; it can be read in 10 minutes. Do not listen to the voice of those who are opposed to such legislation; do not listen to the arguments of expert lawyers and skilled research workers who attempt to deceive you; read the bill and exercise your own judgment.

Now, I have pointed out two things. There is another that may bring about some confusion, although it ought not to do so. There is nothing in the bill to prevent quantity discounts. They are allowed; they have to be allowed; they cannot be prohibited. It is well recognized that if one merchant buys a hundred thousand pairs of shoes he should receive a more generous discount than the merchant who only buys a thousand pairs. I mean by that that the discrimination or differential or price must be based upon the cost of handling the transaction, the cost of distribution, the cost of manufacture, the cost of overhead, the cost of transportation, and, yes, even the cost of brokerage. All those things may be taken into consideration, and in the quantity discount necessarily a man who buys a large quantity would get a larger discount. Nobody proposes to interfere with that; nobody objects to it; it is one of the laws of business; that must be so. But there may come such a condition after a while that that purchaser becomes so enormously large, his purchasing power is so tremendous, the quantity he buys may become so very great that the discount which he receives will enable him to drive all others out of business.

That ought not to be allowed; that brings monopoly; for if a man has such purchasing power that he can purchase $10,000,000 worth of goods or a hundred million dollars' worth of goods, he can force his own terms on the manufacturer and the seller and can crush out of existence all the independents, all the smaller organizations; yes, and all the big organizations.

So under the Robinson bill there may be quantity discounts, just as under the Clayton Act; but the Robinson bill goes further and provides that in cases where there are so few purchasers of large quantities that one of them or a few of them may completely dominate and control the entire industry, then the Federal Trade Commission shall have the power to make an investigation and fix quantity limits as affecting prices.

Let me say to the Senate that there have been suggestions all over the country that this is a price-fixing bill. It has no relationship in the world to price fixing, and there is no man who can read and who can understand the simplest language who can reach the conclusion that the Robinson bill tends in any way to bring about price fixing. It does not do that.

There is one other feature of the bill, and just one other—and I think it is absolutely right—and that has to do with the measure of damage.

Mr. MURPHY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Iowa?

Mr. LOGAN. I am glad to yield.

Mr. MURPHY. In the matter of discounts, to which the Senator has referred, in the case of the purchaser of a smaller quantity of shoes as related to the purchaser of a larger quantity of shoes, am I to understand from the Senator that the larger purchaser could have a discount of 5 percent on his purchase of shoes and the smaller purchaser have a discount of 2 percent?

Mr. LOGAN. My judgment is, I may say to the Senator from Iowa, that it will work out in that way. I do not say that that is right, but I do not know whether it can be prohibited, though the discount cannot be a greater percentage than the difference in the cost. If one merchant buys a thousand pairs of shoes and another merchant buys a hundred thousand pairs, the cost of manufacturing them would be the same; the cost of overhead might be the same; but the cost of transportation, of storage, of bookkeeping, and other items of that kind would be no greater, perhaps, on a hundred thousand pairs of shoes than on a thousand, and so there would, I think, legitimately be a distinction, and the larger purchaser would be entitled to receive a greater discount. For that reason—and I thank the Senator for mentioning that point—it is necessary to say that at some point the Federal Trade Commission shall step in and say, "You cannot go any further with those quantity discounts; you can make the discount, if you want to, but treat all alike, and when you get to a certain point you cannot go on and make a difference even based upon the cost." That is the Robinson bill.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to his colleague?

Mr. LOGAN. I yield to my colleague.

Mr. BARKLEY. For many years there has been a very acute controversy among business people as to whether

there ought to be a law passed that would permit the manufacturer of an article, especially a well-advertised and trademarked article, to fix the price at which any merchant located anywhere in the country would be permitted to sell that article, regardless of his expenses, regardless of his location, regardless of all the circumstances under which he does business. The Senator will recall that the Supreme Court held that that sort of practice was against public policy, and therefore void; and since that decision certain groups of business men and organizations have sought to bring about the enactment of legislation which would prevent any discount at all or any cutting of prices or any lowering of prices or prevent even seasonal sales at a reduced price without the consent of the manufacturer of the article involved. So, under some of the old bills, which were introduced 15 or 20 years ago and which have been reintroduced from time to time with some modifications, the seller of Stetson hats, or of Hickey-Freeman clothes, or of Kuppenheimer clothes, or any brand of shoes, the price of which is supposed to be fixed by the manufacturer and which are sold at the same price all over the country, would not be able to sell for a lower price unless the manufacturer himself consented to it. That leads to these questions with respect to this bill: While it permits discounts, depending upon the quantity of the articles bought, which is a well-recognized business practice and has been, I suppose, for a century or more, what effect will that have upon the price paid by the consumer for the article upon which there has been a reduction in price due to quantity purchases by the merchant? Will that reduction be passed on to the consumer so that he will get the benefit of it, or will the organization or the concern that is able to get a large quantity at a smaller unit price reap the advantage to its own profits from that reduction? Will the public reap any advantage from it?

Mr. LOGAN. I do not think the public will reap much advantage, I may say to my colleague, because human nature is such that ordinarily a man engaged in business is not going to pass anything on to the consumer when he can keep it himself. It may be possible that the consumer will receive some benefit. I have heard recently, as I have been around over the country a little, much said about increasing the cost to the consumer, and great organizations with purchasing power almost undreamed of are very much exercised now as to what this bill will do to the poor consumer. I wish to speak about the effect which, in my judgment, it will have upon the consumer.

Mr. BARKLEY. If the Senator will yield for one further question before he does that——

Mr. LOGAN. I am glad to yield.

Mr. BARKLEY. Let us take in any city or town two merchants; one of them is a small merchant with a little store, and he sells a certain brand of shoes, or clothing, or hats, or underwear, or whatever it is. By reason of the small purchases he makes—although he may make them frequently, and they might, over a long period, amount to as much in the aggregate as the purchases made less frequently but in larger quantities by his competitor in the same community—the small merchant, because of the size of his business as compared to that of the larger merchant, pays a larger unit price for the article which is sold by both of them. Of course, I can understand that if neither of them can undersell the other, and they both have to sell articles at the same price, the public is not injured, because they pay the same whichever store they go to; but what will be the effect on the small merchant? In view of the fact that he has to pay for what he buys a larger unit price than is paid by his larger competitor, who is able to obtain the goods at a smaller unit price because he can buy more at one time, how will that operate as between the two merchants in the way of competition?

Mr. LOGAN. I will say very frankly to my colleague that there is no way by legislation to afford protection to the less fortunate or less efficient merchant under a condition such as that.

We may go as far as we can to protect him, but if there be one merchant who is efficient, who saves by discounting his bills, and desires to use that saving by passing it on to the public, the man who cannot secure such advantages is apt to go under sooner or later, and we cannot help him by law.

This bill attempts to bring about fair treatment among those who are in the same condition. We cannot prevent efficiency; we cannot stop progress. Those who are efficient, those who are good businessmen, those who are skillful in their business are not restrained in any way. That is true even of the large seller and of the manufacturer. Everything that he can save through his efficiency he can use in making discounts to those to whom he sells under the provisions of this bill, and when he does that he will get an advantage over those who cannot manufacture so cheaply as he does. However, that is an advantage which is natural and to which he is entitled, and we cannot take it away from him by law.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to his colleague?

Mr. LOGAN. I am glad to yield.

Mr. BARKLEY. If any merchant in a city or elsewhere, who is able by reason of quantity purchases to get a lower unit price for what he buys, desires to pass that advantage on to the public by a reduction in the price which he charges the public, will he be prevented from doing so by anything contained in this bill?

Mr. LOGAN. Oh, no; not at all. It does not interfere with anything of that kind.

There is another point I wish to discuss and then I shall be glad to answer any questions I can, though there may be some I cannot answer. There are only three or four points in the Robinson bill. First, it prevents fraudulent discrimination. Second, it prohibits advertising that brings about discrimination in prices. Third, it attempts to regulate or fix limits on which quantity discounts may be made, so one may go to a certain point, but cannot go any further.

There is only one other point in the bill. I believe under the Clayton Act there is a penalty for a violation of the law. A concern may be fined, or, perhaps, someone may be put in jail. I am not sure there is not a double penalty. That does not help the man who is hurt. There are two parties in interest—the public generally and the individual.

The Robinson bill fixes a presumptive measure of damages in that if a man shall be damaged by one who violates the provisions of the law, he is allowed to go into a civil court and file his suit, saying, "Mr. A damaged me by violating the law and the damage is the difference between the price at which I could have bought my goods if he had not violated the law and the price which I was compelled to pay." I believe an accumulation of purchases from time to time is allowed.

It seems to me that is infinitely better than merely fining the man who violates the law. I think it will bring about a better enforcement of the law. It is not unusual, in statutes such as this, to allow a suit for damages.

Now, let us see what else may be in the bill. What is the purpose of the bill after all? The things I have mentioned are necessary. They constitute all there is in the bill. We cannot find anything else there except by reading something into the language that is not there.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. LOGAN. I am very glad to yield.

Mr. MURPHY. All Senators, I presume—and I know it is true of myself—have received a great many letters from retail merchants endorsing the Patman bill.

Reverting again to the question of quantity discounts, let us assume that a chain store buys 100,000 cases of a breakfast food and the unit cost of each package of that breakfast food after discount to the chain stores is 6 cents. Let us assume that a retail merchant doing his own buying has a unit cost of 8 cents per package. A chain store would be able in competing with the independent merchant and having a unit cost of only 6 cents per package to offer the package

at a lower price to the trade than would the independent merchant. The bill is so drawn that quantity discounts could be taken advantage of, provided the seller and purchaser did not exceed the limitation as to discounts fixed by the Federal Trade Commission. Is not that true?

Mr. LOGAN. That is correct. The Senator has pointed out very carefully, as he always does, one of the important purposes of the bill.

The cost to the consumers, it is said, will be increased. In some instances, perhaps it may, to be perfectly fair about it, but not much. Let us consider it in this way for a moment. Let us turn it over and look at it. Probably the largest percentage of the total goods under the measure we are discussing sold to the consumer by the large chain stores, we will say, is 20 percent. Some say 18, some say 13, some say less, but no estimate exceeds 20 percent. If that be true, 80 percent of this type of goods is sold to the consumer by the independents. If we can enact a law that will give to the independent, the retail merchant, equal treatment with the large purchasers he will be enabled to reduce his price to the consumer. It appears to me that the reasoning is that perhaps 80 percent of the consuming public would be benefited and 20 percent probably hurt a little, but I do not know that to be true.

I do know that we are short-sighted people—statesmen, businessmen—but I believe businessmen constitute perhaps the most short-sighted group in the civilization which goes to make up the entire world. They will not look ahead. They are blinded by their own interest. They live in a false atmosphere until eventually they really reach the conclusion that if anyone says anything about their business he is an enemy and something ought to be done about it.

When a complete monopoly shall have been created, which will come eventually if these tendencies are not checked, we will still have our big business, and then probably those who will have absolute control of the distribution of the necessaries of life will have a great time. "When we have squeezed out the independents, the corner druggists, the corner grocery stores, and they are all gone, then we can reach out and take what we please from the people."

That would be a terrible thing for the people if it should happen. It is better to endure a little increase, or even a large increase in prices, than to have it happen in 25 or 30 or 40 or 50 or 100 years from now, that a few people shall have absolutely gained control of the manufacture and distribution and sale of all the necessaries of life. Such a condition must be prevented. Can we not likewise say that if that day should come, the people would not stand for it, but would rise up and destroy those who treat them in any such way? That is where we are short-sighted. We dare not look far enough ahead. Is it not patent to all that if 10 years ago, we will say, 8 percent of the necessary things of life were held by large groups of large purchasing power, and that every year that percentage has increased until now it is 20 percent, it will continue with accelerated force year after year until the small dealer will be gone, and then everything will be in the grasp of a few? That ought not to be allowed to happen; and when we look at the matter in that light, the little objections which are made to legislation of this character sink into insignificance.

Here is another remarkable thing in connection with the proposed legislation: To show how able some men are, and how easy it is for selfishness to control, there are rival groups favoring this particular legislation. Some desire the Borah-Van Nuys bill; some desire the Utterback bill; some wish to have the Patman bill, now in the House; some the Robinson bill; and some the Copeland bill. Every one of those groups says that the three or four major objectives I have mentioned should be accomplished. But there are rivalries, little jealousies, among them; and the men who are really opposed to all legislation of that kind urge first one and then another. They have a hearing before this committee, and a hearing before that committee, and they argue the matter among each other, until the spectacle now is presented that the persons who are really opposed to the bill abandoned the field years ago because those who favored it were disagreeing among themselves and fighting among themselves.

Mr. HATCH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from New Mexico?

Mr. LOGAN. I yield to the Senator.

Mr. HATCH. Is it not true, as the Senator has just pointed out about the different groups, that the various bills he has mentioned are all designed to, and do, strike at the same general evil?

Mr. LOGAN. Absolutely; but the difficulty is that when we get among experts and trained men who have been studying the same subject for years they become mouse trackers; that is, they begin to look at the little things, and the little things look large. You know there are men in the world who, if they were out hunting elephants, and while following a big elephant track came to a place where a mouse had run across the track, would leave the elephant track and take right after the mouse track. [Laughter.]

Mr. VAN NUYS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Indiana?

Mr. LOGAN. I yield to the Senator.

Mr. VAN NUYS. I am afraid the Senator from Kentucky has left the wrong impression with the Members of the Senate.

Mr. LOGAN. I hope not. If I have, I will correct it.

Mr. VAN NUYS. I think the Senator from Kentucky will agree that the authors of the different bills are not fighting each other and contending with each other, but that that is being done by groups outside the Senate.

Mr. LOGAN. I will say to the Senator from Kentucky that I mean to say the authors of the bills are all in harmony; and I do not think I have ever seen a more surprised group than the gentlemen who appeared before the subcommittee of the Committee on Finance at the hearings on the Borah-Van Nuys bill. They thought they had the Senator from Idaho and the Senator from Indiana lined up in opposition to the Robinson bill; and when they said something about it, and the Senator from Idaho and the Senator from Indiana said, "Oh, no; we are not against the Robinson bill at all, and we do not wish to have it understood that we are sponsoring this bill in preference to the other bills", some of them, I think, went home. They had come down there to help the Senator from Idaho and the Senator from Indiana, and they did not think they needed any help; they were on the wrong side.

So, I do not mean to say there is any disagreement among those sponsoring the proposed legislation. I would just as soon support one of the bills as another. There is not very much difference in them, except that there are some provisions in some of the bills which I think would be ruinous; but they could easily be eliminated.

Mr. SCHWELLENBACH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Washington?

Mr. LOGAN. I yield to the Senator from Washington.

Mr. SCHWELLENBACH. I should like to say to the Senator, that the only objections I have recognized as having any merit came from those who are engaged in the production or distribution of perishable commodities. Because of the language of the first sentence of section 2 (a) of the amendment, there is fear upon the part of those who produce or sell perishable commodities that they will be left in this position:

A man is running a produce store. He goes along until 4 o'clock in the afternoon. He has sold to his customers at a certain price. He realizes that he has to dispose of all the perishables that afternoon, so he reduces his price; and it is feared that that will be forbidden by the bill.

I believe, from carefully reading the bill, that there is no legitimate basis for that fear. I have proposed an amendment, which I understand the Senator is perfectly willing to accept, taking care of recognized changes in market prices; but in view of the fact that the bill, if passed, must be administered, and there will be an interpretation by those

who administer it, and possibly a judicial interpretation, I think we should have a legislative record by the Senator from Kentucky on that precise point. I shall appreciate it, therefore, if he will discuss that phase of the matter.

Mr. LOGAN. I am very thankful to the Senator from Washington. I do not think there is anything in the Robinson bill which would prevent a man selling perishable goods at different prices on the same day as a result of different conditions arising, and I think the bill allows that; but let me say to the Senator from Washington that where there is doubt about a matter of that kind, and it can be clarified by a little simple language, the time and place to do it is before we get through with the matter. Therefore I shall gladly accept the Senator's suggested amendment, because it cannot do any harm.

Mr. SCHWELLENBACH. Mr. President, the Senator feels that with that amendment there can be no question about that particular phase of the matter?

Mr. LOGAN. Not a bit; and, in my judgment, there is no question about it without the amendment. I should like to satisfy everyone concerned, however; and when a Senator thinks such an amendment is necessary and I know it does no harm, all my life I have followed the rule that if a certain course satisfies and helps the other fellow and does me no harm, I will let the other fellow have his way.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to his colleague?

Mr. LOGAN. I yield to my colleague.

Mr. BARKLEY. I was wondering whether the sales of perishable goods where the question of time is involved are not largely retail sales, anyway, and not by persons engaged in interstate commerce.

Mr. LOGAN. That is largely true; but there are some sales of which it is not true. We ship strawberries from Bowling Green—the greatest town in the greatest State in the Union, and the best strawberries in the world—to Philadelphia, Boston, and Washington, and that would be interstate commerce.

Mr. BARKLEY. I desire to get in a word there for Paducah. [Laughter.]

Mr. LOGAN. Well, Paducah has been running us a pretty close race in the production of strawberries. If a man receives a carload of strawberries from Kentucky and cannot sell all of them on one day, so he sells part of the crates on the first day, and the next day he sells some more of them, I think that transaction might come under the provisions of the bill; but I know it will be protected when the Senator from Washington [Mr. SCHWELLENBACH] presents his amendment.

Let me say another thing that seems to be important.

It has been suggested that the farm cooperatives, which are selling milk and things of that kind, made some complaint. They were afraid of something or other, and there was some suggested amendment in their behalf that I looked at. I do not know who prepared it or where it came from, but I do believe that insofar as possible this cooperative business should be encouraged. Mention was made a while ago of the quantity limits. If merchants are allowed to organize or other businessmen are allowed to organize or farmers are allowed to organize and then purchase through their combined purchasing power, and they are allowed quantity discounts, it will be a great benefit to them and also will enable the Federal Trade Commission to place the quantities much higher, because there will be much more competition. That is a matter which ought to be taken care of.

Here are two or three other little things, and then I shall have concluded:

I have listened to the objections of men, so much smarter than I am, who know all about this bill and who have analyzed it. There are not any objections worth mentioning except some of a very minor nature.

In the second section of the committee amendment there is a provision that in making discriminations or differentials, or whatever we may choose to call them, all costs other than brokerage shall be allowed; and it has been said that the words "other than brokerage" in that section ought to go out.

I have thought a good deal about that suggestion. I think perhaps legitimate brokerage ought to be allowed as a part of the costs; and I think when the bill was drafted—I did not write the bill—perhaps in the amendment which was inserted by the Judiciary Committee of the Senate we had in mind dummy brokerage, sham brokerage. It may be that something should be done about that. I call it to the attention of the Senate, so that some of the other Senators may consider it.

On the question of advertising allowances, it has been said to me that the bill compels the making of proportionately the same allowance to all persons for advertising and that that will not work. Perhaps that is true in some instances. For instance, it has been said that you have a customer in one town down in Kentucky and there is a good newspaper there. He is a live merchant and you wish to have your goods advertised. You are introducing your goods and you make him a certain allowance, knowing that he will expend the money well, and for the purposes for which it may be expended under the provisions of the bill. Right next to him in another town you have a customer who has no newspaper facilities. He is not a very good merchant and if you allow him the same amount of service allowance for advertising purposes it will be wasted. I can see that side of the matter. It may be that something can be done about that.

Then there is another provision to which objections have been made, and that is that in the consideration of the costs which are to be used as the basis of price differentials which are allowed by the bill, the bill provides that there shall not be taken into consideration the part of a factory or business which is not used by the particular buyer, and that the allowance must be confined to the costs that can be charged up against a particular transaction. That has been suggested.

For instance, it has been said that here is a man who comes to a manufacturer and wishes to purchase a certain specific article of goods; it may be that it is a plow point, or a coulter, or something of like nature; and he says, "Here is what I want. I have my pattern all ready. I have my design; I have everything ready; and I am willing to buy and pay cash."

Those who are against the bill say the manufacturer has his designs prepared, his molds prepared, a lot of things ready, and this man, because he does not use the service, ought not to have charged up to him something which he does not use.

Some of those arguments seem to me rather refined. I am not a merchant and not much of a businessman. About all I know concerning business is that I represented businessmen a long while, and when you represent a sure-enough businessman he is not going to pay you very much; therefore, you are not going to be very much interested in finding out all there is about his business.

There are those three little objections—one about the advertising allowance, to the effect that one could not use it as well as another; another about the supposed man who might die and not use all the facilities because he did not need them; then the question of quantity discounts, a few little things like that.

I am frank to say that, having gone all through it, I can see no harm in the Robinson bill. I can see some good in it. It may be that its language could be improved by amendment. I know pretty well the meaning of language, so far as legislation is concerned, and perhaps I have written more laws than all the rest of the Senators put together, because I used to write a great many of them when I was connected with the government of my State. I have gone over this bill to the best of my ability. The bill is not my work—at least, very little of it is—but whoever framed it did a pretty good job of it.

Sometimes when I have built up what I thought was perfect, when I have drawn language which I thought was

appropriate and apt, which seemed to reach the spot exactly, someone has come along and said, "No; it does not mean that", and I could see in a moment that I was wrong.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. LOGAN. I yield.

Mr. O'MAHONEY. I desire to ask the Senator whether any consideration was given to the inclusion in the bill of a provision which would make it more effective than it apparently is now. I observe that no special penalty is provided, and apparently the sanctions for the bill are to be found only in the provisions of the Sherman Act and of the Clayton Act. Am I correct in that?

Mr. LOGAN. No penalty is provided, but let me say to the Senator that there is provision for securing judgment against one who violates the provisions of the law and damages another's business. It is the thought of those who are interested in the bill that that would be a much more effective method of enforcing the provisions of the bill than a simple penalty.

If the Senator is engaged in business, let me say, and he is buying goods, and across the street is another merchant in the same business buying the same type of goods, and the Senator finds out after a while that the sellers have been allowing certain discriminations in prices to his opponents he is allowed under the bill to go into court and bring a suit and have the matter determined in a perfectly legal way as to how much he has been damaged.

Mr. O'MAHONEY. I observe, if the Senator will permit me, that the bill provides on page 7, line 23, that the measure of damages for the purposes of suit under section 4 of the act shall be as set forth here.

Mr. LOGAN. I think that means that he may recover twice the actual damages perhaps.

Mr. O'MAHONEY. I was going to call the attention of the Senator to the fact that section 15 of title 15, United States Code, is the section which provides that—

> Any person who shall be injured in his business or property by reason of anything forbidden in the antitrust laws may sue therefor in any district court of the United States in the district in which the defendant resides or is found or has an agent * * * and shall recover threefold the damages by him sustained * * *.

Would that provision apply under the pending bill?

Mr. LOGAN. I think the Senator is right about that, I am frank to say. I did not find that, and I did not see section 15, but there ought to be an amendment to that effect.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. LOGAN. I am glad to yield to the Senator.

Mr. HATCH. Has the Senator given any consideration as yet to the bill commonly referred to as the "Tydings measure"? The reason for my question is that I am wondering whether it would be consistent with the pending bill perhaps to attach the Tydings bill as an amendment to the pending bill.

Mr. LOGAN. To what does that bill relate? I have seen so many Tydings bills that I would not like to answer without having some mnemonic word that would indicate what it is. Does the Senator refer to his "loss leader" bill?

Mr. HATCH. Yes.

Mr. LOGAN. The only thing I am afraid of about that is that I doubt whether Congress can legislate very effectively about the "loss leader", because that is something that is usually intrastate, and I do not know whether it can be reached by a congressional act. I do think there ought to be some legislation about it.

Mr. HATCH. Briefly, the Tydings bill provides merely that the Federal Congress recognizes the validity of State statutes regulating that subject. That, in brief, is the Tydings bill.

Mr. LOGAN. I do not see any objection to it. As I have said, the sooner we can get this proposed legislation passed through the Senate, the better off we will be, I think, because the House has been giving long consideration to the measure now before it. I think it is obvious that the House is going to insist on certain provisions to which I do not believe the Senate would agree. When the matter comes before the House and the House passes the bill, it just seems plain common sense to me that the conference committee ought to have everything before it that could be afforded, so that it could work out an intelligent bill. There will be no trouble, I may say to the Senate, in working out a bill that will be satisfactory to all those who favor the proposed legislation; and nobody could work out anything to the satisfaction of those who oppose it.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. LOGAN. I yield.

Mr. WALSH. Someone informed me that there were at least a dozen measures pending before the House and the Senate relating to this very subject. Is that a correct statement?

Mr. LOGAN. I think there are fewer than a dozen, perhaps. In the Senate I know of the Robinson bill; then the Senator from Idaho [Mr. BORAH] has a separate bill; the Senator from Indiana [Mr. VAN NUYS] has had a separate bill, but those Senators cooperated and introduced a single bill. Then the Senator from Maryland [Mr. TYDINGS] has another bill on the subject. There are half a dozen bills on the subject.

Mr. WALSH. I had a long conference and colloquy with Leavitt C. Parsons, publisher of the Apothecary, a retail trade paper of New England, who expressed his views on the pending bill. He is in favor of the pending measure if something better cannot be obtained. He is not antagonistic to it. I wish to quote to the Senator, and I will use Mr. Parsons' own words, just what he said was the problem of the independent retail merchant, and what he thought was the remedy. I read his own statement:

> The independent merchant today has virtually lost the right to set the prices at which his own goods on his own shelf will be sold. This is due to the fact that large corporations, even some with multi-unit outlets, take nationally advertised trade-marked goods that enjoy a ready consumer acceptance and cut the prices on these below the figure at which the small independent merchants, making up several hundred thousand of our middle class in America, can buy the same products wholesale for their own inventory.

Then he adds:

> Other abuses are related abuses.

He says the fundamental abuse is the sale of trade-marked goods. The chain stores cut the prices on these goods of popular demand and get the public coming to their stores and abandoning the independent stores because they sell the popular branded commodities cheaper than the independents can sell them. Does he state the real abuse?

Mr. LOGAN. That is correct. That practice is a very serious one. It is what they call the "loss leader."

Mr. WALSH. He says this bill does not reach that abuse.

Mr. LOGAN. It cannot.

Mr. WALSH. He says it gets at the unrelated abuses, the secondary abuses, many of which the Senator in his able address has pointed out.

I requested Mr. Parsons to let me have his conception of what kind of legislation should be enacted to deal with this subject. He proposes a very brief and simple bill, which I am going to read to the Senator, to which probably the Senator has given consideration, and which may be similar to some bills which are pending before the Committee on the Judiciary. It is as follows:

> Any holder of a registered trade mark may, at his option and upon the payment of a $25 recording fee, file with the Patent Office a complete schedule of minimum prices for each product carrying such trade marks and said schedule, which shall cover the minimum prices at which the trade-marked product can be sold by all wholesalers, jobbers, retailers, or other middlemen that trade usage has established in particular fields of distribution, will be accepted as representing the price level below which sales would injure the reputation or goodwill of the trade-mark holder. Any violation of such minimum price schedule shall be regarded as a violation of the trade mark itself and shall be actionable at law just as any other violation.

There is another section added to this which I will insert in a later statement. I assume the Senator has had this proposal of a trade-mark law brought to his attention, and therefore I should like to have the Senator's views. That is the reason for my interruptions of the Senator's general observation on the pending bill.

Mr. LOGAN. I have not considered that. It sounds somewhat like price fixing. Those of us who advocate the passage of the Robinson bill have been seeking in every way we could to keep away from fixing and regulating prices. The enemies of the bill have sought all over the country to intimate that it is a price-fixing bill, but there is nothing in it even remotely resembling price fixing. Such a construction may be placed upon it by its enemies. The bill points out the evils of price fixing. The reason we did not consider the question referred to by the Senator from Massachusetts is that the practice of selling nationally advertised products for less than cost, for the purpose of inducing customers to come into a particular store, is something that goes on within a State or within a city or a community, and I do not believe we could regulate it by a law enacted by Congress.

The Senator from Maryland [Mr. TYDINGS] has been trying to do something of that kind. I know he is a good lawyer, and he may have given consideration to that particular subject. Frankly, I have not given it the careful consideration it deserves.

Mr. WALSH. Mr. President, I ask that at the conclusion of the remarks of the Senator from Kentucky the colloquy on Senate bill 3154 to which I referred be printed in the RECORD for the information of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The colloquy referred to appears at the conclusion of Mr. LOGAN's remarks.)

Mr. WALSH. I inquire from the Senator what is in the bill that has met with the approval of the independent merchants, and also what suggestion he would offer to obviate the abuses which Mr. Parsons points out as being the real ones.

Mr. LOGAN. Mr. President, the bill does not go far enough to remedy all the evils. However, we can go only so far, because the Supreme Court, a great body of great men, has rapped us over the knuckles a few times, saying that we have done something we ought not to have done. I do not like to have courts rap me over the knuckles; consequently, I keep away from the things which I think perhaps are within the province of the States.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. LOGAN. I yield.

Mr. HATCH. On the subject of matters being within the province of the States, as I mentioned a moment ago, the bill of the Senator from Maryland recognizes that the "loss leader" problem is one for the States and for State legislation, and the most his bill does is to give congressional approval to State statutes.

Mr. LOGAN. I thank the Senator.

Let me say in conclusion, Mr. President, that the interest in this proposed legislation is very widespread. I do not expect to place in the RECORD a large number of telegrams which come to my office every day. The Federal Trade Commission, however, this morning transmitted to the Senate Committee on the Judiciary photostatic copies of many telegrams which have been received by the President of the United States and transmitted to the Commission. At this time I shall not put them in the RECORD, but I will say that most of the States of the Union are represented in those telegrams; and every day we shall find many insisting that something terrible is going to happen if we do not pass this bill before Congress adjourns, while on the other hand we shall find many saying that something terrible will happen if we do pass it at all.

In my deliberate judgment, the bill can do no harm and will accomplish good. It may be that there should be some very simple amendments. I do not know just what they should be. I can only repeat what I said in the beginning—that I am very anxious for the bill to be passed in the best form in which it can be framed. I have no preconceived ideas about it. I am anxious that the purposes sought to be accomplished by the bill shall be carried out, which are that false brokerage as a means of price discrimination must be ended, that fraudulent advertising allowances as a means of price discrimination must be ended, that quantity discounts must be regulated so that the concern of tremendous purchasing power may not drive out of business everyone in the same line as himself simply because his purchasing power is so great that others cannot compete.

That is about all there is to the bill.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. LOGAN. I yield.

Mr. DUFFY. I have listened very carefully to the Senator's remarks, and I am very much interested in his comments. Like other Senators, I have received a large number of telegrams relative to this bill. One idea which seems to be quite prevalent, for the same sentiment is expressed in a number of telegrams, is to the effect that—

> The passage of the Patman-Robinson bill prohibiting delivered prices will eliminate Wisconsin manufacturers from distant markets or necessitate factory operations outside the State, either of which means decreased employment in Wisconsin. Therefore, hope you will oppose this unwise legislation.

Mr. LOGAN. Mr. President, I may say to the Senator that I think the Senator from Arkansas [Mr. ROBINSON], whose name appears on this bill, has a cause of action in nearly any court against whoever sent that telegram, because there is nothing at all like that in the Robinson bill.

Mr. DUFFY. The reason why I called the telegram to the attention of the Senator from Kentucky was that I could not find in the bill of the Senator from Arkansas anything which remotely suggested such a conclusion as the writer of this telegram has come to, and I thought perhaps I was not reading the language correctly. I should like to have the Senator inform me on the subject.

Mr. LOGAN. Mr. President, the Senator from Wisconsin is correct. There is nothing in the bill of the nature suggested by the telegram. If Senators who have received similar telegrams and letters will examine them, they will find that 95 percent of the communications deal with imaginary provisions of the bill which are not to be found in it, and that nearly all of the other 5 percent deal with the original provisions of the Clayton Act which have been the law for 22 years.

Mr. President, I think I have exhausted the subject so far as I am concerned. I thank all those who have listened to me. I shall be very glad indeed if I can be of any assistance by answering questions after there shall have been further discussion of the bill. I may say to the majority leader, the Senator from Arkansas, that I said in response to a question by the Senator from Oregon a while ago, as to whether a vote on any of the amendments was expected to be had this afternoon, that so far as I was concerned I did not expect it; that the Senator from Arkansas had left the Chamber for the time being, but that I felt sure he would agree with me. I desire everyone to know what the bill is about, and I desire to have them go to the trouble to find out; and when they do that we can pass the bill in an hour tomorrow without any trouble at all. There is nothing in it about which to disagree.

(The colloquy on Senate bill 3154, which, at the request of Mr. WALSH, was ordered printed at the conclusion of Mr. LOGAN's remarks, is as follows:)

COLLOQUY ON S. 3154

STATEMENT OF MR. LEAVITT C. PARSONS, PUBLISHER OF THE APOTHECARY, A RETAIL TRADE PAPER OF NEW ENGLAND, EXPRESSING HIS VIEWS ON THE ROBINSON-PATMAN BILL

Senator WALSH. What are the chief abuses the independent druggist claims exist in the retail trade?

Mr. PARSONS. The independent merchant today has virtually lost the right to set the prices at which his own goods on his own shelf will be sold. This is due to the fact that large corporations, even some with multiunit outlets, take nationally advertised trademarked goods that enjoy a ready consumer acceptance and cut the prices on these below the figure at which the small independent merchants, making up several hundred thousand of our middle class in America, can buy the same products wholesale for their own inventory. Other abuses are related abuses. The discriminatory charges that are practiced and which some of the recent bills aimed to correct, such as advertising allowances, special demonstration, and promotion bonuses are all subterfuges to make price cutting possible, and so seek a greater volume from the big distributors at the expense of the small distributor, whose elimination possibly would mean monopoly by the big distributors.

Senator WALSH. Is it your opinion that the pending bill does not go far enough to reach the major abuses?

Mr. PARSONS. My criticism is not on its substance or the phrasing of the bill, but in its fundamental misapplication.

Senator WALSH. Rather than have no legislation, would you favor this measure?

Mr. PARSONS. Quite; but in practice it might be the source of immeasurable new litigation, and in addition it would lead to inspiring new technical evasions, just as the Federal Trade Commission Act and the Clayton Act, which aimed to correct old unfair practices, led, in so doing, to provoking new unfair practices, which to a large extent create the situation today.

Senator WALSH. You claim that the pending bill does meet some of the abuses that the independent retail druggists are suffering from?

Mr. PARSONS. Yes; on paper. But I doubt if it will cure the abuse.

Senator WALSH. In other words, you said one fundamental abuse, namely, the one which you mentioned at the very outset of our colloquy, is not at all recognized, nor is any remedy applied in this measure?

Mr. PARSONS. It is well intentioned, but I feel is misapplied.

Senator WALSH. Just how is it misapplied?

Mr. PARSONS. Because with mass production we introduce into our social organization certain definite new consumer reactions. Mass production involves mass marketing. When we advanced from local manufacturing to national manufacturing we had to appeal to consumers unknown to the manufacturer. The appeal was made by advertising the product and identifying it. That is the essence of trade-mark law and of national advertising. The present abuses relate only to trade-marked goods. There is no hurtful price cutting or unfair discrimination in unbranded, untrade-marked, and unidentified goods. Heinz's beans, Listerine, or Campbell's soups are virtually unsalable if the labels are removed. The merchant who buys goods actually, philosophically buys only the physical commodity. He does not buy the trade mark. He may act under the presumption that cut prices help the consumer, yet he abuses the trade mark by the unfair practice. He injures the trade mark and its attached goodwill. By cutting prices he generally merely diverts business to his store at the expense of the living wage or legitimate profit that should be received by neighboring merchants. His act breaks down the price stability and so threatens the economic security of the entire community.

Senator WALSH. Why does the present legislation fail to meet this major abuse that you speak of? In other words, where does the present bill go astray?

Mr. PARSONS. Because under the present body of law all commodities are treated alike, and the right of the individual owner to sell his goods at any figure that he selects is an inherent constitutional privilege in the absence of technically restrictive legislation or contracts. By this I mean merely that if merchant A turns his goods over to merchant B, merchant B can sell these at any figure he chooses, even though that may be far below his competitor's replacement cost. In the courts already there have been litigated cases where a merchant for the purpose of selling goods as "loss leaders" has sometimes purchased the same commodities at the retail figure and absorbed the loss under the name of advertising. My contention is that trade-marked goods possess a particular property not enjoyed by goods unbranded and not identifiable by trade mark. This may be described as the inseparability of the price and trade mark because the essence of the value of goodwill, already recognized by the Supreme Court of the United States, is premised in the consumers' acceptance of the company's commodities or services. It is interesting to observe that opinions in recent superior and Supreme Court decisions bases on an examination of commercial evidence rather than legal technicalities have approached this problem face to face like in the recent Doubleday-Macy case in New York. The State superior court walked right up to recognizing price as property and then said, substantially, that though it seemed fair it could not do so in the absence of legislation. Furthermore, the Supreme Court of the United States, in the Borden Milk case, involving the constitutionality of a New York State statute, carried further the evidence and argument that admitted trade-marked goods possess a certain consumer advantage over unbranded goods. In this decision the Court justified penalizing the Borden Co. with a minimum of 9 cents a quart as against 8 cents a quart for unbranded, un-trade-marked goods on the theory that the advertising that the Borden Co. had undertaken made this 1-cent differential necessary in order that the sellers of unbranded milk could compete with them on an equal footing. Based on this point of reasoning, I feel that the present legislation misses its major objective. It is trying to cure by generic rules what really is a very simple specific abuse. My suggestion, therefore, is that the answer lies in a simple amendment to the copyright law and to the trade-mark law under which, at the option of a copyright owner or a trade-mark owner, he might file a set schedule of minimum prices, which minimum reflects a price below which sales of his merchandise would injure his reputation or his goodwill.

Senator WALSH. Has such an amendment been proposed?

Mr. PARSONS. To my knowledge no such amendment has been considered heretofore; but, in my opinion, some such amendment as the following would provide the remedy I have suggested.

Suggested bill to cure "loss leaders"

(A) Any holder of a registered trade mark may, at his option and upon the payment of a $25 recording fee, file with the Patent Office a complete schedule of minimum prices for each product carrying such trade marks and said schedule, which shall cover the minimum prices at which the trade-marked product can be sold by all wholesalers, jobbers, retailers, or other middlemen that trade usage has established in particular fields of distribution, will be accepted as representing the price level below which sales would injure the reputation or goodwill of the trade-mark holder. Any violation of such minimum-price schedule shall be regarded as a violation of the trade mark itself and shall be actionable at law just as any other violation.

(B) Any holder of a registered trade mark who, having filed a minimum-price schedule, grants or permits the use of special discounts, advertising allowances, bonuses or special service contributions in cash, merchandise, or in any other form as an inducement to promote the sale of his trade-marked products shall be understood to have changed his prices and must forthwith file with the Patent Office a new schedule incorporating such changes expressed at a prorated money value available to all buyers under penalty that a failure to file such revised schedule within —— days after any such changes are put into effect will stop him from defending his trade mark at law.

Senator WALSH. With whom have you checked this in its implications?

Mr. PARSONS. With marketing experts, economists, lawyers, and some legislators. Further, I have taken it up with some Members of the House and Senate who feel that this offers a simple solution of one of the major abuses which threatens the survival of the great number of independent merchants of America.

Senator WALSH. In addition to the curative properties of this amendment, have you made any estimate as to the revenue it might produce for the Federal Government?

Mr. PARSONS. Yes. It is, of course, difficult to be exact, because this is presented on a permissive basis, but it is fair to assume that considering the tremendous number of accounts in the book, drug, grocery, and dry-goods field which are sold under trade names and most of which are exploited, there should be at least 100,000 registrations and revised schedules per year. This would amount to approximately $2,500,000. Insofar as the function of the Patent Office becomes one merely of filing and acknowledging, all such extra expense would surely be covered several times over and a net contribution made to the general fund.

Senator WALSH. Why do you think this proposed amendment would not be unconstitutional?

Mr. PARSONS. I feel this proposal would meet the constitutional requirements of good legislation for the following reasons: In the first place, it does not create any unreasonable restriction on personal liberty. It merely exercises what is a proper legislative function, namely, a specific definition of the conditions under which business shall be carried on by elaborating slightly a property right already granted trade-mark owners and already adjudicated and established through decisions of the highest court.

In the second place, it is so phrased as to conform with another principle enjoying constitutional approval—I mean the right of contract. Court decisions have granted specific protection to contracts that are not hurtful to the public interest. In the recent Macy case already referred to, the court, as I recall, pointed out that Macy had signed no contract with Doubleday Page, but they might have signed such a contract and thus implied that, had a minimum price contract existed, Macy would have been legally bound by it. The California Supreme Court decision just announced, validated specifically the right of a trade-mark owner to contract with his distributors on minimum resale prices.

The suggestion I have made is consistent with these precedents. It is drawn so as to constitute an open continuing and optional contract which no distributor is under any obligation to accept unless he desires to do business with the customers who wish to purchase that particular trade mark. To offer goods accepts the contract.

Thirdly, no arbitrary price boosting is possible which would penalize the public. I feel that in this case the operation of economic law would be more effective in protecting both consumer and distributor than any man-made legislation. Premising this on the reasoning that the trade mark is an attribute of mass distribution and that volume is essential to maintain profitable mass production, I feel that no manufacturer filing a trade-mark price schedule in the face of competition from other trade-marked products and unbranded products substitutable for his own, can maintain a price schedule that puts his product out of line above the other competitive products, without losing volume, upon which profitable mass production depends.

The proof of the soundness of this theory lies in the reaction of the Listerine and Gillette Razor companies which a couple of years ago found their products at a price disadvantage in a highly competitive market and reduced their list schedules accordingly. Substitution was fast destroying volume.

Senator WALSH. Would it simplify to any degree the work of the Federal Trade Commission?

Mr. PARSONS. I feel it would greatly simplify the work and greatly reduce its cost, because the Federal Trade Commission under the proposed new bills is treading unexplored fields and a new body of law must be built up by litigation in which the Government has to pay not only court costs but the costs of investigation. In this case we have made the "loss leader" actually

a part of a trade mark, and we have given to it the traditions and a great body of law already in existence which not only simplifies the court procedure but establishes a great field of precedents for immediate guidance.

NATIONAL FLOOD CONTROL

Mr. WALSH. Mr. President, I will be grateful to the Senator from New York [Mr. COPELAND] if he will give me his attention for a few minutes.

Yesterday the Senator from New York, as chairman of the Committee on Commerce, reported to the Senate favorably House bill 8455, which authorizes the construction of certain public works on rivers and harbors for flood control, and for other purposes. In the brief statement which the Senator from New York made in connection with the report on that bill he stated:

I think I may say, in all truth, that it is a well-worked-out and scientific flood-control measure. It does provide for local contributions. It seemed to a majority of the committee that, inasmuch as benefits involving $350,000,000 are provided by the Federal Government, the States and localities benefited should make a contribution of at least $100,000,000, as provided in the bill.

Evidently that statement was given publicity by the press and has resulted in many protests coming from the areas of the country which have been sufferers from recent floods. I should like to read to the Senator one of these protests which I received this morning:

SPRINGFIELD, MASS., *April 28.*

A committee representing all cities in the Connecticut Valley has been formed to lend all possible help in securing flood control. Since work must be started this summer in order that some measure of protection will be available next spring, it is hoped and urged that the measure now in process of formation will provide for the Federal Government's taking care of the cost of land condemnation as well as the actual construction of the storage dam. Will appreciate any word from you on this matter.

ARTHUR T. MURRAY,
Chairman of the Committee Representing the Cities of the Connecticut Valley.

Mr. President, I infer from that telegram that the press has carried information to the effect that the several States will be expected to make a contribution at least in paying the damages for the taking of land for the construction of flood-control reservoirs. I should like to inquire of the Senator from New York how damages can be assessed for the taking of land for the construction of reservoirs or basins in the States of New Hampshire and Vermont for the purposes of controlling floods in the States of Massachusetts and Connecticut? The construction of reservoirs at or near the source of rivers will not be of any benefit to the States where the rivers rise but will be of immeasurable benefit to localities and States many miles removed from the places where the reservoirs are to be located. I should like to inquire of the Senator, first, how there can be worked out any plan for contributions by the States where rivers such as the Connecticut and the Merrimac pass through more than one State and where the lands which are taken or condemned for the purpose of building reservoirs are in States that get little benefit from the flood-control measures?

Also, I should like to have the Senator explain why it is proposed to inaugurate a new policy and to depart from the old principle of the Federal Government dealing entirely and alone with flood-control projects and paying the expenses therefor. Will the Senator be kind enough to enlighten Senators on these phases of the subject of flood control?

Mr. COPELAND. Mr. President, I made a mistake yesterday in that, by request of the Rivers and Harbors Congress, I delivered a radio address over a Nation-wide hook-up on the subject. The Senator from Massachusetts will have a flood of telegrams, and I certainly had my share, demanding that all the cost of this work be borne by the Federal Government.

The Senator has asked a number of questions, and I shall try to answer them, though perhaps not in the same order in which he asked them. One of the questions he asked is how it happens there is a different policy than in the past. There is no different policy. The Senator must not confuse river and harbor matters relating to navigation with flood control. The people living along the Mississippi River have paid thousands of dollars for rights-of-way and for levee foundations and for costs of maintenance. There is no precedent, with one or two possible exceptions. I think the San Gabriel River in California and Lake Okeechobee in Florida may be exceptions. At Lake Okeechobee it could be said that navigation is involved, because it is a large body of water.

Mr. WALSH. Is not this the first time the policy of constructing reservoirs near the sources of rivers has been undertaken?

Mr. COPELAND. That is correct.

Mr. WALSH. In the past, when we have appropriated money for flood control, it has been for the purpose largely of building levees. Is not that the fact?

Mr. COPELAND. That is correct. Now I will answer fully the question and use as an illustration a river which is of great interest to the Senator from Massachusetts. I will take the Connecticut River as an illustration. There were great losses incurred on the Connecticut River this year. Does the Senator happen to remember how much they were?

Mr. WALSH. The figures representing several millions were inserted in the RECORD some weeks ago. The losses were in large part in Massachusetts and Connecticut and not in the States of Vermont and New Hampshire, where it is contemplated the dams will be built for the purpose of storing the headwaters in times of flood.

Mr. COPELAND. There was enormous damage.

Mr. WALSH. There is no doubt about that.

Mr. COPELAND. It is proposed to spend $10,000,000 of Federal money to install projects to protect Massachusetts and Connecticut.

Mr. WALSH. I think the Senator told me the amount estimated by the Army Engineers was in excess of $13,000,000.

Mr. COPELAND. The total expenses.

Mr. WALSH. Yes.

Mr. COPELAND. Thirteen million dollars, including lands and damages.

Mr. WALSH. That was the report of the Army Engineers.

Mr. COPELAND. If the Federal Government is so generous as to spend $10,000,000 of its money to build these various projects, it strikes me a contribution of $3,000,000 by the States of Massachusetts and Connecticut is a very modest contribution to ask. I have the matter to deal with in my State. In my State it will cost $6,000,000. My State ought to pay it. I would be ashamed of it if it did not pay it.

The Senator wants to know what we are going to do about reservoirs in Vermont and New Hampshire to protect Massachusetts and Connecticut. The bill provides specifically that when the major portion, or 75 percent, of the benefits are outside of the State where the reservoirs are built, there shall be no charge against the State where the reservoirs are built. Regarding the Connecticut River, in order to control it several reservoirs will have to be built in Vermont and several in New Hampshire. There will be no resulting benefit to Vermont and New Hampshire. They will not benefit from the reservoirs at all. The reservoirs will be built there for the benefit of Massachusetts and Connecticut. So the charge will not be made against Vermont and New Hampshire, but it will be made against Massachusetts and Connecticut except so far as those projects improve navigation. The lower part of the Connecticut River is navigable. Under our policy, navigational projects are paid for by the Federal Government, so from the total cost of the projects necessary to protect the Connecticut River Valley will be deducted the cost of the navigational features.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Vermont?

Mr. COPELAND. I yield.

Mr. AUSTIN. Does the Senator know that for half a century the dream of making the Connecticut River navigable existed as little more than a dream, though attempts were made to dig ditches around the great falls in that river, some of which extend a distance of 15 miles, until finally the

people of New England woke up and decided it was a bad dream, and that there is no proximity of any consideration whatever being given to navigation of the Connecticut River?

Mr. WALSH. Mr. President, part of the Connecticut River is already navigable as far as Hartford, Conn. What the Senator evidently refers to is efforts made to open up the river to navigation from Hartford north. Is not that correct?

Mr. AUSTIN. That is correct.

Mr. COPELAND. Mr. President, I think the Senators who have been asking me questions will agree with me that the term "navigable" is a legal fiction. When I think of the tears we shed here over navigable streams, and realize how they have run from the floor in a stream, I appreciate that ultimately we might claim it is a navigable stream. But whether it is wise or not to attempt to make the Connecticut River navigable is not my job. That is a job for the Army Engineers. There is a navigation feature involved in the matter.

Mr. WALSH. There is always a navigation feature if any part of the river is navigable or if the harbor into which the river empties is navigable, because we have to keep the harbor dredged out to prevent it filling up from any cause. To that extent flood control is associated with navigation, is it not?

Mr. COPELAND. It is. There is no doubt about that, because the debris, the silt, and all these things would interfere with honest-to-goodness navigation; but Senators realize that it is not easy to find a constitutional excuse for spending money for flood control.

Mr. WALSH. I realize that; and I call the attention of Senators to the very able address made by the Senator from Nebraska [Mr. NORRIS] a few days ago, showing that flood control was linked with navigation, and had to be linked with navigation in order to have a constitutional standing; and he gave several reasons why the two could not be separated.

Mr. COPELAND. I remember very well indeed the address of the Senator from Nebraska, and was so impressed by it that I sent to him to get a copy of the bill which he has in connection with power development.

Mr. WALSH. The Senator spoke of navigation as embracing power development, soil erosion, forest conservation, and, of course, flood control.

Mr. COPELAND. That is correct; and forestation.

One of the interesting little episodes in the Constitutional Convention of 1787 related to this very subject. The members of the Convention were discussing the question of the establishment of post offices, and it was decided that the Congress should have power to establish post offices. Then somebody said "and post roads", because we recall that in that day it took Jefferson 3 days to go on horseback from Monticello to Philadelphia when he took the Declaration of Independence there.

The necessity of carrying the mails through the marshes and morasses and jungles of our early history made it a sensible thing to give power to the Federal Government to establish post roads; and because of that power, which we have enlarged upon in modern ways, we are building highways. We are spending millions, and I think the aggregate now gets even into billions of money for highways; but when this discussion was on in the Constitutional Convention, Dr. Benjamin Franklin proposed to add "and canals."

Canals in those days were, I presume, much like the Florida canal, just little canals; but the other members smote Franklin, hip and thigh, and said, "No! You cannot build canals, because they confer local benefits—not Federal benefits, not national benefits, but purely local benefits." In the great majority of instances these flood-control projects confer local benefits; but we tried hard to get around that objection, and I think Senators may agree that this was somewhat ingenious, if not ingenuous. On page 54 of the bill will be found the following declaration of policy:

It is hereby recognized that destructive floods upon the rivers of the United States, upsetting orderly processes and causing loss of life and property, including the erosion of lands, and impairing and obstructing navigation, highways, railroads, and other channels of commerce between the States, constitute a menace to national welfare; that it is the sense of Congress that flood control on navigable waters or their tributaries is a proper activity of the Federal Government in cooperation with States, their political subdivisions, and localities thereof; that investigations and improvements of rivers and other waterways for flood-control purposes are in the interest of the general welfare; that the Federal Government should improve or participate in the improvement of navigable waters or their tributaries for flood-control purposes if the benefits to whomsoever they may accrue are in excess of the estimated costs, and if the lives and social security of people are otherwise adversely affected.

I read that over the radio yesterday, and the response I got to it was, "You put in everything except the national defense." I suppose that might be put in, because if there were an interference with commerce it might interfere at a critical time with the national defense. But I desire to have Senators bear in mind—and the only reason I am speaking at length now is in the hope that the RECORD may be read by Senators—that in my opinion we shall have no bill if this $100,000,000 for local costs shall be put upon the Federal Government.

Mr. WALSH. Mr. President, will the Senator yield there?

Mr. COPELAND. I yield.

Mr. WALSH. Does that mean that that is to be the policy of the administration?

Mr. COPELAND. That is what I mean.

Mr. WALSH. So I assume that the Senator, in incorporating this provision in the bill, has done so because of the fact that it has been suggested that the bill would not meet with the approval of the executive department of the Government unless there were some combination of financial obligations between the States benefited and the Federal Government?

Mr. COPELAND. I have no right to say that I have had any word sent to me from the administration; but I have had a good, broad hint that the addition of that item will defeat the bill. I do not wish to say any more than that, because that is all I can say.

Mr. WALSH. I did not mean to press the Senator; but I was under the impression that the idea of incorporating State assistance and aid in connection with flood control did not originate with the Senator himself or with the members of his committee.

Mr. COPELAND. That is correct. I should like to say for myself, however, that I think that is fair. Why should not the people in Arkansas and Mississippi and Louisiana come up to us and say, "We have paid all this money for our levees and for rights-of-way and for easements and for the relocation of highways; why do you not pay us back?" We have an application from the conservancy district of Ohio, which has spent a great deal of money out of State funds. Its representatives say, "If you are going now to have the Federal Government assume all costs, that money ought to be paid back"; and I think that is perfectly fair.

Mr. WALSH. Mr. President, may I ask the Senator if the bill passed the other day, which the Senator and I both supported, contains a provision for State payments?

Mr. COPELAND. It contains a provision for local payments.

Mr. WALSH. The bill which was enacted the other day?

Mr. COPELAND. The Overton bill. The only exception to that is that in the case of certain properties which are involved in the floodways, a certain part of the cost is to be borne by the Federal Government; but the communities affected are called upon to do a great deal in the way of local contribution.

Mr. WALSH. Does that bill provide for reservoirs at the source or on the headwaters of the Mississippi River?

Mr. COPELAND. Yes; there are some reservoirs there, too.

Mr. WALSH. And are the States lower down the river, which will be beneficiaries of the construction of the reservoirs, to make a contribution to the cost?

Mr. COPELAND. They also are to make a contribution.

Mr. ROBINSON. Mr. President, I think the Senator from New York misunderstood the Senator from Massachu-

setts. The Overton bill, which we passed, does not provide for reservoirs at the headwaters of the Mississippi.

Mr. COPELAND. Oh, no!

Mr. ROBINSON. It does not provide for reservoirs at all.

Mr. COPELAND. No; I misunderstood the Senator's question.

Mr. WALSH. I asked the Senator to learn if that bill is comparable to this measure. It is not, I understand.

Mr. ROBINSON. There are three projects in the Overton bill in which reservoirs are contemplated—two in which reservoirs proper are contemplated, the Yazoo and the St. Francis. Then there is section 5, about which we had much debate here the other day, in which an emergency reservoir is created. In that case the local interests are required to supply all the land, and to defray all the other expenses in connection with procuring easements and rights-of-way, and also to guarantee the Government against any damage by reason of the construction.

Mr. COPELAND. That is correct. That is exactly the same provision we have here.

Mr. WALSH. I can understand that principle where the river or the tributary is confined to one State and to one particular governmental unit, but if the reservoirs are built in Minnesota, for instance, or Wisconsin, or Illinois, or Iowa, I cannot understand why the people of Arkansas or the people of Louisiana should be asked to contribute money because of flood-control benefits resulting.

Mr. COPELAND. Let me ask the Senator from Massachusetts a question. First, let me use Pittsburgh as an example.

In order to protect Pittsburgh it is necessary to expend $27,000,000 of Federal money, and we have provided for the expenditure of $33,000,000 of local money. That is the bald statement. As a matter of fact, these benefits are not given alone to Pittsburgh, but they are to be distributed down the river. The same reservoirs which at the headwaters protect Pittsburgh also protect Wheeling, W. Va.; Louisville, Ky.; and Cincinnati, Ohio.

Mr. WALSH. And Indiana and Illinois.

Mr. COPELAND. The benefits fade out farther down the river.

Mr. ROBINSON. Is there a method in the omnibus bill for distributing the cost?

Mr. COPELAND. There is. It is found on page 56.

Mr. WALSH. Will the Senator either read that or have it inserted in the RECORD for our information?

Mr. COPELAND. I will read it, because the part I desire to read is very brief; and, since we are discussing the matter, for the benefit of the RECORD I read the portion of the bill to which I have referred. On page 56, beginning with line 7, it is provided:

> The Secretary of War shall determine the proportion of the present estimated cost of said lands, easements, and rights-of-way that each State, political subdivision thereof, or responsible local agency should contribute in consideration for the benefits to be received by such agencies: *And provided further*, That whenever not less than 75 percent of the benefits as estimated by the Secretary of War of any project or useful part thereof accrue to lands and property outside of the State in which said project or part thereof is located, provision (c) of this section shall not apply thereto.

That is the provision for local contribution. While the bill as written seems to indicate that $33,000,000 should be charged against Pittsburgh for cost of lands acquired, reallocation of highways, and removal of a railroad or two, as a matter of fact, when the cost of construction is less than the cost of the land, then there shall be a 50–50 contribution. That is the way it is written. But as regards Pittsburgh, there will be allocated to Pittsburgh its fair share, and so on down the river, so that the benefited States—Pennsylvania, West Virginia, Kentucky, Ohio, and perhaps Indiana and Illinois—shall pay proportionately.

In that case also the Federal Government has a stake, because on the Ohio River there are locks and dams in connection with the navigation of the river. So a couple of million dollars will be charged to the Federal Government for the protection it receives as a result of the removal of the possibility of floods. The Government was at great expense this year. So the ultimate charge against Pittsburgh will probably not exceed $12,000,000.

In the Golden Triangle, the business part of Pittsburgh, the loss this year amounted to $250,000,000. They are so disturbed about it that some of the businessmen are talking of moving their places of business to higher ground. Cannot the city of Pittsburgh find somewhere, $12,000,000 to pay for protection against further damage from floods? I think that is a mighty small contribution in view of the advantages they would secure. Anyway, that is the philosophy of the bill. The Senate can do what it wishes with the matter and go as far as as it desires to go.

Mr. WALSH. What will happen if the States refuse to cooperate? Suppose provision is made for the construction of reservoirs on the Mississippi River and Arkansas says, "I will not pay." Are the States of Louisiana and other States to be prevented from having the benefit of flood control?

Mr. COPELAND. I recognize that that matter is important, and we anticipated it to some extent by providing, in section 4, found on page 56, that the consent of Congress is given to the formation of compacts between States, so that they can, without coming back to Congress, provided they follow strictly the yardstick, form compacts; and I suppose such a Government agency could borrow money, form a conservancy district, and assess the damages, and in that way have time for the payment, by issuing bonds, so that it would not all have to be done in a hurry. We have tried, so far as we could, to make provision for all such matters.

Mr. WALSH. I thank the Senator for answering my question. We will meet to discuss this question later, and I feel certain serious protests against State contributions will be voiced.

Mr. COPELAND. I have no doubt we will.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORT OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nomination of Winnifred D. Flaten to be postmaster at Edinburg, N. Dak., in place of I. M. Shuley.

The PRESIDING OFFICER (Mr. McKELLAR in the chair). The report will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

CHARLES O. GREGORY

The legislative clerk read the nomination of Charles O. Gregory, of Illinois, to be Solicitor for the Department of Labor.

Mr. LEWIS. Mr. President, Mr. Gregory is named from Illinois. His name has been before a committee, and despite some little matters of protest touching the suggestion that he was not supposed to be experienced personally in matters of labor law, I beg to say that he is highly recommended, has been shown to be thoroughly competent, and I move that his nomination be confirmed.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

The nomination was confirmed.

PUBLIC WORKS ADMINISTRATION

The legislative clerk read the nomination of Henry S. Geismer, of Alabama, to be State director of Alabama.

Mr. COPELAND. Mr. President, I desire to make an inquiry about the two nominations in the Public Works Administration. It was our original purpose to have the nominations of certain officers passed on by the Committee on Appropriations. May I ask the Senator from Tennessee [Mr. McKELLAR], now presiding, whether I am correct in that statement?

The PRESIDING OFFICER. The Senator is correct, and these nominations were passed upon by the Committee on Appropriations.

Mr. COPELAND. May I ask further, in each instance was the nomination approved by the Senators from the given State?

The PRESIDING OFFICER. It was; and the clerk of the Committee on Appropriations was advised to confer with the Senators from each State where a nomination was made.

Mr. COPELAND. May I ask further of the Presiding Officer, in his capacity as a Senator, what would have happened if the Senators from a given State had been in opposition to the appointment of one of these nominees?

The PRESIDING OFFICER. The nomination would not have been reported to the Senate until a hearing had been held.

Mr. COPELAND. Very well. I have no comment to make.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Henry S. Geismer to be State director of Alabama of the Public Works Administration?

The nomination was confirmed.

The legislative clerk read the nomination of Alexander Allaire, of Arkansas, to be State director of Arkansas.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

WORKS PROGRESS ADMINISTRATION

The legislative clerk read the nomination of Joseph E. Parker, of Montana, to be State administrator for Montana of the Works Progress Administration.

Mr. MURRAY. Mr. President, I move that the nomination of Mr. Parker be confirmed.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

The nomination was confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. ROBINSON. I ask that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Army are confirmed en bloc.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 40 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, April 29, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 28 (legislative day of Apr. 24), 1936

DEPARTMENT OF LABOR

Charles O. Gregory to be Solicitor for the Department of Labor.

PUBLIC WORKS ADMINISTRATION

Henry S. Geismer to be State director of the Public Works Administration in Alabama.

Alexander Allaire to be State director of the Public Works Administration in Arkansas.

WORKS PROGRESS ADMINISTRATION

Joseph E. Parker to be State administrator in the Works Progress Administration for Montana.

APPOINTMENT IN THE REGULAR ARMY

Howard Amos Van Auken to be first lieutenant, Medical Corps.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

Second Lt. David Lyon Hollingsworth to Cavalry.

PROMOTIONS IN THE REGULAR ARMY

Thomas Bernard Larkin to be lieutenant colonel, Corps of Engineers.

Gordon Hall Steele to be major, Quartermaster Corps.

Albert Sidney Bowen to be colonel, Medical Corps.

Ernest Robert Gentry to be colonel, Medical Corps.

Roy Cleveland Heflebower to be colonel, Medical Corps.

George Martin Edwards to be colonel, Medical Corps.

APPOINTMENTS IN THE NATIONAL GUARD OF THE UNITED STATES

Ewell Lewis Head to be brigadier general, National Guard of the United States.

Raymond Albert Yenter to be brigadier general, National Guard of the United States.

POSTMASTERS

LOUISIANA

Clarence L. Black, Bogalusa.
Ruth W. Monroe, Elton.
Berenice K. Schuchs, St. Joseph.

PENNSYLVANIA

Robert E. Giles, Coalport.
Samuel M. Carnell, Dott.
Marcella T. Pawlowski, Glenlyon.
Cleo W. Callaway, Shawnee on Delaware.
Oscar F. Sutliffe, Somerset.
James A. McCoy, Turtle Creek.

SOUTH DAKOTA

James T. Homme, Bison.
Martha Nieveen, Corsica.
A. Harold Hoffman, Frederick.
Fred Shroyer, Gettysburg.
Emil P. A. Erdmann, Groton.
Arthur A. Van Voorhis, Hitchcock.
John T. Schneider, Lebanon.
Anthony J. Rozum, Mitchell.
James A. Robertson, Sisseton.
Helen E. Becker, Turton.
Victor M. Dalthorp, Volga.
Thomas J. Delaney, Webster.
Nick V. Anton, Wessington Springs.

VERMONT

John B. Flanagan, Proctor.
Ella M. Martin, Rochester.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 28, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, whom the heaven of heavens cannot contain, send out Thy light and truth; let them lead us. Bless us with the grace that softens the heart and brings us into accord with the majestic law of Christian brotherhood. Grant, our Father in Heaven, that foolish ambitions and petulant disappointments may take unto themselves wings and fly away. We pray that inspiring and subtle influences may steal into our souls; that suspicion and contempt may droop and die. Gracious Lord, warn and strengthen us against all destructive errors and hold over our impulses a restraining power. Help us, we pray Thee, to make our country richer, brighter, and happier for having passed this way. Withhold not Thy tender mercies from us, O Lord; let Thy loving kindness and Thy truth continually preserve us. Blessed is the man that trusteth in Thee. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

ASININE CONTROVERSY IN THE BIG CITY; SOME FEAR STATUE OF LIBERTY COMMUNISTIC; IS RED OF AMERICAN FLAG SUBVERSIVE?

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include certain explanatory data.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAVERICK. Mr. Speaker, one of the most astonishing and asinine controversies in American history is raging in New York City at this time. It concerns violent objections to a small book, prettily illustrated, of about 14 pages and only about 1,200 words, entitled, "Americanism: What Is It?", published by the Americanism committee, New York County American Legion. The book, for the time, has been suppressed, although a preponderance of opinion seems to oppose such action. A thousand copies of this book were printed as prizes for school children; its release has been withheld; but I offer it for full printing in the CONGRESSIONAL RECORD. It can now be read by anyone who pleases to do so. I think it will not be found offensive; I should like every man, woman, and child in America to read it. (For full text, see I, Americanism: What is it?)

How such silliness could go on in a great city like New York, I cannot understand. The population of New York City is twice that of the United States of America at the time the Declaration of Independence was signed; education and knowledge have no doubt increased. (See IV, Declaration of Independence.)

As usual, names are being called. The critics say this book is communistic, un-American, radical, socialistic, and other things. Among the reasons given are that it had some red color in it. Red ink seems to be a disease; it will not be long before doctors are called Communists for using mercurochrome.

SHALL THE AMERICAN FLAG BE STRIPPED OF RED?

The front has blue and red in the type and illustrations. I presume that red is some sort of a sinful color—possibly the critics would like to forcibly strip the American flag of one of its colors. Again, there is a picture of a hand holding the torch of liberty—symbolic of historic Americanism—and this is denounced as highly improper for Americans—or at least New Yorkers—to look at. Possibly the population of the city will be harnessed and dressed like the high-school horses now showing in Ringling's circus at Madison Square Garden, with bits in their mouths, heads strapped down, and blinders on their eyes so that no one on some clear day may raise his eyes and steal a peek at the Statue of Liberty.

This is the worst piece of nonsense and idiotic persecution I have heard of in American history. Think of witch burners of the past, the fanatics of all sorts—but a big-city witch burner is worse than the rural fanatic; and there is less excuse.

It is not my pleasure to personally know these critics. They may be leading New Yorkers—impatience might propel me to say that they control the intellectual life of the city. This, however, is not true; the whole thing must be a misunderstanding. Possibly the critics have not thought the matter over; possibly when they saw some red it magnified so that the blue could not be seen. (For full discussion of dangers inherent in red, see V, The 14 points of the red menace.)

Or possibly they are so righteous, so certain of their rectitude, that they really would strip the red stripes out of our flag and change to a solid lily-white background as a symbol of their impeccable purity.

DO NEW YORKERS WANT TO PULL DOWN THE STATUE OF LIBERTY?

There is so much press comment on this I cannot tell whether any New Yorkers are really opposing the publication of this book or not. I say this in justice to my fellow Legionnaires of New York City.

(See, for further press comment, II, Editorials and news comment.)

SUBJECT: NON-SENSE, NON-SENSE, NON-SENSE

In the New York Herald Tribune of today, Tuesday, April 28, 1936, I see where H. L. Chaillaux, director of the American Legion Americanism committee, has sent a letter from Indianapolis to Hon. Joseph V. McCabe, county commander of all Legion posts, in which he states:

On the opening page I note the raised hand and flaming torch with its striking similarity to the left-wing Socialist emblem.

When the American torch of liberty got to be "left-wing" or "socialist" or something un-American, I do not know. Furthermore, a torch, if lighted, obviously flames. Would these objectors extinguish the flames of liberty? All I know is that millions of Americans look forward to seeing the Statue of Liberty. It would be disappointing to have it thrown in the New York Harbor, or for the hand holding the torch to be sawed off.

Then Mr. Chaillaux says:

Am I (apparently as the sole judge of what is Americanism—parentheses are mine) to assume this is merely a coincidence?

Thus, apropos of nothing, he proceeds:

Several drawings in the booklet are strikingly similar to the usual subversive placards.

In this I can see no sense at all, nor any connection with the story. There are, for instance, some very simple wood-cut drawings: One of an ordinary landscape, another showing our pioneer forefathers, another showing the city of New York with an airplane over it, another showing Liberty being crushed, similar to the coat of arms of numerous States, including Virginia, whose motto is "Sic Semper Tyrannis"—"Thus ever to tyrants"—another of a mother holding a little child, and the book ends with the words:

Only by sturdily holding to this struggle for these ideals can we defeat ignorance and tyranny and preserve democracy, justice, and liberty.

LIBERTY OF SPEECH, PRESS, CONSCIENCE, RELIGION ALL LEGALLY SAME

In the letter to Mr. McCabe, Chaillaux continues: "The seventh paragraph in the booklet places, in typical Stalin fashion, freedom of worship in a secondary position." This is simply nonsense, for the freedom of speech, press, religion, conscience, and the right to peaceably assemble are all contained in article I of the amendments to the Constitution, known as the first article of the Bill of Rights. Legally, freedom to speak is also to preach; to peaceably assemble, to go to church; while press includes religious journals as surely as it does any newspaper. This injection of religion in the dispute is apparently to prejudice religious people against their own rights; or else the meaning of the Bill of Rights is misunderstood by Mr. Chaillaux. Besides this, religious freedom is prominently and specifically mentioned, as the text will show.

The letter to Mr. McCabe, of New York City, states that the Legion stands for freedom of speech "up to the point where it was used by a person or group to promote the violent overthrow by force of the Government." This book does not in any way even mention violence except to condemn it severely; it merely says that violence produces "chaos * * * is wasteful * * * stupid." The little book, as a matter of fact, is mildly and pleasantly written and is worthy of true Americanism.

Mr. McCabe and a large majority of New York Legionnaires have acted wisely and courageously in refusing to suppress this little book. They deserve praise and should be encouraged by the American people.

NEW YORK AND TEXAS—BOOBS, OR WHAT HAVE YOU, EQUALLY DISTRIBUTED

Mr. Speaker, I am from Texas, which is irrelevant to this story, except that I intend to compare it to New York City, which has almost exactly the population of my State. I have been visiting New York City ever since I arrived there in 1912 on an old Mallory steamship on my way to college. Since that time I have visited New York dozens of times and have lived there long enough to know a little about it. In New York I hear talk about communism, fascism, and many other subjects. I have been told that most of the smart businessmen live in New York City, and practically all the intellectuals. I now have a wide acquaintance in New York City, and I find out that its population is precisely like that of any other portion of the United States. This may be

disappointing to some, but it is true. I repeat, there is no difference between the people of New York and Texas. Texas has an area of 265,896 square miles. Greater New York, according to the almanac, has 308.86 square miles, with Manhattan having only approximately 30 square miles; and the only difference I can find between my people and New York people is that in Texas our civilization is spread out flat over a wide area, and that of New York is in a small area and straight up and down. The saints and sinners, the half-wits and the intellectuals, the Communists and the Fascists are about the same. The only difference is that in Texas we have more room to roam around in. There is as much hospitality in New York as there is in the South—and as much meanness, too.

VETERANS SHOULD STAND FOR PRESERVATION OF LIBERTY

I do not believe that I have ever talked about my service in the war before for print, nor have I ever beat myself on the breast very much as a veteran. Today, however, I feel like mentioning the fact that I am a veteran and became a Legionnaire soon after the war and am a member of the Veterans of Foreign Wars and several veterans' organizations. As an ex-soldier of the A. E. F. and a member of these organizations, I must protest against such nonsense as this. The American Legion is a great organization and, above all, should practice the observance of the Constitution and especially the preservation of what is fundamental Americanism, and that is the preservation of liberties as enunciated in the Constitution and Bill of Rights. (For preamble to American Legion constitution, see III, Legion preamble.)

To attack this little book in such an evasive manner, without any real facts, is to adopt a policy of the Fascist and Nazi courts, wherein there are no rules of evidence, and where fair procedure and ordinary justice goes by the board.

It is not for me to advise the Legionnaires of New York. I soldiered with many of them in France, and one, Frank Felbel, was killed by my side in the Argonne Forest while we served with the Twenty-eighth Infantry. I soldiered with many others who now live in the city. The Legionnaires of New York and the ex-soldiers know their business as well as I do. I do not want to intrude. But this concerns America, and I am sure that well-informed citizens and the rank and file of the Legion want to preserve democracy and its principles. For them to ban a little book which reaffirms the Bill of Rights merely because it happens to use red, which is part of the American flag, with blue right beside it, would be so silly as to lose caste and the respect of the thinking American citizens.

This little book—and it is O. K.—is published by the press of the Woolly Whale, of New York, and in form and color it is an excellent job. One thousand special copies were issued for the students of New York City who were awarded Americanism medals by the American Legion of New York County. Cyrus LeRoy Baldridge, of New York, an artist, appears to be the author.

The book says, for instance:

> In a democracy citizens are not ruled by force and told by the state what they shall think. Americans, in their struggle for democracy, stand forever opposed to dictatorship by a person or by any special group.

What is objectionable in that? Do the critics believe that we ought to already pay homage to a military dictator?

Again, it says:

> Wise men know that the use of violence, producing chaos, is not only a savage but a wasteful, therefore stupid, means of bringing about change. Use of violence breeds more violence. If civilization is to develop, reason must take the place of brute force.

What is it the critics want? What, in the name of common sense? Do they think it criminal for the little book to oppose "the use of violence, producing chaos"? Do they object to the words "Reason must take the place of brute force"?

Or this:

> Nevertheless, believing in freedom of speech for others as well as for ourselves, we must not attempt to abuse or silence them.

Is it that freedom of speech is only for the militarists, the industrialists, the munition makers? I wonder.

Possibly it is this:

> Democracy means an equality of opportunity.

This is neither a question of Texas nor New York, but of common-sense Americanism under the Bill of Rights including our conception of the Declaration of Independence. (See IV, Portions of Bill of Rights and Declaration of Independence.)

This issue of the CONGRESSIONAL RECORD will reach through subscriptions, distribution, colleges, libraries, reprints, and possibly in editorials and newspapers, millions of Americans. I have given the book word for word, sentence for sentence, and have described the red color as well as the blue. If there is anything wrong in that booklet, I should like for the editors of America to say so. If there is anything wrong in standing for the Bill of Rights, for liberty of speech, and the processes of democracy, I want to know about that. If this country is to abandon democracy, I should like to know that, too. More than anything, however, I should like to see what the rank and file of the ex-soldiers of America think. I do not know that they can get full expression of their views but I am confident, from my contact with them, that if the ordinary, common soldier has anything to say, he will want to maintain his own liberty at least—and I am sure, the liberty of others. On the surface this appears to be an unimportant matter, but it is really extremely important.

I hope the people of New York will see that common sense prevails.

I

AMERICANISM: WHAT IS IT?

As I said in the beginning, the whole book is only around 1,200 words, something less than an ordinary-sized book review. This document is said to be outrageous, and I want the American people to read every word of it, just to show you what some people say is left-wing socialism or communism. The following is a complete description, with full text of book:

Cover in blue and red, touches of gold; eagle red, with words at bottom in blue, "Americanism: What Is It?" Inside is a picture of the torch of liberty, with the words, "To American youth"; next page the words, "1936—Americanism Committee—New York County American Legion." The full text follows:

AMERICANISM

Every American Legionnaire pledges himself "to foster a 100-percent Americanism."

What is meant by "Americanism"?

This word is used by very different sorts of people. Courageous citizens, striving for the common welfare of mankind, proclaim their Americanism and so do others scheming for the narrow and special interests of their own selfish crowd. These groups, holding contradictory ideas of Americanism, call each other un-American.

Yet to distinguish real Americanism from counterfeit is not difficult. The true American spirit—Americanism—is expressed in a determined and magnificent human struggle to achieve democracy, justice, and liberty. The fundamental aim of this struggle is to maintain for all Americans the opportunity to enjoy the abundance of nature and to acquire such products of their cooperative labor as are essential to their life, liberty, and pursuit of happiness.

Democracy means an equality of opportunity.

Justice means the equality of all before the law.

Neither democracy nor justice is possible without liberty. Liberty means opportunity for self-expression and self-development. It guarantees, among other freedoms, the freedom of religious worship, and above all else freedom of speech. Liberty demands freedom of speech because without freedom of speech there can be no search for the truth. This search is vital to Americanism; for unless great numbers of people constantly seek and discover new truths we cannot know how to make our world a better place in which to live.

Freedom of speech includes freedom of inquiry, freedom of discussion, and, most important, freedom of education. The freedom of teachers to teach facts without bias and of scholars to learn facts without bias must never cease. Only by means of education, by knowing about all things, can we equip ourselves to search for and recognize the truth.

Never was it more necessary than now for all Americans to support their right to freedom of speech and freedom to listen and learn. We live in a period of bewildering changes. Some nations have shifted convulsively from one form of government to another overnight; others waver between various forms. We face the fact that many people, recently converted to new and

undemocratic forms of government, are eager to bring about similar changes here in America. Some of their ideas may be new to us; some may seem dangerous. Nevertheless, believing in freedom of speech for others as well as for ourselves, we must not attempt to abuse or silence them.

Believing in freedom of speech, Americans practice tolerance. Tolerance is not a feeble or a negative virtue. It means "to bear." Sometimes it is difficult to bear with opinions which seem absurd or dangerous. Yet it is necessary to do so if we are to understand them and test them with our own intelligence, make use of the good, and discard the unsuitable. Out of this clash of opinion and this experimentation comes progress toward truth. This is the first lesson in any science.

It is well for present-day Americans to remember that in America, as elsewhere in the world, some of the most sincere patriots have been abused by the intolerant of their own day, who made no effort to understand them. George Washington, as a British subject, holding ideas of liberty for the American Colonies, was abused as a traitor. The abolitionists, seeking the freedom of the slaves, were denounced as fools and crooks by those who desired democracy, justice, and liberty for themselves but not for people whose skins were of a different color. Abraham Lincoln once said: "The shepherd drives the wolf from the sheep's throat, for which the sheep thanks the shepherd as his liberator, while the wolf denounces him for the same act as the destroyer of liberty."

Our own history teaches us that great and good changes, marking advances in our civilization, have frequently resulted from ideas which, because they were new and different, were rejected by the intolerant.

We learn that the great man is that pioneer who has the foresight to make new plans and the courage to express his ideas for the use of society. We say that he is "ahead of his time." Americans, therefore, are not afraid of change. A society which does not permit change does not permit growth or improvement. It is dead.

When our American Constitution was drafted the Americans were less than 5,000,000 colonists, struggling to conquer nature in a world timed to the leisurely sailing vessel and oxcart. It was before the first steamboat. Many are the changes which inventions and discovery have since wrought. Today we fly the mails to the Orient. No longer are we a handful of isolated colonists, working with primitive tools, but a great industrialized Nation of over 125,000,000, linked to the rest of the world by radio, steamship, and plane. Today the welfare of peoples on the opposite side of the globe is of definite importance to our own welfare.

Invention and discovery have changed the life of our country. Invention and discovery will continue to bring about change. The heroic framers of the Constitution recognized this fact and made provisions for it. For they believed that change could be accomplished by means of orderly and democratic processes of government. Wise men know that the use of violence, producing chaos, is not only a savage but a wasteful, therefore stupid, means of bringing about change. Use of violence breeds more violence. If civilization is to develop, reason must take the place of brute force.

In a democracy citizens are not ruled by force and told by the State what they shall think. Americans, in their struggle for democracy, stand forever opposed to dictatorship by a person or by any special group. For dictatorship means the end of tolerance; it means the intolerant suppression, by an armed force, of democracy, justice, and liberty.

Americans realize that the ideals of democracy, justice, and liberty have not been completely attained. But we are not discouraged, for we know also that with the discovery of truths our imagination is trained, our minds learn to search for more and more truths. When the baby has learned to crawl it has not learned all that there is to know; it must yet learn to walk. To the mind of an intelligent man the horizon is always far ahead. With faith in our ideals we continue this exciting search for truths in order that we may build a better life for ourselves and our children.

True American patriotism, or a "100-percent Americanism", is a 100-percent belief in democracy, justice, and liberty. To preserve this the patriot must take an active part in the political life of the community and the Nation. For unless we meet our obligations as responsible citizens, unless we share the responsibilities of directing the activities of the State by preparing to vote intelligently, to hold public office honestly, our hard-won privileges may be lost. Only by sturdily holding to this struggle for these ideals can we defeat ignorance and tyranny and preserve democracy, justice, and liberty.

The following appears on the last page:

One thousand copies have been issued for those students awarded Americanism medals by the American Legion of New York County. This booklet is not for sale. The Legion makes grateful acknowledgment to the following citizens whose generosity has made this publication possible: For the typography, hand-set in Poliphilus and Blado, to Press of the Woolly Whale; for the text paper, Arak, to Whitehead & Alliger; for the cover paper, Kinkami, to Japan Paper Co.; for the engraving of the illustrations, to Walker Engraving Corporation; for electrotypes of the pages, to Flower Steel Electrotype Co.; for the binding, to H. Wolff; and for the printing, to William E. Rudge's Sons.

Now, what is wrong with that? Is it wrong to be for liberty and freedom? Is it wrong to be for the things that our forefathers stood for? Is it wrong to be against dictators, and instead to be for democracy, justice, and liberty?

II

EDITORIALS AND NEWS COMMENT

The first news story that I saw concerning this was on March 25, 1936, and printed in the conservative New York Herald Tribune. The headlines in the newspaper said, as follows: "County Legion demands free speech for all." The newspaper went on to show that the American Legion posts—there are 100 of them in New York—interpreted it as a "marked liberalization of the Legion's traditional conception of Americanism", and there followed a complete story in a very friendly manner by this conservative newspaper.

The headlines of today, April 28, 1936, in the Herald Tribune are of a different tenor. They say:

Legion (this refers to National Legion) rebukes its New York group on "free speech"—Americanism head calls county committee book "distortion" of principle—Local body is near rift—Resignations threatened if pamphlet is banned.

It is interesting to note, too, that throughout the Nation the original action of the New York County American Legion in publishing this little book received widespread editorial praise from the most conservative newspapers and magazines in the United States. For instance, the Boston Evening Transcript on Friday, March 27, 1936, had an editorial entitled "Straight Shooting by a Legion Post"—although they were referring to all the Legions of New York County—and they said concerning the statements in the book "that declaration is not only true but richly significant on account of its source." Then it said as follows:

Would that all members of the joint committee on education in the Massachusetts General Court might read and ponder this potent statement of American ideals as issued under the auspices of the American Legion in New York. Would that many of the speakers who heckled and insulted the leading educators of Massachusetts during recent hearings on the teachers' oath law might receive the New York Legion's pamphlet and learn from it what is the true nature and value of America and Americanism.

On March 25, 1936, the New York World Telegram, the liberal Scripps-Howard newspaper, commented on the action of the posts. In an editorial Wednesday, March 25, 1936, entitled "Real Americanism", it said, in part, as follows:

The Legion, we believe, has seldom stood upon firmer ground.

Then, after quoting several paragraphs of the little book concerning tolerance, liberty, and democracy, the editorial said as follows:

When the Legion talks in that fashion, stemming back directly to the Declaration of Independence, it is living up to its most patriotic avowals. There is no place here for cynicism. We would honor the New York Legion for its sentiments and encourage it to defend them against any attack.

III

AMERICAN LEGION PREAMBLE

For God and country we associate ourselves together for the following purposes:

To uphold and defend the Constitution of the United States of America; to maintain law and order; to foster and perpetuate a 100-percent Americanism; to preserve the memories and incidents of our associations in the Great War; to inculcate a sense of individual obligations to the community, State, and Nation; to combat the autocracy of both the classes and the masses; to make right the master of might; to promote peace and good will on earth; to safeguard and transmit to posterity the principles of justice, freedom, and democracy; to consecrate and sanctify our comradeship by devotion to mutual helpfulness.

I desire to call attention to the fact that the promise "to uphold and defend the Constitution of the United States of America" includes the Bill of Rights and freedom of speech, press, conscience, and religion for everybody.

IV

PORTIONS OF BILL OF RIGHTS AND DECLARATION OF INDEPENDENCE

(1) Article I, Bill of Rights:

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof, or abridging the freedom of speech or of the press, or the right of the people peaceably to assemble and to petition the Government for a redress of grievances.

(2) Article IV, Bill of Rights:

The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated, and no warrants shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized.

(3) Portion of the Declaration of Independence:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed. That whenever any form of government becomes destructive of these ends it is the right of the people to alter or to abolish it and to institute new government, laying its foundation on such principles and organizing its powers in such form as to them shall seem most likely to effect their safety and happiness.

V

THE 14 POINTS OF THE RED MENACE

Since red in itself is a sin, a logical dissertation on the effects is in order. If red should be entirely removed, however, there might be trouble. A study of the color red follows analytically for those who desire to be apprised of its evil character:

1. Congressman SIROVICH, of New York, cannot wear his red carnation in the lapel of his coat. He will simply die. Florists will protest.

2. New Yorkers going hunting up-State cannot wear red flannels. Many will catch pneumonia, flu, and colds. Will help doctors and undertakers but hurt general welfare of citizens.

3. Red wines prohibited. Discrimination as to white wines. No use in going to Italian restaurants. Grape growers will protest. People will get drunk, anyway.

4. Seeing "red" will also be abolished. In this many red baiters will suffer serious inhibitions and mental maladjustments.

5. Lure of red-headed girls; handsomeness of red-headed boys to be eradicated by Federal law. Will cause importation of nonfading German dyes to make color of hair different. This will hurt "Buy American" campaign; besides, in this case, the importation will be a metamorphosis from communism to fascism.

6. Red herrings cannot be drawn across issues. This would also be a blow to red baiters. Old pals of Al Smith on Fulton Fish Market will protest.

7. Music, Red Sails in the Sunset, popular hit, no doubt subversive, communistic, atheistic, anarchistic, and other things worse, must not be allowed.

8. Children, the little dears, must be free of red stick candy. This sounds innocent, but one cannot realize how sinister candy can be. It is understood they eat red candy in red Russia, therefore we must stop it here.

9. Red traffic lights abolished; substitute color not determined; will give work to scientists. Accidents.

10. Children, in getting diplomas, must not be allowed red ribbons.

11. Red tape must be made blue; however, the change of colors will not affect red-tape psychology or human nature.

12. The high curtains in the Supreme Court, which are red, or near red, must be substituted at once. This would even shock the Liberty Leaguers, the National Manufacturers Association, and also the United States Chamber of Commerce, meeting in solemn conclave in this, our National Capital today.

13. Red ink will be abolished; and this is really good, for then there would be no depression. With only black ink the profit system would be assured ad infinitum.

14. Bulls will not get mad any more. This may cause serious difficulties in certain Latin American relations.

ROBINSON-PATMAN PRICE-CONTROL BILL

Mr. PEYSER. Mr. Speaker, I ask unanimous consent to extend my own remarks by including in the RECORD a radio speech delivered by me last Saturday night.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PEYSER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio speech delivered by me, in opposition to the Robinson-Patman price-control bill in a joint debate, Senator BENSON of Minnesota taking the affirmative side of the debate. The address was broadcast by the National Broadcasting Co. national hook-up, Saturday night, April 25, at 7:30 p. m.:

My friends of the radio audience, I am happy for the opportunity to address you on this most important subject, the Robinson-Patman price-control bill, and before proceeding I want to thank the National Broadcasting Co. in according me the privilege of carrying my views to you. The able Senator dividing this time with me, but who is standing on the opposite side of the fence, I fear, has been enlisted in support of this measure without, perhaps, going into the disastrous results that would follow to the consuming public should this bill happen to become a law. I am most amazed that Senator BENSON should be here in support of this bill, being a Farmer-Labor Senator in our Congress, when the American Farm Bureau Federation is actively opposing the bill, as is also the National Milk Producers' Federation, both organizations consisting of a large percentage of membership enlisted from the State represented by the able gentleman from Minnesota. In addition to which the Independent Grocers' Alliance, better known as the I. G. A., comprising a membership of 20,000 independent grocers, is also in opposition to this bill.

In the short time allotted to me it is hard to cover every point involved in this very voluminous measure, and I am not going to attempt to approach the subject from a legal point at all, as I am not a lawyer. However, I am led to believe by men of high legal training that this measure, if passed, will not stand the test of court. This particular legislation was drafted by a group of wholesale grocers as a substitute for codes secured under the now extinct N. R. A., and is nothing more nor less than a price-control bill. It is not a monopoly measure. While originally conceived and launched by the group of wholesalers just referred to, its effect would be operative as against all chain stores, whether they be groceries, drugs, or five-and-ten, and, unfortunately, would also affect adversely the merchant, large or small, that might be operating only one store. I, therefore, want to approach the subject from three points of view, namely, the ill effect that it would have on all distributors of merchandise; the ill effect it would have on labor; and the higher cost of living that would be passed on to all consumers, both large and small wage earners.

First. The distributor of merchandise would be stymied in his progress for advancement of his business. His merchandising methods, no matter how sound and careful he might carry on, would be affected. His initiative, to grow from a small institution, to one of greater magnitude, would be retarded, and would simply, in reality, return us to the "horse and buggy days", developing merchants that would still illuminate their stores with kerosene lamps instead of the modern system of electrification, which indicates progress and spells safety. To illustrate, I recall a visit to a town in West Virginia 3 years ago, which was the place where I was born. A town which had grown from a population of 8,000, when I left there 40 years ago, to a city of 80,000 people today. There, to my amazement and delight, I found mercantile institutions still carried on by the original owners, or by the sons or members of the family of the original owner. This, in the face of what the proponents of the Robinson-Patman bill claim, does not occur, as their contention is that the chain stores, in all lines, is working as an octopus that will sooner or later destroy the independent dealer.

I personally visited a drug store formerly operated by a friend of mine, since deceased; the location is the same as it was 40 years ago; but, as a result of progressive methods, is still being operated by the son of the original owner, enjoying good business and making progress, and this in the face of various chain stores that have entered in competition to the original village drug store. I could dwell on this subject at great length, but on account of the limited time the illustration given below also holds good in connection with grocers, butchers, drygoods, clothing, shoes, hardware, and every line of merchandise in the town mentioned above. I feel sure my listening public know of similar conditions existing in their communities, and they would make the same report in support of the merchant that devoted his time to progress and refused to "lay down and play dead" just because a chain-operated store opened in his particular community.

I might add, at this point, that the independent merchant, large or small, that is seeking legislation of this type, will be forced to pay higher prices for his goods by reason that the person from whom he secures his merchandise will have been legislated into a preferred position.

I referred above to how labor, in my judgment, would be affected as a result of this type of legislation, as it would, I am convinced beyond any question, increase the price of goods to the distributor, and, in turn, naturally, to consumers. As a result of this, the bill would have an immediate effect on labor on account of reducing consumption. This, in turn, would reduce the volume of manufacturing, thus leading up to a reduction of the wage scale or the laying off of people employed in labor in the lines affected.

Coming now to the consumer, it has been my belief, ever since I was privileged to become a Member of Congress, that legislation is intended to be beneficial to the majority of the population of the country; and as the consuming public of the United States,

totaling 127,000,000 people, is the consuming public, naturally, if this legislation is adverse to them, it is not legislation for the best interests of the public at large, as it is the consumer who will suffer, through his pocketbook, if the Robinson-Patman bill becomes a law. Competition is going to continue, laws or no laws; and, as once stated by Henry Ford: "There is no way to limit competition. It is something that either is or is not. Barring competition is only a way of bringing in price fixing, and price fixing is not only the refuge of the inefficient man but also a stone wall across the path of progress."

The proponents of this bill, I believe, have been misled, under the delusion that legislation of this kind would result in savings for the consumer; but it is my belief that any interference with efficiency, capable management, and sound systems of fair merchandising would bring about just the opposite result. I will try to illustrate how I have arrived at this belief—which I don't think my able opponent can deny—that should this bill become a law the cost to the consumer would be increased.

Let us assume the law is in effect, and, to comply with that law, Mr. A, large manufacturer, now selling to B, C, D, and E, large department stores, or chain stores, and also selling some of his merchandise to the small corner store or suburban merchant, is forced, under this law, to distribute his goods at the same price to all dealers. What will Mr. Smart Manufacturer do? I'll tell you. He will eliminate the small dealer, who only consumes, perhaps, less than 10 percent of his product, and confine the distribution of his product to merchants B, C, D, and E, selling them all at the same price schedule in order to conform to the Robinson-Patman bill. Result: Mr. Little Dealer must seek other channels whereby to secure merchandise, from channels where the overhead of production is increased, due to the fact that that channel has no outlet through the larger merchant, who buys in large quantities.

Next result: Who will pay that additional cost? Answer: Mr. and Mrs. Consumer. That is as sure as two and two make four, and there is no law that can remove the hurdle that cannot be taken by the manufacturer to evade the operation of the Robinson-Patman act.

One other method: A group of small dealers can form themselves into a cooperative organization, in order to evade the operation of the law we are debating. Result, the independent distributor, namely the little merchant, who does not enter into this cooperative, in order to buy at quantity prices, is again sitting on the fence, paying top prices for his merchandise—and who is making up that price? Answer, the consumer.

To me it is elementary that you cannot go places, and be called progressive, if you are attempting to scuttle mass production or mass distribution. This great country of ours has progressed too far along the lines that initiative means something. When that is removed you will find that we will sink into the deep gullies of stagnation and, what was once hoped to be our goal, namely, to be the greatest country in the world, would be changed, and we would be at a standstill. There is no one that believes in progressive ideas more than I do, and there is no one that will support legislation to help advancement of this Nation more readily than I will, but, I, for one, refuse to go on record to support any legislation that I believe means a noose around the neck of the American public.

In this connection, I would like to take you back to 1934, during the closing days of the Seventy-third Congress, when the now extinct Frazier-Lemke bill was up for final passage.

At that time I spoke in opposition to the bill and expressed the belief that even though I was not a lawyer the Frazier-Lemke bill would not stand the test of court. This belief has since been justified, as the Supreme Court, about a year ago, handed down a unanimous decision declaring the law unconstitutional. At the same time that I spoke in opposition to the Frazier-Lemke bill, I expressed the belief that it would work a hardship on the farmer in connection with securing further finanical assistance. That belief has also been justified, because during the time that the Frazier-Lemke bill was in effect, prior to the decision of its unconstitutionality, the financing of farms was a hardship to the agricultural citizens of this country.

I simply make this point to bring to your attention that it is my belief that the Robinson-Patman bill will follow the same course as the late lamented Frazier-Lemke bill, namely, that it will not stand the test of the court; and secondly, that it will bring a hardship to the consuming public of this Nation that I am so happy to claim as the place of my abode.

I believe further that a national law should not be passed whose objective is to prevent the economic price reduction of the essentials of life and thus, through artificial methods, increase the cost of living to the people of the United States, because I believe that the bill which we are now discussing prevents price reduction. Should the Robinson-Patman bill become a law, and I hope it never will, it is apparent to me that the retail cost to the consumer would rise from 15 to 20 percent, which would be approximately the differential between small methods of operation and large-scale manufacturing and distributing systems.

I could go on for hours, if I had the time, digging into figures, statistics, etc., to try to bring home to you the evils that would follow the passage of the Robinson-Patman bill, but I believe that I have struck the vital points involved.

In conclusion I want to say that my heart goes out to those misguided legislators who have been influenced, perhaps, by misrepresentation of results, to present such legislation; also to those that were influenced by a misconception and induced to enter a debate in support of such legislation.

I hope the Robinson-Patman bill will not pass, because if it does, the victim will be the public, and during times such as we have been going through the public has suffered sufficiently.

I thank you.

SELECT COMMITTEE TO INVESTIGATE EXECUTIVE AGENCIES OF THE GOVERNMENT

Mr. O'CONNOR, from the Committee on Rules, submitted the following resolution (H. Res. 460, Rept. No. 2504) for printing in the RECORD:

Resolved, That the Speaker appoint a select committee of five Members of the House and that such committee is authorized and directed to make a full and complete study of all the activities of the departments, bureaus, boards, commissions, independent agencies, and all other agencies of the executive branch of the Government with a view to determining whether the activities of any such agency conflict with or overlap the activities of any other such agency and whether, in the interest of simplification, efficiency, and economy, any of such agencies should be coordinated with other agencies or abolished, or the personnel thereof reduced. The committee shall report to the House (or to the Speaker of the House, if the House is not in session) the results of its investigation, together with its recommendations, if any, for necessary legislation.

That said committee or any subcommittee thereof is authorized to sit and act during the present Congress at such times and places within the United States whether or not the House is sitting, has recessed, or adjourned; to hold such hearings; to require the attendance of such witnesses and the production of such books, papers, and documents by subpena or otherwise, and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the Speaker of the House of Representatives or the chairman of said committee, and shall be served by any person designated by them or either of them. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who having been summoned as a witness by authority of said committee or any subcommittee thereof willfully makes default, or who, having appeared, refuses to answer any questions pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102, chapter 7, of the Revised Statutes of the United States, second edition, 1878.

Mr. SNELL. Mr. Speaker, may I ask the gentleman from New York when he intends to call up this resolution just presented for printing?

Mr. O'CONNOR. Subject to the wishes of the Speaker and the majority leader, it was thought possibly it might come in after the tax bill and before the next appropriation bill is taken up. Possibly sometime this week.

Mr. SNELL. May I ask the majority leader is it expected that the Navy Department appropriation bill will be commenced this week?

Mr. BANKHEAD. That is the expectation. It is expected we will take up general debate on the Navy Department appropriation bill when we finish the tax bill.

Mr. SNELL. But perhaps this resolution will be taken up first?

Mr. BANKHEAD. Perhaps this resolution will be taken up first. We have not decided that yet. It is possible we will take up this resolution before we consider the Navy Department appropriation bill.

THE ST. LAWRENCE SEAWAY

Mr. CHRISTIANSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an address I delivered this morning at the Rivers and Harbors Congress.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CHRISTIANSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me today at the Rivers and Harbors Congress:

The Brookings Institution, in a very penetrating study, recently presented the thought that the greatest bar to the return of prosperity is high prices and that the most effective way to raise the real income of the people is to reduce the cost of what they buy. At once the conclusion was challenged on the assumption that reducing costs meant reducing wages. Even the President of the United States, in his recent New York address, fell into that error.

The American people are not interested in reducing costs at the expense of the workingman, for they realize that the economic mechanism cannot function well unless the people as a whole have the means to buy all that the people as a whole produce. But the American people also know that in balancing capacity

to produce and ability to buy, reducing prices is no less important than raising wages.

To me it seems that there are three important factors that prevent a downward adjustment of costs and thereby impede the resumption of that free flow of goods and commodities between willing producers on the one hand and willing buyers upon the other, upon which stable prosperity depends:

First, taxes which absorb 25 percent of the people's income, not only taking away one-fourth of their dollars, but increasing the prices of what those dollars can buy.

Second, interest at rates inherited from the pioneer period and out of line with present income levels, computed on a volume of debt disproportionate to national wealth.

Third, increasing transportation costs that tend to lengthen the distances between areas of production and centers of consumption.

We in Minnesota are 1,200 miles from the Atlantic seaboard. Our handicap in this respect is one which can be overcome only by finding cheaper means of transportation, and thereby increasing our net proceeds from what we have to sell and cutting the cost of what we have to buy.

It is not strange therefore that Minnesota has been a pioneer in the movement for developing waterways. While I was Governor of the State, I signed a bill creating a commission to work for a 9-foot channel in the upper Mississippi. As a member of the legislature and chairman of its appropriation committee, I sponsored the first appropriation ever made for financing an organization to bring to the attention of the country the need of a St. Lawrence seaway.

The St. Lawrence project has proceeded to the point where the Governments of the United States and Canada have written a treaty in which they agree jointly to construct the necessary locks, dams, and canals. That treaty has failed of ratification in the Senate, largely because of disagreement to a provision for the diversion of Lake Michigan water which was not acceptable to interests centered at Chicago.

Chicago has more to gain from the seaway than any other city or community in the country, for it would give her virtually an ocean port and insure her dominant position in the economy of the Middle West. The seaway would make Chicago the greatest transportation center in the world. I hope and believe that a basis of agreement can be found that will make it possible for the business and political leaders of Chicago to assume the leadership in the movement to bring the Atlantic seaboard into the heart of the continent.

Another source of opposition that I hope to see removed is that of the railroads, and especially of the railroads of the West and Middle West. Let it be granted that the eastern roads would temporarily lose some tonnage. Even that loss would be more than offset eventually by the creation in the interior of a better market for those eastern products which demand fast transportation and would continue to move by rail. But to the western roads the benefits would be direct and immediate. They now carry wheat only to the lake ports and coal only from the lake ports. They would continue to carry wheat and coal, but they would carry more wheat and coal, they would move wheat into a larger market when the lower transportation cost had placed the midwestern farmer into a better competitive position with the world, and they would bring in more coal for industries supplying the needs of a more prosperous Middle West.

What the railroads need today is not so much more tonnage and more revenue—although these would be desirable—as more railroad statesmanship. A generation ago the Northwest had a railroad statesman—James J. Hill.

It has been said that the difference between a politician and a statesman is that the politician keeps an eye on the next election, the statesman on the next generation. The railroad politician keeps his eye on this year's revenues; Mr. Hill kept his on the increasing opportunities for income out of the growing tonnage supplied by expanding communities.

In 1887 a waterway convention was held at Superior, Wis. James J. Hill was there. He had operated dray wagons in St. Paul and steamboats on the Mississippi and the Red Rivers. He had bought two parallel streaks of rust stretching across the prairie and had made them into a railroad, beyond the western terminus of which the Indian still pursued the buffalo. He had extended a precarious line to the head of the Lakes. To the East lay five great bodies of water, beyond them the St. Lawrence River, and beyond it the sea. The empire builder's eyes were on that sea.

Three rocky barriers stood in the way, one at the Soo, the second at the present site of the Welland Canal, and the third at the rapids of the St. Lawrence. Addressing the convention, the great railroad man said:

"I am forced with regret, as an old steamboat man on the Mississippi River and the Red River, to turn my vision away from these rivers because, as transportation mediums, their clock has struck 12; and I must therefore turn my vision to the Great Lakes to the eastward and to the development of a vast internal and interstate commerce and transportation, which shall connect the great agricultural empire of the West with the great commercial and manufacturing empire of the East. I find that the Soo has a depth of water of only 10 or 11 feet, which is a blockade to water transportation. Give me 15 feet of water at the Soo and I will put on a line of boats on the Great Lakes carrying a burden of 3,500 tons each, and in doing this I will weld water and railroad transportation and bring costs of commerce down to the lowest possible point."

Congress appropriated money to open the blockade at the Soo, Canada dug the Welland Canal, and only the third barrier remains. If there is any pioneering spirit left in the land, it will not be long before the commerce of the Middle West will flow unimpeded to the sea and thence to the ports of the world. And if there are now any empire builders among the railroad men of the country, their voice and influence will be with us and not against us.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1937

Mr. BLANTON. Mr. Speaker, with your permission, I should like to propound a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. Mr. Speaker, after the House passed the District of Columbia appropriation bill there were 87 amendments put on the bill by the Senate, one of those amendments alone adding an increase of $3,000,000, to be contributed to Washington out of the United States Treasury. As soon as the bill passed the Senate carrying the 87 amendments, the Senate asked for a conference and appointed conferees.

The House promptly agreed to the conference asked for and has appointed conferees. The House conferees, I might add, have always met the Senate with an open mind in a full and free conference, and have given and taken, and have always, except on one occasion, when there was a sine die adjournment without any bill, reached an amicable conclusion that apparently was satisfactory to both bodies.

This morning's Washington News prints a statement quoting the chairman of the subcommittee of the Senate, who will be at the head of the managers on the part of the Senate, and will be chairman of the conference, that concerning the Senate's 87 amendments to this bill the Senate will waste no time in conference with the House conferees, but will insist on their changes, and if the House conferees will not agree, the Senate will pass a "continuing resolution", which would carry with it the $5,700,000 Federal contribution to the District. Likewise the Washington Times today quotes the chairman of the Senate subcommittee, who will be chairman of the conference, as stating that "the Senate will stand pat", and assured the city that Washington would get the $5,700,000 contribution from the United States Government, stating if the House conferees did not agree to it the Senate would pass a continuing resolution which would carry it, so that in either alternative there would be a Federal contribution of $5,700,000 to the District.

I am hopeful, Mr. Speaker, that the chairman of the Senate subcommittee will deny that he authorized the press to make these assertions of fact, for the Washington newspapers should understand that if no bill should be agreed upon the House of Representatives will have just as much say as will the Senate about what would be embraced in a continuing resolution and could refuse to pass anything if it so desired. I happen to know, Mr. Speaker, that a majority of the Members of the House of Representatives are not in favor of allowing one dollar of Federal contribution from the United States Treasury to the District, and if the Senate arbitrarily should refuse to agree upon an annual supply bill unless the House of Representatives bowed down to its will and granted a Federal contribution of $5,700,000, it might be when the House was called upon to pass a continuing resolution that it might provide therein that there shall be no Federal contribution whatever to the District of Columbia for the fiscal year ending June 30, 1937.

During my service here, Mr. Speaker, this is the first time I have ever witnessed the chairman of a conference allowing the press to quote him as saying that if the managers of the House did not agree to demands of the Senate there would be no appropriation bill, but that the Senate would get all it wanted through a continuing resolution. I know that the House conferees are willing to meet the Senate conferees in a full and free conference, but they are not willing to be bulldozed.

The Speaker has been here longer than I have. I should like to know whether there is any precedent for that kind of a stand between the two Houses of equal standing and importance, relating to the comity that should exist between the two Houses.

The SPEAKER. The Chair will state that he knows of no precedent and he hardly believes there is one. The Chair would suggest to the gentleman that rather than take a newspaper account he should communicate with the chairman of the committee. Of course, any conference between the two Houses will be expected to be a full and free conference.

Mr. BLANTON. Certainly; and they always have had a full and free conference.

The SPEAKER. Otherwise, if that is not true, there is no object in having a conference.

Mr. BLANTON. And the House conferees have no intention otherwise than to meet the Senate conferees in a full, free, and fair conference, in a conscientious attempt to adjust the differences between the two Houses, but if the House conferees are expected to go into the conference, under such circumstances as are indicated in today's papers as coming from the chairman of the Senate conferees, where they were expected to accept all of the 87 Senate amendments, such a conference would be futile.

The SPEAKER. The Chair will state to the gentleman that that matter can be determined after the first conference has been held.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. BANKHEAD. Has the gentleman reached the point where he believes everything he sees in the newspapers?

Mr. BLANTON. I know that this has come to me in several papers lately, but not so arrogantly expressed as in this morning's papers. But I want to make this statement, if the House will allow me: The responsibility of handling this bill was thrown upon my shoulders. I did not ask for it. I did not want it. It is hard, grinding work. It is an unpleasant task. Any Member who handles this bill, and performs his duty, will be unjustly criticized and abused and attacked by Washington newspapers. If I would go along with the local press, and agree to everything they want in Washington, they would play me upon the front pages as a great statesman, and a wonderful gentleman; but I will not do that, and because I will not let them rob our constituents I get this criticism from them daily.

I want to mention, Mr. Speaker, just what goes with and follows this responsibility. In the Washington Herald yesterday it was stated that the Washington plutocrats who do not like the House bill are taking up a collection in Washington now to spend as a campaign fund to try to defeat me for reelection because I have stood in their way. Defeat me for what? Because I handled the 83-page appropriation bill, which after 3 days' debate passed the House without a single amendment, and on a record vote only 26 Members voted against the bill. It must have suited the Members of the House of Representatives else they would have voted against it.

But because I have made a strenuous fight to keep communism out of the Washington schools, and would not agree to make a contribution of $5,700,000 to the District out of the United States Treasury, the Washington plutocrats are taking up a collection for a campaign to try to defeat me. This has happened to every single chairman this committee has had for 50 years. Consult Mr. Ben Johnson, of Kentucky, our Democratic chairman, or the gentleman from Nebraska, Mr. Simmons, who ably represented the Republicans as chairman of this subcommittee, and all the other chairmen, upon whom they made such an unholy fight simply because they were carrying out the expressed will of the House.

This is all I care to say, Mr. Speaker, except that your conferees are going to do their duty.

EXTENSION OF REMARKS

Mr. BLANTON. Mr. Speaker, the permission I had to extend my remarks on the District of Columbia appropriation bill expires today. On March 23, 1936, I obtained permission of the House to date such remarks on Friday, March 27, 1936. I have been delayed in getting some necessary data from different bureaus of the District government which I wanted to use, and it will be next Friday before I get some of the data. I therefore ask unanimous consent that the permission granted me be renewed so that my extension of remarks may be dated next Friday, May 1, 1936.

The SPEAKER. Is there objection to the gentleman from Texas extending his remarks on the District bill as indicated?

There was no objection.

THE REVENUE BILL OF 1936

Mr. DOUGHTON. Mr. Speaker, I submit the following unanimous-consent request which I send to the Clerk's desk and ask that the Clerk may read.

The Clerk read as follows:

I ask unanimous consent that in the engrossing of the pending bill (H. R. 12395), the Clerk of the House be authorized:

(1) To make such changes in the table of contents as may be necessary to make such table conform to the action of the House in respect of the bill;

(2) To make such clerical changes as may be necessary to the proper numbering and lettering of the various portions of the bill, and to secure uniformity in the bill in respect of typography and indentation; and

(3) To amend or strike out cross-references that have become erroneous or superfluous, and to insert cross-references made necessary by reason of changes made by the House.

The SPEAKER. Is there objection?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12395, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

Mr. TREADWAY. Mr. Chairman, may I inquire how much time remains on each side?

The CHAIRMAN. The gentleman from Massachusetts has 20 minutes remaining and the gentleman from North Carolina has 19 minutes remaining.

Mr. TREADWAY. Mr. Chairman, I am sorry the time remaining under my control is so brief, but I shall devote it to replying to many inaccurate statements made by majority members of the Committee in endeavoring to explain this legislative jargon of words and figures.

At the outset, let me say that I am absolutely opposed to increasing the present tax burden by any kind of a tax bill until the administration's wild orgy of expenditure has been stopped. Every dollar of unnecessary expenditure saved means a dollar of new taxes avoided. Do not forget that.

It is not giving the taxpayers of the country a square deal to keep piling on new taxes to fill the pockets of the administration's spendthrifts and "boondogglers." The taxpayers are entitled to value received for their money. If waste and extravagance were eliminated, present taxes doubtless would be sufficient to carry the load.

There are three ways to balance the Budget: First by imposing new taxes sufficient to meet expenditures; second, by reducing expenditures to meet existing tax revenues; and third, by a combination of reduced expenditures and increased taxes. The first course is absolutely out of the question, as it would necessitate doubling the present burdensome taxes. The people could not stand it and it would prolong the depression indefinitely. The second course, if strictly applied, might result in impairing the normal and necessary functions of government. Hence, the third course seems most desirable.

Expenditures can be reduced several hundred millions of dollars simply by eliminating waste. Hundreds of millions more can be saved by eliminating unnecessary and foolish expenditures. More millions can be saved by eliminating useless offices and bureaus, with their thousands of high-salaried political appointees. Still more millions can be saved by requiring the Democratic political campaign to be

financed by the Democratic National Committee, rather than by the Federal Treasury.

If after expenditures have been reduced to a reasonable minimum by eliminating waste and extravagance, it is found that further taxes are needed, then is the time to come forward with a tax bill—not now.

Mr. Chester T. Crowell, former special assistant to Secretary of the Treasury Morgenthau and an ardent New Dealer, in his recent pamphlet entitled "Recovery Unlimited", states that in his opinion higher taxes would not result in balancing the Budget, but would more than likely have an opposite effect. He estimates that the present tax structure, on the basis of 1929 conditions, would yield a revenue of close to $8,000,000,000, and concludes that the only way for the Government to increase its revenue is by business recovery. That, in my opinion, is sound doctrine. We must not forget that in taxation, as in other things, there is a point of diminishing returns. The present tax structure is more than ample if the Government would let business alone in its march toward recovery.

Before proceeding to a discussion of the bill I want to correct one statement that is repeatedly made on the floor of this House in regard to the Budget. We constantly hear it stated that the ordinary or regular Budget is balanced. The claim is made in behalf of this bill that it will balance the regular Budget. In this connection I want to quote from the testimony of the Director of the Budget, Mr. Bell, before the Ways and Means Committee. Mr. Bell was called before the committee at my request, and I asked him numerous questions about the present Budget set-up, particularly whether there was any authority in law for setting up an ordinary Budget and an extraordinary Budget. His reply was:

> There is no such thing in the United States as an extraordinary Budget. * * * We have no such thing in the United States Government accounting set-up.

I hope this sets at rest any further talk on this floor about balancing the regular Budget, because there is no such thing. We have only one Budget, and it has been from three to four billions of dollars in the red ever since Mr. Roosevelt took office, and there is no likelihood of any change at any time in the near future.

The pending measure is no more serious an effort to balance the Budget than was the President's share-the-wealth bill of last year. It causes the country to wonder what has become of the pledge in the Democratic platform calling for a balanced Budget, which Candidate Roosevelt accepted 100 percent. It brings to mind the statement which Mr. Roosevelt made in his economy message of March 10, 1933, that "too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy" and the further statement in the same message that for 3 long years the country had been on the "road to bankruptcy."

It will be recalled that in his economy message of March 10, 1933, Mr. Roosevelt said that if the economies therein suggested were carried out—

> * * * There is reasonable prospect that within a year the income of the Government will be sufficient to cover the expenditures of the Government.

What happened? By the end of the following fiscal year of 1934 expenditures had increased nearly $2,000,000,000 as compared with 1932 and there was a deficit of nearly $4,000,000,000.

In his Budget message of January 3, 1934, Mr. Roosevelt said:

> My estimates for the coming fiscal year (1935) shows an excess of expenditures over receipts of $2,000,000,000. We should plan to have a definitely balanced Budget for the third year of recovery (1936) and from that time on seek a continuing reduction in the national debt.

What happened? The actual deficit for 1935 was three and a half billions, and the revised Budget for 1936, instead of being in balance, as promised, will probably show a deficit of around $4,000,000,000.

In his Budget message of January 3, 1935, the President made no promise of a balanced Budget. He merely stated that—

> The country will henceforth have the assurance that with the single exception of this item (work relief), every current expenditure of whatever nature will be fully covered by our estimates of current receipts.

Last September he said:

> The 1937 Budget is being prepared with a view to sharply decreasing the spread between income and outgo.

In his Budget message of last January the President gave up all hope of setting a definite date for a balanced Budget. The most he could say was—

> We approach a balance of the National Budget.

The fact is, however, that we are not approaching a balanced Budget. It is not balanced for the current year, and will not be balanced for 1937. Deficits are increasing instead of decreasing, and the deficit for 1936 or 1937, depending upon which one carries the bonus payment, will reach a new high. Deficits are increasing in spite of increased taxes and increased receipts from old taxes. The increase in expenditures is not wholly due to recovery and relief items. The regular, permanent expenditures increased from $2,800,000,000 in 1934 to $3,100,000,000 in 1935, and the Budget estimates indicate further increases to $3,600,000,000 in 1936 and $5,600,000,000 in 1937.

Thus it is evident that not only are reduced expenditures necessary from the standpoint of national solvency but from the standpoint of saving the taxpayer from a crushing burden of taxation, or from uncontrolled inflation, which, of course, is just another and more invidious form of taxation.

I repeat that I am opposed to any kind of tax bill until the administration's waste and extravagance have been stopped, but I would be opposed to this particular bill under any conditions.

It is the most unsound and discriminatory tax legislation I have ever seen proposed in my 23 years' experience as a Member of Congress, and it will have economic effects which are dangerous and far-reaching. It violates all principles of taxation, which is naturally to be expected from a measure which is not a tax bill to begin with. On the contrary, it is but a further effort to regiment business under the Federal taxing power along the lines proposed by that revolutionary-minded college professor, "brain truster" extraordinary, exponent of planned economy, and enemy of American ideals and institutions—Rexford G. Tugwell.

The majority report on the measure is so cleverly worded as to make it appear that the proposed plan of taxation is simply a slight amendment of the existing scheme. It is not that at all. Rather, it completely revolutionizes the present corporate-tax system. It abolishes the present corporate income tax of 12½ to 15 percent; it abolishes the capital-stock and excess-profits taxes; it abolishes the special taxes on improperly accumulated surpluses; all of which are tried and proven.

In place of these taxes it sets up a scheme for forcing the distribution of corporate earnings to stockholders. This is done by exempting corporations from any tax on their earnings where such earnings are wholly distributed and by taxing the entire income where any portion is retained, the rate increasing in amount as the proportion of the earnings retained to total earnings increases.

At this point I want again to refer to the method under which this has been done. It is estimated that we are doing away with $1,132,000,000 of assured revenue and are substituting for that an uncertain revenue from a new and untried source. One man—the Treasury Actuary—has made up the estimates of revenue to be raised by this measure. So far as I know he is a good Actuary, but where you ask one man to take the responsibility of submitting figures for the basis of the system, I say it is a mistake of the worst kind, I do not care how good the Actuary may be. I never saw the man until he came before the committee; but this, of course, is nothing against him. At the same time, however, the Ameri-

can people are entitled to check up on one man's figures when more than $1,000,000,000 of certain revenue is cast aside.

The gentleman from Washington [Mr. SAMUEL B. HILL], in his remarks the other day, made some reference to past proposals to tax undistributed income. The important thing to remember in connection with these proposals is that they have always been rejected as unworkable and unsound. Now, however, a proposal more vicious in its effect than any previous proposal is favorably reported to the House. But, thank Heaven, there is already some evidence that when this radical, unsound, and economically dangerous proposal has been "rubber stamped" by the Democratic majority in this body it will receive a rather thorough overhauling in another body, and we will not be able to recognize it when it comes back. At least I hope that will be the case.

Mr. Chairman, I have reason to believe that there is not a Member of this House who does not have the highest respect for the judgment of our congressional tax expert, Mr. Parker. His opinion on tax matters is held in equally high esteem in the other body. His reputation as a tax expert is Nation-wide, and certainly his views on tax matters are entitled to the most careful and serious consideration.

Now, Mr. Parker has certain views regarding a tax on undistributed corporate income which he has expressed in the past. These views were not with respect to a proposal as radical as the present one, but with respect to less vicious forms. I do not wish to embarrass Mr. Parker by quoting his views at this time when he has worked so valiantly trying to help the majority write some kind of bill in accordance with the President's suggestions; but, of course, it must be remembered that he was not consulted at this time with respect to the policy involved in the present proposal, but was only acting under orders, just as Mr. Beaman, our able drafting expert, was doing.

In 1927 Mr. Parker made a very intensive study of our income-tax system and submitted a report to the Joint Committee on Taxation with respect to a number of matters. One section of this report touched upon the possibility of enacting a tax on undivided profits, and here are Mr. Parker's views regarding such a tax. I quote from page 54 of volume I of the Reports of the Joint Committee on Taxation:

> The most obvious objection to such a tax is the burden which it places on legitimate and proper business expansion. As a business expands not only does its plant and property increase but a larger working capital is required and it is desirable that reasonable accumulations of profits necessary for the expansion and stability of corporations should not be unduly burdened. * * * It is believed that a tax on the total accumulation of profits by corporations is not desirable, because in many cases it might cause the making of unwise distributions and prevent the accumulation of a reasonable and proper surplus.

Now, these are very real objections to a tax on undistributed income which Mr. Parker sets forth here. The gentleman from North Carolina [Mr. DOUGHTON] and the gentleman from Washington [Mr. SAMUEL B. HILL] do not seem to attach much weight to the evidence of practical businessmen who testified against the proposed plan during the hearings. The testimony of practical people seems to be obnoxious to them. Perhaps they will attach some weight to the evidence of Mr. Parker, which I have just quoted. They cannot accuse him of having any selfish interest in the matter.

Let me call your particular attention to the failure of our Democratic friends to appreciate the word used by the gentleman from New York [Mr. WADSWORTH] last week. The gentleman from New York stated that he had looked through all the addresses of the President and those in authority with him but that he failed to find the word "thrift" mentioned. I recommend a study of the word "thrift" to the Democratic majority before they try to put this blooming bill into operation.

I want now to pass to another interesting subject, namely, that of simplicity. Yesterday the gentleman from Kentucky [Mr. VINSON], who was brought forward on the Democratic side to prove that the moon is made out of green cheese, argued how simple this was, that even a man with as little brains as the gentleman from Massachusetts now addressing you could understand it if he wanted to. I thank the gentleman, but I neither want to understand it nor can I understand it. When the gentleman from Kentucky finished trying to prove how simple it was, he had succeeded in convincing the House that it was even more complicated than had been supposed.

The gentleman said that we looked through the bill trying to find an algebraic formula and were disappointed in not finding it. Our only disappointment was that the formula considered in the committee was so much plainer and simpler than the tables presented in the pending draft of the bill.

This is a bill for simplification, because that is the instruction from the President of the United States. I quote his language:

> Such a revision of our corporate taxes would effect great simplification in tax procedure, in corporate accounting, and in the understanding of the whole subject by the citizens of the Nation.

These are the words of the President with regard to this measure on which we are acting now. An understanding of the whole subject by the citizens of the Nation; even those with less brain power than I have, gaged by the gentleman from Kentucky, would be able thoroughly to understand it.

To get back, however, to this algebraic table on page 792 of the hearings, a gentleman by the name of Fernald was on the stand before the committee in an evening session.

In the course of his testimony he was interrogated by the gentleman from New York [Mr. CROWTHER], who asked permission of the Chairman to insert in the RECORD what had been stricken out in the final draft of the report of the subcommittee. That was on the 25th of March that this confidential draft was handed to the subcommittee. I do not know who prepared this table, and I do not think it makes much difference. Like Topsy, it just grew up; but when we got a final proof of the subcommittee's report, this algebraic table did not appear in it. However, the gentleman from New York [Mr. CROWTHER] inserted this table, and I want to read it, because it is so simple. It is the simplest thing I ever saw. It is as follows:

> If the percentage which the undistributed net income is of the adjusted net income is not one of the percentages of the adjusted net income shown in schedule I or II, then the rate of tax shall be proportionate, being interpolated by the straight-line method: That is, by the formula—

$$x=\left[\frac{a-b}{c-b}\times(e-d)\right]+d$$

There is the table which my good friend from Kentucky and his associates say is so simple. They say that all you have to do is to read the figures. Professor Einstein would probably say the same thing about his theory of relativity.

Mr. VINSON of Kentucky rose.

Mr. TREADWAY. I would prefer not to yield. I just want to confirm the gentleman's simplicity. That is all I am doing. If anyone thinks it is so simple, as the gentleman says, let them just glance over the tables with the interpolations that appear with them under schedules I, I–a, II, II–a, and III.

Mr. Chairman, it takes 16 pages to describe what in the present law is contained in 16 lines, which are stricken out. It is plain enough. They have substituted 16 pages for 16 lines. Of course, it is awfully simple. But I want to suggest a little matter of advice to my good friend from Kentucky. Perhaps he is correct, and I would not be sure he is, but I hope he is for the sake of the accuracy of the Democratic majority around here. My advice to that gentleman is that as soon as this bill becomes law, and he admits he understands the ramifications of this simplicity, he resign from Congress, as much as we would miss him, and hang out his shingle as a tax expert under the 1936 act. Why, clients would clog the streets, and there would be more clients come to his office than are trying to get into some of these picture shows downtown on a Sunday afternoon. My gracious, why he would waste his energies around here is not understandable to me, and knowing his good judgment, I am sure we are going to have a vacancy in the

delegation from Kentucky when he sets out the simplicity of this law for the thousands of clients who would follow around in his wake to make out their next return as covered by some of these 16 pages of simplicity or explanation worked out from an algebraic formula. It is a good while since I studied algebra. Fortunately, I shall not have much of an income tax to pay next year, anyhow. The Democrats have taken all of the prosperity out of my line of business; therefore I will not have to study up or employ the gentleman, although I do believe in view of the advertising I am giving him I might get a free income-tax report made up.

Mr. VINSON of Kentucky. I will do my best for the gentleman.

Mr. TREADWAY. I thank the gentleman. I thought it was deserving of that much consideration, anyway.

Now let us compare, for a moment, the method of computing the tax under the present law and under the pending bill. We will start with the net income of the corporation, because both measures require the same adjustments in gross income up to that point.

The existing rates of corporate tax are set forth on page 14 of the comparative print of the bill in exactly 16 lines. It is all a very simple operation. The corporation applies a flat rate of tax to its net income.

The new scheme requires 16 pages in which to set forth the complicated rate structure, including the so-called relief provisions. Sixteen pages as against 16 lines. But that is only the beginning. Instead of applying a fixed rate to its net income, here is what a corporation has to do under the proposed bill.

After determining its net income, as under existing law, it must next compute its "adjusted net income" as defined. Then it must determine its "undistributed net income", which is defined as the "adjusted net income" minus the sum of the "dividend credit" provided in section 27 and the tax. The tax is imposed upon the "adjusted net income", but the rate of tax is fixed by the percentage which the "undistributed net income" bears to the "adjusted net income." All very simple. You cannot figure the tax until you know what the "undistributed net income" is, and you cannot figure that until you know what the tax is.

The examples of how the tax works out, as set forth on page 6 of the majority's report, are very much oversimplified. Even then they are very confusing, particularly examples 2 and 3, which I shall insert at this point.

Example 2: A corporation has an adjusted net income of $100,000. It has as yet declared no dividends, but it decides that it wishes to retain $22,500 net in surplus (in undistributed net income). The percentage of undistributed net income to adjusted net income is, therefore, 22½ percent. Since the rate of 22½ percent does not appear in schedule II, it is necessary to apply the rule immediately following the table in that schedule. This rule states that if the percentage is more than 20 and less than 30 that the rate of tax will be 9, plus six-tenths of the amount by which the percentage which the undistributed net income is of the adjusted net income (22½ percent in this case) exceeds 20. Applying this rule the rate of tax will be 9 plus six-tenths of 2½, or 10.5 percent. Then the amount of the tax will be 10.5 percent of $100,000, or $10,500, and the balance of the adjusted net income ($100,000 minus $22,500 minus $10,500) or $67,000 must be paid in dividends.

Example 3: A corporation has an adjusted net income of $20,000. It has as yet declared no dividends, but it decides that it wishes to retain $2,000 net in surplus (in undistributed net income). The percentage of undistributed net income to adjusted net income is, therefore, 10 percent. In such a case the corporation computes a tax under schedule II and under schedule III and is subject to whichever tax is the lesser. The schedule II tax is readily determined from the rate table included in that schedule. The rate for an undistributed net income of 10 percent of the adjusted net income is 4 percent. Then the tax under schedule II is 4 percent of $20,000, or $800. Therefore the dividend credit is $17,200. The tax is now computed under schedule III. A tax is first computed under schedule I on the whole $20,000 of adjusted net income. With 10 percent retained the rate is 1 percent and the tax is $200. To this tax is added a tax under schedule II computed on the amount by which the adjusted net income ($20,000 in this case) exceed $10,000. This excess is $10,000 and the rate under schedule II for a 10-percent retention is 4 percent. Then this added tax is $400. The total tax under schedule III is, therefore, $200 plus $400, or $600. But the tax under schedule II alone was $800, therefore, the taxpayer will have his tax computed under schedule III since that tax is the lesser—$600 as compared with $800. The effect of taking the tax computed under schedule III is to permit the $200 tax saving to be retained as surplus free of tax.

Example no. 1 can be ignored entirely, because there will hardly ever be a case where the undistributed net income of a corporation is an exactly even percentage of the adjusted net income. However, let us consider example no. 2 for just a moment. I say it is oversimplified. In the first place, it assumes that the undistributed net income is the amount retained in reserve. That is not what the proposed statute says. According to section 13 (a) (2), the "undistributed net income" is the "adjusted net income" minus the sum of the dividends paid and the amount of tax computed under the rate schedule. The tax, however, cannot be computed under either schedule I or schedule II without resort to algebra or some other form of higher mathematics, because you must deal with two unknown quantities, namely, the amount of dividends that will be available for payment and the amount of the tax. Under example 2 it is merely an assumption to say that because $22,500 is the amount to be retained it is also equivalent to the undistributed net income. This can be easily proven. Suppose the company wanted to retain 70 percent, or $70,000, under the example given. In applying the interpolative formula under schedule II, if the amount were regarded as the undistributed net income it would result in a rate of 55 percent being applied to the net income, although no rate higher than 42½ percent is actually contemplated by the bill. A corporation with $100,000 net income could not have a higher undistributed net income than $42,500 under section 13 (a) (2). This proves that the method adopted in the example of working out the tax is erroneous, false, and misleading. It also shows why algebra must be used to get a correct answer under the definition of "undistributed net income" under section 13.

The only way the tax can be worked out according to section 13 without resorting to algebra is under schedules I–a or II–a, which are based on the amount of dividends paid rather than on the amount of reserves. However, these schedules are of little value where the corporation's dividend policy cannot be decided upon until after it has set aside the reserves it desires and has ascertained the tax that will have to be paid.

The same fallacious assumption regarding the undistributed net income is made in example no. 3. It also oversimplifies the computations. It is a case where the corporation has $20,000 net income, and therefore comes under schedule III. In example no. 3 it is assumed that the corporation wishes to retain $2,000 in surplus. The report of the majority states:

The percentage of undistributed net income to adjusted net income is, therefore, 10 percent.

This is merely an assumption, and is not worked out in accordance with schedule III, which provides as follows:

If the adjusted net income is more than $10,000 and less than $40,000, the tax shall be computed by adding:

(A) A tax computed under schedule I: For such purpose the percentage which the undistributed net income is of the adjusted net income shall be ascertained by subtracting from the adjusted net income the dividend credit and a tax determined under schedule II or II–a; and

(B) A tax upon the amount of the adjusted net income in excess of $10,000 at the rate which would be applied if the tax upon the entire adjusted net income were being computed under schedule II: For such purpose the percentage which the undistributed net income is of the adjusted net income shall be ascertained by subtracting from the adjusted net income the dividend credit and a tax determined under schedule II or II–a.

Example 3 completely ignores the definition of undistributed net income set forth in this schedule, which is applicable to all cases where the net income is between $10,000 and $40,000. Under paragraph (A) of schedule III, it will be noted that for the purpose of computing the tax under schedule I the percentage which the undistributed net income is of the adjusted net income is to be ascertained by subtracting from the adjusted net income the dividend credit and the tax determined under schedule II

or II–a. The same provision is made in paragraph (B) with respect to the calculation made under its specific terms. These computations are not made in example 3 of the majority's report, and the reason is quite obvious. To have done so would have shown up the bewildering complexities of the bill even more.

All the examples given in the majority's report are deliberately oversimplified and do not follow the specific terms of the bill. Hence they are misleading, and the application of the methods therein used will result in erroneous computations in other cases.

There has been much joking and criticism of the complexities of the present law, but apparently we have heretofore only scratched the surface. For the first time in history, we have tax rates that run into nine decimal places. Under schedule II–a, for example, if a taxpayer's dividend credit equals 87 percent of his adjusted net income, his tax is 3.71428571 percent, which he must apply to a net income, say, of $41,267.43. More than likely the ratio of dividends to net income will be something like 84.42163167, and then he will have to find the rate of tax himself by following one of the interpolative formulas. I quote the applicable formula from page 23 of the bill:

> If the dividend credit is a percentage of the adjusted net income, which is more than 71 and less than 86 (and such percentage is not shown in the foregoing table), the tax shall be a percentage of the adjusted net income equal to the sum of 4, plus one-third of the amount by which 86 exceeds the percentage which the dividend credit is of the adjusted net income.

The complex provisions of the proposed statute will cause more mistakes to be made in making out corporate tax returns than all prior acts put together. It will truly be a "trap for the unwary" and penalize the poorly advised. It will cause endless confusion and bewilderment and in the end fall of its own weight. So much, then, for "simplification."

Now, I would like to make just one or two other comments in my remaining time, which is short. If the bill had been a little more simple I would have had a lot more time to discuss it. I have a few remarks, however, I want to make in reference to some of the statements made by my other associates on the committee, particularly the chairman of the Ways and Means Committee. He started out, it will be recalled, when he opened the debate on the bill by stating that the proposed tax would provide a "more equitable system of taxation" and added that it was based upon the principle of "ability to pay."

Of course that is as ridiculous a statement as the one made by the gentleman from Kentucky [Mr. VINSON] when he spoke about simplicity. There is no equality in the bill, and the principle of ability to pay is ignored entirely. How can there be equality, when as between two corporations with identically the same income one may pay a tax as high as 42½ percent under the bill, and the other may go scot free? That is a question perhaps he can answer, but I cannot.

Where does the principle of ability to pay come in when a corporation with a $1,000,000 income, which has a large existing reserve, is allowed to escape the proposed tax entirely by distributing its earnings, while a small company with a $10,000 income must pay a tax of 29½ percent because as a matter of good business judgment it must withhold all of its earnings from its stockholders.

Or compare the large, well-financed corporation with the small corporation burdened with debt. The big company can avoid the tax entirely by paying its current earnings to stockholders, but the debt-burdened corporation, which by all standards of fairness and equity has the least tax-paying ability, is forced to contribute 22½ percent of its earnings. And yet the gentleman from North Carolina dares to get up on this floor and without cracking a smile say that this unjust and arbitrary tax is based upon the principle of ability to pay.

The gentleman from North Carolina contended in his remarks the other day that the present law discriminated against stockholders with small incomes. It seems to me I recall the President having said something about this in his message, about the present law dipping too deeply into the shares of corporate earnings going to stockholders "who need the disbursement of dividends." I wonder if either of these distinguished gentlemen have ever taken the trouble to determine just how much the proposed tax may take out of the share of the small stockholder before he receives his dividend.

Under the present law, of course, corporations are taxed from 12½ to 15 percent on their net income, but when a dividend is declared to the stockholders it is not subject to the normal income tax but only to the surtax. Under the measure proposed by the President and so earnestly sponsored by the gentleman from North Carolina, this same small stockholder may have his proportionate share of the corporation's earnings reduced by as much as 42½ percent, and his share of the remaining 57½ percent of the earnings, when later distributed in dividends, will be subject to a further tax of 4 percent in his own hands. That is what this bill does for the small stockholder. If this small stockholder has shares in a debt-burdened company, his share of the earnings may be reduced by 22½ percent plus the 4-percent normal tax when later distributed.

I want to quote another remarkable statement of the chairman of the committee. In concluding his remarks the other day he said:

> I say you cannot challenge the statement truthfully and successfully that this bill is based upon fundamental justice and that any burdens imposed by this law will be placed where they impose the least hardship.

I very emphatically challenge that statement, Mr. Chairman. There is no justice in a bill that oppresses the weak and favors the strong, which confers a benefit of tax exemption on the large and oppresses the small. I cannot see how the burdens imposed by the bill are placed where they impose the least hardship when the corporation burdened with debt is forced to pay a tax of 22½ percent or more and the corporation with adequate reserves is enabled to go tax-free. I cannot imagine what the gentleman from North Carolina is thinking about when he makes such statements as he had made concerning this unjust and unsound bill. He is simply demonstrating that he does not know anything about it, because if he did he would not make such statements. Certainly he can see these facts as I have presented them, and I defy anyone to challenge them.

The oppressive character of the rate structure of the bill is hidden in the manner the tax is applied. Where the entire net income is distributed to stockholders no tax is imposed. If that is to be the case, then it would seem that any part of the net income which was distributed should also be tax free. But it is not. Let us consider, for a moment, the rates in schedule II. If a corporation with $100,000 income retains $10,000, 10 percent of its earnings, it is taxed 4 percent on the whole $100,000, or $4,000, which is in fact 40 percent of the amount retained. Thus we see that the 4-percent rate is in fact a 40-percent rate. If this same corporation desires to retain $10,000 more, its tax will be $9,000, which means that it pays $5,000 additional to retain an additional $10,000. If it retains $30,000, its tax will be $15,000, or 50 percent of the amount reserved, and it will have paid an additional $6,000 in tax to retain an additional $10,000 of reserve. If it retains $40,000, the tax will be $25,000, and it will have paid an additional $10,000 in tax to retain an additional $10,000 in reserve, or dollar for dollar. The $25,000 tax is 62½ percent of the amount retained. In no case can the corporation retain more than $57,500, because the tax on $42,500 will consume the balance of the income. Hence it is idle to talk about a 100-percent retention. This 42½-percent tax on a $57,500 reserve is equivalent to a rate of approximately 77 percent.

It has been said that a corporation with $10,000 net income can retain up to 40 percent of its earnings without paying any more than it does at present, while a corporation with larger earnings can retain up to 30 percent without paying more tax than now. This is not true if the stockholder is

taken into consideration, because he will be subject to the 4-percent normal tax which he does not now pay.

This brings to mind another remarkable statement made by the gentleman from North Carolina which I desire to challenge. In his remarks the other day he said:

> There is no intention or desire whatever to interfere with the internal management of business enterprises. The object of this revenue measure is not to tell corporate managements what proportion they shall retain.

Now, that is a very naive statement. It is not original with the gentleman but was taken, word for word, from the statement of Commissioner Helvering before the committee, as found on page 22 of the hearings. Of course, there is no intention not to interfere with the internal management of business enterprises—not much! There is no intention to compel a corporation to distribute its earnings, yet coercive taxes are imposed to bring that result about. There is no intention of telling a corporation how much reserve it can build up, but if it has an income of more than $40,000 the most it can possibly retain is 57½ percent, because the 42½-percent tax will take the balance. There is no intention to influence a corporation's dividend policy, but if it declares out all of its earnings it is rewarded by complete tax exemption. I am surprised that intelligent gentlemen would get up here on this floor and seriously state that this bill does not interfere with corporate management.

What is a corporation going to do when it comes to deciding its dividend and reserve policies? The decision of its board of directors, which should be controlled solely by sound business judgment, will be influenced and largely determined by the tax imposed by this bill. The bill holds out a seductive inducement to improvident management and it penalizes prudent management. At the same time, by allowing well-financed corporations complete tax exemption, it will induce their smaller competitors to follow a loose fiscal policy in order to minimize their tax so as to be able to compete on equal terms. This will lead the small companies into bankruptcy and give the larger companies a monopoly.

I need hardly stress the importance and necessity of adequate reserves to business institutions and their employees. They bear the same relation to a corporation as a savings account bears to an individual. They have been called the "life insurance policies of business." The value of reserves as a stabilizing factor has been ampy demonstrated during the depression.

The earnings which wise and prudent corporations put aside in good times to carry them over hard times enabled thousands of businesses to continue which otherwise would have failed. They enabled millions of employees to be retained at their jobs who otherwise would have been without work. They enabled stockholders to receive a steady income when they needed it most. We can be thankful that the tax scheme now proposed was not in effect during the prosperous days, because it would have forced or induced business institutions to pay out their earnings and they would have had nothing left for the "rainy days" that were to come.

The contribution made by business from these reserves for recovery and relief purposes was tremendous. The Department of Commerce estimates that in the 5-year period from 1930 to 1934, inclusive, income paid out in the United States exceeded income earned by nearly $27,000,000,000, which is several times what was spent by the Federal Government in the same period.

We have heard a great deal from the present occupant of the White House about economic stability, social security, and so forth. This measure runs at cross purposes with these objectives, because by discouraging providence and thrift it will accentuate the peaks of boom times and increase the adversity of hard times. By the same token, it will make the Federal revenues more unstable.

The gentleman from North Carolina [Mr. DOUGHTON] stated that the proposed tax "provides a basis for an excellent and productive permanent revenue measure." Does he not know that one of the prime requisites of a sound tax, aside from equity and fairness in its application, is stability of revenue. The income tax is already unstable, since we only collect the tax when the taxpayer, individual or corporate, has income. This measure would make the tax revenues more unstable, since we would collect more in prosperous times and there would be less income to tax in hard times.

One of the most objectionable features of the proposed tax is that it oppresses corporations with debts, while lifting the tax load from financially strong companies. If there is any justification for making a corporation pay taxes in proportion to the amount of debts it owes, I am afraid I cannot understand it. The bill professes to tax income, but it does not do so. It taxes thrift and prudence, as I have already pointed out, and it also taxes hard luck.

The so-called relief provisions for debtor corporations are a colossal and cruel joke. Corporations with debts existing prior to March 3, 1936, are "relieved" by being permitted to pay 22½ percent, which is from 7½ to 10 percent more than the present tax rate. "R-e-l-i-e-v-e" is the proper word, not "r-e-l-i-e-f." In any event, this so-called relief is only applicable where the debt has been in existence prior to March 3, 1936.

The gentleman from Ohio [Mr. LAMNECK] pointed out that if a corporation borrowed $50,000 from a bank today and at the end of the year earned $50,000, which it used to repay the debt, the Government would collect a tax of 42½ percent, which would mean that the corporation would have to borrow another $21,250 to pay the tax. The gentleman from Tennessee [Mr. COOPER], who spoke following the gentleman from Ohio, challenged that statement of facts, but did not show wherein it was wrong. The gentleman from Ohio is absolutely right. Under the facts stated the corporation would be taxed $21,250 because it earned $50,000 and paid no dividends. The so-called relief provisions would not apply because the debt was contracted after March 3, 1936, and even if they did apply the corporation would still have to borrow $11,250 to pay the tax.

The President has asked business to take up the unemployment slack, but under this bill he penalizes business for using its earnings for expansion or rehabilitation purposes. Let a business go out and try to borrow money from a bank for that purpose. It cannot do so, especially if it is a small business without substantial financial backing. The only way small businesses can grow is by reinvesting their earnings, which they are now permitted to do after paying the regular corporation income tax of 12½ to 15 percent. This bill would tax them up to 42½ percent. Take a particular case. Here is a corporation which earns $50,000. It desires to use the earnings for plant extensions, which would enable it to employ more men. If it retains the whole $50,000, it is taxed $21,250, which means that it only has $28,750 left for that purpose.

By penalizing the growth of small concerns the bill plays directly into the hands of the large corporations and increases their stranglehold on business. It is the successor to the N. R. A. as a monopoly breeder.

Mr. Chairman, I have served on the Ways and Means Committee a good many years. I am very proud of my associates on that committee. I am only sorry for the present majority members that they have to take orders to do such ridiculous things as are contained within the pages of this bill.

I could elaborate upon these ridiculous features indefinitely, but I am conscious of the fact that no amount of facts or logic could sway the 3-to-1 Democratic majority from their subserviency in supporting this vicious and unsound legislation. In all my experience here I have never known a bill as unfair, as inequitable, as unreasonable, and as impossible of enforcement as this measure now before us, and it ought to have a unanimous vote of this House against it.

The Democratic majority dislike the appellation "rubber stamps" which has been so fittingly applied to them. They continually disclaim the fact that they are "rubber stamps." This bill furnishes them a good opportunity to prove whether or not they are capable of exercising their own minds or are simply so many sheep, blindly following their leader, even when he leads them over a precipice. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Missouri [Mr. DUNCAN].

Mr. DUNCAN. Mr. Chairman, I do not presume any Member of Congress or any committee ever supported a tax bill because they desired to do so. They are usually matters of necessity. There are always two things to be borne in mind, it seems to me, when we are considering tax legislation. One, of course, is the amount of money to be raised and the other is the source from which it shall come, a source that will do the least damage to the economic structure of the country.

In the drafting of this tax bill these have been the things that have been in the minds of the members of the committee and, I am sure, are in the minds of the Members of this House.

There is a third consideration that ought always to be considered, and that is the social effect it may have upon the country. The gentleman from Ohio mentioned this yesterday, and I think the people of this country during the past year have come to a realization that there must be some way to control, in a measure, the economic conditions that we face.

You know I have been somewhat amused by my friend from Massachusetts, who just spoke. I have a very, very high regard for him. It seemed strange to me when I picked up the paper this morning and saw in the headlines that the G. O. P. had met last night and formed a block to oppose the tax bill. I read the minority report of the committee a few days ago and it seemed to me that I, as ignorant as I may be about some things, could glean from it that the Republicans in this House were then opposed to the tax bill. You know their masters came to town yesterday, and I wonder if that had anything to do with the meeting last night. The United States Chamber of Commerce convened in the city of Washington yesterday, and strange as it may seem, the minority of this House, after having spent 3 days in attacks upon this bill on the floor of the House, had a meeting last night to form a block to oppose the legislation. I wonder if they wanted the news to go out to the country that they had convened here and had called their few members together to let the country know that they were loyal to the few people who are now supporting the minority in this House. There are not very many such supporters left, and, oh, when they convened yesterday, the first speech that was made was a bitter, vicious attack upon the President of the United States and upon his policies, and they asked the laboring people of this country to join the United States Chamber of Commerce to destroy the New Deal. My God, the only square deal that labor has ever had within my memory has been during the past 3 years or during the administration of Franklin D. Roosevelt. [Applause.]

These are the gentlemen who would have labor join them. Oh, there are still a lot of apostles of greed among these gentlemen, and I am not surprised that my friend from Massachusetts does not want to understand this bill or that he cannot understand it. You know men think in accordance with their environment in life and, fortunately, this tax bill is a tax bill of the people and it has not been written by the gentlemen who are going to pay the tax, as so many tax bills in the past have been written. They have not had much voice in it and some gentlemen have been thinking in terms of ultraconservatism ever since they came from the cradle, and they cannot understand any kind or character of legislation that is not the result of their own brain or of their own opinion or legislation that is written by the interests they serve.

This bill has been pretty well explained as to its details by those who are more familiar with it than I am.

The gentleman from Ohio stated yesterday that this measure would aid the chain stores. How have the chain stores been able to expand? It has been through their large purchasing power, using other people's money, and with the discounts and rebates they get they have been able to make large sums of money and then they have used their surpluses to expand all over the country. They are using other people's money to do it.

People who are opposing this bill today have enjoyed their business success at the cost of using other people's money and paying a small return on it.

They have been telling us that this will destroy surpluses, that it will destroy business, that it will destroy purchasing power, and increase the unemployment in the country. A gentleman sat across my desk not a month ago, a gentleman from my own State, who is at the head of one of the biggest businesses in that State, and we were discussing the general unemployment situation. It was a few days after the President of the United States had made his speech in which he had called upon the industry of this country to assume its responsibility in the elimination of unemployment. He sat across my desk and said to me that the business interests of this country are not going to attempt to assume to take over the unemployment situation or to relieve such conditions so long as Congress and this administration are interfering with their business.

This is the policy of business all over this country. So long as they can go their own way, unhampered by any legal regulations; can do as they please not only with their own money but with other people's money; and so long as they can do this they are willing to go along, but unless they can make the rules of the game, they will not play.

Mr. Chairman, I believe firmly that we are never going back to the old order of things. I do not class myself as a radical in any sense of the word, but I like to look at things as they are, and the legislator or the businessman who believes we are going back to the old order of things will be sitting at his desk with cobwebs wound about his head when Gabriel blows his horn for judgment day. We are living in a new age, and we must face it under new and completely changed economic conditions.

You know there is an old Slavic adage, "The impossibility of yesterday is the commonplace of tomorrow." Someone has stated that this bill is new. We are facing new conditions that have to be met. The gentleman from Massachusetts said he could not understand it and did not want to understand it. It seems to me, and I am going to make the prediction—I may be wrong, as the gentleman from New York [Mr. CROWTHER] said he might be—but it seems to me the principles of this bill will result in an expansion of industry, and in more employment.

We read in the papers every day that many kinds of industry are back to almost the normal conditions, or the condition they were in 1929. There is not a man or woman in the House today who knows what normalcy is under present conditions. Much of our industry has recovered, but we know that employment is lagging and that rates of pay have lagged and are not keeping pace with industrial recovery.

Business is endeavoring to recover its losses. That is human nature, but when times began to get better industry everywhere had one thought, and that was let us get back the profits that we have lost. Industry is manufacturing more commodities, selling more commodities, but it is not employing people and not paying wages in accordance with its increased business and profits.

Therefore they are getting back the profits, they are expanding the business at the expense of the men who create it.

It seems to me that a bill or a law of this kind will aid employment.

A man asked me the other day about these reserves. He said, "I have been losing several hundred dollars a week and several thousand dollars a month—I had a reserve of $100,000 and it is nearly gone."

I said, "How long did it take you to accumulate that reserve?" He said, "About 30 years"—and that is true in nearly all the businesses we have been talking about—it has taken a number of years to accumulate the reserve.

My friends, let me say this to you on the left side of the House: If the people of this country will—and I know they are going to—continue the policy of this New Deal and never go back, we will never have any more depressions in this country, because we are going to meet conditions as they are. [Applause.]

You will not need those big reserves. It has taken years and years to build them up, and they will continue to do so under the provisions of this act, but such earnings also will pay a just tax. Somebody here the other day said this bill would result in placing large sums of money in tax-exempt securities. Under the Social Securities bill which we passed last year, in the course of a few years there will be approximately $13,000,000,000 in the old-age annuity fund, and in a period of 20 years there will be $18,000,000,000 in that fund. There will not be any more Government bonds in the hands of individuals or in banks, because the Government will finance its borrowing obligations out of that old-age annuity fund, and that money now in tax-exempt securities will go into the channels of legitimate commerce and get back to paying legitimate taxes in the community in which you and I live.

This bill will place the earnings of business in the hands of the people to whom it belongs. It will increase, following the natural order of things, the demand for securities, the demand for stocks and bonds. I believe it is true that the majority of the people in this country buy industrial stocks for investment purposes, and if they know they are going to be paid the interest their money earns, is it not natural that they will buy those bonds and stocks and that there will be more demand, which will result in industrial expansion and in fairness to the people whose money has made this country what it is today?

Those who want to understand the bill can understand it. It has been given a lot of thought. Of course, gentlemen on the minority side from the very beginning were opposed to any sort of legislation. The statement was made here yesterday by some gentleman, that he opposed it because he did not know how the money it raises was going to be expended. It so happens that I am from one of the great agricultural parts of this country. This money, as you know, is being raised to carry on the agricultural program, to meet the obligation that the Government created under the old agriculture program, and whatever may have been the result, whatever may have been the constitutionality of the old agriculture program, it saved agriculture in this country from national bankruptcy. There is no question in the mind of any man or woman in this House today about that, if they will just be fair with themselves. This new program is going to come out equally well. You know that 100,000,000 acres of land in the United States have been absolutely abandoned, and are unfit for further agricultural purposes. That is an area equal to the size of the States of Illinois, Indiana, Ohio, Virginia, and North and South Carolina. The land is completely destroyed, and can never be brought back and made of any value for agricultural purposes. There is another 100,000,000 acres almost ready to be discarded for agricultural purposes. That is a destruction of the national wealth of this country. This bill will help to restore some of that. It will help to save that just on the border line. I do not think there has been a tax bill before this House to raise money which is to be used for a more worthy purpose than this.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN. Yes.

Mr. McCORMACK. My friend has referred during his remarks to the result of the leadership of the present administration. I have in my hand a copy of the New York Times of this morning showing the returns for last year and in some cases for the first quarter of this year of about 30 corporations. Twenty-five of those corporations show substantial increases. They are domestic corporations. Only four show a loss. I also call attention of the gentleman to the headline in the New York Times of this morning, "Credits Roosevelt with trade gain." This is a quotation from a speech made by Thomas J. Watson, president of the International Business Machines Co., at a dinner given by the American section of the International Chamber of Commerce, of which he is the chairman. Mr. Watson gave full credit to the Roosevelt administration for its contribution toward the complete restoration of economic recovery in the United States. [Applause.]

Mr. DUNCAN. Oh, I think the people of this country know who is responsible for economic recovery.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN. Yes.

Mr. MICHENER. The gentleman just referred to by the gentleman from Massachusetts [Mr. McCORMACK] is at the head of a committee of the International Chamber of Commerce, not the National Chamber of Commerce.

Mr. McCORMACK. I did not say that he was the head of the National Chamber of Commerce.

Mr. MICHENER. I just wanted to call attention to the fact that he thinks internationally.

Mr. McCORMACK. The gentleman does not have to call attention to anything. I said the International Chamber of Commerce.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN. Yes.

Mr. KVALE. The gentleman will also admit that while business recovery has gained about 16 percent the stock market has increased almost 50 percent.

Mr. DUNCAN. That is correct. I yield back the remainder of my time.

The CHAIRMAN. The time of the gentleman from Missouri has expired. All time has expired. The Clerk will read the bill by sections.

The Clerk read as follows:

SCHEDULE I—ADJUSTED NET INCOME OF $10,000 OR LESS BASED ON UNDISTRIBUTED NET INCOME

If the undistributed net income equals a percentage of the adjusted net income shown in column 1 of the following table, then the tax shall be the percentage of the adjusted net income shown opposite in column 2.

Column 1	Column 2	Column 1	Column 2	Column 1	Column 2
0	----	24	5.10	48	17.40
1	0.10	25	5.50	49	17.95
2	0.20	26	5.90	50	18.50
3	0.30	27	6.30	51	19.05
4	0.40	28	6.70	52	19.60
5	0.50	29	7.10	53	20.15
6	0.60	30	7.50	54	20.70
7	0.70	31	8.05	55	21.25
8	0.80	32	8.60	56	21.80
9	0.90	33	9.15	57	22.35
10	1.00	34	9.70	58	22.90
11	1.25	35	10.25	59	23.45
12	1.50	36	10.80	60	24.00
13	1.75	37	11.35	61	24.55
14	2.00	38	11.90	62	25.10
15	2.25	39	12.45	63	25.65
16	2.50	40	13.00	64	26.20
17	2.75	41	13.55	65	26.75
18	3.00	42	14.10	66	27.30
19	3.25	43	14.65	67	27.85
20	3.50	44	15.20	68	28.40
21	3.90	45	15.75	69	28.95
22	4.30	46	16.30	70	29.50
23	4.70	47	16.85		

If the undistributed net income is a percentage of the adjusted net income which is less than 10 (and such percentage is not shown in the foregoing table) the tax shall be a percentage of the adjusted net income equal to one-tenth of the percentage which the undistributed net income is of the adjusted net income.

If the undistributed net income is a percentage of the adjusted net income which is more than 10 and less than 20 (and such percentage is not shown in the foregoing table) the tax shall be a percentage of the adjusted net income equal to the sum of 1, plus one-fourth of the amount by which the percentage which the undistributed net income is of the adjusted net income exceeds 10.

If the undistributed net income is a percentage of the adjusted net income which is more than 20 and less than 30 (and such percentage is not shown in the foregoing table) the tax shall be a percentage of the adjusted net income equal to the sum of 3.5, plus four-tenths of the amount by which the percentage which the undistributed net income is of the adjusted net income exceeds 20.

If the undistributed net income is a percentage of the adjusted net income which is more than 30 (and such percentage is not shown in the foregoing table) the tax shall be a percentage of the adjusted net income equal to the sum of 7.5, plus fifty-five one-hundredths of the amount by which the percentage which the undistributed net income is of the adjusted net income exceeds 30.

Mr. CHRISTIANSON. Mr. Chairman, I move to strike out the last word. I shall not make any extended remarks on this bill, but I wish to offer a few observations. I shall vote against it—

First, because it will not even begin to raise the revenue required to balance the Budget. Deficits are approximating $4,000,000,000 a year, and the most optimistic supporters of this measure do not claim that it will yield more than one-fifth of that amount.

There is no use trying to conceal from the American people any longer that those who dance must pay the fiddler. An administration that spends twice as much as it collects must face the reality that if it does not double taxes it will go broke.

Senator LA FOLLETTE had the right idea last year; he has the right idea today—broaden the base, lower the exemptions, and increase both normal and surtax rates. Do this or cut expenditures in two. That is arithmetic, and arithmetic never lies.

Second. I shall vote against this bill because I do not wish to be a party to deceiving the American people. This measure is a fraud. It purports to hit the big corporations, but it hits the small ones. The big corporations have enormous reserves, which this bill will not touch. They can distribute all their earnings and thereby get away from paying any income tax at all. Today they pay from 12½ to 15 percent. Under this bill they will pay nothing. On the other hand, the small and weak corporations, whose reserves have been wiped out by 6 years of depression, whose plants are run down and worn out, which must reserve all their earnings to stay in business, will be required to pay at rates running as high as 42½ percent. A tax thus discriminating against the weak corporation and in favor of the strong one violates the most fundamental of all principles of taxation, that taxes should be in proportion to ability to pay.

Third. I shall vote against this bill because it will put a brake on recovery in the heavy industries. In periods of depression it is the heavy industries that suffer most and longest. The demand for consumers' goods diminishes, but the diminution, except in luxury lines, is comparatively small. Recovery in consumers' goods industries comes first. It is the heavy industries that lag. It is in the heavy industries that the most serious unemployment situation exists today. Carpenters, bricklayers, stonemasons, painters, and workers in concrete and structural steel are on the dole. Steel and cement plants, iron and copper mines, lumber and linseed-oil mills stand with smokeless chimneys because the heavy industries are stagnant. There will be no substantial recovery in the heavy industries unless and until corporations begin to replace or expand their physical plants, and there will be few corporations whose officers and directors will consent to do so if the cost is increased 42½ percent by the imposition of a 42½-percent tax on reserved earnings.

If the administration is interested in recovery in the heavy industries, its leaders in Congress should exempt from the proposed tax, earnings used for plant improvement.

Fourth. I shall vote against this bill because it will prevent liquidation of corporate debts, force many concerns into bankruptcy, and impair the value of corporate securities held by millions of American investors. The present tax is high enough on that part of a corporation's earnings that is used for the liquidation of obligations. It is sound Government policy to encourage debt retirement. There are too many corporations in this country with an overloaded capital structure. First earnings must be made to cover fixed charges; then further earnings must be made, if possible, for dividends on stock. Dividends may lapse, but interest payments must not be suspended, else the company suffers bankruptcy. Consequently the usual effort is to charge the consumer all the traffic will bear in order to keep the business going. One of the principal reasons for excessive prices is the pressure exerted by corporate debts. This bill in effect increases corporate debts to the extent that the rate on earnings reserved for debt retirement exceeds the present corporate income-tax rate.

Fifth. I shall vote against this bill because it will inevitably lead to monopoly. As I have already indicated, the big corporation, with ample reserves already created, will pay no income tax under the present measure. It does not need to take income-tax payments into consideration in fixing the prices of its products. Its weak competitor, faced with the need of building reserves, will have to charge a price high enough to absorb a tax of up to 42½ percent. A corporation without debt pays no tax. One with debt pays a tax of 22½ percent on the part of its earnings reserved for debt retirement and must charge enough to enable it to pay that tax. Modern business is highly competitive. The seller who can shave the last dollar off the price gets the order. The company that does not get orders goes out of business. The most serious result of this legislation will be to eliminate the smaller and weaker concerns and to leave a few of the big ones in undisputed possession of American business and industry.

I hold no brief for corporations and do not dispute the contention that, with Government budgets increasing, they must pay higher taxes than they do today. Therefore I shall vote for an amendment which will be offered that will increase the present corporation income tax drastically; that will, in fact, exact as much money as the bill now before us, but exact it in such a way that it will be possible for the little fellow to continue to do business alongside his big competitor.

While doing so, I shall hope that in another year saner policies will prevail in this country, and that economy will cease to be merely a word with which to catch votes and become again an expression of the dominant purpose of the Government. [Applause.]

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. CHRISTIANSON] has expired.

The Clerk read as follows:

SEC. 14. ACCUMULATED EARNINGS AND PROFITS LESS THAN ADJUSTED NET INCOME.

(a) General rule: If the accumulated earnings and profits of the corporation as of the close of the taxable year (computed without diminution by reason of the distribution during the taxable year of earnings and profits, or by reason of the taxes imposed by this title for the taxable year) are less than the adjusted net income, the tax imposed by section 13 shall, in lieu of being computed under section 13, be computed by adding:

(1) A tax of 22½ percent of the excess of the adjusted net income over such accumulated earnings and profits; and

(2) A tax upon the remainder of the adjusted net income (less the tax under paragraph (1)) computed under section 13 as if the adjusted net income were equal to the amount of such remainder so reduced.

(b) Tax not to be increased: This section shall not be applied in any case in which such application would operate to increase the tax which would be payable without its application.

Mr. SAMUEL B. HILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Committee amendment offered by Mr. SAMUEL B. HILL: On page 24, line 11, strike out "22½ percent" and insert "15 percent."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

The amendment was agreed to.

The Clerk read as follows:

SEC. 15. CONTRACTS NOT TO PAY DIVIDENDS.

(a) General rule: If under a written contract executed by the corporation prior to March 3, 1936, there is no form in which dividends equal to the adjusted net income for the taxable year may be paid during the dividend year without violating a provision of such contract expressly dealing with the payment of dividends, the tax imposed by section 13 shall, in lieu of being computed under such section, be computed by adding:

(1) A tax of 22½ percent of the excess of the adjusted net income over the amount which is not prohibited during the whole of the dividend year from being paid as dividends during the dividend year; and

(2) A tax upon the remainder of the adjusted net income (less the tax under paragraph (1)) computed under section 13 as if the adjusted net income were equal to the amount of such remainder so reduced.

(b) Tax not to be increased: This section shall not be applied in any case in which such application would operate to increase the tax which would be payable without its application.

Mr. SAMUEL B. HILL. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendments offered by Mr. SAMUEL B. HILL: Page 25, line 1, strike out "dividend" and insert "taxable"; page 25, line 8, strike out "dividend" and insert "taxable"; page 25, line 9, strike out "dividend" and insert "taxable."

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. KVALE. Will the gentleman explain the purpose of that amendment?

Mr. SAMUEL B. HILL. The purpose of the amendment is to amend the text of the bill which provides a different dividend year from the taxable year.

Mr. KVALE. Is the dividend year the calendar year and is the taxable year the fiscal year, or what is the distinction?

Mr. SAMUEL B. HILL. The taxable year is ordinarily the calendar year, but not always. Sometimes it is the fiscal year; but we put in this bill a definition of the dividend year, which begins 2½ months after the beginning of the taxable year and extends 2½ months beyond the end of the taxable year. We want to make the dividend year coincide with the taxable year, and that is all this amendment does.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Washington [Mr. SAMUEL B. HILL].

The amendments were agreed to.

The Clerk read as follows:

SEC. 27. CORPORATION CREDIT FOR DIVIDENDS PAID.

(a) Definition of "dividend year": The term "dividend year", when used in this title with reference to a corporation, means the period beginning on the 15th day of the third month after the day before the beginning of the taxable year (whether the taxable year is a period of 12 months or a shorter period) and ending on the 14th day of the third month after the close of the taxable year.

(b) Dividend credit in general: For the purposes of this title, the dividend credit shall be the amount of dividends paid during the dividend year corresponding to the taxable year.

(c) Dividend carry-over: In computing the dividend credit for any taxable year, if the dividends paid during the dividend year are less than the adjusted net income, there shall be allowed as part of the dividend credit, and in the following order:

(1) Dividends paid during the second preceding dividend year in excess of the adjusted net income for the corresponding taxable year, to the extent not needed as a dividend credit for the taxable year preceding the taxable year the tax for which is being computed; and

(2) Dividends paid during the first preceding dividend year in excess of the adjusted net income for the corresponding taxable year.

In the case of a taxable year the tax for which has been or is being computed under section 14 or 15 the term "adjusted net income" as used in this subsection means the amount subject to tax under subsection (a) (2) of such section; and in case of a taxable year the tax for which has been or is being computed under section 16 the term "adjusted net income" as used in this subsection means the amount subject to tax under subsection (b) (2) of such section. No credit shall be allowed for dividends paid by a corporation prior to the 15th day of the third month of its first taxable year under this title.

(d) Dividends in kind: If a dividend is paid in property other than money (including stock of the corporation if held by the corporation as an investment) the dividend credit with respect thereto shall be the adjusted basis of the property in the hands of the corporation at the time of the payment, or the fair market value of the property at the time of the payment, whichever is the lower.

(e) Dividends in obligations of the corporation: If a dividend is paid in obligations of the corporation, the amount of the dividend credit with respect thereto shall be the face value of the obligations, or their fair market value at the time of the payment, whichever is the lower. If the fair market value is lower than the face value, then when the obligation is redeemed by the corporation, the excess of the amount for which redeemed over the fair market value at the time of the dividend payment (to the extent not allowable as a deduction in computing net income for any taxable year) shall be treated as a dividend paid in the dividend year in which the redemption occurs.

(f) Taxable stock dividends: In case of a stock dividend or stock right which is a taxable dividend in the hands of shareholders under section 115 (f), the dividend credit with respect thereto shall be the fair market value of the stock or the stock right at the time of the payment.

(g) Distributions in liquidation: In the case of amounts distributed in liquidation the part of such distribution which is properly chargeable to the earnings or profits accumulated after February 28, 1913, shall, for the purposes of computing the dividend credit under this section, be treated as a taxable dividend paid.

(h) Preferential dividends: No dividend credit shall be allowed with respect to any distribution unless the distribution is pro rata, equal in amount, and with no preference to any share of stock as compared with other shares of the same class, and each of the shareholders of that class, who are subject to taxation under this title for the period in which the distribution is made, receives a taxable dividend as a result of the distribution.

(i) Nontaxable distributions: If any part of a distribution (including stock dividends and stock rights) is not a taxable dividend in the hands of such of the shareholders as are subject to taxation under this title for the period in which the distribution is made, no dividend credit shall be allowed with respect to such part.

(j) Intercorporate dividends: If 80 percent or more of the gross income of the corporation is derived from dividends, then the dividend credit with respect to each dividend payment shall be reduced to an amount equal to the sum of:

(1) The portion of such dividend payment paid to shareholders other than corporations;

(2) The portion of such dividend payment paid to corporations taxable under section 104, 105, 201, 204, 207, 231, 251, or 261, or to corporations exempt from taxation under section 101;

(3) The portion of such dividend payment made to a corporate shareholder owning less than 50 percent of the class of stock with respect to which the dividend is paid; and

(4) An amount of such dividend payment paid to other corporate shareholders which bears the same ratio to the total dividend payment paid to them as the part of the gross income not derived from dividends bears to the entire gross income.

Mr. SAMUEL B. HILL. Mr. Chairman, I offer committee amendments.

The Clerk read as follows:

Committee amendments offered by Mr. SAMUEL B. HILL: Page 48, strike out lines 17 to 23, inclusive; page 49, lines 1 and 2, strike out "dividend year corresponding to the"; page 49, line 5, strike out "dividend" and insert the word "taxable"; page 49, line 9, strike out "dividend" and insert the word "taxable"; page 49, line 10, strike out "the corresponding taxable" and insert the word "such"; page 49, line 15, strike out the word "dividend" and insert the word "taxable"; page 49, line 16, strike out the words "the corresponding taxable" and insert the word "such"; page 50, line 1, strike out "the 15th day of the third month of"; page 50, line 21, strike out the word "dividend" and insert the word "taxable."

Mr. SAMUEL B. HILL. Mr. Chairman, these amendments supplement the previous amendments offered and adopted in committee, making the dividend year correspond with the taxable year.

The CHAIRMAN. The question is on the committee amendments offered by the gentleman from Washington.

The committee amendments were agreed to.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not care to take any time. There have been several inquiries made with reference to this entire section—section 27. So far as I know it has not been definitely explained in the House by any member of the committee, and I think a little time might well be devoted to debating it or explaining it, particularly subsection (j), on page 51, the 80-percent provision. I should appreciate it if some member of the committee on the majority side would explain it.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes, Mr. Chairman; I yield the floor.

Mr. SAMUEL B. HILL. Mr. Chairman, subdivision (j) of section 27 of the bill refers to intercorporate dividends, refers to dividend credit for intercorporate dividends. Subdivision (j) of section 27 reads:

If 80 percent or more of the gross income of the corporation is derived from dividends, then the dividend credit with respect to each dividend payment shall be reduced to an amount equal to the sum of.

Then follows a number of subsections showing to what amount the sum is reduced.

No. 1 provides that it shall be reduced to "the portion of such dividend payment paid to shareholders other than corporations."

I take it this needs no explanation:

Subdivision 2: The portion of such dividend payment paid to corporations taxable under sections 104, 105, 201, 204, 207, 231, 251, or 261, or to corporations exempt from taxation under section 101.

Section 104 refers to banks and trust companies. Section 105 refers to corporations in receivership. Section 201 refers to life-insurance companies. Section 204 refers to insurance companies other than life. Section 207 refers to mutual insurance companies other than life. Section 251 refers to corporations within the possessions of the United States; and section 261 refers to the China Trade Act. These companies receive special treatment and dividends paid to these corporations entitle the paying corporation to full dividend credit.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. VINSON of Kentucky. The corporations enumerated by the gentleman might be classified as the 15-percent rate corporations.

Mr. SAMUEL B. HILL. They are all under the 15-percent rate. They are the ones excepted from the general plan of taxation under this bill.

Subdivision 3 reads:

> The portion of such dividend payment made to a corporate shareholder owning less than 50 percent of the class of stock with respect to which the dividend is paid.

This means that dividends paid by a corporation to a corporation stockholder holding less than 50 percent of the paying corporation stock entitles the paying corporation to full dividend credit for the amount so paid.

Subdivision 4 reads:

> An amount of such dividend payment paid to other corporate shareholders which bears the same ratio to the total dividend payment paid to them as the part of the gross income not derived from dividends bears to the entire gross income.

I think we can best illustrate this section by giving an example: Corporation A is an operating company; its stock is held by corporation B. Corporation B is a holding company. Fifty percent or more of the stock of corporation B is held by corporation C. Corporation B, for the purpose of this illustration, receives 80 percent or more of its income from dividends. The question is, What dividend credit shall corporation B have on the payment of its dividends to corporation C, which holds 50 percent or more of the stock of corporation B?

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. Yes.

Mr. VINSON of Kentucky. The fourth subdivision, as I recall it, refers to dividends paid representing income from other than dividend sources.

Mr. SAMUEL B. HILL. I think if the gentleman will allow me to complete my illustration it will be perfectly clear.

Corporation C holds 50 percent or more of the stock of corporation B. The question is, What dividend credit shall corporation B get for payments of dividends to corporation C? We will say that corporation B gets 80 percent of its dividends from corporation A, or other corporations, and 20 percent of its income from sources other than corporation dividends. This section means that the dividend credit it shall get upon payment of dividends to corporation C shall be in the proportion of 20 to 80; in other words, it gets 20 percent of its income from sources other than corporation dividends, and it is entitled to a dividend credit on this proportion of its income when it makes a dividend payment to corporation C.

Mr. TREADWAY. May I ask the gentleman one question? I think he has covered subdivision (j) very thoroughly. Now, referring to section (f), taxable stock dividends, which is, of course, entirely new, that is, the principle is entirely new in that there is a set-up there under which stock dividends can be taxed, which has not been in the previous law. I am correct in that?

Mr. VINSON of Kentucky. If the gentleman from Massachusetts will permit, under the 1934 act there was a provision that said no stock dividend should be taxed. In a very celebrated case, Eisner against Macomber, the Supreme Court held that the tax dividend involved in that case was not taxable. Out of that case grew up the idea that no stock dividend was taxable. I think it was because of that notion that the language to which I have referred, as appears in the 1934 bill, found its way there; that is, that no stock dividend should be taxed.

The proposed plan does not change the law and does not in the slightest degree strike at the decision of the Supreme Court in the case of Eisner and Macomber in respect of a stock dividend where there is no change in the proportion of ownership by the shareholder.

[Here the gavel fell.]

Mr. VINSON of Kentucky. Mr. Chairman, I move to strike out the last two words.

The case of Eisner against Macomber, as I recall, involved a corporation with $1,000,000 common stock. There was a declaration of a $500,000 stock dividend to the common-share holders. The Court held, and I think correctly, that where each shareholder got his proportionate part of the new stock there was no change in his ownership in the corporation. That, in a corporation with a million-dollar capital, the distribution of another half million to the holders of the common stock made no change in ownership. The shareholder who owned a share of stock would own one and a half shares in the increased structure, and therefore there was no change in the ownership so far as he and the corporation were concerned.

It has been evidenced throughout the years that there are innumerable stock dividends that are taxable. The issuance of stock, either common or preferred, or bonds, in payment of dividends may change the proportion of ownership among the shareholders. For instance, let us take this illustration: You issue preferred stockholders common stock to satisfy dividends declared to preferred stockholders. You have introduced additional common stock. It is in the hands of persons other than the present common-stock holders; consequently there is a change in the proportion of ownership in the common-stock holders.

The Supreme Court in one case laid down the rule that the yardstick in respect of the taxability of stock dividends was the character or kind of stock and the change in proportion of ownership. I submitted in the RECORD yesterday a statement prepared for me by Mr. Kent, Acting General Counsel of the Bureau of Internal Revenue, setting forth decisions of the Supreme Court where stock dividends were held to be nontaxable; and other cases where the Supreme Court and the Board of Tax Appeals held that stock dividends were taxable. In this connection I pointed out that in the April volume of the Columbia University Law Review a gentleman, in whom we have great faith and confidence, the Honorable Roswell Magill, wrote a very comprehensive and illuminating article on the taxability of stock dividends.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I move to strike out the last three works to ask the gentleman a question.

As I recall it, in the present law there was just one line, 115, which read "stock dividends shall not be subject to tax." That is correct?

Mr. VINSON of Kentucky. That is right.

Mr. TREADWAY. It has been stricken out in this bill, and you are substituting therefor section (f), on page 107, of which the gentleman has given a history.

Mr. VINSON of Kentucky. And further, in connection with that, there is another section which I cannot put my finger on right now.

Mr. TREADWAY. That is the one we have over here.

Mr. VINSON of Kentucky. The section to which I refer states that the only stock dividends we seek to tax are those which are taxable income within the sixteenth amendment.

Mr. TREADWAY. The language stricken out, I may say, reads as follows:

(b) Stock dividends: A stock dividend shall not be subject to tax.

That is the existing law and has been the law most of the time since the Eisner against Macomber decision. In the next tax bill after that decision that language was included.

I understand the gentleman's explanation to be that the language of the act was too broad. I do not mean too broad in the sense it is not legal, but it goes further than the Eisner against Macomber decision.

Mr. VINSON of Kentucky. That is correct.

Mr. TREADWAY. The language now substituted for the stricken language describes new stock dividends that can be taxed or what portion of stock dividends under the sixteenth amendment can in the future be taxed. Is that the right conception of the intention?

Mr. VINSON of Kentucky. Well, we take the broad position that stock dividends that are taxable income within the sixteenth amendment are subject to taxation, and if they are not such stock dividends and not any taxable income under the sixteenth amendment, they are not subject to taxes.

Mr. TREADWAY. The only comment I may add to the very excellent explanation which the gentleman has given is that, so far as I know, this subject matter was not taken up either by the committee or the subcommittee until this bill appeared in print and we voted it in bloc form. Am I right?

Mr. VINSON of Kentucky. That is correct, so far as the full committee is concerned, but I may say that the Democratic majority gave considerable thought to this language and to the purpose. So far as I know, there is no one who is objecting or could object to the policy that we have pursued.

Mr. SAMUEL B. HILL. The question is also involved in the determination of what shall constitute dividend credit.

Mr. TREADWAY. Yes; I realize that.

Mr. VINSON of Kentucky. In other words, to that extent, of course, it might be helpful to the corporate taxpayer.

Mr. TREADWAY. Therefore the language is drawn with the view of complying with conditions under which the sixteenth amendment is applicable.

Mr. VINSON of Kentucky. The gentleman states it in a nutshell.

Mr. TREADWAY. I thank the gentleman.

Mr. SAUTHOFF. Mr. Chairman——

The CHAIRMAN (Mr. MCCORMACK). For what purpose does the gentleman from Wisconsin rise?

Mr. SAUTHOFF. To submit a unanimous-consent request.

The CHAIRMAN. The gentleman will state it.

Mr. SAUTHOFF. Mr. Chairman, because of a misunderstanding I ask unanimous consent that we be allowed to return to page 42 of the bill.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to return to page 42 of the bill for the purpose of offering an amendment. Is there objection?

Mr. COOPER of Tennessee. Mr. Chairman, I regret it, exceedingly, but we shall have to object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk read as follows:

SEC. 55. PUBLICITY OF RETURNS.

(a) Returns made under this title shall be open to inspection in the same manner, to the same extent, and subject to the same provisions of law, including penalties, as returns made under title II of the Revenue Act of 1926; and all returns made under this act shall constitute public records and shall be open to public examination and inspection to such extent as shall be authorized in rules and regulations promulgated by the President.

(b) (1) All income returns filed under this title (or copies thereof, if so prescribed by regulations made under this subsection), shall be open to inspection by any official, body, or commission lawfully charged with the administration of any State tax law, if the inspection is for the purpose of such administration or for the purpose of obtaining information to be furnished to local taxing authorities as provided in paragraph (2). The inspection shall be permitted only upon written request of the Governor of such State, designating the representative of such official, body, or commission to make the inspection on behalf of such official, body, or commission. The inspection shall be made in such manner and at such times and places as shall be prescribed by regulations made by the Commissioner with the approval of the Secretary.

(2) Any information thus secured by any official, body, or commission of any State may be used only for the administration of the tax laws of such State, except that upon written request of the Governor of such State any such information may be furnished to any official, body, or commission of any political subdivision of such State lawfully charged with the administration of the tax laws of such political subdivision, but may be furnished only for the purpose of and may be used only for the administration of such tax laws. Any officer, employee, or agent of any State or political subdivision who divulges (except as authorized in this subsection, or when called upon to testify in any judicial or administrative proceeding to which the State or political subdivision, or such State or local official, body, or commission, as such, is a party) any information acquired by him through an inspection permitted him or another under this subsection shall be guilty of a misdemeanor and shall upon conviction be punished by a fine of not more than $1,000 or by imprisonment for not more than 1 year, or both.

Mr. SAUTHOFF. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Wisconsin rise?

Mr. SAUTHOFF. To submit a unanimous-consent request.

The CHAIRMAN. The gentleman will state it.

Mr. SAUTHOFF. Mr. Chairman, I now ask unanimous consent that we may return to page 42 of the bill so that I may offer a brief amendment.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to return to page 42 of the bill for the purpose of offering an amendment. Is there objection?

Mr. COOPER of Tennessee. I regret it, exceedingly, Mr. Chairman, but I shall have to object as I did a moment ago.

The CHAIRMAN. Objection is heard.

The Clerk read to the end of line 12, page 78.

Mr. BOILEAU. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and two Members present, a quorum. The Clerk will read.

The Clerk read to the end of line 8, page 93.

Mr. SAUTHOFF. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Wisconsin makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and ten Members are present, a quorum. The Clerk will read.

The Clerk read as follows:

(2) Substituted basis: The term "substituted basis" as used in this subsection means a basis determined under any provision of subsection (a) of this section or under any corresponding provision of a prior income-tax law, providing that the basis shall be determined—

(A) by reference to the basis in the hands of a transferor, donor, or grantor, or

(B) by reference to other property held at any time by the person for whom the basis is to be determined.

Whenever it appears that the basis of property in the hands of the taxpayer is a substituted basis, then the adjustments provided in paragraph (1) of this subsection shall be made after first making in respect of such substituted basis proper adjustments of a similar nature in respect of the period during which the property was held by the transferor, donor, or grantor, or during which the other property was held by the person for whom the basis is to be determined. A similar rule shall be applied in the case of a series of substituted bases.

Mr. SAUTHOFF. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. SAUTHOFF. To ask unanimous consent to return to page 42 that I may offer an amendment.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to return to page 42 so that he may offer an amendment. Is there objection?

There was no objection.

Mr. SAUTHOFF. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. SAUTHOFF: Page 42, after line 18, insert the following:

"(r) Pay-roll additions: In the case of an employer, an amount equal to 50 percent of the excess of the amount paid during the taxable year to his employees as compensation for personal services over the amount paid during the preceding taxable year to his employees as compensation for personal services. The deduction allowed by this subsection shall not apply with respect to any compensation paid at a rate in excess of $5,000 per annum or to any compensation paid to any individual less than 18 years of age and shall be in addition to the amounts allowable as a deduction on account of such expenses under subsection (a)."

Mr. SAUTHOFF. Mr. Chairman, the Committee on Ways and Means, which has had the new revenue bill of 1936 under consideration for some time, in its report sets forth the objects of the bill. The objects are:

First, to prevent avoidance of surtax by individuals through the accumulation of income by corporations.

Second, to remove serious inequities and inequalities between corporate, partnership, and individual forms of business organization.

Third, to remove the inequity as between large and small shareholders resulting from the present flat corporate rates.

With these objects I am in accord. The Progressives of Wisconsin have declared a taxation policy which adopts the basic principle that "taxation must be based upon ability to pay." We Progressives feel that various tax exemptions and tax evasions are now being accomplished through the medium of undistributed profits held by corporations and also with the well-known device of the holding company. We are also opposed to tax-exempt securities, to which I want to refer a little more fully later on. Therefore I shall vote for this tax bill, not because I believe that it will accomplish all the objectives stated in the committee report but because there is no other bill before us, and because tax measures must originate in the House and cannot originate in the Senate. Therefore, it is the only available legislation which we can support.

Is there need for additional taxes? We know that there is. The President, in his message of March 3, 1936, has clearly pointed out the necessity for additional revenue. Those of us who voted for the soldiers' bonus, the farm-aid bill, and other appropriations must now assume the responsibility of raising the money with which to pay them. This is the place where that has to be done, and I as one who voted for the bonus, farm aid, and so forth, must take the responsibility of raising the money to pay for these bills. I do not see how anyone who voted for the bonus can vote against this tax bill unless he has a better one to submit in its place. Such an alternative has not been forthcoming, and I therefore believe it will be necessary for this House to pass this tax bill. Most of us are convinced that the Senate will rewrite it.

There are some phases of the bill before us which have caused me to feel apprehensive as to the effect it will have upon unemployment, for to me unemployment is the major problem that confronts every executive and every legislator, whether State or National, in our country. If we levy too burdensome a tax upon industry, then we defeat our own ends, for industry will not have the ready capital with which to expand. Our situation at the present time as regards unemployment is practically this: There are today about 10,000,000 wage earners who are out of employment. Our responsibility is to effect some legislation that will alleviate this condition. We have attempted to do it with Government-made work, but that has not been sufficient. In March 1933, when we had the peak of unemployment, there were approximately 15,000,000 wage earners out of work, so that in 3 years the number of unemployed has been cut about one-third. Where does this unemployment exist? Let us see. The railways of the Nation, because of various changes in transportation, because of consolidation, because of inventions and modifications, have had at least 1,000,000 men without employment in that sphere of activity. In the building trades there are approximately two and one-half million unemployed. In mercantile establishments there are about 500,000 more unemployed. In mining activities less than 60 percent have useful work. Today we are employing about 80 percent of the number that were engaged in 1929. In that year there were about 9,000,000 employed in the factories of this country. Today there are only about 7,000,000 workers, and it must be remembered that about 400,000 additional employables become of age every year. These must be taken care of. Why do I refer to these matters in relation to this tax matter? It is for this reason. Because I believe we should encourage industry to take on more people, give more people jobs, put everybody to work. For that reason I believe some special inducement should be held out to industry, and I therefore offer this amendment, which is designed to grant an extra exemption from taxation to all employers who put on additional help and give more jobs to the unemployed. This will encourage the owner of a factory or a shop to spend some of the income of his establishment for the purpose of expanding and enlarging his plant, taking on additional help, giving more jobs to more people.

Of course, you and I realize that the ablest men and women in the country will be consulted as to how this tax can be avoided and various devices will be worked out in order to escape it. There will be new business structures invented to take the place of corporations where that is feasible, and, in addition, surpluses will be invested in tax-exempt securities and we will not be able to reach them. This will mean, in the end, that we may raise less taxes than we are now receiving, and in order to avoid such a contingency, I want to leave some possibility that we will benefit, instead of lose, by this tax bill. I therefore hope that every one of you will support this amendment, and thereby induce private enterprise to spend its money to create new jobs and aid in the solution of the most difficult problem we have been facing for the last 6 years.

Mr. DOUGHTON. Mr. Chairman, I rise in opposition to the amendment. While the motive of the amendment doubtless is good, yet the effect of it will be very bad. The purpose of this legislation is to bring about a more equitable system of taxation. In other words, to bring about greater equality in taxation. Under this amendment strong, wealthy, powerful corporations might be able to increase the number of their employees or the amount that each employee would be paid, while a competitor just across the street, not so favored, perhaps, struggling to hold together its organization and retain the number of employees it already has, would not be able to increase the number of its employees or to increase the pay that they would receive. The effect of this amendment would be diametrically opposed to the fundamental purposes of the bill. We have not had time to consider its full effects, but if I understand the full import of it, it would accentuate the inequalities in our taxing system rather than remove them. I trust the amendment will be voted down.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. COOPER of Tennessee. Another point that might be very serious is the effect that it would have on the revenue which we are trying to raise under this bill.

Mr. DOUGHTON. Of course. It would seriously affect the revenue, which is the primary purpose of the legislation, the secondary purpose of it being to establish equality in taxation.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. BOILEAU. So far as the revenue provision is concerned, if this amendment has the desired effect of putting more men to work and increasing the pay rolls of the country, it would seem to me it would do more good for the country and more than compensate for any loss of revenue which might occur.

Mr. DOUGHTON. It would be an unfair discrimination; it might increase employment in one corporation and reduce employment in a competing corporation.

Mr. BOILEAU. If so, any discrimination would be in favor of those corporations that actually increase their pay rolls and increase the number of people they put to work.

Mr. DOUGHTON. And they would have a lighter tax burden than their competitors who were unable to increase or enlarge their business.

Mr. BOILEAU. The competitor would likewise, to meet that competition, put more men to work.

Mr. DOUGHTON. Provided he had a market for the output of his factory and could make a profit, which this would not bring about at all.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. BOILEAU) there were—ayes 22, noes 67.

So the amendment was rejected.

The Clerk read as follows:

(2) Dividends: The amount received as dividends—

(A) from a domestic corporation other than a corporation entitled to the benefits of section 251, and other than a corporation less than 20 percent of whose gross income is shown to the satisfaction of the Commissioner to have been derived from sources within the United States, as determined under the provisions of this section, for the 3-year period ending with the close of the taxable year of such corporation preceding the declaration of such dividends (or for such part of such period as the corporation has been in existence), or

(B) from a foreign corporation engaged in trade or business within the United States or having an office or place of business therein, more than 75 percent of whose gross income for the 3-year period ending with the close of its taxable year preceding the declaration of such dividends (or for such part of such period as the corporation has been in existence) was derived from sources within the United States as determined under the provisions of this section; but only in an amount which bears the same ratio to such dividends as the gross income of the corporation for such period derived from sources within the United States bears to its gross income from all sources; but dividends from a foreign corporation shall, for the purposes of section 131 (relating to foreign tax credit), be treated as income from sources without the United States;

Mr. SAMUEL B. HILL. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. SAMUEL B. HILL: Page 122, line 17, strike out the figures "75" and insert "85."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

(d) Compensation of officers and employees: Under regulations prescribed by the Commissioner with the approval of the Secretary, every corporation subject to taxation under this title shall, in its return, submit a list of the names of all officers and employees of such corporation and the respective amounts paid to them during the taxable year of the corporation by the corporation as salary, commission, bonus, or other compensation for personal services rendered, if the aggregate amount so paid to the individual is in excess of $15,000. The Secretary of the Treasury shall submit an annual report to Congress compiled from the returns made containing the names of, and amounts paid to, each such officer and employee and the name of the paying corporation.

Mr. TREADWAY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 152, strike out all of lines 8 to 21, inclusive.

Mr. TREADWAY. Mr. Chairman, I do not care to go into any elaborate debate on the amendment. This question has been up before. It is a matter of making public the record of salaries in excess of $15,000. It seems to me it is purely a personal matter between the employee and the corporation by whom he is employed as to how much salary he receives. No benefit accrues to anyone except to satisfy curiosity seekers and others that want to make use of the information thus obtained. It certainly must be a great nuisance to the clerks to the Committee on Ways and Means to have these volumes stored there and people constantly coming and looking over those returns in the committee room. Just a few days ago I received a request to secure information in respect to salaries in a certain city in my district. The request came from the Community Welfare League, acknowledging they wanted to approach people getting salaries of $15,000 and over to have them make contributions. It seems to me the whole thing is a very silly performance and it is a form of publicity that does nobody any good and some people a great deal of harm, and simply satisfies curiosity. I hope the item will be eliminated from the law.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

The Clerk read as follows:

SEC. 502. CREDIT FOR OTHER TAXES ON INCOME.

There shall be credited against the total amount of the taxes imposed by this title an amount equivalent to the excess of—

(a) The amount of Federal income and excess-profits taxes payable by the taxpayer for the taxable year, over

(b) The amount of Federal income and excess-profits taxes which would have been payable by the taxpayer for the taxable year if his net income were decreased by the amount of net income taxable under this title.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, title III of this bill, "The tax on unjust enrichment", relates to the "windfall" tax concerning the processing taxes which were imposed under the Agricultural Adjustment Act. Naturally there has been a lot of misunderstanding by Members and by those interested as to how this tax will operate. I want to make a brief statement for those interested, so that they will understand how the provisions of this bill are going to be administered and with a complete regard to the equities of each and every individual case.

There is a maximum of $237,000,000 involved in title III of this act, out of which it is estimated there will be net revenue to the Government of $100,000,000. That shows that in the collection of this tax a broad, liberal position will be taken by the Government. Of the $237,000,000, $181,000,000 is the amount that was impounded and either has been, or will be, paid back as a result of the decisions of the Supreme Court. This amount has been collected by the processor, or by the persons who caused the tax to be impounded. The tax has been passed on, in most cases, to the consuming public, who has paid them. The balance, $56,000,000, should have been paid but was refused, in anticipation of the Supreme Court decision on the Agricultural Adjustment Act by those who collected it. It was due but not paid.

The floor-stock tax and the refund in connection therewith is a different proposition, although related to the $237,000,000. The net revenue obtained from the windfall tax must take into consideration such refunds. This refund will not inure to any processors, as none had paid any tax on any processed commodities which were in the hands of some person or firm on January 6, 1936, to whom they had sold their processed commodity. Its purpose is to refund to those with floor stocks that which they would have received if the law was terminated by proclamation of the Secretary of Agriculture, as provided in the Agricultural Adjustment Act. The floor-stock refund will inure to those who purchased from a processor and paid him the tax at the time of purchase, and who had all or a portion of the processed commodity in their possession on January 6, 1936.

When the Agricultural Adjustment Act was passed these persons were compelled to pay a flour-stock tax on what they had on hand at that time. It is only fair that they should receive a refund consideration.

It is my understanding that $98,000,000 was collected at the time when the original A. A. A. was passed and the floor-stock tax, as provided therein, was imposed. There are many small independent packers who are worried about the effect of this tax, and properly so. My purpose is to try to state the situation as it will undoubtedly present itself to them so that they may realize that they are going to be dealt with as equitably as the circumstances can possibly permit.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Chairman, I ask unanimous consent that the gentleman may have 5 additional minutes.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. McCORMACK. The committee has been very fair. The subcommittee has worked very hard. Every member of the subcommittee, both Democrat and Republican, worked diligently. They have brought out a very fine bill; as fine a bill as could be brought out under the circumstances. They have done a remarkable job and have been equally considerate with reference to the so-called windfall tax. Instead of confining the tax imposed in this bill to the processing tax which had been imposed and collected, and by levying the 80 percent as provided herein, we provide that if the business of any concern was wholly in processed commodities, even if it collected the tax but had not made a net profit, then it will pay nothing. In other words, if an owner has not received a net profit from a business which is entirely transacted in connection with processed commodities, he will pay nothing, even though he has collected the tax.

Mr. BEAM. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BEAM. By that does the gentleman mean with a processing tax in effect on pork products, if there has been a deficit in other branches, for instance, in meat, could the packer charge off his deficit on beef and correlated products?

Mr. McCORMACK. If his entire business is transacted in connection with processed commodities, and in the conduct of such business he sustained a loss, he can. If not, he can segregate the processed commodity and then if he sustained a loss in connection with that, even if he collected the tax, but in the ordinary business he sustained a loss, he will pay no tax.

Mr. BEAM. That is what I want to make sure about. If the tax is not collected on products other than pork, he can off-charge it. Is that true?

Mr. McCORMACK. If it is absorbed he will not pay any tax. Even if he collected the tax, and he sustained a loss on the processed commodities, then he will not pay any tax. If he made a profit and the profit had nothing to do with the tax itself, even if the tax was imposed, that profit will not be subject to the 80 percent.

Mr. BEAM. That is what I wanted to make sure of.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. O'CONNOR. Has any method been devised by which it can be determined whether these processing taxes were passed on or repaid?

Mr. McCORMACK. That, of course, is a matter which the books undoubtedly would show in the ordinary conduct of the business. I think that could very fairly be ascertained.

Mr. O'CONNOR. I understand in some instances it is practically impossible of any economical or accounting proof.

Mr. McCORMACK. I am satisfied that under the wording of this bill, with the intent of the committee, with the knowledge I have of what the Treasury intends to do, from my talks with Commissioner Helvering and his associates, that no businessman, big or little, affected by this tax, need have any hesitancy or fear about equitable consideration.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield for a further question?

Mr. McCORMACK. Certainly.

Mr. O'CONNOR. Is it assumed that all these taxes were passed on? Is that the basis of dealing with them?

Mr. McCORMACK. No; the basis of dealing with them is a hands-across-the-table attitude.

Mr. O'CONNOR. Will the taxpayer or the processor who paid the tax have any opportunity to prove they were passed on or paid back?

Mr. McCORMACK. Absolutely. I think there is a presumption running in favor of the tax being imposed.

Mr. SAMUEL B. HILL. If the gentleman will yield, that is the prima facie presumption; but it is subject to rebuttal.

Mr. McCORMACK. But if any owner, even if he collected the tax, can show that his business relating to the processed commodity resulted in a loss, he would not be compelled to pay the tax; and if he shows he sustained a partial loss there will be an apportionment made. In other words, there is the intent to be extremely fair to businessmen and there is no necessity for any businessman having any fear. I have in mind only one thought to convey to them, and that is this: They should come before the Treasury Department with clean hands, lay their cards on the table, and not try to hide any of the facts. If they do this, creating no suspicion with reference to their motives, they may well be assured that the operation of this bill and the provisions contained in this law with reference to the "windfall tax" will be administered equitably and with a regard to the ability of small business to pay any tax they may owe.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, the gentleman is making a very fine statement, in which the committee is greatly interested. I ask unanimous consent that he may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. McCORMACK. I have taken this time because I realized there was a lot of natural fear entertained over the operation of this section of the bill. Members representing districts in which there are processors or independent packers, big or little—and let me say here there is not one processor or independent packer located in my district—spoke to members of the committee with respect to this title of the bill. It occurred to me, therefore, that it might not be amiss to state the true situation as I understand it in order that our colleagues and those interested might know the manner in which this law is to be administered.

Also, if he made a profit in two businesses, a regular business profit on which the processing tax was not applied, and he absorbed the tax, he will pay nothing. If a part of his business is in a processed commodity and a part is not, the activity in connection with the processed commodity will be segregated, and even if he collected the tax and had a net loss in connection with the processed commodity, under the bill he will pay no tax. Even in this case if he made a profit in the ordinary course of business and absorbed the tax he will pay nothing. If he collected the tax and made a net profit less than the amount of the tax, and a part or all of the net profit is attributed to the collection of the tax, it will be apportioned, and the tax will be imposed on that part relating to the processing tax collected.

If the tax was absorbed, no tax will be paid; if in part, only on that part collected. All persons subject to payment of processing taxes will be treated fairly. All efforts will be made to view the situation confronting each manufacturer and processor equitably. All doubts as to liability will be profoundly considered. I hope, as I am confident, that ability to pay even where processing taxes in whole or in part have been collected and where collection would mean bankruptcy will also receive practical consideration.

From my talks with Treasury officials I feel confident that every honest and equitable consideration will be extended. As I stated before, my best advice to all affected by this bill is to deal with the Treasury Department with clean hands, tell the truth, lay the cards on the table, and deal with the Government in a fair and square manner. [Applause.]

It is recognized that the independent or small-business man or firm affected is faced with grave business difficulties. Take, for example, pork, the first processing tax applied; in the first instance at 50 cents per 100 pounds, later at $1 per 100 pounds, and later at $2.25 per 100 pounds. The large processors were able to stock up when the tax was 50 cents, whereas the little fellow could not. The little fellow paid the $1 tax and in most cases $2.25. This increased his production costs. The big processor who bought live hogs in large numbers, paying the 50-cent tax, had a big advantage in the competitive field. This fact is realized and appreciated.

To further illustrate:

First. Assume taxpayer is in business of hog processing and pork packing during 1935; he brought an injunction suit and paid $10,000 in processing taxes into court, which amount was subsequently refunded to him. After the refund was made he still showed a net loss of $5,000 on his business for

1935. He is not subject to any windfall tax, since the tax in no case applies unless there is net income.

Second. Assume the same facts, except that the processor shows a profit for the period on his business of $5,000. This amount will be subject to the windfall tax unless the taxpayer is able to show that the burden of the processing tax was not passed on to others. If he is able to establish that he absorbed the tax, then the $5,000 would be subject only to the ordinary income tax on business profits.

Third. Assume that taxpayer is engaged in the business of flour milling and is also a dealer in coal. During 1935 he makes a profit of $10,000 on his coal business and shows a loss of $15,000 on his flour-milling business. During this period he brought an injunction suit to restrain the processing tax on wheat and paid $10,000 in the court, which was subsequently returned to him. No tax is due under the windfall tax, without regard to any question of passing on, since the taxpayer still showed his net loss on his flour-milling business after the $10,000 was repaid to him, and there is no base to which the tax could apply. The $10,000 profit on the coal business is subject only to the ordinary income tax.

Fourth. Assume a similar case, except that the taxpayer shows a profit of $15,000 on his flour-milling business and a loss of $15,000 on his coal business. The taxpayer is subject to the windfall tax on $10,000 processing taxes refunded to him unless he is able to show that he absorbed the burden of the tax. The loss on the coal business cannot be offset against the profit on the flour-milling business.

I again urge those affected to come in with clean hands. All factors will receive proper and equitable considerations by the Treasury Department. The desire is to protect the interests of the people who have paid the tax and at the same time to give to business practical and equitable considerations. Fear should not exist among businesses affected. They have been given by the committee and will receive from the Treasury the squarest deal they are entitled to. [Applause.]

[Here the gavel fell.]

The Clerk concluded the reading of the bill.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes, he reported the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended be passed.

Mr. DOUGHTON. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. TREADWAY. Mr. Speaker, I offer a motion to recommit.

The Clerk read as follows:

Mr. TREADWAY moves to recommit the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes, to the Committee on Ways and Means.

Mr. DOUGHTON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question recurs upon the passage of the bill.

Mr. DOUGHTON. Mr. Speaker, it was understood pretty generally, I think, that there would be no vote on the passage of the bill today. Quite a number of the Members are away. This was the understanding the other day. I trust that the vote on the final passage of the bill may go over until tomorrow.

Mr. Speaker, I ask unanimous consent that the vote on the final passage of the bill may go over until tomorrow.

Mr. BANKHEAD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BANKHEAD. Is it the understanding that the vote on the passage of the bill will be the first order of business after the reading of the Journal tomorrow?

The SPEAKER. That is correct.

Mr. BANKHEAD. I thank the Speaker.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina that the vote on the final passage of the bill may go over until tomorrow?

There was no objection.

FIFTY-CENT PIECES IN COMMEMORATION OF THE ONE HUNDREDTH ANNIVERSARY OF THE INCORPORATION OF BRIDGEPORT, CONN.

Mr. MERRITT of Connecticut. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 4229) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the incorporation of Bridgeport, Conn., as a city, as amended by the committee.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in commemoration of the one hundredth anniversary of the incorporation of the city of Bridgeport, Conn., there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 10,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the Bridgeport Centennial, Inc., Bridgeport, Conn., upon payment by it of the par value of such coins, but not less than 5,000 such coins shall be issued to it at any one time, and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such Bridgeport Centennial, Inc., and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

With the following committee amendments:

Page 1, line 6, strike out "to exceed 10" and insert "less than 25."

Page 2, beginning in line 10, after the word "coins", strike out all the remainder of line 10 and all of lines 11 and 12 and "of this act", in line 13.

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FIFTY-CENT PIECES IN COMMEMORATION OF ONE HUNDREDTH ANNIVERSARY OF THE ESTABLISHMENT OF THE TERRITORIAL GOVERNMENT OF WISCONSIN

Mr. WITHROW. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3842) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the establishment of the Territorial government of Wisconsin, and to assist in the celebration of the Wisconsin Centennial during the year of 1936, as amended by the committee.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in commemoration of the one-hundredth anniversary of the establishment of the Territorial government of Wisconsin, and to further and give added meaning to the centennial celebration of said State during the year of 1936, there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 20,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design, containing some recognized emblem of the State of Wisconsin, to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the chairman of the coinage committee of the Wisconsin Centennial Celebration upon payment by him of the par value of such coins, but not less than 5,000 such coins shall be issued to him at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such committee, and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

With the following committee amendments:

Page 1, line 8, strike out "to exceed 20" and insert "less than 25."
Page 2, line 13, strike out "5" and insert "25."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FLOOD CONTROL—NOW OR LATER

Mr. WALLGREN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein copy of a national broadcast made by myself on the subject of flood control.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. WALLGREN. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address which I delivered over the radio on April 22:

Flood control—now or later—I wonder should one dare to prophesy that some day this Nation will awaken and meet the challenge of waters that are menacing life, land, and property. At this moment the Nation is again flood conscious—will it be so tomorrow? To my mind there is no evading the final outcome—flood waters will have to be controlled.

During two Congresses I have been a member of the Flood Control Committee of the House of Representatives. Scores of worthy projects have come to the attention of that group. Each of these projects is additional evidence of the need for a comprehensive national program. Each project presents its own peculiar problem and indicates that the local interests have been unable to meet the situation. Yet the magnitude and cost of an effective program balks all action—action which may have recognized as inevitable but toward which few steps have been taken. One of President Roosevelt's first moves was to appoint the National Resources Board and subsequently the Water Planning Committee to study national resources and the water problem. These boards have taken definite steps toward the coordination of the available information. The Soil Erosion Service has already done good work toward control of surface water with its continual erosion.

However, little study is needed to show how unyielding are the waters and how meagerly has the national problem been met. While flood losses reach new peaks, the fundamental problem remains unchallenged. An omnibus flood-control bill was passed by the House last year. If adopted by the Senate, this measure will be the first Nation-wide effort to control floods.

Favorable action may now be gained on this bill, because we as a Nation are again flood conscious. Instead of an academic question as to the Federal Government's part in a flood-control program, it is now a question of relief, rescue, and rehabilitation following the worst flood in our history.

This recent and greatest of our many flood catastrophes should bring a majority of the public to a realization of our needs. For the well-being of the entire Nation this realization should not be allowed to subside until a comprehensive national program is formulated and adopted. If cold statistics would arouse public opinion, arouse it as does the trail of destitution and destruction left in the wake of flood, then surely a comprehensive flood-control program would be undertaken.

Support of the people is doubly necessary as the burden of proof in flood control always rests with those seeking a solution to the problem. We, as a people, are always ready to open our pocketbooks to help those made destitute by natural disaster. Seemingly, however, we hate to give a little each year in order that control may make disaster impossible.

This reluctance is due, I think, to the fact that only in time of nationally publicized floods do we know the immense loss annually to all sections of the Nation. There is no agency which accurately and systematically collects and studies information on the continuous direct and indirect flood loss.

Only a rough estimate of the total cost of floods is known. Flood-control opponents say that catastrophe comes only once in decades. The New England floods of 1927 were supposed to have been the share of that section for many years to come. The rivers this year forgot to look at the calendar.

But catastrophes aside, let's see what floods cost us each year. The Weather Bureau tells us that the loss during the last 33 years was $1,338,106,796. Nearly a billion and a half and no one has attempted to estimate the value of the 2,400 lives lost in floods during that period. Little attempt has been made to figure the loss from soil erosion, from interrupted transportation, from the impetus given the spread of disease or from the many other sources which, though difficult to figure, cannot be ignored.

Based upon the Weather Bureau figures, the annual loss would approximate forty and a half million dollars. The water planning committee makes another guess—it says $35,000,000. Both of these estimates consider only the tangible losses. The water planning committee thinks the intangible loss would be about $35,000,000; so its guess as to the total annual loss is $70,000,000.

Now, accepting the conservative flood-loss estimates as we have them, let me ask you to consider this problem as businessmen. What would you do if your business were faced with a preventable annual loss? Suppose that new equipment would eliminate this loss. There is but one answer, you would spend the money, buy the new equipment, and eliminate the loss. If a truck is costing more in repairs than you would have to pay for a new one, you would buy a new truck.

On a larger scale the Great Northern Railway gives us an example of long-term planning for profit in circumstances very similar to those surrounding flood control. In constructing the 7-mile tunnel through the solid granite of the beautiful Cascade Mountains in Washington State the railway company was looking to the future.

On the high railway grade the tracks were endangered by snow slides. Lives and property were constantly threatened. No one could tell just when a snow slide would occur. But the railway company couldn't trust to luck hoping that slides would cause no more damage. It proceeded to pinch pennies, figure the cost, and the probable return. The probable saving was balanced against the cost. Over a period of years the savings would more than pay for the construction.

Rather than balance the budget, the railway company went into debt over a period of years. It undertook this debt, not because a new track was absolutely necessary but because it would save money and probably lives. By spending millions of dollars in the 4-year construction period, savings were made possible each year thereafter.

The good business principles which led to the construction of this tunnel should and must be applied by this Nation to flood control.

How are we going to apply these principles? The answer is—by letting prevention of flood loss return dividends on whatever is spent. It is certain that the annual flood loss can be set at a minimum of $70,000,000.

In reaching conclusions as to the economic feasibility for river and harbor projects the Corps of Engineers demand a return of at least 4 percent on the capital invested. That is—the yearly savings made possible through the original expenditure must equal at least 4 percent of the total cost.

Applying this bookkeeping to flood control and capitalizing the annual flood loss ($70,000,000 at 4 percent), we have $1,780,000,000. It would be economically feasible for this Nation to spend a billion and three-quarters on a comprehensive program which would end disastrous floods.

In addition to flood loss we have an unemployment problem which promises to be pressing for some time. A part of any money spent on a flood program might well be charged against the need for unemployment relief. This makes the suggested expenditure doubly or triply feasible.

Flood projects would save money for all sections of the country and would materially benefit the Nation. During the last 33 years floods have been no respecter of locality. The 1933 floods in the Pacific Northwest ran up a loss of better than $15,000,000. Last year the Atlantic slope drainage area reported a $16,000,000 loss. In 1927 the North Atlantic loss was close to $50,000,000, and in 1921 Texas losses approached $30,000,000.

In coming years we cannot afford to sacrifice purchasing power. The close connection between floods and purchasing power has long been recognized. Bradstreet's review of business conditions has frequently mentioned the adverse effect of floods on general business.

We have just had one illustration of the drain disaster places on each State. Recent destruction has tapped directly the

pocketbook of every section of the country. Red Cross appeals have appeared in almost every newspaper. But this is just one of the many flood catastrophes in which the Red Cross has aided. A report of that organization shows that in the past 11½ years it has spent more than twenty-one and a half million dollars to assist 228,000 families in disaster relief extended as the result of river floods in the United States.

This report further states that "at the present time the Red Cross is operating in flood relief in 13 or more States for which millions of dollars will be expended."

The Federal Government made its first donation for relief of flood-disaster sufferers in 1874, when it appropriated $90,000 for the aid of destitute along the lower Mississippi.

Today the Works Progress Administration has earmarked more than $18,000,000 for expenditure on emergency flood projects this spring.

Such conclusive figures should indicate the needs, but what steps should be taken remains the moot question.

The flood-control bill which passed the House last year provided for projects in 30 States. It would truly inaugurate a comprehensive program.

The possibilities of such a program are attested by a single headline in the New York Times of March 29. This was over a news item concerning the Vermont floods this year. I will quote that headline: "Flood in Vermont tamed by three dams." The subheadline continues, "Winooski Valley, which in 1927 had 55 deaths and heavy damage, almost untouched." The dispatch in the Times goes on to state that had the dams not been built, with relief labor, the unchecked waters "would have produced destruction quite as serious as that of 1927."

In order that projects already undertaken with relief funds, and those which may be approved by Congress, may be properly coordinated into a lasting flood-control scheme, a better accounting of water resources must be made.

To meet this need, I have drafted a bill which would create a National Flood Control Commission. This commission would be an independent agency charged with the development of water projects into comprehensive drainage and regional schemes. This would prevent haphazard development, such as we find in many sections of the country today; as in flood work one project is often dependent upon another. Where work has been started the commission would fit such plans into a comprehensive scheme and recommend further steps to increase the beneficial returns.

Where no project has been started it would investigate needs and review plans submitted by States and local interests. As I have already suggested to Congress, our flood program might parallel, in some respects, our Federal-aid highway program. In dealing with projects and plans developed by States, the Commission would make every investigation necessary to correlate such projects into the national scheme if preliminary study indicated the general worth of the plans.

Today the vital need for coordination is apparent even though the Federal Government did not spend a cent in actual construction. There is a vast amount of flood-control information in scattered files here, but it is not available for comprehensive study.

My time has expired, and in closing I state my belief that only an independent Federal agency can command the technical experience of all agencies in the Government to build a long-term flood policy which this Nation, with its technical ability, should have.

IOWA AND HER INDUSTRY

Mr. WEARIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. WEARIN. Mr. Speaker, industry cannot flourish if agriculture languishes and the producer of raw products must suffer if the manufacturer is forced to close his doors. The prosperity of individuals and units is woven closely within the warp and woof of the welfare of the masses.

What is true of the Nation is equally true of the Commonwealth of Iowa, looked upon primarily as a grainery, a producer of meat, lard, and things edible, progressing in the said methodical but steady manner so characteristic of growing things.

I have commented upon the rural aspect of the Hawkeye State, its products, and the future of its agriculture. These things are coming more and more to be bound up inseparably with labor and industry, not only in surrounding areas, but within the State's own boundary lines, especially since the territory is rapidly becoming the center of a vast, growing industrial section, surrounded by the rich markets of Chicago, St. Louis, Omaha, Minneapolis, and Denver. Within another decade Iowa will become the center of a vastly larger consuming market in America.

The principal transcontinental lines of travel fling themselves across the fertile prairie lands of the Commonwealth that nestles between the two great navigable river systems, the Mississippi and the Missouri, stretching like ribbons of muddy, molten silver to the ports along the Gulf.

The State's position near the geographic center of the United States makes it an ideal location for industries seeking a far-flung market in the North, South, and Middle West. Iowa coal is of such a quality that it can be used successfully for heat and energy; this, coupled with the possibilities for the development of hydroelectric power, would provide electricity which can well be distributed to every hamlet and farmhouse in the Commonwealth, in addition to being made available for industrial purposes about which I have commented at greater length upon other occasions. Suffice it to say here that we have only scratched the surface, and the final result will be complete rural and industrial electrification at a reasonable charge for power.

Another vital factor in Iowa's manufacturing past and future is the human element, the inherent intelligence of her workmen, their ability to adapt themselves to new conditions, to become skilled in every line of endeavor, and to take keen interest in their work. There are few labor troubles, which is a tribute to the fairness and intelligence of both workers and employers. Frequently men in the shops and the plants own their own homes and contribute extensively to their community life. A majority of them are native Iowans and because of their intelligence and training in the most literate State in the Union are able to increase production in almost any type of plant. In 1929 Iowa manufacturers employed more than 82,000 laborers, purchased materials worth $562,000,000, and turned out products valued at $908,000,000. Their value added by manufacture was $328,000,000.

Iowa ranks approximately twentieth among the States in manufacturing, which position it has held since 1921. Although long recognized as the leading farm State, it has not generally been regarded as one that exceeded 22 other States in per-capita manufacturing. Her factories stand second only to her farms as producers of wealth and, in fact, factory income is not far below farm income in the State.

It is impossible to do more than discuss a few of Iowa's major industries in this rather sketchy review of her resources. A recent innovation in the State's manufacturing circles that is worthy of note, more for the sake of its potentialities than its present state of development, is the production of commodities from agricultural wastes, inspired and publicized in large part by Prof. O. R. Sweeney, of Iowa State College, at Ames, who comments as follows:

> Great industrial developments are usually built up in regions of abundant raw-material supply. This is especially true when the raw materials are present in large quantities and are supplemented by abundant supplies of other necessary materials, such as coal and water. Conditions favorable to such a development, using agricultural wastes as raw material, are present in the State of Iowa. There are produced annually in Iowa about 15,000,000 tons of cornstalks, 3,000,000 tons of corncobs, three-fourths of a million tons of oat hulls, 9,000,000 tons of oat straw, and about one and a half million tons of other straws. These materials are considered as waste materials, since they are largely wasted or are used for purposes where they have very little value.

These materials have been found to possess tremendous possibilities as raw materials. They are composed essentially of cellulose, lignins, and pentosans. Cellulose is, of course, the fundamental raw substance for innumerable products, such as paper, lacquers, rayon, moving-picture film, and smokeless powder. In the less refined form, cellulose obtained from cornstalks and corncobs constitutes the raw material for an extended variety of synthetic building materials, such as insulating board and wallboard, ranging in hardness, strength, and density from cork to ebony.

All of the products mentioned have been produced in the laboratory, but only the last named on a commercial basis. There are many types of the product; that made from pith is lighter in weight and better than cork board as a thermal insulator. What is known as mechanical board made by pulping entire cornstalks is stronger than the pith board and practically as good as a heat insulator. The boards from cooked pulp are still stronger, but not as satisfactory when used as heat insulators. The hardest and strongest of the

series of board products is maizolith. This is made by heating cooked cornstalks to a jellylike pulp and drying to hard, hornylike mass. The material is then machined to the desired size and shape. It makes a satisfactory material for silent gears and electrical insulating parts.

I have been informed that the potential demand for insulation materials, especially board, in the United States is estimated at 10,000,000,000 square feet a year, while an estimate of the annual production of rigid and nonrigid types made prior to 1932 placed the volume at 525,000 square feet. There is a tremendous potential market in this field at home, not to mention foreign territories. If cornstalk board could absorb the difference between production and demand approximately four and three-quarter million tons would be required, which would bring to farm producers and those baling and transporting the stalks about $47,000,000 plus annually. In addition the industry would supply a market for large sums of money, labor, coal, and supplies. There is likewise a potential market for pressed board, but it is less definitely known. It will undoubtedly be large, because it has many advantages in the construction of panels for automobiles, trucks, Pullman cars, and interior trim. I dare not do more than touch lightly upon the possibilities of cornstalks, corncobs, oat hulls, and straw as a source of byproducts at this time and place lest my estimates prove entirely too low. It is known that the products contain the necessary ingredients for the manufacture of many things, however, such as tar, illuminating gas, linoleum, punk, white lead, incense, and wood-flour substitute.

Meat packing quite naturally is Iowa's largest industry. In 1932 the State ranked fourth in production, and is second only to Illinois in the output of pork products. It is the most rapidly growing enterprise in the territory, and an abundant supply of meat animals gives promise of continued expansion. As far back as 1929 the industry's production in Iowa represented 20 percent of the total in the United States, and 2.5 percent of the production of all industries in the State.

Poultry dressing and packing is likewise a growing industry in Iowa. In 1923 the total value of the product was $8,352,807. Iowa is the center of the poultry-raising area, with excellent supplies of feed and a convenient market, which indicates that the State may well become the leader in the industry. In fact, Iowa, because of livestock supplies, appears to be a logical location for continued growth in the entire packing industry. It not only has the cattle, hogs, sheep, and poultry, but is so located that the killers can operate economically. Transportation facilities, previously mentioned, are excellent, and the hauls to many large municipal areas are short. The tendency in the future will undoubtedly be toward curing and selling more products, rather than endeavoring to market large quantities of green meat.

The value of flour and grain-mill products in Iowa in 1929 was 1.3 percent of the total United States production of the industry and 1.5 percent of the total output of all Iowa industries. Iowa has an advantageous location for the establishment of mills for grinding not only her own grain products, but wheat in particular. A mill within the area can draw the product from the Northwest and Southwest territories, including the States of Kansas, Montana, Wyoming, Nebraska, Texas, Oklahoma, and the Dakotas. The product can be brought to Iowa, milled, and moved on to eastern points at the through rate from point of origin to destination. Bakers have indicated that the best bread is made from flour with the proper proportion of protein and gluten content, obtained by blending the wheat from various States. Of course, Iowa has a distinct advantage in this respect in view of the fact that her area lies directly in the pathway of east-bound freight that feeds the more populous sections of our country and is thus in a position to become an even greater processor of grain products, especially wheat.

Printing and publishing is a sizable industry in Iowa, having increased by 25 percent since 1921. In 1932 the value of its annual yearly production was approximately $36,000,000 plus. The State ranks ninth among all the States in the number of publications issued. It is fourth in the number of weekly newspapers and sixteenth in the number of monthly publications.

It is evident from these facts that Iowa has a large number of unusually fine daily and weekly newspapers and many readers thereof in every section. Their standing in comparison with publications in other parts of the country is evidenced by the many awards they have received from such groups as the National Editorial Association.

The cement industry in the Hawkeye State ranges in the neighborhood of 4.1 percent of the total United States production; clay products equal approximately 1.9 percent. In both instances the supply of materials is adequate to continue the respective industries for many years to come. Of late the market for cement has been curtailed, but will undoubtedly expand with the increase of industrial activity throughout the Nation.

Textiles constitute an important source of revenue for Iowa manufacturers. We produce about 2.1 percent of the total production in the United States of men's, youth's, and boy's clothing (except work clothing); approximately 1.4 percent of the total United States production of women's clothing; 2 percent of the total production of work clothing, with the exception of work shirts; and 3.7 percent of the total production of cloth and cloth and leather gloves. One of the most noted of American glove factories is located at Grinnell, Iowa.

Clay deposits constitute an important natural resource in the State and undoubtedly offer a promising future, not only in the field of building and ornamental brick, firebrick, and drain tile but in the production of other ceramic products. One of the largest brick and tile plants in the world is at Mason City. The industry is eighteenth in the State, with a total value of its products that runs between five and six million dollars.

Iowa plants turn out an extensive variety of products concerning many of which data is not available. About one-fifth of the State's manufacturing output naturally represents the processing of farm products, such as meat, milk, corn, and poultry. They have offered to consumers some of the finest meats, breakfast foods, corn products, soaps, flour, cheese, butter, and feeds on the American market.

The farm market has inspired the development of farm-machinery plants, with tractors, threshing machines, and gas engines very much in the lead. As far back as 1927 Iowa was second in the production of windmills and fifth in harness. The State is supreme in the manufacture of washing machines, supplying nearly one-half the national output. Even though the Commonwealth is not a timber State, it ranks high in planing-mill products—first in sashes, fourth in doors, and tenth in window and door frames.

Iowa is fifth in the production of dairymen's, poulterers', and apiarists' supplies, and maintains an important position in the field of wagon manufacture, motor-vehicle bodies and parts, gas engines, sheet-metal work, wirework, and numerous other products designed chiefly for the farm market.

Two industries deserve special attention because of their exploitation of relatively rare raw materials—gypsum and clamshells. Iowa has produced from one-eleventh to one-seventh of the Nation's gypsum products in the years since 1914, being second only to New York in output. As a center for the button industry, Iowa ranks second only to the Greater New York area, Muscantine being one of the world's leading centers of button manufacturing.

Mr. H. H. McCarty, of the University of Iowa, said very well in the Book of Iowa that—

> Never spectacular, but always important, are the industries to be found in nearly every locality designed to supply the wants of the local population. Limited by their nature to a geographically small market, their products seldom are found beyond the limits of a county, State, or perhaps a half-dozen adjoining States. Because they arise wherever one finds clusters of population, these industries rarely attract widespread attention. In Iowa, however, they contribute nearly one-third of the manufacturing income. Important among their products are printing, manufactured ice, ice cream, confectionery, bakery products, beverages, stonework, paving materials, rag rugs, tents, awnings, foundry and machine-shop products, electroplating, and railroad-shop products.

I am confident these small, local industries will grow in years to come. Every community should cooperate in an

effort to stimulate them as they serve to augment agricultural production, absorb unemployment, and take up the slack in years when farming operations are not as profitable as they should be. Certain localities are peculiarly suited to the production of unique or specialized products for which there is generally a market, sometimes limited, but often extensive if cultivated. I have in mind the fact that some territories have unusually fine clays suitable to the manufacture of pottery, reeds for the making of outdoor furniture, and so on, through a considerable field of activity. Any local initiative should be encouraged by service organizations, as it may prove to be unusually lucrative not only to the producer but to many others with whom he comes in contact.

I trust it will be remembered that it is impossible for me in a brief address to do more than touch the high spots of Iowa industrial activity. There are many enterprises now coming to the fore within the confines of the State that are bidding for prominence in the annual production of the Commonwealth. We have a promising future in the field of manufacturing as well as agriculture. Fortunately transportation facilities as far as railroads are concerned are excellent, which with the proper rate schedules will facilitate the development of the manufacturing business. Of late years it has been augmented with the rise of trucks and busses, water transportation, and airplanes. Our State is directly in the pathway of the transcontinental air lines.

There is one remaining development of tremendous importance to the industrial welfare of our Midwestern State that should be advanced, and that is the matter of power, to which I referred earlier in these remarks. Fortunately we have a comparatively ample supply of coal in several regions of the State which can be used to advantage in mine-mouth operation of electrical units and municipal plants, which procedure would probably be one of the most economical methods of using the product and at the same time would stimulate the employment of many men in that particular field. Soon after I came to Congress I began urging upon the Government a proposal for a Missouri Valley authority of a similar character to that operating so successfully in the Tennessee Valley. Since that time the distinguished Senator from Nebraska [GEORGE W. NORRIS] has offered a proposal for a Mississippi Valley Authority, which would include the Missouri and other tributaries of the Father of Waters and would obviously be a vastly greater and more commendable program than my own. If the people will demand such a project, with a view to acquiring electrical energy at a reasonable rate for manufacturing purposes and rural electrification, industrial activity in Iowa will advance by leaps and bounds. The manufacturer and his workmen as well as the producer of raw materials will find a suddenly enhanced demand for their efforts, and thus the Hawkeye State will find herself on the highway to an even greater place in the field of industrial production which can further augment her tremendous agricultural income from the rich soil of her many fertile hills and valleys.

A PROPER BASIS FOR FEDERAL INTEREST IN A COMPREHENSIVE PLAN FOR FLOOD CONTROL

Mr. WILSON of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address which I made before the Rivers and Harbors Congress on the subject of flood control.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WILSON of Louisiana. Mr. Speaker, under leave to extend my remarks in the RECORD I insert the following address by me before the National Rivers and Harbors Congress, Washington, D. C., April 27, 1936:

Mr. Chairman, ladies and gentlemen of the Congress, we have witnessed in 1935 and 1936 another wasteful and destructive series of floods. The flood problem is becoming a real menace to this country. Lives have been lost, homes have been swept away, and destruction of property by floods in recent years has amounted to an annual average of approximately $300,000,000; for the present year, $500,000,000.

Therefore I deem it important that there should be recognized and definitely established a proper basis for Federal interest in a comprehensive plan for flood control, Nation-wide in scope and character.

During the present Congress the Committee on Flood Control of the House of Representatives has reported favorably 63 bills for preliminary surveys for controlling floods on streams in all sections of our Nation, many of which have been enacted into law. We have also reported and secured the passage of Senate bills for the same purposes.

Following each disastrous flood of the present year our committee has requested immediate surveys and reports on plans for the prevention of disaster in the future.

The act creating the Committee on Flood Control provides that the reports on such surveys shall include the economic value of the project, the cost of its execution, and a disclosure as to whether or not a Federal interest is involved, and if so, the extent of such Federal interest.

These examinations and surveys and the reported results thereof are under the direction of the Secretary of War and the supervision of the Chief of Engineers.

The controlling factor for the approval and execution of the projects is the extent to which a Federal interest is involved and to which the Federal Government should participate.

There has never been any general declaration by the Congress establishing the basis for the determination of what constitutes the Federal interest and establishes a national obligation.

I am sure that the War Department and the Corps of Engineers of the Army would be glad to have such a declaration for an established policy now, and such action would meet the hearty approval of the public.

At the first session of the present Congress I introduced H. R. 8455, which provided a comprehensive plan for flood control on streams throughout the Nation and approved projects according to merit, based upon economic value and for the protection of human life and property. This bill, having received a favorable report by the Committee on Flood Control, passed the House and is now before the Senate with certain amendments and with a favorable report from the Committee on Commerce.

One of the Senate amendments sets forth a declaration of policy, admirably designed, and which, in my judgment, establishes a proper basis for Federal interest and participation in the comprehensive plan, if enacted into law, and is so important that I should read it:

"DECLARATION OF POLICY

"SECTION 1. It is hereby recognized that destructive floods upon the rivers of the United States, upsetting orderly processes and causing loss of life and property, including the erosion of lands, and impairing and obstructing navigation, highways, railroads, and other channels of commerce between the States, constitute a menace to national welfare; that it is the sense of Congress that flood control is a proper activity of the Federal Government; that investigations and improvements of rivers and other waterways for flood-control purposes are in the interest of the general welfare; that the Federal Government should improve or participate in the improvement of streams for flood-control purposes if the benefits to whomsoever they may accrue are in excess of the estimated costs, and if the lives and social security of people are otherwise adversely affected; and that the interests of the Federal Government are particularly involved in such flood-control improvements as may otherwise be impracticable of initiation or execution on account of complications of relationships between States, their political subdivisions, or local organizations.

"SEC. 2. That, hereafter, Federal investigations and improvements of rivers and other waterways for flood control and other purposes shall be under the jurisdiction of and shall be prosecuted by the War Department under the direction of the Secretary and supervision of the Chief of Engineers; and that in his reports upon examinations and surveys, the Chief of Engineers shall be guided as to flood-control measures by the principles set forth in section 1 in the determination of the Federal interests involved."

So I submit to this Congress that this bill, with the projects approved by the House and the Senate, or that may be agreed upon in conference, with the declaration of policy, gives us a starting point for the final solution of the flood-control problem.

The execution of this comprehensive plan, by reservoir construction and stream control, will coordinate with the final completion of the project now under way in the alluvial valley of the Mississippi River from Cape Girardeau to the Gulf of Mexico, and assure greater safety and security. This project for flood control in the alluvial valley was approved as a national problem and obligation of the Federal Government by the Flood Control Act of 1928.

In view of the past record of service rendered by the National Rivers and Harbors Congress, the public may feel assured of your continued efforts to make every opportunity available for protection and safety, and the conservation and beneficial use of streams and watersheds of our Nation.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. DARDEN (at the request of Mr. SMITH of Virginia), until Thursday, on account of official business attending meeting of Board of Visitors at the Naval Academy.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1435. An act conferring jurisdiction upon the United States District Court for the District of Connecticut to hear, determine, and render judgment upon the claim of Elizabeth Kurau; to the Committee on Claims.

S. 2158. An act for the relief of Franz J. Feinler; to the Committee on Military Affairs.

S. 2243. An act relating to the allocation of radio facilities; to the Committee on Interstate and Foreign Commerce.

S. 2694. An act to add certain lands to the Columbia National Forest in the State of Washington; to the Committee on the Public Lands.

S. 3053. An act conferring jurisdiction on the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboine Indians may have against the United States, and for other purposes; to the Committee on Indian Affairs.

S. 3067. An act for the relief of A. J. Watts; to the Committee on Military Affairs.

S. 3080. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of John W. Hubbard; to the Committee on Claims.

S. 3191. An act for the relief of John C. Crossman; to the Committee on Claims.

S. 3241. An act authorizing adjustment of the claims of F. L. Forbes, John L. Abbot, and the Ralph Sollitt & Sons Construction Co.; to the Committee on Claims.

S. 3296. An act to authorize certain payments to the American War Mothers, Inc.; to the Committee on the Judiciary.

S. 3301. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the heirs of James Taylor, deceased Cherokee Indian, for the value of certain lands now held by the United States, and for other purposes; to the Committee on Indian Affairs.

S. 3369. An act providing for the posthumous appointment of Ernest E. Dailey as a warrant radio electrician, United States Navy; to the Committee on Naval Affairs.

S. 3441. An act for the relief of C. T. Hird; to the Committee on Claims.

S. 3452. An act to amend an act entitled "An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes; to the Committee on Indian Affairs.

S. 3544. An act authorizing adjustment of the claim of the Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans; to the Committee on Claims.

S. 3600. An act for the relief of S. C. Eastvold; to the Committee on Claims.

S. 3607. An act for the relief of T. H. Wagner; to the Committee on Claims.

S. 3608. An act for the relief of Vinson & Pringle; to the Committee on Claims.

S. 3645. An act for the relief of Dampskib Aktieselshap Roskva; to the Committee on Claims.

S. 3652. An act for the relief of George E. Wilson; to the Committee on Claims.

S. 3762. An act to authorize the Reconstruction Finance Corporation to make loans secured by receipts on account of national-forest reserves, and for other purposes; to the Committee on Banking and Currency.

S. 3768. An act for the relief of E. W. Jermark; to the Committee on Claims.

S. 3769. An act for the relief of Marcellus E. Wright and Lee, Smith & Vandevoort, Inc.; to the Committee on Claims.

S. 3784. An act to extend the benefits of the Adams Act, the Purnell Act, and the Capper-Ketcham Act to the Territory of Alaska, and for other purposes; to the Committee on Agriculture.

S. 3805. An act to authorize the Secretary of the Interior to reserve certain lands on the public domain in Nevada for addition to the Walker River Indian Reservation; to the Committee on Public Lands.

S. 3818. An act authorizing the Secretary of the Treasury to consider, ascertain, adjust, and determine certain claims for damages resulting from the operation of vessels of the Coast Guard and Public Health Service; to the Committee on Claims.

S. 3824. An act for the relief of Maud Kelley Thomas; to the Committee on Claims.

S. 3839. An act granting a pension to Randall Krauss; to the Committee on Pensions.

S. 3843. An act to provide for the entry under bond of exhibits of arts, sciences, and industries, and products of the soil, mine, and sea, and all other exihibits for exposition purposes; to the Committee on Ways and Means.

S. 3850. An act for the relief of Mrs. Foster McLynn; to the Committee on Claims.

S. 3861. An act for the relief of the Alaska Commercial Co., of San Francisco, Calif.; to the Committee on Claims.

S. 3907. An act for the relief of the State of Nevada; to the Committee on the Judiciary.

S. 3932. An act for the relief of Ann Rakestraw; to the Committee on Claims.

S. 3956. An act for the relief of Jacob Kaiser; to the Committee on Claims.

S. 4023. An act to provide for the continuation of trading in unlisted securities upon national securities exchanges, for the registration of over-the-counter brokers and dealers, for the filing of current information and periodic reports by issuers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 4052. An act for the relief of W. D. Gann; to the Committee on Claims.

S. 4115. An act for the relief of Charles D. Birkhead; to the Committee on Military Affairs.

S. 4116. An act for the relief of Grant Anderson; to the Committee on Claims.

S. 4119. An act for the relief of Bernard F. Hickey; to the Committee on Claims.

S. 4184. An act to amend the last paragraph, as amended, of the act entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", approved February 7, 1925; to the Committee on Indian Affairs.

S. 4207. An act for the relief of Reuben M. Wright; to the Committee on Military Affairs.

S. 4228. An act to authorize a preliminary examination of the Salmon River in the State of Oregon with a view to the control of its floods; to the Committee on Flood Control.

S. 4230. An act to amend section 28 of the Enabling Act for the State of Arizona, approved June 20, 1910; to the Committee on Public Lands.

S. 4233. An act for the relief of William H. Brockman; to the Committee on Claims.

S. 4265. An act to authorize the Secretary of War to set apart as a national cemetery certain lands of the United States Military Reservation of Fort Bliss, Tex.; to the Committee on Military Affairs.

S. 4271. An act to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind.; to the Committee on Interstate and Foreign Commerce.

S. 4298. An act to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933; to the Committee on Indian Affairs.

S. 4326. An act granting the consent of Congress to the Department of Public Works of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at or near Northampton, Mass.; to the Committee on Interstate and Foreign Commerce.

S. 4353. An act to provide for the establishment of a term of the District Court of the United States for the western district of Oklahoma at Shawnee, Okla.; to the Committee on the Judiciary.

S. 4355. An act to authorize a preliminary examination of the Delaware River with a view to the control of its floods; to the Committee on Flood Control.

S. 4358. An act for the relief of Harry L. Parker; to the Committee on Claims.

S. 4359. An act for the relief of W. D. Reed; to the Committee on Claims.

S. 4360. An act for the relief of Melba Kuehl; to the Committee on Claims.

S. 4374. An act for the relief of Ruth Edna Reavis (now Horsley); to the Committee on the Public Lands.

S. 4379. An act for the relief of the Indiana Limestone Corporation; to the Committee on Claims.

S. 4391. An act authorizing certain officers and enlisted men of the United States Army to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered; to the Committee on Military Affairs.

S. 4395. An act for the relief of the State of New Jersey; to the Committee on the Judiciary.

S. 4400. An act for the relief of Barbara Jaeckel; to the Committee on Foreign Affairs.

S. 4405. An act to amend section 11 of the Federal Register Act approved July 26, 1935 (Public, No. 220, 74th Cong.); to the Committee on the Judiciary.

S. 4416. An act for the relief of Josephine Russell; to the Committee on Claims.

S. 4432. An act authorizing and directing the Secretary of War to lease land on the Fort Moultrie (S. C.) Military Reservation to the owners of certain cottages thereon; to the Committee on Military Affairs.

S. 4444. An act directing the Court of Claims to reopen certain cases and to correct the errors therein, if any, by additional judgments against the United States; to the Committee on Claims.

S. 4448. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the issuance of the charter to the city of Lynchburg, Va.; to the Committee on Coinage, Weights, and Measures.

S. 4470. An act to authorize the issuance of additional coins in commemoration of the fiftieth anniversary of Cincinnati, Ohio, as a center of music; to the Committee on Coinage, Weights, and Measures.

S. J. Res. 61. Joint resolution to repeal an act approved February 17, 1933, entitled "An act for the relief of Tampico Marine Iron Works", and to provide for the relief of William Saenger, chairman, liquidating committee of the Beaumont Export & Import Co., of Beaumont, Tex.; to the Committee on Claims.

S. J. Res. 219. Joint resolution authorizing the President of the United States to award a posthumous Congressional Medal of Honor to William Mitchell; to the Committee on Military Affairs.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 396. An act for the relief of the Virginia Engineering Co., Inc.;

H. R. 4016. An act to amend section 10 and repeal section 16 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes", approved May 29, 1934 (48 Stat. 811), and for other purposes;

H. R. 7253. An act for the relief of James Murphy Morgan and Blanche Copelan;

H. R. 7468. An act for the relief of Izelda Boisoneau; and

H. R. 9673. An act to authorize the recoinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1936.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 998. An act to carry out the findings of the Court of Claims in the case of George Lawley & Son Corporation, of Boston, Mass.; and

S. 1110. An act for the relief of A. Randolph Holladay.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 399. An act for the relief of A. F. Amory;

H. R. 1265. An act for the relief of N. N. Self;

H. R. 1363. An act for the relief of Petra M. Benavides;

H. R. 1440. An act for the relief of Arthur W. Bradshaw;

H. R. 1915. An act for the relief of Henry O. Goddard;

H. R. 196^. An act for the relief of Edgar H. Taber;

H. R. 2189. An act for the relief of Julia M. Ryder;

H. R. 2622. An act for the relief of M. Waring Harrison;

H. R. 2623. An act for the relief of J. W. Hearn, Jr.;

H. R. 2936. An act for the relief of J. H. Taylor & Son;

H. R. 3152. An act for the relief of Joseph Jochemczyk;

H. R. 3155. An act to confer jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of the Bankers Reserve Life Co. of Omaha, Nebr., and the Wisconsin National Life Insurance Co. of Oshkosh, Wis.;

H. R. 3383. An act to provide a preliminary examination of the Greenbrier River and its tributaries in the State of West Virginia, with a view to the control of its floods;

H. R. 3384. An act to provide a preliminary examination of the Cheat River and its tributaries in the State of West Virginia, with a view to the control of its floods;

H. R. 3385. An act to provide a preliminary examination of the Potomac River and its tributaries, with a view to the control of its floods;

H. R. 3513. An act for the relief of Archie P. McLane and Hans Peter Jensen;

H. R. 3573. An act for the relief of Jens H. Larsen;

H. R. 3673. An act for the relief of Bernard V. Wolfe and the Dixon Implement Co.;

H. R. 4031. An act for the relief of Stanley T. Gross;

H. R. 4277. An act for the relief of James R. Russell;

H. R. 4362. An act for the relief of Patrick J. Leahy;

H. R. 4411. An act for the relief of Mary L. Munro;

H. R. 4571. An act for the relief of William W. Bartlett;

H. R. 4638. An act for the relief of Elizabeth Halstead;

H. R. 4660. An act for the relief of Robert C. E. Hedley;

H. R. 4725. An act for the relief of Catherine Donnelly, Claire E. Donnelly, John Kufall, Mary F. Kufall, and Elizabeth A. Tucker;

H. R. 4779. An act for the relief of Capt. Chester Gracie;

H. R. 4951. An act for the relief of the Moffat Coal Co.;

H. R. 4953 An act for the relief of Doris Lipscomb;

H. R. 4965. An act for the relief of M. M. Smith;

H. R. 4999. An act for the relief of Marie Linsenmeyer;

H. R. 5491. An act for the relief of the Bethlehem Fabricators, Inc.;

H. R. 5625. An act for the relief of Sperry Gyroscope Co., Inc., of New York;

H. R. 5753. An act for the relief of Edith H. Miller;

H. R. 5827. An act for the relief of Elizabeth Wyhowski, mother and guardian of Dorothy Wyhowski;

H. R. 5874. An act for the relief of Hugh B. Curry;

H. R. 5974. An act for the relief of Thelma L. Edmunds, Mrs. J. M. Padgett, Myrtis E. Posey, Mrs. J. D. Mathis, Sr., Fannie Harrison, Annie R. Colgan, and Grace Whitlock;

H. R. 6344. An act for the relief of the estate of John A. McGloin;

H. R. 6520. An act for the relief of Preston Brooks Massey;

H. R. 6578. An act for the relief of Joseph A. Therry;

H. R. 6599. An act for the relief of Florence Helen Klein, a minor;

H. R. 6669. An act for the relief of Mrs. Earl Poynor;

H. R. 6698. An act for the relief of Mae C. Tibbett, administratrix;

H. R. 6821. An act for the relief of Alfred J. White, M. J. Banker, and Charlyn DeBlanc;

H. R. 6828. An act for the relief of George H. Smith;

H. R. 6848. An act for the relief of the First Federal Savings & Loan Association of Shawnee, Okla.;

H. R. 6999. An act for the relief of Frank Rottkamp;

H. R. 7031. An act for the relief of Georgiana Minnigerode, widow of Capt. Karl Minnigerode;

H. R. 7529. An act for the relief of Mariano Biondi;

H. R. 7861. An act for the relief of Mrs. J. A. Joullian;

H. R. 7867. An act for the relief of Adolph Micek, a minor;

H. R. 7904. An act for the relief of Grant Hospital and Dr. M. H. Streicher;

H. R. 7963. An act for the relief of J. Edwin Hemphill;

H. R. 8034. An act for the relief of Mae Pouland;

H. R. 8088. An act for the relief of Nahwista Carr Bolk;

H. R. 8094. An act for the relief of Dr. J. C. Blalock;

H. R. 8113. An act for the relief of Louis George;

H. R. 8301. An act to authorize a preliminary examination of the Marais des Cygnes River, in the State of Kansas, with a view to the control of its floods;

H. R. 8320. An act for the relief of Mrs. John H. Wilke;

H. R. 8414. An act to provide a preliminary examination of the Yakima River and its tributaries and the Walla Walla River and its tributaries in the State of Washington, with a view to the control of their floods;

H. R. 8486. An act for the relief of John A. Baker;

H. R. 8510. An act for the relief of John Hurston;

H. R. 8551. An act for the relief of J. C. Donnelly;

H. R. 8685. An act for the relief of Edwin Pickard;

H. R. 8694. An act to provide a preliminary examination of Chickasawha River and its tributaries in the State of Mississippi, with a view to the control of their floods;

H. R. 8706. An act for the relief of Frank Polansky;

H. R. 9076. An act for the relief of W. H. Dean;

H. R. 9171. An act for the relief of Myrtle T. Grooms;

H. R. 9190. An act for the relief of J. P. Moore;

H. R. 9208. An act for the relief of Foot's Transfer & Storage Co., Ltd.;

H. R. 9235. An act to provide for a preliminary examination of the Cosatot River in Sevier County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river, and the cost of such improvements, with a view to the controlling of floods;

H. R. 9236. An act to authorize a preliminary examination of the Red and Little Rivers, Ark., insofar as Red River affects Little River County, Ark., and insofar as Little River affects Little River and Sevier Counties, Ark., to determine the feasibility of leveeing Little River and the cost of such improvement, and also the estimated cost of repairing and strengthening the levee on Red River in Little River County, with a view to the controlling of floods;

H. R. 9249. An act to provide for a preliminary examination of the Little Missouri River, in Pike County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river, and the cost of such improvements, with a view to the controlling of floods;

H. R. 9250. An act to provide for a preliminary examination of the Petit Jean River, in Scott and Logan Counties, Ark., to determine the feasibility of cleaning out the channel and leveeing the river, and the cost of such improvements, with a view to the controlling of floods;

H. R. 9267. An act to provide for a preliminary examination of Big Mulberry Creek, in Crawford County, Ark., from the point where it empties into the Arkansas River up a distance of 8 miles, to determine the feasibility of cleaning out the channel and repairing the banks, and the cost of such improvement, with a view to the controlling of floods;

H. R. 9273. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Weldon Spring, Mo.;

H. R. 9380. An act for the relief of Edgar M. Barber, special disbursing agent, Paris, France, and Leo Martinuzzi, former customs clerk;

H. R. 9866. An act to extend certain provisions of the act approved June 18, 1934, commonly known as the Wheeler-Howard Act (Public Law No. 383, 73d Cong., 48 Stat. 984), to the Territory of Alaska, to provide for the designation of Indian reservations in Alaska, and for other purposes;

H. R. 9874. An act authorizing a preliminary examination of Cadron Creek, Ark., a tributary of the Arkansas River;

H. R. 10135. An act to authorize the construction of a model basin establishment, and for other purposes;

H. R. 10388. An act to aid the veteran organizations of the District of Columbia in their joint Memorial Day services at Arlington National Cemetery and other cemeteries on and preceding May 30;

H. R. 10487. An act to authorize a survey of Lowell Creek, Alaska, to determine what, if any, modification should be made in the existing project for the control of its floods;

H. R. 10521. An act for the relief of Joseph Mossew;

H. R. 10575. An act for the relief of Catharine I. Klein;

H. R. 10583. An act to authorize a preliminary examination of the San Diego River and its tributaries in the State of California, with a view to the control of its floods;

H. R. 10631. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y.;

H. R. 10985. An act to repeal Public Law No. 246 of the Seventy-second Congress;

H. R. 10991. An act for the relief of Harry Wallace;

H. R. 11042. An act authorizing a preliminary examination of the Matanuska River in the vicinity of Matanuska, Alaska;

H. R. 11043. An act to extend the times for commencing and completing the construction of a bridge across the Waccamaw River at or near Conway, S. C.;

H. R. 11073. An act granting the consent of Congress to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge across the Current River at or near Powder Mill Ford on Route No. Missouri 106, Shannon County, Mo.;

H. R. 11231. An act for the relief of Rasmus Bech;

H. R. 11402. An act authorizing the Delaware River Joint Toll Bridge Commission of the State of Pennsylvania and the State of New Jersey to construct, maintain, and operate a toll bridge across the Delaware River at a point near Delaware Water Gap;

H. R. 11476. An act to revive and reenact the act entitled "An act granting the consent of Congress to the Lamar Lumber Co. to construct, maintain, and operate a railroad bridge across West Pearl River, at or near Talisheek, La.", approved June 17, 1930;

H. R. 11478. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between St. Louis, Mo., and Stites, Ill.;

H. R. 11486. An act for the relief of Mary Hemke;

H. R. 11562. An act to renew patent no. 25909 relating to the badge of the United States Daughters of 1812;

H. R. 11573. An act to amend the act entitled "An act for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey", approved August 19, 1935;

H. R. 11613. An act to extend the times for commencing and completing the construction of a bridge across the Tennessee River between Colbert County and Lauderdale County, Ala.;

H. R. 11644. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Morgan and Wash Streets in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.;

H. R. 11685. An act to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind.;

H. R. 11729. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Natchez, Miss., and for other purposes;

H. R. 11738. An act granting the consent of Congress to the State Highway Commission of Mississippi to construct, maintain, and operate a free highway bridge across Pearl River at or near Monticello, Miss.;

H. R. 11772. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Sistersville, W. Va.;

H. R. 11793. An act to authorize a preliminary examination of various creeks in the State of California with a view to the control of their floods;

H. R. 11806. An act to authorize a preliminary examination of Passaic River, N. J., with a view to the control of its floods;

H. J. Res. 223. Joint resolution conferring upon the Court of Claims jurisdiction of the claim of the Rodman Chemical Co. against the United States;

H. J. Res. 412. Joint resolution to authorize an investigation of the means of increasing capacity of the Panama Canal for future needs of interoceanic shipping, and for other purposes; and

H. J. Res. 553. Joint resolution extending the time for the Federal Trade Commission to make an investigation and file final report with respect to agricultural income and the financial and economic condition of agricultural producers generally.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 45 minutes p. m.) the House adjourned until tomorrow, Wednesday, April 29, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

823. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 25, 1936, submitting a report, together with accompanying papers, on a preliminary examination of the shore at Gay Head, Mass., with a view to preventing erosion, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

824. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 25, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Carvers Bay, Mich., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

825. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 22, 1936, submitting a report, together with accompanying papers and illustration, on a preliminary examination and survey of Pensaukee Harbor, Wis., authorized by the River and Harbor Act approved August 30, 1935 (H. Doc. No. 478); to the Committee on Rivers and Harbors and ordered to be printed with an illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 12419. A bill to apply laws covering steam vessels to sea-going vessels of 300 gross tons and over propelled by internal-combustion engines; without amendment (Rept. No. 2505). Referred to the Committee of the Whole House on the state of the Union.

Mr. HARTER: Committee on Military Affairs. H. R. 7925. A bill to authorize the Utah Pioneer Trails and Landmarks Association to construct and maintain a monument on the Fort Douglas Military Reservation, Salt Lake City, Utah; without amendment (Rept. No. 2512). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 9073. A bill to amend section 1241 of the Revised Statutes of the United States, and to amend the acts of March 4, 1919, and July 11, 1919, to provide for the sale, after advertisement, to the highest bidder of certain military stores, etc.; with amendment (Rept. No. 2513). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLOOM: Committee on Foreign Affairs. House Joint Resolution 569. Joint resolution to authorize an appropriation for the expenses of participation by the United States in a conference at Brussels to revise the Convention for the Protection of Literary and Artistic Works concluded at Bern, September 9, 1886, and revised at Rome, June 2, 1928; without amendment (Rept. No. 2514). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 9969. A bill relative to limitation of shipowners' liability; with amendment (Rept. No. 2517). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MAAS: Committee on Naval Affairs. H. R. 1872. A bill for the relief of Roscoe McKinley Meadows; without amendment (Rept. No. 2506). Referred to the Committee of the Whole House.

Mr. McFARLANE: Committee on Naval Affairs. H. R. 5743. A bill for the relief of Robert D. Doherty; without amendment (Rept. No. 2507). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. H. R. 8278. A bill for the relief of Earl Elmer Gallatin; with amendment (Rept. No. 2508). Referred to the Committee of the Whole House.

Mr. DARDEN: Committee on Naval Affairs. H. R. 8688. A bill for the relief of Grace Schultz; with amendment (Rept. No. 2509). Referred to the Committee of the Whole House.

Mr. McFARLANE: Committee on Naval Affairs. H. R. 8884. A bill for the relief of Mrs. Ollie Myers; with amendment (Rept. No. 2510). Referred to the Committee of the Whole House.

Mr. DARDEN: Committee on Naval Affairs. H. R. 11341. A bill for the relief of Arthur L. Hecykell; without amendment (Rept. No. 2511). Referred to the Committee of the Whole House.

Mr. McREYNOLDS: Committee on Foreign Affairs. S. 3516. An act for the relief of Alice D. Hollis; without amendment (Rept. No. 2515). Referred to the Committee of the Whole House.

Mr. McREYNOLDS: Committee on Foreign Affairs. S. 4135. An act for the relief of Helen Curtis; without amendment (Rept. No. 2516). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BULWINKLE: A bill (H. R. 12489) to provide for the conveyance of certain property to the city of Gastonia, N. C.; to the Committee on Public Buildings and Grounds.

By Mr. MAY: A bill (H. R. 12490) authorizing a preliminary survey examination of the Levisa Fork of Big Sandy River in the vicinity of the Breaks of Sandy; to the Committee on Flood Control.

By Mr. AYERS: A bill (H. R. 12491) to prohibit evil practices in labor employment on Government works and work prosecuted with Federal-aid funds, and for other purposes; to the Committee on the Judiciary.

By Mr. COLDEN: A bill (H. R. 12492) to provide for the construction of a marine hospital at Los Angeles Harbor, Los Angeles, Calif.; to the Committee on Merchant Marine and Fisheries.

By Mr. FERNANDEZ: A bill (H. R. 12493) to provide for the sale of the New Orleans Army supply base at New Orleans, La., to the State of Louisiana (Board of Commissioners of the port of New Orleans, La.); to the Committee on Military Affairs.

By Mr. McLEOD: A bill (H. R. 12494) to provide for the establishment of a Coast Guard station on Lake St. Clair, Mich.; to the Committee on Merchant Marine and Fisheries.

By Mr. RANDOLPH: A bill (H. R. 12495) to amend an act entitled "An act to provide for vocational rehabilitation of disabled residents of the District of Columbia, and for other purposes" (Public, No. 801, 70th Cong.); to the Committee on the District of Columbia.

By Mr. SMITH of Virginia: A bill (H. R. 12496) to amend sections 4892 and 4893 of the Revised Statutes; to the Committee on Patents.

By Mrs. O'DAY: A bill (H. R. 12497) to authorize the Director of the Mint to prepare a medal commemorative of the continuous effort and service of Carrie Chapman Catt for the betterment of the status of women in the United States; to the Committee on Coinage, Weights, and Measures.

By Mr. KLEBERG: A bill (H. R. 12498) to correlate certain governmental functions, and for other purposes; to the Committee on Agriculture.

By Mr. WOOD: A bill (H. R. 12499) to stabilize the structural steel fabricating and erection industry; to prevent monopoly conditions and practices therein; to provide for the general welfare; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McREYNOLDS: Resolution (H. Res. 498) amending rule XXI, clause 3, of the Rules of the House of Representatives; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of Puerto Rico; to the Committee on Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOYLAN: A bill (H. R. 12500) conferring upon United States patent application serial no. 575231, filed in United States Patent Office by the United States in the name of William H. Priess, the benefit and status of the same filing date, namely, February 4, 1919, upon which Lt. William H. Priess communicated and filed the same subject matter in the patents department, bureau of aircraft production; to the Committee on Patents.

By Mr. EKWALL: A bill (H. R. 12501) for the relief of W. G. Wertz; to the Committee on Claims.

By Mrs. ROGERS of Massachusetts: A bill (H. R. 12502) for relief of David Gorfine (David Fine); to the Committee on Immigration and Naturalization.

By Mr. McCLELLAN: A bill (H. R. 12503) for the relief of Herbert Alexander Heagney; to the Committee on Military Affairs.

By Mr. PITTENGER: A bill (H. R. 12504) for the relief of the First National Bank of Cloquet, Minn.; to the Committee on Claims.

By Mr. REECE: A bill (H. R. 12505) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Sam Green; to the Committee on Claims.

By Mr. SANDERS of Texas: A bill (H. R. 12506) to confer jurisdiction upon the United States District Court for the Eastern District of Texas to determine the claim of Charlie J. Starnes; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10788. By Mr. GOODWIN: Petition of the New York Federation of Post Office Clerks, expressing opposition to all forms of discrimination against active men in the Postal Service, requesting the reinstatement of Clerk H. Edelsberg, and immediate enactment of the Pearson bill; to the Committee on the Post Office and Post Roads.

10789. Also, petition of the Detroit Federation of Post Office Clerks, Detroit, Mich., urging action on House bill 7688, to provide for the appointment and promotion of postal substitutes; to the Committee on the Post Office and Post Roads.

10790. Also, resolution of the national executive board of American Newspaper Guild, New York City, urging Congress to continue the Federal arts projects on a national basis under direct Federal control; to the Committee on Appropriations.

10791. By Mr. PFEIFER: Petition of the Eastern Meat Packers Association, Inc., New York, opposing the present windfall tax in the revenue bill; to the Committee on Ways and Means.

10792. By Mr. SUTPHIN: Petition of the Happy Club of Monmouth County, N. J., commending the Works Progress Administration and urging its continuance; to the Committee on Appropriations.

10793. By the SPEAKER: Petition of the Congregation Beth Israel, Los Angeles, Calif.; to the Committee on the Post Offices and Post Roads.

10794. Also, petition of the city of Waukegan, Ill.; to the Committee on Banking and Currency.

10795. Also, petition of the city of Knoxville, Tenn.; to the Committee on Banking and Currency.

10796. Also, petition of the city of Detroit, Mich.; to the Committee on Banking and Currency.

SENATE

WEDNESDAY, APRIL 29, 1936

(Legislative day of Friday, Apr. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, April 28, 1936, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolution:

On April 24, 1936:

S. 3258. An act to amend section 304 of the Revised Statutes, as amended;

S. 3395. An act to authorize the acquisition of the railroad tracks, trestle, and right-of-way of the Gulf Power Co. at the naval air station, Pensacola, Fla.; and

S. 3669. An act providing for the suspension of annual assessment work on mining claims held by location in the United States.

On April 25, 1936:

S. 3720. An act to authorize the Secretary of the Navy to accept on behalf of the United States the bequest of the late Henry H. Rogers, and for other purposes; and

S. J. Res. 233. Joint resolution providing for the participation of the United States in the Great Lakes Exposition to be held in the State of Ohio during the year 1936, and authorizing the President to invite the Dominion of Canada to participate therein, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 3842. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the establishment of the territorial government of Wisconsin, and to assist in the celebration of the Wisconsin Centennial during the year of 1936; and

S. 4229. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the incorporation of Bridgeport, Conn., as a city.

CALL OF THE ROLL

Mr. LEWIS. Mr. President, there seems to be the absence of a quorum, and I suggest that the roll be called.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Keyes	Radcliffe
Ashurst	Connally	King	Reynolds
Austin	Coolidge	La Follette	Robinson
Bachman	Copeland	Lewis	Russell
Bailey	Couzens	Logan	Schwellenbach
Barbour	Davis	Lonergan	Sheppard
Barkley	Dieterich	Long	Shipstead
Benson	Donahey	McAdoo	Smith
Bilbo	Duffy	McKellar	Steiwer
Black	Fletcher	McNary	Thomas, Okla.
Bone	Frazier	Maloney	Thomas, Utah
Borah	George	Metcalf	Townsend
Brown	Gerry	Minton	Tydings
Bulkley	Gibson	Moore	Vandenberg
Bulow	Glass	Murphy	Van Nuys
Burke	Guffey	Murray	Wagner
Byrd	Hale	Neely	Walsh
Byrnes	Harrison	Norris	Wheeler
Capper	Hastings	Nye	White
Caraway	Hatch	O'Mahoney	
Carey	Hayden	Overton	
Chavez	Johnson	Pittman	

Mr. LEWIS. I announce for the RECORD, so that the announcement may remain for the day, the absence of the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Nevada [Mr. MCCARRAN], the Senator from Florida [Mr. TRAMMELL], caused by illness.

I further announce that the Senator from Oklahoma [Mr. GORE], the Senator from West Virginia [Mr. HOLT], the Senator from Kansas [Mr. MCGILL], the Senator from Idaho [Mr. POPE], and the Senator from Missouri [Mr. TRUMAN] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] is necessarily absent.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

DISTRICT COURT, MIDDLE DISTRICT OF PENNSYLVANIA—POSTPONEMENT OF SPECIAL ORDER

Mr. ASHURST. Mr. President, there appears on the calendar a unanimous-consent order under which the Senate is to proceed today with the consideration of House bill 11098, known as the judges bill. I ask unanimous consent that the special order be postponed until Thursday, May 7.

The VICE PRESIDENT. Is there objection?

Mr. MCNARY. Mr. President, I probably will not object, but one postponement has already been had with respect to this matter. Can the Senator give any assurance that the Senate will go forward with the bill on May 7?

Mr. ASHURST. The observations of my able friend from Oregon are quite correct. This is not only the first postponement but the fourth of the consideration of this bill. I should say to the Senate, however, that there has been able and determined opposition to the bill, and I do not feel in the present circumstances that we ought to take the time this day to consider the bill. I have conferred with the Senators who are opposed to the measure and they have no objection to having it go over until the day named; that is, Thursday, May 7.

Mr. MCNARY. At which time the Senator expects action on the bill?

Mr. ASHURST. At that time I shall ask for final action on the measure. I think I would become ridiculous if I should ask for another postponement at that time. So I assure my able friend from Oregon that this is the last postponement.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona? The Chair hears none, and the special order is postponed until May 7.

THE WESTERN RANGE (S. DOC. NO. 199)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, transmitting, pursuant to Senate Resolution No. 289 (submitted by Mr. NORRIS, and agreed to Apr. 24, 1936), a report relative to the range problem of the western United States.

Mr. NORRIS. I move that the report be referred to the Committee on Agriculture and Forestry and that it be printed, with illustrations.

The VICE PRESIDENT. The question is on the motion of the Senator from Nebraska.

The motion was agreed to.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of Puerto Rico, which was referred to the Committee on Territories and Insular Affairs:

Concurrent resolution to request of the Congress and of His Excellency the President of the United States, the Honorable Franklin D. Roosevelt, that the organic act of Puerto Rico be amended so that the bonds issued in the name of the people of Puerto Rico for self-liquidating projects, such as the Guayama and Isabela irrigation systems, hydroelectric systems, and other similar projects, shall not be included in computing the borrowing capacity of the insular government, and for other purposes

Whereas under the provisions of the organic act in force relative to bonds issued in the name of the people of Puerto Rico for self-liquidating projects, such as the Guayama and Isabela irrigation systems, hydroelectric systems, and other similar projects, the borrowing capacity of the insular government has been greatly reduced; and

Whereas by virtue of such reduction in the said borrowing capacity of the insular government, it is not possible to issue the revenue bonds authorized by the act deferring the payment of taxes on real property for a period of 10 years, the proceeds of which, if said issue were possible, would be applied to the restoration of the amortization funds, as well as to the relief of the municipalities of Puerto Rico; and

Whereas an increase in the borrowing capacity of the insular government would make possible the aforesaid issue of bonds, as well as that of any other bonds which may be authorized in the future by the Legislature of Puerto Rico for the purpose of taking care of undeferrable public services and to give financial aid to the municipalities which are in a precarious financial condition on account of the damages inflicted on agriculture and industry and on property in general by the hurricanes that have repeatedly swept our island: Now, therefore, be it

Resolved by the House of Representatives of Puerto Rico (the Senate of Puerto Rico concurring)—

SECTION 1. To request, as it is hereby requested, His Excellency the President of the United States, the Honorable Franklin D. Roosevelt, and the Senate and the House of Representatives of the United States to enact legislation amending the organic act of Puerto Rico to the effect that the bonds issued in the name of the people of Puerto Rico for self-liquidating projects, such as the Guayama and Isabela irrigation systems, hydroelectric systems, and other similar projects, shall not be included in computing the borrowing capacity of the insular government, so that the latter may issue the revenue bonds authorized by the act of the legislature of Puerto Rico deferring the payment of taxes on real property for a period of 10 years, the proceeds whereof shall be applied to restore the amortization funds and to the relief of the municipalities, as well as any other bond issue which may be authorized by the Legislature of Puerto Rico in the future.

SEC. 2. That a certified copy of this concurrent resolution be sent to His Excellency the President of the United States, the Honorable Franklin D. Roosevelt; to the President of the Senate and to the Speaker of the House of Representatives of the United States; to the chairman of the Committee on Territories and Island Possessions of the Senate of the United States; to the chairman of the Committee on Insular Affairs of the House of Representatives of the United States; to the Secretary of the Interior, the Honorable Harold L. Ickes; and to the Resident Commissioner of Puerto Rico in Washington, the Honorable SANTIAGO IGLESIAS.

The VICE PRESIDENT also laid before the Senate resolutions adopted by the Thirty-first Annual Convention of the National Rivers and Harbors Congress in Washington, D. C., on April 27, 1936, favoring the enactment of certain legislation with reference to flood control, which was referred to the Committee on Commerce.

He also laid before the Senate resolutions adopted by the Council of the City of Toledo, Ohio, and the Council of the City of Knoxville, Tenn., favoring the enactment of the so-called Wagner-Ellenbogen low-cost housing bill, which were referred to the Committee on Education and Labor.

He also laid before the Senate a telegram from Ramon Aboy Benitez, president, Puerto Rico Sugar Producers Association, of San Juan, P. R., requesting that no action be taken on any proposal regarding final status of Puerto Rico

at the present session of Congress, which was referred to the Committee on Territories and Insular Affairs.

Mr. COPELAND presented a resolution adopted by the Montgomery County Pomona Grange, at Swart Hill, N. Y., favoring the enactment of legislation to exterminate vermin, which was referred to the Committee on Agriculture and Forestry.

He also presented memorials of sundry citizens of Woodstock, N. Y., remonstrating against any change in the administration of the Federal art projects to state and local agencies under the Works Progress Administration, which were referred to the Committee on Education and Labor.

He also presented a resolution adopted by Boro Park Branch, Against War and Fascism, of Brooklyn, N. Y., protesting against the enactment of the bill (S. 4011) to further reduce immigration, to authorize the exclusion of any alien whose entry into the United States is inimical to the public interest, to prohibit the separation of families through the entry of aliens leaving dependents abroad, and to provide for the prompt deportation of habitual criminals and all other undesirable aliens, and to provide for the registration of all aliens now in the United States or who shall hereafter be admitted, which was referred to the Committee on Immigration.

He also presented a resolution of the Townsend Clubs of the Forty-third New York Congressional District, protesting against the enactment of the bill (H. R. 11663) to require reports of receipts and disbursements of certain contributions, to require the registration of persons engaged in attempting to influence legislation, to prescribe punishments for violation of this act, and for other purposes, which was referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES

Mr. CAREY, from the Committee on Military Affairs, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 4082. A bill to authorize the presentation of a Congressional Medal of Honor to Taliesin Waters (Rept. No. 1968); and

S. 4099. A bill to authorize the award of the Congressional Medal of Honor for distinguished service to Pleas Sanders (Rept. No. 1969).

Mr. WHEELER, from the Committee on Interstate Commerce, to which was referred the bill (S. 1636) to amend the Interstate Commerce Act, as amended, and for other purposes, reported it with amendments and submitted a report (No. 1970) thereon.

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (S. 4542) authorizing the Comptroller General of the United States to settle and adjust the claim of the Merritt-Chapman and Scott Corporation, reported it with amendments and submitted a report (No. 1971) thereon.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on April 28, 1936, that committee presented to the President of the United States the following enrolled bills:

S. 753. An act to carry out the findings of the Court of Claims in the case of the Wales Island Packing Co.;

S. 998. An act to carry out the findings of the Court of Claims in the case of George Lawley & Son Corporation, of Boston, Mass.;

S. 1110. An act for the relief of A. Randolph Holladay; and

S. 4335. An act to authorize the coinage of 50-cent pieces in commemoration of the centennial celebration of Cleveland, Ohio, to be known as the Great Lakes Exposition.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

A bill (S. 4561) for the relief of Homa L. Rhoten; to the Committee on Claims.

By Mr. BYRNES:

A bill (S. 4562) to fix the work standards of railway postal clerks assigned to duty in railway post offices, and for other purposes; to the Committee on Post Offices and Post Roads.

By Mr. CONNALLY:

A bill (S. 4563) to provide for the protection of workmen on public buildings; to the Committee on Public Buildings and Grounds.

By Mr. THOMAS of Oklahoma:

A bill (S. 4564) granting an increase of pension to Mary Harvey Draper; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 4565) to authorize the sale, under provisions of the act of March 12, 1926 (Public, No. 45), of surplus War Department real property; to the Committee on Military Affairs.

By Mr. McNARY and Mr. STEIWER:

A bill (S. 4566) to authorize completion, maintenance, and operation of certain facilities for navigation on the Columbia River, and for other purposes; to the Committee on Commerce.

By Mr. MURRAY:

A bill (S. 4567) to authorize the Secretary of Agriculture to extend and renew for the term of 10 years a lease to the Chicago, Milwaukee & St. Paul Railway Co. of a tract of land in the United States Department of Agriculture Range Livestock Experiment Station, in the State of Montana, and for a right-of-way to said tract, for the removal of gravel and ballast material, executed under the authority of the act of Congress approved June 9, 1926; to the Committee on Agriculture and Forestry.

By Mr. COPELAND (by request):

A bill (S. 4568) to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia; to the Committee on the District of Columbia.

A bill (S. 4569) to authorize the award of a decoration for distinguished service to Louis E. de Forest; to the Committee on Military Affairs.

By Mr. CONNALLY:

A joint resolution (S. J. Res. 256) requesting the President to issue a proclamation designating the week between October 2, 1936, and October 10, 1936, as National Furniture Week; to the Committee on Education and Labor.

By Mr. SHEPPARD:

A joint resolution (S. J. Res. 257) authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Maximo Mariano Pruna y Hernandez, a citizen of Cuba; to the Committee on Military Affairs.

RELIEF PROGRAMS AND EXPENDITURES

Mr. BARBOUR. I submit a resolution and ask that it be read.

The clerk read the resolution (S. Res. 292), as follows:

Resolved, That the Works Progress Administrator is requested to transmit to the Senate at the earliest possible date the following information: (1) The amount of the present unexpended balance of the $4,880,000,000 appropriated for relief by the Emergency Relief Appropriation Act of 1935; (2) the sums which have been legally obligated from such unexpended balance; (3) the estimated total costs of relief programs for the fiscal year beginning July 1, 1936, for 4,000,000 relief cases on each of the following bases: (a) Direct relief only, (b) direct relief and work relief combined, (c) work relief only.

Mr. BARBOUR. Mr. President, anyone who attempts to study the administration's relief programs—past, present, and future—enters into a mystic maze so baffling that the odds are against his ever getting out. He must stumble into blind alphabetical alleys. He must follow appropriations and allotments as they zigzag through the executive departments and emergency bureaus. He must read signposts giving contradictory directions in a language as specialized and incomprehensible to the layman as that of the doctor or the astronomer.

I have tried to make some rhyme or reason out of the relief program, because I think it is important that the people of this country know how their money is being spent. I think that relief has cost us far more than is necessary. From all the information at my disposal, I am convinced that we could have cared generously for all relief cases for much less money than the administration has spent during these last 3 years.

We have seen how communities and States jettisoned their traditional principles of the "good neighbor" and of local responsibility, abandoning in many instances any attempt at aiding their own depression victims when the honey began to flow in golden streams from the Washington hive. We have seen this administration put men on humiliating and useless tasks in the self-righteous declaration that it was taking them off the "degrading dole."

We have seen politics and graft elbowing the needy away from the relief table. We have seen contradictions, duplications of effort, and changes of policy that have retarded the administration of relief and added uselessly to its costs.

Right now the ranks of unemployed are estimated to be as great as they were when this administration began. The New Deal recovery measures have not resulted in the absorption of any appreciable number of unemployed into private enterprise. Nevertheless, the administration now unburdens itself of part of the unemployment load, handing it back to the local and State agencies that it demoralized by centralizing relief in the Federal Government.

Here is the present situation: The unemployables are returned to State agencies, the transient unemployed are consigned to the tender mercies of the weather, and the employables are being continued on Federal boondoggling projects at tremendous cost to the American people.

A year ago an appropriation of $4,880,000,000 was made for relief. We no longer gasp at this Midas among appropriations. We are apt to forget that preceding that long string of ciphers there is a dollar sign. That money, together with previous obligations, we shall all be working to repay for as many years as are given us here on earth, and we shall pass the burden on to our children.

What happened to that giant sum? Was it all used to provide immediate relief to the unemployed? Is it all gone?

I have tried very hard to find the answers to these questions. I have searched the voluminous reports of the various relief administrations. I have made inquiries of them. I have found only a confused picture, very much in need of clarification.

In the Works Program report, dated March 16, 1936, there are some clues. On page 107 there is a table showing the status of funds under the $4,880,000,000 appropriation as of December 31, 1935.

On that date the President had "allocated" $4,244,804,049. Of this sum, $3,753,583,981.85 had been "allotted." Of this figure, $2,340,856,000.84 had been "obligated." The sum of $1,672,394,306.18 had been actually paid out.

These figures tell a very important story. They reveal that when the current fiscal year was half over the relief administration had actually spent only one-third of its appropriation. They reveal that, on that basis of expenditure, about two-thirds of the relief appropriation will have been used at the end of the fiscal year. If this is so, something like one billion and a half will then remain for next year's relief.

That this is likely to be the case is borne out when we remember that the President has asked for an additional billion and a half to be appropriated by the present Congress. That sum, added to the similar amount remaining from last year's appropriation, totals $3,000,000,000, which is, roughly, the amount apparently being spent for relief during the current fiscal year.

We have all heard of the man who hit himself on the head with a hammer because it felt so good when he stopped. [Laughter.] We have a parallel case in an administration which, estimating that it would need about $6,000,000,000 for 2 years of relief, appropriated $4,880,000,000 the first year and then tapered off to the less frightening sum of $1,500,000,000 the second year. When we realize that the first was a nonelection year and that the second contains a Presidential and congressional election, we can form an estimate of the political sagacity of those in command of the New Deal.

Most of this is, I admit, pure deduction. In my preface I said that it is impossible to secure an accurate picture of the relief situation. By the adoption of the resolution which I have today submitted I hope we may secure information as to the amount of the present unexpended balance of the $4,880,000,000 relief appropriation and also the amount thereof legally obligated.

That information is important enough in itself as a measure of how much we should appropriate for next year's relief program, but it becomes of supreme importance when we realize that there is a possibility that we need not appropriate one single additional penny and still maintain adequate relief for next year's unemployed.

Viewed in another way, it is important if we can save for the Federal Treasury a billion and a half dollars and so bring the current Budget nearer to a balance.

The same confusion in the relief picture makes it impossible to estimate accurately relief costs. However, I have seen unofficial estimates showing that relief costs could be reduced for the fiscal year beginning in July so that expenditures would be from $840,000,000 to $1,811,200,000, depending on the number of cases involved and the type of relief offered.

To care for a possible 4,000,000 cases—that is, persons and families—would require an estimated annual total expenditure of $1,448,960,000 through emergency work relief; or $1,365,600,000 through emergency work relief and direct home relief combined; or $960,000,000 through direct home relief only.

I have no way of knowing whether these figures are reasonable, but I submit that they are well worth investigating. If they turn out to be approximately correct, and if there remain a billion dollars and more from last year's relief appropriation, then we shall need to appropriate no more this year for relief.

The need of reorganizing relief on more efficient and economical lines is becoming recognized everywhere. I have a statement of the American Association of Social Workers which says, in part:

> The Federal Government's present program, while offering the opportunity of work for a large proportion of those in need, in effect abandons the remaining families and persons to a precarious and deplorable existence dependent upon inadequate and often nonexistent local resources.
>
> The public fails to comprehend that despite the enormous sums available the recent change in the Federal program has increased rather than lessened the misery and deprivation of a large part of the unemployed and others in need. The imperative need is the realignment of Federal, State, and local forces in a supreme and sustained effort, reaffirming the policy of a cooperative relationship between the three levels of government covering financial participation and standards of personnel and administration.

The resolution which I have submitted calls for the estimated costs of three types of relief programs on an arbitrary basis of 4,000,000 relief cases.

The resolution may need some explanation. The information first sought is the present unexpended balance of the $4,880,000,000 relief appropriation of last year. I have not set any date, but I presume that the information would be supplied as of the date of adoption of the resolution.

The information sought in the second place is as to the "sums which have been legally obligated from such unexpended balance." I have used the word "legally" because it appears from the works program report that the obligations in the table I quoted early in my remarks do not, the report states, "necessarily represent in all cases an immediate legal liability."

The information next sought is the estimated total costs of relief programs for next year for an arbitrary 4,000,000 relief cases on 3 bases: (1) Direct relief only, (2) direct

relief and work relief combined, and (3) work relief only. I have chosen 4,000,000 cases for the purpose of having some definite basis for computation.

All this information ought to be readily available to the Works Progress Administrator. It does not put any excessive burden on him. It will put no department to any additional expense.

I sincerely urge that this resolution be adopted as soon as possible. It will elicit information we ought to have. It may lead to a substantial saving to the Federal Treasury. It may provide the basis for an economical relief system.

The VICE PRESIDENT. The resolution will lie on the table.

NATIONAL FLOOD CONTROL—AMENDMENT

Mr. LOGAN submitted an amendment intended to be proposed by him to the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENTS TO PRICE DISCRIMINATION BILL

Mr. AUSTIN and Mr. COPELAND each submitted several amendments intended to be proposed by them, respectively, to the bill (S. 3154) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases, and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors, which were ordered to lie on the table and to be printed.

FEDERAL HIGHWAY ACT—AMENDMENT

Mr. CAPPER submitted an amendment intended to be proposed by him to the bill (H. R. 11687) to amend the Federal Aid Highway Act, approved July 11, 1916, as amended and supplemented, and for other purposes, which was referred to the Committee on Post Offices and Post Roads and ordered to be printed.

THROWING AWAY OUR MARKETS—ADDRESS BY GEORGE N. PEEK

Mr. VANDENBERG. Mr. President, Hon. George N. Peek, former trade adviser to the President and former head of the Export-Import Bank, delivered an exceedingly illuminating address at Philadelphia on the evening of February 23, 1936, on the subject Throwing Away Our Markets. I ask unanimous consent that the address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I was first drawn into public affairs through my concern in the farm problem of the United States. Possibly my activities in that connection are familiar to some of you. I shall not go into them today beyond reiterating my belief that the permanent restoration of economic balance between agriculture and industry is the paramount problem in our national existence and that the primary function of our foreign activities should be to facilitate this balance.

During the past year or so there have been recurrent references in the press and elsewhere to my alleged differences with the administration as to foreign-trade policy. These differences have been real enough and they led to my resignation last November. At the same time they have not been based on personal or partisan motives. The whole question of foreign trade and its relation to our economic policy is far more important than any personalities that may be involved. The question is not a partisan one at present. It should not be thrown into the caldron of a political campaign. It can and should be settled by men of good will in both parties acting together for the national good. If it is not so settled, it will become political and may cut into present party lines with results no one now can foresee.

It was the realization that a solution of the farm problem was inextricably bound up with the character of our foreign trade activities that led me into the field of foreign-trade policy. My studies and activities in that field have strengthened this belief. I have attempted to approach the problem in simple terms of facts and figures. My disagreement with the administration has been based upon the growing feeling, substantiated by experience, that the State Department and others engaged in the foreign-trade activities of the United States were formulating American foreign-trade policy in terms of philosophic or academic theories as to the nature and function of international trade in general rather than in terms of the specific needs and problems of our domestic economy.

Before proceeding further it may be helpful to glance briefly at the conditions affecting world trade today.

Some of you are familiar with the fundamental changes in the character of international trade during the last 5 years due to—

(1) The changed economic position of many nations, the spread of industrialization, and the advances in industrial processes involving the use of new materials and new sources of supply, all of which has definitely altered what was previously known as the normal channels of trade.

(2) The break-down of the international money system used to conduct international trade.

(3) The increasing direct participation in international trade on the part of governments, which has resulted in international trade becoming the affair of governments trading in their national interests, rather than of individuals trading solely for individual profit.

These factors have produced a situation where our foreign trade is confronted everywhere by devices designed to protect the economic position of various nations, such as high tariffs, administrative restrictions, quota systems, exchange controls, special bilateral arrangements from which we are excluded, and others. I believe that this situation represents a fundamental change in the character of international trade, rather than a temporary passing phase.

Under existing conditions the term "internation" trade more accurately describes the situation than "international" trade.

To these elements making for change in the character of international trade we must add the feeling of political insecurity and the fear of war which exists in many nations today. It is frequently referred to as nationalism. From the economic point of view it aims at economic self-sufficiency. Its general effect is to increase the volume of domestic business at the expense of international trade. Wars may be averted or may be localized, but however this may be, there is no question as to the wholehearted desire and determination of the American people to stay out of them if it is humanly possible. Should war occur, the United States again will be confronted with grave problems of both trade and diplomacy if it is to preserve its neutral position. Just as ill-considered trade and financial policies can drag us into war, so can carefully considered and well defined financial and commercial policies facilitate the maintenance of our neutrality. But foreign wars are not the only peril. Too often in the past we have suffered from the shock of economic and financial catastrophes abroad which we have been powerless to prevent but which, nevertheless, have served to bring our national economy to the point of ruin. The history of our depressions during the past 70 years shows that we have been profoundly affected by events abroad. Surely it is the part of wisdom and true statesmanship to devise our financial and economic policies so as to afford as much protection as possible to our domestic economy against the ill winds that may blow toward us from the rest of the world.

One hundred and sixty years ago in this historic city of Philadelphia the Liberty Bell rang out our political independence of the Old World. Sixteen years ago, in a great and solemn referendum involving the question of our joining the League of Nations the Nation declared itself in no uncertain terms as still unwilling to join with Europe in foreign political entanglements. I wonder what our founders and forefathers would say today, in those polished phrases of theirs, if they knew that leading Government administrators are now proclaiming our economic dependence on the Old World in such prideful words as these: "We are to a greater degree than ever before meshing our domestic economy into world economy." And this one: "Our objective is the general amelioration of the world situation." American recovery can wait while our internationalists reform the world.

I cannot speak for the founders in polished phrases, but I can repeat a question asked by one of them:

"Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?" (Washington's Farewell Address, Sept. 17, 1796.)

Furthermore, I can speak with such authority as official figures give me to speak.

The Nation has not known the true status of its trade position. It could not know until plain figures were set down in simple arithmetic.

We now have certain facts at our command which disclose that:

(1) Our recklessness in extending dollar credits during and since the war, ostensibly to enable foreigners to buy our goods, has been thoroughly exploited by foreign nations with a resulting draining off of our liquid resources and huge losses to our investors and taxpayers.

(2) The increased prices paid by us for gold and silver are continuing and accentuating this process.

(3) The reciprocal trade agreements program, as at present administered, is operating in this same direction.

(4) The trade agreements program is breaking down the American market for American agriculture and industry, and by contributing to the prolongation of the farm crisis is undermining the whole basis of recovery.

(5) A change in our procedure is necessary if we are to acquire and maintain economic independence.

It is my purpose to discuss these in order.

(1) Ever since the war the credits established ostensibly for the purpose of buying our goods were not used generally for that purpose; or, if so used, our investors were not fully repaid.

It will be recalled that to create dollar credits for foreigners (a) during the war we repurchased some of our securities and made Government loans abroad; (b) during the twenties we made foreign loans generally.

The net result is that from 1914 to 1933 our nationals invested in foreign securities (exclusive of the war debts) about $19,000,000,000.

As of December 31, 1934, we held only $5,200,000,000.

The difference, retired, refunded, or repatriated, was approximately $14,000,000,000.

The bankers' commissions and discounts from this financing are reported to have amounted to about $1,190,000,000 between 1914 and 1933.

This practice of lending money abroad imprudently and overgenerously permitted foreigners to build up from the proceeds of these loans a large body of short-term and highly liquid investments in the United States.

During the period of European reconstruction alone, namely, 1923–29, the United States provided the world with purchasing power in the amount of $7,140,000,000 through our purchases of foreign securities and other investments made by us in foreign countries. Less than $2,600,000,000 of this amount was used by the world to balance exchange of goods, services, and gold with us. The remainder, some $4,500,000,000, was used to buy stocks and bonds and to build up foreign short-term investments and bank deposits in the United States to more than $3,000,000,000 in 1929.

During the period 1930–33 foreigners' withdrawals of short-term funds exceeded $2,500,000,000.

The threat of the overnight withdrawal and the actual withdrawal of these funds substantially contributed to the demoralization of our banking system and to the shattering of our price levels. We thus made possible our own depression by our own financial policy from 1923 to 1929.

(2) The increased prices paid by us for gold and silver are continuing and accentuating this process.

In 1933–34 we inaugurated our gold and silver purchase policy, with the net result that in 1934 and 1935 the excess of imports over exports of gold and silver, after deducting the balance due us for merchandise, amounted to approximately $2,600,000,000.

The question will arise in your minds immediately, What were these credits being used for if foreign nations were not using them to purchase goods or to pay debts? My answer is that the figures show that they were being used to buy their own and our securities and to build up bank balances. The extent to which this occurred is indicated in the figures covering the total international movement in dollars for the settlement of transactions of all kinds—i. e., capital and gold, commodity and service, tourist expenditures, and immigrant remittances, interest, and dividends. In 1919 capital transactions absorbed 8.9 percent of the total, while commodity and service took 70.7 percent. In the first half of 1935 preliminary figures indicate capital transactions had come to absorb 52 percent of the total, against 38.8 percent for commodity and service transactions.

In this connection it is significant to note the League of Nations report published in 1935 which states that the United States private long-term investments abroad were reduced between the end of 1930 and the end of 1934 by $2,056,000,000; further that the cash received was $566,000,000; this is about 27½ cents on the dollar for securities for which the American people paid about 100 cents on the dollar—a very profitable business—for foreigners.

Turning for just a moment to foreign holdings of American securities, Government figures disclose that at the end of 1934 they amounted to some $6,000,000,000, which was far more than Government estimates of our holdings of foreign securities if you exclude the war debts.

Please keep in mind that these are not my figures. They are our Government figures, with the single exception of those of the League of Nations to which I have referred.

I do not criticize foreign nations; they have done well for themselves under difficult conditions; I congratulate them upon their acumen. I do criticize this administration, with the history of the 20's and the early 30's clearly of record, in continuing to permit the drain upon the liquid resources of the Nation.

The President understood the situation clearly when he dispatched his historic message of July 3, 1933, to the London Economic Conference:

"* * * I do not relish the thought that insistence on such action (stabilization) should be made the excuse for continuance of the basic economic errors that underlie so much of the present world-wide depression. * * * The sound internal economic system of a nation is a greater factor in its well-being than the price of its currency in changing terms of currencies of other nations. * * * We must rather mitigate existing embargoes to make easier the exchange of products of which one nation has and the other has not * * *."

This was a declaration of economic and financial independence from Europe that should have led toward its establishment in fact. It has not done so. Subsequent policy developments have sabotaged it. Yet it represented a high national aspiration which the President now seems to have forgotten. Why? What happened to make him falter in his purpose? Your guess is as good as mine.

(3) The reciprocal trade agreements program, as it is being administered, is not in the economic interest of the United States.

Now I shall discuss this program. It is my considered judgment that the administration has gone dangerously astray in its adoption of a foreign-trade policy which, for the most part, is in conflict with our internal economic problem and policy, particularly as regards agriculture, and which in some respects is diametrically opposed to the attainment of domestic economic balance. It is not, therefore, in the interest of the United States.

Our present foreign-trade policy is based upon the theory that if we supply foreigners with a greater purchasing power they will take more of our goods and pay their debts. To furnish this added purchasing power we are engaged now in a general reduction of the tariff by means of the trade-agreement program. The theory is that increased imports will lead automatically to increased exports and better prices. A variation of this theory is that if we buy more from South America and Asia, where we have large adverse balances of trade, those continents will be enabled to increase their payments for goods and debt service to Europe and that Europe then, in turn, will purchase more goods from us. This is the theory known as triangular trade. It is a beautiful thought. We are acting on it. It does not work in our interest. Beside this the administration has refrained from making any particular effort to collect what is due us on public and private debts. Over and above this, however, as we have seen, we are placing an enormous amount of dollar exchange in the hands of foreigners through our stupendous purchases of gold and silver at fancy prices. There can be no question as to the buying power we have placed in the hands of foreign nations. They are not using it to buy our goods.

Now, I have no wish to quarrel on questions of theory. There is an old saying that "the proof of a pudding is in the eating." The question is how has it worked? What are the concrete results under this policy? The results are matters of ascertainable and measurable fact. There are enough facts available to justify testing our foreign-trade policy against them:

The first visible result may be found in the striking increase of imports as against a nominal increase of exports, with the complete elimination of our favorable balance.

In 1933 our exports of merchandise, gold, and silver exceeded our imports of these commodities $357,000,000. In 1934 our imports exceeded our exports $825,000,000. In 1935 our imports exceeded our exports $1,840,000,000. In the 2 years 1934 and 1935 our imports exceed our exports between $2,600,000,000 and $2,700,000,000.

[In millions of dollars]

	1933	1934	1935
Merchandise exports	1,675	2,133	2,282
Merchandise imports	1,450	1,655	2,047
Favorable balance	225	478	235

At the same time we have imported vast quantities of gold and silver at greatly increased prices.

[In millions of dollars]

	1933	1934	1935
Gold (net imports (−); net exports (+))	+173	−1,217	−1,739
Silver (net imports (−))	−41	−86	−336
Leaving net credits for foreigners on these items	+357	−825	−1,840

What have foreigners done with the proceeds of these imports? They have not paid debts, nor have they increased their purchases of American goods to any extent. I repeat these excess dollar balances have gone into security and capital transactions. They have repurchased their own securities, often at greatly depreciated prices and have acquired increasing equities and ownership in American enterprises. Foreigners are putting us to work for them. We are reduced now to a debtor-nation status on short-term account. Our creditor position exists only by virtue of the war debts of some $10,000,000,000, whose real value is problematical, and our direct investment abroad in branch factories, mines, public utilities, and the like, the present as well as the realizable value of which is almost equally problematical. Our so-called creditor position was reduced by nearly a billion dollars in 1934 and an estimated billion and a half in 1935.

Our debts, public and private, have remained largely uncollected. In our anxiety that foreign nations should have plenty of purchasing power for use in the United States and elsewhere, we have refrained from enforcing payments due us, even when it was in our power to do so. We allow the war-debt nations to trade freely in our markets and to operate upon our security exchanges. We do not even suggest that they liquidate their debts through the transfer of American securities which they now hold. In certain other nations where we make large purchases and have unfavorable balances we refrain from utilizing our position to insure payments due and overdue on current shipments of goods and debt service. These nations, too, are given all the benefits of our markets.

Thus, for years we have supplied foreign nations with buying power, first through the war credits, then through the foreign-loan policy, more recently through our gold and silver purchase policy. We are now enlarging this buying power by giving them a larger share in our domestic market through the operation of the trade-agreements program with its insistence on the unconditional most-favored-nation principle in its broadest application.

We have seen what this theory of foreign purchasing power is doing for foreign nations, and, in referring to their utilization of it, my attitude is not one of criticism of them but one of admiration for their astuteness. I shall now turn briefly to its effects on our domestic economy.

(4) The trade-agreements program is breaking down the American market for American agriculture and industry and by contributing to the prolongation of the farm crisis is undermining the whole basis of recovery.

I have referred to our changed balance of trade, increased imports, and almost stationary exports. Analyzing these a little bit, what do we find? In competitive agricultural products we have an increasingly unfavorable balance of trade. We are bringing in large quantities of wheat and other grains, dairy products, cattle, and other foodstuffs, textiles, and other manufactured products, to the detriment of our domestic producers. At the same time we are losing our markets for cotton, wheat, and pork products, our principal export crops. This tendency began to appear in the twenties; the present program is accentuating it. This means that the United States is no longer feeding and clothing itself. We have taken American farmers out of foreign markets and put foreign farmers into American markets. Another thing, our ability to purchase the large quantities of coffee, tea, rubber, silk, and other commodities which we do not produce, in the past has been supported in large measure by our ability to sell cotton, wheat, tobacco, and pork products abroad. A curtailment of this source of purchasing power can only tend to a lower standard of living. Increased sales of American automobiles or other specialties abroad do not counterbalance this loss; neither do they correct the disparity between industry and agriculture. On the contrary, under the present program, agriculture has definitely lost ground in its fight for equality with industry. The loss of foreign markets has led to attempts at crop restriction at home while stimulating production abroad. It has reduced the purchasing power of our agriculture. It is prolonging the farm crisis and the relief rolls.

As a matter of fact, it is incorrect to describe our foreign markets as "lost"—we have simply abandoned them without a struggle. The case of cotton is particularly flagrant. Our policy of cotton-crop restriction and the refusal of the responsible officials to trade realistically in foreign markets has resulted in the surrender of a large part of our historic share in them to other nations and has encouraged the development of new cotton growths abroad. The Department of Agriculture, in a public release March 10, 1936, said that foreign growths increased 1,400,000 bales this year over last.

In a number of recent public statements, I have had occasion to refer to the fact that those in the administration charged with the responsibility of disposing of our farm surpluses have refused to trade realistically in foreign markets and have prevented others from doing it when substantial trades were offered. I have further indicated my belief that this is a matter which calls for full and searching congressional inquiry. Here are two examples:

(a) It may be recalled that in my testimony February 1, 1935, before the Senate Committee on Agriculture and Forestry, I discussed a proposed cotton transaction with Germany in 1934, by which we would have sold to Germany cotton up to 800,000 bales, receiving payment 25 percent in dollars and the remainder in special marks usable for the purchase of German goods. This deal was opposed by the State Department and subsequently fell through. The net result, according to the German press, is that, whereas we supplied Germany with 80 percent of her cotton in 1933, we supplied only 55 percent in 1934 and 29 percent in 1935.

(b) Last summer (1935) another somewhat similar proposal was made by responsible German interests looking toward the purchase of 800,000 bales of cotton. The proposal was to the effect that the cotton would be purchased through regular marketing channels by the cotton spinners of Germany and the primary obligations of payment would be assumed by a German bank or banks to be selected by the Export-Import Bank; that these obligations would be collateralized $125 for each $100 of the obligation by the deposit of negotiable warehouse receipts representing commodities to be selected by the bank, warehoused outside of Germany in countries to be selected by the bank; that all essential governmental permits would be forthcoming from Germany; and that the cotton would be used only for domestic commercial consumption. The officials and the executive committee of the bank felt that the proposal merited most serious consideration, and this was authorized last August. Later the State Department requested that the proposal be referred to it. This was done; on November 15, 1935, a memorandum was submitted by the bank to the Department of State for an expression of the Department's view in the matter. Although more than 5 months have elapsed, the State Department has given no indication of its views so far as I know, and there the matter rests with the cotton still unsold.

Neither of these transactions involved price concessions.

It seems clear that we are not going to sell our cotton unless we make an effort to sell, and this the administration seems reluctant to do, apparently preferring instead to continue its attempt to restrict production and to regiment the farmer in one way or another. Personally, I feel that an ounce of selling effort is worth a pound of crop restriction.

These are but two examples. There are many more which have been thwarted by the Government departments during the last 3 years.

Yet, according to the New York Times of March 7, 1936, in a dispatch from Memphis, Tenn., there is little hope for a change in policy by the administration. This dispatch said:

"Small hope was held out by Mr. Wallace (Secretary Wallace) for any deliberate action under the new (farm) program to restore to their former volume currently impaired foreign markets for cotton. Anything undertaken in this direction, he warned, would have to be subordinated to the reciprocal-trade program of Secretary of State Cordell Hull."

Our officials not only have refrained from utilizing our bargaining power on behalf of cotton and other export crops, but have been throwing it away with both hands under the unconditional most-favored-nation policy. Our bargaining power has been progressively diminished with the conclusion of each trade agreement and the generalization of its concessions. A continuation of this policy will diminish even more our ability to negotiate in a manner that will meet our specific export needs.

The result of this policy of "meshing ourselves in world economy" to "ameliorate the world situation" already is reflected not only in the prolongation of the farm crisis but in continued unemployment, both urban and rural. The policy leads moreover to increased foreign control over our trade and our price levels, and increasingly exposes us to unfavorable developments in foreign countries over which we have no control. This is the price we pay, and I submit that it is far too high.

I submit further that it is unnecessary. With our continental resources we can come close to supplying all our essential needs. What do foreign nations have which we cannot supply ourselves? Coffee, tea, rubber, silk, manganese, tin, and some other mineral products. Very well, let us trade for these. For the rest, particularly for competitive agricultural and industrial products, let us keep the American market for our own people. Against these essential imports we used to have crop surpluses to exchange. Now we are trying to restrict their production. This is the core of our foreign-trade problem. A little genuine Yankee trading and realism upon the part of our responsible officials will go far to bring an end to the depression.

The internationalists are preventing our holding our position in foreign markets and are throwing away our domestic markets. The result is continued unemployment in the factory and on the farm, long relief rolls, and higher taxes. For what? For an exploded theory, abandoned by its own mother, Great Britain. England, for centuries the principal trading and financial nation of the world, with a greater stake in foreign trade than any other country, revolutionized her national economic policy in 1931 to meet the new trends in international trade. She revived protection, went off gold, started keeping detailed books on her foreign commercial and financial transactions. She moved away from the most-favored-nation theory and negotiated a large number of special preferential trade agreements, both with her dominions through the Ottawa agreements and with other nations wherever she could find a basis of mutual interest. Her slogan was "Buy from those who buy from us." The result has been a definite improvement in England's foreign trade and material progress toward her national recovery. We elect, however, to follow her old exploded theory rather than her modern one.

(5) A change in our procedure is necessary if we are to acquire and maintain economic independence.

The field in which government can and should act effectively thus becomes more clearly defined. The recommendations that follow are self-evident: We should check competitive agricultural and industrial imports by tariffs, quotas, embargoes, or otherwise, and give the American farmer and industrial worker the full benefit of the domestic market, so that we can remain more nearly on a self-sustaining basis. We should stop this policy of purchasing gold and silver from abroad at improvident prices. We should abandon the unconditional most-favored-nation policy and regain our bargaining power. The American market is the greatest in the world. Other nations will pay a high price to enter it—they might even pay their debts.

We should trade selectively both as to imports and exports, dealing country by country and, if necessary, as in the case of cotton, commodity by commodity. We should inaugurate a simplified system of internation bookkeeping, so that we can know at all times where we stand in our commercial and financial relations with any given country. We should establish a competent foreign-trade authority which will determine policy for the State Department to execute. An organizational defect of our present set-up is that foreign-trade policy is completely dominated by the Department of State. This is not as it should be. Of all Government departments, the State Department, like all foreign offices, has the least direct contact with our domestic problems. It is the one most highly susceptible to foreign pressure. The characteristics which should make it an admirable negotiating agency are precisely those which disqualify it to act as the formulator of national economic policy. It is like asking the sales department of a business to formulate its whole policy.

In conclusion, the final judges of any trade policy must be the people of the United States as a whole acting through their Representatives in Congress. When it comes to general national policy, I have more confidence in the instinct of the people back home than in the rationalization of departmental officers. I feel, therefore, that the authority of Congress in these matters should be reasserted; that Congress should resume its functions as the policy

making arm of the Government; and that it should recapture its right to approve or disapprove of the results achieved by the trade agreements negotiated by the executive arm of the Government. This is the only sound procedure for the people of the United States if they want to keep our form of government and to avoid autocratic personal domination.

EFFECT OF PROPOSED FLOOD-CONTROL LEGISLATION ON PITTSBURGH

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in the Pittsburgh Press of Tuesday, April 28, 1936, with respect to proposed flood-control legislation and its effect on Pittsburgh. I hope the chairman of the Committee on Commerce and the members of the committee will have time and will take the opportunity to read the editorial.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Pittsburgh Press of Apr. 28, 1936]

A PUZZLING STATEMENT

Senator ROYAL S. COPELAND (D., N. Y.), chairman of the Senate Commerce Committee in charge of flood-control legislation, made a statement yesterday that will puzzle most Pittsburghers.

The Senator was defending the flood-control bill reported by his committee, which appropriates $55,000,000 for the construction of flood reservoirs in the Ohio River Valley, but provides that the Pittsburgh district pay one-half of the land and damage costs, or about $16,000,000.

During the course of his remarks, Senator COPELAND declared that Pittsburgh could well afford to pay all the land and damage costs to prevent a reoccurrence of the recent destructive flood. All the costs would amount to $34,000,000; however, only one-half is demanded.

Just how the Senator arrived at this conclusion is something he did not explain. Apparently, Mr. COPELAND is not familiar with Pittsburgh finances and does not know that the city's budget has been out of balance for the last 3 years, that essential street repaving projects have been postponed time after time because money was not available; that the city already has a bonded indebtedness of nearly $65,000,000, and that the total borrowing margin is only $24,000,000, or far less than would be sufficient to pay for the land and damage costs in connection with the flood reservoirs.

Likewise, Senator COPELAND does not seem to realize that this city suffered a loss running into the hundreds of millions of dollars, as a result of the flood; that private business was hit heavily, and that the latter loss will in turn affect tax receipts and further reduce the municipality's income.

The New York Senator, most Pittsburghers will agree, is talking out of turn when he endeavors to spread the impression that Pittsburgh is so wealthy and in such sound financial shape that it can well afford to pay $16,000,000 for flood dams. We wish we were so well off, but we aren't and Senator COPELAND should not give his fellow Members of the Senate and House a false impression.

As a matter of fact, when Senator COPELAND declares that Pittsburgh should pay a portion of the cost of these reservoirs, he forgets that we will be doing that very thing, whether or not the Federal Government pays the entire construction bill.

The Pittsburgh district is one of the heaviest contributors to the Federal Government. Last year it paid more than $88,000,000 in income, corporation, and other taxes. On that basis, we can assume, therefore, that we will be paying a good share of the construction costs of the nine flood reservoirs proposed in the flood-control bill.

Furthermore, why should one city have to pay for projects whose benefits are unquestionably interstate in nature? Congress did not assess adjoining communities for the protection given them by the Mississippi River flood-control program. It held, and properly so, that a sufficient number of States benefited so that the Federal Government should assume all of the cost.

The same logic applies to the Ohio River program, which will benefit Pennsylvania, West Virginia, Ohio, Kentucky, and other down-river States. We will be one of the larger beneficiaries only because Pittsburgh happens to be at the junction of the Allegheny and Monongahela Rivers. But it is wrong to assume that the Federal Government is about to spend $55,000,000 for Pittsburgh's exclusive benefit, as Senator COPELAND seems to think.

We hope the attitude of the Commerce Committee chairman is not the attitude of the majority of Members of the Senate and House, and that they will amend the bill so as to have the Federal Government assume all of the costs of the Ohio River flood reservoirs.

If circumstances permitted, this city probably would be glad to pay some share of the cost of the dams, even though their benefits are interstate and they properly are a Federal undertaking.

But Pittsburgh's finances do not permit it, and if Congress enacts a flood-control bill with the cost-sharing provision attached, we might as well abandon all hopes of early construction of these reservoirs. The program would be stymied, for the simple reason that this district would be unable to raise the $16,000,000 required of it.

In his fight to have the Federal Government pay the entire cost of the reservoirs, we urge Senator JOSEPH P. GUFFEY to make this clear to his fellow Members. Senator COPELAND seems to think that we can raise the sum proposed without any difficulty whatsoever. He either has Pittsburgh confused with some other city or else is completely ignorant of our true financial situation.

PROHIBITION OF PRICE DISCRIMINATIONS

The Senate resumed consideration of the bill (S. 3154) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases, and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors.

Mr. AUSTIN. Mr. President, it is my purpose to try to bring to the attention of the Senate some of the evidence which was adduced before the subcommittee of the Committee on the Judiciary, to whom was referred the so-called Borah-Van Nuys bill. The evidence, as has already appeared, was not limited to that bill, but comprehended several bills of like character, including Senate bill 3154, which is the pending business.

I ought to say at the outset that I am opposed to the pending bill and that the testimony and other evidence to which I intend to refer lead to the conclusion that the bill ought to be amended in very material respects or that it ought not to be passed.

First, let me call attention to the views of the minority, as stated by Mr. CELLER, of the Committee on the Judiciary of the House of Representatives, from which I read in part, as follows:

How will the consumer fare under this bill? He will fare illy indeed. Under this bill the housewife will soon find out where the shoe pinches.

Unfortunately housewives and the consumer generally are not organized. Their voice is not articulate. But retail grocers and the retail druggists, and the wholesalers catering to them, have banded together and have raised a lot of commotion and issued forth reams and reams of propaganda in support of this bill, but no thought have they given to the consumer. Indeed, the consumer should be the main object of our care.

Dr. Harold G. Moulton, of the Brookings Institution, recently said:

"This bill, insofar as it would strike at all those who have heretofore been effective in reducing prices, to that extent will raise prices."

Certainly wages generally have not advanced. They have remained, and will remain for some time to come, fairly stationary. We in Congress should do all in our power to increase the purchasing power of those fairly stationary wages. This bill will make the laborers' dollar buy less by increasing prices. This is readily discernible by its discouragement of "quantity discounts." Large distributors buying larger quantities and telescoping expensive distributive services are able to distribute the essentials of life, as well as many of the luxuries of life, at important reductions in price. They pass on to the consumer these savings which they effect by virtue of quantity discounts and the elimination of service or entire steps in the distributive process unnecessary to the purchaser of necessities.

That is the end of that part of the minority views to which I desire to invite the attention of the Senate.

Probably one of the most impressive witnesses who appeared before the committee was a woman. I want the Senate to take note that I am particularly emphasizing the effect of this measure upon the consumer. Obviously the housewife is as competent as any other witness to testify regarding the subject. Mrs. Virginia Huntley Morrison, of Chicago, representing the Community Round Table of Illinois, appeared to speak in behalf of the housewives of her State. She told how large and impressive is the organization which she represented, stating that it contains 500 different groups having a wide associate membership of several hundred thousand.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Vermont yield to the Senator from Nebraska?

Mr. AUSTIN. I yield.

Mr. NORRIS. My attention was distracted, and I did not hear some of the introductory remarks the Senator made. I remember he stated there was testimony on several different bills. I am wondering if the testimony to which the Senator now is about to refer applies to the bill now pending.

Mr. AUSTIN. It does.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Vermont yield to the Senator from Idaho?

Mr. AUSTIN. I yield.

Mr. BORAH. The hearings to which the Senator is now making reference were hearings on the Borah-Van Nuys bill.

Mr. AUSTIN. They were; but the hearings comprehended testimony upon all the bills of like character. The several bills were referred to by name as well as by subject matter in the testimony, as will be seen.

Among other things, Mrs. Morrison stated:

The food budget has been and always will be our chief concern in relation to the wage earner and those unfortunates, the relief and pension clients—how the smallest amount of cash can be spread over the family's requirements and needs. We are not concerned whether the independent merchants or the chain stores get the business, just so the housewife gets the most in quantity and the best in quality for her dollar. Therefore, we are opposed to any legislation that would increase the cost of foodstuffs.

While I have no legal training, I believe it is easy to see the difference between the Borah-Van Nuys and Copeland bills and the Robinson-Patman and Utterback bills.

Mr. President, I digress to point out that this witness was testifying with reference to the pending measure, as well as the other bills.

From a study of the former group of bills, my understanding is that they would only tighten up the antitrust laws to prevent monopolies and prevent any type of business from having a competitive advantage over other types.

That is, she was referring to the Borah-Van Nuys and Copeland bills.

I do not know whether such legislation is necessary or not, but I suppose the Senators who introduced these bills would not have done so unless they did believe it was necessary.

The Patman-Robinson and Utterback bills, according to my understanding, would go much further. For instance, they would prevent the chain stores from doing a wholesale business by purchasing goods direct from farmers and manufacturers in large quantities and then selling at retail. It would force the chain stores to buy through other wholesalers and middlemen. Of course, anyone can see the middlemen take a profit and their profit would be passed along to the consumers. That would increase the cost of living, and that is our objection to these bills or any legislation that would do this.

Omitting some of her testimony, I come to the following:

Statistics show that about 45 percent of our children of grammar-school age are suffering from malnutrition due to curtailed food values and expenditures. This is not alone confined to relief clients but to the children and families of the wage earner and the masses as a whole. These are the people each of you gentlemen represent. These are the people who depend upon you to recognize their best interests. In the case of relief clients, these people depend upon you gentlemen for their very existence.

Again omitting further of her testimony, I read the following:

The Federal agency—

Referring there to the Federal Trade Commission—

found the unnecessarily large spread between the price paid to the producer and the price charged to the consumer was due to excessive middlemen's handling charges and the waste due to faulty handling by the many middlemen.

Our survey shows these excessive charges have been corrected in a great measure by large-scale distribution. Hence it is reasonable to ask, What can be gained by the passing of legislation that will tear down that which has been gained during the past 15 years? Why pass legislation which will subsidize a few middlemen and burden the vast number of consumers with high costs of distribution? Is it fair or wise to penalize the whole public for the doubtful benefit of a favored few?

As I have stated, these questions apply particularly to the provisions in the Robinson-Patman bill and the Utterback bill. We were prepared to oppose the Robinson-Patman bill; but, as you know, it did not come up for a hearing in the regular way before the Senate committee, and therefore we had no chance to voice our objections to measures which we believe would unnecessarily increase the cost of living. To do that would be taxation without representation.

Let me digress long enough to suggest that there is no form of taxation so cruel as the lowering of wages—I mean real wages—or the raising of the cost of living by statute.

Continuing reading:

It should be obvious that the buying public, especially the housewife, has written the answer to the problem. By trading with the chain stores they receive value for their precious dollars. It is value and service which lead them to trade with the chain stores.

After all, are not the housewives the ones who can best decide where they want to spend their money? Have they not a perfect right to make such a choice for themselves?

Again, Mrs. Morrison testified:

Nowhere in the records have I been able to find where the groups who are behind these bills have made a study or offered anything to substitute for that which the consumer-housewife is now getting. Is not the housewife—and the whole consuming public—entitled to consideration in this matter? Which is more important, the housewife, who feeds the families of America, or the middlemen, whose only interest is to make a profit out of foodstuffs, which only increases the cost of living to the housewife and the families of America? I believe the answer is obvious.

Again, she testified:

The Robinson and Patman and Utterback bills would increase costs of goods to the consumers and would destroy much of the progress which has been made toward getting necessities of life to the public not only at lower prices but improved in quality and with sanitary and hygienic methods of handling foodstuffs. If such bills are enacted into law, the public criticism and resentment would naturally be widespread. I hope you gentlemen will consider these facts and hesitate before you disregard the wishes and interests of the housewife on these matters.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LEWIS in the chair). Does the Senator from Vermont yield to the Senator from Michigan?

Mr. AUSTIN. I yield.

Mr. VANDENBERG. The Senator has given careful and intimate scrutiny to this problem for weeks. I should be very much interested in his own opinion respecting the effect of the bill upon the cost of living, as commented upon in the testimony he has just read.

Mr. AUSTIN. Mr. President, of course, I base my opinion upon the evidence. We have the evidence of marketing and distributing specialists, or distributors who are in active business, both wholesale and retail, both independent and belonging to chains, and every one of them testified that the cost of the necessities of life is somewhere from 10 to 22 percent—various percentages were stated—higher in the case of purchase from the independent store than in the case of purchase from one of the chains or combinations of independent grocers, where the middleman's expense is eliminated and where the goods or food go directly from the producer to the consumer.

The thing almost speaks for itself. A difference of even 2 percent is entitled to our careful consideration, especially in hard times; but a difference that ranges from 10 to 22 percent is one, I think, which should cause us to halt in our tracks.

Mr. VANDENBERG. Mr. President, may I ask the Senator a further question?

Mr. AUSTIN. I yield.

Mr. VANDENBERG. Would the results which the Senator now describes flow from legislation which merely prevented fictitious brokerage and advertising rebates, and which merely required equivalent prices for equivalent purchasers?

Mr. AUSTIN. Mr. President, my answer to that would be "no"; but this bill goes far beyond that.

Mr. VANDENBERG. May I ask the Senator whether any of the various bills that are pending are confined to the particular objectives I have just recited?

Mr. AUSTIN. Mr. President, I am inclined to believe the Borah-Van Nuys bill is so limited. There is no express limitation in it, but it is of the type of legislation with which we have been acquainted throughout our history. It is general in its nature. It is not new in its administration. It does not undertake to cast into Washington the power of dominating all business, all prices, which the pending bill

does do. The Borah-Van Nuys bill also has the merit of utilizing the courts of justice, rather than an administrative body, for the administration of the law. It is general in its scope. It is very much more comprehensive than more specific language would naturally make it; and nearly all those who appeared as witnesses favored that bill. If any legislation is to be enacted here to interfere with the free flow of economic laws, all those who testified, save only two, as I recall—two who had bills of their own which they were promoting—favored the Borah-Van Nuys bill as against any other bill that was pending.

Mr. VANDENBERG. Mr. President, one further question.

The PRESIDING OFFICER. Does the Senator from Vermont further yield to the Senator from Michigan?

Mr. AUSTIN. I yield to the Senator.

Mr. VANDENBERG. It is my understanding that the independent merchants of the country, with whom I substantially sympathize in many of their problems, are interested only in the three objectives which I have previously recited, namely, protection against fictitious brokerage allowances, then protection——

Mr. ROBINSON. Mr. President, may we not have order in the Chamber?

The PRESIDING OFFICER. The point is made that there is a want of order. The Chair begs the Members of the Senate to observe order and asks the occupants of the galleries to refrain from conversation, as the echo of the conversation in the galleries permeates the Chamber. The Chair thanks the occupants of the galleries for their consideration.

Mr. VANDENBERG. I will start the question over again. It is my understanding that the independent merchants for whom the proposed legislation is primarily intended are interested in three specific objectives, or at least they think they are: First, protection against fictitious brokerage allowances; second, protection against fictitious advertising allowances; third, protection against discriminating prices as between equivalent buyers.

I can see no objection to any one of those three purposes. Do I understand the Senator to say that the Borah-Van Nuys bill would achieve those purposes and yet be free from the difficulty and the prejudice and the criticism respecting ultimate consumer prices which the Senator has been attributing to the Robinson-Patman bill?

Mr. AUSTIN. The testimony tended to show that. Of course, the bill with which we are dealing had that for an objective. Section 2 of the Clayton Act was designed to prevent unfair price discrimination. Let me read it at this point:

SEC. 2. That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities, which commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

That is the general prohibitory part of section 2; but there are certain provisos which I shall now read:

Provided, That nothing herein contained shall prevent discrimination in price between purchasers of commodities on account of differences in the grade, quality, or quantity of the commodity sold, or that makes only due allowance for differences in the cost of selling or transportation, or discrimination in price in the same or different communities made in good faith to meet competition: *And provided further*, That nothing herein contained shall prevent persons engaged in selling goods, wares, or merchandise in commerce from selecting their own customers in bona-fide transactions and not in restraint of trade.

Mr. ROBINSON. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Arkansas?

Mr. AUSTIN. I yield to the Senator from Arkansas.

Mr. ROBINSON. That provision, of course, is retained in the section; and the substantial difference is with respect to the limitation that is sought to be imposed on quantity discriminations. Does the Senator think the Clayton Act has been effective for the accomplishment of the purposes for which it was written?

Mr. AUSTIN. Mr. President, I must say that, as administered, I do not think it has been; but I think it could have been. Ever since the Van Camp decision I have believed that both the buyer and the seller are affected by that act.

The excuse for not administering it more effectively theretofore was that it was claimed that it did not affect the buyer as well as the seller; but in the Van Camp case, decided in 1929, the Court put an interpretation on the act which, I believe, would have enabled the Federal Trade Commission to put it into effect with the saving clauses in it.

Mr. ROBINSON. Mr. President, will the Senator yield to a further question?

Mr. AUSTIN. I yield.

Mr. ROBINSON. If I understand the reply of the Senator to my former question, it is that the present law is adequate, but that it has not been properly administered. The Senator takes the position that there is really no necessity for further legislation. Is that correct?

Mr. AUSTIN. Mr. President, if it were left to me to decide, I should certainly take the position that it is much better for the welfare of the country, for the welfare of all persons concerned in trade and commerce, to add nothing more to the law than is found in the Clayton Act and section 5 of the Federal Trade Commission Act. I think section 2 of the Clayton Act, section 5 of the Federal Trade Commission Act, and the Sherman antitrust law are wholly adequate to take care of unfair discrimination.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. LOGAN. Does the Senator believe that, in order to meet competition in good faith, the manufacturer or the seller should be permitted to sell his product below cost?

Mr. AUSTIN. I should say yes, under certain circumstances. From my personal observation, as well as from much evidence that came before the committee, there are occasions in trade when, if one were not permitted to sell below cost, he would have on his hands a great quantity of sirup, for example, which would perish, or a great quantity of fruit, or other perishable products, foodstuffs of all kinds.

Mr. LOGAN. Mr. President, I do not think any legislation would interfere with such a condition as that. What I ask is, in order to meet competition, should the seller be allowed to sell below cost?

Mr. AUSTIN. Mr. President, I did not apprehend the point in the question when I answered. That is a very difficult question of ethics, as well as of law. If the competition in business on one side is unfair and is not restrained by any governmental agency, I should like to ask this question in answer to the other: How can a man whose business life depends upon meeting that sort of competition do otherwise than sell below cost?

Mr. LOGAN. If he does it in order to meet legitimate competition, of course, he cannot continue very long, and he not only pulls his own temple down, but he pulls down the temple of all others. In a given community there may be a small dealer, perhaps, who is doing business in the community, and there may be a more powerful concern there, one which sells its products all over the country, and, realizing that the small fellow in the community is going to get some business, the larger concern deliberately goes out to meet competition, and sells goods in the community below cost, repeating what was done in the old days in the sale of petroleum. Should that be allowed? I mean, should any man be allowed to sell his product below cost for the purpose of meeting competition; that is, perhaps, to drive his competitor from the field?

Mr. AUSTIN. Mr. President, that is prohibited by law.

Mr. LOGAN. Not by the Clayton Act.

Mr. AUSTIN. It is prohibited by the Clayton Act. I trust the Senator will excuse me for differing.

Mr. LOGAN. In the Clayton Act, as I read it, it is provided that nothing in the act shall prevent one from selling below the standard fixed there in order to meet competition

in good faith, which would allow one to sell for whatever he thought proper.

Mr. AUSTIN. Oh, yes, Mr. President, but that is the difference between the question asked and the law. "In good faith to meet competition" is something different from underselling one's opponent to drive him out of business. That is the point that is prohibited by the law. The Clayton Act was designed to prevent such unfair competition as that. The moment the competition enters the field of driving any one out of business, eliminating competition, or unreasonably reducing competition, a transgression of the law occurs which can be stopped by a cease and desist order, under the act.

Mr. LOGAN. The vice of the Clayton Act is that after making that provision it immediately exempts from the provisions of the law those who sell in a community in order to meet competition in good faith; and that is where the trouble is. There could always be competition in good faith, and then a seller could sell to the people in a community at prices lower than those at which he sells to people in some other community. In fact, such sellers can drive a competitor out of business in one community by lowering prices, and then increasing the prices of the products elsewhere in order to make up the loss. I do not think that ought to be allowed, although I realize the Senator is entitled to his own opinion.

Mr. AUSTIN. Answering on the assumption in the question, of a purpose to drive the other fellow out, I would agree with the learned Senator from Kentucky, with whom I find myself in agreement so often. I would not approve of that, and that is not my purpose in what I have to say here.

When I say that I think the Clayton Act is adequate to meet a condition of which the Senator speaks, it is because the Clayton Act in the prohibitory clause provides as follows:

> It shall be unlawful for any person engaged in commerce * * * either directly or indirectly to discriminate in price between different purchasers of commodities * * * where the effect of such discrimination may be to substantially lessen competition.

Mr. LOGAN. There is a proviso there, however, that if it is necessary in order to meet competition, they may do so.

Mr. AUSTIN. Oh, yes; it takes care of the intent in good faith. I do not think the business of this country as a general thing, or even to a great extent, is on a cutthroat basis, that drives the independent out, and builds up the combination, or the chain-store system. I became convinced of that after listening to the statistics compiled by the Federal Trade Commission on the subject, and after listening to the testimony of men who are constantly engaged in studying distribution and marketing. I intended to refer to that later, but I will do so now.

Mr. LOGAN. May I interrupt the Senator once more, and then I will not interfere with the thread of his thought further at this time?

Mr. AUSTIN. I yield.

Mr. LOGAN. The Senator from Michigan [Mr. VANDENBERG] correctly stated the objectives of the Patman bill and of the other bills. I ask the Senator from Vermont whether it is not true that everyone who appeared before our committee, where the Senator was so kind in helping with the examination, and is it not true that everyone who has appeared before the House committee, and the number is legion, has said that the Clayton Act should be amended, and were they not in favor of amending the Clayton Act, except those who were opposed to any legislation on the subject?

Mr. AUSTIN. Mr. President, will the Senator repeat his question?

Mr. LOGAN. The Senator will recall that Mr. Dunn, apparently a very well-informed lawyer, who appeared in opposition to the Robinson bill, made a splendid argument before the committee, insisting that the Clayton Act ought to be amended. Then Mr. Sammons, of New York, who also is opposed to the Robinson bill, stated that it is his opinion that the Clayton Act should be amended. So far as I know, except the representatives of some of those with large purchasing power, everyone, without an exception, insisted that there should be an amendment. The only disagreement was as to some of the language in the bill. I think the Senator will remember that that is correct. At least the record, I think, will bear me out in that.

Mr. AUSTIN. Mr. President, I think the witnesses referred to by the Senator from Kentucky did so testify; but there were something like 27 witnesses, and a great number of them made this qualifying statement: "If any law on this subject must be passed, we prefer the Borah-Van Nuys bill to the Robinson-Patman bill." And they gave their reasons for the statement.

Mr. LOGAN. That is quite true as to those at the last hearing. Of course, a large majority testifying before the House committee took a different attitude, as I recall. But are not the objectives of the Borah-Van Nuys bill exactly the same as the objectives of the Robinson bill, and is not the only disagreement as to the language used in reaching the objectives?

Mr. AUSTIN. I assumed in the hearing that the objectives were the same, and I am inclined to think that the testimony tended to show they were the same. But one of the authors of one of the bills is on his feet now, and perhaps he will state whether the objectives are the same.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. BORAH. I think the objectives of the two bills are the same. The differences between the two proposals I will discuss a little later, but I think both bills seek to accomplish the same general purpose. That is my opinion.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Vermont a question?

Mr. AUSTIN. Certainly.

Mr. VANDENBERG. Am I to gather from the colloquy between the Senator from Vermont and the Senator from Kentucky that the Robinson bill prohibits the sale of a commodity at any time below its cost of production?

Mr. AUSTIN. I am impressed by the testimony with the idea that the bill was so interpreted.

Mr. VANDENBERG. May I ask the Senator from Kentucky if that is the fact?

Mr. LOGAN. No, Mr. President; that is not true. There is nothing in the Robinson bill which prohibits the sale of any commodity at any price at which a seller desires to dispose of it; but there is a provision against his selling, for example, to the Senator from Michigan at one price and to the Senator from Vermont at another price under the same conditions and the quality of the goods being the same. However, so far as the Robinson bill is concerned, the seller may sell at any price he desires. The purpose of the bill is to compel the treatment of all customers exactly alike when the same situation applies to all of them.

Mr. VANDENBERG. If the Senator will further permit me, I wish to ask another question. Would that apply equally to a customer in the United States and a customer out of the United States?

Mr. LOGAN. I do not think it applies to a customer out of the United States.

Mr. VANDENBERG. The Senator does not think the provision he is talking about would prevent sales of surplus products abroad at lower prices?

Mr. LOGAN. I do not. As I recall, the provisions of the bill are confined specifically to the United States and possessions of the United States.

Mr. VANDENBERG. Is there any doubt about that?

Mr. BORAH. I think not. Will the Senator yield to permit me to say one word?

Mr. AUSTIN. Yes; I yield.

Mr. BORAH. The Senator from Kentucky has stated what I understand to be the fundamental principle of both bills, and that is to compel all customers to be treated alike, specifying that if an advantage or a favor or a commission is granted to A, the seller must be prepared to grant it to B. That is the fundamental principle underlying both measures; and I do not see how there can be any objection

to that fundamental principle. There may be a difference of view as to how to arrive at that objective, or as to the better way to arrive at it; but that is what we are seeking to do by all these measures. Is that not so?

Mr. LOGAN. That is exactly my understanding.

Mr. AUSTIN. Mr. President, if that principle were written into the bill so that all the circumstances of the different buyers could be considered in sizing up whether the circumstances of one buyer were similar to the circumstances of another buyer, we should not have this objection to the bill. The difficulty, however, is that the bill does not permit any adjustment to locality or any adjustment to standards of living in the markets where the goods are sold to a certain set of purchasers or to a certain purchaser. There is no flexibility about the bill. It is hard and fast and fixes the price.

Mr. LOGAN. Will the Senator again yield to me?

Mr. AUSTIN. I yield.

Mr. LOGAN. I shall be very glad if the Senator will point out where there is any provision in the Borah-Van Nuys bill or the Robinson bill or any bill pending in the Senate that fixes the price or has a tendency to fix the price of any commodity.

Mr. AUSTIN. Mr. President, the most casual reading of the pending bill shows that the outstanding characteristic of it is that the Federal Trade Commission, an authority in Washington, shall have power absolutely to determine the minimum price which may be charged for food. That is the outstanding feature of the bill. Of course, it is covered up by a great many words, and it is carefully concealed in the proposition of quantity limits; but it is there. That is the very, very important point in the bill.

If I can get a chance to read from Mr. Dunn's statement, I wish to do so. He was referred to, and I have been interrupted several times without having had the opportunity to let him answer for himself.

Mr. LOGAN. Will the Senator permit me to interrupt him again?

Mr. AUSTIN. Yes; I yield to the Senator; but I should like to make my statement consecutive.

Mr. LOGAN. I cannot let the Senator's statement go unchallenged. I make the statement now, as one believing he is competent to read simple language and understand it, that the Senator from Vermont is wholly mistaken; that the Federal Trade Commission has no authority under any of these bills to fix the price of anything; and I shall rest my contention on that statement.

Mr. BORAH. Mr. President, is the Senator from Vermont going to read from what Mr. Dunn said?

Mr. AUSTIN. Yes.

Mr. BORAH. I should like to read from the Borah-Van Nuys bill. Mr. Dunn was particularly addressing himself to particular phases of the bill which I had the honor to offer. I should like to have permission to read two paragraphs from the Borah-Van Nuys bill in order that we may see the pertinency or impertinency of the remarks of Mr. Dunn with reference to the measure.

I am now reading from the bill introduced by the Senator from Indiana [Mr. VAN NUYS] and myself, the Borah-Van Nuys bill. The bill is contained in two paragraphs. I read as follows:

SEC. 2. It shall be unlawful for any person engaged in commerce, in the course of such commerce, to be a party to, or assist in, any transaction of sale or contract to sell which discriminates to his knowledge against competitors of the purchaser, in that any discount, rebate, allowance, or advertising service charge is granted to the purchaser over and above any discount, rebate, allowance, or advertising service charge available at the time of such transaction to said competitors in respect of a sale of goods of like grade, quality, and quantity.

That, Mr. President, seeks to accomplish just one thing, and that is that whatever is granted to one customer in the way of rebates or commissions or advertising charges, and so forth, shall be available to any other customer who deals with the seller. That is all the bill seeks to accomplish. I do not think anyone, Mr. Dunn or anyone else, objected to that.

Mr. AUSTIN. Mr. President, I did not intend to read anything which related to that.

Mr. BORAH. Pardon me.

Mr. AUSTIN. The interrogatories that prompted my reference to this matter related to the Robinson-Patman bill, the pending business. Reference was made to Mr. Dunn, and comment was made upon his probity and learning and special knowledge of this subject. I therefore wish to point out that Mr. Dunn is opposed to the Robinson-Patman bill, in spite of the fact that it contains a good purpose. I think we are all agreed on the good purpose.

The address from which I shall read is not contained in the record. I shall read from an address which Mr. Dunn made in the course of a radio debate with Representative PATMAN relating to the Patman bill. The address was made on April 21, 1936, since the hearings; and, among other things, Mr. Dunn makes this fourth point:

This being so, the third fact is that this bill has a constructive purpose in its antitrust law conception. Therefore the question it presents is whether it makes a due amendment without any undue effect. For its good purpose will not save it if it enacts a law having a bad effect. Consequently, it does not suffice in justification of this bill to make eloquent and emotional appeals about its good purpose. Rather, what the public wants and is entitled to know is how this bill, if enacted, will actually affect the three principal parties to it. They are the buyer, the seller, and the consumer.

It is clear that to be sound this bill must enact a law which is just to each of these three parties, and which has a due regard for their unquestioned rights under it. Which rights are these? The buyer has the right to have this bill enact an effective Federal law against unfair price discrimination. The seller has the right to demand that this enacted law shall not be unjust or injurious to him. And the consumer has the paramount right to demand that this law shall not prevent economic price reduction as distinguished from wrongful price discrimination.

In appraising this bill from the standpoint of the consumer it is necessary to keep the following fundamental considerations in mind: First, this bill enacts a law regulating the prices of the essential commodities of life which every man, woman, and child in the country must have and which the poor must buy. Secondly, this bill prevents price reduction if and to the extent it involves wrongful price discrimination. Consequently, it must sharply and unquestionably distinguish between the wrongful price discrimination which it properly prohibits and the economic price reduction which it must permit. For a national law cannot be tolerated which is effective to prevent the economic price reduction of the essential commodities of life and thus artificially to enhance the cost of living to the people of the United States.

That is Mr. Dunn's opinion about the pending bill.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Idaho?

Mr. AUSTIN. I yield.

Mr. BORAH. I am sure that that statement cannot be applied with any relevancy to the bill of which I am one of the authors, and I do not see how it can be applied to the other bill. I do not know where the Senator can find the language which justifies the argument that the bill prevents price reduction.

Mr. ROBINSON. Mr. President, may I ask the Senator from Vermont a question?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Arkansas?

Mr. AUSTIN. I have not answered the question just propounded by the Senator from Idaho, but I will also take the question of the Senator from Arkansas now.

Mr. ROBINSON. The question relates to the same subject. Referring to the bill under consideration, what is the language in the bill which expressly or impliedly gives to the Federal Trade Commission the power to fix prices or which prevents reductions in prices?

Mr. AUSTIN. The following language, I think, will answer both questions. It begins with the word *"Provided"*, at the bottom of page 5 and extends to page 6, and is as follows:

Provided, however, That the Federal Trade Commission may, after due investigation and hearing to all interested parties, fix and establish quantity limits, and revise the same as it finds necessary, as to particular commodities or classes of commodities, where it finds that available purchasers in greater quantities are so few as to render differentials on account thereof unjustly discriminatory or promotive of monopoly in any line of commerce;

and the foregoing shall then not be construed to permit differentials based on differences in quantities greater than those so fixed and established.

Mr. President, if it is not apparent to everyone who hears that language that that is a price-fixing measure, then there is no use trying to construe such language. Any man in business who finds it impossible by virtue of the Federal Trade Commission's order to sell his commodities for less than the price fixed by the Federal Trade Commission has his price fixed.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. AUSTIN. I will ask the Senator to let me finish the thought. I can hardly express an idea before it is split in the middle. The reason why the housewife has been able to buy at chain stores for less money than at the independent grocer and druggist is because the large chain store has had the capacity to buy more food and drugs for less money than has the independent, who has to pay the cost of an intermediary in the purchase. Let the Federal Trade Commission come in and say, "Here, you cannot buy at a price below this price, and the way we are going to stop your doing it is by preventing quantity differentials on what you may buy." That is the soul of his purchase; that is the heart of his contract; the consideration that he gave for the low price was perhaps a 6 months' purchase, covering a vast quantity of materials, perhaps all the materials the seller had to sell, assuring him security, simplifying his costs by going to him to buy instead of having the seller come and drum him for trade. In other words, the price is fixed whenever the Federal Trade Commission steps in and says, "You cannot make use of your purchasing power by buying on a quantity basis."

Then look at the impracticability of the provision which contains the clause "available purchasers * * * are so few as to render differentials on account thereof unjustly discriminatory." Assume, as the evidence tended to show, that in New England there are only 2 chain stores and in New York there are 200; what an exposure to arbitrary, unfair, unjust, and damaging control by the Government there is contained in that provision which gives to the Federal Trade Commission freedom to say that 2 are too few in number when compared with a neighborhood just a little way off where there are 200.

Of course, it is possible to drive the chain store out of business and to set up the other method of distribution by a statute, but, while engaging in such a performance, let us think of the real person who pays the cost, and that is the consumer. I wish to call attention to some of the considerations respecting the consumer.

It was testified during the hearings before the House Judiciary Committee that the consumers of the Nation would have to bear an annual increase of $750,000,000 on their food bill alone as the price of enacting this measure. That statement has not been countered by any evidence, and, in my opinion, it cannot be gainsaid. It is founded upon a report of the Federal Trade Commission made after thorough examination of the situation. That report which was the result of a survey contained the following expression:

> It is quite as important from the consumer's standpoint that costs of technical production be lowered as that cost of so-called distribution be reduced. But while there still remains much to be accomplished in the former direction, greater success has been attained than in the latter. Quantity production, which has been enormously increased, and severely scientific methods which have prevailed in many fields of production, particularly of manufacturing, have been, among others, factors in lowering unit cost. * * *
>
> The costs of distribution, on the other hand, are for many food commodities inordinately high. * * * The costs of distribution * * * form no inconspicuous part of the final price which the consumer has to pay for the foods which he purchases, and these costs, together with attending wastes of foods * * * with reference to wholesaling, are unnecessarily high.
>
> The delivery of goods from the wholesaler's or jobber's place of sale to the store of the retailer is a matter of very serious import.

Mr. ROBINSON. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Arkansas?

Mr. AUSTIN. Yes.

Mr. ROBINSON. The Senator must recognize that the bill under consideration takes account of and permits quantity differentials justified by differences in cost whether of transportation or of distribution; so that the argument from which he is reading does not appear to me fairly to support the contention that the passage of this bill would mean an added burden to the consumer. The object of the bill is to prevent large buyers from taking unfair advantage of independents by securing terms that are out of proportion to the differences in cost, thus enabling them to destroy their competitors and to monopolize the market.

Mr. AUSTIN. Mr. President——

Mr. ROBINSON. It seems to me, if the Senator will permit one more statement before he proceeds, that the whole force of the Senator's argument leads to the conclusion that he is justifying monopoly in the sale and distribution of products.

Mr. AUSTIN. Mr. President, any Senator within the sound of my voice, of course, may make the inferences he chooses from what I have to say, but I wish to say now, since that point has been raised, that I am not for monopoly in the distribution of food and clothing and that the whole purpose of my remarks is to preserve, if possible, competition. If I could have my way there would be free economic play, full competition; there would not be a government stepping in to help out one phase of distribution at the expense of another phase; but there would be left these wonderful methods of distribution and perfect freedom to fight it out in the present state of the law and on economic laws as they have done heretofore, and to the benefit of the consumer.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. AUSTIN. Yes.

Mr. ROBINSON. How long does the Senator think the little man, the independent dealer, would last if he were left absolutely to the mercy of the large dealer without regulation by any Government authority; and is it not a fact that the whole trend of conditions is toward monopoly and that that has prompted the enactment of regulatory legislation?

Mr. AUSTIN. I say "no" to that question. On the contrary, the evidence which can be read without spending more than one night in the reading shows there has developed in this country a keen and efficient method of distribution, a keen competition between those who distribute through wholesalers and middlemen and those who distribute directly from the producer to the consumer.

More than that, within each one of these branches of distribution there is keen competition between those who are fighting for the same market, chain stores in competition with chain stores, wholesalers in competition with wholesalers. The evidence with respect to the possible injury of the independent grocer or other small store is that they are increasing in strength, that they are improving in their capacity to handle the business of retail distribution, rather than the contrary. That is repeated by witness after witness who has better advantage of knowing the facts than we do, and after a careful survey.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Vermont yield to the Senator from Idaho?

Mr. AUSTIN. I yield.

Mr. BORAH. The Senator will agree, will he not, that witness after witness representing the independent businessmen testified that unless they have some protection such as is designed by these bills they cannot remain in business?

Mr. AUSTIN. I think I could not quite follow the Senator from Idaho to that extent. The testimony, as I recall it, was to the effect that the small merchant, the independent, is faring by comparison better than is the retailer in the chain

stores. If I get to it, I shall produce the evidence on that point and the statistics which establish the fact.

Mr. KING. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. KING. I ask for information in view of the statement made by the Senator a moment ago. Does the Senator interpret the bill under consideration as a prohibition against direct sales from the manufacturer to the consumer? Is there anything that would interrupt a transaction between a manufacturer or producer of a commodity, no matter what it is, whether big or little, and the ultimate consumer, so that the manufacturer or producer would be forced to sell through wholesalers, through brokerage firms, and so on, in order to reach the ultimate consumer?

Mr. AUSTIN. I do not so interpret the provisions of the bill.

Mr. KING. If it is susceptible of that interpretation, I should be opposed to it—that is, if there is any provision in the bill which would prohibit direct sales.

Mr. AUSTIN. Mr. President, I had not finished my discussion of the consumers' interest in the pending measure. I invite attention to the testimony of Mr. McNair, teacher in the Harvard school of business. This man's lifework has been the study of distribution costs. He said, among other things:

> It seems to me that in considering these bills your committee should give careful attention to the fact that consumer purchasing power must be preserved and that a reduction in the cost of distribution is fully as important in the preservation and the increasing of consumer's purchasing power as the reduction in the cost of manufacture.

That is almost in the same terms as the report of the Federal Trade Commission:

> I think the salvation of the capitalistic system depends upon getting merchandise into the hands of the consumers at lower and lower prices, and one of the great advantages in the reduction of distribution costs is achieved by large-scale distribution. I believe such operations will place merchandise in the hands of the consumers at lower and lower prices. I am in agreement that there have been certain abuses. I do not condone them. I think legislation may be called for to correct them. But I believe your committee should be extremely careful in recommending such legislation to see that no injury is done to the consumer's purchasing power, because that is the most important step in recovery.

That particular part of Mr. McNair's testimony refers to the question asked by the Senator from Idaho [Mr. BORAH].

Mr. BORAH. Mr. President——

Mr. AUSTIN. I yield to the Senator from Idaho.

Mr. BORAH. I do not understand how it can be contended that if we through law impose upon the large distributor the obligation to treat all customers alike that is in any way interfering with free competition.

Mr. AUSTIN. There could not be any competition if by statute we fixed the prices to a common level all over the United States.

Mr. BORAH. I am not proposing to do that.

Mr. AUSTIN. That is the effect of a Federal statute.

Mr. BORAH. I am not proposing to fix any prices. I propose to say to the large dealers, "You may fix the price at whatever you may choose to fix it, but when you fix it you must give A the same benefit you give B."

Mr. AUSTIN. Yes; and a statute like that would be like a statute that declared that one could worship God in any way he liked, provided it was according to the Protestant faith. By such a law as that we would fix the price level all over the United States.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Vermont yield to the Senator from Michigan?

Mr. AUSTIN. I yield.

Mr. VANDENBERG. Am I correctly informed that Professor McNair also stated it to be his belief that the Borah-Van Nuys bill safeguards the consumers' interests to a substantially greater degree than does the Robinson-Patman bill, and that he had no substantial objection to the Borah-Van Nuys bill?

Mr. AUSTIN. The Senator from Michigan is correct.

Mr. VANDENBERG. If the Senator will permit me, I do not think that point can be too often emphasized, because I am in a position of wanting to reach the precise objective which we have repeatedly stated, but I do not want to reach a lot of objectives which are not in contemplation in those limited purposes. I do not want to create more problems than I solve.

Mr. AUSTIN. I thank the Senator for what he has said because I think he grasps the objectives at which I am aiming.

I wish to continue my reference to the amount of injury to the consumer which the passage of this bill would entail. Mr. McNair said further, among other things:

> The first point that it is essential to bear in mind is that roughly half of the consumer's dollar spent for merchandise bought over the counter of a retail store goes to cover costs of distribution, or marketing. In other words, manufacturers' selling and advertising costs, wholesaling costs, and retailing costs ordinarily are just as large a part of the final dollar of sales as are manufacturing and production costs. Not more than half the consumer's dollar really goes to cover the labor and other costs involved in the manufacture of goods.
>
> The point has been made most effectively by the studies of the Brookings Institution that the future progress of the United States depends very largely on placing goods and services in the hands of final consumers at lower and lower costs in order that the consumer's dollar may go further. This is what is meant by increasing consumer purchasing power. Now any saving in the distribution-cost half of the consumer's dollar increases consumer purchasing power just as much as a saving in the manufacturing-cost half of the dollar. If, through improved distribution methods, consumers are able to buy goods for 10 or 15 cents less on the dollar of sales than they can buy them through other channels of distribution, then that 10- or 15-cent saving is an increase in consumer purchasing power. It releases that much purchasing power for the buying of other goods, and the making of those goods affords employment to additional persons that otherwise would not have jobs.
>
> That the 15 cents of consumer saving shown by the figures to which I referred is in no sense an exaggeration is attested by the Final Report of the Federal Trade Commission on the Chain-Store Investigation, in which it is stated with reference to retail drug prices that "the geometric average of chain and independent prices, when weighted by chain and when weighted by independent volume, indicates that the prices of independents are from 14.527 percent (Detroit) to 22.72 percent (Washington) higher than those of the chains in the four cities studied by the Commission * * *."

Just think of that—roughly from 14 percent to 22 percent higher in the independents than in the chain stores.

> Such savings are made possible by the development of large-scale methods of distribution in the direction of combining or telescoping the wholesale and retail functions under one overhead. The large chain-store company goes direct to manufacturers instead of buying to any great extent from middlemen.

Then the witness goes on with examples.

This testimony is quite voluminous, and I regret that I feel obliged to read so much of it here. I should not do so were it not for the fact that the testimony was not printed and did not arrive until this morning.

Mr. VANDENBERG. May I ask whose testimony the Senator was just reading?

Mr. AUSTIN. I was just reading from Mr. McNair's testimony.

Mr. VANDENBERG. It is nowhere contended, is it, by Professor McNair or any of the rest of the witnesses, that it is necessary to maintain the privilege of fictitious discounts in order to maintain these consumer advantages?

Mr. AUSTIN. Not at all.

Mr. VANDENBERG. Therefore, a measure directly aimed at the prevention of fictitious discounts and discriminatory discounts would not be objectionable from the standpoint the Senator argues, nor would it fall under the indictment he announces?

Mr. AUSTIN. Not at all, Mr. President.

Mr. VANDENBERG. And it is possible to have legislation confined to those particular objectives?

Mr. AUSTIN. These witnesses thought so. They testified that, in their opinion, the Borah-Van Nuys bill would do that.

The statement I made here that I should prefer no legislation to any that is before us represents only my own opin-

ion, expressed in response to a question here. I believe there would be a greater benefit to the consumer from leaving the Clayton Act just exactly as it is than from changing it at all; but that is only my opinion. I am trying to adhere to the question pending before the Senate, and to apply to this bill the evidence which came before the committee; and it should be remembered that out of the 27 witnesses who appeared before the committee, not one of them favored the Robinson-Patman bill—a most amazing situation.

I have the figures of the division. Twenty-seven witnesses testified, and of the entire group not one testified in favor of the Robinson-Patman bill. Twenty-one either testified in favor of the Borah-Van Nuys bill or stated that if some bill is to be enacted, it is the least objectionable. Of the remaining six, two opposed all bills, two preferred bills of their own, and two made no reference to any bill.

Mr. VAN NUYS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Indiana?

Mr. AUSTIN. I yield to the Senator.

Mr. VAN NUYS. Of course, the hearing was on the so-called Borah-Van Nuys bill; but at the hearings in the House on the original Robinson-Patman bill a great volume of witnesses, representative men from all over the United States, testified in favor of that bill. I think that is a true statement, is it not?

Mr. AUSTIN. I believe that is correct. As a matter of fact, I believe I have seen it stated, although I do not know from observation, that there was substantially no hearing of those opposed to the bill before the House committee; so we have the strange set-up here of a report of hearings in the House for the bill, and a report of hearings in the Senate against the bill.

Among other things, Mr. McNair said:

I have devoted some 15 years to a study of retail distribution, and I am convinced that retail distribution by the chain stores has built up their business by serving the consumer better than he would otherwise have been served. I see no point in jumping on the chain stores for something you think they might do, and open the door to the manufacturer to go ahead and fix his prices.

Again he said:

I think the chains have contributed to the higher standards of living. Increased purchasing power has made it possible for the consumer to have 10 or 15 cents more of his dollar.

Again:

There are a number of studies that have been made by the Federal Trade Commission of various independent organizations in Chicago and elsewhere, comparing the prices of chains and units, not just "loss leader" items but covering a wide range, and they all indicate that chains sell at lower prices than independents. There are surveys that show a range of anywhere from 6 or 7 percent up to as high as 22 percent in the city of Washington, in the drug trade, by the Federal Trade Commission.

Again he says:

I have no objection to measures which undertake to enforce proper standards, but I do object to measures which rob the consumer of the benefits he can receive through large-scale methods of distribution, which is one of our most serious problems. Large-scale distribution reduces the cost of distribution and increases the purchasing power of the consumer. I do not like to see the consumer robbed of the benefit of that. I think there is a sharp distinction between the kind of bigness which becomes big through price fixing and monopolistic practices and that which grows by means of competition and giving the consumer superior service in the benefits of that competition.

Now, let me call attention to the testimony of a practical merchant, Paul H. Nystrom. He is also professor of marketing at Columbia University, but he has been engaged in the retail business, either directly or indirectly. He says:

I mean directly in an official way—for nearly 40 years. I am also president of Limited Price Variety Stores Association, an association made up of chains, voluntary chains, and independent retailers.

So he knows both views of the same matter.

With respect to the consumer's interest, he says:

It is inevitable, in my opinion, that if S. 3154 is passed retail prices must rise. That seems to me must be the purpose behind the bill. That must be the reason why certain proponents desire it passed. That must be the reason for the inclusion of certain provisions which go much further than merely to prevent unjustified discrimination.

Mr. Nystrom pictured the various methods of distribution in a very clear manner, as follows:

The major distribution methods in this country exist in many variations, but there are two major types. One is sale through wholesalers or middlemen who sell to retailers, who in turn sell to consumers. As against that is the other, which is sale directly to the retailer, large or small, but generally large, who can take such quantities as the manufacturer prefers to dispose of. These two are the major channels or methods. They have been in conflict for more than 25 years. They have fought each other to a standstill.

I am of the opinion that the department stores reached their peak in about 1926. There has been no material growth in their line since that time. There is no evidence that they will continue to grow much more. There may be a slight growth, but it does not appear that it will be important.

The mail-order houses apparently reached their peak in 1919 and 1920. We will always have mail-order houses in this country, but the possibility of any large growth among them is very slight.

The chain stores were the last to appear. They grew very rapidly in the twenties. They probably grew too fast for their own good. They grew like mushrooms, and they reached their peak in 1929. It remains to be seen whether their growth can be resumed, but I think it is very doubtful.

There are figures available in the census of 1933 showing that the proportion of chain stores in that year had increased over 1929. I do not think that is sound evidence that the chain stores grew in that interval. The most logical assumption, in my opinion, is that by and large the chain stores have enjoyed their most important recent growth from the sale of perishable goods, and when the depression came those sales declined and the number of chain stores decreased. I would not be surprised, therefore, if the next census, that of 1935, will show that chain stores represent a smaller percentage of the total retail service than in 1933.

Omitting some, I come to this:

These various distributing systems are in keen competition. From the public standpoint that seems to be a very desirable thing. We are now benefiting from a better retail service than ever before, and better than what is available anywhere else in the world.

Later he testified:

The provision for wholesale differentials, which is in the Robinson-Patman bill, would, if availed of, force the manufacturer to allow wholesalers a discount which would place the chain stores and other large independent distributors at a decided disadvantage.

Mr. Wheeler Sammons, an executive of the Institute of Distribution, testified at large upon the injury to the consumer. I cannot refer to all I should like to refer to. He made a similar claim, that the savings to the consumer as a result of sales through the chain store direct to the consumer was from 10 to 20 cents of the consumer's dollar. Among other things, he said:

Mr. Chairman, I would, for the purposes of the record, like to recall attention to certain figures mentioned by Senator BORAH, I believe, in regard to wages and expenses in chain stores in comparison with expenses and wages paid by independent distributors. It should be pointed out that the Government figures relating to proprietor-owned stores do not include the compensation taken by the proprietor, while in the case of the chain stores the compensation of the manager is, of course, included. Sixty-odd percent of the stores in this country sell but $10,000 or less a year. If you add the figure mentioned—I believe 20 percent—as expenses, the percentage, only $35 a week would be for the proprietor of such a store, you will see it as at least another 20 percent, making 40 percent or more in all, or twice what I believe was mentioned as the chain-store levy on the consumer.

During the depression the consumers were forced to patronize chains more heavily to hold down expenses, which accounts for the better proportionate showing of the chain stores. You will find now, however, a greater proportionate increase in independent stores' sales now, for people normally disregard savings often for convenience and other factors. There is a place for both always.

Mr. Sammons testified as follows:

The Robinson-Patman bill, Senator, eliminates quantity discounts in practical effect—it just adds that the elimination must be without discrimination. The consumer is to be raided without discrimination, in other words.

Mr. BARBOUR. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. BARBOUR. A great many people have written me in respect to this matter of differentials in discounts. In all

of the bills there is a parity as far as the differential of discount is concerned, in this respect, that a manufacturer or a distributor selling to customer A a certain article has to make the same quantity discount that he makes to customer B buying the same amount of the same article. Is that a correct statement?

Mr. AUSTIN. That is not correct. If that were so, there would not be this protest, probably, with respect to that control of quantity limits. If the bill provided that the same discount should be given to all who purchased the same quantity, that would be a wholly different thing from the proposition now before us.

Mr. BARBOUR. Mr. President, if I may interrupt again, that situation is of paramount importance, and I do not think I am betraying any confidence—I am perfectly willing to ask the questions when the Senators themselves are present—when I say that I have asked the same question of the Senator from Arkansas [Mr. ROBINSON] and the Senator from Kentucky [Mr. LOGAN], and I was assured that while any net price could be charged for one cap manufactured in Newark and a different net price charged for a dozen caps, and still a different price for a gross, it would be necessary to make the same net price to two or more customers buying a like quality of product in like amount. The Senator's statement to me that that is not so casts a very different light on the whole subject, because in that field has come the greatest protest that has been lodged with me.

Mr. AUSTIN. Mr. President, let me call the attention of the Senator from New Jersey to page 6 of the bill, line 8, where it is provided:

> And the foregoing shall then not be construed to permit differentials based on differences in quantities greater than those so fixed and established.

To what does that refer? That refers to an order made in Washington to take effect in California, in Burlington, Vt., in Newark, N. J., anywhere and everywhere all over the United States, if the person upon whom the order bears had business in those places. Disregarding all the circumstances, disregarding the local merchant's set-up, his cost of doing business, and the competitive factors he encounters in his own locality, which the other man off somewhere else does not encounter, disregarding all of those things, the fixing of the minimum quantity or the maximum quantity by the Federal Trade Commission fixes a dead level of price. Let me read the part of the bill which shows that:

> That the Federal Trade Commission may, after due investigation and hearing to all interested parties, fix and establish quantity limits, and revise the same as it finds necessary, as to particular commodities or classes of commodities, where it finds that available purchasers in greater quantities are so few as to render differentials on account thereof unjustly discriminatory or promotive of monopoly in any line of commerce.

Take the case where there may be 2 chain stores in one district and 200 in another district. There is a situation where this tremendous power may be exercised here at Washington to fix one price in one place and another price in another place by means of fixing the quantity limit and changing it up or down from time to time. In other words, is not the Robinson-Patman bill an extension of the N. R. A.? That question has threaded all through the testimony before the committee. Many of these practical businessmen and these marketing and distributing specialists testified that in all probability the bearing of this bill on business would be the same as the bearing of the N. R. A. on business, namely, fixing prices.

I now call attention to a statement filed by the secretary of the National Voluntary Groups Institute, and vice president of the Independent Grocers Alliance Distributing Co., and I wish to say in passing that a great percentage of the witnesses who appeared before the subcommittee represented independent dealers. They were by no means all representing chain stores. A large number of them were independents. I read:

> What would be the immediate effect of enacting this bill?—The immediate result of enacting such a measure would be—
>
> (1) A material increase in the cost of living to consumers, particularly to those of low and moderate incomes.
>
> (2) The elimination of stabilized production which so often makes it possible for manufacturers, particularly small ones, to produce goods for large buyers during the off-peak season, thereby lowering prices to all buyers and consumers; and the emphasis of "peaks and valleys" of production, with attendant seasonal lay-offs of labor.
>
> (3) The freezing of the price level, with much greater attendant advantage in the long run to large buyers than to small ones.
>
> (4) The subsidizing of the middleman, at the expense of a vastly larger but vocally less powerful group, the consumers.
>
> (5) Harassing bureaucratic control over industry by the Federal Trade Commission, similar to that exercised by the N. R. A.
>
> (6) Unwarranted interference with business, in direct contrast with the President's promise of a "breathing spell" to business.

I come now to another question which this witness answered:

> Question. Do chain stores sell for less?
>
> Answer. Yes; both according to the experience of most consumers and in fact.
>
> Average, year-in-and-year-out experience, and not specific instances, must, of course, supply the fair answer to this question. In an investigation of retail prices in various types of business made through the Federal Trade Commission, Uncle Sam, himself, found that chain grocery prices are 8.1 percent lower, on the average, and chain drug stores prices 12.5 percent lower than the retail prices of independent establishments competing with such chain stores. These figures indicate that chains bring to consumers, by way of direct savings to the thrifty, about $776,000,000 a year.

There is another group of people who are vitally affected, vitally interested, and that is the farmer group. Chester Gray, who is well known, possibly, to every Senator, and who probably has the confidence of every Senator, representing the American Farm Bureau Federation, on March 30, 1936, filed a statement from which I read the following:

> On the general question of legislation, such as is contained in the Robinson bill, S. 3154, and in the Patman and Utterback measures on the House side, as well as in S. 4171 by Senators BORAH and VAN NUYS, all of which measures are generally described as being "price discrimination" bills, the approach of the federation is that of analyzing these bills, particularly in relation to their effects on retail prices. In this connection the report by Senator LOGAN on the Robinson measure says: "In forbidding its (economy) use, and foregoing its benefits, the public is but paying a willing price for its freedom from monopoly control." This is a virtual confession that the effect of the measure upon which the report by Senator LOGAN was written will be to raise retail prices and that the public will be willing to pay higher retail prices as a method of getting rid of monopolistic control.

I omit a portion and come to the following:

> The public is fairly well protected under present situations which relate to retail trades in the competitive practices which are now in effect. Too much legislation, or the enactment of a bill of too severe a character in strait jacketing the distribution agencies, corporate or cooperative as the case may be, might be expected to make the consumers, in which agriculture is part, pay penalties in higher prices which are not now required to be paid.
>
> It may be doubted that the agricultural cooperatives would desire to be limited in quotations of price so that if a quotation was given to one customer, slight or no variety would be permitted in quoting the same commodity to another customer, where local trade or other conditions might necessitate a difference in price quotations if the business is to be retained. Indeed, agricultural cooperatives desire that if the general type of legislation under discussion is to be enacted, such as is contained in the Borah-Van Nuys measure, S. 4171, it should be made somewhat clearer in regard to prohibition of discounts, advertising allowances, and similar devices which if given to one customer and denied to another places the latter at a disadvantage.
>
> Accordingly the following suggestion is presented as an amendment to be incorporated at the proper place in S. 4171:
>
> "It shall be unlawful for any person as seller, buyer, broker, agent, or otherwise, to be a party to any transaction of sale that includes or results in the payment by or for the seller of broker's fees or commissions to any person directly or indirectly employed or controlled by the buyer."

The National Cooperatives' Council was also represented at the hearings. Mr. Miller, representing the council, testified as follows:

> Because of our interest in such legislation our council at its annual meeting last January endorsed the Robinson-Patman bill. Some time after that, however, we first learned that on January 16, which was after our annual meeting had adjourned, the subcommittee of the Senate had reported out the bill and had interpreted some of its provisions. Upon learning of that, copies of the bill were sent to the member organizations, and immediately there were protests received.
>
> We feel that the business of the cooperatives would be seriously handicapped, resulting in tremendous losses to farmer members. One of the major evils we saw is that some of our cooperatives in

New England may be selling in 50 markets, while other milk cooperatives may be selling in 150 markets, and still others in several hundred markets. If in any one of those markets a situation developed where there were reduced prices, under the terms of the other bill, as interpreted, the cooperatives would either have to be forced to withdraw from that market and also withdraw from others, or would be compelled to make reductions in all other markets, which would run into many millions of dollars of losses to the farmers and those cooperatives.

There is much more of importance that this witness testified to, but I have not the time to read it.

Mr. President, I have a letter from the National Cooperative Milk Producers' Federation, dated April 29, 1936, which I ask unanimous consent to have inserted in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

THE NATIONAL COOPERATIVE MILK PRODUCERS' FEDERATION,
Washington, D. C., April 29, 1936.

MY DEAR SENATOR: We would like to call your attention to the harmful effect which certain provisions of the Robinson-Patman bill, now being considered in the Senate, would have on the operations of our farmer-owned and farmer-controlled cooperative marketing associations.

With the principal objectives of the bill, which are directed against the elimination of false brokerage allowances and false advertising allowances, we are in full accord. Other provisions of the bill, however, would be destructive to cooperative marketing of agricultural products.

Section 2 (a) of the bill requires that the same price be charged by sellers to all of their customers for goods of the same grade and quality. Many of our large cooperatives sell milk, butter, cheese, and other dairy products in hundreds of different markets. The Dairymen's League Cooperative Association, Inc., with 35,000 farmer members, sells milk and cream in more than 150 markets in New York, Pennsylvania, and New Jersey; the Pure Milk Association of Chicago, with approximately 16,000 farmer members, sells milk and cream in about 15 markets in Illinois, Indiana, and Wisconsin; Land O'Lakes Creameries, Inc., sells butter, cheese, evaporated milk, and other dairy products in practically every large market east of Minneapolis. Land O'Lakes Creameries, Inc., is a federation of farmer-owned and farmer-controlled creameries, cheese factories, and evaporated milk plants located throughout the Northwest, and having a farm membership of nearly 100,000 dairy farmers. These illustrations could be amplified a hundredfold, and exist not only in the dairy field but in every field of agriculture.

Obviously, these large-scale cooperative ventures require that the prices paid by purchasers of our products be determined (1) by the economic differences between various markets, particularly with reference to the purchasing power of the varied communities, and (2) the competition which we are required to meet in each of the markets in which we operate.

It is not at all clear under the provisions of this proposed legislation as to whether the fundamental necessity of charging different prices in different markets is to be recognized as legal. Assuming that such different prices are recognized under the bill as economically and legally sound, we are still confronted with the absolute prohibition against meeting competition contained in the bill.

The present antitrust statute provides that price discriminations made in good faith to meet competition shall not be considered a violation of the law. This provision is eliminated by the Robinson-Patman bill. Thus in every city where competitors cut prices and are not subject to this bill because either (1) they operate only in one market and give the same price to all of their customers or (2) they operate in intrastate commerce and thus are not subject to the bill, our cooperatives will be forced to drop out of the market or, if they meet the competition, they must lower their prices in every other market in which they operate. Should they meet this local competition and not reduce their price to the same level in every other market, they will be liable under this bill for triple damages to each of their customers in every other market in the United States.

Thus, under the provisions of this bill, the life of every legitimate farmers' cooperative association in this country is imperiled. Under the pressure of local and uncontrolled competition which we cannot legally meet, our cooperatives will be killed off slowly by either having to retire from every market where unfair competition exists, by being forced to lower prices throughout the United States to the level required to meet such competition, or by meeting such competition in violation of the statute and being killed by damage suits under the triple-damage clause.

We therefore urge upon you in behalf of the organized dairy farmers of this country to restore the language of the original Clayton Act, which makes it permissible to meet competition in good faith.

Although this is the most serious effect of this bill on dairy farmers, we would like to point out one other section of the bill which we feel will be extremely dangerous to some of our cooperatives. This provision is contained in section (c) of the proposed bill, which requires that where advertising allowances are granted to one customer they be granted on equally proportionate terms to all customers. We believe that these restrictions should be confined to giving equal treatment to all customers within the same city, town, or village.

For example, it might be quite possible that one of our cooperatives desires to put on a heavy advertising campaign in one particular city on a cooperative basis with its customers in that market. Certainly, if it desires to do so, it should not be required to put on a similar advertising campaign in all of the other cities, towns, or villages in which it operates. The advertising campaign put on in one particular city may be for the purpose of opening up new territory and may not be necessary in other markets in which the cooperative operates. Under these circumstances, the benefits of sales promotional work in new markets under which our cooperatives and their customers share the expenses would be entirely eliminated by the requirement that similar work be done in markets already long established.

These amendments which we are asking will not in any way interfere with the central objects of the legislation. On the other hand, they are essential to the continuance of our producer-owned and producer-controlled cooperative marketing associations.

If it be impossible to obtain these changes in the bill, we request, on behalf of the organized dairy farmers of this country, represented by our federation, that milk and its products be specifically exempted from the provisions of this legislation.

Respectfully submitted.

THE NATIONAL COOPERATIVE MILK PRODUCERS FEDERATION,
By CHAS. W. HOLMAN, *Secretary.*

Mr. AUSTIN. My attention has been called by Mr. Donald Kane, of the National Cooperative Milk Producers' Federation, to the situation in New England, as follows:

In your particular area the New England Dairies, a cooperative of more than 20,000 dairy farmers, sells milk in from 30 to 40 markets. In each of these markets local conditions must be considered in fixing the price at which the milk is sold to the dealers. It would be utterly impossible to charge the same price to all buyers in the different markets. In addition we must be permitted to meet local competition which is wholly intrastate and this is free from any control whatsoever.

Mr. President, I believe I shall conclude my remarks by referring to some of the effects testified to not only by those whose testimony I have read but by many others of the 27 to whom I have referred. These witnesses, in opposing the Robinson-Patman bill, stated that the following would be its effect:

It is an anticonsumer bill, in that it would increase the cost of the necessities of life, and thus reduce the standard of living.

It would injure the farmer by reducing the price of what he sells and increasing the cost of what he buys.

It would reduce consumption, and thus produce unemployment of labor.

It would subsidize the expensive and inefficient multiple middleman system of distribution.

It would lessen competition and foster monopoly.

It is a price-fixing measure.

It would directly reverse the recent trend toward lower distribution cost by preventing the telescoping of wholesale and retail functions under one overhead.

A vote for this bill is a vote for special privilege at the expense of the American consuming public.

It would result in bureaucratic control over industry.

It would emphasize "peaks and valleys" of production, with the attendant evil of seasonal unemployment.

For these and other reasons I am opposed to the bill.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes, was read twice by its title and referred to the Committee on Finance.

Mr. HASTINGS obtained the floor.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Keyes	Radcliffe
Ashurst	Connally	King	Reynolds
Austin	Coolidge	La Follette	Robinson
Bachman	Copeland	Lewis	Russell
Bailey	Couzens	Logan	Schwellenbach
Barbour	Davis	Lonergan	Sheppard
Barkley	Dieterich	Long	Shipstead
Benson	Donahey	McAdoo	Smith
Bilbo	Duffy	McKellar	Steiwer
Black	Fletcher	McNary	Thomas, Okla.
Bone	Frazier	Maloney	Thomas, Utah
Borah	George	Metcalf	Townsend
Brown	Gerry	Minton	Tydings
Bulkley	Gibson	Moore	Vandenberg
Bulow	Glass	Murphy	Van Nuys
Burke	Guffey	Murray	Wagner
Byrd	Hale	Neely	Walsh
Byrnes	Harrison	Norris	Wheeler
Capper	Hastings	Nye	White
Caraway	Hatch	O'Mahoney	
Carey	Hayden	Overton	
Chavez	Johnson	Pittman	

The PRESIDING OFFICER (Mr. MURRAY in the chair). Eighty-five Senators having answered to their names, a quorum is present.

RELIEF OF CERTAIN OFFICERS AND EMPLOYEES OF FOREIGN SERVICE

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 267) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of Nature.

Mr. BULKLEY. I move that the Senate disagree to the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. PITTMAN, Mr. BULKLEY, and Mr. WHITE conferees on the part of the Senate.

NEW DEAL PROSPERITY

Mr. HASTINGS. Mr. President, when I made some remarks in the Senate April 20, in which I referred to the Democratic controlled Liberty League and called attention to its announced policies and how closely that declaration compared with the Democratic platform of 1932, I had no thought of taking up so much time of the Senate or of stirring up the New Deal Senators to a defense of the New Deal itself.

It may appear to some that I was wasting the time of the "greatest deliberative body in the world", and that the matter which I discussed was not important enough to take up the time of the Senate; but may I, in justification, call attention to the fact that the Senate has not been engaged during the past 4 months in anything very constructive. The one thing that we have done which the country will remember is the passing of the bonus bill over the President's veto. The other important things which this Congress is compelled to consider are the recommendation of the President for another $1,500,000,000 for relief and a tax bill which is calculated to tax the people more than another three-quarters of a billion dollars.

These measures have not yet reached us, and the chances are it will be very many days, if not weeks, before the Senate even begins to consider them. Since, therefore, there is nothing very important to do, and since Mr. Farley and the New Deal Senators are boasting so much about the New Deal prosperity, it occurs to me that I would be justified in submitting some comments upon that subject at this particular time.

After I had finished my remarks the other day, the Senator from Arkansas [Mr. ROBINSON] said he was amused. He suggested that I had had a brainstorm, and intimated that I was speaking without knowing what I was saying, and said that every time I spoke "the New Deal becomes more popular."

The junior Senator from New York [Mr. WAGNER] also advised me that the people of the country are never going back to the days of what he calls "reactionary administrations for some 12 years." He continued:

> They are never going back to the days when the kind of policies in which the Senator from Delaware believes are to control. It cannot be done. So give it up.

It may be that the people are never going back to the policies in which I believe; but if that be a fact, it will be because this administration is taking the country so far and so rapidly over a dangerous course that it will be impossible for it to get back.

I shall not, however, follow the advice given by the Senator from New York and "give it up."

In England the minority is called "His Majesty's loyal opposition." In order to properly describe it in this country, we have to leave out the word "loyal." I shall continue for a time, at least, to be a part of "His Majesty's opposition", in an effort to show the inconsistencies that abound in the New Deal, the emptiness of the claims made for it, and the dangers that confront us if we do not check it soon.

February 22 of this year the Honorable James A. Farley, chairman of the Democratic National Committee, made a speech before the Washington Day banquet of the Kansas Democratic Club at Topeka, Kans. This speech was printed in the CONGRESSIONAL RECORD of February 25 of this year, and something like 125,000 copies of it were sent through Mr. Farley's Post Office Department without any cost whatever to the Democratic National Committee, or to anybody except the Post Office Department and the taxpayer.

I shall refer to portions of that speech and undertake to answer it.

Here is his description of the situation at the beginning of the Roosevelt administration. He said:

> Month by month the army of the unemployed lengthened until the jobless and their dependents numbered more than 30,000,000 men, women, and children. The press was reporting the suicides of fathers and mothers who were unable to endure the suffering of their own children.

Speaking of the farmers, he said:

> They swarmed into the highways, grim-faced and determined, armed with pitchforks, and they actually dragged judges from the bench. They resorted to violence because they had no other remedy to protect their homes and their children.

He continued:

> The courts of bankruptcy were busy with the ruin of merchants and retailers. * * * Banks were failing with increasing momentum until the total became staggering. * * * Hundreds of thousands of home owners, out of work, out of savings, deprived of an income, were losing their little homes. * * * The railroads were on the verge of collapse. * * * Ugly mobs gathered in the large cities to protest the dispossession of families in the dead of winter when they lacked food, fuel, and a place to go. Local government units faced exhausted credits and revenues, and pleaded to the Federal Government for help. They pleaded in vain. The streets were thronged with poor, hungry fellows begging the price of a sandwich or a bit of food. * * * What was done in 1930 and 1931 and 1932 to correct the horrible conditions I have just described? You can answer that yourself. Nothing was done.

Before endeavoring to produce the evidence to refute the false statement by Mr. Farley that "nothing was done", I desire to refer to the remedy proposed by the Democratic Party in its platform adopted at the end of June 1932, when, it must be presumed, the members of the convention knew what the situation had been in 1930, 1931, and the first part of the year 1932. Let us see what that great party offered to the country when it nominated as its candidate for President Franklin D. Roosevelt, a candidate who subscribed to the platform 100 percent. Let us see if there is in the platform anything which indicated the method the Democrats proposed to follow to correct such alleged conditions.

The Democratic platform of 1932, after describing what it called the unprecedented economic and social distress that existed, declared:

> The only hope for improving present conditions, restoring employment, affording permanent relief to the people, and bringing

the Nation back to the proud position of domestic happiness and of financial, industrial, agricultural, and commercial leadership in the world lies in a drastic change in economic governmental policies.

And then follows the provision in the platform stating that the platform is a covenant with the people to be faithfully kept by the party when entrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe; and here, Mr. President, follows Mr. Farley's program to relieve the conditions which he described in his Topeka speech.

The first is the reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of the Federal Government. The second is the maintenance of the national credit by a Federal Budget annually balanced on the basis of accurate Executive estimates within revenues, raised by a system of taxation levied on the principle of ability to pay. The third is the advocacy of a sound currency to be preserved at all hazards, and as international monetary conference to consider the rehabilitation of silver and related questions. Here is the provision with respect to relief, and I quote the exact words:

We advocate the extension of Federal credit to the States to provide unemployment relief wherever the diminishing resources of the States make it impossible for them to provide for the needy; expansion of the Federal program of necessary and useful construction affected with a public interest such as adequate flood control and waterways.

The fifth provision advocates—

The spread of employment by a substantial reduction in the hours of labor, the encouragement of the shorter week by applying that principle in Government service.

And then follows this provision:

The enactment of every constitutional measure that will aid the farmers to receive for their basic farm commodities prices in excess of cost.

And then this:

We advocate a Navy and an Army adequate for national defense, based on a survey of all facts affecting the existing establishments, that the people in time of peace may not be burdened by an expenditure fast approaching a billion annually.

Just here let me call attention to the fact that the Democratic Party in its platform was complaining about the people in time of peace being burdened by an expenditure for national defense with a sum fast approaching a billion dollars annually. It was referring to an appropriation, in a Republican administration, of an amount a little more than $817,000,000. During the 3 years of the Roosevelt administration we find this sum increased for the fiscal year 1937 to an amount of $1,160,000,000.

Referring again to the platform, we find the following provisions:

* * * Strengthening and impartial enforcement of the antitrust laws to prevent monopoly and unfair trade practices; * * * the removal of Government from all fields of private enterprise except where necessary to develop public works and natural resources in the common interest; * * * regulation * * * of holding companies; * * * quicker methods of realizing on assets for the relief of depositors of suspended banks; and a more rigid supervision of national banks. * * *

Extravagance of the Farm Board was condemned, and particularly its disastrous action which made the Government a speculator of farm products, while the unsound policy of restricting agricultural products to the demands of domestic markets was attacked. The Hawley-Smoot tariff bill—which, the platform said, had destroyed international trade, driven our factories into foreign countries, robbed our farmers of their foreign markets, and increased the cost of production—was condemned.

Then, let me read the last paragraph:

In conclusion, to accomplish these purposes and to recover economic liberty, we pledge the nominees of this convention the best efforts of a great party, whose founder announced the doctrine which guides us now in the hour of our country's need: "Equal rights to all; special privileges to none."

It will be observed that in this provision of the platform reference is made to the founder of the Democratic Party. It was Thomas Jefferson, and the principles which he advocated, to which the Democratic Party was pledging itself; and it will be observed that in the very last line of the platform the party quoted Thomas Jefferson:

Equal rights to all; special privileges to none.

Immediately after the nomination at that convention Mr. Farley was made chairman of the Democratic National Committee; and he urged the election of candidates pledged to this particular platform. He now brags about what has been accomplished. He boasts of the courage of his Chief. Before the election, however, he was insisting that—

The only hope for improving present conditions, restoring employment, affording permanent relief to the people, and bringing the Nation back to the proud position of domestic happiness and of financial, industrial, agricultural, and commercial leadership in the world lies in a drastic change in economic governmental policies.

The first of these changes which Mr. Farley and his party proposed was a reduction of Government expenses by 25 percent, by the elimination of bureaus, and so forth. The second was the balancing of the Federal Budget annually. The third was a sound currency, and so forth. The only provision made for relief was the extension of Federal credit to the States, the spread of employment by a substantial reduction of hours of those engaged in Government service, and the construction of public works, such as adequate flood control and waterways.

As we look at the picture now, the alleged wisdom that has brought us to the fine position which Mr. Farley described in that speech is not to be found in the Democratic convention of 1932, but is based upon Roosevelt's violations of every Democratic principle announced in that platform, and the adoption of a plan which was never discussed during the campaign. It will not do to say that this change on the part of the President was due to a change in the conditions of the country, because Mr. Farley points out that these horrible conditions existed long before the election. He calls attention to the condition of the farmers in the summer of 1932, when they were swarming into the highways and dragging judges from the bench, and he states that these conditions existed during the years 1930 and 1931.

Notwithstanding the solemn promises that the platform constitutes a covenant with the people to be faithfully kept by the party when entrusted with power, Mr. Farley, as early as June 28, 1934, repudiated the platform for himself and for the President; for on that date, before the Rotary Club in Detroit, he had this to say:

Let me tell you that there was nothing sporadic about this program. It was worked out in Mr. Roosevelt's mind before he was even nominated for the Presidency. He has known all the time just what he was driving at. There is nothing impulsive about him, except the impulse to serve his country.

In all of the political history of this great country there has been nothing that compares with this violation of the trust imposed in a great political party.

If the Democratic Party had in mind relieving these conditions by spending $15,000,000,000 of the people's money, was it quite fair to the American people to promise a reduction in Government expenses by 25 percent? Was it quite fair to promise the American people that the Budget would be balanced and the deficits eliminated?

Bringing relief to the unemployed of a nation and improving the business conditions of a nation by the expenditure of something like $15,000,000,000 does not of itself show greatness in an executive. Just an ordinary person could spend this much of the people's money and bring temporary relief to those who had received it. I admit that it takes more than an ordinary man to get an American Congress to agree to adopt any such extravagant course, and I admit also that it takes a certain kind of courage to do any such thing; but it is not the kind of courage that is to be admired. It is pure recklessness, and

a disregard of the penalty that ultimately must be paid by this and future generations, after Mr. Roosevelt shall have retired to private life.

Mr. Farley may be able to sell this idea to two classes of persons—those who are on the Federal pay rolls, or who are directly or indirectly receiving Federal money for doing little or nothing, and the class of persons who do not think, and who are swayed by the doctrine that whatever may be said about Mr. Roosevelt, they are convinced that he means well. Mr. Farley will not, however, be able to sell this idea to a majority of the honest voters of the Nation.

Let me return to the charge made by Mr. Farley that in 1930, 1931, and 1932 nothing was done to prevent the horrible conditions which he says existed.

It is estimated that the normal expenditure upon direct family relief and homeless men by city, State, and county authorities, together with private agencies, amounts approximately to $25,000,000 annually during normal times. In 1931, however, under the direction of the President's Unemployment Relief Organization, an organization composed of leading men and women from all parts of the country, $300,000,000 was raised and expended for relief. This did not include the vast amount of personal relief extended through the voluntary efforts of various organizations at the President's suggestion. In addition to that, the public-works program had been increased until the Federal Government was expending, during that fiscal year, about $500,000,000 more than normal. In the latter part of that year Mr. Gifford, who was the head of the relief organization to which I have referred, reported that the appeal for private relief for the unemployed had been 50 percent greater than in the previous year.

President Hoover sent a message to Congress in December 1931, out of which finally grew the organization of the R. F. C. In that message he proposed that the R. F. C. be authorized to loan to States, for the direct relief of the distressed, $300,000,000. Compare this recommendation with that of the declaration of the Democratic platform of 1932, in which it is said:

> We advocate the extension of Federal credit to the States to provide unemployment relief wherever the diminishing resources of the States make it impossible for them to provide for the needy.

This declaration of the Democratic platform was following in the exact footsteps proposed by Mr. Hoover in that message to Congress in December 1931.

On December 11, 1931, in a public statement, the President said, "Almost every locality in the country has reported that it will take care of its own. In order to assure that there will be no failure to meet problems as they arise, the organization will continue through the winter", referring to the President's Unemployment Relief Organization.

On October 1, 1931, the President announced the result of the relief survey, and at that time all of the States, except one, reported that with the aid of the Federal and local public works then in progress, added to the resources of State, local, and private agencies, they would be able to carry the burden of direct relief during the next year. The one exception was not the State of New York of which Mr. Roosevelt was Governor; it was the State of Pennsylvania.

The R. F. C. was authorized to lend $300,000,000 to the States for relief, and it began making these loans in July 1932; and during the 8-month period ended February 1933 it had loaned to the States more than $210,000,000. The Government furnished to the Red Cross 85,000,000 bushels of wheat and 175,000,000 pounds of cotton for relief of the distressed.

The records show that the health conditions of the people generally were improved during those 3 years. At the end of 1932, for instance, the health condition of all classes of people, including children, was better than in 1929.

Notwithstanding these facts, Mr. Farley says the previous administration did nothing, and he would have the country believe that the people of the country were starving at the time Roosevelt was inaugurated.

Now, let us see if it be true that "nothing was done" in other directions. We are told by Mr. Farley that banks were failing with increasing momentum; that hundreds of thousands of home owners were losing their homes; that the railroads were on the verge of collapse; and so forth. But the record shows that the R. F. C. had been created and was in operation as early as February 2, 1932, with resources of $3,500,000,000, and that it was created for the purpose of supporting banks, insurance companies, building and loan associations, and railways; to make large loans for productive works and for employment relief; to establish agricultural-credit banks; to make loans to States which were unable to care for the people in distress.

The record shows that prior to March 1933 the R. F. C. had assisted in one way or another these various institutions to the extent of $2,021,774,898.29.

Let us get a view of the details of this distribution. The banks and trust companies were loaned more than $1,035,000,0000. In addition, the R. F. C. had subscribed and paid for preferred stocks in banks and trust companies to the amount of $12,500,000; building and loan associations were assisted to the extent of more than $103,000,000; mortgage-loan companies by a little less than $129,000,000; insurance companies by a little less than $79,000,000; railroads by $331,000,000; more than $201,000,000 had been advanced for relief and work relief; and more than $108,000,000 was advanced to relieve the distressed farmers whose creditors were embarrassing them. Approximately $1,600,000,000 of this fund was outstanding at the time Mr. Roosevelt was inaugurated, and constituted a part of the deficit of which Mr. Roosevelt so bitterly complained during the whole campaign of 1932.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. MINTON. I have been trying to follow the Senator from Delaware. Is he now justifying the expenditure of Federal funds to bring relief and to help recovery?

Mr. HASTINGS. I am answering Mr. Farley's statement that nothing was done.

Mr. MINTON. Done for what?

Mr. HASTINGS. For anybody. Mr. Farley said nothing was done. I am answering that false statement.

Mr. MINTON. The Senator now says that something was done?

Mr. HASTINGS. Yes. Does the Senator follow me, and has he heard what I have told him was done?

Mr. MINTON. I have been trying to follow the Senator, but heretofore I have always understood the Senator to speak against that sort of thing.

Mr. HASTINGS. Never mind. I am answering now one point. Farley said nothing was done, and I am answering that false statement.

This is by no means the whole story, but it shows that through various agencies the Federal Government, directly and indirectly, was responsible for an expenditure approaching $3,000,000,000 in the year 1932; and it is worth noting also that a Republican President finally persuaded a Democratic Congress to enact legislation which reduced the normal expenses of the Government by more than $300,000,000, and to adopt a revenue measure which increased the annual revenue by a billion dollars.

It was upon this record of the Hoover administration that Mr. Roosevelt went to the country, demanding that deficits be eliminated and that the Budget be balanced. Compare that record with the record of the present administration. Remembering the facts which I have outlined, I wonder what conclusion the people of the Nation can possibly reach when a member of the President's Cabinet tries to make them believe that nothing was done by the Hoover administration to relieve the distressed condition in the country.

The people know also that when Mr. Roosevelt came into office, after having condemned practically everything done by the Republican administration, he continued the operations of the R. F. C., and I think it is not too much to say that that organization, since this administration went into

effect, is the outstanding, if not the only thing that has been done in a constructive way to take this country out of the depression. During the first 3 years of this administration the R. F. C. continued loans on an average of about $2,000,000,000 annually, which is about the same amount expended by this Corporation during the Hoover administration. In other words, the loans were increased from $2,000,000,000 to $8,000,000,000.

Just here, while I am complaining about the false statements made by Mr. Farley, it might be well to refer to a statement made by the President in his Baltimore speech on April 13, a statement that is so far from the truth that it must be shocking to those who know the real facts. I refer to this paragraph in that speech:

> Some counselors say "confidence and normal prosperity will cure everything—give everybody jobs." They generally mean by that the confidence and prosperity of 1928. But, my friends, 1928 was no millennium. You and I know the simple fact that while production was increasing and profits were increasing in 1928 and 1929 unemployment was growing at an astounding rate. Return to the 1928 kind of prosperity is no sufficient answer. The best that the captains of the country could do for you before the depression was not good enough then, and it is not good enough today.

Let us see what the facts are, and see whether there is any justification in the statement made by the President that in 1928 and 1929, "unemployment was growing at an astounding rate." Before giving the figures, let me call attention to the President's own estimate, in his speech before the Congress in January 1935, that there were 1,500,000 people who were unemployable. If we eliminate this 1,500,000 we find that the average of the unemployed for the year 1927 was 555,000. If we eliminate the unemployables for the year 1928, the year in which Mr. Roosevelt says the number of unemployed was "growing at an astounding rate", we find that the average for the year of unemployed was 700,000, and for the year 1929 was 364,000, after we eliminate the unemployables. It was not until the depression came upon us that the number of unemployed began to grow at an astounding rate.

The people of the Nation are accustomed to the incorrect statements made by the Postmaster General, but they can hardly excuse any such gross misstatements as this coming from the President of the United States.

On Saturday, April 25, in a political address made by the President in New York, he made another remarkable statement:

> But some individuals are never satisfied. People complain to me about the current costs of rebuilding America, about the burden on future generations. I tell them that, whereas the deficit of the Federal Government this year is about $3,000,000,000, the national income of the people of the United States has risen from $35,000,000,000 in the year 1932 to $65,000,000,000 in the year 1936, and I tell them further that the only burden we need to fear is the burden our children would have to bear if we failed to take these measures today.

In the first place, the national income for 1932 was $39,500,000,000, and there is no means of estimating with any degree of certainty what it will be in 1936. In fact, there are no official figures for 1935, but the most optimistic estimate for 1935, a New Deal prosperous year, is $54,500,000,000, and these figures are in terms of a 60-cent dollar, which of itself would bring it to something like $7,000,000,000 below the national income for 1932. The increase in commodity prices has been more than 22 percent over 1932, and that immediately reduces the purchasing power of this national income for 1935 by about $12,000,000,000. So, if we disregard the decrease in the value of the dollar, and confine ourselves to the increase in commodity prices, we find that the purchasing power of the national income is reduced to $42,500,000,000 for 1935, or an increase of only $3,000,000,000 over the year 1932.

But let us take another view of it. The President, in his speech, indicates that nobody has a right to complain of a deficit of $3,000,000,000 when the national income has increased, from 1932 to 1936, by $30,000,000,000. The thought he intends to leave with the country is that it has been benefited to the extent of $27,000,000,000. I have already shown the inaccuracy of his own figures.

In his Baltimore speech he said:

> The year 1928 was no millennium.

And that to—

> Return to the 1928 kind of prosperity is no sufficient answer. The best the captains of the country could do for you before the depression was not good enough then and is not good enough today.

In the year 1928 the national income was approximately $80,000,000,000, or about $640 for every man, woman, and child in America. The cost of the Federal Government for the fiscal year 1928 was $3,100,000,000, or a little over $24 per capita. In the year 1935 the national income was approximately $54,500,000,000, or $436 per capita; the cost of Government, it is estimated, will be about $7,500,000,000, or a cost per capita of $60. So that in 1928, if each person had paid his proportionate share of the taxes, he would have had $606 left. In 1935, however, after he paid his proportionate share of taxes, he had only $376 left.

It may be that 1928 was no millennium, and it may be that the captains could not do enough; but it was, to say the least, a great improvement over the present situation.

On February 22 Mr. Farley, in his speech in Kansas, painted a beautiful picture of the New Deal prosperity. This was followed on March 12 in a radio address by the distinguished Senator from Arkansas [Mr. ROBINSON]; and then, on April 20, in the Senate, the junior Senator from New York [Mr. WAGNER] gave a list remarkable in many respects.

Among the improved conditions is that mentioned by the Senator from Arkansas. In his radio speech of March 12 he called attention to the fact that railway-freight revenues had increased by more than $155,000,000 in the year 1935 over 1934, and that passenger revenues had increased approximately $12,000,000. He failed, however, to call attention to the fact that the combined steam railways of the country were still "in the red" at the end of 1935, as compared with a profit in the 11 years—1921 to 1931—running all the way from $134,000,000 to $896,000,000.

The Senator from New York tells us that security values on the New York Stock Exchange have increased by $31,000,000,000 during the Roosevelt administration; department-store sales increased by $4,500,000,000 per year; and the annual national income has increased by over $12,000,000,000. On the same day, April 20, the senior Senator from Kentucky [Mr. BARKLEY] called attention to the fact that the General Motors Corporation—owned very largely, he says, by the Du Ponts, Mr. Raskob, and Mr. Sloan—shows an enormous increase in sales and profits. In March of this year General Motors, he tells us, sold more automobiles and made larger profits than in any previous month of its history except May 1928.

Then, the senior Senator from Tennessee [Mr. MCKELLAR] joined in and quoted from the newspapers that the Baltimore & Ohio Railroad's net revenue reached more than $24,000,000. He also called attention to the increase in steel companies' profits, and how stocks have improved in value, and how the Du Pont profits have increased.

Mr. President, this is the evidence offered of New Deal prosperity from the point of view of the New Deal Senators whose names I have mentioned. They say the New Deal prosperity is the one thing that makes the Republican cause this year hopeless.

The distinguished Senator from New York [Mr. WAGNER], after offering this evidence of prosperity, said:

> The American people are going to keep in office the great man who is now President, this man of vision, who concerns himself with the underprivileged and the unfortunate, who concerns himself with lifting them up to a better and a more abundant economic life. It is a fortunate thing for the country that we have such a leader in this day of trial and crisis.

Mr. President, in 1928, when the Republicans called attention to the prosperous conditions of the railroads, motor industries, department stores, steel industries, and the rise in the stock market, they were met with the charge that these

were special interests which had received favors at the hands of the Republican administration and that such prosperity was at the expense of the underprivileged and the unfortunate. At that time, when this charge was made against us, the yearly average of the unemployed was less than 2,000,000 persons.

These witnesses for New Deal prosperity fail to call attention to the fact that Treasury reports show that the incorporated business of the Nation has paid out more than $26,000,000,000 from its surplus funds in its fight against the depression. They also fail to call attention to the fact that the President has recommended that these surpluses be destroyed by taxation upon the assumption, I assume, that if his policies are followed the country will never see another depression. They also fail to call attention to evidence submitted to the Congress on May 9, 1934, in the form of 183 newspaper clippings running from August 16, 1932, to November 8, 1932, showing conclusively that business recovery was definitely under way before the election of 1932.

The New Deal Senators, who insist that the country is going to keep in as President the man who concerns himself with lifting the underprivileged and the unfortunate up to a better and more abundant life, give as a reason for doing so the fact that these wealthy corporations are now prosperous and that the gamblers on the stock exchange are making huge sums of money.

The President, in his Baltimore speech, referred to the "captains" of the country. When the New Dealers refer to the prosperity of the railroads, General Motors, the Du Pont Co., and the steel industries, they, too, must have in mind the same captains of the country referred to by the President. These are the same people referred to some time ago by the President as constituting the "entrenched greed" and the "industrial autocrats" who had controlled the country for more than 10 years before his inauguration. Can it be said that the President has again changed his mind and that the New Deal Senators speak for him when they boast of the profits that are being made by these corporations and by the "money changers" whom the President promised to "drive out of the temple"? They have been boasting, and they continue to boast, that the object of this administration is to care for the underprivileged, the forgotten man, and so forth; but they offer as evidence of their success the prosperity of the industrial autocrats. This is a strange combination of argument to make to the American people.

I inquire whether it is any particular satisfaction to the 12,550,000 unemployed to find that stocks have increased on the New York Stock Exchange by $31,000,000,000. Is there any hope of the unemployed finding a job because of this increase in the value of stocks? Some New Dealer has declared that the unemployed cannot eat the Constitution, and with that, of course, we all agree; but may I inquire of him whether or not he thinks they can eat the paper profits that now exist on the New York Stock Exchange?

There is another strange thing about the New Deal prosperity which needs some explanation, if the New Deal Senators are correct in their description of it. If the prosperity of the business concerns of the Nation is to be the one thing that assures success to the New Deal administration in the election in 1936, how can the fact be accounted for that practically all of business in this country, both large and small, is against the reelection of Mr. Roosevelt?

I should also like to inquire whether it can be truthfully said that there is prosperity in a country like ours when 12,550,000 persons are walking the streets, unable to find jobs, and dependent upon so-called jobs, or outright dole, furnished by a Federal Government? Add to this the difficulty of getting jobs and the difficulty of getting any form of relief, without being subjected to the miserable and scandalous exactions of the local Democrats, who are in charge of furnishing the relief, and we have the picture of a republic that has started on a downward course.

Remember that the total of persons eligible for gainful employment is approximately 52,000,000, and more than 12,000,000 of these are out of jobs. This means that they are being helped by the 40,000,000 who have jobs. The persons gainfully employed have to add the cost of approximately one person to each family in order to pay their proportionate share of the cost of supporting those who have no jobs.

Can there be said to be real prosperity when such conditions exist? Can it be said that the President has been successful in his concern for the underprivileged and the unfortunate? Can it be said that he has lifted them up to a better and a more abundant economic life?

The answer is that this administration has created practically nothing that was constructive. Its policy, the one the New Deal Senators brag about, is that of taking from the earnings of one and giving to another. There may be some justification in doing this, because we all recognize our responsibility in taking care of those in distress; but I beg of you who are so proud of the record that has been made not to boast of this New Deal prosperity until it reaches a place that is a little easier to defend, and a little more in line with what we have reason to expect from a great Republic like this. Do not boast of what you tried to do under the N. R. A. and the A. A. A. Can it be said that an administration has reason to be proud of forcing through the Congress legislation which was in violation of the Constitution of the United States? Will this administration have the courage, or the audacity, to give as an excuse, either now or in the coming election, that its effort to find jobs for the unemployed failed because the Supreme Court declared its pet measure unconstitutional?

I called the attention of the Senator from New York to the fact that there are about 12,500,000 persons out of jobs. In reply to that he said:

> Let me say to the Senator from Delaware that there are not quite that many. There are about 11,000,000; and as conditions improve we are going to reabsorb them.

That is another promise from the New Deal just before election.

I have quoted to Senators, from the 1932 platform, what the Democrats said they were going to do in the way of restoring employment. At the end of October 1932, a few days before the election of Mr. Roosevelt as President, there were 13,415,000 persons unemployed. At the end of February 1936, just 3 years after Mr. Roosevelt had taken office, the number of unemployed had decreased to but 12,550,000. So in all those 3 years of New Deal "prosperity", with the expenditure of billions of dollars of the public money, this administration succeeded in reducing the unemployed by the number of 865,000.

The Republican administration, in the 2 months of September and October 1932, just before the Roosevelt administration, reduced the unemployed by 552,522; so that they actually did in a period of about 2 months, before the country found that a new Executive was to take charge of the Government, pretty nearly as well as Roosevelt has done during the whole 3 years of his administration and after adopting all kinds of methods including manipulation of the Constitution of the United States.

Remember this: To give 12,500,000 unemployed the small sum of $1,000 annually per family—and certainly no New Dealer would admit that anything less than that would be adequate—would take $12,500,000,000 each year. In addition to that, this administration has increased the cost of living by 18.2 percent. This increased cost of living and this huge sum annually for the unemployed must be borne, directly or indirectly, by the 40,000,000 people in the United States who are gainfully employed. The burden is upon them, either through contributions to charity, municipal or State taxation, or Federal taxation, and Mr. Roosevelt has well said that "the taxes must be paid by the sweat of the brow of the laboring man."

In view of these facts, I beg of the New Deal Senators not to brag about the prosperity of the country. Do not boast of the ease with which the New Dealers expect to get the voters of the Nation to give it their approval because of present prosperity. It will be necessary for you to adopt some argument more effective than your alleged New Deal prosperity to secure their votes.

Let us measure this prosperity by the number of unemployed, as reported by the American Federation of Labor.

The average number of unemployed in 1929 was 1,864,000. That is pretty close to the number estimated by the President in his annual message to Congress in January 1935 as persons that were unemployable.

But let us pass on to the figures of the unemployed during the depression. Let us take the years 1930, 1931, and 1932, when Mr. Farley says that the Republican administration was doing nothing to relieve the distressed conditions. The average of the unemployed for those 3 years was 8,893,000, a shocking number, to be sure, even in the time of a depression. Let us pass also to the years of 1933, 1934, and 1935. Mr. Roosevelt was President during this time, with the exception of the first 2 months of 1933. The average of the unemployed for those 3 years is 12,762,000, or an increase of 3,869,000. It may be well to note also that this average for the 3 years is not very different from the 12,550,000 unemployed in February 1936, a few months after the so-called New Deal prosperity was in full swing.

Much has been said in reply to the suggestion in Republican quarters that in the fall of 1932 before the election conditions were improved. Let us see whether this is as false as has been charged by the Democrats.

In 1931 the increase of the unemployed between August and October was 723,725, while in 1932, between the same dates, the trend was reversed and the unemployed had decreased by 552,522, showing an improvement in 1932 over 1931 of 1,276,247 in the number of unemployed.

These figures may not be particularly interesting, but there is not much to be said in favor of the prosperity of an administration which finds at the end of 3 years a total of 12,550,000 out of employment.

This administration is not as optimistic about the approaching election as it pretends to be. It has too many things to explain to the intelligent voters of the Nation. Even the average New Dealer knows that.

You cannot evade the justness in the charge that you have violated practically all of the important planks of the Democratic platform of 1932. You cannot expect longer to fool the people into believing that you have kept those solemn pledges. You cannot explain away the extravagance and waste that has been going on for the past 3 years and still continues. You cannot explain to the American people the unfairness of using your relief program to strengthen your political position.

The emptiness of your prosperity claims is recognized. You will get little satisfaction in quoting the increased profits from the annual reports of some business firms when it is remembered that most of these profits are being taken away by the Federal Government to meet the expenses of your extravagances, and when it is known that the little fellow in the business world, whom you have prosecuted along with the big businessman, has not as yet recovered from your blow.

You will not be able to convince the twelve and one-half million unemployed that there is much hope for them in increased profits for corporations unless you can find a way for them to get back their old jobs. And when you review your own record in this respect for the past 3 years you must, indeed, have little confidence in your ability to convince the unemployed that you may yet find a real way to help them. You never will be able to show that prosperity and unemployment walk hand in hand. It never has in all history. It never will, and you New Dealers ought to know it.

You will not be able to violate all the principles of civil-service reform and build up the greatest political machine in all history and expect to escape the wrath of the people. You cannot expect the American people to approve your policy that the Executive must be all-powerful and that the legislative and judicial branches of Government must only be servants to his will. You will not be able to convince the American people that the Justices of the United States Supreme Court were violating their duties in declaring New Deal acts to be unconstitutional.

You may not reasonably expect the American people to sit quietly by while their rights are being violated—those rights which are guaranteed by a Constitution which many New Dealers now scoff at and scorn.

Our people are not going to submit quietly to their personal affairs being inquired into by an army of New Deal snoopers, their property seized without legal process. They will not permit, unchallenged, the partial destruction of the freedom of the press. They will not submit to the reign of terrorism by inquisition.

The American people may not be willing to return to what you call the "old order", but they will not submit to the regimentation of their farmers or their laborers. They will not submit to the regimentation of business or to Government competition with business. They will approve of no plan which tends to destroy the Republic or to any plan which imitates the dictatorships of Europe. The American people are willing to be governed, but they want to be governed only to the extent that is absolutely necessary, and they want the cost of that government to be reasonable. They want to enjoy the fruits of their own labor and they will oppose laboring and paying to a Government that wastes and misuses the money they pay to it.

You cannot violate the States' rights policy laid down by the founder of the Democratic Party, Thomas Jefferson, and not have to account for your action to real Democrats when election day comes.

You have complained from time to time that the Republican Party has no platform. Do not disturb yourselves about the Republican Party's platform or its candidate—you will have both in another month or so.

If you concern yourselves with your own troubles, it will take every available minute of your time from now until election day in your futile efforts to explain the things I have outlined and to answer the American people's criticism of your own miscalled Democratic administration.

Now, Mr. President, before the Senator from Kentucky [Mr. BARKLEY] applauds me [laughter], I want to give him a little friendly advice about his new keynote speech by referring to that which he delivered on June 28, 1932, in which he said:

> By the grossest deception and misrepresentation ever perpetrated in American politics, by the most base and sordid appeals to ignorance and prejudice, it took advantage of a people disturbed by the rapid transformation in national and world events, won the election in November, and on the 4th of March 1921 took charge of every branch of the National Government.
>
> It were a pity we cannot blot from our memory the events of the next few years. But—
>
> The moving finger writes; and having writ,
> Moves on; nor all your piety nor wit
> Shall lure it back to cancel half a line,
> Nor all your tears wash out a word of it.

And toward the end of that speech he had this to say:

> What will the incoming Democratic administration do about this imperative situation? Do we propose to reduce the expenses of government or merely to hold conversation about it? Do we propose, as our opponents have done, to let not our right hand know what our left hand is doing, and keep our lips ignorant of both?
>
> Our answer again is emphatically no! We propose to reduce the expenses of this Government not only for its own sake and that of the people, but as an example to smaller units throughout the Nation. We propose to abolish every useless office, every unnecessary bureau and commission which has grown by what it fed on until the total has become an insufferable weight upon all the activities and resources of the American people.
>
> They will never be abolished by those who now operate them. A new Hercules must clean out these Augean stables.

Let me read this conclusion:

> No, my countrymen, there is nothing wrong with our people except that they have followed prophets who were false, blind, and insensible to their own limitations.
>
> In all the generations of American history the people in every great crisis have turned to the Democratic Party to lead them from the wilderness of disappointment and disaster.
>
> It was so in 1800, when the profound and gifted father of American democracy, Thomas Jefferson, led the people from incompetence and reaction to new heights of popular government.
>
> It was so in 1828, when Andrew Jackson drove out the congregation of the unholy and the unrighteous and restored to the people the government of Jefferson.
>
> It was so in 1884, when Grover Cleveland returned to the people and to their Government the priceless heritage of a principle that "public office is a public trust."

It was so in 1912, when Woodrow Wilson gave a new interpretation to the inarticulate cravings of the human heart and set the ideals of a world above the sordid machinations of selfishness and brutal greed.

It will be so in 1932, when the principles here announced and the leaders here chosen will in the name of a people betrayed, bewildered, and misled redeem for them a land despoiled and made barren by those who know not the ways of wisdom or of providence.

And the final paragraph:

God of our Fathers, in this hour of the Nation's travail, amid broken hearts, blasted hopes, faces that are drawn, and feet that are eager for the road to labor and to happiness,

"Be with us yet,
Lest we 'forget,
Lest we forget."

[Laughter.]

Mr. BARKLEY. Mr. President, I congratulate the Senator on concluding his 2 hours' address with a quotation worth while. [Laughter.]

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the joint resolution (S. J. Res. 247) authorizing the recognition of the three hundredth anniversary of the founding of Harvard College and the beginning of higher education in the United States and providing for the representation of the Government and people of the United States in the observance of the anniversary.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 3952) for the relief of Mr. and Mrs. Bruce Lee, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KENNEDY of Maryland, Mr. DALY, and Mr. PITTENGER were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4159) for the relief of Anchorage Commercial Co., Inc.

The message also announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 215) to amend Public Act No. 435, Seventy-second Congress.

PROHIBITION OF PRICE DISCRIMINATIONS

The Senate resumed consideration of the bill (S. 3154) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases, and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors.

Mr. BORAH. Mr. President, I desire to call the attention of the Senate to the matter now pending before the Senate. I direct attention to Senate bill 4171, which will be offered as an amendment to the bill now before the Senate. It will be offered either by the Senator from Indiana [Mr. VAN NUYS] or myself at the appropriate time.

Section 2 of the proposed amendment reads as follows:

SEC. 2. It shall be unlawful for any person engaged in commerce, in the course of such commerce, to be a party to, or assist in, any transaction of sale, or contract to sell, which discriminates to his knowledge against competitors of the purchaser, in that, any discount, rebate, allowance, or advertising service charge is granted to the purchaser over and above any discount, rebate, allowance, or advertising service charge available at the time of such transaction to said competitors in respect of a sale of goods of like grade, quality, and quantity; to sell, or contract to sell, goods in any part of the United States at prices lower than those exacted by said person elsewhere in the United States for the purpose of destroying competition, or eliminating a competitor in such part of the United States; or, to sell, or contract to sell, goods at unreasonably low prices for the purpose of destroying competition or eliminating a competitor.

Nothing in this section shall prevent a cooperative association from returning to producers or consumers, or a cooperative wholesale association from returning to its constituent retail members, the whole, or any part of, the net surplus resulting from its trading operations in proportion to purchasers from, or sales to, the association.

Then violations of the terms of the proposed amendment are made punishable by fine of not more than $5,000 or imprisonment for not more than 1 year or both.

Mr. President, the amendment is designed to cover certain specific matters which we think ought to be inhibited as a matter of law, certain things which we think ought to be prohibited without the intervention of the discretionary power of the Federal Trade Commission or other bureau. The matters which we propose to prohibit that of allowing discount or rebate or allowance for advertising service charge to one purchaser without making it available to each and every other purchaser. That, it seems to us, should be prohibited as a matter of law, and that there need not be any discretion laid anywhere with reference to the execution of that kind of law. That is the distinction really between the bill which is now pending and the proposed amendment.

It is not our purpose to embarrass or impede the action upon the main measure, but we shall ask that it be adopted as an amendment, believing that the two propositions can be reconciled when the bill goes to conference, and that we can save the principle of both.

Mr. President, I desire to call attention to a statement which has been furnished me by a small independent house in one of the large cities of the United States. It points out more explicitly and more effectively than I could, because the writer has a practical knowledge of defects in the present law and the remedies which are here proposed. The writer says:

If our case were not typical of the situation facing hundreds, possibly thousands, of other manufacturers we would not feel justified in mentioning it. If such cases were not creating a source of danger to farmers and consumers, we would not be justified in presenting our problem.

Our company has built up over a long period of time a business modest in size but sturdy. Our products have real quality and yet have always been most reasonably priced, both to the trade and consumer. As sales grew, prices have been reduced consistently. The consumer has benefited. No unreasonable sums have been spent for advertising. Our average net profit per year has been small. No big salaries have been paid. Gradually the sale of our goods has extended throughout the United States. Our goods, having genuine quality, reasonably priced, have enjoyed a growing popularity with consumers.

Much larger concerns, seeing our business develop, have first tried to sell their competitive products in markets developed by us and sell them at their regular prices. Failing in that, at least some of them have offered inordinately large secret allowances to the one or more concerns dominating those markets. Failing to secure the bulk of the business even in that way, some of those larger concerns finally priced their goods at or below cost in their determination to secure volume for themselves and to dominate those markets on the commodities involved. It has been impossible for us to meet such competition without lowering our quality or actually selling our goods at a heavy loss.

That is a matter which ought to be kept in mind when we are discussing the question of benefiting the consumer. The consumer is not only interested in price but in the quality of the goods. This kind of competition often drives down the quality of the goods which are furnished to the consumer.

Distributors receiving these secret allowances have forced the sale of these lower quality and (to them) higher profit products to the exclusion of our goods.

In numerous markets or centers after we had developed a good volume on our commodities pressure was brought upon us, in one way or another, because of extravagant secret allowances offered by larger competitors. The result has often been that although the market was developed by us and with our goods and allowances, the distributor, offered secret rebates elsewhere, would drop our goods and push either other brands or a private label which all too often represented much lower quality.

Through this unfair competition a number of markets have been practically lost to us, so far as the dominating outlets are concerned.

Unless prohibited by law this condition will force us and many other manufacturers either out of business or into the hands of the large corporations.

The amendment which will be proposed does not undertake to control the question of prices, to fix prices, or to regulate prices. It seeks only to enforce equitable action as

to all customers who may be dealing with the party selling the goods. It adopts a rule of law, a rule of justice, which is to be binding upon all parties.

"Loss leader" sales are bait to draw consumers into a store. In spite of the fact that certain outstanding brands are sold with little or no profit by the dominant concern in each market, the consumers' total food bill is no lower. Anyone who knows the food business realizes that either through secret allowances or extra profits on other items sold, the losses on "loss leaders" are made up.

The constant pressure for "rebates" results in lower quality food. It can result in still higher living cost to the consumer.

Force concerns like ours out of business and prices go up, because the unfair "war prices" show even the large concerns a loss. Food costs certainly would rise if, through unfair competition and secret allowances, the now dominant concerns are permitted to become absolute and all-powerful.

Mr. President, one of the reasons why it seems to me the small and independent businessman ought to be permitted to continue in existence is that if the supply comes into the hands of a few great concerns they will no longer have any concern themselves with competition from independent business; they will no longer have to concern themselves with the consumer so long as they do not fix the price so high that the consumer cannot purchase, but to the extent that he is able to purchase the power will rest with them to fix the price at whatever they think fit and proper to dispose of the goods.

Chains and independents can both benefit from large-scale selling by manufacturers. Open competition passes those savings to consumers.

Dr. McNair referred to the savings to the consumer from large-scale selling. Secret allowances have rarely resulted in savings to consumers. There are few instances where secret "brokerage", quantity, promotional, or other unearned allowances have been passed on to the consumer on those products on which they are paid.

Mr. Dunn, in an objection to the Borah bill, referred to the justification for some allowances "made in good faith." There are few food manufacturers who have not had the experience of making secret arrangements in good faith and then not receiving from the distributor just what the distributor agreed to give in return. The manufacturer has not dared to withhold the allowance for fear of reprisals by the distributor. Few manufacturers dare to object to or refuse payment under such circumstances. They know from past history that refusal means that much, if not all, of their sales to such distributors can be wiped out overnight. There are only a few concerns, spending relatively tremendous sums for advertising, which can be confident that they have created such actual demand that their sales will continue once the distributor decides to punish them for withholding unearned allowances.

At a recent hearing Senator LOGAN raised the question of goods sold below cost. Mr. Miller answered that that practice, kept up, led but to bankruptcy. True, if you only consider the average concern which really represents the consuming and taxpaying public. However, such loss selling does not drive into bankruptcy large manufacturers or distributors, who can make up by profits on other items losses sustained on items with which they are conducting their warfare against smaller concerns.

In the process of this ruinous selling, independent grocery stores change hands, many modest-sized manufacturers, chains, and jobbers are so crippled that they gradually shrink in size or are actually forced out of business. All of this leads absolutely to the concentration of domination over foods in the hands of a constantly decreasing number of manufacturers and distributors.

Regardless of their names, secret allowances permit concerns receiving them to sell other products or brands at, below, or near cost. The effect of such unprofitable selling is loss to many capable, honest competitors who are not receiving either any or sufficient secret allowances to enable them to meet all of these low prices and still prosper on their total sales.

The distributors who receive the greatest number of these extra and secret allowances generally represent a minority of the outlets, but through the allowances are enabled to absolutely dominate their markets. That is true whether the secret receiver be wholesaler, retailer, or chain.

The payment of "brokerage" to a buyer is nothing under the sun but a subterfuge for a price concession. I refer, of course, to buying organizations which receive and, all too frequently, demand "brokerage" from competing concerns on the same commodities. It is obvious that a buying agency cannot possibly represent, as a broker, competing concerns making the same grades and types of products. It is claimed that such concessions are passed on to the consumer. In the great majority of cases this is absolutely untrue. Funds collected through such means go to swell the surplus of these concerns. It might almost be called a contribution to the buyers' "war chest."

In that connection, I wish to read a statement furnished me as to where these profits go. Somebody must supply these large amounts, and there is no one to supply them but the consumer.

One chain-store organization pays its president $188,075 in salary and dividend. It pays one vice president $146,000, and another vice president $52,722. The treasurer is paid $50,625. One member of the board of directors is paid $42,950.

It is useless to talk about protecting the consumer if the consumer is to be asked to employ such costly agents. Somebody must provide those large sums; and it is apparent that the "loss leaders" are but enticements into the store, where are sold to the consumer other products at a much increased price. Otherwise, the institution could not run and pay such salaries.

Mr. Sammons, of the Institute of Distribution, is reported to have said at a Senate committee hearing that the chains represented about 8 percent of the grocery business. His reported figure is open to question. But, even if accurate, the fact remains that in the most populous sections of the country one or more chains or other type distributors actually so dominate each market that whatever they do largely determines the success or failure of manufacturers, retailers, and jobbers selling in that market.

From a letter on this subject, addressed to me from Omaha, I quote a single paragraph:

What we all want is to see the army of unemployed back to work. It seems to me that the concentration of big industry is the vital bar standing in the way of this accomplishment.

And how eminently correct this writer is.

For instance, in my own neighborhood there is an independent grocer who employs 28 people. On the next corner to him is a national drug chain employing two people. In the center of the next block is a chain food store that employs two people. In the same block are two other chains. On the corner is an independent druggist employing seven people. To the north six blocks is another chain store employing two people. An independent grocer is one-half block east and employs 32 people. It would seem to me that if all lines of business, not particularly the food lines, but drugs, shoes, hardware, etc., that have become so stagnated through chain organization, could eliminate this factor or even be on an even basis with the chain organizations, this army of unemployed would soon be absorbed by legitimate industry.

In any event, what these people ask is to be put upon an even basis with the large distributors; and that is the design of the amendment in providing that all discounts, rebates, allowances, and so forth, shall be available to all the customers of the distributor.

Mr. President, I do not think the principle of this amendment is in conflict with the principle of the main bill. It does contain, however, specific provisions of law, violation of which would constitute an offense; and the person violating them may be taken into court instead of being taken before the Federal Trade Commission.

Mr. LOGAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MOORE in the chair). Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. BORAH. Yes.

Mr. LOGAN. There is only one thing about the amendment offered by the Senator from Idaho and the Senator from Indiana that it seems to me might be open to some objection. Mind you, I am for the amendment. I think it is all right except in this one particular, upon which I should like to have the views of the Senator from Idaho.

There is no limitation on quantity discounts. The larger the purchasing power the greater the quantities purchased, until eventually the quantities may be so great that there will be practically no competition in that particular field. When that condition arises a few purchasers may purchase in such large quantities that others are shut out; therefore the others cannot get the benefit of that discount.

Under the Robinson bill the Federal Trade Commission is authorized to fix a quantity limit above which there shall be no quantity discount. I ask the Senator if he apprehends any danger from allowing unlimited quantity discounts, regardless of the quantity which may be purchased?

Mr. BORAH. The Senator has put his finger upon the point which has been most troublesome to my coauthor and myself. That is the question of controlling the quantity; and I doubt if it can be controlled except in some fashion such as indicated in the Robinson bill. However, after consulting a number of the independent merchants, I found that they felt they would be reasonably safe in view of the fact that they could combine for the purpose of purchasing and in a general way protect themselves on the question of quantity.

Mr. LOGAN. I agree with the Senator that that is true up to a certain point; but if those of large purchasing power keep on increasing their purchasing power they will eventually reach a point where, even by combination, the independents cannot compete with perhaps a combination of those having tremendous purchasing power.

As the Senator suggested, Mr. Sammons stated that only 8 percent of distribution was through the chains. Just this morning, however, I examined a report sent to me covering my own State—and I suppose it covers other States as well—and I find that 22 percent of the distribution now is made through the chain stores, as against about 78 percent through the independents and others. The proportion of chain-store distribution has grown from 5 or 6 percent 8 or 10 years ago up to 22 percent today; and if that tendency to keep on growing shall continue, it will not be long until just a few will have such large purchasing power that I am afraid combinations which ought to be allowed will not be able to compete with them.

While I do not think there is any conflict with the Senator's amendment, so far as I am concerned—I am speaking only for myself; I am not the author of the bill—I have not the slightest objection to the amendment proposed by the Senator being accepted as a part of the bill. I do not know just where it should go in; perhaps at the end of the bill, as a new section. Then it would be open to consideration by the House, and subject to consideration by a conference committee when that committee shall be appointed.

It may be that the Senator's bill is the better bill. I am not saying that it is not; but the thing that troubles me is the quantity discount in unlimited amounts.

Mr. BORAH. Mr. President, I am not offering the amendment with the view that it would be accepted in lieu of the Robinson bill; but I should like, so far as it is possible, to have incorporated into law a positive prohibition covering certain of these practices, such as making allowances, and so forth. I should like to have that prohibition positive. I should like to have it so worded that if the prohibition is violated the person violating it may be taken into court. If a small merchant is compelled to come here from Omaha, or some other point in the Middle West, or any far distant point, and make his showing before the Federal Trade Commission, and get his relief, that in itself is a very burdensome requirement.

Mr. LOGAN. I agree with the Senator; but under the Robinson bill the merchant may bring suit in the courts to recover damages. However, the only question that arises in my mind just now is as to how the Senator's amendment should be included in the Robinson bill.

Mr. BORAH. I will offer it as a new section.

Mr. LOGAN. That would be satisfactory to me, I am quite sure.

Mr. KING. Mr. President, will the Senator yield?

Mr. BORAH. Just a moment. I was about to say that from what we know of the situation in the House they will probably offer their bill as a substitute for this measure.

The bill of the Senator from Arkansas [Mr. ROBINSON], the bill offered by the Senator from Indiana [Mr. VAN NUYS] and myself, and the House measure will be in conference, and from those measures I should think some satisfactory law ought to be worked out.

Mr. LOGAN. I think that is true, Mr. President; and if I understand it, the entire bill, if that should happen, could be rewritten by the conferees, and such amendments as might be deemed necessary could be added by the conferees if the House should substitute its own bill. Then the whole thing would be open, as I understand.

Mr. BORAH. Yes.

Mr. KING. Mr. President, will the Senator from Idaho permit an interruption?

Mr. BORAH. I yield.

Mr. KING. Does the Senator perceive any incongruity between the bill which he has offered—and I refer particularly to the penal provision—and the so-called Robinson bill, where the remedy is by suit for damages, based upon whatever damages may be sustained by reason of so-called discrimination?

Mr. BORAH. My view is that there are certain practices so obviously improper and unjust that they ought to be prohibited by specific provision of law, and that indulging in them ought to constitute a crime. There are things like the granting of quantity discounts which are difficult to cover by a specific provision of law and make the violation punishable, but when we come to the special discount allowance, or rebate allowance, or service-charge allowance, or advertising allowance, to one party and the refusal of it to another, that is a fraudulent transaction.

Mr. KING. It seems to me that the Clayton Act, particularly section 2, and the Sherman antirust law, pretty effectively deal with the evils of which the Senator complains and which this proposed bill seeks to prevent.

Mr. BORAH. In a sense, that is correct, but when the businessman knows positively that if he does a thing he will be subject to criminal prosecution, that is a great deterrent. And it is not a thing about which he might be honestly misled. If he makes these allowances to one and refuses them to another, if he makes rebates to one and refuses them to another, it is a matter wholly within his knowledge, and done after full consideration and full knowledge of what he is doing.

Mr. LOGAN. Mr. President, may I interrupt the Senator to ask whether it is unusual to provide, for violation of a statute, a criminal prosecution and also a right to sue for damages? The two are not inconsistent.

Mr. BORAH. No; we have such a provision in the Sherman antitrust law.

Mr. LOGAN. That is what I thought.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. ROBINSON. So far as my memory extends, there is no specific penalty in the Clayton Antitrust Act for a violation of section 2, which, as the Senator knows, relates only to unfair price discriminations. The discrimination denounced is declared unlawful.

Mr. BORAH. That is correct.

Mr. ROBINSON. It may be that under some general provision of law prosecution for a misdemeanor might be carried on, but no specific penalty is imposed. The remedy under the Clayton Act is that contained in section 4, which gives the party injured by reason of the unfair price discrimination the right to bring a suit to recover damages.

The remedy, of course, without some special provision such as that found in the pending bill, is inadequate. There is no presumption in section 4 of the Clayton Act of which the complainant may take advantage. The difficulty of establishing his case is often insurmountable.

A suggestion has been made that one of the defects of the pending bill is that it imposes no specific penalty for violation of its provisions. The suggestion in that connection is that the ordinary citizen who might have a complaint would find it difficult and very expensive to prosecute his complaint.

Mr. BORAH. That is my view.

Mr. ROBINSON. And that it might be preferable to impose a fine or imprisonment, or both, where the facts warranted such penalties, as a means of enforcing the law. I think that suggestion is very well worthy of consideration, and in connection with the remarks of the Senator from Utah I bring this question to his attention. What chance would an ordinary complainant have in an effort to recover damages against a gigantic concern which gets a 50-percent discount by reason of quantity discrimination? What chance

would the ordinary complainant have of developing the facts essential to establish his complaint without the expenditure of a considerable sum of money?

I am unable to see, I will say to my friend the Senator from Utah, why it would not be just to impose a specific penalty for an act declared by the statute to be unlawful. I think it is true that when an act is declared to be unlawful under a general statute prosecution may be carried on, the penalty being specified in a general provision of law; not contained, so far as I remember, in the Clayton antitrust law, but in other provisions of the law penalties being made applicable in cases where acts are declared by statute to be unlawful.

One of the primary criticisms made against this bill is that it does not give the party in interest an adequate remedy in all cases. He suffers a hardship. He knows he is being imposed upon. He knows that the law is being violated, but he often endures the wrong rather than incur the expense of prosecuting a suit against a powerful antagonist, who has unlimited resources at his command and who can carry the case to all the courts, thus imposing on the opposing litigant great expense.

My view is that a specific penalty ought to be authorized which, whether fine or imprisonment, or both, in the judgment of the Senate would be fair and reasonable considering the nature of the act denounced.

Mr. BORAH. Mr. President, I think the fact that there is provided a specific penalty would of itself have a very great tendency to prevent such practices.

Mr. ROBINSON. It would put a burden on the Government to carry on a prosecution when facts came to the knowledge of its officers relating to violation of the statute.

Mr. BORAH. Quite true. To have the source of the dispensation of justice so far removed from the party interested as to make him unable to reach it is practically a denial of justice, and my idea was that there ought to be available to the small merchant not only the protection designed to be given, but at hand a means by which to enforce his rights. If we make it necessary for him to go one or two or three thousand miles in order to get his rights, he simply cannot get them. He cannot employ attorneys; he cannot get his witnesses; he cannot go to the expense of enforcing his rights. It certainly cannot be said to be harsh or unjust to parties interested on the other side, if they do the things prohibited, to subject them to the jurisdiction of the courts in the respective communities where they do these things.

Mr. President, I think I shall not, at this time at least, further discuss the pending amendment. Amendments to the amendment are now in order, are they not?

The PRESIDING OFFICER. Amendments to the amendment are in order.

Mr. ROBINSON. The committee amendment is the pending question, and it is subject to amendment.

Mr. BORAH. At this time I desire to offer as an amendment an additional section. I will ask the clerk to read it.

Mr. KING. Mr. President, will the Senator yield to me for a moment? I have an amendment to offer which I do not think will provoke any discussion. The Senator's amendment is much more important; it goes to the vitals of the bill. Has he any objection to my offering my amendment now?

Mr. BORAH. Not if it will not lead to discussion.

Mr. KING. If it does lead to discussion, I will withdraw it.

Mr. BORAH. Very well.

Mr. KING. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 8, after line 12, it is proposed to insert the following new subsection:

(e) Nothing in this section contained shall prevent the sale or purchase of crude mineral products or metals in the form in which they are loaded for shipment at prices on terms of sale based upon differences in the grade, quality, or quantity of such products, or that make only due allowance for differences in the cost of selling or transportation, or discrimination in the price of such products in the same or different communities made in good faith to meet competition.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah.

Mr. LOGAN. Mr. President, I do not think there is any objection to that amendment.

Mr. COUZENS. I should like to know what the amendment is intended to accomplish.

Mr. ROBINSON. We shall wish to consider the amendment. It cannot be adopted without some discussion. I myself wish to make some inquiries about it.

Mr. KING. Mr. President, in view of my promise to the Senator from Idaho [Mr. BORAH], I ask that my amendment lie on the table until after the amendment of the Senator from Idaho shall have been considered.

The PRESIDING OFFICER. The amendment of the Senator from Utah will lie on the table, and the clerk will state the amendment offered by the Senator from Idaho.

The LEGISLATIVE CLERK. It is proposed to add to the committee amendment a new section, as follows:

SEC. 2. It shall be unlawful for any person engaged in commerce, in the course of such commerce, to be a party to, or assist in, any transaction of sale, or contract to sell, which discriminates to his knowledge against competitors of the purchaser, in that, any discount, rebate, allowance, or advertising service charge is granted to the purchaser over and above any discount, rebate, allowance, or advertising service charge available at the time of such transaction to said competitors in respect of a sale of goods of like grade, quality, and quantity; to sell, or contract to sell, goods in any part of the United States at prices lower than those exacted by said person elsewhere in the United States for the purpose of destroying competition, or eliminating a competitor in such part of the United States; or, to sell, or contract to sell, goods at unreasonably low prices for the purpose of destroying competition or eliminating a competitor.

Nothing in this section shall prevent a cooperative association from returning to producers or consumers, or a cooperative wholesale association from returning to its constituent retail members, the whole, or any part of, the net surplus resulting from its trading operations in proportion to purchases from, or sales to, the association.

Any person violating any of the provisions of this section shall, upon conviction thereof, be fined not more than $5,000 or imprisoned not more than 1 year, or both.

Mr. HALE. Mr. President, is the Senator from Idaho asking for a vote on his amendment today?

Mr. BORAH. I certainly am.

Mr. O'MAHONEY. Mr. President, will the Senator from Idaho enlighten me as to whether it is intended by his amendment to make the penalty provisions in the last paragraph applicable to the entire bill, or merely to make them applicable to offenses against the provisions of this particular amendment?

Mr. BORAH. The penalty provisions are applicable to offenses against my particular amendment.

Mr. ROBINSON. Mr. President, as the amendment is drafted it would be applicable, unless changed, to the entire section, and, with the light I now have on the subject, it is my opinion that it should be applicable to all of section 2.

Mr. O'MAHONEY. Mr. President, let me call the attention of the Senator to the language of the pending bill on page 6, which authorizes the Federal Trade Commission to conduct certain investigations and to fix quantity limits. If the penalty provision should be applicable to the entire section, would it not then have the effect of making criminal and assessing a criminal penalty against a violation of a discretionary order issued by the Federal Trade Commission?

Would not a violation of the Federal Trade Commission's order with respect to quantitative limits be a violation of a discretionary order of the Federal Trade Commission?

Mr. ROBINSON. I misunderstood the Senator. Yes; it would.

Mr. O'MAHONEY. Does the Senator feel that we should go that far?

Mr. ROBINSON. Why not? We would wish to enforce the law if we wished to use the limitation of quantity discount as a means of preventing unfair discrimination.

Mr. O'MAHONEY. There is, however, apparently no limitation whatever upon the discretion of the Federal Trade Commission in inflicting the penalty provided for in the penalty clause.

Mr. ROBINSON. Oh, yes; there is.

Mr. O'MAHONEY. I wish the Senator would point it out to me. I have been unable to find it.

Mr. ROBINSON. In my judgment, it is very clearly set forth on page 6, line 5, in the language—

Where it finds that available purchasers in greater quantities are so few as to render differentials on account thereof unjustly discriminatory or promotive of monopoly in any line of commerce; and the foregoing shall then not be construed to permit differentials based on differences in quantities greater than those so fixed and established.

I see the point raised by the Senator from Wyoming. His point is, as I interpret it, that imposing a criminal penalty for the violation of an order of the Federal Trade Commission——

Mr. O'MAHONEY. The character of which we do not know in advance, and which may change from day to day, or from month to month, and be different in one section of the country than in another.

Mr. ROBINSON. The rule for the Federal Trade Commission's action is fully specified. I should like to have the suggestion of the Senator from Kentucky upon that point.

Mr. O'MAHONEY. Who, for example, might determine what the word "few" means in this section; and what will guide the Federal Trade Commission in determining that the available purchasers are few?

Mr. LOGAN. That is found in the language under which the Commission must find that the purchasers are so few that those who have the large purchasing power tend to create a monopoly which tends to destroy competition.

Mr. O'MAHONEY. Does the Senator concede that we might find different rules in different sections of the country and in different businesses?

Mr. LOGAN. I think the circumstances naturally would differ.

Mr. O'MAHONEY. Does the Senator, then, feel that with such broad discretionary power vested in the Federal Trade Commission, we should make it a criminal offense, punishable by law, to violate an order which may vary to such a great extent?

Mr. LOGAN. We can only fix the quantity limits; and then, when the customers, or the people engaged in business, know what they are after they have been fixed, of course, there ought to be a criminal punishment if there is a violation of the law. That is about the safest way to notify people of what the law is. The Commission does not fix the limits from time to time. It establishes the quantity limits; and if there is a violation of the law, punishment may be inflicted.

Mr. COUZENS. Mr. President, I desire to point out what I consider some very material inconsistencies if the Borah amendment shall be added to the so-called Robinson bill.

If Senators will refer to page 5, they will find the language to which I have reference. I had previously marked it for criticism. In line 15 we find the language:

Or prevent competition with any person who either grants or receives the benefit of such discrimination, or with customers of either of them.

My contention is that the purchaser cannot know what the seller is doing. He has no knowledge of the prices the seller may be making to numerous customers, and yet under this provision he is made equally guilty with the seller.

The provision in the amendment of the Senator from Idaho is, I think, better in that connection, because it says, on the top of page 2:

Which discriminates to his knowledge against competitors of the purchaser.

It seems to me that if we are to punish the purchaser, he must have knowledge in advance of the discrimination; and that is not provided in the bill.

Mr. ROBINSON. Mr. President, does the Senator think the word "knowingly" should precede the word "receives"?

Mr. COUZENS. Yes.

Mr. ROBINSON. I see no objection to that.

Mr. LOGAN. No; there is no objection to that.

Mr. COUZENS. In other words, a penalty is not to be inflicted unless the buyer knows what the seller is doing with respect to other customers.

Mr. ROBINSON. I think that is fair. Later I shall offer that amendment.

Mr. HALE. Mr. President, a short time ago I received a letter from Mr. Sheldon Wardwell, of Boston, who was at one time, and I think still is, the attorney for the Great Northern Paper Co., which has extensive newsprint mills in my State. He asked me certain questions about the Patman-Robinson bill, and in my reply to him I asked him to give me his opinion of the Robinson bill. I am going to read to the Senate what he says about the bill, as follows:

MY DEAR SENATOR HALE: I appreciate your letter of April 23, with enclosed copies of the Robinson and other so-called chain-store bills.

I am hardly an authority on the subject of antitrust legislation, but cannot help feeling grave concern over changes in these bills which would remove from the Clayton Act the exception allowing "discrimination in price * * * made in good faith to meet competition."

As you know, the newsprint industry of this country is now manufacturing only about 28 percent of the United States production, our production having dropped from about 1,700,000 tons in 1926 to approximately 900,000 tons per annum current. This difference amounts to over 1,800,000 man-days of employment per year in the woods and mills, to say nothing of indirect employment. It deprives our carriers of at least 2,000,000 revenue tons per year. All Government projects and relief expenditures in the State of Maine do not make up the loss to the State which is caused by this industrial dislocation.

The reasons for loss of United States tonnage are well known. Price cutting by European and Canadian mills has been made possible by the policies of foreign governments, cheap labor, cheap wood (subsidized in Canada by the provisional governments), and cheap transportation. Our Government, on the other hand, has passed laws which restrict our industry by increasing the cost of labor and of transportation.

The net result is that foreign manufacturers have stolen our markets, and such mills as remain can only distribute within rather confined areas. Twenty years ago State of Maine mills used to ship as far west as Texas common points. They have been driven out of the Southwest and largely out of the South, at least as far north as the Ohio River, by water-borne tonnage from Scandinavia, Newfoundland, and British Columbia, and they cannot cross the Mississippi by reason of competition from the western Ontario mills. They are faced with intensive competition on the North Atlantic coast, by water competition from Canada and Europe, with freight rates lower to New York from Europe than from the State of Maine.

Central Freight Association territory (west of the Buffalo-Pittsburgh line) is the last frontier; and even there, owing to policy of Canadian carriers, previous rate relationships have been so dislocated that tonnage is being diverted to the Canadian mills. None of these conditions are economic; they are artificial, created by law or administrative policy, with foreign governments helping their manufacturers and our Government handicapping its manufacturers.

The relation of this preamble to the Robinson bill involves no strain on the imagination. Foreign manufacturers making in excess of 70 percent of the tonnage available for consumption of the United States will not be governed by the bill and cannot be governed. Their contracts are basically origin delivery. They can commit acts which under the bill would be discriminatory if committed by a mill located in this country. They can combine to raise or depress prices in any particular market or to our markets as a whole. Our manufacturers, on the other hand, will be threatened with threefold damages at the best, and at the worst imprisonment, for meeting competitive prices in such narrow markets as are left.

As an illustration, the present newsprint price in both New York and Chicago is $41. The freight rate Millinocket to New York is $5.60 per ton. Freight rate Millinocket to Chicago is $8.40 per ton, and from Canadian group mills to Chicago $5.60 a ton, a difference of $2.80 per ton in favor of the eastern Canadian group mills, although only a little over a year ago we were on parity to Chicago.

With newsprint mills losing money, we cannot afford to meet this price differential at Chicago, but we do still reach intermediate points where disadvantages are not so great even though in favor of Canada.

If the Robinson bill is passed and we could not meet competition without lowering prices to New York and points intermediate to Chicago, it would mean that our mills would have to go out of business. Tonnage cannot be replaced in the East in the face of existing competition, and must be placed in more distant markets at such competitive prices as prevail.

You many think that I am confusing the Robinson bill and the anti-basing-point bills, but one of the principal reasons for striking out the competitive proviso of the Clayton Act is quite in line with the anti-basing-point idea. This is explained on page 4 of

the report of the committee (no. 1502) accompanying the Robinson bill.

In the last analysis, this bill would leave our foreign competitors in the position where they could establish a zone system of prices confining our mills to their own front yards and competing with them within that area without themselves observing the provisions of the bill. The result will be that instead of encouraging competition by allowing us access to markets, competition will be prohibitive, and such newsprint tonnage as is left to this country will pass into the hands of foreign competitors not subject to our antitrust laws. The final result will be that, having eliminated competition from United States mills, foreign competitors can and will enter into price-control agreements such as are now proposed in Canada.

Very truly yours.

Mr. President, I am willing to have enacted reasonable laws that will prevent monopoly; I am willing to have passed laws that will encourage fair trade practices; but I am not willing to have passed laws that will put out of business one of the greatest, if not the greatest, industry in my State.

Now, I should like to ask the Senator from Idaho whether his amendment would affect the situation in regard to this company.

Mr. BORAH. Mr. President, in my opinion, the Senator's constituents would not be affected by this amendment. The amendment simply provides that discounts, rebates, allowances, or advertising-service charges shall not be granted to one purchaser without allowing them to another. That is not at all the trouble which confronts the Senator's constituents, as outlined in the letter he has read.

Mr. HALE. Then, the Senator's amendment would not affect them?

Mr. BORAH. I do not think so.

Mr. HALE. That is what I supposed, but the so-called Robinson bill, of course, would, if enacted, affect them very seriously.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. BORAH] to the amendment reported by the committee.

The amendment to the amendment was agreed to.

Mr. VANDENBERG. Mr. President, I discussed with the Senator from Arkansas and the Senator from Kentucky this morning a brief amendment designed to illuminate the apparently intended meaning of the bill. I should like to offer the amendment now. It is my understanding it is not the purpose of the Robinson bill to prevent discrimination in price by reason of the difference in the quantity of the commodity sold in respect to the industrial-production activities of the country. I am told by both the able Senator from Arkansas and the able Senator from Kentucky that that is the fact. I have submitted this amendment to them, and they have indicated a willingness to take it to conference for further consideration.

Mr. ROBINSON. Mr. President, I find that there are several amendments yet to be proposed. I should like to ask the Senator from Michigan to have his amendment printed, and also to ask other Senators who are in position to do so and who desire to present amendments to have them printed so that they may be available for the study of Senators in the further consideration of the bill.

I am advised that the bill cannot be brought to a conclusion this evening, because some amendments have not as yet been prepared, which their proponents desire to offer. So if Senators will be good enough to submit their amendments and have them printed it will facilitate a conclusion of the bill tomorrow, and we may then be able to devote the remaining days of the week to office business.

Mr. VANDENBERG. The Senator would not object to letting my amendment stand as pending?

Mr. ROBINSON. Oh, no; it may be the pending amendment, and I do not know that I shall make any objection to it, but I should like to reserve the right to do so.

Mr. AUSTIN. Mr. President, will the Senator yield for the purpose of permitting me to send up some amendments which I desire to offer and which I should like to have printed in pursuance of the suggestion made?

Mr. ROBINSON. Certainly.

Mr. AUSTIN. I send to the desk certain amendments to the pending bill.

The PRESIDING OFFICER. The amendments will be received and printed and lie on the table.

Mr. SCHWELLENBACH. Mr. President, some time ago I had an amendment printed, and I understand the Senator from Kentucky has no objection to it. Is there objection to having that amendment considered now, or does the Senator want me to withhold it?

Mr. ROBINSON. I have not had an opportunity of seeing the amendment recently, and I believe I will ask the Senator to let it go over until tomorrow. It has been printed, I understand.

Mr. SCHWELLENBACH. It was printed on the 21st day of February.

Mr. WALSH. Mr. President, I suggest to the Senator from Arkansas that he present and have acted upon the amendment which was suggested by the Senator from Michigan [Mr COUZENS] to insert the word "knowingly" at the place designated by him.

Mr. ROBINSON. I think that advisable; and so, Mr. President, at the suggestion of the Senator from Michigan [Mr. COUZENS] I move, on page 5, line 16, after the word "or", to insert the word "knowingly", so that it will read "either grants or knowingly receives the benefit of such discrimination."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas.

The amendment was agreed to.

EXECUTIVE SESSION

Mr. ROBINSON. Mr. President, unless Senators at this time have something further to offer, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MOORE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the Calendar of Nominations is in order.

WINNIFRED D. FLATEN

The legislative clerk read the nomination of Winnifred D. Flaten to be postmaster at Edinburg, N. Dak.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chair is informed that that is the only nomination on the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 10 minutes p. m.) the Senate took a recess until tomorrow, Thursday, April 30, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 29 (legislative day of Apr. 24), 1936

DIPLOMATIC AND FOREIGN SERVICE

The following-named Foreign Service officers and consuls general to be also secretaries in the Diplomatic Service of the United States of America:

Robert Frazer, of Pennsylvania.

Douglas Jenkins, of South Carolina.

Arthur Garrels, of Missouri.
Charles M. Hathaway, Jr., of Pennsylvania.
Thomas D. Bowman, of Missouri.
Arthur C. Frost, of Massachusetts.
Philip Holland, of Tennessee.
Charles L. Hoover, of Missouri.
Walter A. Adams, of South Carolina.
Joseph W. Ballantine, of Massachusetts.
Charles R. Cameron, of New York.
Monnett B. Davis, of Colorado.
Lowell C. Pinkerton, of Missouri.
Kenneth S. Patton, of Virginia.

The following-named Foreign Service officers and secretaries in the Diplomatic Service to be also consuls general of the United States of America:

Ray Atherton, of Illinois.
Ferdinand L. Mayer, of Indiana.
G. Howland Shaw, of Massachusetts.
Alexander C. Kirk, of Illinois.
Edwin C. Wilson, of Florida.
Louis Sussdorff, Jr., of New York.
Hallett Johnson, of New Jersey.
Herschel V. Johnson, of North Carolina.
Edward L. Reed, of Pennsylvania.

PUBLIC HEALTH SERVICE

The following-named assistant dental surgeons (Reserve) to be assistant dental surgeons in the United States Public Health Service, to take effect from dates of oath:

Henry F. Canby.
Robert H. Moore.

POSTMASTERS

ALABAMA

Owen P. Anderson to be postmaster at Florence, Ala., in place of J. G. Moore. Incumbent's commission expired April 4, 1936.

William B. Taylor to be postmaster at Mobile, Ala., in place of R. S. Cartledge. Incumbent's commission expired January 25, 1936.

ARKANSAS

Kay D. McNeely to be postmaster at Dermott, Ark., in place of S. J. T. Wynne, removed.

John T. Lamb, Jr., to be postmaster at Harrisburg, Ark., in place of L. A. McLin. Incumbent's commission expired February 5, 1936.

Neil F. Brown to be postmaster at Junction City, Ark., in place of C. L. Jones. Incumbent's commission expired January 11, 1936.

Lemma C. O'Keefe to be postmaster at Rosston, Ark., in place of Pauline Prescott. Incumbent's commission expired February 5, 1936.

Edgar L. Adams to be postmaster at Stephens, Ark., in place of W. H. Hogg. Incumbent's commission expired February 5, 1936.

Wendell H. Gorman to be postmaster at Strong, Ark., in place of W. M. Dugal. Incumbent's commission expired April 27, 1936.

Charles Roy Wise to be postmaster at Thornton, Ark., in place of N. E. Robertson. Incumbent's commission expired January 11, 1936.

CALIFORNIA

James W. Barr to be postmaster at Big Creek, Calif., in place of C. M. Barnes. Incumbent's commission expired February 9, 1936.

Lynn A. Hogue to be postmaster at Brea, Calif., in place of George Friend, resigned.

Melvin L. Horine to be postmaster at Denair, Calif., in place of E. J. Brown. Incumbent's commission expired April 27, 1936.

Margaret A. Brophy to be postmaster at Hughson, Calif., in place of Zylpha Potter. Incumbent's commission expired April 12, 1936.

Albert J. Frutchey to be postmaster at Los Nietos, Calif., in place of G. D. Perkins. Incumbent's commission expired January 9, 1936.

Charlie M. Seargeant to be postmaster at Manhattan Beach, Calif., in place of E. V. Wahlberg. Incumbent's commission expired January 26, 1936.

Talbot Bielefeldt to be postmaster at Placentia, Calif., in place of S. D. Abbott. Incumbent's commission expired January 26, 1936.

George H. German to be postmaster at Port Chicago, Calif., in place of H. C. Dybo. Incumbent's commission expired April 12, 1936.

Noah A. Stump to be postmaster at Rosemead, Calif., in place of F. E. Quirk. Incumbent's commission expired March 29, 1936.

Carl A. Romer to be postmaster at San Juan Capistrano, Calif., in place of M. E. Forster. Incumbent's commission expires June 1, 1936.

Irene C. Witmer to be postmaster at Solana Beach, Calif., in place of A. E. Waits. Incumbent's commission expired January 9, 1936.

Marvin O. Drake to be postmaster at Terra Bella, Calif., in place of E. A. Reeves. Incumbent's commission expired January 9, 1936.

Sam H. Long to be postmaster at Tustin, Calif., in place of C. L. Phiney. Incumbent's commission expired January 9, 1936.

COLORADO

Mildred P. Wion to be postmaster at Granada, Colo., in place of W. H. Morris. Incumbent's commission expired January 22, 1936.

Clinton C. Bell to be postmaster at Limon, Colo., in place of J. C. Kessenger. Incumbent's commission expired April 27, 1936.

William C. Lowery to be postmaster at Sedgwick, Colo., in place of E. A. McCormick. Incumbent's commission expired April 27, 1936.

CONNECTICUT

Ralph W. Bohannon to be postmaster at Guilford, Conn., in place of G. A. Sullivan. Incumbent's commission expired March 23, 1936.

Nina P. Hudson Arnold to be postmaster at Haddam, Conn. Office became Presidential July 1, 1935.

Charles T. Kelly to be postmaster at Oakville, Conn., in place of F. R. Alford. Incumbent's commission expired January 9, 1936.

Thomas J. Maher to be postmaster at Old Greenwich, Conn., in place of W. B. Palmer. Incumbent's commission expired February 10, 1936.

Hans M. Hansen, Jr., to be postmaster at West Willington, Conn., in place of A. C. Bennett. Incumbent's commission expired January 25, 1936.

IDAHO

Gilbert G. Smith to be postmaster at Filer, Idaho, in place of E. H. Snyder. Incumbent's commission expired March 23, 1936.

ILLINOIS

John J. McCarthy to be postmaster at Rock Island, Ill., in place of H. A. J. McDonald. Incumbent's commission expires June 23, 1936.

IOWA

George O. Smither to be postmaster at Anita, Iowa, in place of E. L. Newton. Incumbent's commission expired January 12, 1936.

Leslie H. Hughes to be postmaster at Cedar Falls, Iowa, in place of C. B. Santee. Incumbent's commission expired April 29, 1936.

Herman F. Volberding to be postmaster at Dike, Iowa, in place of A. F. Deadrick. Incumbent's commission expired January 12, 1936.

Walter W. Jacobs to be postmaster at Guttenberg, Iowa, in place of L. C. Giencke. Incumbent's commission expires May 10, 1936.

J. B. Wood to be postmaster at Lenox, Iowa, in place of R. A. Walter. Incumbent's commission expired January 12, 1936.

John W. Zike, Jr., to be postmaster at Lewis, Iowa, in place of F. J. Okell. Incumbent's commission expires June 10, 1936.

Wayne A. Staton to be postmaster at Marathon, Iowa, in place of T. V. Welch. Incumbent's commission expired January 12, 1936.

John P. Delaney to be postmaster at Marcus, Iowa, in place of H. C. Niemann. Incumbent's commission expired January 12, 1936.

Frank G. Ferguson to be postmaster at Mechanicsville, Iowa, in place of H. J. Maurer. Incumbent's commission expired January 12, 1936.

Grace Ryan to be postmaster at Neola, Iowa, in place of R. M. Ward. Incumbent's commission expired April 29, 1936.

Stacia E. Hartley to be postmaster at New Albin, Iowa, in place of Elizabeth O'Reilly. Incumbent's commission expires June 1, 1936.

William R. Schmitt to be postmaster at Nichols, Iowa, in place of Edna Hesser. Incumbent's commission expired March 17, 1936.

Irene G. Gatton to be postmaster at Oakdale, Iowa, in place of C. A. Wissler. Incumbent's commission expired January 12, 1936.

Verne L. Heskett to be postmaster at Pulaski, Iowa, in place of J. G. Milligan, transferred.

Marcella E. Roeder to be postmaster at Rockwell, Iowa, in place of W. A. Grummon. Incumbent's commission expires May 10, 1936.

Lewis Magirl to be postmaster at Ryan, Iowa, in place of D. A. McElliott, resigned.

Dan Jerolaman to be postmaster at Shell Rock, Iowa, in place of G. R. Hughes. Incumbent's commission expired April 12, 1936.

George R. Shipley to be postmaster at Thurman, Iowa, in place of N. J. Solleder. Incumbent's commission expired January 12, 1936.

John J. Fink to be postmaster at Tripoli, Iowa, in place of J. A. Hale. Incumbent's commission expired January 27, 1936.

Eugene T. Alcorn to be postmaster at West Union, Iowa, in place of C. F. Chambers. Incumbent's commission expired February 4, 1935.

KANSAS

Harriet M. McCauley to be postmaster at Burlingame, Kans., in place of L. M. Kelleher. Incumbent's commission expired January 8, 1936.

Jack Comes to be postmaster at Burrton, Kans., in place of A. C. Heidebrecht. Incumbent's commission expired April 27, 1936.

Ellis C. Logsdon to be postmaster at Grenola, Kans., in place of C. E. Schul. Incumbent's commission expired April 12, 1936.

John T. Dowd to be postmaster at St. Paul, Kans., in place of S. J. Gibbons. Incumbent's commission expires June 10, 1936.

Daniel P. McCormick to be postmaster at Scammon, Kans., in place of C. H. Keiter. Incumbent's commission expired March 23, 1936.

George W. Lank to be postmaster at Solomon, Kans., in place of E. M. Hall. Incumbent's commission expired January 8, 1936.

Kenneth L. Lavender to be postmaster at Valley Center, Kans., in place of V. E. Stauffer. Incumbent's commission expired January 8, 1936.

Ernest H. Hillman to be postmaster at Wakeeney, Kans., in place of C. B. Kelly. Incumbent's commission expires June 1, 1936.

KENTUCKY

Joe Keefe to be postmaster at Nicholasville, Ky., in place of F. L. Sears. Incumbent's commission expired January 27, 1936.

Watson S. Thomas to be postmaster at Owingsville, Ky., in place of Wayne Williams. Incumbent's commission expired February 5, 1936.

LOUISIANA

Raleigh Leslie Wyble to be postmaster at Melville, La., in place of E. J. LeBlanc, resigned.

Aimie B. Garrett to be postmaster at New Roads, La., in place of A. B. Garrett. Incumbent's commission expired April 27, 1936.

Dudley V. Wigner to be postmaster at Vidalia, La., in place of D. V. Wigner. Incumbent's commission expired March 23, 1936.

MAINE

Ivadell Gaddis to be postmaster at East Machias, Maine, in place of F. L. Talbot. Incumbent's commission expired April 14, 1936.

William S. Holmes to be postmaster at Northeast Harbor, Maine, in place of S. L. Hill. Incumbent's commission expired April 14, 1936.

MARYLAND

W. George Miller to be postmaster at Accident, Md., in place of E. H. Ault. Incumbent's commission expired January 11, 1936.

Earl T. Kelbaugh to be postmaster at Thurmont, Md., in place of H. R. Damuth. Incumbent's commission expired January 11, 1936.

MASSACHUSETTS

Richard Mullen to be postmaster at Athol, Mass., in place of T. F. Dailey, deceased.

Mary G. Hanifin to be postmaster at Belchertown, Mass., in place of H. F. Peck. Incumbent's commission expired January 9, 1936.

Hazel M. Cairns to be postmaster at Bernardston, Mass., in place of H. M. Cairns. Incumbent's commission expired February 9, 1936.

Fred C. Small to be postmaster at Buzzards Bay, Mass., in place of F. C. Small. Incumbent's commission expired March 17, 1936.

Patrick H. Haley to be postmaster at Chelmsford, Mass., in place of G. W. Peterson. Incumbent's commission expired January 9, 1936.

Leon H. Thorner to be postmaster at Clifton, Mass., in place of R. C. Putnam, removed.

Edward F. X. Jalbert to be postmaster at Grafton, Mass., in place of H. D. Ainsworth. Incumbent's commission expired March 28, 1936.

James J. Murtaugh to be postmaster at Hopkinton, Mass., in place of J. J. Murtaugh. Incumbent's commission expired April 27, 1936.

Karl F. Koch to be postmaster at Montague City, Mass., in place of K. F. Koch. Incumbent's commission expired February 9, 1936.

William M. Higgins, Jr., to be postmaster at Orleans, Mass., in place of A. W. Jones. Incumbent's commission expired January 27, 1936.

Ethyl M. Duffey to be postmaster at Scituate, Mass., in place of W. E. Chaffin. Incumbent's commission expired January 27, 1936.

Maryetta Browne to be postmaster at State Farm, Mass., in place of Maryetta Browne. Incumbent's commission expired March 17, 1936.

Mary E. Cooney to be postmaster at West Newbury, Mass., in place of H. O. Bailey. Incumbent's commission expired January 27, 1936.

Bertha M. West to be postmaster at Wianno, Mass. Office became Presidential July 1, 1934.

MICHIGAN

Arnold C. Misteli to be postmaster at Baldwin, Mich., in place of H. M. Foster. Incumbent's commission expired April 27, 1936.

John E. Morris to be postmaster at Comstock Park, Mich., in place of H. S. Dodge. Incumbent's commission expires June 10, 1936.

Roy A. McLellan to be postmaster at Coopersville, Mich., in place of J. H. Ter Avest, resigned.

Walter D. McCaughey to be postmaster at Croswell, Mich., in place of Frank Beedon. Incumbent's commission expires June 1, 1936.

George W. Penglase to be postmaster at Grosse Ile, Mich., in place of A. A. Graves. Incumbent's commission expired January 25, 1936.

Mabel L. McCallum to be postmaster at Hesperia, Mich., in place of B. W. Somers. Incumbent's commission expires June 1, 1936.

Frederick J. Hosley to be postmaster at Lowell, Mich., in place of N. E. Borgerson. Incumbent's commission expired January 25, 1936.

George Rundle to be postmaster at Olivet, Mich., in place of F. N. Green. Incumbent's commission expired April 12, 1936.

August C. Eberlein to be postmaster at Sebewaing, Mich., in place of R. A. Liken. Incumbent's commission expires June 23, 1936.

MINNESOTA

Clarence H. Gibson to be postmaster at Chaska, Minn., in place of F. E. Hamlin. Incumbent's commission expired March 17, 1936.

J. Harold Johnson to be postmaster at Elmore, Minn., in place of C. W. Ivey. Incumbent's commission expired March 17, 1936.

Henry L. Peters to be postmaster at Glencoe, Minn., in place of Joseph Pott. Incumbent's commission expires July 7, 1936.

Burt W. Cole to be postmaster at Lake Crystal, Minn., in place of W. P. Marston, Jr. Incumbent's commission expired March 17, 1936.

Theodore Zimmerman to be postmaster at Le Center, Minn., in place of J. H. Smullen. Incumbent's commission expired February 17, 1936.

Henry Hillesheim to be postmaster at Madelia, Minn., in place of T. M. Teigum. Incumbent's commission expired February 17, 1936.

Sidney D. Wilcox to be postmaster at Park Rapids, Minn., in place of S. D. Wilcox. Incumbent's commission expired April 27, 1936.

Alfons P. Fasching to be postmaster at Winsted, Minn., in place of P. C. Heigl. Incumbent's commission expired February 24, 1936.

MISSOURI

Robert O'Neal to be postmaster at Creighton, Mo., in place of J. M. Coe, resigned.

Homer Reid Cowan to be postmaster at Maitland, Mo., in place of F. D. Conner, deceased.

NEBRASKA

Edgar D. Collins to be postmaster at Ainsworth, Nebr., in place of C. C. Moyer. Incumbent's commission expires May 23, 1936.

John E. Hunt to be postmaster at Bayard, Nebr., in place of D. C. Leach. Incumbent's commission expired February 9, 1936.

Erwin E. Gardner to be postmaster at Curtis, Nebr., in place of E. G. Stoll Ward. Incumbent's commission expired March 29, 1936.

Patrick J. Mullin to be postmaster at Friend, Nebr., in place of W. C. Hagelin. Incumbent's commission expired March 10, 1936.

Fred W. Schuman to be postmaster at Osceola, Nebr., in place of W. E. Snider. Incumbent's commission expires April 29, 1936.

John F. Webster to be postmaster at St. Paul, Nebr., in place of L. M. Suchanek. Incumbent's commission expired February 9, 1936.

Russell N. Linkswiler to be postmaster at Winnebago, Nebr., in place of L. A. Kibbee. Incumbent's commission expires June 1, 1936.

NEVADA

Arthur L. Gottschalk to be postmaster at Lovelock, Nev., in place of J. C. Foster. Incumbent's commission expired February 17, 1936.

Effie M. Perry to be postmaster at Yerington, Nev., in place of F. L. Littell. Incumbent's commission expired February 5, 1936.

NEW HAMPSHIRE

Carl E. Crowley to be postmaster at Ashland, N. H., in place of L. M. Goddard. Incumbent's commission expired March 28, 1936.

Homer J. Forcier to be postmaster at East Jaffrey, N. H., in place of J. H. Fitzgerald. Incumbent's commission expires May 10, 1936.

Ernest E. Lefavour to be postmaster at Farmington, N. H., in place of F. E. Webster. Incumbent's commission expired February 5, 1936.

NEW JERSEY

Walter MacPherson to be postmaster at Bridgeton, N. J., in place of Benjamin Elwell, removed.

Aubrey H. Phillips to be postmaster at Clementon, N. J., in place of J. B. W. Berry. Incumbent's commission expired February 9, 1936.

Winifred E. Lindstedt to be postmaster at Helmetta, N. J., in place of W. E. Lindstedt. Incumbent's commission expires April 29, 1936.

NEW YORK

Mattie C. Dellene to be postmaster at Bolivar, N. Y., in place of C. J. Amsden. Incumbent's commission expired January 18, 1936.

John F. McGovern to be postmaster at Caledonia, N. Y., in place of P. R. Carmichael, resigned.

Jesse B. Kilburn to be postmaster at Cattaraugus, N. Y., in place of C. W. Brock. Incumbent's commission expired February 17, 1936.

Michael O'Donnell to be postmaster at Cohoes, N. Y., in place of A. G. Boivin, resigned.

Raymond A. Switzer to be postmaster at Ebenezer, N. Y., in place of H. J. Frey. Incumbent's commission expired February 17, 1936.

George A. Wagner to be postmaster at Garden City, N. Y., in place of T. J. Courtney. Incumbent's commission expired February 17, 1936.

Arthur H. Walsh to be postmaster at Garrison, N. Y., in place of E. T. Cole. Incumbent's commission expired January 27, 1936.

David J. McHenry to be postmaster at Granville, N. Y., in place of W. E. Roberts. Incumbent's commission expired February 17, 1936.

Frederick W. Schadt to be postmaster at Jeffersonville, N. Y., in place of M. E. Moran, resigned.

Harry J. Sheridan to be postmaster at McGraw, N. Y., in place of R. J. Borden. Incumbent's commission expired February 20, 1935.

Ray G. Blyth to be postmaster at Macedon, N. Y., in place of C. A. Stalker, resigned.

Frank B. Rickard to be postmaster at Middleburg, N. Y., in place of E. K. Smith. Incumbent's commission expired January 27, 1936.

Gertrude F. Tracey to be postmaster at Middleport, N. Y., in place of F. S. Tracey, deceased.

John Francis Dawson to be postmaster at Mineville, N. Y., in place of W. J. Burke, resigned.

James P. Doyle to be postmaster at Nunda, N. Y., in place of A. B. Kent. Incumbent's commission expired April 28, 1934.

Thomas A. Kenney to be postmaster at Ossining, N. Y., in place of James Owens. Incumbent's commission expired February 17, 1936.

Lewis N. S. Rockwell to be postmaster at Otisville, N. Y., in place of H. A. Holley. Incumbent's commission expired February 20, 1935.

Herbert N. Griffin to be postmaster at Oxford, N. Y., in place of W. O. Cooper. Incumbent's commission expired February 17, 1936.

Edward H. O'Connor to be postmaster at Sherburne, N. Y., in place of C. L. Carrier. Incumbent's commission expired February 17, 1936.

Walter F. Herrling to be postmaster at Skaneateles, N. Y., in place of W. A. Hilton. Incumbent's commission expired February 17, 1936.

NORTH CAROLINA

John G. Kennedy to be postmaster at Beulaville, N. C. Office became Presidential July 1, 1935.

Helen H. Leggett to be postmaster at Scotland Neck, N. C., in place of A. L. Purrington. Incumbent's commission expired February 24, 1936.

Samuel R. Fowle, Jr., to be postmaster at Washington, N. C., in place of J. C. Meekins, Jr., resigned.

OHIO

Stanley Lawrence Smith to be postmaster at Ashville, Ohio, in place of H. J. Snyder. Incumbent's commission expired January 7, 1936.

Fred J. Tank to be postmaster at Elmore, Ohio, in place of J. W. Darling. Incumbent's commission expired January 7, 1936.

Frieda M. Lappen to be postmaster at Laurelville, Ohio, in place of H. E. Woolson. Incumbent's commission expires June 11, 1936.

Frank A. Griebling to be postmaster at Lexington, Ohio, in place of G. H. Maxwell. Incumbent's commission expires May 23, 1936.

Fred E. Surgen to be postmaster at Murray City, Ohio, in place of F. M. Murphy. Incumbent's commission expires June 1, 1936.

Clyde L. Weiser to be postmaster at Orrville, Ohio, in place of Alfred Jenny. Incumbent's commission expired April 12, 1936.

Orion W. Kerschner to be postmaster at Trotwood, Ohio, in place of R. M. Swank. Incumbent's commission expired January 7, 1936.

George W. Kinzey to be postmaster at Wayne, Ohio, in place of C. E. Dowling. Incumbent's commission expired February 20, 1935.

Michael A. Delsantro to be postmaster at Willoughby, Ohio, in place of J. W. Hencke. Incumbent's commission expired February 20, 1935.

OKLAHOMA

Elizabeth R. Cunningham to be postmaster at Custer, Okla., in place of D. E. McKenney. Incumbent's commission expired February 5, 1936.

Virgil A. Little to be postmaster at Goodwell, Okla., in place of L. F. McDonald. Incumbent's commission expired February 5, 1936.

Bentley R. Jones to be postmaster at Stilwell, Okla., in place of J. B. Cox. Incumbent's commission expires June 1, 1936.

Thomas F. Lynch to be postmaster at Stroud, Okla., in place of L. G. Scott. Incumbent's commission expires May 3, 1936.

Julius L. Foster to be postmaster at Taloga, Okla., in place of George Logsdon. Incumbent's commission expired February 5, 1936.

Sam Cunningham to be postmaster at Wellston, Okla., in place of Fred Godard. Incumbent's commission expires May 3, 1936.

OREGON

Inez C. Givan to be postmaster at Merrill, Oreg., in place of E. F. Merritt, resigned.

PUERTO RICO

Augustin Carbonell to be postmaster at Caguas, P. R., in place of Augustin Carbonell. Incumbent's commission expired February 9, 1936.

RHODE ISLAND

Catherine Louise Davis to be postmaster at Portsmouth, R. I., in place of C. M. Green. Incumbent's commission expired February 3, 1936.

SOUTH DAKOTA

Frank B. Kargleder to be postmaster at White Rock, S. Dak., in place of C. G. Kuentzel. Incumbent's commission expired April 27, 1936.

TENNESSEE

George P. Brummitt to be postmaster at Gleason, Tenn., in place of J. V. Allmon, resigned.

Hundley Broyles Welch to be postmaster at Pickwick Dam, Tenn. Office became Presidential April 1, 1936.

Charles Atkins Boone to be postmaster at Trenton, Tenn., in place of C. L. Fairless. Incumbent's commission expired February 5, 1936.

TEXAS

James Harley Dallas to be postmaster at Brownfield, Tex., in place of L. T. Toone. Incumbent's commission expires April 29, 1936.

Robert O. Rockwood to be postmaster at Wharton, Tex., in place of Joe Burger, Sr. Incumbent's commission expired February 5, 1936.

UTAH

Gilbert L. Janson to be postmaster at Cedar City, Utah, in place of H. H. Lunt. Incumbent's commission expired January 26, 1936.

Eugene C. Gibson to be postmaster at Helper, Utah, in place of R. H. Jacobshagen, removed.

VERMONT

Irene M. Vaughn to be postmaster at Arlington, Vt., in place of M. P. Cullinan. Incumbent's commission expired December 20, 1934.

Albert A. LaFrance to be postmaster at Derby Line, Vt., in place of P. F. Hunt. Incumbent's commission expires June 11, 1936.

Helen F. McKenna to be postmaster at Norwich, Vt., in place of L. F. Merrill. Incumbent's commission expired January 28, 1935.

Hayden E. Whiting to be postmaster at Sheldon Springs, Vt., in place of S. P. Dow. Incumbent's commission expired April 12, 1936.

Thomas H. Barry to be postmaster at Waterbury, Vt., in place of G. E. Carpenter. Incumbent's commission expired January 7, 1936.

VIRGINIA

Martin Rosenbaum to be postmaster at Glade Spring, Va., in place of W. G. Faris. Incumbent's commission expired February 4, 1935.

G. Frederick Switzer to be postmaster at Harrisonburg, Va., in place of C. A. Hammer. Incumbent's commission expired March 10, 1936.

William T. Roberts to be postmaster at Nassawadox, Va., in place of J. J. Ward. Incumbent's commission expires May 10, 1936.

Levi E. Stephenson to be postmaster at Wakefield, Va., in place of E. W. Brittle. Incumbent's commission expired March 10, 1936.

WASHINGTON

Frank Bryan Collins to be postmaster at Camas, Wash., in place of D. M. Mitchell. Incumbent's commission expired January 8, 1936.

William G. Meneice to be postmaster at Carson, Wash., in place of W. G. Meneice. Incumbent's commission expired April 14, 1936.

Renee Houchen to be postmaster at Cathlamet, Wash., in place of E. F. Head. Incumbent's commission expired February 5, 1936.

Ralph Gildea to be postmaster at Garfield, Wash., in place of H. P. Fisher. Incumbent's commission expired January 28, 1936.

Edna Smith to be postmaster at La Center, Wash., in place of E. R. Anderson. Incumbent's commission expired January 28, 1936.

Quentin D. Mitchell to be postmaster at Long Beach, Wash., in place of F. P. Cooper. Incumbent's commission expired February 5, 1936.

Milton E. Waste to be postmaster at Morton, Wash., in place of Zelda Ellis. Incumbent's commission expired January 8, 1936.

Honora M. Connor to be postmaster at South Bend, Wash., in place of W. P. Cressy, resigned.

WEST VIRGINIA

Anna F. Cole to be postmaster at Hundred, W. Va., in place of A. F. Simms. Incumbent's commission expired February 9, 1936.

Richard Ivan Hargett to be postmaster at Kimberly, W. Va., in place of U. A. Cobb, resigned.

Bartholomew D. Eagan to be postmaster at Ronceverte, W. Va., in place of I. W. Folden. Incumbent's commission expired January 7, 1936.

WISCONSIN

Walter F. Netzel to be postmaster at Crandon, Wis., in place of J. F. Lambert. Incumbent's commission expired January 18, 1936.

Clara A. E. Manion to be postmaster at Oregon, Wis., in place of N. I. McGill. Incumbent's commission expired February 10, 1936.

Henry F. Schumacher to be postmaster at Stoughton, Wis., in place of L. C. Currier, deceased.

WYOMING

Arthur W. Crawford to be postmaster at Guernsey, Wyo., in place of A. W. Crawford. Incumbent's commission expired January 9, 1936.

CONFIRMATION

Executive nomination confirmed by the Senate April 29 (legislative day of Apr. 24), 1936

POSTMASTER

NORTH DAKOTA

Winnifred D. Flaten, Edinburg.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 29, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou who art the King of kings and the Lord of lords, we praise Thee that the rich and poor, the high and lowly, the good and bad may call Thee "Father." Thou, whose essence is love, to whom discord and sin are abhorrent, teach us the art of brotherly love. May we reflect it in the home, in society, and in the affairs of state. We thank Thee for the pure, noble, and self-sacrificing life of Jesus of Nazareth. We pray Thee that we may be brought in contact with the life-giving currents of His marvelous life. That our lives may be obedient and Godlike, we entreat Thee to make us susceptible to His holy will, and Thine shall be the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed a bill and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 2883. An act to provide for the further development of vocational education in the several States and Territories; and

S. Con. Res. 37. Concurrent resolution authorizing the printing of additional copies of each part of Senate Report No. 944, concerning the manufacture and sale of arms and other war munitions.

The message also announced that the Senate agrees to the amendments of the House to the amendment of the Senate to the bill (H. R. 10489) entitled "An act to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding and settlement of the city of New Rochelle, N. Y."

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 267) entitled "An act for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PITTMAN, Mr. BULKLEY, and Mr. WHITE to be the conferees on the part of the Senate.

DISTRICT OF COLUMBIA AIRPORT COMMISSION

The SPEAKER announced, pursuant to provisions of Public Law No. 529, Seventy-fourth Congress, the appointment of Mrs. NORTON, Mr. NICHOLS, and Mr. COLE of New York as members of the District of Columbia Airport Commission.

WHY PRESIDENT ROOSEVELT SHOULD BE REELECTED

Mr. DIES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a radio speech made by me.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DIES. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on April 24:

I recall vividly the occasion of President Roosevelt's inauguration. It was a gloomy day in more respects than one. Thousands of people were standing in front of the inaugural stand awaiting the arrival of a new leader. Despair was written upon every face. Fear gripped every heart. Many thought that we were on the verge of economic collapse. The banks were closed. Terrified people were standing in line in front of the Treasury to convert their paper currency into gold. Millions were jobless and hungry, while other millions faced bankruptcy and foreclosures. Homes and farms were being sold under the hammer. Agricultural products glutted the market, and the price of cotton was 5 cents a pound. Old age faced want and poverty without a single ray of hope. Youth saw the doors of opportunity closed to ambition and energy. When President Roosevelt faced that despairing multitude who symbolized the majority of our people he knew what was in their hearts and minds. Then he did something I shall never forget to my dying day. He smiled. If ever a nation needed a smile it was on that gloomy day. Not only did he smile but he spoke with cheerfulness and optimism. That smile and cheerfulness melted the icy fear that had paralyzed the hearts of a stricken people.

When we Democrats began the difficult task of recovery we had before us a map which outlined the course of action and policy. That map was the party platform. No one can deny that we made a sincere effort to steer the ship of state according to that chart. We reorganized the banking structure upon a sound basis. We passed a drastic economy bill which provoked widespread opposition. But it soon became apparent to every thinking man that if we adhered to that chartered course we would run headlong into a hurricane that would smash the ship of state against the rocks.

To those who condemn us for temporarily departing from that chart, may I propose this question: Suppose that the captain of a ship set sail upon a charted course and after proceeding for 100 miles received warning of a hurricane directly ahead, would it not be his duty to deviate from the original course to save the ship and all on board? That is exactly what we did. We received the most serious storm warning. The barometer was falling steadily; the gale was increasing with alarming rapidity. Even a landlubber could interpret the signs of the approaching tempest. Unemployment was rapidly increasing. Food riots were breaking out. More and more homes and farms were going under the hammer. The American dollar was attacked by all foreign currencies. Export trade was vanishing. General paralysis was spreading over the entire economic body. To aggravate this situation fire broke out on the ship of state. At this critical juncture President Roosevelt acted with decision and promptness. He steered the ship as far from the troubled area as possible and ordered vigorous and direct measures to extinguish the fire. Not a human soul on board protested these orders or suggested a substitute. The majority of the passengers volunteered their assistance to extinguish the fire. Some of them, however, hid in the hold of the ship or locked themselves in their staterooms. The President issued a series of emergency orders in rapid-fire succession. First, he ordered that the hungry be fed and the naked clothed and that Government jobs be created for as many as possible. Then we stopped the raids upon the gold supply by doing what Europe had already done—by going off the gold standard and devaluing the gold dollar. We extended the principle of the R. F. C. loans to include home and farm owners, with the result that millions of homes were saved from the sheriff's hammer. We applied the tariff principle to agriculture, with the result that the farm income has increased 52 percent over 1933.

I do not say that in our haste to stop the progress of the fire we did not make mistakes. No doubt we tore away sound planks. Was a fire ever extinguished without wasting water? But it must be remembered that we were dealing with a grave emer-

gency that would not brook delay nor tolerate lengthy debate. We were unprepared; our equipment was inadequate and we had too few trained firemen. But let it be remembered that during this critical time no one came forward with a better plan. Everyone was content to leave to Roosevelt and Congress the responsibility of guiding the ship. When the fire was brought under control and the storm began to moderate, a strange thing happened. The passengers who had hidden in their staterooms or in the hold of the ship came on deck, surveyed the severed planks and the water-soaked compartments and exclaimed, "We do not approve of the way you brought this fire under control and we condemn you for leaving the chartered course." From every quarter of the Republic politicians are coming out of their staterooms and saying that we were not good firemen and sailors, and that they should be allowed to steer the ship into the placid waters of approaching recovery. Yet when the storm and fire were raging we received not one word of constructive suggestions from this critical crowd. It is much easier to say now what should have been done than it was at that time, because hindsight is always better and clearer than foresight.

My friends, I know it to be a fact that the President welcomes constructive criticism. He does not claim to be perfect. He has freely admitted that if he could be right 75 percent of the time he would consider himself fortunate. But constructive criticism must not only point out in black and white where we erred but it must offer something better in the place of that which is condemned. To these critics of the New Deal who now condemn the way the captain, first mate, and we ordinary sailors ran the ship during this grave emergency, let me issue this challange: Why didn't you give helpful suggestions during the emergency? Why were you silent then? I challenge you to name in black and white each and every bill we passed and each and every step we took which you now condemn, and state specifically what you would have done under the same circumstances. Anyone can tear down a house but it takes a carpenter to build one. It is equally unfair to praise the captain of the ship but condemn the sailors who followed his orders and fully cooperated with him. Without the sailors the captain would have been helpless. Therefore, any endorsement of the President and his program must include us Congressmen who cooperated with the President and made possible the success of his program. It is cheap and cowardly to denounce the sailors for want of courage to condemn the captain. Although we have been compelled to resort to drastic measures to halt the fire, no Democrat intends to continue these emergencies after the fire is extinguished. While the patient is suffering it is justifiable to administer morphine, but it is the duty of the doctor to cease the dope as soon as possible. We must not allow this Nation to become an addict to the dole. But some of the remedies proposed by our critics are no immediate answer to empty stomachs and embittered hearts.

Whatever else may be said by our critics, it must be conceded that the President has furnished the Nation with the highest type of honest and fearless leadership. When he has proposed legislation such as the old-age pensions, unemployment insurance, public works, relief, and other similar measures necessitating the appropriation of additional money he has had the courage to tell Congress where to get the money. On the eve of an election he has had the courage and honesty to propose a concrete and definite tax bill to raise the money to pay pensions to the aged and furnish relief and jobs for the unemployed. How many public officials would have demonstrated this courage? The cowardly, time-serving, and insincere public official would have postponed the tax bill until after the election. The cheap politician would have merely asked Congress for the money without having the moral and political courage to tell Congress specifically where to get it. This is the sure test between statesmanship and demagoguery, between courage and cowardice, between sincerity and hypocrisy.

We are approaching another national election. Every indication points to the fact that our enemies will engage in mud slinging and personalities. Already some of the enemies of this administration are conducting a whispering campaign against the President and his family. A typical lie that is being circulated is that the President is in league with Astor and Barney Baruch to promote the interest of certain powerful corporations. Mud slinging should not be tolerated in a political campaign. No one but political scavengers seek to besmear with their filth the fair name of an opponent. When candidates or their friends resort to mud slinging and personalities they immediately confess the weakness of their cause, the poverty of their thoughts, and the rottenness of their characters. I respect a thief infinitely more than I do reputation slanderers and character assassins. As Shakespeare said, "He who steals my purse steals trash, but he who filches from me my good name robs me of that which does not enrich him, but makes me poor indeed." These vile creatures of the sewer who seek to defame the reputation of faithful and honest public servants should be avoided by all honest men and branded for what they are.

No man has ever demonstrated more completely his independence and honesty than Franklin D. Roosevelt. There may be doubts as to where some candidates get their money to finance campaigns. We may have serious doubts as to the honesty of a candidate who never made anything but a living and who is able to make several expensive campaigns in succession. We may even be morally certain that selfish interests are financing his campaign; but not so with Franklin D. Roosevelt. We know where every dollar came from to finance his campaign. No one can deny that the President's program is in every respect free from the influence or dictation of big business or self-seeking interests.

The President has devoted himself exclusively to the tasks of recovery and needed reforms. He is not spending his time running around over the country delivering graduation and picnic speeches, dodging and ducking controversial subjects, handshaking, and back slapping, and seeking to build up his political fences.

It is charged that we have violated the Democratic principle of State rights. My friends, we believe in State rights, but we are against State wrongs.

In conclusion, my friends, let us keep in the White House one who puts the interest of the plain people above every political consideration, one who has remained continuously at his post of duty while others were building up their political fences, one who is free and independent and whose election was not financed by the tainted money of privilege-seeking interests, one who has never resorted to mud slinging and personalities and who has always conducted his campaigns on a high plane of respectability, one who does not use his high office as a means of financial enrichment for himself, his family, or friends, one who does not work through kitchen cabinets and underground passages, but always in the open, one whose honesty is above suspicion and who does not play secretly with the enemies of the people while pretending to be their friend.

In short, my friends, let us keep in the White House that great leader of the plain people, the Jefferson and Jackson of the twentieth century, our present and our future President, Franklin D. Roosevelt.

THE RIVERS AND HARBORS ACT OF 1935—THE MOST COMPREHENSIVE AND CONSTRUCTIVE WATERWAY LEGISLATION EVER ENACTED BY THE CONGRESS OF THE UNITED STATES

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a speech delivered by me at the National Rivers and Harbors Conference.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, under permission to extend my remarks in the RECORD, I include the following speech delivered by me before the National Rivers and Harbors Congress in Washington on Monday, April 27, 1936:

Mr. President and delegates to the National Rivers and Harbors Congress, it is a great privilege to have the opportunity again of addressing you on the subject of our great national assets, our rivers and harbors, and to invite your attention particularly to the comprehensive and constructive waterway program adopted by legislation since your last annual meeting. Our interest in this subject is one of long standing, extending in your case from your first convention in Baltimore in 1901, and in my case over a period of some 19 years as a member of the Committees on Flood Control and Rivers and Harbors of the House of Representatives, including 5 years as chairman of the Rivers and Harbors Committee.

Last year I traced briefly the history of the development of our national policy for improvement of rivers and harbors, emphasizing that this policy is the result of more than a century of carefully considered legislation. Our Nation-wide plans have been clearly and skillfully worked out, and it is for these that Congress provides appropriations. The waterway improvements that have been made possible through these appropriations play an important part in the daily life of every citizen. The average person may easily prove this to his own satisfaction by noting in the course of a day the large number of necessities and luxuries he might be forced to do without were it not for the development and improvement of water-borne transportation. It is hardly necessary to recount for you the many large American cities, both coastal and inland, that owe their growth and commercial development to the improvement of navigational facilities by the United States Government. Last year the Chief of Engineers told us that prior to 1928 the annual appropriation for the maintenance and improvement of our rivers and harbors had averaged from $40,000,000 to $50,000,000, and that in the 5 years preceding the National Industrial Recovery Act approximately $400,000,000 were expended on rivers and harbors. Considerable amounts have since been made available from emergency relief funds.

The rate of growth of waterway improvement and development is now at an all-time maximum. The River and Harbor Act approved by the President on August 30, 1935, was the greatest piece of constructive legislation ever passed for such improvements. On this our first meeting since the passage of that act, I believe it appropriate to invite attention to some of its salient features.

The act of 1935 authorized 246 projects for improvement, having an aggregate cost to complete of over $660,000,000. It legalized by congressional act a number of projects that had been commenced with emergency relief funds. In addition, the act authorized some 270 preliminary surveys and examinations, and section 6 of the act provided that the surveys authorized pursuant to section 1 of the River and Harbor Act of January 21, 1927, and House Document

No. 308 (69th Cong., 1st sess.) should be supplemented by such additional studies or investigations as the Chief of Engineers might find necessary to take into account important changes in economic factors as they occurred, as well as additional stream-flow records or other factual data.

A recapitulation of the projects adopted shows that 36 States are benefited directly with one or more projects located either wholly or partially within such States. It is safe to assume that the remaining 12 States derive a considerable measure of indirect benefits. In addition to the projects located within the continental United States, there are 11 in Alaska, 3 in Hawaii, and 4 in Puerto Rico. There has never before been a river and harbor act that has provided for such widespread and beneficial improvements over the entire country, extending from the Gulf to the Canadian border and from the Atlantic to the Pacific Oceans.

We have not the time to describe the merits of all the 246 projects adopted by the River and Harbor Act of 1935, so I will invite your attention to only a few of the most noteworthy ones.

Upon the North Atlantic coast there is the important Cape Cod Canal improvement. The old Cape Cod Canal was limited in its usefulness because of a depth preventing use by ships of more than 20 feet draft. The new project provides for dredging a sea-level canal 32 feet deep and 500 feet wide, with a harbor of refuge for small vessels. Traffic has been increasing through this waterway because it affords a protected route for coastwise shipping, which is 65 miles shorter than the route around the cape through the dangerous waters of Nantucket and Vineyard Sounds and 165 miles shorter than the open sea route around Nantucket Shoals. This project will effect large savings in transportation costs.

Further southward on the Atlantic coast we have the Delaware River-Chesapeake Bay Ship Canal. The new project provides for enlargement of the old barge canal, with a present depth of 12 feet, into a ship canal 27 feet deep and from 250 to 400 feet wide. This improvement will permit shipping to move directly from the Delaware River to Chesapeake Bay, thereby saving about 316 miles in the normal run between Baltimore and Philadelphia and about 179 miles between Baltimore and New York. The savings translated into money will represent large sums annually.

In addition to the above, the bill authorized a number of smaller projects on the Atlantic coast from Maine to Florida which are equally meritorious and productive of actual value to the public, although not so large individually.

A great many desirable improvements provided for in the bill are in the rapidly developing Gulf coastal area. These include the important improvements provided for at Tampa Harbor in Florida; the improvement and extension of the intracoastal waterway from the Apalachicola River to Pensacola Bay; and the improvement of the navigational facilities of the Warrior-Tombigbee River system in Alabama, which serves a vast hinterland in Alabama and Mississippi. Work provided for along the Gulf coast in Louisiana includes the improvement of six smaller waterways which connect with extensive agricultural regions, sea-food industries, and oil fields.

Along the reach of coast line lying in the great State of Texas we find a number of improvements which will materially aid the progress of that section. Among these is the Sabine-Neches waterway. This waterway affords ocean navigation to an important industrial region in eastern Texas and western Louisiana. Commerce, which is principally in petroleum and petroleum products to and from refineries on this waterway, has been steadily increasing from about 12,000,000 tons in 1921 to about 28,000,000 tons in 1933. The new project will provide ample depths so that oil tankers can be fully loaded to utilize their maximum capacities. Large savings will accrue from this improvement.

Other meritorious improvements are being made in Houston, Galveston, and Texas City to enlarge and improve the navigational facilities of these important ports. The project for the construction of groins to protect the Galveston sea wall from damage due to erosion is unique. This wall, constructed in part by the Government after the disaster at Galveston in 1900, was found to be in danger, and its protection by groins was considered essential in order that another hurricane might not find the wall undermined and ineffective to afford the necessary protection of that great commercial city.

The projects for the improvement of Freeport Harbor, Port Aransas, and of the channel from Aransas Pass to Corpus Christi were also included in the bill and should prove of great value to the west Texas coastal area.

Proceeding to a consideration of our inland waterways we find that several large improvements looking to the completion of our river transportation system have been authorized. Prominent among these is the project for 9-foot navigation on the upper Mississippi River between the mouth of the Missouri River and Minneapolis. Experience had demonstrated the impracticability under natural low-water flow conditions of obtaining and operating a 9-foot channel by dredging and regulation. The Board of Engineers for Rivers and Harbors therefore recommended canalization as the most feasible and economical method of attaining this end.

Construction of the necessary locks and dams for this project has been carried on with emergency relief appropriations, and the River and Harbor Act authorizes a continuation of this work. The execution of this great project has contributed materially to the relief of unemployment. It is a vital part of the final development of navigation on the Mississippi River system, and from it large savings in transportation costs will accrue to the people of the entire Mississippi Valley.

The Missouri River has been improved from its mouth to Kansas City by dredging and regulating works and is now open for 6-foot navigation throughout the year. Work on the Kansas City-Sioux City reach has been advanced to above Omaha. The navigable depths will be increased to provide an 8- to 9-foot channel when the water supply of the Fort Peck Reservoir becomes available. Work on this reservoir was pushed vigorously under emergency relief appropriations, and the project was adopted by Congress in the act of 1935. In an era noted for its great dams, the Fort Peck project on the Missouri River near Glasgow, Mont., takes rank with the largest. This dam forms a reservoir of 19,500,000 acre-feet capacity; a lake 185 miles long with an area of 245,000 acres. Incidental benefits which will result from the improvement of the Missouri River by the Fort Peck Dam are material and supplemental to the benefits of the improvement for navigation. The increased water supply from Fort Peck during the low-water season will make available additional water for municipal and industrial purposes, will decrease the pollution of the river, and the dam will practically eliminate flood damages along the upper Missouri River.

In the Ohio River Basin the last river and harbor act authorizes a number of projects which will prove of value to this highly industrialized region. Among these is the improvement of the Kanawha River, where modern 9-foot navigation is provided by the construction of two high dams, which will replace nine obsolete, low structures. These works will greatly improve operating conditions and the general usefulness of this important tributary of the Ohio system.

The network of inland waterways in the basin of the Mississippi and its tributaries would be incomplete without suitable connections with the basin of the Great Lakes. The Illinois River provides the final link in a Lakes-to-Gulf trunk waterway. Locks constructed under the old project are inadequate in size for present-day river transportation. New locks have now been authorized at La Grange and Peoria, which with some supplemental dredging will provide a modern 9-foot navigation channel. The prospective commerce on the Illinois River, after improvement, is large, and commensurate transportation savings will result in great benefits to the public. At the Great Lakes end of this waterway the authorized Calumet-Sag Channel in Illinois will provide for suitable terminal development.

In the Great Lakes Basin itself improvements have been authorized for some 44 lake harbors and for numerous channels. Improvements at these harbors consist generally of breakwaters and the widening and deepening of harbor channels to meet the needs of modern deep-draft lake navigation. These improvements are much needed and will affect large savings in transportation throughout the area from New York to Minnesota. The deepening of the Great Lakes connecting channels, which is being completed, is a most important feature of this work. Adequate depths will be provided for large lake freight carriers of 24-foot draft through all connecting channels, including St. Clair River and the Straits of Mackinac.

Another project of national importance is the Great Lakes-Hudson River waterway which has been handicapped by a limited depth of 12 feet as compared with 14 feet in the competitive Canadian channels and on the St. Lawrence River. The new work, which is being financed by the United States and executed under Federal control, provides for the improvement of that portion of the canal connecting Lake Ontario with the Hudson River by deepening between the locks to 14 feet and increasing overhead clearances to a minimum of 20 feet. The commerce on these canals has been steadily increasing and their improvement will provide adequate water transportation between the Lakes and the Atlantic seaboard at New York.

On the Pacific coast the River and Harbor Act of 1935 includes the improvement of nine important harbors in California as well as improvements in river and connecting channels. Federal navigation and flood-control projects are now underway on the Sacramento River. The flood-control project is about 70 percent complete. The last river and harbor act authorized Federal participation in the construction of a large dam at the Kennett site on the Sacramento River. This dam will directly benefit navigation by providing a steady and increased low water flow, and incidentally it will provide for the storage of flood waters, and will prevent the intrusion of salt water into the lower Sacramento.

A project in the Sacramento River Basin has been developed by the California Debris Commission and has been authorized subject to modifications which may be approved by the Chief of Engineers. It provides for the construction of restraining dams on the Yuba, Bear, and American Rivers. These works will prevent the entry of mining debris into the navigable channels below, and will prevent flooding of agricultural lands by reason of the choking of flood channels with mining debris. Works of this nature should permit the continuation of mining operations without menace to the usefulness of the natural waterways.

About 20 new projects which were found desirable along the North Pacific coast in Washington and Oregon, including works on the Columbia River, have been authorized. These are mostly improvements of harbors by breakwaters and channel deepening where such improvements seemed necessary to the development of commerce. One of the most conspicuous projects in the Pacific Northwest is the Bonneville Dam on the Columbia River. This dam, with navigation locks, is a part of the plan for the most effective improvement of the Columbia River for navigation, in combination with power development, flood control, and the needs of irrigation. The project was started with emergency relief funds and has now been authorized for completion by the River and Harbor Act of 1935.

Many causes induced the Thirteen Original States to change from a loose confederation, as it existed during and immediately subsequent to the Revolution, into a firmer and more perfect Union, but there was none, perhaps, so potent as the generally recognized necessity for better central governmental regulation and control of interstate trade and traffic (principally navigation at that time). This seems to have inspired the incipient measures, the first concerted movement, which resulted in the adoption of the present Constitution of the United States. At the city of Annapolis, in the month of September 1786, a meeting of commissioners appointed by some of the principal States was held "to take into consideration the trade and commerce of the United States; to consider how far a uniform system in their commercial intercourse and regulations might be necessary to their common interest and permanent harmony; and to report to the several States such an act relative to this great project as, when unanimously ratified by them, would enable the United States in Congress assembled effectually to provide for the same."

This meeting, which was attended by many able men including James Madison and Alexander Hamilton, without attempting any definite action, adopted an address to the States recommending a future convention with enlarged powers for forming a Constitution. As one of the reasons for this recommendation the commissioners say that "in the course of their reflections on the subject they have been induced to think that the power of regulating trade is of such comprehensive extent and will enter so far into the general system of the Federal Government that to give it efficacy and to obviate questions and doubts concerning its precise nature and limits, may require a correspondent adjustment of other parts of the Federal system." Out of this recommendation came the Constitution of the United States, and thus the great original and moving object of its establishment was to confer on the General Government the power to regulate commerce.

The Constitution of the United States confers upon Congress the power "To regulate commerce with foreign nations, and among the several States, and with the Indian tribes", and by this provision there was transferred from the States to the Federal Government the control of all the navigable waters of the Nation for the purpose of navigation. At first it was seriously doubted whether the power to regulate comprehended the right to improve—that is, whether the improvement of rivers and harbors was a subject of national concern and of constitutional appropriation. Mr. Madison as President in 1817 vetoed a bill for internal improvements, including, among other things, a waterway improvement. He stated in his message that the Constitution did not vest power in Congress for such purpose.

In May 1824, Congress passed the first distinct act to improve navigation, entitled "an act to improve the navigation of the Ohio and Mississippi Rivers." About this time the decision of Chief Justice Marshall in the case of *Gibbons* v. *Ogden*, established unquestionably the exclusive power of Congress with respect to the interstate waterways of the country, and removed completely the doubts of earlier years. This was the case referred to by General Markham, in his splendid address, as marking the birth of a permanent Federal policy of river and harbor improvement, a policy which has grown from year to year with the advance of population and the increasing needs of commercial transportation.

Gibbons v. *Ogden* was one of the most noted cases ever coming before the Supreme Court, not only on account of the great issue involved but also on account of the great prominence of all the persons concerned. Gibbons was ex-mayor of Savannah, Ga., and also maintained residence in New Jersey. He was locally and nationally prominent. Ogden had been Governor of New Jersey and United States Senator from that State. and both Gibbons and Ogden had been prominent in promoting navigation. The attorneys employed in the case were both nationally and internationally known. Gibbons was represented by Daniel Webster, and by William Wirt, then Attorney General of the United States, and famed as the prosecutor of Aaron Burr. Ogden was represented by Pinckney, of Maryland, and Thomas J. Oakley, attorney general of New York. He was also represented by Thomas A. Emmet, the great Irish patriot.

Gibbons and Ogden had been partners, but their partnership had ceased before the beginning of this litigation. Fulton and Livingston, who developed the *Clermont*, the first steamboat to be successfully navigated, had obtained from the State of New York the exclusive privilege of operating boats propelled by steam upon the navigable waters of that State. Ogden became the assignee of those gentlemen for this privilege and under it was operating boats between New York and Elizabethtown, N. J. Gibbons was also operating boats on the same waters under permit of the Federal Government. Ogden enjoined him from navigating his boats across the State line into the State of New York. This injunction was affirmed by the Supreme Court of New York. Gibbons carried the litigation into the Federal courts upon the ground that the law of New York, under which he was excluded, was in violation of the Constitution of the United States, in which the Federal Government was given full power over interstate commerce. Chief Justice Marshall sustained this plea in one of the most noted decisions ever emanating from that Court.

It may be of interest to note the condition in which shipping had been placed by the several States acting independently. While New York prohibited boats to enter her navigable waters without a permit under the sanction of the Fulton and Livingston privilege granted, neighboring States enacted retaliatory measures. Connecticut enacted a law prohibiting boats from entering the waters of that State if they held such licenses from New York. By the law of New Jersey, if any citizen of that State should be restrained under the New York law, the courts of New Jersey would be given jurisdiction on action for damage, with treble costs against the party seeking such restraint. This was termed an "Act of retortion against the illegal and oppressive legislation of New York." Other States had enacted somewhat similar retaliatory measures. From this it will be seen that commerce between the States would be impossible unless regulated by the Federal Government as provided in the Constitution. Chief Justice Marshall, in sustaining the Constitution of the United States in this decision, made interstate commerce possible and practicable.

During all the years prior to the River and Harbor Act of 1935, in which waterway improvements have been prosecuted by the Federal Government, the jurisdiction over these works was not assigned by statute to an executive department or agency. Each river and harbor bill authorized prosecution under the direction of the Secretary of War and the supervision of the Chief of Engineers without permanently establishing the jurisdiction of the War Department.

When the River and Harbor Act of 1935 was under consideration by the Commerce Committee of the Senate the question of the costs of public construction by the Army Engineers was brought up. The Chief of Engineers, in testifying before the Commerce Committee, submitted a series of tabulations, showing for a large number of jobs all over the United States, the range of bids, the Government estimates, the contract prices, the Government cost on the contracts, and the total cost of contracts. The summation of the figures showed that the total bids ranged from $130,000,000 to $175,000,000. The total Government estimate was $147,000,000; contract price total was $130,000,000; Government cost of inspection, supervision, etc., on contract was $10,000,000, making the total cost by contract $140,000,000. These figures clearly demonstrated the efficiency and economy which had always obtained in the construction of waterway improvements by the Army Engineers.

The Commerce Committee of the Senate decided that, in addition to authorizing specific investigations and construction by the Federal Government, permanent statutory authority should be given to the agency charged with these investigations and improvements. A clause was therefore added to the bill which makes the Corps of Engineers of the Army under the direction of the Secretary of War the statutory agency to execute and maintain river and harbor improvements by the Federal Government. This clause reads as follows:

"That hereafter Federal investigation and improvements of rivers, harbors, and other waterways shall be under the jurisdiction of and shall be prosecuted by the War Department under the direction of the Secretary of War and the supervision of the Chief of Engineers except as otherwise specifically provided by act of Congress."

The waterway investigations and improvements of the United States have been carried on for over 100 years in an exemplary manner by the Army Engineers of the War Department. No other activity of the Federal Government has been so efficiently and economically administered. Within the last 8 or 9 years practically all of the streams of the country have been surveyed and plans have been prepared by the War Department Engineers for their improvement for navigation, for flood control, for the development of hydroelectric power and for irrigation. The reports submitted to Congress are most thorough, and constitute a comprehensive plan for the development of these resources of the Nation over a long period of time. The War Department deserves great credit for this magnificent piece of planning.

In order that the investigations made and the plans prepared shall be kept up to date and ever ready for use, it was advisable that this activity should be assigned by act of Congress to the War Department. It is equally important that the prosecution of waterway improvements should be similarly placed under the jurisdiction of the War Department. These provisions were advisable in the interest of coordination and economy.

The long experience of the National Rivers and Harbors Congress makes it unnecessary for me to tell you that no body of men can render such unselfish and earnest devotion of service to the country as is given by the Engineers of the War Department. This service is the natural consequence of the education and training of these public servants. The group of men that have planned and prosecuted river and harbor improvements so well in the past includes civilian engineers of the highest types, and these are imbued with the spirit of the commissioned officers with whom they work, so that the organization as a whole works to the maximum advantage of the Government. The country is fortunate in having the wisdom to use the Army Engineer organization for the planning and prosecution of its waterway improvements, and no one knows better than the membership of the National Rivers and Harbors Congress that this public activity has properly been assigned by statute to be under the jurisdiction of the War Department.

During the depression and emergency caused by depression, public works were carried on with lump-sum appropriations allocated by the President. We all know how well the Chief Executive provided for the continuation of water improvements so as to avoid interruption of the general plans and policies established by Congress. After the depression Congress assumed its duties with respect to waterway improvements and passed the most comprehensive and constructive waterway legislation ever enacted by the Congress of the United States, viz, the River and Harbor Act of 1935. In the War Department appropriation bill now nearing its

legislative consummation, funds are provided for prosecuting the improvements authorized in last year's river and harbor bill. I am gratified to be able to thus assure this National Rivers and Harbors Congress that proper progress in carrying on our national program for waterway improvements is now a practical accomplishment.

P. W. A. WATERWORKS PROGRAM AID TO RECOVERY

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Public Works Administration's waterworks program and also to extend my remarks in the RECORD in connection with the death of our late colleague, Hon. Stephen A. Rudd.

The SPEAKER. Is there objection to the requests of the gentleman from New York?

There was no objection.

Mr. BEITER. Mr. Speaker, the Public Works Administration has made possible construction of approximately 2,000 waterworks and related projects in cities and towns of every 1 of the 48 States.

It devoted 25 percent of its non-Federal program to this form of public improvement:

First. To reduce unemployment both in the community and in heavy industries—the twofold universal P. W. A. objective.

Second. To furnish pure water to promote public health.

Third. To reduce fire-insurance rates and hazards.

Fourth. To provide for community growth and expansion and thus strengthen real property values to broaden the base for future taxation.

Now nearly all communities in the United States of more than 10,000 population have "satisfactory" water systems; a majority of more than 5,000 have similar systems due to this 2½-year transformation.

This transition in American waterworks was first inspired in June 1933 when Public Works Administration instilled confidence by offering encouragement in the way of loans and grants to villages, cities, counties, and States to increase and purify water supplies.

Throughout every State of the Union there developed comparatively quickly a multitude of new or renovated filtration plants, softening plants, reservoirs, distribution piping systems, intakes, dams, elevated tower storage tanks, sewage systems, disposal plants, power plants, and like useful enterprises up to the erection and installation of complete up-to-minute water systems.

Exact segregation of waterworks projects from other P. W. A. projects is difficult, but the Bureau of Economics and Statistics of P. W. A. estimates as a basis of calculation that 1,696 allotments, totaling $169,631,820, were made for the construction of strictly related waterworks projects, this figure including both loans and grants. It is estimated by P. W. A.'s engineering division that the total amount of construction thus made possible, including the share furnished by the community's financing efforts, reached the sum of $247,000,000.

Exhibit "A", attached, covers allotments by States for waterworks and immediately related projects.

COMMUNITIES SPRING TO LIFE

This P. W. A. outlay of public investment in waterworks improvements and other worth-while activities in the first place remedied a most lamentable condition. In the latter twenties and the early thirties forward-thinking mayors, councilmen, and civic leaders were stopped cold by the inescapable fact that private capital was unwilling to invest in non-Federal governmental projects, hence no waterworks improvements. Communities attracted by the promise of 30-percent grant under the original program and 45-percent grant under the subsequent one entered 22,000 applications without pressure entirely of their own volition for all types of non-Federal projects, including not only waterworks but sewers, schools, auditoriums, courthouses, city halls, swimming pools, power plants, and so on. A total of $7,425,000,000 in loans and grants was asked. Of this number, 8,000 were accepted, representing $607,386,000 in Federal grants, and $1,333,663,000 either through private or P. W. A. financing, thus making a total of $1,941,650,000. Of these 8,000 approved applications, approximately one-fourth, or 2,000, were related to waterworks operations for a total outlay, including both P. W. A. and private financing, of an estimated $300,000,000.

COMMUNITY HEALTH SAFEGUARDED

This P. W. A. outlay of public investment in waterworks improvement in the second place aided in insuring communities against repetitions of the experience of an Ohio city in 1920 when 25 citizens died and 86 others suffered the tortures of typhoid fever before it was discovered seepage from a sewer pipe flowed into drinking water through an ancient defective section of a gravity main. Another illustration of the danger of neglect was found in a little town in South Dakota when a chlorination plant, after not being inspected for 5 years, failed to function and a number of citizens became ill and some died. Numerous other illustrations might be cited.

EMPLOYMENT FURNISHED ON SOUND BASIS

This P. W. A. outlay of public investment in waterworks improvement, as well as in other departments of its program, in the third place, adhered closely to the beforementioned double major objective:

First. To put men to work in local communities.

Second. To furnish maximum reemployment possible within the heavy industries.

The construction program was of great advantage because it made possible work for contractors and their supervisory staffs. It permitted the utilization of construction equipment which would otherwise have continued idle, with losses to the owners due to depreciation and carrying charges. It also furnished work for manufacturers of equipment and supplies; and it bolstered activity in the engineering and architectural professions.

It was written in ordinary agreements between P. W. A. and the community that 90 percent of the labor should be done by the unemployed from the relief rolls within the jurisdiction of the applicant except by special exemption.

In this manner 496,483 men, on an average, were given employment on P. W. A. sites during 1934 and 284,297 during 1935, a total of 10,707,311 man-months to the end of January 1935, including waterworks and all other types of P. W. A. construction. To these workers went $852,324,699 in wages.

For every dollar spent on the site, however, P. W. A. statisticians estimate that approximately $2.20 was spent "behind the lines." In other words, the work on the Federal project at Fort Peck Dam, in Montana, was done by workmen in that vicinity; but great quantities of heavy equipment were brought to the dam from distant points.

In cities such as Chicago and Pittsburgh, other additional workmen were added to the pay rolls to fabricate great scoops, shovels, concrete-dropping buckets, and similar equipment. Up to March 1, $1,240,229,337 was spent for materials and $129,916,127 for other purposes, the largest part of the first amount going into the pocket of the wage earner who either makes available the raw material or fabricates it. More than 60 percent of the Public Works money spent up to March 1 has gone for material manufacture. Exhibit B, attached, shows scope of materials in P. W. A. program.

Approximately $2,000,000,000 worth of stone, steel, cement, lumber, and hundreds of other types of building materials will be required to complete the 24,000 projects now on P. W. A. books. The 24,000 projects include the 8,000 non-Federal under discussion and an additional 15,000 or more Federal projects for which the P. W. A. allotted all the money. A total of $1,223,500,000 was spent for materials up to February 1. These expenditures were a major factor in reviving the heavy industries where unemployment was greater than anywhere else during the depression.

Reports from the Bureau of Labor Statistics of the Department of Labor as of the end of 1935, show that $581,629,000 worth of iron and steel products, including machinery and transportation equipment, have been purchased for improvements.

Industries furnishing cement, brick, stone, glass, sand, gravel, and similar materials for W. P. A. jobs had received orders amounting to $328,566,000, while more than $59,000,000 worth of lumber and forest products were purchased in that period.

The chemical industry, which embraces manufacture of explosives for blasting on P. W. A. jobs, has had orders for $9,714,000 worth of materials. Even the textile industry participated in the indirect employment benefits of the W. P. A. program, with orders for nearly $1,500,000.

Factories require lumber from the forests, coal and iron from the mines, and an endless number of other raw materials with which to manufacture the many hundreds of machines and instruments needed in the P. W. A. program.

INDIRECT EMPLOYMENT EXCEEDS DIRECT

Expenditures for materials used on P. W. A. construction sites have put more money into the pockets of hundreds of thousands of men employed in the mines, mills, and factories in every section of the country.

These reemployed workmen, both on and off site, with money jingling in their pockets for the first time in months, were able to resume their normal activities in their communities. They bought food, clothing, automobiles, and other necessities to the extent that they increased the demand for consumers' goods until an additional estimated 21,414,622 man-months of labor were furnished in factories producing and distributing this type of merchandise.

All in all, during 1934–35, 42,828,244 man-months of labor were created. Statisticians estimate that before the P. W. A. program is completed a total of 71,500,000 man-months of labor will have been created.

The term "man-months" may be confusing. It is a technical reference to the estimated amount of labor which will be furnished by the whole program. As an example, "on site" employment for the program will total 17,775,000 man-months.

If the whole program were to start tomorrow and to run simultaneously for 1 month, a total of workers at least equal to the site-employment total would be employed during the month in factories, at the mines, in the forests, or on the transporting railroads. Add the two figures and the number of so-called "secondary indirect" or "consumer goods" labor created can be approximated.

P. W. A.'s program, however, has not been confined to a single month nor a single year. The work has been steady. As of April 1, 71.25 percent of the program was completed, leaving 28.75 percent still under construction. This will continue to furnish wages until private industry upon its own account may absorb the unemployed.

Nor may the heavy industries say past expenditures have not helped. Industrial production for the whole United States during the 3-year period ending last December showed an increase of 56 percent. Steel-ingot production over that same period showed an increase of 265 percent. Automobile production increased 110 percent. Construction contracts increased 226 percent; the volume of check payments increased 33 percent. The bases for these calculations are statistics furnished by the Federal Reserve.

WATERWORKS PROGRAM HELPED RECOVERY

For those reasons it is easy to understand that the waterworks engineering industry, even while benefiting greatly from the P. W. A. program, did its share in the recovery. It is of no small moment that 25 percent or more of all the 8,000 non-Federal projects were of benefit to the industry.

In all this vast operation P. W. A. lent Federal funds only on unquestioned security. Legally permitted to sell bonds covering these loans P. W. A. has been doing so at a profit, the present total being in excess of $7,000,000. In one instance the bankers who had originally turned down the bond issue were the buyers. Money and profit go into a revolving fund from which P. W. A. may purchase additional municipal bonds.

In all this vast operation P. W. A. exerted the strictest supervision to guarantee that not a cent went amiss, that there can be no graft nor kick-backs in pay. It also aided the contractor in determining that the materials he purchased were of precisely the specified quality. The result of this minute supervision, especially where it pertained to the waterworks industry, was that it provided municipalities and other governmental agencies with improved local conditions as the newly built facilities became of lasting benefit.

P. W. A.'s funds have been exhausted. Administrator Harold L. Ickes has reported that there remained in April on P. W. A.'s files 6,204 additional applications asking $890,044,000 in grants and $1,044,709,000 in loans. These loans and grants totaling $1,934,754,000 would make possible construction estimated to cost a total of $2,347,690,000.

State	Number	Allotment
Alabama	36	$4,774,597
Arizona	10	1,270,468
Arkansas	64	11,782,276
California	50	17,908,197
Colorado	30	7,074,685
Connecticut	4	442,825
Delaware	2	124,000
District of Columbia	0	
Florida	29	3,021,776
Georgia	46	1,080,810
Idaho	26	1,018,860
Illinois	135	9,690,994
Indiana	33	2,009,317
Iowa	46	1,308,970
Kansas	46	1,405,828
Kentucky	47	2,576,073
Louisiana	12	3,524,200
Maine	3	64,867
Maryland	15	3,736,772
Massachusetts	49	2,776,751
Michigan	21	1,484,013
Minnesota	45	753,939
Mississippi	13	358,490
Missouri	35	1,538,608
Montana	24	2,738,481
Nebraska	44	10,568,842
Nevada	5	328,500
New Hampshire	13	412,011
New Jersey	21	1,646,856
New York	61	6,756,465
North Carolina	49	4,083,286
North Dakota	8	313,449
Ohio	109	8,429,154
Oklahoma	36	2,847,331
Oregon	29	833,505
Pennsylvania	27	2,126,334
Rhode Island	12	910,100
South Carolina	42	8,999,917
South Dakota	21	1,104,653
Tennessee	35	2,792,807
Texas	128	17,831,987
Utah	53	1,966,737
Vermont	9	251,341
Virginia	39	2,849,085
Washington	23	2,591,675
West Virginia	46	2,013,316
Wisconsin	25	3,976,484
Wyoming	7	1,647,442
Alaska	3	157,909
Hawaii	6	744,355
Virgin Islands	1	20,000
Puerto Rico	3	543,200
Total	1,696	169,631,820

The scope of the materials required in P. W. A.'s program of building and repairing waterworks and kindred projects may be judged by a list of the products required from factories often far distant from the site itself. A partial list of these products follows:

Air-conditioning; bearings; blowers; boilers; brass; brick; bridges; cable; castings; cabinets; casements; ceilings; cement; chemicals; chlorinators; clay products; compressors; condensers; contractor's equipment; copper products; copper water tubes; and cranes.

Diesel engines; doors; drainage products; drag lines; drills; dynamite; electric control apparatus; electrical equipment; elevator equipment; engines, stationary gasoline; engines, steam; excavators; expansion joint compound; fans; fences; filters; fire-protection specialties; flooring, composition; flooring, wood, various types; furnaces; furniture, school, theater, office.

Gas equipment; glass; gravel grilles; gunite; hardware; heating equipment; hemp; hoists; hydrants; incinerators; ice machinery; instruments; insulation; iron castings; jute; kitchen equipment; labor; laboratory equipment; lead; lighting equipment; lime; linoleum; lockers; and lumber.

Machinery; mesh reinforcing; metal laths; meters, gas and water; millwork; miscellaneous—hardware, and so forth; oakum, paint, and varnish; partitions; piling; pipe, all types; pipe-bending machines; pipe couplings; pipe tools, plastering; plate; steel; plumbing; power-plant equipment; protective coatings; pumps.

Radiators; railroad equipment; refrigeration; reinforcing bars; road-construction equipment; rock drills; roofing materials; rubber cable; sand; sash; sewage equipment; shafting; sharpeners; shingles, composition; shovels; solder lead joint; steel; stoves; swimming-pool equipment; tanks; thermometers; tile; tools; towers; tractors; trim—doors, windows, and so forth; trench excavators; tubing, copper; and turbines.

Unloading equipment; valves; ventilating equipment; water-control apparatus; water heaters; water and sewer manholes; waterproofing materials; water treatment; waterworks equipment; well equipment; welding equipment and supplies; windows; wire and nails; wood, lumber and timber; and woodwork.

ADDRESS OF THE POSTMASTER GENERAL

Mr. SMITH of West Virginia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address by Postmaster General Farley at the State postmasters' convention held in West Virginia last Wednesday.

Mr. RICH. Mr. Speaker, reserving the right to object, is Mr. Farley going to continue to be Postmaster General until after the next election and also continue as chairman of the Democratic National Committee? [Laughter and applause.]

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. SMITH of West Virginia. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following address delivered by Hon. James A. Farley, Postmaster General, at the annual convention of the West Virginia Chapter of the National Association of Postmasters in the Daniel Boone Hotel, Charleston, W. Va., April 22, 1936:

I am indebted to you postmasters of West Virginia for having this opportunity to meet with you in your annual convention, and I am honored by being asked to convey to you the greetings and best wishes of the President of the United States, who maintains an active interest in the Postal Service. I derive a special pleasure from meeting with those engaged in the work of the Postal Service, and whenever possible I accept invitations to meetings like this.

West Virginia is the only State in the Union which I have not heretofore visited. I have received a number of previous invitations to attend postal and other gatherings in this State, but unfortunately, these gatherings occurred at times when I had previous engagements or I was not in position to leave my duties at the Department in Washington.

Therefore I am happy that I have been able to come to Charleston, which is one of the most substantial cities in this country, and one which has shown a remarkable and consistent growth. I note from reports of the Census Bureau that the population of this city has grown from 22,996 in 1910 to 60,406 in 1930, and, I am informed, that since 1930 the population has maintained its percentage of increase.

An examination of the records of postal receipts at Charleston shows that in 1910 they amounted to $115,578 and that in 1935 they were $617,731. These figures provide indisputable evidence of the splendid progress of this city. In this State the postal revenues for March 1936, were 7 percent above those for the same month last year.

Conventions like this of the men and women who perform important functions in the operation of our Postal Service are of great value. They bring out new ideas; they give to the Department a better knowledge of the needs of the Service, and those participating learn more of the plans of the Post Office Department and its responsibilities to the public.

We can now look back over 3 years of successful postal administration. I can say with pardonable pride that we have demonstrated that a Government organization, which is the greatest public utility in the world, can be conducted in a businesslike manner with due regard to the public interest and to the employee's welfare and without waste or extravagance.

It costs approximately $700,000,000 a year to operate the Postal Service, and approximately $4,000 is paid into our post offices each minute of every business day by thousands who use these facilities. Last year we handled over 22,000,000,000 pieces of mail matter.

It is interesting to note that because of improper addresses and other mistakes on the part of the public more than 400 pieces of this vast amount of mail go to the dead-letter office ever 5 minutes of every business day. We handle approximately 214,000,000 money orders and 55,000,000 registered articles a year.

Postmasters have contributed in no small degree to improvements in the Postal Service. Their alertness and their sense of responsibility have been an important factor in earning the good will of the public which the Department enjoys.

The last annual convention of the National Association of Postmasters was held in Chicago in September. I was given the privilege of addressing this convention, and in my address I sought to outline the policies of the Department and some of the things accomplished under these policies. I want to repeat to you a few paragraphs from that address:

"When I was given charge of the Post Office Department I firmly resolved that its affairs would be handled in a businesslike manner; that the public would be promptly and efficiently served; that the employees would receive fair treatment, and that, insofar as it was possible of accomplishment, the Department would live within its income. Thanks to the loyal cooperation and assistance of my official staff in Washington and the faithfulness of the postmasters and postal employees, I am pleased to report that much has been accomplished in the improvement of service and in the betterment of conditions of the personnel.

"At the outset we were confronted with a diminishing mail volume, decreasing postal revenues, and an excess of personnel such as had never before existed in the history of the Department. Surveys were made which resulted in the discovery of the amazing condition that there were approximately 15,000 more people on the rolls of the Department than were needed. Something had to be done about it. Obviously but two courses were open for me to follow. One was the easy way of arbitrarily dropping from the Service those last appointed, thereby depriving them of a means of livelihood for themselves and their families. Such action, if taken, would have been entirely within the law and in accordance with practices that had been followed in the Post Office and in other departments in the past. The other course, which I adopted, was to spread employment during the emergency by means of furloughs and by retiring those who had grown old in the service, whose efficiency was impaired, and who had earned the right to an annuity. I have had no occasion to regret the decision made to follow the more humane course, and I am confident that all postmasters and all postal employees were glad to do their part.

"Early in 1934 there began a decided upturn in the business of the Department, and therefore furloughs were discontinued, salaries were restored, and additional benefits were provided for the workers in the Postal Service. When it seemed proper to do so, and in keeping with policies of efficient management, I recommended to the Congress, and secured approval for, the restoration of administrative and automatic promotions. A generous policy has been followed in granting such promotions. This has caused an additional expenditure of several millions of dollars, and it is worth it. Following this same general principle, and in keeping with the objectives of the President in spreading employment, on July 3, 1935, I gave my approval to the 40-hour-week bill, which is but one of the many progressive accomplishments of the Roosevelt administration.

"This measure was approved just as soon as I was satisfied that the increase in postal revenues was sufficient to care for all reasonable service requirements. In the administration of this new law it is my wish that the postmasters and supervisory officials in the field service exercise careful supervision. I want no waste of public money, and, above all, I want no impairment of existing postal service.

"I do feel, however, that those of you who are charged with the responsibility of managing the post offices will find it possible, to a large extent, to grant the employees what was obviously intended by the law—a 5-day week. Efficient service must be continued, and, of course, we are not going to close the post offices on Saturday or any other weekday, but I do want to urge you to do everything you can properly do to give the employees the full benefit of the shorter workweek."

The 40-hour law has largely solved what was a very acute substitute problem. Before its passage we had a great number of substitutes who had for years waited in vain for a regular job. These substitutes have in most instances obtained regular jobs, and regular positions have been provided for many others who were unemployed.

I was greatly concerned over the plight in which I found the substitutes when I became Postmaster General. Very few of them were obtaining sufficient employment to meet bare living expenses for themselves and their families, and yet they continued loyal to the service. I have heretofore expressed my appreciation for their loyalty in the face of distressing conditions, and I here take occasion to reiterate my appreciation. Nothing has given me more happiness and satisfaction than the relief which has come to these faithful employees.

That the Post Office Department is conducted efficiently is evidenced by the fact that during the recent tornadoes and floods business was carried on without serious interruption, except in a very few instances and then only for a brief time.

The confidence of the people in the Postal Service was indicated by the fact that more than 700 special-delivery letters were delivered to the people of Johnstown, Pa., and more than 85 bags of mail were collected from street letter boxes immediately after the flood waters in that city had receded.

The public has learned to know that the mails will go through and that the service will not fail them in times of stress and trouble.

Under acts of Congress the Post Office Department performs many services which are not of a postal nature and many services for which it receives no pay or only nominal pay: It is required to administer the subsidies for the maintenance of an American merchant marine and for the promotion of American aviation; it carries without charge reading matter for the blind and the mail of Congressmen and Senators, as well as of all Government departments. Quarters are provided in post-office buildings for other Government departments for which the Post Office Department receives no pay. Preferential rates are given newspapers and many are carried free within the county of publication.

The Post Office Department conducts the largest noncompetitive banking institution in this country—the Postal Savings System, which has nearly 2,600,000 depositors with approximately $1,214,000,000 on deposit at 8,111 post offices, including stations. This is the largest amount on deposit in the history of the System. These funds are redeposited with qualified banks or invested in United States bonds in accordance with the Postal Savings Act.

Under an amendment to the second Liberty Bond Act, approved February 4, 1935, the Post Office Department on March 1, 1935, placed on sale United States savings bonds at all Presidential post offices and a few selected fourth-class post offices—more than 14,000 in all. Since that day 800 additional fourth-class offices have been designated to sell such bonds. These bonds, popularly known as "baby bonds", were designed for the small investor. Since March 1, 1935, the Department has sold nearly 1,300,000 United States savings bonds, with a total face value of more than $400,000,000.

The Department is now actively engaged in making the necessary arrangements for the payment of veterans' adjusted-service bonds, which may be surrendered for payment at all post offices, beginning on June 15.

Business throughout the country is steadily improving. Even a casual reading of the daily newspapers reveals that fact and the increasing volume of postal receipts confirms it.

Because of their intimate relationship to the interests of the people, postal receipts are very sensitive to changing business conditions. For that reason the volume of matter coming into the mails, as shown by postal receipts, has long been regarded as a most reliable indication of general business conditions. Postal receipts of all kinds at 50 representative post offices, including the very largest offices, were approximately $28,900,000 for the month of March 1936, as compared with approximately $27,000,313 for the same month of 1935, an increase of 5.59 percent; at 50 other post offices located in industrial regions, the increase was 8.83 percent.

This upward swing in business conditions is also reflected in the increased mailings of newspapers and other publications. The total weight for the quarter ending December 31, 1935, was nearly 302,800,000 pounds, as compared with nearly 280,000,000 pounds for the same quarter in 1934, an increase of 8.13 percent.

The most convincing evidence that business concerns are experiencing a decided improvement is the marked increase in the volume of advertising carried in newspapers and periodicals mailed as second-class matter, there being nearly 92,000,000 pounds for the December 1935 quarter as against nearly 83,000,000 pounds for the same period of the previous year. The increase for the December 1935 quarter over the same period of the previous year was nearly 11 percent.

Postal revenues for the 8 months of this fiscal year—from July 1 to February 29, 1936—amounted to approximately $27,000,000 more than the same period of last year. This is an increase of more than 6 percent.

While postal receipts are one of the best barometers of business conditions, we have plenty of additional evidence. This additional evidence is found in increased bank deposits, increased car loadings, increased capitalization of industries, increased earnings, higher dividends and better commodity prices. This trend, which began more than 2 years ago, is, in my opinion, certain to continue and with an accelerated pace.

Under the present administration several hundred new post-office buildings have been erected. These buildings have been apportioned to the various States and congressional districts. The Post Office Department is working with the Treasury Department in the carrying out of public-building projects provided under allotments by the Public Works Administration and by congressional authorization.

The act of June 19, 1934, authorized the expenditure of $65,000,000 for public-building construction at places to be selected by the Secretary of the Treasury and the Postmaster General. Three hundred and sixty-one projects were selected for consideration under this authorization. At present 59 of these projects have been completed and 224 have been placed under contract and are now in course of construction. In 13 cases bids have been opened or have been invited. In the remaining cases under the $65,000,000 program, comprising less than 20 percent of the total in number, plans are well under way and it is believed that it will be possible to ask for construction bids in the immediate future.

Under the act of August 12, 1935, 354 building projects were set up. This program has progressed to the extent that it is expected 90 percent of the projects will be under contract within the next few weeks. Already sites have been selected in 286 of the cases where the acquisition of land was necessary. Contracts have been awarded in 15 cases and in practically all of the remaining cases plans are nearing completion.

During the past 2½ years all of our mail transportation services have been surveyed and to a large extent reorganized. Included in these transportation services are railway mail, ocean mail, domestic air mail, foreign air mail, rural mail, and star routes. In the Railway Mail Service much excess car space has been eliminated.

The domestic air-mail system has been entirely reconstructed and is the most efficient air-mail service in the world. More miles are flown daily on regular schedules and more cities are served than at any time since the domestic air-mail system was established. The schedules are faster, the equipment the latest and best and the cost for this vastly improved service is much less than the cost for the previous inferior service.

Our foreign air-mail system has been revised and rearranged, providing for better equipment, faster schedules, and reduced costs. Last October we let a contract for trans-Pacific service between the United States and China. It is our expectation that within the next year or two we will have a trans-Atlantic service between the United States and Europe. Our foreign air-mail system, like our domestic air-mail service, is the finest and most extensive in the world. These foreign routes encircle both South and Central America, serving the various countries in both. It also embraces routes to Cuba, to Mexico, and to Canada. Modern air-mail service has been provided among the islands of the Hawaiian group, and improvements have been made in the Alaskan air-mail service, with further expansion of these services in the territory planned.

The Department is now engaged in effecting economies and improvements in the ocean-mail service and much has been accomplished in improving the rural mail service and effecting a substantial saving in its operation.

Whatever success has been achieved in providing a better postal service for the people of our country is mainly due to the earnest efforts and loyalty of those who make up our great organization, and in conclusion I wish to thank you and the other postmasters of the United States and all postal employees for the fine contributions you and they have made to the service.

THE WAGNER-ELLENBOGEN BILL FOR LOW-RENT HOUSING AND SLUM CLEARANCE IS NEEDED TO ASSURE FURTHER SUBSTANTIAL RECOVERY

Mr. CELLER. Mr. Speaker, I ask unanimous consent that our colleague the gentleman from Pennsylvania [Mr. ELLENBOGEN] may have the right to extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, about five and one-half million people have been reemployed in the United States since March 1933, but about ten million people are still unemployed. How does that come about and what can we do to reduce substantially the number of these jobless? These are questions that have been put to me many times during the last few months.

The consumer-goods industries—that is, goods bought for immediate use—have had a surprisingly extensive recovery. Even the heavy-goods industries have made substantial recovery and seem to be progressing rapidly. Steel, for instance, is now operating at between 65 and 70 percent of its theoretical capacity.

One industry is lagging behind—lagging behind so far that it cannot even be seen in the recovery parade. That industry is the building industry. If you keep in mind that this industry employs directly 1,000,000 people, and indirectly about three additional millions, a total of 4,000,000 people, you will find one of the answers to the question of why we still have 10,000,000 unemployed.

In 1927, according to the reliable statistical figures of the F. W. Dodge Co., the value of all construction contracts amounted to $6,603,000,000. In 1935 these construction contracts amounted to only $1,845,000,000—a decrease of 71 percent. These figures tell the story.

There can be no further substantial recovery unless there is a revival of the construction industry; and there can be no revival of the building industry unless we engage upon a large-scale program of the construction of homes. A program sponsored by the Federal Government to stimulate the construction of low-cost housing, and to increase home-building activities, is therefore not only socially desirable but economically imperative if we are to have further recovery.

THERE IS AN ACUTE SHORTAGE OF DECENT HOUSES

There is today an acute shortage of decent houses. Those of you who have been looking for a house during this moving season have had personal experience. You have acquired a personal knowledge of the scarcity of desirable houses at a rental in fair proportion to your income. This is especially

true of families with low incomes, where the largest share of the annual income must go for food, for clothing, and for the other necessities of life. Families of moderate income have little left with which to meet the high rentals which are demanded for decent, sanitary homes.

Adequate, decent housing—safe and sanitary homes—are a fundamental need of our people. The problem of housing has been neglected too long. The people cry out for decent and sanitary homes. Further recovery demands a revival and stabilization of the building industry at a higher level.

The Wagner-Ellenbogen housing bill is the solution of that problem; it is the bill that will meet the demands of families of low incomes. This bill has been introduced in the Senate by Senator WAGNER, of New York, and in the House of Representatives by me.

FIVE MILLION FAMILIES HAVE DOUBLED UP

Several millions of new homes are needed immediately to provide only a minimum of decency and privacy for American families. At least 5,000,000 families have doubled up since the depression started. Vacancies are few and are utterly insufficient to meet the demand. An acute housing shortage is rapidly developing.

BUILDING-TRADES WORKERS ARE AVAILABLE TO CONSTRUCT THE NEEDED HOMES

And here is the tragedy of it all: Millions of decent homes are needed. The building-trades workers who would build them are available, but they live, or rather exist, in enforced idleness. Carpenters, bricklayers, electricians, mechanics, and other skilled workers look for jobs in vain.

Four million people depend directly or indirectly on the building industry. Plants supplying materials are idle; warehouses and lumber yards are bulging with needed materials. Millions of families live in slums or blighted areas, but nothing is done, nothing is done to give employment, to give construction activities and to provide safe and sanitary homes that are greatly needed.

The Wagner-Ellenbogen housing bill is designed to supply the spark that will launch a gigantic construction program.

UNSANITARY HOMES ABOUND IN PITTSBURGH DISTRICT

The Bureau of Business Research of the University of Pittsburgh made a careful survey recently and found these astounding facts about housing in Pittsburgh.

First. There are more than three times as many families "doubled up" as there are vacant dwellings.

Second. One out of every four homes in Pittsburgh has no running hot water.

Third. One out of every four homes has no bath.

Fourth. One-half of all the homes in Pittsburgh have no proper heating facilities.

Fifth. One out of every eight has no indoor toilet facilities.

This survey was made before the flood.

More than 10,000 homes in Allegheny County have been destroyed by the flood or have been rendered uninhabitable by it.

THE TERRIBLE COST OF SLUM AREAS

If you go into the slums of New York, Chicago, Cleveland, Pittsburgh, and other large cities in the United States, you will be appalled by the sordid conditions of squalor and poverty. These slums are breeders of crime and disease and a tremendous expense and burden to every municipality that tolerates them. Here is just one example:

It costs Chicago $3,200,000 a year to supply such municipal services as police and fire protection, street lighting, sewerage facilities, and so forth, but it receives only $300,000 in taxes from the same slum area. That means that the tax revenue is only one-sixth of the actual cost of the municipal services rendered. It means that it costs the city of Chicago $2,900,000 to maintain this particular slum area.

Slums are not only a shame and disgrace in a Nation as wealthy as the United States but they are an economic burden and an impediment to social progress. The United States is the wealthiest nation in the world. We are rich not only in natural resources but we have the best human material available on the globe. Our people are intelligent, inventive, and enterprising. There is no legitimate reason why we should not have adequate and decent housing for everyone. Poverty-stricken Europe has built at least 7,000,000 new homes with government aid, whereas the wealthy United States has hardly scratched the surface.

HOUSING ACTIVITIES REDUCE UNEMPLOYMENT

Moreover, many economists claim that the public housing activities in Europe have been the most important single factor in fighting unemployment over there. Why cannot we do the same here?

Just to give you a few more figures at this time—590,000 building-trades workers whose occupation is direct employment on the construction site are unemployed. Of those, 232,000 are on relief. It costs us $167,000,000 to maintain those on relief every year and many, many more millions to maintain those not on relief. Would it not be better, would it not be wiser, would it not be more sensible, to spend these $167,000,000 for the construction of homes for families of low income? Would it not be better to give employment to the workers in this manner and to build decent homes? Of course it would.

NEED FOR PASSAGE OF THE WAGNER-ELLENBOGEN BILL

I hope that this Congress will pass the Wagner-Ellenbogen housing bill. There is not one single, honest, or valid objection that could be maintained against it. It will give employment to large numbers of jobless. It will provide the necessary push for further and perhaps complete recovery. It will aid in the clearance of slums and the elimination of crime and disease. It will establish a cleaner and more healthy atmosphere for the mothers of America to watch over their children. It will give to the children of America the opportunity to grow to a happier, a healthier, and more promising maturity.

PRICE CONTROL BILLS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address I made as part of a radio debate with Senator LOGAN, of Kentucky, over station WOR, Mutual broadcasting chain, Sunday, April 26, 1936, as follows:

I am going to address you tonight as consumers, for it is as consumers that you are primarily interested in the Patman price-control bills. For if these bills get by the Congress they are going to affect prices, and therefore your pocketbooks. You—the consumers—beware.

Some decades ago Commodore Vanderbilt coined the phrase, "the public be damned." The authors and sponsors of the so-called Robinson-Patman price-discrimination bills or price-control bills say, in effect, the consumer be damned. Otherwise they would not levy upon you, the consumer, a hidden tax under the guise of equalizing opportunity among storekeepers and wholesalers.

There should be, as a matter of fact, a Federal department to look after your interests, a department of the consumer, just as there is a Department of Labor and of Commerce and of Agriculture, but until there is one your only recourse is to write your Congressman and your Senators. That you should do at once in connection with these Robinson-Patman bills. There are two, one before the Senate and one reported to the House—one is worse in some ways, the other in others—but both are bad enough when it comes to your interests, as you can imagine when I tell you one was written by a lawyer for a group of wholesalers and the other is merely a recasting of his handiwork—he wrote the bills before N. R. A. went out, to replace the grocery price-control code in case N. R. A. ever folded up. So I will just call them both the Robinson-Patman bill and refer to the House or Senate version when necessary.

Let's see how this bill, which really should be christened "the code-replacing bill", goes about prying into your pocketbooks. First of all, without giving you any representation in the matter or protecting labor through hour and wage provisions, it repeats some of the more vicious features of the N. R. A. which the Supreme Court declared unconstitutional. It seeks to revive price fixing, which was the keystone of most of the N. R. A. codes, by practically prohibiting price differentials except under very rigid restrictions and limitations. It would prevent economically sound "quantity discounts" on large purchases. It would establish arbitrary classifications of buyers instead of classifications based upon efficiency and economy in serving you. It would, in a word, throttle competition. Senator LOGAN and his followers disclaim

these effects, but their denials are as ineffectual as snow falling upon an iceberg, for the official record proves to the contrary.

President Roosevelt has not sponsored this measure. It is not, therefore, an administration bill. The President, moreover, in a public statement recently said that "the recovery program recognizes and accepts the principle that continued prosperity is contingent to a large degree on increased efficiency in moving the essentials of life from the producer to the consumer * * *. Great progress * * * has been made in the field of production. Our distribution facilities have lagged behind production * * *." The bill under discussion flies in the face of the principles enunciated by our President because it would lay an axe at the tree of efficiency in the movement of essentials of life from the producers to you, the consumers. It would make more expensive and difficult the moving of goods from the mill, mine, and farm to the consumer, and thus cause our distributive facilities to lag further behind production, and thereby frustrate the desire of our President for a more abundant life for all of us. The inevitable consequences of this bill would be higher prices and lower standards of living. And that means you would have less than you have today.

This Patman bill as framed in the House will place a Damoclean sword over the heads of industry and business. For under it the Federal Trade Commission is made the tyrant over industry, a price-fixing tyranny, and in the end you pay the costs of the tyranny. It is clothed with plenary powers, e. g., to issue orders fixing "quantity discounts", with practically the unrestrained right to fix price differentials. Isn't that price fixing? I, therefore, must disagree with Senator LOGAN. He probably has in mind the Senate bill, which is a milder bill. I refer to the House bill which is price fixing with a vengeance. The Commission can fix a ceiling as high or as low as it wishes, beyond which discounts cannot be made regardless of the quantity of goods sold. Of course, its decrees can be reviewed by the courts. But what of the expense! First the seller is yanked down to Washington, mayhap upon the complaint of a jealous competitor. Then there is the luxury of a costly court review. The proponents of this version of the bill say it will help the small manufacturers. How many small dealers and producers can withstand the expense of such litigation? And mind you, there will be a continuous procession of traders compelled to explain and answer charges, because there will be eavesdroppers and malcontents all over the country anxious and willing to embarrass their competitors.

One of the most potent arguments against the N. R. A. was the harassment of small-business men in answering complainants. And always in the end you, the consumer, pay the freight in higher prices.

Incidentally, all findings of fact of the Federal Trade Commission are conclusive even on the court. Furthermore, when you are accused before the Commission under the House version of the bill, you must prove your innocence. Even the meanest criminal is deemed innocent until proven guilty. The burden of proof is always on the accuser.

Not so in these proceedings before the Federal Trade Commission. By some hocus-pocus reasoning the accused must exculpate himself. He must prove his innocence. The burden is on him.

The Federal Trade Commission would under this version of the bill become the greatest bureaucracy of the century. There are 2,000,000 names in Dun & Bradstreet's register. Conservatively, there are 500,000 different kinds of articles of commerce. Multiply the 2,000,000 merchants and manufacturers and businessmen by the thousands of different types of commodities and you will have some idea of the myriads of potential controversies that will come before the Commission—not once a year but dozens of times, on different quantities, and under varying conditions. It is estimated that the Commission would be compelled to employ thousands of experts. And who would foot that pay roll? Why, of course, you, the consumer!

Let us take a page from the experience of Henry Ford and see what he would say concerning a bill of this character, which limits competition and seeks to place business across a procrustean bed of regulation:

"The competition of quality and service is the only thought worthy of the name. When government enters largely into industry or distribution, or into any of the elements which go to make up our lives, competition is replaced by regulation. * * * Since regulation must bar competition and directly or indirectly fix prices, everything that is obsolete will be preserved and nothing that means progress will be allowed."

"Quality discounts" may sound technical and unrelated to you, but each one means money saved to you, and therefore any restrictions of them mean higher prices to you for whatever is involved. So you and your pocketbook are concerned with them.

My good friend, the distinguished Senator from Kentucky [Mr. LOGAN], says the bill does not interfere with economically sound "quantity discounts." I fear Senator LOGAN is deceived by the tricky wording of section 2 of the House bill, which precludes discounts unless there is a difference in cost resulting from a differing method of manufacture.

Suppose I have about made up my mind to buy a thousand pairs of shoes from you, a manufacturer. You have made out my order. I suddenly decide to take 10,000 pairs of shoes if you will give me a "quantity discount." Can you give me that discount? No, unless you want to run the risk of violating the Robinson-Patman bill. Why? Because you only have to add a cipher to the original order of 1,000 pairs in your order book, and the cost to you of selling me the 10,000 pairs is just the same as if you sold me only 1,000 pairs of shoes. There is no differing method involved; and as limited by those trick words in section 2 you can only give me a price differential if there is a cost of sale differential resulting from a differing method. There is no difference in the cost of sale of either the 1,000 or the 10,000, hence no discount.

Now, when prices are driven up as the result of such arbitrary regulation, you as consumers foot the added expense.

It is interesting to recall a recent Supreme Court decision in the Sugar Institute case. The members of the institute banded together for the purpose of refusing to grant quantity discounts on large purchases of sugar. They did exactly what these Patman-Robinson bills require. Did the Supreme Court let them get away with this? Emphatically, no! The Supreme Court said that the refiners were menacing trade in general by refusing to grant these quantity discounts. In other words, the Supreme Court in effect held that the sugar manufacturers must do exactly what the Robinson-Patman bills forbid. It wished to protect the consumer, because through quantity discounts prices are lowered.

Now, what you are probably most interested in knowing about this code-replacing bill is just how it will raise prices on you, since its sponsors say it will not raise prices, for they well know a bill they admitted would raise prices would not get far. Mr. PATMAN even goes further, you know, and says it will reduce prices.

Let's amuse ourselves for a minute seeing how he figures that out. First, he says the bill forces manufacturers to sell small orders at the same price as larger orders.

So far, so good. It would do that, for a fact.

Next, Mr. PATMAN says that as a result of all prices being the same, small buyers, who buy as a total three times as much as large buyers, but in small quantities, will get lower prices than the 25 percent who place the fewer large orders.

Presto! says Mr. PATMAN at this point, and seriously contends that if the large-lot buyers save you consumers $750,000,000 a year, then under his Robinson-Patman bill exactly three times that will be made in savings for you, and so, as a mere matter of arithmetic, you will save two and a quarter billions, or three times $750,000,000!

Now, honestly, that sort of figuring, you will all admit, puts Dr. Townsend to shame.

Of course, you have already seen the catch in his sleight-of-hand arithmetic.

That catch is simply that all stores do not cost the same to run, all storekeepers are not of equal ability, and not all stores have an equal volume of business.

No law can make all men of equal ability, make all stores of equal size, or make all locations equal to important corners.

Now, just how do these simple facts make Mr. PATMAN'S figuring look ridiculous? They make it look really more than ridiculous because the goods we have just imagined as leaving the factory at the same price to all buyers, regardless of quantity bought, would, of course, have to go to you consumers 75 percent through nearly 1,400,000 stores of various sizes, paying various costs, and run by men of varying ability, and located in various types of communities—and always first of all through middlemen's hands.

Now, 62 percent of these 1,400,000 stores sell only $10,000 or less a year. Twenty-five percent of those in the grocery field sell only $4,500 a year or less.

A store selling only $10,000 a year pays about 15 percent of its sales for expenses and about 20 percent of its sales to the proprietor for his draw, if that draw came to only $40 a week, which is certainly small enough, yet more than he usually gets by a good deal. And first the wholesaler has gotten his 10 percent or 15 percent. And there are other items. So the total you pay is around 50 percent of these stores' retail prices, if the owner is getting only a modest living, which he doesn't get in most cases. If a store sells only $5,000 a year, and the proprietor draws only a pittance of $10 a week, the expense you, as a consumer, must pay is about that same 50 cents out of every dollar you spend, including the wholesalers' "take" and the other items.

So you see that the lower price at which 75 percent of the goods would supposedly go out of the factories to these 1,400,000 individual stores, under Mr. PATMAN'S plan of the same price to all, would never reach you, the consumer. What the middlemen did not absorb would, of course, be absorbed in increasing the "draws" of those store proprietors a little—a few dollars a week toward getting them up to even $35 or $40 a week; and certainly they would even then be small enough, as nobody can deny. The point is that you, as a consumer, would certainly never stand the slightest chance of ever receiving any of these lowerings in price, even if a leveling off of prices at factories could be legislated in order to bring them about.

Now, let's look at what would happen to the 25 percent of the items you buy which are going to you through mass distribution, direct from producer to you, without any payment to middlemen, and at a resultant saving to you, as Mr. PATMAN admits, of hundreds of millions. These 140,000 stores run at about half the cost of the multi-middleman system which serves the 1,400,000 other stores.

Under Mr. PATMAN'S equal-price-for-all-quantities plan this 25 percent of the factories' sales would cost more, certainly 10 or 15 percent more, exactly as it is assumed the 75 percent we have just discussed would cost less because of the supposed leveling of prices at factories. And you would therefore have to pay 10 or 15 percent more than you pay now for these items at these 140,000 stores operating under mass distribution. And 15 percent on what you

buy in these 140,000 economical ways would total up to just about a billion dollars a year for all of you 127,000,000 consumers. There's your bill—$1,000,000,000!

And that is why these Robinson-Patman equality-for-all bills would cost you, the consumers, a billion dollars if they worked as their friends hope they would. And that is why I am against them.

And would the little dealers really get that billion? They would not. If they would, I might be for these bills even if they did hurt you consumers, for these merchants could certainly use the money, and they are consumers like the rest of us.

They would not get the billion because what was left, after the tens of thousands of middlemen they owe money to had gotten theirs, would be quickly lost through trade you consumers would, out of self-protection, have to shift away from them and give to their 140,000 competitors still offering the lowest prices; just as soon as those price increases hit you on the 25 percent of the orders that had to go out from factories at higher prices under Mr. PATMAN'S leveling process. Isn't that so? Of course it is. It stands to reason that the 140,000 mass-distribution outlets, since they run at half the cost of the multimiddleman system, would be still offering the lowest prices despite the price increases forced on them; and it also stands to reason that the higher prices would force you to buy more from them in order to keep your heads above water. Of course, if you happened to be buying everything from them, you surely would be out of luck!

So, you see, it is just common sense that the pretty picture painted in support of these Robinson-Patman bills won't come true, can't come true. We can't by law, much as we'd like to, make unequals equal. And since they would prove a snare and delusion to the small dealer, who has been misled by the wholesalers and others into thinking they would really help him, and a pain in the pocketbook to you consumers, I am dead against them.

The Supreme Court knows that when competition is throttled prices rise, and that when prices rise you as consumers pay the piper. Now, the sponsor of this bill, Mr. PATMAN, at least tacitly admits that his bill will have the effect of discouraging reduction in prices, because, he said:

"If the Robinson-Patman bill is enacted into law, all merchants will receive the same prices from the manufacturers."

Now, when Mr. PATMAN says under his bill the manufacturers cannot sell to the larger retailers at prices less than those he accords to the smaller retailers, he must be right. Therefore, the larger retailers will be precluded from passing on to you, the consumers, the savings in reduced costs that they otherwise would obtain from the manufacturer.

Senator LOGAN, in the report on the Senate bill, says you, as consumers, will be willing to pay higher prices to guard yourselves from any remote possibility of monopoly developing in distribution. Would you? How much more would you like to pay out every week on that sort of proposition and to help some middlemen equalize opportunity? Why not let the good Senator know that you are unwilling to pay higher prices?

In effect, therefore, this bill would increase prices. If further proof is required, let us note what Dr. Harold G. Moulton, of the Brookings Institution, recently said:

"This bill, insofar as it would strike at all those who have heretofore been effective in reducing prices, to that extent, will raise prices."

To the same effect are the words of Prof. Malcolm P. McNair, of Harvard University:

"* * * With very few exceptions, the large-scale retail enterprises of today are fighting the consumer's battle. Their bargaining power is a wholesome weight in the balance against the monopolistic tendencies of many manufacturers. Congress certainly will not be serving the consumer's interest by tipping the balance of the scale further toward the manufacturers' side."

And Prof. M. C. Waltersdorf, head of the department of economics of Washington and Jefferson College, says:

"The proposed law would not facilitate increased distribution at lower cost, but no doubt would hinder the flow of goods. This is undesirable, as it would retard rather than facilitate recovery."

While Prof. Shaw Livermore, of the University of Buffalo, writes as follows:

"I am emphatically opposed to this bill and anything similar to it discriminating against the able and efficient retail distributors of the country. It will tend to destroy healthy competition and not to maintain it."

Herewith is a portion of a wire received from Prof. William A. Carter, of the department of economics, Dartmouth College:

"Opposed to legislative attempts to arbitrarily classify distributors. Proposed bill administratively unfeasible in regard to quantitative differentials. Prefer Federal Trade Commission Act to prevent price discrimination among buyers and sellers with respect to same grade, quality, and quantity goods."

In other words, Professor Carter is of the opinion that the scope of the present Federal Trade Commission is ample to take care of present evils.

Prof. H. L. Caverly, of the University of Michigan, says as follows:

"I do not approve of any attempts to restrict free competition as embodied in the bill."

Dr. George Filipetti, professor of economics at the University of Minnesota, says as follows:

"The Robinson-Patman bill runs counter to reductions of cost of production and distribution, places a premium of inefficiency, and would be likely to result in the exploitation of the ultimate users of articles of commerce and industry."

While Prof. C. C. Huntington, of Ohio State University, writes:

"I believe in lower prices for quantity sales, if such prices are still above the cost of producing, and filling such order is to the advantage of the consumer, and helps the purchasing power of the consumer in the lower income brackets."

In addition to the experts mentioned above, opposition to the bill is professed by Profs. Lewis H. Haney and Walter E. Spahr, of New York University, and Prof. T. R. Snavely, of the University of Virginia.

I could readily quote at length the names of scores of other well-known economists, selected at random from various parts of the country, who have expressed disapproval of the bill, primarily on the score of increased prices to you, the consumers.

Now you are interested in the bill as consumers from another angle. Increased prices mean fewer jobs; reduced prices, more jobs. This doctrine was recently clearly set forth by the Brookings Institution. It is splendidly illustrated by the automobile industry. The price of an automobile a decade ago was more than twice the average price of an automobile at the present time. The gradual reduction in price of the average car has placed the automobile within easy reach of you, the American consumer, resulting in a yearly progressive increase in the manufacture and sale of cars, with the consequent increase in employment in automobile factories and in garages, repair shops, accessory plants, service stations.

But if the price of automobiles had instead risen, what would have happened? Fewer, instead of more, cars would have been sold, and employment in the industry and its related trades would have decreased, instead of expanding as it has. Therefore, this bill, in the sense that it will increase prices, will to that extent decrease employment. President Roosevelt last night said that lower prices becomes one of the cornerstones of the New Deal. This bill, since it would increase prices, destroys one of the props of the Roosevelt New Deal.

Now let's take a look at this bugaboo of monopoly they say is about to jump out at you from every store. The proponents of the Robinson-Patman bill say its passage is necessary to prevent retail monopolies or tendencies thereto. In fact, their bill, which has been christened and rechristened by themselves several times, has as its most recent name the Patman-Robinson equal opportunity in business bill, evidently to give it an antimonopoly appeal. There is no monopoly in the retail field. There isn't even a leak in the dike, as Senator LOGAN fears. The big national mass distributors (all the talking is about) only do 8 percent of national distribution. The competitors agitating for this bill overlook carefully the fact that 87 percent (of this 8 percent) of the mass distributors have each only 25 stores or less and are sectional or intrastate business. You can't spell monopoly out of 8 percent no matter how hard you spell. And the Federal Trade Commission investigated 6 years at a cost to you consumers of $1,000,000 and could find no monopolistic practices in the retail field.

We've had an antitrust law since 1890, and it is important that you know how section 2 of the Sherman Antitrust Act reads. It goes this way: "Every person who shall monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor, and on conviction thereof, shall be punished by fine not exceeding $5,000, or by imprisonment not exceeding 1 year, or by both said punishments, in the discretion of the court."

Now you should have in mind this part of section 4: "The several courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of this act; and it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations."

Now, just let me read to you from section 1 of an addition to the antitrust laws—the Federal Trade Commission Act, adopted September 26, 1914: "A Commission is hereby created and established, to be known as the Federal Trade Commission." And section 5 of that act reads in part: "That unfair methods of competition in commerce are hereby declared unlawful. The Commission is hereby empowered and directed to prevent persons, partnerships, or corporations from using unfair methods of competition in commerce."

Then there follows a detailed procedure for the Commission to pursue in covering investigations, hearings, recording of testimony, and so on. After all this procedure has been gone through with, if, in the opinion of the Commission, the accused is guilty of unfair practice, the Commission issues what is technically called a cease-and-desist order. If this order is not obeyed the violator is turned over to the Federal circuit court of appeals and the judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court.

Now, the point it is important for you to keep in mind is this: If Senator LOGAN or the other proponents of the Robinson-Patman bills seriously believe there are monopolies in existence or conditions tending to create monopolies or unfair trade practices which need correcting, let them report these complaints to the Federal attorneys or to the Attorney General of the United States or to the Federal Trade Commission. There are, as I have shown you, ample laws now in effect, and time after time in the last 45 years these laws have been upheld by the United States Supreme Court. So I say: Let the proponents of the Patman-Robinson bills do that, forthrightly and earnestly, rather than to try to

write into our Federal Statutes a law at the behest of a reactionary group of wholesale grocers, a law which would curb competition for the consumer. Nobody objects to vigorous enforcement of existing laws, or even to new laws that specify predatory trade practices like false brokerage or false advertising allowances. What more could be asked?

No more could be fairly asked. But more is asked for, as I have shown. That "more" is price fixing and price rising for the benefit of groups which want price control privileges. Now that is a "more" that means more expenses to you, and if you don't want that, you had better get busy and make your opinion felt.

I have put you on warning. It's your move now—write your Congressmen and Senators.

THE REVENUE BILL OF 1936

The SPEAKER. The unfinished business is action upon the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes.

The question is on the passage of the bill.

Mr. DOUGHTON and Mr. SNELL demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 267, nays 93, answered "present" 1, not voting 66, as follows:

[Roll No. 78]

YEAS—267

Amlie	Dobbins	Kopplemann	Randolph
Ashbrook	Dockweiler	Kramer	Rankin
Bankhead	Dorsey	Kvale	Rayburn
Barden	Doughton	Lambeth	Reilly
Barry	Doxey	Lemke	Richards
Beam	Drewry	Lesinski	Robertson
Beiter	Driscoll	Lewis, Colo.	Robinson, Utah
Bell	Driver	Lewis, Md.	Rogers, N. H.
Biermann	Duffy, N. Y.	Lucas	Russell
Binderup	Duncan	Luckey	Sabath
Bland	Dunn, Pa.	Ludlow	Sadowski
Blanton	Eagle	Lundeen	Sandlin
Bloom	Eckert	McAndrews	Sauthoff
Boehne	Edmiston	McClellan	Schaefer
Boileau	Eicher	McCormack	Schneider, Wis.
Boland	Ellenbogen	McFarlane	Schuetz
Boylan	Evans	McGehee	Schulte
Brooks	Fernandez	McGrath	Scott
Brown, Ga.	Fitzpatrick	McGroarty	Scrugham
Brown, Mich.	Fletcher	McKeough	Sears
Buchanan	Ford, Calif.	McLaughlin	Secrest
Buck	Ford, Miss.	McMillan	Shanley
Buckler, Minn.	Frey	McReynolds	Shannon
Buckley, N. Y.	Fuller	Mahon	Sirovich
Burch	Fulmer	Maloney	Sisson
Burdick	Gambrill	Mansfield	Smith, Conn.
Caldwell	Gasque	Marcantonio	Smith, Va.
Cannon, Mo.	Gassaway	Martin, Colo.	Smith, Wash.
Cannon, Wis.	Gehrmann	Mason	Smith, W. Va.
Carmichael	Gildea	Massingale	Somers, N. Y.
Carpenter	Gillette	Maverick	South
Cartwright	Gingery	May	Spence
Casey	Goldsborough	Meeks	Stefan
Castellow	Granfield	Merritt, N. Y.	Stubbs
Celler	Gray, Ind.	Miller	Sullivan
Chandler	Green	Mitchell, Ill.	Sumners, Tex.
Chapman	Greenwood	Mitchell, Tenn.	Sweeney
Citron	Greever	Monaghan	Tarver
Clark, Idaho	Gregory	Montague	Taylor, S. C.
Clark, N. C.	Griswold	Moran	Terry
Cochran	Haines	Moritz	Thom
Coffee	Hamlin	Murdock	Thomason
Colden	Hancock, N. C.	Nelson	Thompson
Cole, Md.	Harlan	Nichols	Tolan
Colmer	Hart	Norton	Tonry
Connery	Harter	O'Brien	Turner
Cooley	Healey	O'Connell	Umstead
Cooper, Tenn.	Hennings	O'Connor	Vinson, Ga.
Costello	Higgins, Mass.	O'Day	Vinson, Ky.
Cox	Hildebrandt	O'Leary	Wallgren
Cravens	Hill, Ala.	O'Malley	Walter
Creal	Hill, Samuel B.	O'Neal	Warren
Cross, Tex.	Hobbs	Owen	Wearin
Crosser, Ohio	Hook	Palmisano	Weaver
Crowe	Hull	Parks	Werner
Cullen	Imhoff	Parsons	West
Cummings	Jacobsen	Patman	Whelchel
Curley	Johnson, Okla.	Patterson	White
Dear	Johnson, Tex.	Patton	Whittington
Deen	Johnson, W. Va.	Pearson	Wilcox
Delaney	Jones	Peterson, Ga.	Williams
Dempsey	Keller	Pfeifer	Wilson, La.
DeRouen	Kelly	Pierce	Withrow
Dickstein	Kennedy, Md.	Polk	Wood
Dies	Kerr	Rabaut	Woodrum
Dingell	Kniffin	Ramsay	Zimmerman
Disney	Kocialkowski	Ramspeck	

NAYS—93

Allen	Bacharach	Brewster	Carter
Andresen	Bacon	Burnham	Church
Arends	Blackney	Carlson	Cole, N. Y.
Corning	Gwynne	McLean	Robsion, Ky.
Crawford	Halleck	McLeod	Rogers, Mass.
Crowther	Hancock, N. Y.	Main	Seger
Culkin	Hartley	Mapes	Snell
Darrow	Hess	Marshall	Stewart
Dirksen	Higgins, Conn.	Martin, Mass.	Sutphin
Ditter	Hollister	Merritt, Conn.	Taber
Dondero	Holmes	Michener	Thurston
Doutrich	Hope	Millard	Tinkham
Eaton	Kahn	Mott	Tobey
Ekwall	Kennedy, N. Y.	Perkins	Treadway
Engel	Kenney	Pettengill	Wadsworth
Englebright	Kinzer	Peyser	Wigglesworth
Fenerty	Kleberg	Plumley	Wilson, Pa.
Fish	Knutson	Powers	Wolcott
Gearhart	Lambertson	Ransley	Wolfenden
Gifford	Lamneck	Reece	Wolverton
Gilchrist	Lanham	Reed, Ill.	Woodruff
Goodwin	Lea, Calif.	Reed, N. Y.	
Greenway	Lehlbach	Rich	
Guyer	Lord	Risk	

ANSWERED "PRESENT"—1

Pittenger

NOT VOTING—66

Adair	Darden	Jenckes, Ind.	Sanders, La.
Andrew, Mass.	Dietrich	Jenkins, Ohio	Sanders, Tex.
Andrews, N. Y.	Duffey, Ohio	Kee	Short
Ayers	Dunn, Miss.	Kloeb	Snyder, Pa.
Berlin	Faddis	Larrabee	Stack
Bolton	Farley	Lee, Okla.	Starnes
Boykin	Ferguson	McSwain	Steagall
Brennan	Fiesinger	Maas	Taylor, Colo.
Bulwinkle	Flannagan	Mead	Taylor, Tenn.
Cary	Focht	Montet	Thomas
Cavicchia	Gavagan	Oliver	Turpin
Christianson	Gray, Pa.	Peterson, Fla.	Utterback
Claiborne	Hill, Knute	Quinn	Welch
Collins	Hoeppel	Richardson	Young
Cooper, Ohio	Hoffman	Rogers, Okla.	Zioncheck
Crosby	Houston	Romjue	
Daly	Huddleston	Ryan	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Mead (for) with Mr. Pittenger (against).
Mr. Ryan (for) with Mr. Taylor of Tennessee (against).
Mr. Fiesinger (for) with Mr. Short (against).
Mr. Taylor of Colorado (for) with Mr. Turpin (against).
Mr. Houston (for) with Mr. Jenkins of Ohio (against).
Mr. Farley (for) with Mr. Maas (against).
Mr. Starnes (for) with Mr. Cooper of Ohio (against).
Mr. Larrabee (for) with Mr. Thomas (against).
Mr. Duffey of Ohio (for) with Mr. Andrew of Massachusetts (against).
Mr. Ayers (for) with Mr. Bolton (against).
Mr. Gavagan (for) with Mr. Cavicchia (against).
Mr. Cary (for) with Mr. Andrews of New York (against).
Mr. Boykin (for) with Mr. Christianson (against).
Mr. Peterson of Florida (for) with Mr. Focht (against).
Mr. Flanagan (for) with Mr. Hoffman (against).

Until further notice:

Mr. Claiborne with Mr. Collins.
Mr. Huddleston with Mr. Welch.
Mr. Bulwinkle with Mr. Montet.
Mr. Darden with Mr. Steagall.
Mr. Oliver with Mrs. Jenckes of Indiana.
Mr. Ferguson with Mr. Sanders of Louisiana.
Mr. Zioncheck with Mr. Brennan.
Mr. Sanders of Texas with Mr. Romjue.
Mr. Rogers of Oklahoma with Mr. Kloeb.

Mr. PITTENGER. Mr. Speaker, I voted "no." I have a pair with the gentleman from New York, Mr. MEAD, who, if present, would vote "yea." I therefore withdraw my vote of "no" and answer "present."

Mr. HESS. Mr. Speaker, my colleague the gentleman from Ohio, Mr. JENKINS, is unavoidably absent. If present, he would vote "no" on the passage of the bill.

Mr. HAINES. Mr. Speaker, my colleagues the gentlemen from Pennsylvania, Mr. RICHARDSON, Mr. DALY, Mr. QUINN, Mr. DIETRICH, Mr. FADDIS, Mr. GRAY, Mr. BERLIN, Mr. CROSBY, Mr. SNYDER, and Mr. STACK are unavoidably absent. If present, they would vote "yea."

Mr. COCHRAN. Mr. Speaker, the gentleman from Missouri, Mr. CLAIBORNE, is still confined to the hospital where he has been for the past month, which explains his absence today.

Mr. COLMER. Mr. Speaker, I desire to announce that my colleague the gentleman from Mississippi, Mr. DUNN, is unavoidably detained, due to the serious illness of his son. If he were present, he would vote "yea."

Mr. LAMNECK. Mr. Speaker, my colleague the gentleman from Ohio, Mr. YOUNG, is unavoidably absent. If present, he would vote "yea."

Mr. SMITH of Washington. Mr. Speaker, I desire to announce that my colleague the gentleman from Washington, Mr. KNUTE HILL, is unavoidably absent on account of serious illness in his family. If he were present, he would vote "yea."

Mr. MASSINGALE. Mr. Speaker, I desire to announce that my colleague the gentleman from Oklahoma, Mr. LEE, is unavoidably detained and asks me to state that if he were present he would vote "yea."

Mr. JOHNSON of West Virginia. Mr. Speaker, my colleague the gentleman from West Virginia, Mr. KEE, is unavoidably absent today. If he were present, he would vote "yea."

Mr. PARSONS. Mr. Speaker, my colleague the gentleman from Illinois, Mr. ADAIR, is unavoidably absent. If he were present, he would vote "yea."

Mr. BIERMANN. Mr. Speaker, my colleague the gentleman from Iowa, Mr. UTTERBACK, asks me to state that if he were present he would vote "yea."

Mr. HILL of Alabama. Mr. Speaker, the gentleman from South Carolina, Mr. MCSWAIN, is unavoidably absent. If he were present, he would vote "yea."

Mr. BANKHEAD. Mr. Speaker, the gentleman from Colorado, Mr. TAYLOR, is unavoidably absent. If present, he would vote "yea" on the passage of the bill.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS—THE TAX BILL

Mr. HAMLIN. Mr. Speaker and ladies and gentlemen of the House, I shall vote for this tax bill, not because I thoroughly understand it, for it is too long and complicated for a Yankee schoolmaster to know it all. I like it because of its opponents and also for its friends. I have lots of faith in the chairman of the Ways and Means Committee of this House and its majority members, and I believe they have been eminently fair in the hearings on this bill which I have read carefully.

I have listened with much interest and pleasure to the debate—interest because it is of so much vital importance to the country, and I have felt also that I needed to pay much attention to this bill to try to learn what I could of this necessarily complicated and voluminous measure. I have heard it, as it seems to me, ably and understandingly, fairly and fully analyzed, opposed, and defended by its opponents and friends. And in passing I wish to say that I believe the Democratic Party and the Nation is fortunate to have backing this bill the chairman and majority members of the Ways and Means Committee and, in fact, in my opinion, the chairmen and majority members of the important committees of this House are a credit to any party anywhere at any time.

The opponents of this bill say, first, that it is unconstitutional; second, that it will not raise added revenue because it will hurt big business; and third, that it will aid the corporations and big business and will hurt the little fellow, which reminds me of the story of the lawyer who said: "Gentlemen of the jury, we shall attempt to prove, and shall prove, three things: (1) That my client never borrowed the kettle; (2) that when he borrowed it there was a hole in it; and (3) that when he returned it he returned it whole."

This pending bill has been so fully and ably discussed on both sides of the House that it would be presumptuous, indeed, for me to attempt to discuss it here. I wish, however, if I may, to review some features disclosed to me in the report of the hearings. First, unconstitutionality: If you folks think it is unconstitutional, why not let it ride and show us up later? Why are you trying in every way possible, by all the tricks of Philadelphia lawyers, to stop this bill if it is unconstitutional? Why are you wasting so much of your sweetness on the desert air? It seems to me that any fair-minded man who reads a report of the hearings and who has listened to the debates will see that testimony both for and against this bill has been received by the chairman and majority members in a spirit and an air of fair play, of a desire to get the truth, the whole truth, and nothing but the truth, from all angles; "brain trusters", both of the Farley and Fletcher type, and practical "hoss sense" stuff, administration agents and their critics, leaders in business of all kinds, private and corporate, and, last, but by no means least, lawyers representing generally the interests of chambers of commerce, of capital opposing the bill, but testifying that it will help big business and hurt the small—so in the mass taken together we have attorneys for the corporations testifying that it will help big business and hurt the little fellow. They seem to be very solicitous about the little fellow. It seems queer.

Then the largeness of the bill seems to trouble them a great deal, and the fact that it is not simple. And yet when Mr. Alvord was questioned he admitted that the tax laws written in the administration in which Mr. Mellon was Secretary of the Treasury and when he was the special assistant were not very simple.

As a matter of fact, Mr. Speaker, I have many friends on the Republican side of this House. I feel very friendly to Republicans. I do not know why I should not; a good many of them voted for me at the last election. If they had not, I never would have been elected in the First Congressional District of Maine. If they do not vote for me in the coming election, I shall not come back here. So I am bound to have a warm feeling in my heart for them, and I want to reform them. The fact that so many of them are voting for me shows that I have a good chance to, and so I want to remind them, in the spirit of "the good neighbor", that since 1865 the tax laws of the United States have been passed for the benefit of the northeastern section of this country. We will agree that we have had prosperity, with many depressions, too; but we also assert that the tax laws have been written for the benefit largely of the wealthy class to make them wealthier. We do not need to tell of the increase of millionaires; everybody knows it who reads.

This bill is titled "A bill to provide a revenue and to equalize taxation." I do not know whether it will get a revenue or not. I do not know whether it will equalize taxation or not, but I do believe that it was framed largely for those two purposes, especially the latter. You folks, we all know, on this side, my left, you good friends of mine, and good men, stand on the whole for the vested interests of this country. We know just as well that on the whole and with a very few exceptions, and we found those exceptions last year largely when we passed the utility and holding-company bill, this side, my right, with its great leader is trying to work for the common class of America.

I am voting for this bill which I believe to be a bill constructed for this purpose, written not in secret, debated fully and fairly by some of the ablest and fairest men in this Nation, and I believe that it will prove to this country that the Democratic Party not only has the inclination but the ability to write this great tax bill which will prove an excellent piece of legislation for the Nation we love.

Mr. BACHARACH. Mr. Speaker, on March 3 the President sent to Congress a message suggesting the imposition of new taxes and outlining a scheme of taxation to meet permanent annual revenue requirements, the principal feature of which is a tax on undistributed corporate income. On this point he said:

> Such a revision of our corporate taxes would effect great simplification in tax procedure—

And so forth.

The bill now under consideration is the answer to the President's suggestion for a simplification of our tax law; a bill 249 pages in length, so simple in its verbiage that it seems as though nobody understands it. In its simplicity it presents one of the most complex tax proposals ever offered to the Congress or the taxpayers.

Even the Secretary of the Treasury dodged the responsibility of appearing before the Ways and Means Committee to advocate or defend the President's proposals for this new tax program. I have taken part in the framing of a number of tax bills since I have been a member of the Ways and

Means Committee, but it is the first time in my recollection when the responsible head of the Treasury Department did not come before the committee to give us the benefit of his judgment and advice on proposed revenue legislation.

In this particular instance the Treasury Department was represented by the Commissioner of Internal Revenue and one of its statisticians. Later on, at the request of the gentleman from Massachusetts [Mr. TREADWAY], ranking minority member of the committee, Mr. Oliphant, General Counsel of the Treasury Department, and Mr. Kent, Chief Counsel of the Bureau of Internal Revenue, appeared before the committee.

The Commissioner of Internal Revenue, of course, has nothing to do with the revenues of the Government excepting to collect them. He is charged with the responsibility of carrying out the provisions of the revenue laws after Congress enacts them. He has no responsibility in the matter of determining how the revenues are to be raised or in advising the Congress how to raise them.

Likewise, the general counsel of the Treasury Department is charged with the responsibility of carrying out the legal aspects of a revenue law after it is enacted by the Congress. He is not looked upon as the financial expert of the Government, and, as a matter of fact, when Mr. Oliphant was before the committee he admitted that in his practice as a lawyer before coming into the Treasury Department, he had not had very much experience in the administration of tax laws, and, as far as I can see, he did not in any way qualify as a tax expert.

These are the men who were sent down by the administration to present the recommendations submitted by the President. To this very hour these experts are unable to give us any definite idea as to the approximate amount of revenue to be derived from the tax on undistributed income; the best they can do is merely to hazard a guess.

You have heard a number of speeches by the proponents of this bill; in my opinion, its simplicity has not as yet been established, and I do not expect that anything I may say on the subject will make it any easier to understand the bill.

Of one thing we may be certain in the passage of this bill, and that is this: That it definitely puts to an end the "breathing spell" which the President several months ago promised to the country; and, of course, the taxpayers were included in that promise. This bill will not only put an end to the normal "breathing" of industry; it will "strangle" it to death.

There is one unusual feature about this piece of legislation, and that is the lack of pride in authorship. I am sure that the distinguished chairman of the subcommittee, the gentleman from Washington [Mr. HILL], has no burning desire to be known as the "father" of the bill; and I am sure that the distinguished gentleman from North Carolina [Mr. DOUGHTON], the chairman of the Ways and Means Committee, gets little consolation in being its "godfather." I am equally certain that the gentleman from Kentucky [Mr. VINSON], who so ably assisted the chairman of the subcommittee in trying to bring some order out of the chaotic proposition sent down from the upper end of Pennsylvania Avenue, will not swell up with pride in being called "uncle."

We must look upon it as being the "stepchild" of the President, for only he truly knows who is the legitimate father, although I am afraid that even he will not recognize it when it returns to the White House to ask for his blessing and approval.

Now, the principle of taxing undistributed corporate income is not a new thing by any means. It has been in operation in a number of European countries for some years past with only nominal success; it has been rejected by others with greater experience in the levying and collection of taxes than we have had. It has been considered by the Ways and Means Committee and the Senate Finance Committee. Some years back the late Senator Jones, of New Mexico, offered it in the Senate as an amendment to a House bill; it was accepted by the Senate but rejected by the conference committee.

In this connection it might be well to again call your attention to a report made by the chief of staff of the Joint Committee on Internal Revenue Taxation, of which Mr. L. H. Parker is chief of staff. It is not necessary for me to tell the House anything about Mr. Parker; he is recognized by all of us as a real economist and tax expert. To him and to Mr. Beaman, Chief of the legislative drafting service, is due full credit for putting this bill into shape for parliamentary consideration.

The report to which I refer was issued under date of November 15, 1927. I think it is the first report of the Joint Committee on Internal Revenue Taxation, which committee was created for the purpose, among other things, of investigating "measures and methods for the simplification of internal-revenue taxes, particularly the income tax", the same purpose which the President gave as his reason for suggesting the tax on undistributed corporate income.

To assist Mr. Parker and his technical staff in making this investigation there was named an advisory committee consisting of Dr. T. S. Adams, A. A. Ballantine, George E. Holmes, George O. May, and Dr. Thomas Walker Page, all well known in the field of taxation, economics, and finance, which committee concurred in the findings of the report of the technical staff. On the subject of "undivided profits tax" Mr. Parker had this to say:

> The general basis of such a tax is the imposition of a tax on the undistributed earnings of a corporation in addition to the usual income tax. Such a method may not contemplate the exemption from further tax of such earnings when ultimately distributed. The most obvious objection to such a tax is the burden which it places on legitimate and proper business expansion. As a business expands not only does its plant and property increase but a larger working capital is required, and it is desirable that reasonable accumulations of profits necessary for the expansion and stability of corporations should not be unduly burdened. A tax placed only upon the unnecessary accumulation of capital instead of upon the total accumulation involves many of the difficulties inherent in section 220 and is certainly an impracticable solution of the problem. It is believed that a tax on the total accumulation of profits by corporations is not desirable, because in many cases it might cause the making of unwise distributions and prevent the accumulation of a reasonable and proper surplus.

This legislation is entirely at variance with the previously expressed views of the President. In June 1935 he stated that a graduated income tax was an "equitable" tax and that the principle should be applied to corporations.

That is the principle of the present law, and while the present system is not entirely devoid of the possibilities of leakage and evasion, it is considerably improved over previous acts, and we were gradually working toward its greater perfection.

This tax comes at a time when industry is making valiant efforts to recover from the effects of the depression; a time when there is need for the laying aside of as much of undivided profits as can be spared without injury to the stockholders, in order to be prepared for further crises or depressions.

I shudder to think what would have been the result had not the large corporations of the country, employing hundreds of thousands of our men and women, been prepared to carry through the past 6 years on surpluses which they had built up in prosperous times.

This tax is aimed at the earnings of industrial corporations which have been called upon to take up the slack of unemployment and restore manufacturing and commerce to normalcy.

In his "boy scout" address to the Young Democrats of Maryland, delivered in the city of Baltimore a week or so ago, the President intimated that business and industry must get the people back to work or else the Government would find a way to put them to work, presumably by taking over industry. Apparently he had forgotten all about his suggestions for this new tax scheme when he was addressing these young business men and women, but I doubt that his audience had. If this tax bill will do anything to help speed up industry and get the millions of unemployed people who are now on relief or struggling for existence under the W.

P. A. back to work on livable wages, I have not been able to discover it.

A tax bill of any kind is not a popular thing at any time and for the dominant political party to bring one out in an election year excites the imagination no little as to what is behind it.

Last year's tax bill was a blow at private savings; this bill is a blow at corporate savings. If the supply of capital from private and corporate sources is eliminated, where else is left to turn? Only the State. I have not had the opportunity to check up and find out if the principle of this tax bill may not be just another plank of the Socialist platform.

Of course, the bill which we are now considering is not exactly the scheme sent down by the President. We are indebted to the members of the subcommittee for such modifications as have been made in the application of the principle in cases where it manifestly would be nothing short of ruinous for the profits to be distributed, even against the insistence of the Treasury officials that there be no exceptions whatever from the scheme which they put forward.

This tax scheme will upset the whole present structure of corporate taxation, when recovery hangs more on business stability than upon any other factor.

It is tax complication instead of simplification. It will create more tax litigation and in that respect it does give comfort to the unemployed, for it will mean work for a large number of tax attorneys and tax experts who are not now otherwise employed.

It will bring increased revenues to the Government Treasury when the country is most prosperous and carry us to the other extreme in times of depression.

It will favor well-established and fully financed corporations at the expense of the small corporations struggling for existence.

It will put a disproportionate strain on the small enterprise with modest capital. It will encourage overcapitalization and other questionable methods of financing. It will not hurt big corporations which already have built up surpluses.

It imposes impossible penalties on those who must borrow, who wish to expand, who must make replacement or improvements in plant facilties.

It will penalize the employees of industry by making it impossible for employers to give them any assurance of reasonable continuity of work and wages. It will make for increased unemployment and add to our already burdensome and stubborn relief problems.

We are told in the report of the majority that banks and trust companies are not brought within the new plan but are taxed at a flat rate of 15 percent. "This seems to be a wise public policy", says the report, "since the surplus of banks must be built up for the protection of the depositors."

I submit to you with all fairness the query that if it is a wise public policy for banks and trust companies to build up surpluses for the protection of their depositors, is it not equally a wise public policy to permit corporations to build up surpluses for the protection of their employees, their stockholders, and the general prosperity of the country?

Now, just a word on title III—"Tax on unjust enrichment", as it is expressed in the bill. In his message to the Congress the President referred to the tax covered in this title as "windfall taxes."

Webster's Dictionary defines "windfall" as "something as ripening fruit brought down by the wind"; rotten apples, for instance. Apparently the committee realized that this tax would be in the nature of a "rotten apple" to a great many small processing industries, particularly the independent packers, which were unable to pass on the processing taxes imposed under the A. A. A., and which were not reimbursed under the decision of the Supreme Court declaring the A. A. A. unconstitutional, and therefore thought it advisable to discard the President's designation of this tax for something more dignified and less understandable.

Many of these small industries were unable to pass on the processing tax, as a result of which their financial structures became impaired. A substantial number were unable to survive and were forced into bankruptcy. Those remaining in business are now faced with the possibility of again paying a processing tax under title III, which means that more of these independent establishments will be forced to liquidate.

It is true that the processors will not have to pay this tax if they can prove to the satisfaction of the Internal Revenue Bureau that they did not pass on the processing taxes. But the bill starts out by presuming that they did pass them on, and the burden of proof is on the processors to show that they did not.

That is a simple proposition in the minds of the processors, but those who have had experience with the Internal Revenue Bureau will know that it will be quite a different thing for them to convince the agents of the Bureau. The tax must be paid even if the business shows a net loss for the year. It is just going to be too bad for many of these small processors.

The only comfort that I can get out of this whole proposition is in the belief that when the bill goes over to the Senate the Finance Committee will scrap the whole thing, lock, stock, and barrel, and that a bill will be reported to the Senate that will be helpful to business instead of hurtful, based upon the premise that the framing of a tax bill at this time must be built upon the foundation of an adequate and honest budget of expenditures, including appropriate expenditures for recovery and relief, but excluding wasteful, foolish, and improvident spending.

I think it is well known that few Members of the House on either side of the aisle are wholeheartedly in favor of this bill, and if it were not for the fear of incurring the displeasure of the President there would be sufficient votes coming from the Democratic side to overwhelmingly defeat this measure when it comes to a vote.

Let us put aside partisan politics; let us place the country's welfare above political expediency and personal ambitions and vote this bill down.

REPORT BY GEN. HUGH S. JOHNSON

Mr. COCHRAN. Mr. Speaker, I present a privileged resolution for immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 493

Resolved, That the President of the United States be requested to transmit to the House of Representatives the report submitted to the Administrator of the Works Progress Administration by Gen. Hugh S. Johnson upon completion of his term as administrator of the Works Progress Administration for New York City, N. Y., if not incompatible with the public interest.

Mr. COCHRAN. Mr. Speaker, I ask that the report, which is very short, be read.

The Clerk read as follows:

ADVERSE REPORT (REPT. NO. 2539)

(To accompany H. Res. 493)

The Committee on Expenditures in the Executive Departments, to whom was referred the resolution (H. Res. 493) that the President of the United States be requested to submit to the House of Representatives the report submitted to the Administrator of the Works Progress Administration by Gen. Hugh S. Johnson upon completion of his term as administrator of the Works Progress Administration for New York City, N. Y., if not incompatible with the public interest, having had the same under consideration, report it back to the House and recommend that the resolution do not pass.

The action of the committee is based upon the following letter to the chairman of the committee from the Administrator of the Works Progress Administration:

WORKS PROGRESS ADMINISTRATION,
Washington, D. C., April 28, 1936.

Hon. JOHN J. COCHRAN,
Member of Congress, Washington, D. C.

DEAR CONGRESSMAN COCHRAN: Gen. Hugh S. Johnson on October 26, 1935, sent me a confidential memorandum expressing his personal views on a number of subjects. This memorandum was sent to me after General Johnson had resigned from the Works Progress Administration.

In this memorandum are a number of references to individuals and agencies outside of the W. P. A. which are of a private and confidential nature.

Very sincerely yours,

HARRY L. HOPKINS, *Administrator.*

Mr. COCHRAN. Mr. Speaker, I move that the resolution be laid on the table.

The question was taken; and on a division (demanded by Mr. TABER) there were 178 ayes and 57 noes.

Mr. SNELL. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 243, nays 98, not voting 86, as follows:

[Roll No. 79]

YEAS—243

Ashbrook	Dorsey	Lanham	Rankin
Bankhead	Doughton	Lea, Calif.	Rayburn
Barden	Doxey	Lesinski	Reilly
Barry	Drewry	Lewis, Colo.	Richards
Beam	Driscoll	Lucas	Robertson
Beiter	Driver	Ludlow	Robinson, Utah
Bell	Duncan	Lundeen	Rogers, N. H.
Biermann	Dunn, Pa.	McAndrews	Russell
Blanton	Eagle	McClellan	Sabath
Bloom	Eckert	McCormack	Sadowski
Boehne	Edmiston	McFarlane	Sanders, Tex.
Boland	Eicher	McGehee	Sandlin
Boylan	Evans	McGrath	Schaefer
Brooks	Fernandez	McGroarty	Schuetz
Brown, Ga.	Fitzpatrick	McKeough	Schulte
Buchanan	Fletcher	McLaughlin	Scott
Buck	Ford, Calif.	McReynolds	Scrugham
Buckler, Minn.	Ford, Miss.	Mahon	Sears
Buckley, N. Y.	Fuller	Mansfield	Secrest
Burch	Fulmer	Martin, Colo.	Shanley
Caldwell	Gasque	Mason	Shannon
Cannon, Mo.	Gassaway	Massingale	Sirovich
Carmichael	Gildea	Maverick	Sisson
Carpenter	Gillette	May	Smith, Conn.
Cartwright	Goldsborough	Meeks	Smith, Va.
Casey	Granfield	Merritt, N. Y.	Smith, Wash.
Castellow	Gray, Ind.	Miller	Smith, W. Va.
Celler	Green	Mitchell, Ill.	Somers, N. Y.
Chandler	Greenway	Mitchell, Tenn.	South
Chapman	Greenwood	Monaghan	Spence
Citron	Greever	Moran	Stubbs
Clark, Idaho	Gregory	Moritz	Sullivan
Clark, N. C.	Haines	Murdock	Sumners, Tex.
Cochran	Hamlin	Nelson	Sutphin
Coffee	Hart	Nichols	Sweeney
Colden	Harter	Norton	Tarver
Cole, Md.	Healey	O'Brien	Taylor, S. C.
Colmer	Hennings	O'Connell	Terry
Connery	Higgins, Mass.	O'Connor	Thomason
Cooley	Hildebrandt	O'Day	Tolan
Cooper, Tenn.	Hill, Ala.	O'Leary	Tonry
Corning	Hill, Samuel B.	O'Malley	Turner
Costello	Hobbs	O'Neal	Umstead
Cox	Imhoff	Owen	Vinson, Ga.
Cravens	Jacobsen	Palmisano	Vinson, Ky.
Creal	Johnson, Tex.	Parsons	Wallgren
Cross, Tex.	Johnson, W. Va.	Patman	Warren
Crowe	Jones	Patterson	Wearin
Cullen	Keller	Patton	Weaver
Cummings	Kelly	Pearson	Werner
Curley	Kennedy, Md.	Peterson, Fla.	West
Dear	Kenney	Peterson, Ga.	Whelchel
Deen	Kerr	Pettengill	White
Delaney	Kleberg	Peyser	Whittington
Dempsey	Kniffin	Pfeifer	Wilcox
DeRouen	Kocialkowski	Pierce	Williams
Dickstein	Kopplemann	Polk	Wilson, La.
Dingell	Kramer	Rabaut	Wood
Disney	Kvale	Ramsay	Woodrum
Dobbins	Lambeth	Ramspeck	Zimmerman
Dockweiler	Lamneck	Randolph	

NAYS—98

Allen	Ekwall	Kinzer	Reed, N. Y.
Amlie	Ellenbogen	Knutson	Rich
Arends	Engel	Lambertson	Risk
Bacharach	Englebright	Lehlbach	Robsion, Ky.
Bacon	Fenerty	Lemke	Rogers, Mass.
Binderup	Fish	Lord	Sauthoff
Blackney	Gearhart	Luckey	Seger
Boileau	Gehrmann	McLean	Snell
Brewster	Gifford	McLeod	Stefan
Burdick	Gilchrist	Main	Stewart
Burnham	Goodwin	Mapes	Taber
Carlson	Guyer	Marcantonio	Thurston
Carter	Gwynne	Marshall	Tinkham
Cavicchia	Halleck	Martin, Mass.	Tobey
Church	Hancock, N. Y.	Merritt, Conn.	Wadsworth
Cole, N. Y.	Hartley	Michener	Walter
Crawford	Hess	Millard	Wigglesworth
Crowther	Higgins, Conn.	Mott	Wilson, Pa.
Culkin	Hollister	Perkins	Withrow
Darrow	Holmes	Pittenger	Wolcott
Dirksen	Hook	Plumley	Wolfenden
Ditter	Hope	Powers	Wolverton
Dondero	Hull	Ransley	Woodruff
Doutrich	Kahn	Reece	
Duffy, N. Y.	Kennedy, N. Y.	Reed, Ill.	

NOT VOTING—86

Adair	Dies	Houston	Romjue
Andresen	Dietrich	Huddleston	Ryan
Andrew, Mass.	Duffey, Ohio	Jenckes, Ind.	Sanders, La.
Andrews, N. Y.	Dunn, Miss.	Jenkins, Ohio	Schneider, Wis.
Ayers	Eaton	Johnson, Okla.	Short
Berlin	Faddis	Kee	Snyder, Pa.
Bland	Farley	Kloeb	Stack
Bolton	Ferguson	Larrabee	Starnes
Boykin	Fiesinger	Lee, Okla.	Steagall
Brennan	Flannagan	Lewis, Md.	Taylor, Colo.
Brown, Mich.	Focht	McMillan	Taylor, Tenn.
Bulwinkle	Frey	McSwain	Thom
Cannon, Wis.	Gambrill	Maas	Thomas
Cary	Gavagan	Maloney	Thompson
Christianson	Gingery	Mead	Treadway
Claiborne	Gray, Pa.	Montague	Turpin
Collins	Griswold	Montet	Utterback
Cooper, Ohio	Hancock, N. C.	Oliver	Welch
Crosby	Harlan	Parks	Young
Crosser, Ohio	Hill, Knute	Quinn	Zioncheck
Daly	Hoeppel	Richardson	
Darden	Hoffman	Rogers, Okla.	

So the resolution was tabled.

The following pairs were announced:

General pairs:

Mr. Fiesinger with Mr. Short.
Mr. Taylor of Colorado with Mr. Turpin.
Mr. Bland with Mr. Treadway.
Mr. Houston with Mr. Jenkins of Ohio.
Mr. Farley with Mr. Maas.
Mr. Starnes with Mr. Cooper of Ohio.
Mr. Larrabee with Mr. Thomas.
Mr. Duffey of Ohio with Mr. Andrew of Massachusetts.
Mr. Ayers with Mr. Bolton.
Mr. Cary with Mr. Andrews of New York.
Mr. Boykin with Mr. Christianson.
Mr. Flannagan with Mr. Hoffman.
Mr. Claiborne with Mr. Collins.
Mr. Huddleston with Mr. Welch.
Mr. Mead with Mr. Eaton.
Mr. Ryan with Mr. Taylor of Tennessee.
Mr. Gavagan with Mr. Focht.
Mr. Dies with Mr. Andresen.
Mr. Maloney with Mr. Schneider of Wisconsin.
Mr. McSwain with Mr. Utterback.
Mr. Ferguson with Mr. Daly.
Mr. Adair with Mr. Zioncheck.
Mr. Parks with Mr. Young.
Mr. Bulwinkle with Mr. Crosby.
Mr. Harlan with Mr. Gambrill.
Mr. McMillan with Mr. Richardson.
Mr. Oliver with Mr. Brennan.
Mr. Lewis of Maryland with Mr. Dietrich.
Mrs. Jenckes of Indiana with Mr. Cannon of Wisconsin.
Mr. Griswold with Mr. Lee of Oklahoma.
Mr. Steagall with Mr. Frey.
Mr. Dunn of Mississippi with Mr. Snyder of Pennsylvania.
Mr. Montague with Mr. Kee.
Mr. Crosser with Mr. Sanders of Louisiana.
Mr. Gray of Pennsylvania with Mr. Brown of Michigan.
Mr. Stack with Mr. Montet.
Mr. Faddis with Mr. Thompson.
Mr. Kloeb with Mr. Romjue.
Mr. Hancock of North Carolina with Mr. Quinn.
Mr. Rogers of Oklahoma with Mr. Thom.
Mr. Johnson of Oklahoma with Mr. Berlin.
Mr. Gingery with Mr. Knute Hill.

Mr. ELLENBOGEN changed his vote from "aye" to "no."

Mr. CARTWRIGHT changed his vote from "no" to "aye."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I was not present and cannot qualify, but if I had been present I would have voted "aye."

Mr. CROWE. Mr. Speaker, my colleague, Mr. FARLEY, is unavoidably absent; if present, he would have voted "aye."

The result of the vote was announced as above recorded.

On motion of Mr. COCHRAN, a motion to reconsider the vote was laid on the table.

Mr. SANDERS of Texas. Mr. Speaker, I was unavoidably absent at the time the vote was taken on the tax bill. Had I been present, I would have voted "aye."

ANCHORAGE COMMERCIAL CO., INC.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4159) for relief of Anchorage Commercial Co., Inc., with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER. The gentleman from Maryland asks unanimous consent to take from the Speaker's table the bill

H. R. 4159, with Senate amendments thereto, and concur in the Senate amendments. The Clerk will report the Senate amendments:

The Clerk read as follows:

Page 1, line 3, after "Treasury", insert "be, and he"

Page 1, lines 6 and 7, strike out "any moneys in the Treasury not otherwise appropriated" and insert "balances of the appropriations 'Education of natives of Alaska, 1927–28' and 'Education of natives of Alaska, 1928–29', which balances have heretofore been carried to the surplus fund of the Treasury."

Mr. SNELL. Mr. Speaker, will the gentleman explain what these amendments do in a few words?

Mr. KENNEDY of Maryland. Mr. Speaker, this is a private claim, and the Senate has so amended it to take the money out of the appropriation for the education of natives in Alaska instead of from the general funds in the Treasury.

Mr. SNELL. Otherwise, there is no material change?

Mr. KENNEDY of Maryland. No.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendments were concurred in, and a motion to reconsider the vote by which the Senate amendments were concurred in was laid on the table.

MR. AND MRS. BRUCE LEE

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3952) for the relief of Mr. and Mrs. Bruce Lee, with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference.

The SPEAKER. The gentleman from Maryland asks unanimous consent to take from the Speaker's table the bill H. R. 3952, with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference.

The Clerk will report the Senate amendment.

The Clerk read as follows:

Page 1, line 6, strike out "not otherwise appropriated" and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps."

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. KENNEDY of Maryland, Mr. DALY, and Mr. PITTENGER.

FOUNDING OF PRATTVILLE, ALA.

Mr. KELLER. Mr. Speaker, I ask unanimous consent to reinstate to its former place on the Consent Calendar House Joint Resolution 241, to provide for the observance and celebration of the one hundredth anniversary of the founding of Prattville, Ala.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, has the gentleman from Illinois conferred with the gentleman from Michigan [Mr. WOLCOTT]?

Mr. KELLER. I have.

Mr. SNELL. And this action is entirely agreeable to him?

Mr. KELLER. Yes.

The SPEAKER. Is there objection?

There was no objection.

REGIMENTATION BY TAXATION

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a radio address which I delivered last evening.

The SPEAKER. Is there objection?

There was no objection.

Mr. REED of New York. Mr. Speaker, under leave to extend my remarks I insert the following radio address by me:

Every person who is out of employment, every person who has employment and wishes to retain his position, every person who owns a share of stock—in fact, every person who has at heart the welfare of his family and his fellow man—should be opposed to the so-called tax bill now before the Congress.

We are all interested in business recovery. We do not want to enact a stupid, ill-considered, unsound measure that will retard recovery. Already the citizens have suffered too much from business stagnation caused by the hasty enactment of unwise and unconstitutional legislation. It is to point out a few, and only a few, of the adverse effects which this pending tax measure will have upon the business of the country that I respectfully ask your attention during the few minutes allotted to me.

The reason this so-called tax bill is before the Congress at the present time is because the President in a message to the Congress under date of March 3, 1936, urged this legislation as an "important tax reform." In his message the President stated, as an inducement to its enactment, that—

"Such a revision of our corporate taxes would effect great simplification in tax procedure, in corporate accounting, and in the understanding of the whole subject by the citizens of the Nation."

I want to dispose of this subject of "simplification right at the start, otherwise the harassed businessman may be led to believe that his prayer for "simplification" of tax procedure has at last been heard and answered. It is useless to quote in full 16 pages of the pending bill devoted to the subject of "clarification, simplification, and mystification" in tax procedure. I invite the attention of the hopeful and expectant "citizens of the Nation" to this gem of bureaucratic clarity which is supposed to remove the wrinkles of worry from the brow of every puzzled taxpayer.

For the benefit of the businessman who plans to sit down with this tax bill before him and figure out the tax his company is to pay on its undistributed net income, I quote this clear, informative instruction:

"A percentage of the adjusted net income which is more than 10 and less than 20, the tax shall be a percentage of the adjusted net income equal to the sum of 4, plus one-half of the amount by which the percentage which the undistributed net income is of the adjusted net income exceeds 10."

Lest this clarifying language may not be as clear as crystal to the average taxpayer, the "brain trust" further submits this formula:

"If the percentage which the undistributed net income is of the adjusted net income is not one of the percentages of the adjusted net income shown in schedule I or II, the rate of tax shall be proportionate, being interpolated by the straight-line method: That is, by the formula

$$X=\left[\frac{a-b}{c-b}\times e-d\right]+d$$

where

X=rate of tax on adjusted net income;
a=percent of undistributed net income to adjusted net income;
b=bracket percentage next smaller than "a";
c=bracket percentage next larger than "a";
d=rate of tax on bracket next smaller than "a"; and
e=rate of tax on bracket next larger than "a."

Can a bewildered public ask anything simpler than this? If still in doubt as to the necessity of this formula, do not venture to ask further enlightenment for this sacred formula is intended to bring peace and perfect rest to the tired and feverish brain of the confused taxpayer. It is a gift from the bureaucratic gods of the New Deal. So much for the promise of simplification.

Let us not be deceived. This is not in reality a revenue bill. It is simply another Executive "must" regimentation measure. The real purpose is not primarily to obtain revenue but to substitute bureaucratic management for private judgment in business. Dictatorial control over private business is the real purpose of the system of taxation proposed in the pending bill, not revenue.

If the real purpose is to obtain revenue, why abandon the present system, which will yield over $1,000,000,000, and substitute an untried, untested, and discredited theory, advocated by no one experienced in the field of taxation. Why replace a system of taxation that has proved effective with an experimental plan supported only by Communists, Socialists, and those who desire to have our Government own and dominate all business?

In brief, under this tax it is proposed to discard the present system of taxing corporations upon the income which they earn and substitute instead a tax measured by the amounts saved by corporations for the future needs of their business, or to tide them over lean periods that may be ahead. The greater the saving the higher the rate of tax becomes. Under this tax, if a corporation having an income of more than $10,000 seeks to save all of its earnings in any one year to meet an emergency it would be taxed at the rate of 42½ percent, and would be able to lay aside for future needs scarcely more than half of the amount that it has earned. On the other hand, if a corporation paid all of its earnings out in dividends—and saved nothing at all—it would go tax-free. Under the present tax all corporation income, saved or paid out, is taxed at from 12½ to 15 percent.

Is it not obvious that many corporations, especially the financially strong ones, will escape all taxation under the proposed plan? And is it not equally clear that thousands of business concerns not financially fortified with large reserves will be ruined if they distribute their surplus, and that they will be destroyed by the tax if they attempt to retain the surplus which business prudence commends? This is an application of the communistic "death sentence" with a vengeance. It is the financially weak corporations, however, that will be guillotined. The lusty monopolistic concerns will escape both death and taxation, and thrive as a result of the elimination of their small competitors.

If this tax is adopted we will be taxing savings and not income. We will penalize thrift and encourage extravagance that must result in bankruptcy.

The Republican Party is opposed to the adoption of this bill. This opposition is not based upon party considerations. The Republican Party's record of cooperation with the present admin-

istration on legislation which was clearly designed to cope with the emergency, and to foster national economic recovery, conclusively demonstrates its ability to rise above partisanship when the welfare of the American Nation is at stake.

Our opposition is based upon two major considerations. First, because the proposed tax will not bring in an appreciable increase in revenue; and second, because of its thoroughly destructive character and the harm that it will do to everyone who works for a living.

The situation is this: We are asked to throw overboard a tried and proven system of taxation, the yield from which can be estimated with reasonable accuracy, and to gamble instead with an unsound scheme which has been rejected by Congress for the past 16 years.

There would be some justification for considering measures to raise additional revenues if they were a part of a well-devised program to balance the Federal Budget, a program which would contemplate reduction of expenditures by elimination of present scoop-shovel spending methods, as well as increasing taxes. To such a plan properly conceived and well developed, the Republican Party will give its most friendly and cooperative attention. But we cannot subscribe to a subterfuge such as this proposed tax bill presents.

No party which is sincerely devoted to the welfare of the American people can do anything but oppose stoutly a tax measure which gambles with existing revenues in favor of a crackpot proposal that goes against all practical experience.

Our second principal reason for opposing the tax bill is the ruinous effect which it is certain to have not alone upon business, not alone upon corporations, but upon all who work for a living, and thereby play their part in our national system of productive enterprise.

This proposal ignores all experience with similar tax schemes. It ignores all study of similar measures by other countries with far more experience than ourselves with income taxes. Our British friends, for example, have been experimenting with income taxation for over a century—we for less than one generation. A commission of the British Government for 3 years studied a plan similar to this one and then rejected it as unworkable. Yet we are asked to adopt such a tax bill that was only formulated a few days ago. But that, I regret to say, seems to be the way things are done under the New Deal. We are asked to act first and think about the consequences afterward.

The attitude of the administration in proposing this tax measure is reminiscent of the man who was brought into police court, charged with having thrown a stone through a window the night before while drunk. His defense was that at the moment it seemed to him a good thing to do.

Representatives of business throughout the United States—chiefly little business—have come forward to tell about the destructive effects that this bill would have upon them, their business, and their employees. These protests confirm, as nothing else could, the impression my associates and I had formed of the destructive character of this proposal.

Specifically, what will this bill do? What will it do to the small business man, to the wage earner, and to the small investor? I am not concerned here in talking about its effects upon big business or upon the rich. They can take care of themselves under any system. What you and I are interested in is the effect of this measure upon the rank and file of Americans who make from $20 to $50 to $60 a week, the people who constitute the backbone of this great Nation.

First, it would penalize the time-proven policy of saving for a rainy day.

The idea of this tax is to force the distribution of corporate earnings in the form of dividends, regardless of conditions which may demand that earnings be laid aside for future needs. As I have already mentioned, the rate of the tax increases rapidly in proportion to the amount saved. The rate schedule is so devised that if a corporation desires to save more than three-tenths of its earnings, it must pay a dollar in tax for every additional dollar it saves.

The practical effect of this policy of forbidden savings leads to the second fundamental objection to the bill.

It would increase unemployment in times of depression.

With the accumulation of savings for lean years prevented, or seriously impeded, business concerns will be less able to survive future depressions. Bankruptcies will increase. Unemployment, with all of its deplorable hardships, will be vastly greater in its magnitude.

You may ask, What good have the past savings of corporations done in the present depression? Well, as one great American would say, let's look at the record.

During the 5 years, 1930 through 1934, savings accumulated from past periods of prosperity enabled the manufacturing industry alone to keep on its pay roll 1,300,000 more persons than were required to produce the current output. Wages paid to this group totaled $5,800,000,000—about $1,100,000,000 a year. In other words, if corporations had not saved in the past, there would have been during this depression 1,300,000 more unemployed than we have had. Between five and six million more persons would have been added to the relief rolls. Yet we are told by advocates of this bill that business savings are improper and unjustified.

Third, adoption of this tax would prevent the development and growth of new business enterprises.

The story of American industrial progress is a familiar one. We all know about the growth of the great milling industry from small beginnings in local gristmills, the development of the modern steel mill from the local foundry, the growth of the village smithy into the modern agricultural-implement factory, and the like. None of these developments could have taken place had not proprietors "plowed back" into their small businesses a substantial portion of their earnings each year. Yet this proposed tax would hinder, if not prevent, any further development of American industry by this means.

I should like to discuss other unsound features of this bill, but time will not permit. I wish to say in conclusion if you believe that America can progress no further, and that new inventions and new products are a thing of the past, then perhaps you will favor this tax bill. If, however, you share my confidence in the future development of our American civilization, undoubtedly you will feel with me that no tax bill which will impede our industrial development should be allowed to pass.

THE TAX BILL

Mr. HAINES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HAINES. Mr. Speaker, it is not a pleasant duty for one to vote to place additional burdens of taxation upon the people of the Nation.

It is more to be desired, however, than to continue the expenditures of money without providing the means of raising the sums necessary. What has made it necessary for this tax proposal? First, we need $500,000,000 for the new farm program and $120,000,000 a year for the payment of the adjusted-service certificates of the veterans. Both are just debts. In addition there are $517,000,000 needed to meet outstanding obligations that the Government now owes to the farmers under the old A. A. A. Divide this up in 3 years and you will have about $172,000,000 a year which is necessary to pay these farmers what the Government has contracted and agreed to pay. In the bill before us we provide a windfall tax which is estimated to yield $100,000,000 and a capital stock tax which is estimated to yield $83,000,000 or a total of $183,000,000 to take care of the $172,000,000.

I have heard the opponents of this bill say that the measure will not provide the amount necessary, and then in the next breath argue that the bill will not produce any revenue at all, that it will ruin business, and so on. This simply does not make sense to me, for if it will not produce any revenue it certainly cannot hurt business. I have listened to so much of this calamity howling that I pay no attention to it any more, for the records of this administration prove conclusively that during the 3 years of the present administration business has recovered to the point where leaders in industry are now making public statements to the effect that business is back to normal and that we have passed the worst in our national depression and that we are back on our feet again. Surely no one can say that the action of this administration has injured business in the face of the record. I was greatly interested in a statement I read the other day in a local Washington newspaper, the statement handed out by the president of the great Chamber of Commerce of the United States, in which he paints a most rosy picture of the great strides that have been made during the past year and the fine business gains that have been made. He is quoted as saying that many industries are now working day and night shifts in order to fill orders. The business charts published by antiadministration organizations clearly indicate the same upward trend in every line of human endeavor. I have studied the pending revenue bill very carefully. I have listened attentively to the statements made by the members of the committee and subcommittee who held hearings and wrote the bill. I am convinced that no member of that great Ways and Means Committee would want to urge the passage of any legislation that would bring injury to anyone, for these men are just as patriotic and interested in others as is any other group of our people. Our Government has been obliged to go to the rescue of the States and municipalities in order to care for their people. We have had to use the strong arm of Government credit in order to save these communities from evils that no one might have been able to foresee, and as a result we have saved them, and by saving them we saved the Nation.

It is true that we have had to spend money, and it may be true that more money will have to be spent; but to me it is perfectly clear that, unless we do this, we shall throw back upon local communities burdens that will be unable for them to bear and bring greater burdens of taxation upon our people, caused by what I deem to be the unwise and short-sightedness of our business leaders. While it is true that business is back to normal in most parts of the country, it is likewise true that human hands are being supplanted by machines, contributing to more unemployment. If industry insists upon installing labor-supplanting machines and thus contribute to more unemployment, surely someone must care for those human hands that are being supplanted; so that it becomes the painful duty of the Congress to find means of raising money to finance these burdens caused by industry and its unwillingness to cooperate, through the spreading of employment and the payment of a decent living wage. If money is needed, then it must come from someone.

I will not vote to place a heavier burden upon our great middle class and small-business men and corporations. They have always paid more than their fair share of the taxes, while the large corporations have evaded their fair share because of existing laws. I certainly would be the last man in this House to advocate any tax bill that might injure our people, but I know that this is a step in the right direction and will be a more equitable measure than we now have. I know that this bill is in the interest of the people I have the honor to represent, for many of them hold stocks upon which they are paid small dividends, while most of the earnings are denied to them so as to avoid taxation. Most of the corporations in my district will be benefited, for many of them are small and already paying more than their share of taxes, while under this present proposal their taxes will be no more and in many instances less.

Under this present proposal corporations will pay no taxes if they distribute their earnings to their stockholders. We are trying to equalize taxation under this proposal, something that we have never done since we have had the income-tax laws on the statute books. If corporations choose to pay better wages and in this way distribute more of their profits, we will have contributed much to our recovery; and as I understand it, that is one of the objectives we have in mind. As was stated, Mr. Speaker, by the chairman of the committee, the bill is based upon justice, equality, and a sounder principle than is now in existence. It must also be borne in mind that the existing surpluses and reserves of corporations are not taxed; they remain in the future as they now exist. It should also be borne in mind that all existing corporation taxes under this plan are repealed. The corporation income taxes, the capital-stock tax, and the present excess-profit taxes are repealed, and this new plan of taxation is to take its place; and in this connection let me say that under this proposal we look to the future and do not look back into the past. The records show that there has been such a vast amount of tax evasion—more than $1,600,000,000 annually—which means that about four to five billion dollars a year are being piled up in enormous surpluses by corporations in the country. We want them to distribute these earnings among the men and women who have invested in their stocks, thus creating more purchasing power as well as cause these folks to invest in other stocks and securities and at the same time pay their fair share of the taxes.

The bill does not "hamstring" any corporation. In the future, as in the past, a corporation may have all the surplus and all the reserve that it wants to have. Its business can be conducted as it pleases or its better judgment dictates. This tax plan simply provides that whatever net income the corporation has, its earnings and its profits shall go through the tax mill just like any other individual or partnership, or your money and mine. I can see nothing unfair about it. It will contribute to not only an increase in revenue to the Government but will induce our people to invest their savings in corporations who are successful and who can show them a return for their investment. The bill, as I see it, Mr. Speaker, tries to—and I am sure will—close up those loopholes through which so many evasions have resulted.

The rank and file of American people expect the Congress to do this, for I think every Member of this House can testify to the dissatisfaction in their districts on the part of our great middle class and small-business men, who long ago recognized the inequalities of our tax system. Summed up briefly, let me quote the words of Mr. COOPER of Tennessee, a distinguished member of the Ways and Means Committee, who said:

> You simply ask the corporations two questions at the end of the year under this plan. The first is, What was your net income; what did you make? If they answer that, then the next question is, What did you do with it; did you pay it out in dividends to your stockholders? If you did, you do not owe us a dime; but if you did not pay it out to your stockholders, then you owe us a tax on it.

In those words you state a simple explanation of this proposal. To me it is fair and just. To me it will mean a more equal tax program, a program that I will be glad to support because I believe it will spread wealth, it will distribute profits; it will contribute to better wages; it will give more purchasing power to the masses. This leads to better economic conditions and will contribute to human happiness.

But, Mr. Speaker, I hear some say, "Stop spending money; cut out a lot of these Government activities." I am sure every Member of the Congress would wish that local communities could care for their own, so that we might not be called upon to appropriate money to care for their citizens. To throw this burden back upon local communities would mean, in many of our large centers of population, a burden that these communities cannot bear. It would mean raising taxes upon their people, and practically in every instance that additional tax would fall upon real estate, which is now heavily taxed.

The better plan, Mr. Speaker, would be for our great group of employers of labor to pay a decent living wage, spread employment through shorter hours, contribute to the employment of men and women who would rather work and earn their bread by the sweat of their brows than to receive relief. Relief, Mr. Speaker, is repugnant to the great mass of our people, and I hope and pray to God that the day is not far distant when we will have a job for every man and woman who wants to work, and at an adequate wage that will permit our people to not only buy the necessities of life but these luxuries that are so dear to our people.

An employed people are a happy people. Unemployment and low wages will ruin this Nation, and unwise indeed is the man or woman in industry who does not want to do his or her share toward better conditions. The permanency of the Nation rests upon these truths, and the sooner we realize it the better off we will be.

THREE HUNDREDTH ANNIVERSARY, HARVARD COLLEGE

Mr. BACON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 247, authorizing the recognition of the three hundredth anniversary of the founding of Harvard College and the beginning of higher education in the United States, and providing for the representation of the Government and people of the United States in the observance of the anniversary, and for its immediate consideration.

The SPEAKER. The gentleman from New York asks unanimous consent for the present consideration of Senate Joint Resolution 247. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the joint resolution.

The Clerk read as follows:

> Whereas there are to be held at Cambridge, Mass., and at other places during the year 1936 celebrations commemorating the three hundredth anniversary of the founding of Harvard University, said university being the first college to be established in what are now the United States; and
>
> Whereas, in accordance with resolutions of the president and fellows of Harvard College, there will take place in Cambridge, Mass., on the 16th, 17th, and 18th of September 1936 formal ceremonies of celebration of the tercentenary, in the presence of the governing boards, faculties, students, and alumni of the university, the delegates of other institutions, distinguished guests, and a large number of friends and benefactors; and
>
> Whereas the Commonwealth of Massachusetts and the cities of Cambridge and Boston will be officially represented at the ceremonies; and

Whereas Harvard University endeavors to foster and maintain the ideals of truth and freedom so dear to Americans: Therefore be it

Resolved, etc., That the Government and people of the United States unite with Harvard University in a fitting and appropriate observance of the three hundredth anniversary of its founding, which marked the formal beginning of higher education in the United States.

SEC. 2. There is hereby established a commission to be known as the United States Harvard University Tercentenary Commission (hereinafter referred to as the Commission) to be composed of 15 commissioners, as follows: The President of the United States and 4 persons to be appointed by him, the President of the Senate and 4 Members of the Senate to be appointed by said President of the Senate, and the Speaker of the House of Representatives and 4 Members of the House to be appointed by said Speaker.

SEC. 3. The Commission, on behalf of the United States, shall cooperate with representatives of Harvard University, the Commonwealth of Massachusetts, and the cities of Cambridge and Boston in the appropriate observance of such anniversary, and shall extend appropriate courtesies to the delegates of foreign universities and other foreign learned bodies or individuals attending the celebration as guests of Harvard University.

SEC. 4. The members of the Commission shall serve without compensation and shall select a chairman from among their number, but the President of the United States shall be designated the "Honorary Chairman" of the Commission.

SEC. 5. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to be expended by the Commission for expenses, including actual and necessary traveling and subsistence expenses, incurred while discharging its functions under this resolution. The Commission shall have power to select, hire, and fix the compensation of such officers and employees as shall be necessary for the performance of its duties without regard to the provisions of other laws applicable to employment or compensation of officers or employees of the United States.

SEC. 6. Any vacancies occurring in the membership of the Commission shall be filled by the President of the United States.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PUBLIC ACT NO. 435

Mrs. GREENWAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 215, to amend Public Act No. 435, Seventy-second Congress, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The gentlewoman from Arizona asks unanimous consent to take from the Speaker's table House Joint Resolution 215, with a Senate amendment thereto, and concur in the Senate amendment. The Clerk will report the Senate amendment.

The Clerk read as follows:

Line 10, strike out "March" and insert "September."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider the vote by which the Senate amendment was concurred in was laid on the table.

THE FLORIDA CROSS-STATE CANAL

Mr. SEARS. Mr. Speaker, Secretary of War Dern is in Florida on an inspection tour of our rivers and harbors and the cross-State canal. I ask unanimous consent to place in the RECORD a few quotations from Secretary Dern on the feasibility of the Florida cross-State canal.

The SPEAKER. Is there objection?

There was no objection.

Mr. SEARS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following quotations from Secretary of War Dern on the feasibility of the Florida cross-State canal, published recently in the Jacksonville Journal:

Secretary of War George H. Dern endorsed the Gulf-Atlantic Ship Canal today as a "feasible and worth-while project."

"People who deride the proposed waterway as an impractical scheme don't know what they are talking about", he told the Journal.

He was to leave this afternoon for Ocala, where he will confer with Col. Brehon Somervell, chief of the Ocala district of the United States Army Engineers, who is in charge of construction of the canal project.

Army Engineers are an integral part of the War Department, which is headed by Secretary Dern, and it is under him that all work has been done on the canal since President Roosevelt made his initial allotment to the project.

"There has been some talk of the water supply of the State being affected by the canal", Mr. Dern said. "As a result of advice by expert geologists we have reached the conclusion that there is only remote, if any, danger at all from its construction.

"Two years ago, even, we were told that should such an emergency arise the situation could be met. The Engineers have guarded against this."

REPORT OF GEN. HUGH S. JOHNSON

Mr. SNELL. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. GIFFORD] may have 5 minutes in which to address the House.

The SPEAKER. Is there objection?

There was no objection.

Mr. GIFFORD. Mr. Speaker, the minority seem to have very small rights, and inasmuch as the House has refused to demand the report of Gen. Hugh S. Johnson regarding W. P. A. activities, just a word of lamentation should perhaps be permitted. We are about to consider an additional appropriation of a billion and a half dollars to be expended under W. P. A. That report from a public administrator of an important post like New York City should be valuable, because it should be of great advantage to this House in the consideration of further W. P. A. appropriations. I remind the House, however, that certain newspapers did get hold of that report and portions of it have been freely circulated. Copies are obtainable, and while gentlemen may say we can only assume the truth of it, yet General Johnson in his own column tacitly admitted that the quoted criticisms were correct. Therefore we can quote those portions of his report as genuine copy. He said that the next time he makes a report, it will be sent to the bottom of a well in Indian sign language.

I desire to suggest to the House that we may quote him and inform the public as to his real opinion of the W. P. A. He was the darling of you people when he was favorable to you and "cracking down" on others, but now you do not want to listen at all to what he says. Where is your watchword? Pitiless publicity. This is the public business, and you are trying to keep it from the public. It is not private business. Lest I be too serious, I would compare it to the case where a young lady anonymously advertised for a male hiking companion for 2 weeks, and then they asked her if she would disclose the names of the 100 applicants. She said, "No; it has already made an awful row. Father was one of the applicants." [Laughter.] You are indeed afraid somebody pretty close to the administration will be mentioned. Why should they not be, if they are attending to the public business? I think it is no secret for me to say that in committee I asked that this report might be sent to the committee or a subcommittee for us to look it over and see if it was not compatible with the public interest to disclose it. But very quickly both in the House and in the committee the report is smothered. Oh, why are you so cowardly about it? General Johnson still loves his President. He is very loyal to him. He is only trying to be helpful in his criticisms. Why do you not listen to him? [Applause.]

[Here the gavel fell.]

SELECT COMMITTEE TO INVESTIGATE EXECUTIVE AGENCIES OF THE GOVERNMENT

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 460.

The Clerk read as follows:

House Resolution 460

Resolved, That the Speaker appoint a select committee of five Members of the House and that such committee is authorized and directed to make a full and complete study of all the activities of the departments, bureaus, boards, commissions, independent agencies, and all other agencies of the executive branch of the Government with a view to determining whether the activities of any such agency conflict with or overlap the activities of any other such agency and whether, in the interest of simplification, efficiency, and economy, any of such agencies should be coordinated with other agencies or abolished, or the personnel thereof reduced. The committee shall report to the House (or to the Speaker of the House, if the House is not in session) the results of its investigation, together with its recommendations, if any, for necessary legislation.

That said committee or any subcommittee thereof is authorized to sit and act during the present Congress at such times and places within the United States whether or not the House is sitting, has recessed, or adjourned; to hold such hearings; to require the attendance of such witnesses and the production of such books, papers, and documents by subpena or otherwise and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the Speaker of the House of Representatives or the chairman of said committee, and shall be served by any person designated by them or either of them. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who having been summoned as a witness by authority of said committee or any subcommittee thereof willfully makes default, or who, having appeared, refuses to answer any questions pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102, chapter 7, of the Revised Statutes of the United States, second edition, 1878.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

I now yield 10 minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Speaker, on March 20 last the President of the United States addressed to the Speaker of the House a communication in writing, which I will ask to have the Clerk read for the information of the Members.

The SPEAKER. Without objection, the Clerk will read the communication.

There was no objection.

The Clerk read as follows:

THE WHITE HOUSE,
Washington, March 20, 1936.

Hon. JOSEPH W. BYRNS,
The Speaker, United States House of Representatives.

MY DEAR MR. SPEAKER: Last October I began holding some conversations with interested and informed persons concerning what appealed to me as the necessity of making a careful study of the organization of the executive branch of the Government.

Many new agencies have been created during the emergency, some of which will, with the recovery, be dropped or greatly curtailed, while others, in order to meet the newly realized needs of the Nation, will have to be fitted into the permanent organization of the executive branch. One object of such a study would be to determine the best way to fit the newly created agencies, or such parts of them as may become more or less permanent, into the regular organization. To do this adequately and to assure the proper administrative machinery for the sound management of the executive branch it is, in my opinion, necessary also to study as carefully as may be the existing regular organization. Conversations on this line were carried on by me during November and December, and I then determined to appoint a committee which would assist me in making such a study, with the primary purpose of considering the problem of administrative management. It is my intention shortly to name such a committee, with instructions to make its report to me in time so that the recommendations which may be based on the report may be submitted to the Seventy-fifth Congress.

The Senate has named a special committee to consider aspects of this general problem, and I respectfully suggest that the House of Representatives also create a special committee of a similar character through which the House of Representatives could cooperate with me and with the committee that I shall name in making this study, in order that duplication of effort in the task of research may be avoided and to the end that this study may be made as fruitful as possible.

Very sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT.

Mr. BANKHEAD. I think those of you who had the opportunity to listen to the reading of this letter from the President have observed what we had in mind in bringing in this resolution. You will note this communication was addressed to the Speaker of the House, and at the request of the Speaker I introduced the resolution which is now pending before the House for consideration.

This question of an effort to reorganize the departments of the Government is not a new problem for Congress. Since I have been a Member of this House, at least one rather pretentious effort was made along this line, but, unfortunately, for reasons which are not now necessary to state, it did not effectuate any useful purpose or the objective that it had in mind.

If you will recall the statement of the President in the letter just read, you will see he makes the statement that there are a great many bureaus and agencies of the present Federal Government which have been brought into existence by reason of the great emergency through which we have passed for the last 3 or 4 years. In addition to that there already existed a great many permanent bureaus and divisions of the Government which have been in existence for a number of years, and it has always been my personal opinion that there has been and is now, probably more now than ever before in the history of our Government, for the reasons which I have just stated, a great opportunity, by careful, prudent, scientific, and courageous investigation of those bureaus, for the Congress of the United States, by proper legislation, to greatly effect economies in public expenses by cutting out duplication of effort, by the overlapping of various agencies which are performing practically the same functions, and at the same time to greatly promote the efficiency of the management and operation of our Government activities. I think this question is one of very great interest and of great importance to the American people. This ought not be a partisan question. All of us are naturally concerned about expenditures by our Federal Government. [Applause.]

I am glad for this response from the gentleman from the State of Pennsylvania, because I feel I have touched a sympathetic note in his heart when I make that statement. [Laughter and applause.]

However, as prudent legislators, we ought not overlook any possible opportunity to reduce the permanent expenditures of our Government by legislation of this character if it is possible to do so. I am not deceiving myself about the difficulty that will confront this committee appointed by the House. Already the Senate has set up a select committee for this same purpose and the President of the United States, as indicated in that letter and subsequently carried into effect, I understand, has appointed a committee upon the part of the Executive to make research along these lines. It may occur to some that it might be a waste of time or a conflict of jurisdiction to set up three different entities to investigate the same problem, but, of course, as pointed out in the President's letter, it is the purpose of those who are sponsoring this proposition that all three of those agencies shall collaborate in their efforts and shall undertake, as far as possible, to reach a common conclusion and to make recommendation to the Congress of the United States for its consideration.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. I yield to the gentleman for a question.

Mr. MICHENER. Would these three separate agencies act separately or together? The gentleman said it was the purpose that they will work together. Will each committee be pursuing its own course, or will they work together?

Mr. BANKHEAD. I understand the gentleman's question, and I will answer it. Of course, under this resolution we will have a House committee. Under the Senate resolution there is a Senate committee, and under the President's action there is an executive committee. Although they may have individual entities as such, the purpose is, and I think the results will show, that there shall be cooperation in effort and investigation and in action at the end of their labors. That certainly is the thought the President had in mind, it is certainly the thought I had in mind in presenting this resolution for the appointment of the House committee.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. I yield for a brief question.

Mr. RICH. A resolution was brought before the Committee on Expenditures in the Executive Departments, having for its purpose the appointment of a committee similar to the one provided for in the pending resolution. The gentleman from Missouri [Mr. COCHRAN] chairman of this committee, tried to secure the cooperation of the Senate for the appointment of a joint committee but met with no success. I cannot understand, if that was his experience, how the gentleman expects this effort to work out in harmony.

Mr. BANKHEAD. I was not, of course, familiar with the matter of which the gentleman speaks, but I think it will be entirely possible to secure the type of cooperation we seek.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, does the gentleman desire more time?

Mr. BANKHEAD. Unless there are some questions I think I have made the statement I desire to make. I hope the House will adopt the resolution. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, I have sometimes wondered if the House is absolutely devoid of common sense when it comes to taking responsibility as to spending the people's money. I listened very intently to what the majority leader had to say in regard to this resolution. I am in entire accord with his statement concerning the need for a less extensive organization to run the various departments of the Government. There is no doubt but what there are duplications and many unnecessary commissions that have been established, especially during the last 3 years, and there is no doubt of this duplication, and it should be eradicated, but that is not the question before the House. The question is whether we shall have three separate investigations when the Senate has an investigation going at the present time. I do not consider a single statement the majority leader made as a real reason why the House should set up a committee of its own to make this investigation—an investigation similar to one the Senate is conducting at the present time. In fact, he carefully avoided the real question at issue. I understand, but I am not positive, that the President has also set up an executive commission to do similar work. Further along this same line I ask if anyone has ever known a case where three separate and distinct commissions were able to make an investigation of the same subject and agree in the final analysis of the proposition?

I wonder what made the President so deeply interested in this proposition all of a sudden that he sent a letter to the Speaker asking him to appoint a special committee? If I remember correctly, in that letter he said he was thinking about this last October. Why did he begin thinking then? As a matter of cold fact, does not the President have complete and entire authority to do every single thing suggested at the present time? Did he not receive that authority in the Economy Act passed 3 years ago last spring? Did not Mr. Douglas make complete investigation along this line and several recommendations? So far as I know, very few of his recommendations were ever carried out or put into effect.

Does anyone remember the House ever starting an investigation when the Senate already has investigating going on the same subject? So far as I know, that has never been the policy. There must be something back of this not mentioned in the President's letter; and, in my judgment, it is exactly this: The administration was afraid of the unfavorable developments that might possibly come out of the Byrd committee that has started this investigation in the Senate. If the President appoints a commission to act in cooperation with the Byrd committee, and if the House appoints another committee with that distinct purpose in mind, the probabilities are there will be enough New Deal sympathizers on this whole proposition that nothing will come out in the report unfavorable to the various New Deal commissions the President has established during his present administration. Is not this the real argument and reason back of the movement? If not, why should he ask us to duplicate work already being carried on by the Senate, and especially so since, if he wants this reorganization brought about, he already has the necessary power to do it himself? No new information has come out in regard to this.

Let me refer briefly to the attitude of the Senate in regard to these joint commissions, including members appointed by the Executive. The older Members of the House will remember that 6 or 7 years ago we started an investigation on the sinking of the submarine *S–4*. The House passed a resolution seeking the appointment of a joint commission to be composed of Members of the Senate, the House, and members appointed by the Chief Executive. This resolution was passed in the House. The Senate passed a joint resolution providing simply for a committee of the House and the Senate. The two Houses went into conference on the matter. I remember it well, because I was one of the conferees. We were in conference 3 or 4 months. The Senate took the position they would not yield to any such proposition as that contained in the House resolution. They said it is purely a question for the legislative branch, it is their prerogative, and we will not join in any commission a part of whose members represent the Executive. This matter was fully and completely discussed in the United States Senate, the leader in that debate at that time being the present Secertary of the Navy, Senator Swanson. It was also discussed by several Senators who are still Members of the Senate; and the Senate by an overwhelming vote sustained the position of their conferees—that they would not join in any such joint investigation. And I am reliably informed that they have expressed the same opinion in regard to a proposed investigation suggested by Members of the House on this same proposition.

Mr. O'CONNOR. Will the gentleman yield?

Mr. SNELL. I yield to the gentleman from New York.

Mr. O'CONNOR. Is there anything that can prevent the President from appointing his own committee to look into this matter?

Mr. SNELL. Not a single thing in the world. He may do it any time he wants to; but I claim that doing it in this way, according to the letter which has been read, is purely a political proposition.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. SNELL. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. If I understand the gentleman correctly, he maintains that under the Economy Act passed on March 20, 1933, the President has the power to regroup, consolidate, and eliminate?

Mr. SNELL. Yes.

Mr. WHITTINGTON. May I remind the gentleman that the express terms of section 409 of the Economy Act provided that all recommendations and reports for regrouping should be submitted within 2 years. That 2 years expired on March 20, 1935, more than a year ago.

Mr. SNELL. That is even worse than I thought, because he has practically not made a single move or a single recommendation to the Congress in the 2 years.

Mr. WHITTINGTON. Is it not true the President submitted 17 reports and Executive orders before the 2 years expired, and made 17 regroupings and reconsolidations?

Mr. SNELL. Where are they and what became of them?

Mr. WHITTINGTON. They were all submitted to Congress, and I have a memorandum covering every one of them.

Mr. SNELL. The gentleman's party has been in control, but the recommendations and memoranda have never been offered to the House. The responsibility is on the gentleman's side and you have not done anything.

Mr. WHITTINGTON. Is it not true that under the terms of the law the recommendations did not have to be approved by the House or the Senate, and went into effect unless rejected by the House or the Senate?

Mr. SNELL. Has any of them been put into effect?

Mr. WHITTINGTON. Yes; every one of the 17 has been put into effect.

Mr. COCHRAN. Will the gentleman yield?

Mr. SNELL. I yield to the gentleman from Missouri.

Mr. COCHRAN. The gentleman does not seem to realize what the President has accomplished under the particular section contained in the Economy Act to which reference has been made.

Mr. SNELL. I know the President has not done away with one-tenth as many commissions as he has established new ones.

Mr. COCHRAN. That might be true. It cannot all be done in a few months.

Mr. SNELL. Well, that is all there is to the proposition; it is just political and for the purpose of having a majority on the committees that will protect the administration.

Mr. COCHRAN. The President sent 17 recommendations to the Congress, and when the Congress did not veto those

recommendations, as the law provided, within a given period, those Executive orders became law.

Mr. SNELL. The President has failed lamentably along this line. He has had this power all along, and the matter has been very poorly handled as far as this administration is concerned. The only reason for offering this resolution now is to try to prevent the Byrd committee from bringing out something that may be unfavorable to the present New Deal commissions and bureaus that have been brought into existence by the present administration and every man who has given it any thought knows it. There is no precedent anywhere for establishing this kind of a commission to work separately and independently from the others and then try to get something like unanimous recommendations as a conclusion.

The thing you should do at the present time, if you are not satisfied with what the Senate committee is doing, is to bring in a joint resolution making the recommendation that the Senate and the House do the investigating; but unless the Senate has changed its position, and it was very pronounced before, they will not join with the House in making this general investigation together with the executive commission appointed by the President.

Mr. President, I can see no reason whatever for this resolution except to add more expense and perhaps it will provide more Democratic jobs before the investigation is completed. If there was any real reason back of this, I think the majority leader would have presented it to the House. The only reason he has presented this resolution is on account of the general conditions which exist at the present time, and we all agree they do exist. However, I am absolutely opposed to having three separate commissions make this investigation at the same time and engaging in a duplication of effort. I doubt if there is a Member of this House who can given any reasonable excuse for making this investigation, except a lack of interest in spending the people's money. Therefore, Mr. Speaker, I hope the resolution will be defeated. [Applause.]

Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The gentleman yields back 18 minutes.

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, the gentleman from New York [Mr. SNELL] is an excellent legislator. He knows as well as I do that if the Senate is going to make an investigation in regard to reorganizing Government agencies a bill must be reported to the Senate, and if passed by the Senate and comes to the House it will go to a House committee, which committee, naturally, will be required to make some investigation before presenting a report to the House, unless the House has a committee working with the Senate committee.

In the last session of the Congress, when I was in the hospital, at the last meeting of the committee of which I happen to be chairman, a resolution was passed authorizing the chairman to appoint a subcommittee to make an investigation and to report to the full committee, which report would contain such recommendations as they might advance with regard to reorganization of Government agencies. I returned to my office about the middle of October after an absence of 6 months. I did not go home. I remained in Washington throughout the fall and winter and spent a great deal of time securing information for this subcommittee to work on when I could get a meeting. I wrote to every member of the committee and asked if they were in position to come back in December and serve on that subcommittee. The Members had been in Washington up to September, and naturally they wanted to stay at home. Nobody could blame them for that. I continued to prepare for the subcommittee which would be ready when Congress convened.

Mr. Speaker, I have in my office a pile of documents from every Government agency showing their set-up, the amount they are spending, the number of employees in every division, together with the duties of those employees. When the Congress assembled in January I appointed a subcommittee to go into this matter. This requires a tremendous amount of work, as the gentleman from New York knows. Then came the Senate resolution. It was a Senate resolution, not a concurrent or joint resolution.

My subcommittee authorized me to confer with Senator BYRD, who introduced the Senate resolution, and I did on a number of occasions. I may say that Senator BYRD, I think, was very sympathetic with what I was trying to accomplish—have a resolution passed providing for a joint committee. In the end, however, a Senate committee was appointed. Senator BYRD said he would be glad to have a subcommittee of my committee sit in on the hearings and investigations which the Senate would make. Then the President announced he was going to appoint a committee. I personally called this matter to the attention of the President and last winter suggested that a committee be appointed by the President to make an investigation of all Government departments, to secure data upon which he could make recommendations to the Congress.

Despite the fact that the President was working night and day when we passed the Economy Act, giving him certain powers to effect reorganizations and consolidations, Mr. Roosevelt issued 17 Executive orders. Under that act the President submitted, as required, the Executive orders to the Congress; the Executive orders were referred to my committee, and in every instance the committee stood squarely behind the President. There was no recommendation of a veto, which power the Congress had, and after the required period the Executive orders became law. I am sure if the President had had the time he would have accomplished much more than he did; but you remember the condition of the country and what faced the President in the 2 years that he had the power to act. I have gone along with the President in the past and will do so in the future. He shows his desire to accomplish something more along this line by his action in appointing a committee to represent him. No one should say there is politics in this matter. It is too big a subject, one that the entire country is interested in. The gentleman from New York knows the opposition that develops when reorganization plans are submitted. It is my view the House and Senate committees, together with the President's committee, will work in harmony, and something worth while will develop as a result. Both political parties always mention reorganization and consolidation in their platforms. They will do so again this year, and the people will expect something to be done. The passage of this resolution, it appears to me, will be the proper way to get information that will result in beneficial legislation.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. COCHRAN. I yield for a question.

Mr. SNELL. Can the gentleman from Missouri, who is always an economist, give us any reason why we should make three separate and distinct investigations?

Mr. COCHRAN. I think the gentleman knows just as well as I know that the three committees will make a joint investigation.

Mr. SNELL. How are you going to meet the position which the Senate has always taken, that they will positively not have a joint investigation?

Mr. COCHRAN. The benefit will be that after any proposed legislation goes through the Senate you will have a House committee that will be advised in reference to such legislation and you will not have to start all over again and make an investigation after a bill comes here from the Senate. There is no doubt in my mind but that when the Speaker names the House committee the Senate committee will ask that the three committees work together.

Mr. SNELL. Is it not a fact that the archives of the Senate and House are full of information about all these matters and that we have had complete investigations, but nothing has been done?

Mr. COCHRAN. Yes; but our archives are not full of real information. The real information lies within the walls of Government buildings. How about the new agencies that have been created as a result of the emergency? No information is available about them.

Mr. SNELL. That is where this information was taken from.

Mr. COCHRAN. Yes; but you do not get real information until you get into the Government departments. In my opinion, this is certainly a step in the right direction.

The Committee on Expenditures in the Executive Departments has worked hard on this matter. It was ready to go ahead when the Senate stepped in with its investigating committee. Then the members of the subcommittee saw no reason to spend a great deal of time and bring in a bill, because the Senate would certainly have delayed action until the next session, because its committee will not report until then. I followed every suggestion of the committee, Democrat and Republican members being in full accord. Time after time I discussed the matter with Senator BYRD and others, and I can only repeat what I have said before, and that is when the Speaker names this committee I am confident, no matter who is selected, the Senate committee and the President's committee will be found working together at all times. If this plan is worked out, then when the time comes to offer legislation to carry out the recommendations of the committees the bill can be prepared by both committees and introduced in both Houses on the same day.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, this resolution provides for the triplication of the work of studying duplication. [Laughter.] As the distinguished leader of the Republican minority has well pointed out, two committees have already been appointed, one by the President and one by the Senate, to make the same study that this resolution proposes that a House committee shall make.

It is absurd to have three committees doing the same thing. What greater waste of time and money could be imagined? Reorganizing the executive departments is a job of experts. Is it proposed that these three separate committees shall employ three separate staffs of experts, have the same witnesses appear before the three different committees, and triplicate the work of one another in other respects?

Congress had an experience recently which shows how impracticable it is to have separate committees doing the same thing. They hinder rather than advance the cause for which they are appointed, and just naturally work at cross-purposes. At the last session of Congress both Houses appointed a lobby committee. Immediately each committee set out to outdo the other, not only in its work but in publicity. One vied with the other in subpenaing important witnesses and to bring out their testimony first. The situation became so acute that in one instance a witness was actually threatened with punishment of contempt for failure to appear before one of the committees in answer to its subpena when he was actually testifying before the other. The House committee soon saw the absurdity of the situation and very properly brought its investigation to a close as promptly as possible. The Senate committee is still functioning.

The appointment of three separate committees to reorganize the executive departments will delay rather than advance the cause of reorganization. If it is desirable—and I think it is—to have both branches of the Congress and the executive departments represented in such an investigation, then it ought to be done by one committee on which all three are represented. When I saw this matter coming along I introduced a resolution in the House of Representatives to provide for the appointment of a committee consisting of 15 members, 5 to be appointed by the President, 5 by the Senate, and 5 by the House of Representatives. Such a committee would do away with duplication and triplication of work and give all parties representation. My resolution is as follows:

House Joint Resolution 561

Joint resolution to create a Committee on the Reorganization of the Executive Branch of the Government

Resolved, etc., That a committee is hereby created to be known as the Committee on the Reorganization of the Executive Branch of the Government, which shall consist of 15 members, 5 individuals to be appointed by the President of the United States, 5 Senators to be appointed by the President of the Senate, and 5 Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The President shall designate a chairman from among the members of the committee. Vacancies occurring in the membership of the committee shall be filled in the same manner as the original appointments.

SEC. 2. The committee is authorized and directed to make a full and complete study of all the activities of the departments, bureaus, boards, commissions, independent agencies, and all other agencies of the executive branch of the Government, with a view to determining whether the activities of any such agency conflict with or overlap the activities of any other such agency and whether, in the interest of simplification, efficiency, and economy any of such agencies should be coordinated with other agencies or abolished, or the personnel thereof reduced.

SEC. 3. That the committee shall report to both the Senate and House of Representatives the results of its inquiries, together with its recommendations, and shall prepare and submit bills or resolutions having for their purpose the coordination of Government functions and their most efficient and economical conduct, and the final report of said committee shall be submitted not later than February 1, 1937. The committee is authorized to employ such assistance as it may require, at such compensation as the committee may determine to be just and reasonable, and to make such reasonable expenditures as may be necessary for the proper conduct of its work, such expenditures to be paid in equal parts from the contingent funds of the Senate and the House of Representatives, as from time to time may be duly authorized by resolutions of those bodies.

SEC. 4. That the officers and employees of all executive services of the Government shall furnish to the committee such information regarding powers, duties, activities, organization, and methods of business as the committee may from time to time require, and the committee or any of its employees, when duly authorized by the committee, shall have access to and the right to examine any books, documents, papers, or records of any executive service of the Government for the purpose of securing the information needed by the committee in the prosecution of its work.

This question of the reorganization of the executive departments is perennial. It is usually particularly acute in campaign years. It is a great deal as Mark Twain is alleged to have said about the weather, "Everybody talks about it all the time, but no one ever does anything about it."

I think it is safe to say that those who have considered and studied the question the most are in general agreement that the most effective way to bring about a reorganization of the executive departments is to give the President power to reorganize them by Executive orders. Every attempt over the years to do it by legislative action has failed. Log-rolling, bickerings, jealousies, ambitions, prejudices, and play for party advantage combined have been powerful enough to block all legislative attempts at reorganization in the past, and there is no reason to believe that conditions in that respect will be any different in the future. The President is the only one who can do the job, and it takes a great deal of force of character and determination on his part to do it.

After the President's letter to the Speaker, which the gentleman from Alabama had read from the Clerk's desk, the Washington Star had an editorial which states the situation. I want to read it, or extracts from it. It starts out by quoting the first sentence of the letter of the President to the Speaker, as follows:

"Last October", the President writes, "I began holding some conversations with interested and informed persons concerning what appealed to me as the necessity of making a careful study of the organization of the executive branch of the Government."

Then the editorial continues:

President Theodore Roosevelt held similar conversations with interested and informed persons. President Taft's conversations with similarly interested and informed persons brought into being the Commission on Economy and Efficiency, which developed into the Bureau of Efficiency, now dead. Under President Harding, as the result of many conversations, there was created the Joint Congressional Committee on Government Reorganization, with Walter Brown as chairman.

President Coolidge transferred, by Executive order, the Bureau of Mines and the Patent Office from the Department of the Interior to the Department of Commerce. President Hoover, after extensive

conversations and some work within the different departments, concluded that the only effective way to reorganize the executive branch of the Government was through Executive orders issued with the permission of Congress to go ahead and do what he thought best. President Roosevelt made several references during the campaign to the need for consolidations and reorganization in the Government service, and Congress granted him broad authority along such lines through the Economy Act. One of the results was the abolition of the Screw Thread Commission.

As Gratiano exclaimed in mockery to Shylock in the Merchant of Venice:

> A Daniel, still say I; a second Daniel!
> I thank thee for teaching me that name.

So might the writer of this editorial have exclaimed to the President, "Conversations, still say I; conversations! I thank thee for teaching me that name."

The Star editorial continues:

This year Senator BYRD, of Virginia, has been active in his demands that something be done about reorganization, and the Senate has just created a special committee and appointed advisory experts to look into the matter. Dr. Luther H. Gulick and Louis Brownlow were two of the five experts so chosen. The Byrd resolution was introduced February 24 and passed only a few days ago. But President Roosevelt, in his letter to the Vice President and the Speaker, says he began thinking about the same thing last October. So the President apparently has first claim to the idea, which entitles him to choose, as two members of his three-man commission, Dr. Luther H. Gulick and Louis Brownlow.

The President is anxious for the creation of a House committee that will work with his own commission and Senator BYRD's committee—all the reporting to be done to the next Congress, next January, after the election.

While the President's reorganization proposals are aimed specifically at examining the greatly enlarged executive establishment resulting from New Deal recovery activities and determining what temporary agencies can be abolished, merged with other agencies, or given a permanent status, all reorganization schemes finally come up against the same thing, namely, that the only reorganization which saves money is the reorganization that results in discharge of personnel. And the discharge of personnel always gives politicians a severe headache, for it hurts people back home.

I call attention particularly to the statements in the closing paragraph of the editorial:

The more committees and commissions involved in reorganization, the less chance there is for any effective reorganization. Neither House of Congress is willing to surrender its own prerogatives in matters relating to the public pay roll, and Congress is not willing to give the President the arbitrary authority he really needs. The latest reorganization plan will be watched with interest, but not with any great amount of confidence in the results.

It will be recalled that a joint committee on the reorganization of the executive departments of the Government was appointed early in the Harding administration and a representative of the President was made chairman of that committee. The distinguished gentleman from New York [Mr. WADSWORTH], then a Member of the Senate, took an active part in the work of that committee as one of the Senate members of it. I was one of the House members.

That joint committee, after an extensive and exhaustive study, submitted a bill to reorganize the executive departments, which was introduced in both Houses of Congress. It is no secret to say that the Democratic leadership in both branches blocked the enactment of that bill into law, and the work of the committee went for naught.

Later, President Hoover was given authority to reorganize the departments, to reduce their number and eliminate overlapping and duplication, by Executive orders, but the law giving him that authority provided that such Executive orders should be transmitted to Congress, and that if either branch of Congress within 60 calendar days after their transmittal should pass a resolution disapproving them, they became null and void. In accordance with the authority granted him under the law, President Hoover transmitted to Congress on the 9th day of December 1932 a message containing a number of Executive orders reorganizing the departments upon an extensive scale, but the House of Representatives, controlled then as now by the Democratic Party, passed a resolution under date of January 19, 1933, disapproving all the Executive orders submitted by President Hoover at that time, thereby blocking the whole reorganization program, notwithstanding the loud protestation and promises of the President and the Democratic Party generally in the campaign which had just closed, for a thorough reorganization of the departments and a reduction of governmental expenditures.

The Economy Act of March 20, 1933, which was passed with such a blare of trumpets at the beginning of this administration, gave President Roosevelt full power to reorganize the executive departments by Executive order without restriction, without retaining in Congress the power to veto his action, such as was done in the case of President Hoover. President Roosevelt was required to act within 2 years from the passage of the Economy Act, as has been pointed out by the gentleman from Mississippi [Mr. WHITTINGTON], but no action under that authority was ever taken by him. Now, as another campaign approaches, we are asked to pass this resolution. No one expects anything to be accomplished by it before the election, but it will give an opportunity for Democratic spellbinders during the campaign to tell what they intend to do if they are continued in power. Its principal purpose no doubt is to give the administration an excuse for its failure to act and to hold more conversations during the coming campaign.

In the light of what has transpired during the last 3 years, it is interesting to read the plank in the Democratic platform of 1932 on this subject of the reorganization of the executive departments and the reduction of governmental expenses. Here it is:

The Democratic Party solemnly promises by appropriate action to put into effect the principles, policies, and reforms herein advocated, and to eradicate the policies, methods, and practices herein condemned. We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government, and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result.

Mr. RICH. Will the gentleman yield? The gentleman knows that when the Democratic administration came into power there were 61 major departments of the Government, and that they have established 41 new ones, after their promise to cut down 25 percent.

Mr. MAPES. Yes; expenses of the Government have multiplied, and bureaus have increased, as the gentleman from Pennsylvania has said, in direct violation of the platform and campaign promises of the party in power. That is common knowledge.

Mr. Speaker, there is no one more in favor of doing away with duplication and waste in Government service than I am; and if I thought that this resolution would help at all to do away with it, I would support it most heartily. But, believing, as I do, that it will have the opposite effect, I shall vote against it. [Applause.]

Mr. Speaker, I yield back the balance of my time.

MY RECORD IN CONGRESS

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to extend my own remarks.

The SPEAKER pro tempore (Mr. WALLGREN). Without objection, it is so ordered.

There was no objection.

Mr. NICHOLS. Mr. Speaker, ladies, and gentlemen, this is the time of the year when we start casting our balances, checking up on the promises that we have made to those who elected us, and seeing how the record that we have made looks in the light of our campaign pledges.

I am going to ask your indulgence for a few minutes while I make a survey of my record as compared with what I told the voters of the Second Oklahoma District when I was campaigning for election.

OLD-AGE PENSIONS—SOLDIER BONUS

Old-age pensions and the soldier bonus were the two principal planks in my platform 2 years ago.

The first speech I made in Congress—on the opening day of the session on January 3, 1935—was in favor of payment of the soldier bonus. I kept working on this, along with the leaders of Congress and representatives of the service organizations, such as the American Legion and Veterans of Foreign Wars, until this year we succeeded in enacting this law.

I have received many letters from veterans in my district thanking me for this service, and saying they intend to use their bonus money to buy farms or small businesses, which will make them independent again.

I made numerous speeches upon the old-age-pension proposition, in Congress, in Oklahoma, Washington, and several other States and over the radio, and am glad to state that I voted for the first old-age-pension law ever passed by Congress, the Social Security Act, passed last year. I tried in vain to have this amended so that direct Federal payments would be made in all States, but am glad to say that now the Social Security Board is matching payments made to old persons in Oklahoma by the State welfare board as a result of this law, despite the fact that Oklahoma has no statute law providing for pensions.

THE FARMER

When I ran for Congress 2 years ago I carried every farming precinct in the district except two. I value the friendship of the farmers more than I can tell and have devoted a large portion of my time in Washington to consideration of their problems.

I said in my campaign speeches that I believed the main thing that the farmer should do was to conserve the moisture and the soil. I said I was in favor of flood control and, if possible, navigation of our streams, but that I believed that the most important thing was to prevent the enormous loss of fertile topsoil and precious water, especially needed in our section of the country. I pointed out also that these three problems could be solved together. Storing the water upon the farm would certainly cut down soil erosion and materially decrease loss from floods.

The first bill I introduced in Congress was to provide for the creation of the Soil Conservation Service as a permanent agency of government. This was passed and the Soil Conservation Service is now the key agency of the Nation's farm-relief set-up. Farmers are to receive payments this year for cooperation in soil conservation. They are to receive the help of the Federal Government in protecting their land.

REDISTRIBUTION OF WEALTH

I said when I ran for Congress 2 years ago that I favored a more equitable distribution of wealth and that it was my opinion that this would have to be brought about by a revision of the tax system to break up big fortunes. When I outlined my program over the district some of my listeners termed me as a "wild-eyed radical."

But at the last session of Congress President Roosevelt called for an increase in the income-tax and inheritance-tax rates upon the very rich, which was a part of my program. I was glad to vote for this and am glad to say that the bill was passed.

However, too many millionaires escaped payment of their income taxes by diverting their money into private companies, where it was held as "undivided earnings" of the company, and therefore not subject to income taxes. By this means, some of our wealthiest men kept increasing their wealth without paying taxes. So this year we are tightening up by providing that undistributed earnings of corporations will be subject to tax.

The new corporation tax bill will be chiefly felt by the private corporations set up especially to avoid taxes, and the 200 biggest corporations of our country control more than half the assets of all the 257,000 corporations of the country. It is believed that the new plan will decrease the amount of taxes to be paid by 214,000 corporations with less than $10,000 earnings a year.

I am in favor of taking care of the little fellows; the big boys can take care of themselves.

I am also a member of the executive committee formed to bring about passage of the equal opportunity in business bill—the Patman-Robinson bill—which would outlaw secret rebates and other unfair advantages to the big chain-store and mail-order systems.

EDUCATION

I promised if elected that I would make my appointments to the United States Military Academy at West Point and the United States Naval Academy at Annapolis upon a merit—not a political—basis and give all the boys in the district an opportunity to obtain one of these appointments.

This has been done. I have made three appointments. Boys in Okmulgee, Henryetta, and Muldrow have been named to vacancies. One in Muskogee is next in line. Three of these boys are the sons of widows. All were victorious in district-wide elimination contests conducted for me by the State superintendent of schools.

I have boosted the National Youth Administration and am glad to say that I have been promised that this agency to assist in the education of our young people will be continued.

Incidentally I was able to be of service to most of the common schools in my district by blocking a plan to reduce the payments made for tuition of Indian children by the Federal Government. These funds are an important part of the finances of a big part of the schools in my district.

MONEY

I said 2 years ago that I favored an expansion of our currency. I still do. I favored the Patman plan for paying the soldier bonus without a bond issue. I favor the Frazier-Lemke bill for putting the credit of the Federal Government behind the American farmer.

I regret to say that our currency has been expanded only slightly. We still have metallic reserves of gold and silver in our Treasury vaults in excess of $5,000,000,000, against which there is not one dollar of money in circulation. Against this we could issue currency to the amount of $5,000,000,000 in excess of that which is now in circulation and still have 100 cents on the dollar of metallic reserve behind all of our circulating currency. This would not be inflation. Inflation means issuance of money backed by air or nothing.

Our dollar is still too high. It is worth $1.30, roughly, as against the ideal of $1 of 100 cents, as prevailed in 1926. Until we get our dollar back to 100 cents our farmers and those who are in debt and must repay obligations will be fighting an uphill battle, and will give up $1.30 worth of their crops and labor to secure a dollar in currency.

LABOR

I said in my campaign that I would favor those measures supported by organized labor. I have done so. I am glad to report to my colleagues that the members of organized labor in my district, as over the entire Nation, recognize the fact that the Democratic administration has done more for the workingman than any administration since that of Woodrow Wilson and that practically 100 percent of the members will vote Democratic in November.

RECOGNITION

Coming to Congress for a first term, I was elected vice president of the New Members' Club, composed of the 100 first-termers, last year. I have enjoyed working with these freshmen Congressmen very much and have formed many warm friendships which I know will last through the years.

I have obtained the cooperation of the departments in Washington and was successful in bringing five C. C. C. camps to the district, as well as two soil-conservation service demonstrational areas. I was able to get the first hospital for members of the Five Civilized Tribes ever erected in my district. I brought one of the two Resettlement Administration projects in the State to my district.

When it became known that an order had been issued for the closing of 700 out of the 2,158 C. C. C. camps in the Nation, including 2 in my district, I was chosen chairman of the group in the House which opposed this and brought about a new order to keep all camps open. I have in my files letters from more than 100 Congressmen thanking me for my leadership in this fight.

I have been selected by the Democratic National Committee to make speeches on behalf of the party in doubtful

States and have made more than 20 such speeches already. I will make as many more as I can.

My work on the important Rivers and Harbors Committee of the House of Representatives has won me recognition by, and a place on, the board of directors of the National Rivers and Harbors Congress, and at the thirty-first annual convention of this organization, recently assembled in Washington, I was elected national vice president of the organization and made chairman of its finance committee.

I was, on April 29, selected as one of a commission of nine to select an airport for the Nation's Capital. Three of these members were appointed by the President of the United States, three by the Vice President, and three by the Speaker of the House of Representatives.

CONCLUSION

Coming to Congress as a country boy serving his first term, I was more or less worried as to whether or not I would fit into the congressional picture and the scheme of things here. I am told, Mr. Speaker, by many of the leaders of the House that my accomplishments here have been remarkable for a new Member of Congress. These statements have made me very happy; and if I have had some success, I want to take this opportunity of thanking the Speaker of the House and the other leaders of the House of Representatives for their very kind treatment given me, and to assure you that without their cooperation and their kind guidance that my record would not be nearly so imposing as it is.

I believe that the leaders of public opinion, and the people generally in my district, know that I have tirelessly worked at my job, fighting for their best interests, and are satisfied with my record. I am a candidate for reelection. Several others have also filed, but I wish to assure you, Mr. Speaker and ladies and gentlemen of the House, that I will be in your midst again during the next session of Congress ready and willing to take my place on the battle front to complete the job which was started at the outset of this administration. [Applause.]

I have not been able to find jobs for everyone that wanted them. Sentiment for me is not unanimous. I do not expect it to be. However, I would appreciate it very much and really expect to receive enough votes in the first primary on July 7 so that a run-off will not be necessary. [Applause.]

CALL OF THE HOUSE

Mr. MILLARD. Mr. Speaker, I raise the point of order that there is no quorum present. This is an important matter and we should have a quorum present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Evidently there is no quorum present.

Mr. O'CONNOR. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 80]

Adair	DeRouen	Higgins, Mass.	Richards
Andrew, Mass.	Dies	Hill, Knute	Richardson
Andrews, N. Y.	Dietrich	Hoeppel	Rogers, Okla.
Ayers	Driscoll	Hoffman	Romjue
Berlin	Duffey, Ohio	Houston	Ryan
Bland	Dunn, Miss.	Huddleston	Sabath
Bolton	Dunn, Pa.	Jenckes, Ind.	Sadowski
Boykin	Eaton	Jenkins, Ohio	Sanders, La.
Brennan	Ekwall	Johnson, Okla.	Scrugham
Brooks	Faddis	Kee	Short
Bulwinkle	Farley	Keller	Stack
Burch	Ferguson	Kloeb	Starnes
Cannon, Wis.	Fiesinger	Larrabee	Steagall
Carmichael	Fish	Lee, Okla.	Sweeney
Cartwright	Flannagan	Lewis, Md.	Taylor, Colo.
Cary	Focht	McGroarty	Taylor, Tenn.
Chapman	Frey	McSwain	Thomas
Christianson	Gambrill	Maloney	Thompson
Claiborne	Gasque	Mead	Treadway
Clark, Idaho	Gassaway	Montague	Turpin
Collins	Gavagan	Montet	Utterback
Cooper, Ohio	Gray, Pa.	Oliver	Welch
Creal	Green	Parks	Wigglesworth
Crosby	Gregory	Patman	Wilson, La.
Daly	Hamlin	Peterson, Fla.	Wood
Darden	Hancock, N. C.	Quinn	Young
Dear	Harlan	Rayburn	Zioncheck

The SPEAKER. Three hundred and eighteen Members are present, a quorum.

Mr. BANKHEAD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

SELECT COMMITTEE TO INVESTIGATE EXECUTIVE AGENCIES OF THE GOVERNMENT

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, the resolution under consideration contemplates a reduction in the expenses of government. I know of no more important, and, at the same time, more difficult problem.

Many efforts have been made to coordinate and abolish executive agencies but few have succeeded.

Reference has been made to the work of a joint investigating committee of Congress, to their recommendations, and to the fact that they were not adopted. Merely transferring functions from one agency to another does not result in economy. There can be no real reduction in governmental expenditures unless overlapping is abolished and unless personnel is eliminated.

Again, it has been said that the Senate has appointed a committee and that there should be a joint committee. Such a committee is not essential. The Senate and the House are coordinate branches of the legislative department. Each branch has its committees. In order to function they must cooperate. The House has its Committee on Appropriations. That committee conducts its hearings. The Senate has its Committee on Appropriations. There is no duplication in the hearings. The hearings before one committee are available to the other. It is necessary for the committee of the two houses on all legislation to cooperate. It is expected that the committee provided by the pending legislation will cooperate with a similar committee in the Senate. There should be no duplication of expenditures by the committees. I feel sure that joint hearings can be arranged; moreover, I believe that there will be cooperation between the representatives of the Executive, the Senate, and the House.

EXECUTIVE AUTHORITY

Public Act 212, approved June 30, 1932, eliminated certain agencies, consolidated others, and provided for regroupings. In addition, it authorized the President to regroup, consolidate, and abolish.

President Hoover, defeated for reelection in November 1932 by Franklin D. Roosevelt, transmitted a message on December 9, 1932, providing for regrouping. He submitted substantially no facts and gave no reasons for the proposed Executive orders. He did transmit as a part of his message a discussion prepared by the Director of the Budget. Col. J. C. Roop was the Director of the Budget at the time, and he prepared the Executive orders.

Under the act of June 30, 1932, the Executive orders of the President became effective unless either the House or Senate within 60 days rejected the orders. They were referred to the Committee on Executive Expenditures in the House; hearings were conducted; the Director of the Budget appeared and very frankly stated that in his opinion no substantial economies would result from the so-called consolidations; that it was impossible to determine what amount, if any, could be saved; and in conclusion he stated that in his opinion it would be unwise for the Executive orders to become effective on the eve of the inauguration of a new President. It appeared that the Executive orders effected no economies, but merely left to the executive agencies the matter of reducing personnel.

There were fundamental objections to several of the orders. It was provided that the General Accounting Office was to be transferred to the Bureau of the Budget. Aside from being wholly undesirable, it was exceedingly doubtful whether or not under the law the President had the right to make this transfer. The Accounting Office is not an executive office; it was not created by Executive order; it was provided for by an act of Congress.

Again, the United States Employees' Compensation Commission was not abolished, but its functions would have been divided between the Department of Labor and the Civil Service Commission. There would have been an increase in expenditures rather than a reduction.

It was universally conceded that the consolidations merely provided for the transfer from one agency to another and that no substantial economies would result.

There were other fundamental objections to the orders. The work of flood control was to be transferred to the Department of the Interior. Colonel Roop, the Director of the Budget, admitted that there was an oversight in not providing that the work was to be done under the supervision of the Chief of Engineers of the Army.

Moreover, it appeared that the powers of the Executive, to be effective, should be broadened. Under the act the President was not vested with broad enough power to enable the Executive to redistribute functions, make eliminations, prevent duplications, and thus reduce expenses.

I am now, and was at the time, a member of the Committee on Expenditures. I have given much time and a great deal of study to economy in the administration of government. I am familiar with the efforts that have been made to prevent overlapping and to eliminate duplications. It was apparent that the Executive orders submitted by President Hoover were hastily and carelessly drawn. My remarks are to be found in the RECORD of Thursday, January 19, 1933, page 2183. The Director of the Budget stated that he thought it would be unwise for Congress to approve the consolidations recommended by President Herbert Hoover; he felt that the President who made the economies and under whose administration the eliminations must occur should have a voice in the Executive orders. Thereupon the committee reported and the House adopted a resolution disapproving the consolidations recommended by President Herbert Hoover, and thereby adopted the view of President Hoover's Director of the Budget, who frankly stated substantially:

Personally, I think it would be wise not to approve the consolidations recommended by President Hoover.

Subsequently on March 3, 1933, certain reorganizations of the executive departments were made. Congress approved the elimination of certain agencies and the consolidation of others. The Executive was given more plenary power in Public Act 428, which was the annual appropriation for the Post Office and Treasury Departments for the fiscal year 1934, in the act approved March 3, 1933.

Again, in the Economy Act approved March 20, 1933, sections 407 and 409 were amended, section 409 providing that all Executive orders providing for regrouping should be transmitted within 2 years from the date of the act which was March 20, 1933.

The gentleman from New York [Mr. SNELL] made the statement that the President had the power to consolidate and regroup. He is in error. The power expired on March 20, 1935; he is without power to eliminate and to regroup without authority of Congress.

Again, the distinguished minority leader [Mr. SNELL] made the statement that, while the President had the power to regroup and to eliminate, he took no action. The fact is that he made substantial coordinations, reductions, and eliminations.

Congress provided for certain economies and reductions in the Economy Act, to which I have referred. The Executive was given power to make many others. During the 2 years that the President had the power to coordinate, regroup, eliminate, and abolish, he transmitted 17 Executive orders to Congress, all of which were approved.

SEVENTEEN EXECUTIVE ORDERS BY PRESIDENT FRANKLIN D. ROOSEVELT

Under the leave to revise and extend my remarks, I include the 17 Executive orders issued by President Roosevelt before the expiration of the 2 years and under the authority given to the Executive by Congress, as follows, to wit:

SEVENTY-THIRD CONGRESS, FIRST SESSION

June 10, 1933, House Document No. 69: Procurement; national parks, buildings, and reservations; investigations; disbursements; claims; insular courts; solicitors; internal revenue; Assistant Secretary of Commerce; Official Register; statistics of cities; Shipping Board; National Screw Thread Commission; immigration and naturalization; vocational education; apportionment of appropriations; coordinating service; general provisions; appropriations.

SEVENTY-THIRD CONGRESS, SECOND SESSION

January 8, 1934, House Document No. 210: Veterans.

January 23, 1934, House Document No. 224: Veterans.

February 6, 1934, House Document No. 240: Revoking section 18 of Executive order of June 10, 1933, which called for partial abolishment of cooperative vocational education and rehabilitation; payments for agricultural experiment stations; cooperative agricultural extension work; endowment and maintenance of colleges for the benefit of agriculture and mechanic arts.

February 22, 1934, House Document No. 262: Transfer of Bureau of Mines from Commerce to Interior.

February 26, 1934, House Document No. 265: Revoking so much of section 2 of Executive order of June 10, as provided for the transfer to the Department of State of the administration of national cemeteries located in foreign countries, and transferring to the American Battle Monuments Commission the administration of national cemeteries and memorials located in Europe.

March 1, 1934, House Document No. 270: Revoking so much of section 1, Executive order of June 10, 1933; Federal Employment Stabilization Board.

March 10, 1934, House Document No. 281: Consolidating the executive agencies engaged in enforcement of internal-revenue laws.

March 27, 1934, House Document No. 296: Affecting veterans.

April 7, 1934, House Document No. 298: Transfer to Civil Service Commission duties of Veterans' Administration pertaining to retirement acts, Canal Zone.

April 6, 1934, House Document No. 299: Veterans.

April 17, 1934, House Document No. 308: Abolishing Geographic Board.

May 1, 1934, House Document No. 337: Abolishing Alien Property Custodian Office and transfer of functions to Justice Department.

May 4, 1934, House Document No. 356: Veterans.

May 29, 1934, House Document No. 390: Establishing Division of Territories and Island Possessions in Department of the Interior.

SEVENTY-FOURTH CONGRESS, FIRST SESSION

February 8, 1935, House Document No. 97: Veterans.

March 19, 1935, House Document No. 141: Veterans.

Probably the outstanding of all the orders was the order of June 10, 1933, providing for the establishment of the Procurement Division, that has resulted in the saving of millions of dollars to the Government; for consolidating the national parks, buildings, and reservations; for investigations in the Department of Justice; for the establishment of the chief disbursing officer; for the abolition of the Federal Coordinating Service; for the consolidation of the Bureaus of Immigration and Naturalization; and for the transfer of the Shipping Board to the Department of Commerce.

As I stated in the beginning, economy in Government means the elimination of personnel. It is difficult for the Executive; it is most difficult for Congress. As a result, bureaucracy has multiplied; there are many overlappings; there are many duplications; there is much extravagance.

Congress approved the 17 Executive orders issued by President Franklin D. Roosevelt. In the emergency, additional executive agencies have been established; but Congress cannot escape responsibility by saying that the Executive should reduce and economize. The record speaks for itself. President Franklin D. Roosevelt, under the authority that was conferred upon him for 2 years, which expired more than a year ago, effected more regroupings, coordinations, and proper transfers, and made more eliminations than Congress had made since the World War; moreover, President Franklin D. Roosevelt, in the greatest emergency that our country has ever known, while waging vigorously the campaign

against the depression, is the only President that has effected any regroupings by reducing and coordinating during the past 16 years.

It is now time to correlate the emergency agencies with existing agencies. Recovery is returning. The Committee on Expenditures gave careful consideration to coordinating and reduction in the expenses of Government during the past session. It has been in touch and in contact with those interested in promoting reductions in the Senate.

Independent action by either branch will not accomplish the desired results. It is evident that neither the committee nor any select committee by the House can accomplish the desired results without cooperation with the Senate and with the Executive.

Personally I am inclined to the view that a joint resolution would have passed the Senate if it had been practical. In the circumstances the best resolution that could be passed was obtained. The usual system will prevail. The usual rule is for the House to appoint its own committee. I repeat that experience and study have demonstrated that the best way to promote economy in Government is for the legislative branch to vest the authority in the Chief Executive. The functions of government have expanded; careful studies and investigations are required. The resolution provides for cooperation between the President, the Senate, and the House. It is timely and should be adopted.

Personally a joint committee might have been more desirable, but practically the same results can be obtained. If the purpose be to economize, eliminate, and reduce the expenditures of Government, there will be no difficulty about separate committees; they will both cooperate with each other and with the Executive. There must be economy, efficiency, and simplification in the Federal Government. The adoption of the proposed resolution is a necessary and important step in the solution of the problem.

There is need for fostering and crystallizing public opinion that will demand a reduction of expenses of the Government. Careful studies, impartial investigation, and courageous committees can render the Congress and the country a great service.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. In just a moment, if I have the time, I will be glad to yield.

Now, Mr. Speaker, I agree with the view that generally the best way to eliminate and to reduce is to give the Executive the power and the Congress the right to approve or disapprove, because, I repeat, it is most difficult either for the Executive or for Congress to reduce, because to reduce means to eliminate. It means to cut down expenses. It means that somebody must lose his position. I repeat that this resolution contemplates cooperation with the committee appointed by the Senate and with the committee already announced by the Executive, because there can be no savings of expenditures in the Government unless the President, the Senate, and the House of Representatives agree. Personally I believe the Senate would have adopted a joint resolution, but there evidently was difficulty in securing the resolution that was adopted.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I would be glad to, but my time has expired.

Mr. RICH. The gentleman did not want to yield. I wanted him to show where there was any saving.

Mr. WHITTINGTON. The gentleman is in error about that. I had only 5 minutes and my time has expired, otherwise I would gladly yield.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, this is an important resolution. We have heard the history of previous attempts to consolidate the departments. Several committees have been set up. Reports have been made, as here stated. The purpose of this resolution is most laudable, but as a practical matter, is this the course to pursue? The Senate has already set up the Byrd committee, which is functioning. We all know Senator BYRD. We know his views on consolidation, and it seems to me that we have no right at this time to question the sincerity of the efforts being made by the Byrd committee. Since the Byrd committee is functioning, and the President, we are told today, has created another committee, which is going to function along the same lines, this resolution now provides for the setting up of another or third select committee to do exactly the same thing. The majority leader [Mr. BANKHEAD] tells us that it is hoped and presumed that those committees will synchronize, that they will work together, that they will aim at the same objectives, but there is a way to make that thing sure. If that is what we want to do, let us adopt the resolution suggested by the gentleman from Michigan [Mr. MAPES], which is now pending before the Congress, and set up this joint committee, which must synchronize, which must consider and act together, and which must report back to the several agencies creating it.

Where is the committee, whichever committee you refer to, going to get its information? It is going to get it from the departments, from the executive branches, and exactly the same information, if it is of any value, must be presented to each of the three committees. We all know what an investigation of this kind means to the departments. We know the extra expense to the departments; we know that men must be detailed by the departments to make studies and to appear before the committees and give evidence. That all takes time, it takes personnel, it is expensive. Is this sensible House going to require these departments to go through three different procedures, to give the three different bodies the same information? Oh, it is easy to suggest, as was just suggested by the gentleman from Mississippi [Mr. WHITTINGTON], that it is presumed that these committees will all work together. I have been informed within the last 10 minutes that the head of the Senate committee has advised one of the House Members on the Committee on Expenditures that anybody from the House who wants to can sit in at their hearings, but that whoever does will have no official position or standing there. If that is true, then that absolutely does away with every suggestion or presumption of coordination that might have been made here.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. Not now. So that the thing for us to do here is to turn down another committee or commission. As a matter of fact, we are attempting to eliminate, and at the same time are setting up three committees, each of which is to do the same thing. In the name of economy, efficiency, and common sense let us not create another overlapping, duplicating, and money-spending agency.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. O'CONNOR. Mr. Speaker, it is rather difficult to follow the opposition to this resolution. The gentleman who last spoke, the distinguished gentleman from Michigan [Mr. MICHENER], said that the purpose of the resolution is "laudable." The other distinguished Member from Michigan, among the many distinguished Members from that Democratic State [Mr. MAPES], has introduced a resolution to accomplish the very same purpose. The distinguished minority leader [Mr. SNELL] did not attack the purpose of the resolution. His only complaint was that three committees were being set up to accomplish an identical purpose. Of course, the answer to all this is that we are in an election year. Our opponents want to preserve what they think is some ammunition against us. We have heard in this House and we have read in the press and we have heard over the radio about the great multiplication of bureaus and commissions. It is even alleged that we have outdone Mr. Hoover in creating bureaus and commissions, and that is some contrast. I fear that even the distinguished gentleman from Pennsylvania [Mr. RICH], who has complained about the multiplication or triplication of bureaus by 41 or more, is going to vote against this resolution, which we present as a sincere attempt to make an effort to reorganize the Government and reduce the number of de-

partments, boards, bureaus, commissions, and possibly the personnel of the Government.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. For a brief question.

Mr. RICH. If I knew that this is an honest and sincere effort to do that, God knows that I would be for it; but I am afraid you are going to do what you have been doing, boondoggling and fooling the public. If the gentleman gives us any assurance that they are not going to fool us, I will vote for it.

Mr. O'CONNOR. Oh, the gentleman is not going to vote for it, and no Member of his party is going to vote for it, because they want to preserve the status quo until after November. That is obvious to the people of this country as well as it is to us.

Mr. WARREN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. WARREN. The last economy investigation that we had was in 1932. The House did everything but strike out the enacting clause to the bill which that committee brought in. That committee, a very distinguished committee, was appointed and did not ask for any appropriation, nor did they get aid to carry out the investigation. Is it contemplated that this committee is going to come in and ask for funds to carry on this investigation?

Mr. O'CONNOR. I have heard no indication about that whatsoever. I have never heard it intimated that funds were going to be requested. Perhaps this committee could operate without special funds. I do not know.

The distinguished minority leader was content, if I follow the logic of his argument, to leave the reorganization of the Government to a Senate committee, the so-called Byrd committee, as though this House, of which he is such an outstanding Member, had nothing to do with it. Any reorganization of this Government must come to Congress, irrespective of the President's special committee. It may come to the House in the first instance, but it surely has to come here in any instance, irrespective of what any Senate committee may recommend.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield for a brief question.

Mr. RICH. If the chairman of the Committee on Rules would cooperate with the chairman of the Committee on Expenditures in the Executive Departments, the gentleman from Missouri [Mr. COCHRAN], who tried to persuade the Senate to appoint a joint committee, some results would really be obtained. The gentleman from Missouri [Mr. COCHRAN] is sincere, I believe, in trying to get these committees together, and if the gentleman would use his efforts, too, I believe we could accomplish the results desired.

Mr. O'CONNOR. The majority members of the committees of the House always do cooperate, and that is what annoys the gentleman from Pennsylvania. It is a paradox to me that the party out of power, while complaining about waste, extravagance, increasing personnel, increasing bureaus and agencies, always opposes any reduction until after the election, because if they did, we steal their thunder. This will be evidenced here today by a united vote on the minority side against this resolution.

Our distinguished majority leader said that the carrying out of the purposes of this resolution would be a courageous effort. I agree with him in this statement. This committee should necessarily be composed only of courageous men and women. I do not know why anybody should seek membership on the committee, because they will have to stand against all the threats of Federal employees, all the threats of this bureau or that department, all the persuasions of the beneficiaries of these bureaus, just as was experienced by the members of the Economy Committee. A member of this committee has got to be a courageous statesman who will yield to no bloc, to no group, and to no beneficiary of the Federal Government. If I were Dr. EATON, of New Jersey, I might well say, "The Lord have mercy on their souls." [Applause.]

Mr. Speaker, I move the previous question.

The SPEAKER pro tempore (Mr. WOODRUM). The question is on ordering the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question recurs on the passage of the resolution.

The question was taken; and on a division (demanded by Mr. SNELL) there were—ayes 120, noes 32.

Mr. SNELL. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER pro tempore. Obviously there is not a quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 269, nays 44, answered "present" 1, not voting 113, as follows:

[Roll No. 81]

YEAS—269

Amlie	Doughton	Kramer	Rankin
Andresen	Doxey	Lambeth	Reece
Arends	Drewry	Lamneck	Reilly
Ashbrook	Driscoll	Lanham	Rich
Bacon	Driver	Lea, Calif.	Risk
Bankhead	Duffy, N. Y.	Lemke	Robertson
Barden	Duncan	Lewis, Colo.	Robinson, Utah
Barry	Dunn, Pa.	Lewis, Md.	Rogers, N. H.
Beam	Eagle	Lucas	Russell
Beiter	Eckert	Luckey	Sanders, Tex.
Bell	Edmiston	Ludlow	Sandlin
Biermann	Eicher	Lundeen	Sauthoff
Binderup	Ekwall	McClellan	Schaefer
Blanton	Ellenbogen	McCormack	Schneider, Wis.
Bloom	Engel	McFarlane	Schuetz
Boehne	Evans	McGehee	Schulte
Boileau	Fish	McGrath	Scott
Boland	Fitzpatrick	McKeough	Sears
Boylan	Fletcher	McLaughlin	Secrest
Brooks	Ford, Calif.	McLean	Shanley
Brown, Ga.	Ford, Miss.	McLeod	Shannon
Brown, Mich.	Fuller	McMillan	Sirovich
Buchanan	Fulmer	McReynolds	Sisson
Buck	Gearhart	Maas	Smith, Conn.
Buckler, Minn.	Gehrmann	Mahon	Smith, Va.
Buckley, N. Y.	Gilchrist	Main	Smith, Wash.
Burdick	Gildea	Martin, Colo.	Smith, W. Va.
Caldwell	Gillette	Mason	Snyder, Pa.
Cannon, Mo.	Gingery	Massingale	Somers, N. Y.
Carpenter	Goldsborough	Maverick	South
Carter	Granfield	May	Spence
Cartwright	Gray, Ind.	Meeks	Stefan
Casey	Green	Merritt, N. Y.	Stewart
Castellow	Greenwood	Millard	Stubbs
Celler	Greever	Miller	Sullivan
Chandler	Griswold	Mitchell, Ill.	Sumners, Tex.
Chapman	Guyer	Mitchell, Tenn.	Sutphin
Citron	Haines	Monaghan	Tarver
Clark, N. C.	Halleck	Moran	Taylor, S. C.
Cochran	Hancock, N. Y.	Moritz	Terry
Coffee	Hart	Mott	Thom
Colden	Harter	Murdock	Thomason
Cole, Md.	Healey	Nelson	Tinkham
Colmer	Hennings	Nichols	Tobey
Connery	Hess	Norton	Tolan
Cooley	Higgins, Mass.	O'Brien	Tonry
Cooper, Tenn.	Hildebrandt	O'Connell	Turner
Corning	Hill, Ala.	O'Connor	Umstead
Costello	Hill, Samuel B.	O'Day	Vinson, Ga.
Cox	Hobbs	O'Leary	Vinson, Ky.
Cravens	Hollister	O'Malley	Wallgren
Creal	Holmes	O'Neal	Walter
Crosser, Ohio	Hope	Owen	Wearin
Crowe	Hull	Parsons	Weaver
Cullen	Imhoff	Patterson	Werner
Cummings	Jacobsen	Patton	Whelchel
Curley	Johnson, Tex.	Pearson	White
Deen	Johnson, W. Va.	Peterson, Ga.	Whittington
Delaney	Jones	Pettengill	Wilcox
Dempsey	Keller	Peyser	Williams
Dickstein	Kelly	Pfeifer	Wolcott
Dies	Kennedy, Md.	Pittenger	Wolverton
Dirksen	Kennedy, N. Y.	Polk	Wood
Disney	Kenney	Powers	Woodruff
Dobbins	Kerr	Rabaut	Woodrum
Dockweiler	Kniffin	Ramsay	
Dondero	Knutson	Ramspeck	
Dorsey	Kocialkowski	Randolph	

NAYS—44

Allen	Culkin	Kinzer	Reed, Ill.
Bacharach	Darrow	Lehlbach	Reed, N. Y.
Blackney	Doutrich	Lord	Robsion, Ky.
Brewster	Englebright	Mapes	Rogers, Mass.
Burnham	Fenerty	Marcantonio	Seger
Carlson	Gifford	Martin, Mass.	Snell
Cavicchia	Goodwin	Merritt, Conn.	Taber
Church	Gwynne	Michener	Thurston
Cole, N. Y.	Hartley	Perkins	Wadsworth
Crawford	Higgins, Conn.	Plumley	Wilson, Pa.
Crowther	Kahn	Ransley	Wolfenden

ANSWERED "PRESENT"—1

Warren

NOT VOTING—113

Adair	Dunn, Miss.	Kee	Romjue
Andrew, Mass.	Eaton	Kleberg	Ryan
Andrews, N. Y.	Faddis	Kloeb	Sabath
Ayers	Farley	Kopplemann	Sadowski
Berlin	Ferguson	Kvale	Sanders, La.
Bland	Fernandez	Lambertson	Scrugham
Bolton	Fiesinger	Larrabee	Short
Boykin	Flannagan	Lee, Okla.	Stack
Brennan	Focht	Lesinski	Starnes
Bulwinkle	Frey	McAndrews	Steagall
Burch	Gambrill	McGroarty	Sweeney
Cannon, Wis.	Gasque	McSwain	Taylor, Colo.
Carmichael	Gassaway	Maloney	Taylor, Tenn.
Cary	Gavagan	Mansfield	Thomas
Christianson	Gray, Pa.	Marshall	Thompson
Claiborne	Greenway	Mead	Treadway
Clark, Idaho	Gregory	Montague	Turpin
Collins	Hamlin	Montet	Utterback
Cooper, Ohio	Hancock, N. C.	Oliver	Welch
Crosby	Harlan	Palmisano	West
Cross, Tex.	Hill, Knute	Parks	Wigglesworth
Daly	Hoeppel	Patman	Wilson, La.
Darden	Hoffman	Peterson, Fla.	Withrow
Dear	Hook	Pierce	Young
DeRouen	Houston	Quinn	Zimmerman
Dietrich	Huddleston	Rayburn	Zioncheck
Dingell	Jenckes, Ind.	Richards	
Ditter	Jenkins, Ohio	Richardson	
Duffey, Ohio	Johnson, Okla.	Rogers, Okla.	

So the resolution was agreed to.

The Clerk announced the following additional pairs:

On this vote:

Mr. Patman (for) with Mr. Wigglesworth (against).

Mr. Dunn of Mississippi (for) with Mr. Andrew of Massachusetts (against).

Until further notice:

Mr. Bland with Mr. Treadway.
Mr. Fiesinger with Mr. Short.
Mr. Burch with Mr. Turpin.
Mr. Houston with Mr. Jenkins of Ohio.
Mr. Starnes with Mr. Cooper of Ohio.
Mr. Larrabee with Mr. Thomas.
Mr. Ayres with Mr. Bolton.
Mr. Cary with Mr. Andrews of New York.
Mr. Boykin with Mr. Christianson.
Mr. Flannagan wih Mr. Hoffman.
Mr. Claiborne with Mr. Collins.
Mr. Huddleston with Mr. Welch.
Mr. Mead with Mr. Eaton.
Mr. Ryan with Mr. Taylor of Tennessee.
Mr. Gavagan with Mr. Focht.
Mr. Rayburn with Mr. Ditter.
Mr. Duffey of Ohio with Mr. Lambertson.
Mr. Montague with Mr. Marshall.
Mr. Mansfield with Mr. Withrow.
Mr. McSwain with Mr. Kvale.
Mr. Sweeney with Mr. Faddis.
Mr. Adair with Mr. Pierce.
Mr. Dingell with Mr. Utterback.
Mr. Zimmerman with Mr. Gambrill.
Mr. Sanders of Louisiana with Mr. Berlin.
Mr. Oliver with Mrs. Greenway.
Mr. Bulwinkle with Mr. Frey.
Mr. Harlan with Mr. Thompson.
Mr. Brennan with Mr. Zioncheck.
Mr. Daly with Mr. Peterson of Florida.
Mr. Palmisano with Mr. Cross of Texas.
Mr. Stack with Mr. Young.
Mr. Farley with Mr. Scrugham.
Mr. West with Mr. Gasque.
Mr. Carmichael with Mr. Ferguson.
Mr. Gregory with Mr. Wilson of Louisiana.
Mr. Maloney with Mr. Darden.
Mrs. Jenckes of Indiana with Mr. Gassaway.
Mr. Richards with Mr. Lee of Oklahoma.
Mr. Parks with Mr. Kee.
Mr. Fernandez with Mr. Crosby.
Mr. Sabath with Mr. Knute Hill.
Mr. Gray of Pennsylvania with Mr. Clark of Idaho.
Mr. Dear with Mr. Lesinski.
Mr. Kleberg with Mr. DeRouen.
Mr. Quinn with Mr. Hamlin.
Mr. Johnson of Oklahoma with Mr. Sadowski.
Mr. Steagall with Mr. Hook.
Mr. McAndrews with Mr. Rogers of Oklahoma.
Mr. Montet with Mr. Kloeb.
Mr. McGroarty with Mr. Hancock of North Carolina.
Mr. Richardson with Mr. Romjue.

Mr. ANDRESEN changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider the vote whereby the resolution was agreed to was on motion of Mr. O'CONNOR laid on the table.

EXTENSION OF REMARKS

Mr. MAPES. Mr. Speaker, I ask unanimous consent to extend and revise the remarks I made on the resolution just adopted, and to include in the extension the copy of the resolution which I introduced and the balance of the editorial in the Washington Star from which I read.

The SPEAKER. Is there objection?

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, we on both sides have followed the uniform practice of objecting to editorials. I shall not object to the other part of the gentleman's request, but I hope he will withdraw that portion relating to the editorial.

Mr. MAPES. I read during the debate very extensively from the editorial. I am asking only to complete the editorial.

Mr. BANKHEAD. The gentleman did read extensively from it in his remarks?

Mr. MAPES. Yes.

Mr. BANKHEAD. Under these circumstances, I shall not object.

Mr. GREEN. Mr. Speaker, reserving the right to object, I ask unanimous consent that the consent of the gentleman from Michigan may be granted and that I may have permission to extend my remarks and to include therein two or three short statements about the Florida canal.

The SPEAKER. It is impossible to connect two requests.

Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GREEN. Now, Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend my remarks and to include therein two or three short statements, including one or two editorials—very short—on the Florida canal.

The SPEAKER. The gentleman from Florida asks unanimous consent to extend his remarks in the RECORD and to include therein two or three short statements and also two or three short editorials. Is there objection?

Mr. KNUTSON. Mr. Speaker, reserving the right to object, does not the gentleman think that the Florida canal has cost enough already?

Mr. GREEN. This will not take more than a page or two.

Mr. KNUTSON. How much does a page cost?

Mr. GREEN. Ask your colleague from Michigan. The House just gave him permission. I hope the gentleman will not object.

Mr. KNUTSON. That would be another $100 thrown into the canal.

Mr. GREEN. No; it will not be.

Mr. MAPES. Mr. Speaker, reserving the right to object, inasmuch as the gentleman from Florida has referred to me twice in connection with his unanimous-consent request, and in view of the statement that he made the other day, I desire to make a brief statement.

It is unusual for a Member of the House to take the position which the gentleman from Florida took at that time. He secured unanimous consent to proceed for a minute, and in that minute criticized the position of another Member and then objected to a request of another Member for time in which to reply. However, I shall not return the compliment in kind, and will not object to the gentleman's extension.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. RICH. Mr. Speaker, reserving the right to object, how much of the RECORD is the gentleman going to use? I want to call attention to the fact that when he asked to revise and extend his remarks on the day to which the gentleman from Michigan [Mr. MAPES] refers, he used 4, 5, 6 or 8 pages of the RECORD.

Mr. GREEN. I did not put in the article to which objection was made. This will only take about a page or two. The statement made recently, and referred to by the gentleman, took, I believe, 1 or 2 pages.

Mr. RICH. The gentleman has a whole lot more in there. He stated it would be less than a page. How much is he going to put in today about the Florida canal?

Mr. GREEN. A page or two, I think.

Mr. RICH. Will it be more than one page? It will not be 6 or 8 pages like last week?

Mr. GREEN. Oh, no; it will not be 6 or 8 pages.

Mr. BANKHEAD. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is, is there objection to the request of the gentleman from Florida?

Mr. MAPES. Mr. Speaker, I will have to object unless I may be allowed to make a statement.

Mr. BANKHEAD. Mr. Speaker, I withdraw the demand for a moment.

Mr. MAPES. Mr. Speaker, reserving the right to object, the situation Friday, to which I was referring, was this: An objection had been made to the request of the gentleman from Florida to speak out of order in the Committee of the Whole. I did not initiate the objection to his proceeding out of order, but someone did, and very properly so. The point was made that the Committee of the Whole could not grant the permission which the gentleman requested. It was in compliance with the regular and orderly procedure of the House. The gentleman saw fit, when the Committee rose, to indulge in a criticism of a Member for raising the point of order.

Mr. GREEN. But that had to do with another gentleman from Michigan, who made the point of order, and I might say also that on that day many Members had spoken out of order.

Mr. MAPES. The gentleman from Florida obtained consent to proceed for 1 minute, and then objected to any answer being made to his statement. However, as I have said, I shall not reply in kind, and, as far as I am concerned, I shall not object to the gentleman's request to extend his remarks as indicated.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CARTWRIGHT. Mr. Speaker, I have been requested to announce that the gentleman from Oklahoma, Mr. JOHNSON, is absent on account of illness, and that if present he would have voted "yea" on the resolution which has just been passed.

THE REPUBLICAN OUTLOOK

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered over the National Broadcasting Co. network, Tuesday evening, April 28, at 6:45 o'clock:

My remarks will be addressed this evening to the radio audience on the state of the Republican Party. Candor requires me to speak the truth, no matter how unpleasant it may be.

The rank and file of the people have already made up their minds that they will not support any Republican candidate who has the blessings of the American Liberty League, the reactionary political manipulators of the smoke-filled room variety that prefer to gang up on Senator BORAH because they cannot control him, than to win with him.

These wreckers of the party prefer to go down to defeat with some second- or third-rate candidate in order to rule the wreck afterward. But even such a selfish policy of defeatism will get them nowhere, as there will be no party to rule in case of another political disaster.

The Republican Party and the country face a crisis more alarming than anything since the Civil War. The time has come to speak boldly and not to mince words or to use weasel words, but to present the facts and let the chips fall where they may.

I have only one interest in expressing my political views and concern while there is yet time, and that is for the best interests and success of the Republican Party and the preservation of our representative and constitutional government and the restoration of a government by law instead of bureaucracy, Executive orders, and "brain trust" edicts. No matter what Republican candidate is nominated for President, I propose to support him to the best of my ability.

The fact is the people are determined that no Wall Street candidate backed by the American Liberty League, public utilities, or oil interests shall be elected President. There is only one way to disabuse their minds and get them to support the Republican Party, and that is to nominate an outstanding liberal whom the people know is controlled by no interests and has a long record as a champion of the rights and liberties of the people and a square deal for American farmers and wage earners.

If the combination of the big campaign contributors and reactionary political leaders, representing selfish interests, do not see the handwriting on the wall before the Cleveland convention, then it will be too late to save the Republican Party.

None are so blind as those who refuse to see; none so deaf as those who plug their ears to facts; none so stupid as those who will not learn until they have been knocked senseless by public opinion and the ballots of a free people.

I am convinced that Senator BORAH is the only Republican who can defeat Roosevelt and bring back into the Republican Party the liberal elements, the wage earners, and the farmers, who have left it in recent years, and whose support is necessary to win. The subject of my remarks, The Republican Outlook, can be summed up in a few words. Nominate Senator BORAH and we will win. That is my honest conviction, and no one, whether he or she agrees or disagrees with me, will, I am sure, question my sincerity or my motives. I have spoken in 40 States within the last year and believe I know what the people are thinking about back home. I am completely convinced that no other Republican in this political crisis except Senator BORAH can be elected, and I regard it as my duty to my party and to the people to state the reasons without evasions or pussyfooting. I propose to state exactly why I am convinced that a vote for Senator BORAH is for Republican success and victory in November, and that a vote against him or for some other candidate means disaster and defeat for the party, and, generally speaking, for our candidates for Governor, United States Senator, Congressmen, and State and local Republican candidates down to constable.

As Al Smith says, let's look at the record:

(1) Senator BORAH is the only outstanding statesman in our party whose name is known throughout the Nation and the world.

(2) He is the only candidate, if Herbert Hoover is excepted, who knows great national and international issues from actual experience.

(3) He is recognized as the greatest orator in the Republican Party, and the only one who can meet President Roosevelt and turn his sugar-coated phrases and honey-coated words into kindergarten efforts.

(4) He more nearly represents the principles and policies of Abraham Lincoln and the square deal of Theodore Roosevelt than any Republican in public life.

(5) For a quarter of a century in the Senate of the United States he has championed the rights and interests of the farmers and wage earners and led the fight for social and industrial justice. He has the support of both the Grange and of labor. He was the author of the bill creating the Department of Labor and also of the Children's Bureau.

(6) He is the foremost expounder and supporter of the Constitution and the powers of the Supreme Court in the United States and for the preservation of our representative and constitutional government.

(7) He stands squarely against economic and political dictatorship and "expensive, demoralizing, devastating, and destructive bureaucracy." Referring to the crushing bureaucracy under the New Deal, he said: "It has destroyed every civilization upon which it has fastened its lecherous grip."

(8) He is the outstanding leader in the fight against monopoly and to preserve economic independence for the grocer, butcher, baker, druggist, and small businessman.

(9) He is opposed to the reciprocal-trade treaties and urges the protection of the American market for the American farmer and wage earner. Here he differs vitally with President Roosevelt, who favors a reduction in the tariff. Senator BORAH stated recently that the present policy of letting in foreign farm produce makes it impossible for the farmer to maintain a decent standard of wages or even save his farm. Senator BORAH stands squarely against the importation of the products of foreign papuerized labor.

(10) He voted for the following bills in Congress in the interest of the people: Home Owners' Loan Corporation Act, which saved the homes of hundreds of thousands of Americans; the Federal Bank Deposit Insurance Act; the Securities Exchange Act, the regulation of the stock exchange; Farm Loan Act; and other needed and meritorious legislation. He also voted for the veterans' adjusted compensation bill, restoration of pay cuts for Federal employees, and for the Social Security Act, including old-age pensions.

He voted against the N. R. A. as being unconstitutional; and that was 50 percent of the New Deal, as it destroyed business confidence and put business in a straight jacket and actually retarded recovery. The improvement of business conditions dates from the time the Supreme Court held the N. R. A. unconstitutional. He also voted against such unconstitutional measures as the Bankhead Cotton Control Act, Guffey coal bill, the bargaining tariffs, and antilynching bill. He even refused to support the potato control bill, which his own State of Idaho favored, on constitutional grounds.

(11) He has a tremendous appeal among Jeffersonian Democrats and great racial groups, such as Germans, Irish, Italians, and Jews in the industrial centers, because of his record as chairman of the Senate Committee on Foreign Relations.

(12) He led the successful fight against the League of Nations, Versailles Treaty, World Court, and other forms of entangling alliances, including the recent effort of the New Deal to give the President power to lay economic sanctions which would have involved us in European blood feuds and boundary disputes. He believes that if the old nations of the world arm to the teeth and go to war, that it is their war and not ours and that we should mind our own business and stay out of it.

These are 12 sound and compelling reasons why the voters of Ohio, South Dakota, West Virginia, and New Jersey should mark a cross before the name of WILLIAM E. BORAH in their respective primaries. But there are other and more vital and important political reasons.

He is the only Republican who can carry the Northwestern States of Oregon, Washington, Idaho, Montana, Wyoming, North and South Dakota, Minnesota, and Wisconsin, without which no Republican can be elected President. These are, at heart, Republican States and would come back to the party if BORAH is nominated, and would likewise elect Republican Members of Congress. We have to have these States, or most of them, to win, and are not so much concerned with States like Missouri and Kentucky, presumably Democratic, whose delegates are for Landon.

Unless we regain the Republican States in the Northwest we might just as well give the election to Roosevelt without a fight. I am also convinced that in New York State, which is not only doubtful but in recent years strongly Democratic, that Senator BORAH would poll a quarter of a million more votes in New York City than any other Republican. He has a tremendous following among the people of German origin on account of his opposition to the Versailles Treaty and the confiscation of German and Austrian property after the war. The Italian element are back of him, as he stopped President Roosevelt from getting power to place economic sanctions against the Italian people. He has a big following among the Irish because of his plea for religious liberty and freedom of worship. He is popular with the Jewish element because of his advocacy of zionism and the establishment of a homeland for the Jews in Palestine and because, as a liberal, he is opposed to all forms of religious or racial intolerance and persecution.

If the people of Ohio and other primary States express their preference for Senator BORAH for President, it will mean his nomination and election in November; but if they fail to support him it can only mean the election of President Roosevelt and the retention of the squandermania and political and economic dictatorship of the New Deal.

The radio audience may ask why I am so worried about the outlook for a Republican success and point to the Literary Digest poll. My answer to that is that the Literary Digest poll was for or against the New Deal, and everyone is against some measures of the New Deal, including most Democrats. However, when it comes to a vote for President Roosevelt against some unknown and inexperienced Republican who has never lived in Washington or held a Federal office, that is an entirely different proposition.

The recent enrollment in California should open the eyes of the reactionary politicians and big business interests as it shows in that hitherto Republican State there were 1,400,000 Democrats and only 900,000 Republicans, and the enrollment for the city of Pittsburgh likewise announced a few weeks ago, and also a big Republican city in the past, discloses a majority for the Democrats for the first time since the Civil War. These figures do not lie. They can only mean that the people have lost faith in the "Old Guard" leadership of the Republican Party and will not support any candidate nominated by them or by wealth or reaction.

Some 25 Democratic Members of Congress have voluntarily told me that BORAH was the only Republican who could win, and that he had a tremendous appeal for Jeffersonian Democrats. Included among these Democrats were Irish Catholics and Jewish Congressmen from New York, Ku Kluxers from Texas, and western Democratic Members. Most of them admitted that BORAH is the only one who can win, while others said they thought he might win, and a few that he could get most votes, but that even he could not defeat Roosevelt, but all agreed he was by far the strongest Republican candidate that could be nominated and the only one the Democrats feared. Former United States Senator James Reed, of Missouri, a life-long Democrat, told me that if the Republicans nominated Senator BORAH he would take his coat off and speak for him in every State BORAH wanted. Senator Reed merely expresses the sentiment of millions of Jeffersonian Democrats. A great many in New York have said to me, "if your party nominates BORAH, we will work and vote for him. We dislike—a mild term—Roosevelt, but if you fail to nominate BORAH, we will continue to vote the Democratic ticket."

On his record, Senator BORAH is entitled to the support of labor, including the railroad men, post-office employees, and all civil-service employees throughout the country. He put through the 8-hour law on public works and was the author of the bill to investigate the 12-hour-per-day and 7-day-per-week conditions in the steel mills. He supported the anti-injunction and collective-bargaining bill, railroad retirement and pension acts, post-office salary restoration, and voted to give $30 a month to the helpless aged, and offered an amendment to increase this amount when the bill was in the Senate.

In answer to those who say that Senator BORAH is too old, I would point out that Gladstone in England, Clemenceau in France, Hindenburg in Germany, and Masyrick in Czechoslovakia, the greatest leaders in those countries, were 10 or more years older at the peak of their careers. For second choice, as a compromise candidate, if Senator BORAH is blocked by the Old Guard at the Cleveland convention, I would favor the nomination of Frank O. Lowden, former Governor of Illinois, who is 5 or 6 years older than Senator BORAH.

In 15 minutes it is not possible to do justice to the great public record of Senator BORAH to the people of the United States. I suggest that all who are interested in securing further information should read the article by Walter Lippmann on BORAH and sound liberalism and another by Senator BORAH himself in this week's issue of Liberty magazine.

No matter what our views are, we must put aside our personal preference to nominate a candidate who can win. The Republicans must not commit political suicide because of personal dislikes, prejudices, or animosities. In war the main objective is success in battle, so in this crisis the Republicans must make every concession to be victorious in order to elect a Republican President and Congress. It is not a question of what candidate you may prefer but what candidate can win. Senator BORAH is the only Republican, in my opinion, who can oust Roosevelt and the New Dealers and restore constitutional and representative government.

AMENDMENT OF WAR MINERALS RELIEF ACT

Mr. COX. Mr. Speaker, I call up House Resolution 487 and ask for its immediate consideration.

The Clerk read the resolution as follows:

House Resolution 487

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 1432, an act to amend section 5 of the act of March 2, 1919, generally known as the War Minerals Relief Statutes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Mines and Mining, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. COX. Mr. Speaker, I yield 30 minutes to the ranking minority member of the Rules Committee, the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, I now yield 10 minutes to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Speaker, this matter came up in the last session of Congress under a rule, and on an automatic roll call in connection with a point of no quorum the rule was voted down.

Mr. COX. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Georgia.

Mr. COX. May I say to my colleague that the taking of the right position in connection with this resolution depends very largely upon a correct understanding of the question involved. The gentleman who is now addressing the House is very conversant with this matter, and I trust he may have good attention.

Mr. RAMSPECK. Mr. Speaker, I think the reason the rule was voted down last year was due to the fact the membership was not familiar with what the bill did, and, having to vote quickly, they did as I have done frequently, they voted "no" because they did not know what was in the bill.

When America entered the World War in 1917 we found that we had a shortage in the production of pyrites, tungsten, chrome, and manganese, which were minerals very essential to carrying on the war. We needed all of the shipping facilities which were being used to import these minerals to carry supplies and troops to France. Therefore, Secretary of the Interior Lane, through the Geological Survey, the Bureau of Mines, and the State geologists throughout the Nation, asked people who owned mineral deposits of these types to open up these deposits and produce these minerals for the benefit of our Nation in the emergency. They were assured by the Secretary of the Interior that they would be protected from loss and that he would seek legislation to enable the Government to carry out its promise.

The Secretary of the Interior did seek that legislation, and in October 1918 the original act was passed. However,

the war ended within a few weeks, thereafter, and the Attorney General then ruled that since the bill giving the President the right to take over these mineral projects was for the purpose of prosecuting the war, which had ended, the Secretary of the Interior was advised not to operate under the act. Then Congress on March 2, 1919, passed what is now generally referred to as the War Minerals Act. Section 5 is the pertinent section of that act which we are dealing with at this time.

Whereas the 1918 act had provided for just compensation and had given the claimants the right to go into court and sue the Government in the Court of Claims, the act of March 2, 1919, provided for the payment of net losses and specifically said there should not be any collection of profits. It was necessary for the claimants to show that they had been requested by the Secretary of the Interior, or other named Government agencies, to go into the production of these minerals.

In the cases dealt with by the bill which we are seeking to bring up here today, all questions have been settled with the sole exception of the question of interest which was lost on money borrowed. It is not interest on the claim, and I hope you will keep this distinction in mind, but interest which became a part of the net losses on money borrowed and lost during the war period.

The Secretary of the Interior, beginning in 1919 and coming on down to 1931, consistently held that no interest could be paid as a part of net losses. Finally, in 1929, the Congress amended the act of 1919 and gave these claimants the right to go into the courts and have the law construed, still leaving the Secretary of the Interior as the sole judge of the facts. When they went into the courts on this question of interest, the District Supreme Court first held they were not entitled to the interest. The court of appeals overruled that decision, and the Supreme Court of the United States upheld it and said that the Secretary of the Interior for 14 years had wrongfully construed this act and wrongfully withheld from these claimants the interest on money borrowed and lost during the war period.

Now, you must bear in mind that these people had continued to pay the interest for a period of 14 years after Congress had said they should be paid their net losses, and the only thing this bill proposes to do, Mr. Speaker, is to construe the act of Congress of March 1919 to mean that they shall be paid the interest which they actually incurred and paid up to the date of the passage of this act.

Mr. GOLDSBOROUGH. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. GOLDSBOROUGH. Cannot the Court of Claims pass on this question?

Mr. RAMSPECK. No; they cannot, because under the present decision of the Supreme Court they have upheld the contention of the Secretary of the Interior that the act of March 2, 1919, constituted a cut-off date, and therefore he is not entitled to pay any interest beyond that period, but the point in the matter is this: By wrongful construction of the will of Congress, as enacted in 1919, for 14 long years these people have come here and have fought for the rights which Congress gave them, and the Secretary of the Interior by a wrong construction forced them to pay interest for 14 years, which they cannot collect unless this act is passed.

Many of these people are now almost on starvation because they answered the patriotic call of their Government, and I am asking the Members of the House to give us an opportunity to fully explain this matter by voting for this rule, which will give us an opportunity to go into the Committee of the Whole and have general debate on the measure, and I shall be willing at that time to answer any questions that any Member of the House may want to ask about the history or the merits of this legislation.

Mr. WOODRUM. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. WOODRUM. May I recall to the gentleman the fact that this bill affects 91 claimants in 24 States of the Union.

Mr. RAMSPECK. That is correct.

Mr. WOODRUM. And it has passed the Senate twice, I believe.

Mr. RAMSPECK. The gentleman is correct.

Mr. WOODRUM. And has been reported out by the House committee several times.

Mr. RAMSPECK. That is true.

Mr. WOODRUM. But we have never been able to get it up on the floor of the House.

Mr. RAMSPECK. The gentleman is correct.

Mr. WOODRUM. May I also recall the fact to the gentleman that Congress, in trying to do justice by these people who had answered a patriotic call, as the gentleman from Georgia pointed out, authorized and appropriated $50,000,000 to clear up these claims, $40,000,000 of which was covered back into the Treasury, and there is now a little over $1,000,000 involved here which we have never been able to get, and I wish further to heartily concur in what the gentleman from Georgia has said.

Mr. RAMSPECK. I thank the gentleman from Virginia.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. BANKHEAD. Is it not a fact that a number of the courts, possibly including the Supreme Court of the United States, have construed this question of net loss to include charges which these men had to pay for borrowed money?

Mr. RAMSPECK. That is true, I will say to the gentleman from Alabama. The Supreme Court of the United States has said that the Secretary of the Interior was wrong in his first construction and ordered him to pay the interest, and then the Secretary held it was only possible to pay up to March 2, 1919, and has refused to pay anything beyond that.

Mr. BANKHEAD. Is it not also the fact that the Secretary of the Interior has withdrawn his objection to this bill?

Mr. RAMSPECK. That is correct and I thank the gentleman for calling it to my attention. The Secretary of the Interior now says as to this bill that it is a matter for Congress to decide what its intention was in the act of 1919 and he has therefore withdrawn his objection, and I earnestly ask the Members of the House to give us an opportunity for a fair hearing by voting for this rule so that we can go into the matter and do justice to these people who have been denied justice throughout all these years.

Mr. LAMNECK. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. LAMNECK. In view of the fact there may be some doubt about the adoption of the rule, would it not be a good idea for the gentleman to give the experience involved in the case down here in Virginia of a man who lost his property, his home, and his farm on which the mine was located, in order to illustrate the injustice that was done by the Government. I think this would add greatly to the gentleman's argument and would probably be of more help now than after the rule is adopted.

Mr. COX. Mr. Speaker, if the gentleman from Georgia will permit, if the gentleman feels in need of more time in view of the suggestion made by the gentleman from Ohio, I yield the gentleman from Georgia 5 additional minutes.

Mr. RAMSPECK. I thank the gentleman and I shall recite briefly the history of this one claimant.

At the time the war broke out the man who owned this manganese property near Lynchburg, Va., was a young man about 24 years old. He was an architect and engineer. He was not in the mining business and had no desire to go into it, although he had had some experience as an employee of a mining company in Birmingham, Ala. He was sought out by agents of Franklin K. Lane, the Secretary of the Interior, and was requested, and, in fact, it was demanded of him, that he build mines on this property, which contained a very fine deposit of manganese ore, and finally, at the request of the Secretary of the Interior, he did so.

He did not have the money himself. He had no credit facilities. He had no right to ask credit from the bank. He went to the bank and told them the situation. The Secretary of the Interior assured the bank that if they would loan

this man the money they would see that the bank sustained no loss.

He borrowed $95,000 or $100,000 and built the mine, put in a concentrating plant.

After being in operation a few weeks the war ended, and he was left with this debt, when he was out of debt before.

The mine was worth nothing for commercial purposes, because you can import manganese cheaper than you can produce it in this country.

The Government set out to give him back what he had lost. They first offered him $2,000, which he declined to accept. But they paid him that amount on account. Within 20 days they gave him another $20,000, and they negotiated back and forth, the Government making partial payments, but always denying him any interest on the borrowed money.

Of course, he still owes that bank approximately $30,000, although he has applied every dollar that the Government has given him in liquidation of this debt which was incurred at the request of the Secretary of the Interior.

For 14 or 15 years he has been paying interest to the bank on the balance of the debt which was incurred because the Secretary of the Interior requested it. He has mortgaged every bit of property he owns to maintain the loan at the bank hoping that Congress will enable him to pay off the obligation and let him go about the pursuit of his ordinary business.

Mr. FLETCHER. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. FLETCHER. Did these people receive a special bonus for production during the loan?

Mr. RAMSPECK. No; not that I know of.

Mr. LAMNECK. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. LAMNECK. What happened to his farm?

Mr. RAMSPECK. He was forced to mortgage his property and it was all sold and applied to this claim.

Mr. PITTENGER. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. PITTENGER. Are the other 91 claimants in the same situation?

Mr. RAMSPECK. This is a typical example of these claims. There is no question but that Congress intended that these people should be made whole, and they cannot be made whole unless this bill is passed.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. COX. And there is no suggestion in the bill of paying them for the properties which they originally owned and sought to develop.

Mr. RAMSPECK. Not at all. There is only one question involved in this bill, and that is the question of interest on money borrowed, a loss which the Supreme Court says is a part of the net loss.

Mr. MAIN. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. MAIN. The gentleman has stated that the individual to whom he has devoted some remarks has nothing in the world left except this claim against the Government. Is it not true that he does have a rather large indebtedness to the bank, and it would be to that bank that this interest if allowed would go to help him liquidate indebtedness growing out of his efforts to cooperate with the Government in the time of its need?

Mr. RAMSPECK. Of course, the money would go to the bank, because it holds a mortgage on his property, and if he is not paid by the Government, he will not only continue to owe the bank but it will foreclose on other properties that he owns.

Mr. COX. And this man's only escape from this obligation is through bankruptcy or by the adoption of this resolution, which will enable him to discharge the debt.

Mr. RAMSPECK. That is true.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein two letters I have received from the Comptroller on this bill.

The SPEAKER. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD and to include two letters he has received from the Comptroller on this subject. Is there objection?

Mr. PITTENGER. Mr. Speaker, reserving the right to object, did the gentleman say two letters?

Mr. COCHRAN. Yes.

Mr. PITTENGER. Dealing with this bill?

Mr. COCHRAN. Yes.

The SPEAKER. Is there objection?

There was no objection.

Mr. COCHRAN. Mr. Speaker, the gentleman from Georgia [Mr. RAMSPECK] says that he does not feel that the House is familiar with the provisions of this measure and attributes that as the reason it was defeated in the last session of Congress. I am of opinion that the Members of this House are very familiar with this legislation, because time and again it has been before the House and has been thoroughly debated and defeated either by a direct vote or objection.

The question involved here and the big question involved is one of policy. Back in 1813 the Secretary of the Treasury—see the letter from the Comptroller General below—rendered a decision in which he held that the Government of the United States would not pay interest on outstanding claims. A few days afterward the Congress of the United States approved that policy. For 122 years the executive branch of this Government and the Congress of the United States have followed that policy and today you are asked to set it aside.

What has happened in connection with these claims? The Government has already paid out of a sum appropriated originally, $8,500,000 to these claimants. Ninety-one claimants, as the gentleman from Virginia [Mr. WOODRUM] said, are scattered over 24 States, but 27 of the claimants are in one State, the State of California. Besides that $8,500,000, there has been submitted to this Congress in deficiencies $743,732.58, and the Congress has included that amount in deficiency appropriation bills and the claimants have been paid. There is now certified in the Appropriations Committee today $34,235.03 additional, or a total of $9,277,967, and on top of that the administrative expenses have been $32,600.

But that is not all. There are still 82 of these claims pending in the courts, and we do not know what the decision of the courts will be or how much more will come in as deficiencies.

As I say, the big question involved here is one of policy. The Government pays no interest on claims, with one exception, and that is where taxes are wrongfully collected. When the Government assesses additional taxes and penalties it charges interest, and therefore the Government receives equal consideration with the taxpayer.

Are you going to set aside the established policy and pay these claimants interest up to date of settlement? They have already received interest up to the date of the passage of the original act.

Mr. VINSON of Georgia. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. Not now. Later if I have the time. I ask the Members are you going to set aside this established policy and pay these claimants $1,250,000 in interest, not counting the money that you will be asked to appropriate in the form of deficiencies when these 82 claims that are pending are settled by the courts? Remember if you do, you must also pay interest on pending claims up to date of settlement.

The Supreme Court rendered its opinion in this case. The Secretary of the Interior paid the interest up to the date of the passage of the original act, and now we are asked to take from the taxpayers of this country $1,250,000 and more besides at a later date to pay 91 claimants. If we are going to pay everybody who made any sacrifice whatsoever during the period of the war, there is not enough money in the country to pay the bill.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield first to the gentleman from Georgia, who made the first request.

Mr. VINSON of Georgia. Mr. Speaker, the gentleman is basing his argument on the ground that we are violating precedent in that Congress is seeking to pay interest on the claim. Let me say to the gentleman that his premise is entirely erroneous, because that is not involved at all. It is to pay nothing more than the Congress authorized, the net loss.

Mr. COCHRAN. I have little time and cannot yield further. I realize that is the gentleman's argument. It was also the argument of the gentleman from Georgia [Mr. RAMSPECK]. I say they have been paid interest up to 1919, and if you are going to pay interest up to the date of the settlement of the claims, or whatever you want to call them, then every claim that has passed this House on private claims day should provide that interest be paid to those claimants. I yield now to the gentleman from New York.

Mr. SNELL. Is it not a fact that if we change our whole policy now and allow these people who have had their claims settled to open them and ask for interest, we will open up an opportunity for countless millions of claims against the Federal Government?

Mr. COCHRAN. There is no doubt in the world but what the gentleman's contention is right.

Mr. SNELL. And these claims are filed and pending before the courts at the present time?

Mr. COCHRAN. The gentleman is entirely correct. The Department advised me this morning, besides the 91 claims, there are still 82 cases in court.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I regret I do not have the time. On every claims day you pass bills to compensate a man or woman who has been injured by a Government automobile, and he or she has been required to pay the expenses of hospital and doctors, and it is 5, 6, 7, and oftentimes 10 years after he has paid those expenses before he is compensated by Congress. Would it not be just if you pass this bill to pay interest upon the money spent as a result of an accident due to the negligence of some Government employee?

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I am sorry I do not have the time.

I want to say, Mr. Speaker, that I think the House will make a serious mistake if it changes the attitude it has taken, not once but many times, on this same bill. [Applause.]

The letters referred to are as follows:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, March 13, 1936.

Hon. JOHN J. COCHRAN,
Chairman, Committee on Expenditures in the Executive Departments, House of Representatives.

MY DEAR MR. CHAIRMAN: Referring to your letter of February 28, 1936, you are advised that there has been examined S. 1432, Seventy-fourth Congress, second session, entitled "An act to amend section 5 of the act of March 2, 1919, generally known as the 'War Minerals Relief Statutes'", as follows:

"That in any claim that has heretofore been filed within the time and in the manner provided by the act approved March 2, 1919 (40 Stat. 1272), as amended, generally referred to as the 'War Minerals Relief Statutes', in which the Supreme Court of the District of Columbia under the authority conferred upon said court by the act approved February 13, 1929 (45 Stat. 1166), has adjudged or decreed interest payments or obligations to be losses reimbursable within the meaning of the act of March 2, 1919 (40 Stat. 1272), as amended, the Secretary of the Interior shall open or reopen such claim and include in his adjustments and payments of losses, interest which has been paid or has accrued to the date of approval of this act: *Provided, however,* That such losses shall be shown to the satisfaction of the Secretary of the Interior as a matter of fact to be the result of a legal obligation incurred within the statutory period as provided in said act of March 2, 1919: *And provided further,* That the sum paid in satisfying said claims shall not exceed in total $1,250,000. It is also provided that all settlements under this act and pursuant to its provisions shall constitute full and complete discharge of all obligations of the United States accruing under the War Minerals Act and acts amendatory thereof."

The issue presented by the proposed bill appears to be correctly stated in House Report No. 2002, Seventy-fourth Congress, accompanying the bill, as follows:

"The only issue placed before the Congress by the bill hereby reported is the payment of interest constituting a part of net losses which accrued after March 2, 1919, the date of the approval of the War Minerals Act.

"The Supreme Court of the United States has held that such interest must be considered a part of the 'net losses.' In a later case the Court held that when Congress passed the act of March 2, 1919, it intended for that act to constitute a cut-off date.

"It seems to this committee that there can be no question but that Congress intended in the act of March 2, 1919, to provide for all net losses up to the date of settlement with the claimants.

"No settlements for net losses involving interest were made until after the Supreme Court decision in 1933, 14 years after the Congress had directed payment of net losses. During all of these 14 years the Secretary of the Interior had contended that interest on borrowed money was not a part of the net losses, and payment had been refused.

"After the 1933 decision the Secretary of the Interior refused to pay interest beyond March 2, 1919, and he was upheld by the Supreme Court in this position.

"The result is that these claimants, approximately 91 in number and representing approximately 24 States, having fought for 14 years for rights given to them under the act of March 2, 1919, now find themselves denied full justice because it is contended the Congress set a cut-off date as of March 2, 1919.

"It will be remembered that the act of March 2, 1919, provided for payment of moneys expended and obligations incurred between April 6, 1917, to and including November 12, 1918. The obligation to pay interest on borrowed money by these claimants was incurred within the period above stated, and certainly if there is justification in paying interest from November 12, 1918, to March 2, 1919 (which has been done), there is equal justification for payment of interest on borrowed money to the date of final settlement or, as is provided in this act, to the date of the approval of this act."

That is to say, under section 5 of the act of March 2, 1919 (40 Stat. 1272), as amended by the act of November 23, 1921 (42 Stat. 322), and as further amended by the acts of June 7, 1924 (43 Stat. 634), and February 13, 1929 (45 Stat. 1166), the claimants under the war minerals relief statute have been allowed interest on borrowed money to March 2, 1919, interpreted by the courts as allowing interest on money borrowed by the claimants in connection with the prosecution of the production of war minerals. The proposed further amendment would authorize interest from March 2, 1919, to the date of the respective settlements, with the limitation that the total amount allowed should not exceed $1,250,000.

This office cannot recommend favorable action on the bill. The relief accorded in the first instance was a gratuity. There was no legal obligation on the United States to reimburse those engaged in the production of war minerals for the amount of the losses sustained by them. The Government has been most generous in reimbursing these claimants with the amount of such loss, including interest on borrowed moneys to the date of said act of March 2, 1919. It is to be remembered that except for bonded indebtedness and refund of taxes erroneously or illegally collected the United States does not pay interest on claims against it. Attention in this connection is invited to a letter of June 4, 1813, from Comptroller of the Treasury Rush to the House Committee on Claims (26 Annals 794), wherein he said:

"As interest in its application to such cases as the present is to be considered in the light of a compensation for money unjustly withheld after it is due, perhaps the Government may not, under this view, be held chargeable with it as a general rule, inasmuch as the presumption of law is that the sovereign stands ready at all times to pay what is justly due from it, and that where payment has not been made, it must be taken to be owing to some good and justifiable causes, and not to any mere neglect or default in itself or in its own officers. But, waiving this suggestion, the refusal of the Government, in its ordinary practice to pay interest, is at least sustained on equitable grounds insofar as the rule is reciprocal. For if it refuses to pay interest, it is also true that it never charges any of its debtors."

The Committee on Claims, House of Representatives, after considering said report of June 4, 1813, stated that—

"The rule which appears from the above letter to be established at the Treasury, and which has been practiced under for so long period of time, your committee cannot feel themselves at liberty to violate because they believe it to be salutary."

If there was any obligation under the act of March 2, 1919, to pay interest on borrowed money, such obligation arose with said act, but the Secretary of the Interior concluded that interest on borrowed moneys was not allowable as a loss thereunder. After the act of February 13, 1929, allowing claimants the right of appeal to the courts in any matter involving a question of law under the act of March 2, 1919, the courts held that interest on borrowed moneys was allowable thereunder, and the Secretary of the Interior did reopen and compute interest on borrowed moneys to March 2, 1919.

That is to say, the payment of interest after March 2, 1919, on moneys which have been borrowed by claimants and expended in the production of war minerals is not to be distinguished from interest considered and negatived in 1813 by both Comptroller of the Treasury Rush and the Committee on Claims, House of Representatives. Also, such a claim for interest after March 2, 1919, by reason of the delay of the Secretary of the Interior in making settlement allowing interest to said date is not to be distinguished from interest on any other claim against the United States where settlement is delayed for a period after the claim has accrued. As is well known, claims are not infrequently denied by both the administrative and accounting officers of the United States because

of lack of an appropriation or believed lack of legal basis to support the claims. Thereafter, suit may be instituted against the United States and judgment entered in favor of the claimant—the courts not being restricted in the entering of judgments against the Government to the availability of an existing appropriation to pay such judgment; also, the courts taking into consideration in some cases the administrative action which gave rise to the claims. It has never been the practice of the United States to allow interest in such cases and, in fact, section 177 of the Judicial Code of March 3, 1911 (36 Stat. 1141), specifically provides that no interest shall be allowed on any claim up to the time of the rendition of judgment thereon by the Court of Claims unless upon a contract expressly stipulating for the payment of interest.

It will be noted that the precedents referred to on pages 3 and 4 of Report No. 2002, accompanying the bill, are cases where interest has been allowed to the various States on moneys borrowed by the States for use in aiding the United States in the defense of the country. The States in so doing were not, of course, engaged in a business enterprise from which they expected to earn a profit as was the situation with respect to these war mineral claimants, and it is not believed that the practice of the Government with respect to the States of the Union constitutes any precedent for application in the settlement of private claims.

As above stated, this office is unable to recommend approval of S. 1432, and you are advised accordingly.

Sincerely yours,

R. N. ELLIOTT,
Acting Comptroller General of the United States.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, April 20, 1936.

Hon. JOHN J. COCHRAN,
Chairman, Committee on Expenditures in the Executive Departments, House of Representatives.

MY DEAR MR. CHAIRMAN: Your letter of April 3, 1936, receipt of which was acknowledged April 6, 1936, asks my reaction on the views of those favoring bill S. 1432 and the brief which they have prepared which you attached. This office submitted to your committee a report dated March 13, 1936, and you state:

"They take issue with part of your report, maintaining that it is not a gratuity under any circumstances and that there was absolutely no profit."

The report of this office of March 13, 1936, did not recommend passage of the bill and suggested that inasmuch as the relief heretofore granted (act of Mar. 2, 1919, and subsequent enactments), as well as that by the bill proposed, being a gratuity, it seemed in the light of the general rule that interest is not allowable on claims against the United States, that claimants had been generously treated by the Congress—they having been compensated for "net losses" sustained, save as to certain interest on borrowed moneys employed in the transactions accruing since March 2, 1919.

The report by this office did not suggest that passage of the bill and payments accordingly would result in payment of profits to claimants, and in referring to the bill as providing a "gratuity"—which you state has been objected to—it is to be stated that the term was employed in its legal sense and not as one of disparagement, to distinguish between a legal obligation and a claim for relief based upon equitable considerations, and it seems admitted there was originally no legal liability on the part of the Government. See also the judicial view in this regard—decision of the Court of Appeals of the District of Columbia, February 19, 1934, re *Harold L. Ickes, Secretary of the Interior,* v. *Cuyuna Mining & Investment Co.,* 69 Fed. (2d) 662, referred to in the report of March 23, 1934, of the Secretary of the Interior.

The brief submitted by proponents of the bill and transmitted by you for comment tends to clarify the purpose of the proposed legislation. It seems therefrom and from the report on the bill, under date of February 14, 1936, by the chairman of the Committee on Mines and Mining of the House of Representatives, that it having been judicially established by the decision of the Supreme Court of the United States, of December 7, 1931 (284 U. S. 231), that under the provisions of the act of March 2, 1919, interest that had been paid or incurred for money borrowed and lost in producing the particular minerals was for consideration in determining the "net loss", it is the contention of those advocating passage of the present bill that inasmuch as such interest had been excluded by the Secretary of the Interior in determining and paying "net losses" under the act of March 2, 1919, interest on borrowed money continued to accrue, to the extent there were insufficient payments by the Government to permit of complete repayment of the moneys borrowed, plus interest then accrued, up to the date of action on claims pursuant to the decision of the Supreme Court of December 7, 1931—some 12 years—and that inasmuch as the additional payments then made allowed interest only to March 2, 1919, the decision of the Supreme Court, while establishing the right to include interest on borrowed money in determining "net loss" coming some 12 years after adjustment of losses was provided for—and limiting to March 2, 1919—actually afforded less relief than was contemplated by the act of March 2, 1919. The pending bill provides for payments in such amounts as will cover "net losses", including interest on borrowed moneys, down to passage of the bill.

The present condition arose from the failure of the then Secretary of the Interior to give full effect to the act of March 2, 1919, in that if he had then made full payments as authorized by said act the borrowed moneys could have been repaid and the accruing of interest thereon would have ceased.

The authority to settle claims under the act of March 2, 1919, was vested in the Secretary of the Interior instead of the regularly established agency for claims settlements when the Government is involved, now the General Accounting Office, and this office has not, of course, examined the claims involved in the pending bill, to ascertain the merits thereof or the facts as to application of prior payments under the act of March 2, 1919, to see just what further payments would be justified in the event the bill should become law. The bill proposes to leave the matter of further settlements wholly with the Secretary of the Interior.

With respect to whether payments under the bill, if enacted, would be a gratuity, it seems clear that such payments would represent relief based upon equity, rather than any legal liability, and thus a gratuity, because there was no legal liability as a basis for the act of March 2, 1919, and there is no legal responsibility to respond in damages arising from any claimed too-limited administration of said act by the Secretary of the Interior, which latter appears the real basis for the pending bill.

With respect to that portion of the report of March 13, 1936, by this office which suggested the general rule of the legislative branch to deny interest on claims against the Government as for consideration and possible application, and that in view of the nature of the claims and prior payments under the act of March 2, 1919, apparently covering losses, save a portion of the interest on borrowed moneys, there had been generous treatment of claimants, the brief is of little assistance save to point out that the general rule is not necessarily for application in that what is proposed is no more, with respect to making the claimants whole, than was intended by the act of March 2, 1919, and which was defeated, in part, by administration of the act and the lateness of judicial interpretation giving administration a correct guide. This, of course, is proposed to be at the further expense of the Government, involving, apparently, something over a million dollars.

Whether the relief sought should be granted is, of course, a problem for the Congress. This office has performed its duty when it has pointed out the facts, the rules generally applicable to claims, and such matters as apparently would be for consideration and which would not, naturally, be advanced by proponents of the bill.

As to the suggestion in the report by this office that in view of the nature of the claims and prior payments thereon it appeared claimants had been generously treated by the Government, there was in mind, of course, the many who suffered losses as a result of patriotic efforts during the World War and for whom nothing has been or likely will be done. There were other cases, possibly many, not unlike those here involved but for which no adjustments have been proposed. However, the problem of, in which cases, and to what extent relief shall be afforded from the Federal Treasury is one involving the responsibility of the Congress and that of the President under his veto authority.

Sincerely yours,

J. R. MCCARL,
Comptroller General of the United States.

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I think the House really ought to know something about what it is doing at this time and what it is proposed that it should do. If any of the Members have the hearings that were conducted by this committee and will turn to page 7 they will see that the main claimant—and the main claimant means almost the whole hog—has already been to the well five times.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield just for one statement?

Mr. TABER. I yield for a question; yes.

Mr. ZIONCHECK. Does the gentleman understand that these claimants not only received the out-of-pocket expenditures which they actually incurred but they also received interest up to some day in March of 1920 after the war? The gentleman from Missouri [Mr. COCHRAN] was not correct when he said it was just for the duration of the war. Some $600,000 for just one claimant; and one of the parties who claims to have lost this money is now a lobbyist and has received over $15,000 in fees from the Government. This is a steal.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. RAMSPECK. I say to the gentleman from Washington that there is absolutely nobody representing one of these claimants represented in this bill. No lobbyist here.

Mr. ZIONCHECK. Not in the House.

Mr. RAMSPECK. No; and he is not in Washington, either.

Mr. TABER. I do not yield further, Mr. Speaker.

This claimant was the Chestatee Pyrites & Chemical Corporation, of Atlanta, Ga. He was on the stand before the

committee. His testimony appears on page 7 as to when he made his first claim. A bill was first introduced on the 2d of March 1919, and under that these claimants were all supposed to make their claims, have them passed on, and that was supposed to be the whole story. Under that proposition this claimant went on, and he was awarded and paid $223,000 October 25, 1919. Then the act was amended again. They came to the House of Representatives again after they had been paid in full once.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. TABER. When I get through.

So that the gentleman will understand it and the House will understand it, another act was passed on November 16, 1921, spreading it out a little more, and this time the Chestatee Corporation was awarded a further sum of $469,784, and that was supposed to be payment in full. Then there was another stir-up, and a decision by the Secretary of the Interior, after another act had been passed on the 13th of February 1929, and on the 7th of December 1932 there was a payment of $1,584, and then again on February 23, 1933, $90,500, or five separate trips to the well for this outfit.

Mr. VINSON of Georgia. Mr. Speaker, will the gentleman yield?

Mr. TABER. Not now. Then this outfit has a claim for $600,000 of the $1,250,000 that is supposed to be the limit of payment in this bill.

Mr. COX. Mr. Speaker, will the gentleman yield there?

Mr. TABER. Yes; I yield.

Mr. COX. The gentleman has quoted from the testimony of the witness who testified in behalf of the Chestatee claim?

Mr. TABER. Yes.

Mr. COX. The gentleman is familiar with the record, I presume. Is he prepared to question a single statement of fact set out in this testimony?

Mr. TABER. I do not know whether I am prepared to question any of the facts. Does the gentleman question the fact that this particular outfit has been to the well five separate times and that it still has a claim of $600,000? I wonder how far this House is going to go with that sort of doings? It seems to me that it gets worse and worse the further I go into the hearings. I cannot understand it myself. I have had some little experience in practicing law and when I went out on a claim and made a settlement of a lawsuit it was settled once and for all. That is what was supposed to have been done when this bill was passed in the first place, when it was passed in the second place, when it was passed in the third place, when it was passed in the fourth place. This is an attempt to pass it in the fifth place.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. TABER. I cannot yield further at this time.

It is true there is a very considerable volume of claimants. Their listing covers pages 68 to 73, inclusive, of the hearings in rather fine print; but these claimants have very small claims, compared with that of the Chestatee Corporation.

Mr. COX. Mr. Speaker, will the gentleman yield? I think the gentleman should yield in the interest of correct information.

Mr. TABER. If I have given false information I should be glad to yield to the gentleman.

Mr. COX. The gentleman has referred to these several payments made to this particular claimant under the law as being in satisfaction of the claim. In this regard the gentleman is altogether in error, because they were not paid in settlement of the claim, but on account; and there was no receipt given as a settlement of the claim; and if the gentleman will refer to the letter of the Secretary of the Interior he will see that I am correct.

Mr. TABER. I am going to read from the letter of the Secretary of the Interior because I believe the House ought to know what the Secretary of the Interior did say:

In many of the awards made by my predecessor since the amendment of 1929, the claimants have accepted such awards in complete and final settlement of their rights under the War Minerals Relief Act.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. TABER. Not until I have finished reading this.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 additional minutes to the gentleman from New York.

Mr. TABER. I continue reading:

One exception to this is the case of the Chestatee Corporation.

I am not going to read it all. [Laughter.]

Yes; I will read it all so the Members may have it:

The Chestatee Pyrites & Chemical Corporation, in which awards to the amount of $929,850 have been made, on the last of which, on February 23, 1933, acceptance was made by claimant as payment of its loss in full to March 2, 1919, as stated in the award.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. TABER. Not at this time; not until I have explained this matter to the House. Now, it appears that this big corporation with the $600,000 claim was smart enough not to give a receipt in full, whereas all the rest did, according to the Secretary of the Interior.

Mr. COX. Mr. Speaker, if the gentleman will yield, does the gentleman assert that the claimant should give a receipt in full when only a partial payment was made?

Mr. TABER. As far as my understanding goes, I do not think this is so. When the different acts were passed by Congress it was understood to be the end of it, not that the claimant was coming back here year after year until it had built up a tremendous amount. We are having claims all the time in addition to the $8,500,000, and all those claims under the act of 1929 were put up, and we have had to appropriate, or will have to appropriate, somewhere around $900,000. About $900,000 was the last estimate I got.

Mr. MAAS. Mr. Speaker, will the gentleman yield at this point?

Mr. TABER. I yield.

Mr. MAAS. Does the gentleman know how much was appropriated by Congress to take care of these claims in the original instance? It was $50,000,000, was it not?

Mr. TABER. Yes; and that was just $41,500,000 more than Congress, after it had considered the matter again in 1919, thought should be appropriated; and the amount was reduced to $8,500,000. On top of this sum $900,000 more was appropriated.

Can anyone who has sat in the House of Representatives and seen bills considered imagine this House passing bills of this character without believing the bills mean a receipt in full—mean that that is all Congress is going to allow?

These people come here and tell a story. Do they tell a story that these folks did not go into this operation figuring they were going to make a profit?

Mr. PITTENGER. Mr. Speaker, will the gentleman yield at this point?

Mr. TABER. I cannot yield; I have not time.

I do not believe any one of these claimants went into this operation expecting they were going to get out of it just even up. They expected a profit.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 2 additional minutes to the gentleman from New York.

Mr. TABER. Mr. Speaker, I believe this bill should be turned down and that a final end should be made to the process of taking money out of the Treasury five and six times for the same claim. Here is this one corporation. Do you suppose, if you were drawing a bill to meet this situation, as that corporation undoubtedly had the major part in the drawing of it, that you would figure to leave out anything the corporation was entitled to have included? That is the story the continued return to these claims presents right on its face—that this Congress has dealt exceedingly liberally with these claimants and that we ought to stop now with the liberal payments that have already been made to them and refuse to pay for the fifth and the sixth time. I hope Congress will defeat this resolution.

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I yield 10 minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Speaker, I do not know that I shall consume the entire 10 minutes that has been allotted to me by the gentleman from Georgia, but I desire, before the House reaches the point where it is to vote upon the proposition here, that it shall fully understand not only the moral, but the legal obligation that, in my opinion, the Government is under to pay these claims. Mr. Speaker, I was here at the session of Congress when in our hour of national desperation to make every possible effort for our national defense and to carry on successfully the war in which we were engaged, the President of the United States, through one of the executive officers of his Cabinet, made an appeal to certain groups of patriotic men in America to volunteer their credit, their time, and their productive energies in order to produce at the very earliest moment for the purpose of national protection these four very essential materials for military preparation. We had a lot of patriotic men in America at that time—men in the camps, men in the front-line trenches and the citizens back home—dedicating every energy and every purpose to carry the war to a successful conclusion. The men who are filing these claims today against the Government of the United States are the type of men to whom I am referring. This appeal was made not to any one section of the country, but to the entire country. The record of the answers of these men will show it was not a sectional response in any sense, but, on the contrary, every section of the country where there was any possibility of developing these resources was found was represented. There are 90 claims here from all sections of the United States. Hundreds of men volunteered to answer this appeal of our Government in the hour of its desperation. A typical case has been cited of this man down in Virginia. A similar situation applies to these other men. They said, "All right; you are asking us to do something for our Government. We have a deposit down here which we think offers possibilities. We will answer your call and go out and borrow money. We have not got it, but we will pledge our credit in order to carry out this proposition." They did that, but before there was any real volume of production the war closed.

In what shape did it leave these men? They had borrowed money. They had pledged their credit. The banks held their obligations. They had to close down these plants, and thereafter the deposits were of no commercial or strategic value to anyone, but these patriotic men, in the meantime, were obligated as men of honor and men of credit to meet their obligations. They are not asking this Government for any profit on these war operations. They are not attempting to come back here four or five or six times, as the gentleman from New York states, to make additional demands. No honest debt is settled until it is settled in full, even if there have been partial payments made upon it.

Mr. Speaker, this claim is not only a moral claim against the Government of the United States, but it is a legal claim also, because the Supreme Court of the United States of America has held that the payment of interest upon an obligation made under a contract constitutes a legitimate part of the net losses of the person who is undertaking the enterprise, and that is all that is involved in this bill. It is not interest on profit. It is not interest on investment, but interest upon the actual loss that these men have suffered. Their creditors are asking them to pay this money today, and many of these men are standing at the very door of the bankruptcy court, threatened with repudiation of their credit. That is the situation. I would be ashamed—and I say this as sincerely and as earnestly as I have ever said anything in my life—if this great Government of ours, in view of the record, in view of the equities of the case, in view of the legal position of these claims, repudiated these honest obligations that it owes to these patriotic citizens. [Applause.]

The Supreme Court of the United States passed upon the matter and they have held that this is a legal obligation. There is no use discussing the moralities of the situation as reflected in our duty to pay where there is a debt due.

Mr. WOODRUM. Will the gentleman yield?

Mr. BANKHEAD. I yield to the gentleman from Virginia.

Mr. WOODRUM. In addition to what the gentleman has stated, and in connection with the question of net losses, may I recall this fact to him? The Virginia case to which reference has been made came from my district and I know personally about the facts. If this bill is passed, of course, it definitely and finally disposes of these cases.

Mr. BANKHEAD. Absolutely.

Mr. WOODRUM. May I call the gentleman's attention to the fact that it does not by any manner or means reimburse these people for their actual outlays, for this reason: When it came to the settlement and decision of what were net investments and net losses, by strict construction placed upon the act by the Court of Claims, many items that were legitimately invested were not allowed. These people lost that money. They lost these expenses. They lost everything. They had to go through all these years in trying to be made whole by the Government. So they are not by any manner or means out of the woods on the transaction if this bill is passed, even though it definitely disposes of these particular cases.

Mr. BANKHEAD. Absolutely; and the statement made by the gentleman from Virginia is another cumulative argument in favor of the adoption of this rule and the passage of the bill.

Mr. SNELL. Will the gentleman yield for information?

Mr. BANKHEAD. I yield to the gentleman from New York.

Mr. SNELL. As I understand the situation, the largest claimant here has had his claim settled for $900,000. Am I correct?

Mr. BANKHEAD. No. I think the gentleman is in error.

Mr. SNELL. Well, that was the statement made by the gentleman from New York, and he took the facts from the record. The gentleman from New York informs me that statement appears in the hearings.

Mr. BANKHEAD. I do not deny that large sums were paid some of these claimants.

Mr. SNELL. That is the sum stated in the record.

Mr. BANKHEAD. The final report shows the fact.

Mr. SNELL. On the basis of a $900,000 or a $1,000,000 claim, how can there be a claim at the present time for over $600,000?

Mr. COX. Because payments have gone to the discharge of interest on the debt.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield to me to answer that question?

Mr. BANKHEAD. I will be pleased to yield to the gentleman from Georgia.

Mr. RAMSPECK. I will say to the gentleman from New York [Mr. SNELL] that this bill does not appropriate one dime to any particular claimant. The question of how much, if any, money any claimant received is a matter for decision by the Secretary of the Interior.

Mr. SNELL. But this $600,000 is one of the claims you are considering.

Mr. RAMSPECK. We do not know what that man will get, but we think it is approximately one-half a million dollars or maybe a little more.

Mr. SNELL. How could he have a claim of one-half a million dollars on a million-dollar final settlement?

Mr. RAMSPECK. For the reason that only partial payments were made over a period of 15 years and he was paying interest on nearly $700,000 of borrowed money, but all this does not have anything to do with the principle involved in this measure.

Mr. SNELL. You could not figure that interest on $700,000 for the entire time would amount to $600,000.

Mr. RAMSPECK. Whatever it is, the Secretary will determine.

Mr. BANKHEAD. Just a word, in conclusion. Upon the facts stated by me and based upon what the gentlemen who have spoken here have said, I appeal to this House to adopt this rule and to pass this bill. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield the balance of the time to the gentleman from Minnesota [Mr. PITTENGER].

Mr. PITTENGER. Mr. Speaker, I have only 4 minutes and I am not going to yield until I have finished my statement.

I hope this rule is adopted, and if it is adopted, some of the misunderstandings that have been created here can be cleared up in the 2 hours that will be allowed for general debate.

In answer to the statement of the gentleman from Missouri about establishing a new precedent, all I ask you to do is to read the report, and you will realize that you are starting nothing new.

In answer to the statement made about this Georgia case, as well as the other cases, I know the facts in the Georgia case. I know that man had a going business. I know he lost his mines when the war closed him down, and I know that in his old age today he is facing bankruptcy. This is the Georgia case.

I also know that these people have not been paid in full, and if they had not had to fight with war mineral boards and Government officials over a period of 16 years to get these awards, they would not be here today. If these payments had been made 16 years ago, the bill would not be here now. I have two of them in my district, and I know the facts in these cases, and if the ladies and gentlemen of this House will take the time, as I have done, to go into these matters, there will not be a single vote against this rule. The least we can do is to give the author of this bill time under the rule to answer these questions and to explain these misunderstandings.

I do not know what the gentleman from New York [Mr. TABER] means when he talks about going to the well. For 16 years able-bodied, patriotic men and women who took their Government at its word, have been begging and begging so they would not die in the poorhouse.

This rule ought to be adopted——

Mr. MAAS. Mr. Speaker, will the gentleman yield?

Mr. PITTENGER. I yield.

Mr. MAAS. Is it not true that even if these claims are paid, every single claimant will have lost money in a substantial amount?

Mr. PITTENGER. This Georgia man lost his mines. I have talked with him and he is now 70 years old. He was one of the big businessmen at the time, and he is now broke. This is true of my constituents, and it is true of others.

Mr. COX. Mr. Speaker, will the gentleman yield to me in regard to the case from Georgia, which the gentleman from New York referred to?

Mr. PITTENGER. I yield.

Mr. COX. If this bill is passed and all the money that the Chestatee Co. gets goes to its creditors, it will still leave them shy about one-half or one-fourth of a million dollars.

Mr. PITTENGER. More than that.

Mr. COX. And in addition, the Pratt Bros. will have lost a prosperous piece of property which they had when it was commandeered by the Government.

Mr. CHRISTIANSON. Mr. Speaker, will the gentleman yield?

Mr. PITTENGER. I yield.

Mr. CHRISTIANSON. I call attention to the case of one of the claimants, a certain Minnesota citizen, whom I shall not embarrass by naming. Some years ago he was one of the leading businessmen of my State and was financially, as well as otherwise, very substantial. One of the cities of the Cuyuna Range in Minnesota was named for him. When I was Governor of my State I was called to Duluth to confer upon him a medal of merit in testimony of the recognition of his fellow citizens that he was the leading citizen of his community and had rendered it the most distinguished service during the year. This man is today operating a filling station in the city of Duluth because the United States Government, which he trusted, broke him. I do not believe that Congress will refuse to reimburse him.

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I yield the remainder of my time to my colleague the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I have none of these claimants in my district, or, so far as I know, in my State, but I do know that this matter has been presented before the Rules Committee on several occasions, and I do feel that there has been a great deal of confusion about it, and that it ought to be considered by the House under this rule, which will be the first opportunity the House has ever had to hear the merits or demerits of the bill to be discussed.

This is not a bill to pay interest on a claim.

We have one such bill of my own city and one of my own State, and nothing has been done about those bills. This is not a bill to pay interest; it is not a bill to recoup interest in addition to the amount of the damage. It is to pay the amount of interest which was an integral part of the losses due to the insistence of the Government that the claimants go into the business and incur the obligations.

There are a lot of people in this country who say that our own Government deals more harshly, more technically with its own citizens than private individuals would ever dare to deal, and this often happens where the amount claimed is large. You have seen time and again meritorious claims objected to because the amount claimed was large. That was one reason for the attempted change of the rule for the consideration of the Private Calendar.

Our Government often takes recourse to every technicality, sending these particular claimants to the Supreme Court of the United States four times to determine what "net loss" meant. After the Supreme Court had determined what "net loss" did mean and had decided that it included "interest paid", our Government is still fighting its own citizens against a meritorious claim.

I believe this rule should be adopted so that we may get down to the discussion of the merits of this bill. I personally have heard it discussed before the Committee on Rules three times, and I have never had any doubt as to the merits of the measure. I trust that the rule will be adopted and that the bill will pass. [Applause.]

Mr. COX. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore (Mr. COOPER of Tennessee). The question is on the passage of the resolution.

The question was taken; and on a division (demanded by Mr. TABER) there were 104 ayes and 23 noes.

Mr. TABER. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER pro tempore. Evidently there is no quorum present. The call is automatic. The Doorkeeper will close the doors, and the Clerk will call the roll.

The question was taken; and there were—yeas 226, nays 58, not voting 143, as follows:

[Roll No. 82]

YEAS—226

Andresen	Cole, N. Y.	Ellenbogen	Imhoff
Arends	Connery	Engel	Jacobsen
Ashbrook	Cooley	Englebright	Johnson, Tex.
Bacon	Cooper, Tenn.	Evans	Johnson, W. Va.
Bankhead	Costello	Fitzpatrick	Kahn
Barden	Cox	Fletcher	Keller
Barry	Cravens	Frey	Kennedy, Md.
Beam	Crawford	Fulmer	Kenney
Beiter	Creal	Gasque	Kerr
Biermann	Crosser, Ohio	Gearhart	Kinzer
Binderup	Cullen	Gehrmann	Kniffin
Blackney	Cummings	Gifford	Knutson
Bland	Curley	Gildea	Kocialkowski
Blanton	Deen	Gingery	Kopplemann
Boileau	Delaney	Granfield	Kramer
Boland	Dempsey	Green	Lambertson
Boylan	Dirksen	Greenway	Lambeth
Brown, Ga.	Ditter	Guyer	Lamneck
Buck	Dockweiler	Gwynne	Lanham
Buckler, Minn.	Dondero	Haines	Lea, Calif.
Burdick	Dorsey	Halleck	Lemke
Burnham	Doughton	Hart	Lewis, Colo.
Carpenter	Doxey	Harter	Lewis, Md.
Carter	Drewry	Healey	Lucas
Cartwright	Driscoll	Hennings	Luckey
Casey	Driver	Hess	Ludlow
Castellow	Duffy, N. Y.	Higgins, Mass.	Lundeen
Chandler	Duncan	Hildebrandt	McAndrews
Chapman	Dunn, Pa.	Hill, Ala.	McClellan
Christianson	Eagle	Hobbs	McCormack
Clark, N. C.	Eckert	Holmes	McFarlane
Colden	Edmiston	Hook	McGehee
Cole, Md.	Ekwall	Hull	McGrath

McKeough	O'Neal	Sanders, Tex.	Thom
McLeod	Owen	Sandlin	Thomason
McMillan	Parsons	Schneider, Wis.	Tobey
McReynolds	Patterson	Schulte	Tolan
Maas	Patton	Scott	Tonry
Mahon	Pearson	Sears	Turner
Main	Peterson, Ga.	Secrest	Umstead
Mansfield	Pettengill	Shanley	Vinson, Ga.
Martin, Colo.	Peyser	Shannon	Vinson, Ky.
Mason	Pierce	Sirovich	Walter
Massingale	Pittenger	Smith, Conn.	Warren
Maverick	Plumley	Smith, Va.	Wearin
May	Polk	Smith, Wash.	Weaver
Mead	Rabaut	Smith, W. Va.	Werner
Merritt, N. Y.	Ramsay	Snyder, Pa.	Whelchel
Mitchell, Tenn.	Ramspeck	Somers, N. Y.	Williams
Moritz	Randolph	South	Wilson, La.
Mott	Rayburn	Spence	Wolcott
Nelson	Reece	Stefan	Wood
Norton	Reilly	Stubbs	Woodruff
O'Connell	Robertson	Sutphin	Woodrum
O'Connor	Robinson, Utah	Tarver	Zimmerman
O'Day	Robsion, Ky.	Taylor, S. C.	
O'Leary	Russell	Terry	

NAYS—58

Allen	Fenerty	Lord	Reed, N. Y.
Amlie	Fish	McLean	Rich
Brewster	Ford, Miss.	Mapes	Risk
Buchanan	Gilchrist	Marcantonio	Rogers, Mass.
Cannon, Mo.	Gillette	Marshall	Sauthoff
Carlson	Goodwin	Martin, Mass.	Schaefer
Cavicchia	Gray, Ind.	Michener	Schuetz
Church	Griswold	Millard	Seger
Citron	Hancock, N. Y.	Mitchell, Ill.	Snell
Cochran	Hollister	O'Malley	Taber
Colmer	Hope	Perkins	Tinkham
Culkin	Kelly	Powers	Whittington
Darrow	Kennedy, N. Y.	Rankin	Wilson, Pa.
Dickstein	Lehlbach	Ransley	
Eicher	Lesinski	Reed, Ill.	

NOT VOTING—143

Adair	Dies	Huddleston	Romjue
Andrew, Mass.	Dietrich	Jenckes, Ind.	Ryan
Andrews, N. Y.	Dingell	Jenkins, Ohio	Sabath
Ayers	Disney	Johnson, Okla.	Sadowski
Bacharach	Dobbins	Jones	Sanders, La.
Bell	Doutrich	Kee	Scrugham
Berlin	Duffey, Ohio	Kleberg	Short
Bloom	Dunn, Miss.	Kloeb	Sisson
Boehne	Eaton	Kvale	Stack
Bolton	Faddis	Larrabee	Starnes
Boykin	Farley	Lee, Okla.	Steagall
Brennan	Ferguson	McGroarty	Stewart
Brooks	Fernandez	McLaughlin	Sullivan
Brown, Mich.	Fiesinger	McSwain	Sumners, Tex.
Buckley, N. Y.	Flannagan	Maloney	Sweeney
Bulwinkle	Focht	Meeks	Taylor, Colo.
Burch	Ford, Calif.	Merritt, Conn.	Taylor, Tenn.
Caldwell	Fuller	Miller	Thomas
Cannon, Wis.	Gambrill	Monaghan	Thompson
Carmichael	Gassaway	Montague	Thurston
Cary	Gavagan	Montet	Treadway
Celler	Goldsborough	Moran	Turpin
Claiborne	Gray, Pa.	Murdock	Utterback
Clark, Idaho	Greenwood	Nichols	Wadsworth
Coffee	Greever	O'Brien	Wallgren
Collins	Gregory	Oliver	Welch
Cooper, Ohio	Hamlin	Palmisano	West
Corning	Hancock, N. C.	Parks	White
Crosby	Harlan	Patman	Wigglesworth
Cross, Tex.	Hartley	Peterson, Fla.	Wilcox
Crowe	Higgins, Conn.	Pfeifer	Withrow
Crowther	Hill, Knute	Quinn	Wolfenden
Daly	Hill, Samuel B.	Richards	Wolverton
Darden	Hoeppel	Richardson	Young
Dear	Hoffman	Rogers, N. H.	Zioncheck
DeRouen	Houston	Rogers, Okla.	

So the resolution was agreed to.

The Clerk announced the following additional pairs:

On this vote:

Mr. Short (for) with Mr. Andrews of New York (against).
Mr. Stewart (for) with Mr. Andrew of Massachusetts (against).
Mr. Knute Hill (for) with Mr. Wigglesworth (against).
Mr. Gregory (for) with Mr. Jenkins of Ohio (against).
Mr. Taylor of Tennessee (for) with Mr. Bolton (against).

General pairs:

Mr. Corning with Mr. Treadway.
Mr. McSwain with Mr. Cooper of Ohio.
Mr. Miller with Mr. Merritt of Connecticut.
Mr. Taylor of Colorado with Mr. Wadsworth.
Mr. Sumners of Texas with Mr. Eaton.
Mr. Huddleston with Mr. Crowther.
Mr. Sabath with Mr. Bacharach.
Mr. Patman with Mr. Focht.
Mr. Steagall with Mr. Hartley.
Mr. Wilcox with Mr. Collins.
Mr. Sullivan with Mr. Doutrich.
Mr. Kleberg with Mr. Higgins of Connecticut.
Mr. Greenwood with Mr. Thomas.
Mr. Boehne with Mr. Wolfenden.
Mr. Cary with Mr. Thurston.
Mr. Burch with Mr. Withrow.
Mr. Gavagan with Mr. Hoffman.
Mr. Fuller with Mr. Turpin.
Mr. Bulwinkle with Mr. Wolverton.
Mr. Dies with Mr. Kvale.
Mr. Duffey of Ohio with Mr. Welch.
Mr. Pfeifer with Mr. Hamlin.
Mr. Oliver with Mr. Caldwell.
Mr. Richards with Mr. Stack.
Mr. DeRouen with Mr. Faddis.
Mr. Meeks with Mr. West.
Mr. Sweeney with Mr. Kee.
Mr. Sisson with Mr. Gambrill.
Mr. Parks with Mr. Adair.
Mr. Utterback with Mr. Dear.
Mr. Crosby with Mr. Rogers of New Hampshire.
Mr. Sadowski with Mr. Gassaway.
Mr. Bloom with Mr. Palmisano.
Mr. Wallgren with Mr. Dunn of Mississippi.
Mr. Crowe with Mr. Lee of Oklahoma.
Mr. Peterson of Florida with Mr. White.
Mr. Ayers with Mr. Starnes.
Mr. Monaghan with Mr. Dietrich.
Mr. Larrabee with Mr. Young.
Mr. Montague with Mr. Farley.
Mr. Sanders of Louisiana with Mr. Bell.
Mr. Goldsborough with Mr. Boylan.
Mr. Quinn with Mr. Hancock of North Carolina.
Mr. McLaughlin with Mr. Ferguson.
Mr. Montet with Mr. Ryan.
Mr. Berlin with Mr. Richardson.
Mr. Samuel B. Hill with Mr. Brennan.
Mr. Kloeb with Mr. Scrugham.
Mr. Gray of Pennsylvania with Mr. Brown of Michigan.
Mr. Celler with Mr. Houston.
Mr. Romjue with Mrs. Jenckes of Indiana.
Mr. Buckley of New York with Mr. Carmichael.
Mr. Jones with Mr. Dingell.
Mr. Cross of Texas with Mr. Fernandez.
Mr. Moran with Mr. Nichols.
Mr. Disney with Mr. Maloney.
Mr. Claiborne with Mr. Harlan.
Mr. Clark of Idaho with Mr. Darden.
Mr. Zioncheck with Mr. Rogers of Oklahoma.
Mr. Johnson of Oklahoma with Mr. McGroarty.
Mr. Flannagan with Mr. Dobbins.
Mr. Coffee with Mr. Ford of California.
Mr. Fiesinger with Mr. Daly.
Mr. Murdock with Mr. Brooks.

The result of the vote was announced as above recorded.

The doors were opened.

Mr. SMITH of West Virginia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 1432) to amend section 5 of the act of March 2, 1919, generally known as the War Minerals Relief Statutes.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 106, noes 36.

Mr. TABER. Mr. Speaker, I object to the vote on the ground that there is no quorum present, and make the point of order that there is no quorum.

The SPEAKER. The gentleman from New York makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and fifty-five Members are present, not a quorum. This is an automatic call. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 222, nays 40, answered "present" 2, not voting 163, as follows:

[Roll No. 83]

YEAS—222

Amlie	Cannon, Mo.	Cullen	Ellenbogen
Andresen	Carpenter	Curley	Englebright
Arends	Carter	Daly	Evans
Ashbrook	Cartwright	Deen	Fenerty
Bacharach	Casey	Delaney	Fernandez
Bankhead	Castellow	Dickstein	Fish
Barden	Chandler	Dies	Fitzpatrick
Barry	Chapman	Dirksen	Fletcher
Beam	Christianson	Dobbins	Ford, Miss.
Beiter	Citron	Dondero	Frey
Biermann	Clark, N. C.	Dorsey	Fuller
Binderup	Colden	Doughton	Gasque
Blanton	Cole, Md.	Doxey	Gearhart
Bloom	Cole, N. Y.	Drewry	Gehrmann
Boehne	Colmer	Driscoll	Gifford
Boileau	Connery	Driver	Gildea
Boland	Cooley	Duffy, N. Y.	Granfield
Boylan	Costello	Dunn, Pa.	Greenway
Brown, Ga.	Cox	Eagle	Guyer
Buckler, Minn.	Cravens	Eckert	Gwynne
Burch	Crawford	Edmiston	Haines
Burnham	Crosser, Ohio	Ekwall	Halleck

Hart	Lewis, Md.	Owen	Somers, N. Y.
Harter	Lucas	Parsons	South
Hartley	Ludlow	Patterson	Spence
Healey	Lundeen	Patton	Stefan
Hennings	McAndrews	Pearson	Stubbs
Hess	McCormack	Peterson, Ga.	Sullivan
Hildebrandt	McFarlane	Pettengill	Sutphin
Hill, Ala.	McGehee	Peyser	Tarver
Hill, Samuel B.	McGrath	Pfeifer	Taylor, S. C.
Hobbs	McKeough	Pittenger	Terry
Hook	McLeod	Polk	Thom
Hull	McMillan	Rabaut	Thomason
Imhoff	McReynolds	Ramspeck	Thurston
Jacobsen	Maas	Randolph	Tolan
Johnson, W. Va.	Mahon	Reece	Tonry
Kahn	Main	Reilly	Turner
Keller	Mansfield	Robertson	Umstead
Kennedy, Md.	Martin, Colo.	Robinson, Utah	Vinson, Ga.
Kennedy, N. Y.	Mason	Robsion, Ky.	Vinson, Ky.
Kenney	Massingale	Russell	Wallgren
Kerr	Maverick	Sanders, Tex.	Walter
Kinzer	May	Schneider, Wis.	Warren
Kniffin	Mead	Schulte	Wearin
Knutson	Merritt, N. Y.	Scott	Weaver
Kocialkowski	Miller	Sears	Werner
Kopplemann	Mitchell, Ill.	Secrest	West
Kramer	Mitchell, Tenn.	Shanley	Whelchel
Lambeth	Nelson	Shannon	Whittington
Lamneck	Norton	Sirovich	Wolcott
Lanham	O'Brien	Sisson	Wolverton
Lea, Calif.	O'Connell	Smith, Conn.	Woodrum
Lemke	O'Connor	Smith, Va.	Zioncheck
Lesinski	O'Leary	Smith, W. Va.	
Lewis, Colo.	O'Malley	Snyder, Pa.	

NAYS—40

Blackney	Gray, Ind.	Marcantonio	Rich
Brewster	Griswold	Marshall	Rogers, Mass.
Buchanan	Hancock, N. Y.	Martin, Mass.	Sauthoff
Carlson	Hollister	Michener	Schaefer
Church	Holmes	Millard	Schuetz
Darrow	Hope	Mott	Seger
Ditter	Kelly	Perkins	Snell
Engel	Lord	Powers	Taber
Gilchrist	McLean	Ransley	Tinkham
Goodwin	Mapes	Reed, Ill.	Wilson, Pa.

ANSWERED "PRESENT"—2

Allen	Cavicchia

NOT VOTING—163

Adair	Dietrich	Johnson, Okla.	Richardson
Andrew, Mass.	Dingell	Johnson, Tex.	Risk
Andrews, N. Y.	Disney	Jones	Rogers, N. H.
Ayers	Dockweiler	Kee	Rogers, Okla.
Bacon	Doutrich	Kleberg	Romjue
Bell	Duffey, Ohio	Kloeb	Ryan
Berlin	Duncan	Kvale	Sabath
Bland	Dunn, Miss.	Lambertson	Sadowski
Bolton	Eaton	Larrabee	Sanders, La.
Boykin	Eicher	Lee, Okla.	Sandlin
Brennan	Faddis	Lehlbach	Scrugham
Brooks	Farley	Luckey	Short
Brown, Mich.	Ferguson	McClellan	Smith, Wash.
Buck	Fiesinger	McGroarty	Stack
Buckley, N. Y.	Flannagan	McLaughlin	Starnes
Bulwinkle	Focht	McSwain	Steagall
Burdick	Ford, Calif.	Maloney	Stewart
Caldwell	Fulmer	Meeks	Sumners, Tex.
Cannon, Wis.	Gambrill	Merritt, Conn.	Sweeney
Carmichael	Gassaway	Monaghan	Taylor, Colo.
Cary	Gavagan	Montague	Taylor, Tenn.
Celler	Gillette	Montet	Thomas
Claiborne	Gingery	Moran	Thompson
Clark, Idaho	Goldsborough	Moritz	Tobey
Cochran	Gray, Pa.	Murdock	Treadway
Coffee	Green	Nichols	Turpin
Collins	Greenwood	O'Day	Utterback
Cooper, Ohio	Greever	Oliver	Wadsworth
Cooper, Tenn.	Gregory	O'Neal	Welch
Corning	Hamlin	Palmisano	White
Creal	Hancock, N. C.	Parks	Wigglesworth
Crosby	Harlan	Patman	Wilcox
Cross, Tex.	Higgins, Conn.	Peterson, Fla.	Williams
Crowe	Higgins, Mass.	Pierce	Wilson, La.
Crowther	Hill, Knute	Plumley	Withrow
Culkin	Hoeppel	Quinn	Wolfenden
Cummings	Hoffman	Ramsay	Wood
Darden	Houston	Rankin	Woodruff
Dear	Huddleston	Rayburn	Young
Dempsey	Jenckes, Ind.	Reed, N. Y.	Zimmerman
DeRouen	Jenkins, Ohio	Richards	

So the motion was agreed to.

The Clerk announced the following additional pairs:

Additional general pairs:

Mr. Gregory wih Mr. Jenkins of Ohio.
Mr. Rankin with Mr. Short.
Mr. Knute Hill with Mr. Andrew of Massachusetts.
Mr. Cochran with Mr. Bolton.
Mr. Rayburn with Mr. Stewart.
Mr. Steagall with Mr. Taylor of Tennessee.
Mr. Fulmer with Mr. Wigglesworth.
Mr. Cooper of Tennessee with Mr. Andrews of New York.
Mr. McClellan with Mr. Lehlbach.
Mr. Cary with Mr. Bacon.
Mr. Fiesinger with Mr. Wolfenden.
Mr. Sabath with Mr. Risk.
Mr. Flannagan with Mr. Culkin.
Mr. Gambrill with Mr. Lambertson.
Mr. Dockweiler with Mr. Woodruff.
Mr. Bulwinkle with Mr. Doutrich.
Mr. Boykin with Mr. Reed of New York.
Mr. Thompson with Mr. Tobey.
Mr. Palmisano with Mr. Plumley.
Mr. Bland with Mr. Turpin.
Mr. Dempsey with Mr. Kvale.
Mr. Goldsborough with Mr. Withrow.
Mr. O'Neal with Mr. Greever.
Mr. Wood with Mr. Pierce.
Mr. Brennan with Mr. Cross of Texas.
Mr. Luckey with Mr. Sandlin.
Mr. Gingery with Mr. Williams.
Mr. Ramsay with Mr. Buck.
Mr. West with Mr. Oliver.
Mr. Creal with Mr. Rogers of Oklahoma.
Mr. Zimmerman with Mr. Hamlin.
Mrs. O'Day with Mr. Smith of Washington.
Mr. Gillette with Mr. Duncan.
Mr. Eicher with Mr. Higgins of Massachusetts.
Mr. Cummings with Mr. Dunn of Mississippi.
Mr. Greever with Mr. Wilson of Louisiana.

The result of the vote was announced as above recorded.

The doors were opened.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 1432, the War Minerals Claims Act, with Mr. BEAM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mr. SMITH of West Virginia. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Chairman, the gentleman from New York [Mr. TABER], in discussing this matter under the rule, attempted to leave the impression that these claimants had come to Congress and sought certain settlements and received them and then had come back three, four, and five times, when, as a matter of fact, the gentleman from New York knows, because he has studied this matter, that that is not a correct picture of the facts.

Mr. TABER. Will the gentleman yield there, Mr. Chairman?

Mr. RAMSPECK. Just as soon as I finish my statement I shall be glad to yield to the gentleman to answer any question he may want to ask.

The gentleman from New York knows that in the Chestatee case, to which he referred, the record showed their original claim was for over $900,000. The gentleman knows also, if he has studied the case, as I think he has, that all of these claims were filed for the full amount and had to be filed promptly after the passage of the act in 1919. They could not come back again under the law. There has not been any law authorizing them to come back again. There have been several amendments to this act.

Now, if the gentleman from New York desires me to yield on that point I will yield now.

Mr. TABER. No. The gentleman can finish his statement.

Mr. RAMSPECK. The original act, as I stated in the debate on the rule, was passed in 1918, and was not acted upon because the Attorney General ruled that it was a war measure and the war was over. This act of March 2, 1919, which we are now proposing to amend, was amended in 1921 at the request of the Secretary of the Interior. The gentleman from New York [Mr. TABER] left the impression that these claimants came back every time and got this act amended. As a matter of fact, the record shows that the Secretary of the Interior himself asked for the amendment of 1921 because he recognized that he had made mistakes in administering the law, and the Comptroller of the Treasury Department held that he could not correct those mistakes. So he was man enough to come to Congress and ask for the correction so that he could go back and reopen the claims where he had made mistakes and rectify them.

In addition to that, the purpose of the amendment of 1921 was to take care of certain claims which had been mailed within the statutory limit provided in the original act, but had not been received in time, and he wanted to consider those claims. At the request of the Secretary of the Interior, Congress made that amendment.

The amendment of 1924 simply dealt with the aggregate amount disbursed under the act. I do not recall how that happened to be passed or who asked that it be passed.

The act of 1929, of course, was passed at the instance of the claimants, and they had a right to ask that it be passed. The results of the litigation in the Supreme Court of the United States justifies them in that position.

If you will get a copy of the hearings and read the decision of the Supreme Court, you will see that the Supreme Court overruled the various Secretaries of the Interior on the question of taxes paid, on the question of allowance for salaries to people in these companies, and various and sundry and other questions where the Secretary had disallowed parts of the claims which they filed and to which they were justly entitled.

One of the things involved was the question of interest on money which was lost in the operation and which constitutes a part of the net loss. First, the Supreme Court of the District of Columbia held that they were not entitled to that because, they said, it was not a part of the net losses. The Court of Appeals of the District of Columbia overruled the Supreme Court of the District of Columbia, and that case went to the Supreme Court of the United States. The opinion of the Supreme Court of the United States, which was rendered by Mr. Justice McReynolds, is in the hearings, if any Member desires to refer to it. Mr. Justice McReynolds held that the various Secretaries of the Interior had been wrong in their construction of the act, and that they ought to have paid interest on the money borrowed and lost because it was, within the meaning of the law, a part of the net losses which the Congress directed to be paid.

The whole record in this case is well known. It has all been printed in Senate documents and in hearings before the various committees. There is absolutely no question, except interest, which the Supreme Court held to be a part of net losses, involved in this bill, despite the effort to prejudice you against this bill because of the fact that one of the claimants happens to be a large claim.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. DONDERO. Have any of these claimants ever signed a receipt in full or signed a release in full to the Government of the United States on any of these claims?

Mr. RAMSPECK. Absolutely not on any claim which will be affected by the bill now before the Committee for consideration. That is not only stated in the record, but in the last letter which the Secretary of the Interior wrote, in which he withdrew his objection to the bill, he said he was mistaken in making that statement, and that is one of the reasons why he withdrew his objection to the bill. They did get partial payments from time to time while they were continuing to contend all the time that there were others items which ought to be paid to them.

The situation is that the claimants involved have borrowed money within the period which the law said is covered by this original act. When they received these partial payments, in accordance with the laws of the States where they were domiciles, they did just what you, I, or any other person owing money would do—applied the payment first to the interest and then to reducing the principal of their debt. This is the custom and the law in every State I know anything about. In that way these people made payments on their obligations as soon as they could.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. SNELL. As I understand the situation at the present time with respect to the Chestatee Co., which is the largest claimant involved, and the one we have discussed more than any other, it is that they filed claim in 1919 for $914,000, that this was the full claim they had against the Federal Government.

Mr. RAMSPECK. I think that is approximately correct.

Mr. SNELL. I am speaking of approximate figures, of course. Within a very few days they received a payment of $223,000; in other words, their claim was reduced to $691,000.

Mr. RAMSPECK. I would not say they received it within a very few days.

Mr. SNELL. They received it on October 25 of the same year, according to the statement I have just read.

Mr. RAMSPECK. The gentleman is correct. They received $223,000 on October 25 of that year.

Mr. SNELL. And then reduced their claim to $691,000, and would leave only $691,000 in October 1922.

Mr. RAMSPECK. I do not agree with the gentleman's statement, because interest had been running on $645,000 which they borrowed, and which interest the Supreme Court later held they were entitled to.

Mr. SNELL. I am limiting my present discussion to their claim against the Federal Government. It is to be taken for granted that the company filed claim for the full amount they expected to get.

Mr. RAMSPECK. Yes.

Mr. SNELL. In October of 1922 they received $469,000. In April of 1932 they received an additional $44,000, and in June of 1933 they received $1,584 more. So it could not possibly figure out that the full amount of their claim at the present time is anything like $600,000.

Mr. RAMSPECK. All right; I submit this question to the gentleman from New York. The gentleman has read this bill, I presume.

Mr. SNELL. I have read it, but I admit I do not understand it.

Mr. RAMSPECK. No matter what the company may claim is due, they will not get a nickel out of this bill unless the Secretary of the Interior orders it paid. The matter is left in the hands of the Secretary of the Interior.

Mr. SNELL. The gentleman from Georgia very kindly gave me the figures I have used.

Mr. VINSON of Georgia. Mr. Chairman, if the gentleman will yield, the statement of the gentleman from Georgia is absolutely correct. Until the Secretary of the Interior agrees they will not receive one dollar.

Mr. SNELL. No matter how the claim is figured, and interest on the claim, it could not possibly amount to $600,000 at the present time.

Mr. RAMSPECK. I may say to the gentleman from New York that I cannot in my head figure what the situation would be as to interest. I take the position that it does not make any difference, so far as this bill is concerned, what they are claiming, because we leave the matter where it has always been, in the hands of the Secretary of the Interior, to determine what amount, if any, they are entitled to, or what any other claimant is entitled to. We are not legislating one nickel to any claimant under this bill. We are not changing the right of the Secretary of the Interior to determine what, if any, claim is due. We are dealing solely with a principle; that is, that they are entitled to this interest for 14 years which they did not get because of the wrongful construction of an act by the Secretary of the Interior.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. CHRISTIANSON. It seems to me this controversy presents an accounting problem that could be better settled by accountants working for the Secretary of the Interior at leisure than by dispute amongst Members of this House under the excitement of debate.

Mr. RAMSPECK. I agree with the gentleman absolutely. It does not make any difference, as to the merits of this bill, what they will get or whether they get anything.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. VINSON of Georgia. This bill does not in the slightest degree interfere with the authority and jurisdiction of

the Secretary of the Interior in the liquidation and settlement of claims as set out in section 5 of the act of March 2, 1919. In other words, it is entirely discretionary with the Secretary of the Interior what any claimant receives, and they must meet certain conditions or they will not receive anything. The Chestatee Co. must go to the Secretary of the Interior.

Mr. RAMSPECK. The gentleman is entirely correct.

Mr. PITTENGER. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. PITTENGER. The gentleman from New York asked if it was not a fact that different awards were made on different items over a period of years. When the awards were received they were applied first to payment of interest and then to a reduction of principal, so far as the particular payment was concerned, and for this reason the claimants have never been able to wipe out losses they sustained.

Mr. RAMSPECK. The gentleman is correct.

Mr. PITTENGER. The Secretary of the Interior uses a different method in determining their claims.

Mr. RAMSPECK. That is true. It is entirely up to him, but there is no appeal from the Secretary of the Interior as to what amount shall be paid.

Mr. TABER. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from New York.

Mr. TABER. The gentleman has stated that these payments were made, and I desire to read one sentence from section 5 of part II of the act of 1919, which is absolutely conclusive on the situation:

> That the Secretary of the Interior be, and he hereby is, authorized to adjust, liquidate, and pay such net losses as have been suffered by any person, firm, or corporation by reason of producing or preparing to produce either manganese, chrome, pyrites, tungsten—

And so forth. Does the gentleman see any possible construction of that language other than the fact that if the Secretary of the Interior made any payment at all it had to be under a receipt in full? The language is plain.

Mr. RAMSPECK. That was the construction which the Comptroller of the Treasury placed on the matter, and I just stated to the gentleman a while ago that the record discloses the Secretary of the Interior discovered he had made errors in making some of these awards, but the Comptroller of the Treasury held he could not correct them. Thereupon the Secretary himself came to the Congress in 1921 and asked for an amendment to the act, which was approved on November 23, 1921, and may I read to the gentleman the final paragraph:

> If in claims passed upon under said act awards have been denied or made on rulings contrary to the provisions of this amendment, or through miscalculation, the Secretary of the Interior may award proper amounts or additional amounts.

That is what happened in every one of these cases. He made erroneous rulings and the case we are trying to correct now went on 14 or 15 years. The man was denied interest on money borrowed, and this interest was a part of his loss. The Supreme Court said the Secretary was wrong.

Mr. DONDERO. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Michigan.

Mr. DONDERO. I wonder if the House fully understands that these people were assured by the Government they would not suffer any loss if they would yield to the Government in producing the things we needed in time of war?

Mr. RAMSPECK. I am glad the gentleman brought that up, because insofar as these cases which are covered by the proposal now before the Committee are concerned, it has been judicially determined that each one of them did engage in this business at the specific request of either the Secretary of the Interior, the Bureau of Mines, the Geological Survey, or the Shipping Board, as I recall it. There were three or four agencies named in the original act. Before the Secretary of the Interior would even consider a claim the first thing he determined was that they had acted in good faith in response to a request from one of the specified agencies of the Government, and about half of the claims filed were ruled out on that point. If that was not determined as a prerequisite, the Secretary of the Interior did not go any further with any of the claims.

Mr. BIERMANN. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Iowa.

Mr. BIERMANN. If, under the act of 1921 and the amendment thereto, the Secretary of the Interior is authorized to settle these claims, and if the Supreme Court has decided that interest and other items form part of the just claims, what is the necessity or purpose of this legislation?

Mr. RAMSPECK. I may say to the gentleman from Iowa [Mr. BIERMANN] that the first case which went to the Supreme Court on the question of interest was decided solely on the point of interest being a part of the net loss within the meaning of the act and directed the Secretary of the Interior to pay those net losses. Then, when the mandate of the Supreme Court went back, the Secretary said, "Well, that means payment of interest as a part of the net loss only up to March 2, 1919", the date of the original act. Bear in mind this happened in 1933, 14 years after the passage of the act; so these people who had been paying interest for all these 14 years said, "That is not fair. You were supposed to pay our net losses and we have been paying interest now for 14 years since this act was passed." They would not take it and the case went back to the Supreme Court. The Supreme Court in that case upheld the Secretary of the Interior.

Mr. VINSON of Georgia. And the law covered the net loss and the obligations incurred.

Mr. RAMSPECK. Yes. The act all the way through said, "For all obligations incurred"; and we contend that the interest was incurred during the war period.

Mr. BIERMANN. I am inclined to agree with the gentleman, but I cannot get it through my head just why this legislation is necessary as long as the act of 1921 is there, and so long as the Supreme Court held that these are just claims.

Mr. RAMSPECK. If I gave the gentleman the impression that the Supreme Court said that interest beyond the date of the original act, March 2, 1919, was to be paid, I gave him the wrong impression. That is when they upheld the Secretary of the Interior in the second case.

Mr. BIERMANN. This covers, then, some of the items not covered by the act of 1921?

Mr. RAMSPECK. Yes.

Mr. VINSON of Georgia. It was the intention of Congress that these people should be reimbursed for their net losses and obligations to be incurred?

Mr. RAMSPECK. That is correct.

Mr. VINSON of Georgia. And the Supreme Court held that could not be done up to March 2, 1919, and for the lack of clarifying by statute what was the intent of Congress it is necessary to have this bill enacted now to show it was the intent of Congress that all net losses and all obligations incurred from April 6, 1917, to November 18, 1918, are entitled to be compensated for.

Mr. CURLEY. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from New York.

Mr. CURLEY. I listened very attentively to the gentleman from Georgia explaining this proposition today in connection with the discussion on the rule. I was very much impressed with what he said at the beginning when he mentioned the fact that the Government was trying to mobilize its resources at that time for the purpose of prosecuting the World War. I am talking about the situation which led up to the contract that was ultimately entered into. I understood the gentleman from Georgia stated that the Government was unable to get the manganese necessary to prosecute the war. Of course, in normal times we would get all we want from the other side.

Mr. RAMSPECK. The gentleman is correct.

Mr. CURLEY. But due to the fact no shipping was available at the time, it was necessary for the Government to get such minerals from sources of a domestic nature and to call upon these men you are talking about that had this property to enter into contracts with the Government for

the purpose of supplying the minerals necessary to prosecute the war.

Mr. RAMSPECK. That is correct. They were asked to do it, and they did so at the request of the Government, and the Government promised to make them whole; and they will not be made whole unless this bill is passed.

Mr. PITTENGER. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. PITTENGER. Referring to the question of the gentleman from New York [Mr. SNELL], is it not a fact that interest was running over a period of 3 or 4 years before the Government investigators acted and began paying any of these claims?

Mr. RAMSPECK. Well, the first payment made in the Chestatee case, which the gentleman was referring to, was made in October 1919. Another payment was made 3 years later, and I call the attention of the House and the Committee to the fact that from then on it was 10 years before they ever got another nickel out of this claim. For 10 years they were fighting here for their rights, which the Congress had given them, but from 1922 to 1932 they did not get a nickel.

Mr. CHANDLER. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman.

Mr. CHANDLER. Will the passage of this bill enable a final settlement, once and for all, of the claims involved in this measure?

Mr. RAMSPECK. The gentleman is absolutely correct. It is plainly stated in this measure that as to the 91 claims involved in this matter, when they are paid under this bill, they must sign a receipt in full.

Mr. HILL of Alabama. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Alabama.

Mr. HILL of Alabama. If the war had gone on it would have been absolutely necessary for the Government to have had these war minerals and, of course, no one could tell when the war was going to end; in fact, it ended much sooner than most of us thought it would.

Mr. RAMSPECK. That is absolutely true.

Mr. HILL of Alabama. And one of the most pressing problems we had was in connection with a shortage of ships. We had no vessels in which to bring these minerals in from other countries and we had to provide our own supply of these war minerals here in the United States, and the Government went to these men and asked them to do that very thing.

Mr. RAMSPECK. The gentleman is correct. The record is very clear on that and there can be no dispute about it.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. VINSON of Georgia. Upon the passage of this bill there will practically be a termination of the activities of the war minerals branch of the Department of the Interior?

Mr. RAMSPECK. That is my understanding. The matter is practically wound up with certain decisions of the court that have been rendered in other cases and upon the passage of this bill, I think it can be wound up.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. SNELL. What assurance have we of that? That is what we understood when we passed these other amendments, and now you come again and say that if you get this bill passed, it will end it.

Mr. RAMSPECK. The language of this bill is plain——

Mr. SNELL. The language of the other acts have been plain and complete, but nevertheless they found new claims and came back to Congress, and we amended the old act.

Mr. RAMSPECK. Of course, the gentleman has been here longer than I have, and he knows that no Member of the House can give any assurance about what some future Congress may do.

Mr. SNELL. A Member who has been here as long as I have, I understood, gave that assurance to the House.

Mr. RAMSPECK. This is the only time there has ever been written into the statute itself that this should constitute full settlement. This is written in this measure, so we are at least making that much progress, and I hope the gentleman will help us.

Mr. RICH. Mr. Chairman, I make the point of order there is not a quorum present.

The CHAIRMAN. Evidently there is not a quorum present. The Clerk will call the roll.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 84]

Adair	Duffey, Ohio	Jenckes, Ind.	Risk
Andresen	Duncan	Jenkins, Ohio	Robertson
Andrew, Mass.	Dunn, Miss.	Johnson, Okla.	Rogers, N. H.
Andrews, N. Y.	Ekert	Johnson, Tex.	Rogers, Okla.
Ayers	Elcher	Kee	Romjue
Berlin	Ekwall	Kennedy, Md.	Russell
Bland	Faddis	Kerr	Ryan
Bolton	Farley	Kleberg	Sabath
Boykin	Ferguson	Kloeb	Sadowski
Brennan	Fernandez	Kvale	Sanders, La.
Brewster	Fiesinger	Lambertson	Sandlin
Brooks	Fish	Larrabee	Scrugham
Buckley, N. Y.	Fitzpatrick	Lee, Okla.	Short
Bulwinkle	Flannagan	Lehlbach	Smith, Va.
Burch	Focht	Lewis, Md.	Smith, Wash.
Caldwell	Ford, Calif.	Lord	Stack
Cannon, Wis.	Ford, Miss.	Luckey	Starnes
Carmichael	Gambrill	McClellan	Steagall
Cary	Gasque	McGrath	Stewart
Castellow	Gassaway	McGroarty	Sumners, Tex.
Cavicchia	Gavagan	McMillan	Sutphin
Chapman	Gifford	McSwain	Sweeney
Citron	Gillette	Maloney	Taylor, Colo.
Claiborne	Gray, Pa.	Marshall	Taylor, Tenn.
Clark, Idaho	Greenway	Meeks	Thomas
Coffee	Greenwood	Merritt, Conn.	Thomason
Collins	Greever	Monaghan	Thompson
Cooper, Ohio	Gregory	Montague	Thurston
Creal	Guyer	Montet	Tinkham
Crosby	Hamlin	Moritz	Tobey
Cross, Tex.	Hancock, N. C.	Murdock	Treadway
Crowe	Harlan	Nichols	Turpin
Culkin	Healey	Norton	Utterback
Cummings	Higgins, Conn.	O'Day	Welch
Darden	Higgins, Mass.	Oliver	West
Darrow	Hill, Knute	Palmisano	Wigglesworth
Dear	Hill, Samuel B.	Parks	Wilcox
DeRouen	Hoeppel	Patman	Williams
Dietrich	Hoffman	Peterson, Fla.	Wilson, La.
Dingell	Hook	Quinn	Withrow
Disney	Hope	Ramsay	Wolfenden
Ditter	Houston	Rayburn	Young
Dockweiler	Huddleston	Reilly	
Doutrich	Hull	Richards	
Driver	Imhoff	Richardson	

The Committee rose; and the Speaker having resumed the chair, Mr. BEAM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill S. 1432, found itself without a quorum and he caused the roll to be called, when 250 Members answered to their names, and he handed in the names of the absentees to be printed in the Journal.

The Committee resumed its session.

Mr. ENGLEBRIGHT. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, it is usual when a bill of this character is presented to the House that there be some real reason given why the bill should be enacted into law by the proponents of the bill before those who feel conscientiously obliged to oppose it are called upon to go into the thing into its entirety.

Frankly, I am led to the conclusion that the proponents do not believe that the bill itself has any merit.

While the gentleman from Georgia [Mr. RAMSPECK] had the floor I called attention to some facts with reference to the situation. I am going to call attention to some other facts and then call attention to those that I brought out while he was on the floor, and to those things that have happened in connection with the history of the legislation with reference to this subject over the past 15 or 16 years.

On the 5th of October 1918 a law was passed permitting the Secretary of the Interior to do certain things with reference to certain minerals which are the subject of this legislation.

There was set aside $50,000,000 to take care of the revolving fund for carrying out the purposes of the act.

After the war was over the Secretary of the Interior was not permitted, as the gentleman from Georgia has told you, to make settlement with the people who had gone ahead under this act.

Now, the situation was this: They had the claims presented for consideration. The claims were numerous—something like several hundred, as I understand.

On the 2d of March 1919 a bill was passed which authorized the Secretary of the Interior "to adjust, liquidate, and pay such net losses as had been suffered by any individual, firm, or corporation."

To my mind, and to the mind of any fair-minded person, that meant that if he made a settlement that was a settlement in full. I cannot figure any other way out of that situation. A lot of these people have these claims and a lot of money was paid as a result of those claims. I shall call attention to a few of them. I called attention when I took the floor with reference to the adoption of the rule to this claim of the Chestatee Corporation.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. TABER. Yes.

Mr. VINSON of Georgia. The gentleman read section 5 and stated the way he interpreted it is that net loss was in the settlement of the claims.

Mr. TABER. Absolutely. The language, to my mind, can be interpreted in no other way or interpreted fairly in no other way.

Mr. VINSON of Georgia. The gentleman would be absolutely correct if the net losses had been paid, but the difficulty is that the Secretary of the Interior never paid the net losses.

Mr. TABER. I shall go into that as we go along. I am rather inclined to believe that he had.

Mr. VINSON of Georgia. It leaves it absolutely in his discretion in the future to determine that, does it not? There is nothing in this bill that will take away any of the prerogatives of the Secretary of the Interior to liquidate and finally settle these claims; and, if the net losses have been paid, then nobody gets any payment.

Mr. TABER. The authority of the Secretary of the Interior under that act of March 2, 1919, was limited to a gross payment of eight and a half million dollars.

Mr. VINSON of Georgia. Not at all. It was limited to the net losses, and Congress merely set aside eight and a half million dollars out of the $50,000,000 appropriation, and there was no limitation as to dollars and cents except in that one particular act.

Mr. TABER. I am going to read the gentleman just what the situation was, and I hope that he will follow me:

Provided, however, That the payments and disbursements made under the provisions of this section for and in connection with the payments and settlements of the claims herein described, and the said expenses of administration, shall in no event exceed the sum of $8,500,000.

Mr. VINSON of Georgia. And if at that time the Secretary had paid the net losses, it would not have exceeded the eight and a half million dollars.

Mr. TABER. I am inclined to agree with the gentleman, although we have paid a great deal more than the eight and a half million dollars, and there are pending some other claims on which the present statutes require further appropriations. There was a group of claims presented in addition to that I told you about, of 15 or 20 which received additional awards in 1934, totaling $504,000. At that time we were told that there were probably $900,000 coming along. The total amount that has been paid and probably will be paid without further legislation, as I understand it, will run about $10,000,000. I believe these people went into this proposition absolutely believing that they were going to make a profit. Most of them have been paid a lot of money. The question at issue at the time this thing came up, was whether or not the salvage value of their properties acquired after the investment they had made as a result of their supposed contracts with the Secretary of the Interior, was one amount or another. After that law was passed we went along a little further, and some payments were paid under the 1919 law. I want the membership of the House to realize that this law of 1919 was unquestionably passed at the instance and at the request of those Members of Congress who represented districts where these claims existed. That is the usual practice. I was not here at that particular time; it goes back further than I do, but I am sure that that was the situation.

Mr. VINSON of Georgia. The gentleman has not any objection to the wisdom of the act of March 2, 1919, has he?

Mr. TABER. If they had stopped there, I would not have, but I do call attention of the House to the number of times this has come back. On November 23, 1921, another act was passed, and I assume that was at the instance of Members of Congress who represented the districts where the claimants resided.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. TABER. I decline to yield at this time. This must have been as far as they anticipated they could ask Congress ever to go. That was the second time they came.

Mr. VINSON of Georgia. Will not the gentleman yield now?

Mr. TABER. Not now. Then after that, in order that they might get away from the limitations of eight and a half million dollars, another act was passed on the 7th of June 1924, and I assume that was passed at the instance and request of the Members of Congress who represented those districts in which the claimants resided, and I am practically certain of that because I was here at that time and I remember the interest that a great many people had in that bill.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. VINSON of Georgia. Before the gentleman gets away from the act of 1921, which has already been passed over, the reason why that was passed, was it not, was because the Secretary of the Interior had made errors and the Congress stated in the very act that the purpose of it was because of errors that the Secretary of the Interior had made when he was failing to carry out the act of Congress of March 21, and give them the net losses, because the act plainly says, "through miscalculations."

So, therefore, Congress at that time knew that the Secretary of the Interior, in carrying out the March 2, 1919, law had made errors which the Congress itself was seeking to correct. Is not that the fact?

Mr. TABER. I do not know whether that is the fact or not. There is nothing in the act that I can see that says that, but I may not see it all.

Mr. VINSON of Georgia. Let me read the last paragraph, which says this:

If in claims passed upon under said act, awards have been denied or made on rulings contrary to the provisions of this amendment, or through miscalculation, the Secretary of the Interior may award proper amounts or additional amounts.

Mr. TABER. That is true. I do not think I ought to yield any further. But that is not a declaration that such mistakes had been made.

Mr. VINSON of Georgia. Did not Congress put it in the bill?

Mr. TABER. It is a declaration that if the Secretary of the Interior or anyone else made mistakes he might award the proper amounts, but after that was done, still other payments were made. After that law was passed, the claim of the Chestatee Corporation was increased from $223,000, which was paid in accordance with the act of October 2, 1919, up to almost $684,000. It must be that that was intended to be made, and must have been accepted, in accordance with the provisions of the act of 1919 as payment in full. Why should we not stand on those payments in full when we made them and passed two acts?

But we were not satisfied with that, because we passed another act in 1924, and, as I understand, some payments were made. Then we come into another act in 1929, and these people got further payments. For instance, this Chestatee Corporation under that act received three further payments, one on March 14, 1932, of $40,000; another on December 7 of $1,584; and another on February 23, 1933, of $90,500. These corporations and these businesses, as a result of this act, and the various amendatory acts, have received large awards, increasing awards each time. I can remember when the 1929 act came in, and I know that the Congressmen representing those districts were back of it.

Mr. VINSON of Georgia. Should they not be back of it?

Mr. TABER. I am not criticizing the Congressmen. They are entitled to get back of any act to protect the interests of the people of their own districts, but we first had a bill which provided, I believe, by its fair interpretation, for settlement in full. Then we had four other bills which permitted changes and raises to be made in the amounts that should be paid. Now, we have a fifth bill coming in here, which permits still another raise and extension in the amount that can be paid. I frankly do not see why this House, after having passed one bill, which absolutely and clearly means complete settlement, should change its position and increase five or six times the amounts that can be paid.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. SNELL. Does the gentleman know of any new information that has come before the committee or that has been placed before the House that they did not have a year ago, when they went on record as opposed to the payment of this bill?

Mr. TABER. I do not.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

The CHAIRMAN. The time of the gentleman from New York [Mr. TABER] has expired.

Mr. ENGLEBRIGHT. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. VINSON of Georgia. The letter from the Secretary of the Interior has come in since.

Mr. SNELL. I have just read it and there is not any very definite information there. He does not say he favors the payment of this claim.

Mr. VINSON of Georgia. The Secretary of the Interior said he was opposed to it on account of the appropriation.

Mr. SNELL. And he says now that the House may do as it is of a mind to do.

Mr. VINSON of Georgia. Yes.

Mr. SNELL. He does not say he is in favor of the bill.

Mr. VINSON of Georgia. He leaves it to the wisdom of the Congress to do equity and justice to these people.

Mr. TABER. The Secretary of the Interior previously opposed the bill because he felt that the claimants, as a result of their acceptance of awards, had given a release in full. I do not see how he could have made an award without it being accepted as a release in full under this act. After that situation was over, I do not know why, but the Secretary of the Interior did go so far as to say, "Without recommending the passage of the bill I withdraw my previous objection in the belief that the Congress should say what was the intention of the original act."

Are we going to say that the intention of the original act was something different than it says itself? When the act itself says that the settlement shall be final and conclusive, are we going to say that "final and conclusive" does not mean a single thing? That is just the situation. Does "final and conclusive" mean anything, or does it mean that we will come back and keep coming for more money? That is the history of this case.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. LUNDEEN. Perhaps there is some money left in the Treasury.

Mr. TABER. A lot of folks think there is a lot of money left in the Treasury. Frankly, if we paid our bonds there would not be any money left in the Treasury.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. O'CONNOR. Of course, under this bill no money comes out of the Treasury; it is already there, placed there by this administration to pay these claims.

Mr. TABER. Already there! The money does not come out of the Treasury! I hope the gentleman will join me in an attempt to amend the bill to provide that none of the money shall come out of the Treasury.

Mr. O'CONNOR. I have not heard the gentleman from New York complain about the W. P. A. or the P. W. A. projects in his district.

Mr. TABER. The gentleman has not heard me come out here and ask for any W. P. A. or P. W. A. money in my district. I have not. I voted against every one of these racketeering propositions to destroy the morale of the American people that has been presented here, and the gentleman knows it.

Mr. O'CONNOR rose.

Mr. TABER. I do not care what the gentleman wants to say, I am not going to yield to him now. He can get some time in his own right, but I do not propose to have the gentleman misrepresent my position.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield for a moment?

[Here the gavel fell.]

Mr. TABER. No; I cannot yield further; I have not the time.

Mr. SMITH of West Virginia. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BEAM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 1432) to amend section 5 of the act of March 2, 1919, generally known as the War Minerals Relief Statutes, had come to no resolution thereon.

CAPT. PERCY WRIGHT FOOTE

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 7092, an act for the relief of Capt. Percy Wright Foote, United States Navy, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the Senate amendment, as follows:

Page 2, line 6, strike out all after "admiral" down to and including "grade", in line 8, and insert *"Provided*, That he shall remain on the active list of the Navy in his present rank until the report of the next senior selection board of the Navy shall have been approved: *Provided further*, That if selected for promotion he shall be retained in his present rank on the active list until promoted to the rank of rear admiral, and in the event of his selection and subsequent promotion he shall be carried as an additional number in grade."

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. EATON (at the request of Mr. BACHARACH), indefinitely, on account of illness.

To Mr. BOYKIN (at the request of Mr. HILL of Alabama), indefinitely, on account of important business.

To Mr. STARNES (at the request of Mr. HILL of Alabama), indefinitely, on account of important business.

To Mr. GAVAGAN (at the request of Mr. CULLEN), indefinitely, on account of official business.

To Mr. FARLEY, for 6 days, on account of important business.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 37. Concurrent resolution authorizing the printing of additional copies of each part of Senate Report No. 944, concerning the manufacture and sale of arms and other war munitions; to the Committee on Printing.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 396. An act for the relief of the Virginia Engineering Co., Inc.;

H. R. 4016. An act to amend section 10 and repeal section 16 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes", approved May 29, 1934 (48 Stat. 811), and for other purposes;

H. R. 7253. An act for relief of James Murphy Morgan and Blanche Copelan;

H. R. 7468. An act for the relief of Izelda Boisoneau; and

H. R. 9673. An act to authorize the recoinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1936.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 30 minutes p. m.) the House adjourned until tomorrow, Thursday, April 30, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

826. A communication from the President of the United States, transmitting for the consideration of Congress a supplemental estimate of appropriation for the Federal Communications Commission for the fiscal year 1936, amounting to $400,000, to continue available until June 30, 1937 (H. Doc. No. 479); to the Committee on Appropriations and ordered to be printed.

827. A letter from The Assistant Secretary of War, transmitting a draft of a joint resolution to authorize the attendance of Maximo Mariano Pruna y Hernandez, a citizen of Cuba, at the United States Military Academy; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WALTER: Committee on the Judiciary. S. 2456. An act to provide for the appointment of an additional district judge for the northern and southern districts of West Virginia; with amendment (Rept. No. 2540). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 12353. A bill to amend an act entitled "An act to create a Library of Congress Trust Fund Board, and for other purposes", approved March 3, 1925; without amendment (Rept. No. 2541). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 12455. A bill to provide for the administration and maintenance of the Blue Ridge Parkway, in the States of Virginia and North Carolina, by the Secretary of the Interior, and for other purposes; without amendment (Rept. No. 2544). Referred to the Committee of the Whole House on the state of the Union.

Mr. PLUMLEY: Committee on Military Affairs. S. 3398. An act to establish the Air Corps Technical School and to acquire certain land in the State of Colorado for use as a site for said Air Corps Technical School and as an aerial gunnery and bombing range for the Army Air Corps; without amendment (Rept. No. 2545). Referred to the Committee of the Whole House on the state of the Union.

Mr. MURDOCK: Committee on Indian Affairs. House Joint Resolution 415. Joint resolution to carry out the intention of Congress with reference to the claims of the Chippewa Indians of Minnesota against the United States; without amendment (Rept. No. 2546). Referred to the Committee of the Whole House on the state of the Union.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 11970. A bill to authorize the attendance of the Marine Band at the Arkansas Centennial Celebration, at Little Rock, Ark., on June 2, 3, 4, and 5, 1936; the Texas Centennial, at Dallas, Tex., on June 6, 7, and 8, 1936; and the Forty-sixth National Confederate Reunion, at Shreveport, La., on June 9, 10, 11, and 12, 1936; without amendment (Rept. No. 2547). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TOLAN: Committee on Claims. H. R. 397. A bill for the relief of Robbie Coates; with amendment (Rept. No. 2518). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. H. R. 1349. A bill for the relief of John T. Clarkson; with amendment (Rept. No. 2519). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 3715. A bill authorizing the reimbursement of Edward B. Wheeler and the State Investment Co. for the loss of certain lands in the Mora grant, New Mexico; with amendment (Rept. No. 2520). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 5752. A bill to extend the benefits of the United States Employees' Compensation Act of September 7, 1916, as amended, to the dependent beneficiaries of Dr. Frank W. Lamb; with amendment (Rept. No. 2521). Referred to the Committee of the Whole House.

Mr. GWYNNE: Committee on Claims. H. R. 7363. A bill for the relief of F. E. Hall; with amendment (Rept. No. 2522). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. H. R. 7642. A bill for the relief of Katherine Trick; with amendment (Rept. No. 2523). Referred to the Committee of the Whole House.

Mr. STACK: Committee on Claims. H. R. 7794. A bill for the relief of Newark Concrete Pipe Co.; with amendment (Rept. No. 2524). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. H. R. 7839. A bill for the relief of C. E. Rightor; with amendment (Rept. No. 2525). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 8091. A bill for the relief of Fields B. Arthur and Arthur L. Allen, copartners, doing business as Arthur and Allen, and as assignees of Edward F. Rizer and A. B. Hoffman; also for the relief of the Colorado Culvert & Flume Co., a corporation; with amendment (Rept. No. 2526). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 8228. A bill for the relief of Mrs. W. E. Bouchey; with amendment (Rept. No. 2527). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 8440. A bill conferring jurisdiction upon the United States District Court for the Eastern District of New York to hear, determine, and render judgment upon the claims of Achille Ratallato and

Albert Ratallato; with amendment (Rept. No. 2528). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 8732. A bill for the relief of the estate of Hattie M. Dunford; with amendment (Rept. No. 2529). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 8783. A bill for the relief of J. H. Medlin; with amendment (Rept. No. 2530). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 8932. A bill for the relief of John S. Hemrick; with amendment (Rept. No. 2531). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 10044. A bill for the relief of Lt. Col. Fernand H. Gouaux; without amendment (Rept. No. 2532). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 10168. A bill for the relief of Arch A. Gary; with amendment (Rept. No. 2533). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 10279. A bill for the relief of the Pocahontas Fuel Co., Inc.; with amendment (Rept. No. 2534). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 10336. A bill for the relief of May Howard Bloedorn; with amendment (Rept. No. 2535). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 10435. A bill for the relief of Emma Hastings; with amendment (Rept. No. 2536). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 10439. A bill for the relief of John B. Ricketts; with amendment (Rept. No. 2537). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 11022. A bill for the relief of Ethel Armes; with amendment (Rept. No. 2538). Referred to the Committee of the Whole House.

Mr. DARDEN: Committee on Naval Affairs. H. R. 7993. A bill for the relief of Joseph Frank Schmidt; without amendment (Rept. No. 2542). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. H. R. 7825. A bill for the relief of Michael Stodolnik; with amendment (Rept. No. 2543). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIES: A bill (H. R. 12507) to provide homes and farms for the tenant farmers of the United States, to refinance existing mortgages and liens on farms, to provide money to enable farmers to make necessary repairs and improvements, and for other purposes; to the Committee on Agriculture.

By Mr. REED of Illinois: A bill (H. R. 12508) to grant retired pay and allowances to certain retired officers now on the retired list of the Navy or Marine Corps; to the Committee on Naval Affairs.

By Mr. SOUTH: A bill (H. R. 12509) providing for a survey of the Colorado River, Tex., above the county line between Coke and Runnels Counties; to the Committee on Flood Control.

By Mr. TOLAN: A bill (H. R. 12510) providing for an additional naval academy in the San Francisco Bay area in the State of California, and for other purposes; to the Committee on Naval Affairs.

By Mr. McSWAIN (by request): A bill (H. R. 12511) to authorize appropriations for construction at military posts, and for other purposes; to the Committee on Military Affairs.

By Mr. LEMKE: A bill (H. R. 12512) for the relief of certain persons who imported livestock feed from Canada into the State of North Dakota between January 9, 1935, and April 1, 1935, inclusive; to the Committee on Ways and Means.

By Mrs. NORTON: A bill (H. R. 12513) to amend an act entitled "An act to create a juvenile court in and for the District of Columbia", and for other purposes; to the Committee on the District of Columbia.

By Mr. COLE of Maryland: A bill (H. R. 12514) authorizing the Chesapeake Bay Authority to construct, maintain, and operate a toll bridge across the Chesapeake Bay from a point in Baltimore County, Md., over Hart Island and Millers Island to a point near Tolchester, in Kent County, Md.; to the Committee on Interstate and Foreign Commerce.

By Mr. DIES: A bill (H. R. 12515) to amend the Emergency Farm Mortgage Act of 1933, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. GASQUE: A bill (H. R. 12516) granting the consent of Congress to the county of Horry, S. C., to construct a bridge across the Waccamaw River at or near Red Bluff; to the Committee on Interstate and Foreign Commerce.

By Mr. PARSONS: A bill (H. R. 12517) to provide for a permanent system of flood control, and for other purposes; to the Committee on Flood Control.

By Mr. MAVERICK: A bill (H. R. 12518) making appropriations for relief purposes; to the Committee on Appropriations.

By Mr. DEEN: Resolution (H. Res. 499) providing for the consideration of H. R. 12120; to the Committee on Rules.

By Mr. IGLESIAS: Joint resolution (H. J. Res. 575) authorizing the establishment of Luquillo National Park of Puerto Rico; to the Committee on the Public Lands.

By Mr. CITRON: Joint resolution (H. J. Res. 576) to amend the Constitution in regards to taxation; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BELL: A bill (H. R. 12519) for the relief of James Redmond; to the Committee on Pensions.

By Mr. BOYLAN: A bill (H. R. 12520) for the relief of James M. D'Arcy; to the Committee on Claims.

By Mr. DARDEN: A bill (H. R. 12521) for the relief of Lester T. Gayle, Jr.; to the Committee on Military Affairs.

By Mr. DOUGHTON: A bill (H. R. 12522) for the relief of Grier-Lowrance Construction Co., Inc.; to the Committee on Claims.

By Mr. HESS: A bill (H. R. 12523) for the relief of Charles M. Marshall; to the Committee on Military Affairs.

By Mr. NELSON: A bill (H. R. 12524) granting a pension to Rebecca Leonhardt; to the Committee on Invalid Pensions.

By Mr. REECE: A bill (H. R. 12525) granting a pension to R. G. Bunton; to the Committee on Pensions.

By Mr. THURSTON: A bill (H. R. 12526) for the relief of Sarah E. Garnes; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10797. By Mr. CULKIN: Petition of the New York State Assembly, urging the Government to accept responsibility for relief and employment of transients; to the Committee on Ways and Means.

10798. Also, petition of the New York State Assembly, urging that Congress appropriate annually $2,500,000 for the maintenance and operating expenses of the New York State canal system; to the Committee on Appropriations.

10799. By Mr. FITZPATRICK: Petition of the New York Adult Blind Aid Association, Inc., signed by John T. Kennedy, of 2327 Newbold Avenue, Bronx, New York City, N. Y., and a number of residents of Bronx County, urging the passage of House bill 7122, granting a pension to the needy blind; to the Committee on Pensions.

10800. By Mr. GOODWIN: Petition of Ellen B. O'Rourke and other residents of Kingston, N. Y., and vicinity, regarding the Townsend plan; to the Committee on Ways and Means.

10801. Also, petition of Mabel E. Albright and other residents of Kingston, N. Y., regarding the Townsend plan; to the Committee on Ways and Means.

10802. By Mr. REED of Illinois: Petition signed by Gertrude K. Beckman and 166 members of extension service of the University of Illinois, requesting passage of Copeland food and drug bill or other legislation which will afford consumer protection; to the Committee on Interstate and Foreign Commerce.

10803. Also, resolution by the Women's Home Missionary Society of Downers Grove (Ill.) Methodist Episcopal Church, protesting against passage of House bill 10387; to the Committee on the District of Columbia.

10804. Also, resolution by the Women's Home Missionary Society of Downers Grove (Ill.) Methodist Episcopal Church, protesting against House bill 3414; to the Committee on Ways and Means.

10805. Also resolution by the Women's Home Missionary Society of Downers Grove (Ill.) Methodist Episcopal Church, endorsing House bill 8368; to the Committee on the Judiciary.

10806. By Mrs. ROGERS of Massachusetts: Petition of custodial employees of the Post Office and Treasury Departments, of Boston, Mass., urging enactment of the Boylan bill (H. R. 7267); to the Committee on the Civil Service.

10807. By Mr. SADOWSKI: Petition of the Common Council of Detroit, Mich., endorsing House bill 12243; to the Committee on Banking and Currency.

10808. Also, petition of the Detroit Federation of Post Office Clerks, endorsing House bill 7688; to the Committee on the Post Office and Post Roads.

10809. Also, petition of the Detroit Federation of Post Office Clerks, endorsing House bill 3251; to the Committee on the Civil Service.

SENATE

THURSDAY, APRIL 30, 1936

(Legislative day of Friday, Apr. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, April 29, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Holt	O'Mahoney
Ashurst	Connally	Johnson	Overton
Austin	Coolidge	Keyes	Pittman
Bachman	Copeland	King	Pope
Bailey	Couzens	La Follette	Radcliffe
Barbour	Davis	Lewis	Reynolds
Barkley	Dieterich	Logan	Robinson
Benson	Donahey	Lonergan	Russell
Bilbo	Duffy	Long	Schwellenbach
Black	Fletcher	McGill	Sheppard
Bone	Frazier	McKellar	Shipstead
Borah	George	McNary	Smith
Brown	Gerry	Maloney	Steiwer
Bulkley	Gibson	Metcalf	Thomas, Okla.
Bulow	Glass	Minton	Thomas, Utah
Burke	Guffey	Moore	Tydings
Byrnes	Hale	Murphy	Vandenberg
Capper	Harrison	Murray	Van Nuys
Caraway	Hastings	Neely	Walsh
Carey	Hatch	Norris	Wheeler
Chavez	Hayden	Nye	White

Mr. LEWIS. I announce the absence of the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Florida [Mr. TRAMMELL], caused by illness.

I further announce that the Senator from Virginia [Mr. BYRD], the Senator from Oklahoma [Mr. GORE], the Senator from California [Mr. MCADOO], the Senator from Missouri [Mr. TRUMAN], and the Senator from New York [Mr. WAGNER] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] and the Senator from Delaware [Mr. TOWNSEND] are necessarily absent.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

CHARLES F. BOOTS

Mr. HARRISON. Mr. President, I wish to interrupt the legislative proceeding for a brief moment to express my personal high regard for a very valuable employee of the Senate who today is leaving the employment of the Senate and entering what he believes are broader fields of work. For 13 years this employee has been in the office of the legislative counsel of the Senate, and for 6 years has been legislative counsel for this body. In the course of that time he has assisted every Member of the Senate in the study and preparation of important legislation. It is my belief that the Senate has never had an employee who has been more faithful to his trust than has this gentleman, or one who has played in a very modest way a greater part in legislative achievements.

Charles F. Boots has been most valuable to the Congress and the country. Possessed of an extraordinary mind, courteous, and always accommodating, he will be missed by all of us. I am sure, Mr. President, I express the sentiments of the Finance Committee and of every Member of the Senate when I say that we regret that he is resigning as legislative counsel of this body, and we wish for him every success in this new and broader field of private employment and send with him the blessings of the Senate.

DEPARTMENTS OF STATE, JUSTICE, ETC., APPROPRIATIONS—CONFERENCE REPORT

Mr. MCKELLAR submitted the following report, which was ordered to lie on the table:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12098) "making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes", having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 10, 23, 32, 33, 34, and 52.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 6, 8, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 25, 26, 27, 28, 29, 30, 31, 35, 36, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 53, 54, and 59, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$26,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"For investigations relating to the establishment of a Federal zone along the international boundary, United States and Mexico, as authorized by Public Law Numbered 286, approved August 19, 1935 (49 Stat. 660), including salaries and wages; fees for professional services; supplies and materials; communication service; travel expenses; transportation of things; hire, maintenance, and operation of motor-propelled passenger- and freight-carrying vehicles; hire with or without personal services of work animals and animal-drawn and motor-propelled vehicles and equipment; and such other expenses as the Secretary of State may deem necessary, $4,650, to be immediately available."

And the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: "and for payment of foreign counsel employed by the Attorney General in special cases, $600,000, no part of which, except for payment of foreign counsel, shall be used to pay the compensation of any persons except attorneys duly licensed and authorized to practice under the laws of any State, Territory, or the District of Columbia"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"No part of the funds appropriated by Title II of this act for salaries of judges, the Attorney General, Assistant Attorneys-General, Solicitor General, district attorneys, marshals, and clerks of court shall be used for any other purpose whatsoever, but such salaries shall be allotted out of appropriations herein made for such salaries and retained by the Department and paid to such officials severally, as and when such salaries fall due and without delay."

And the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$225,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$30,000"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert: "$850,000"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert: "$628,500"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "miscellaneous expenses, $2,785,000, of which amount not to exceed $885,000 shall be available for the Veterans' Placement Service, the Farm Placement Service, District of Columbia Public Employment Center, and all other purposes, including not to exceed $197,500 for personal services in the Department in the District of Columbia, and the remainder shall be available for payment to the several States in accordance with the provisions of the said Act of June 6, 1933, as amended: *Provided*, That apportionments for the fiscal year 1937 shall be on the basis of a total apportionment to all States of $3,000,000, and in order to supply the Government's apportionments to States under such Act during the fiscal years 1936 and 1937, which are not capable of being supplied under the foregoing appropriation, there is hereby appropriated so much as may be necessary to supply such apportionments, but not more than $1,675,000."; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 9 and 58.

KENNETH MCKELLAR,
RICHARD B. RUSSELL, Jr.,
KEY PITTMAN,
FREDERICK HALE,
GERALD P. NYE,
Managers on the part of the Senate.

THOS. S. MCMILLAN,
MALCOLM C. TARVER,
LOUIS C. RABAUT,
JAMES MCANDREWS,
FLORENCE P. KAHN,
Managers on the part of the House.

Mr. MCKELLAR subsequently said: Mr. President, I ask unanimous consent for the immediate consideration of the conference report on the State, Justice, Commerce, and Labor appropriation bill submitted by me earlier today.

There being no objection, the report was considered and agreed to.

ACADEMIC FREEDOM

Mr. WALSH. I present and request to have treated as in the nature of a petition a statement adopted by the National Catholic Educational Association at a convention in New York City, N. Y., on the 16th instant, on the subject of academic freedom, which I ask may be printed in the RECORD and appropriately referred.

There being no objection, the statement was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

STATEMENT ON ACADEMIC FREEDOM ADOPTED BY NATIONAL CATHOLIC EDUCATIONAL ASSOCIATION AT CONVENTION IN NEW YORK CITY, APRIL 16, 1936

Our American democracy is in the process of adjusting itself to the dislocations that have occurred in our economic life and is in search of new mechanisms to promote the liberty and equality to which our Nation is dedicated. Thoughtful people sense the danger that good intention may outstrip wisdom, and there is a growing sensitivity concerning the various freedoms that must at all costs be preserved if democracy is to survive. In the forefront of these freedoms is the freedom to teach, the right of schools, and the means of education to search out and propagate the truth.

Academic freedom is not academic license. It does not guarantee to any individual the right to teach whatever he pleases nor to impose on the immature, the uncritical, the unwary his own untested intellectual idiosyncracies. It must not be forgotten that man is essentially a social being; that he is begotten by and must live with his fellows. There are truths that underlie the proper and just association of man with man. To these truths we have a sacred obligation.

Academic freedom is freedom to teach what is true and to receive instruction in what is true. When it comes to defining what is true, Catholic education seeks the guidance not only of the natural law but of the supernatural revelation that has come to us from God through Jesus Christ our Lord, and which is interpreted for us by the church. This truth we insist on our right to teach. We protest that those who maintain that education based on religion has no right to support from public funds are violating academic freedom. They are depriving a large group of their fellow citizens of adequate facilities for instructing their children in the truths they deem necessary for their eternal welfare and for the well-being of the state.

The state has no authority to determine what is and what is not true. Its function is to see that adequate provisions are made for the education of all its citizens and that in every field that is necessary for the common welfare. When in the name of academic freedom things are taught that violate the fundamental moral law, the state has the duty to intervene for the protection of its citizens and the preservation of its own existence. However, there is no room in a free country for any centralized political domination of education. Let not the schools be made the playthings of politics nor the organs of a false patriotism. Teachers are not civil servants—they are the agents of the home. When they are forced by law to take oaths of allegiance to the Government, a step is being taken in a dangerous direction. The logical eventuality will be state monopoly of schools and an education based on political indoctrination.

We insist on the fundamental right of the parent to control the education of his children. The school must correspond to the home, of which it is by nature and by history an extension. Hence the necessity of safeguarding in every possible way the American tradition of the local control of schools. We hereby voice once more, with all the emphasis of which we are capable, our opposition to the assumption on the part of the Federal Government of any authority over the schools of the United States. We are opposed to the creation of a Federal Department of Education or of any mechanism that would amount to the same thing. We are concerned lest the activities in the field of education which the Federal Government has inaugurated because of the exigencies of the times may be organized on some permanent basis and the foundation thus be laid for the domination of American education or any of its phases on the part of Washington.

RELIEF OF INDIANS

Mr. BENSON. In view of the drastic demands for renewal of direct relief grants from the Federal Government to the States, and the specific problem created by the necessity for further relief to the Indians, I respectfully request permission to have printed in the RECORD and appropriately referred a letter from L. P. Zimmerman, State Emergency Relief Administrator for Minnesota, and an excerpt from the minutes of the State executive council of the State of Minnesota, and also an accompanying memorandum by counties vividly portraying the need for such supplemental direct relief from the Federal Government.

There being no objection, the letter from Mr. Zimmerman and the excerpt from the minutes of the State Executive Council of Minnesota and the accompanying memorandum were ordered to be printed in the RECORD and referred to the Committee on Appropriations, as follows:

STATE RELIEF AGENCY,
St. Paul, Minn., April 20, 1936.

Hon. ELMER A. BENSON,
Senate Office Building, Washington, D. C.

DEAR SENATOR BENSON: I am enclosing copy of a resolution passed by the Executive Council of the State of Minnesota at a recent meeting, petitioning the Federal Government to supplement direct relief in the State, to provide for the care of indigent Indians resident in the State of Minnesota.

In this connection your attention is respectfully directed to the fact that 85 percent of the Indian relief cases in the State are located in 10 of the more remote and less developed counties, there being resident approximately 9,000 Indians, about one-half of whom are on relief and will so remain.

To give you a clear picture of the situation, I am also enclosing a statement showing total population, number of Indian cases, Indian population, and percent of Indian cases to total relief cases compiled from the most recent figures available.

In view of the restricted State funds made available by the last special session of the legislature, allocation of State funds to the counties has been necessarily drastically reduced, which means that these undeveloped counties have found themselves in a position of being almost bankrupt.

Notwithstanding the restricted amount of State money available, the State Executive Council, fully realizing the untenable financial position of the counties, has made every effort possible to give these particular counties, whose need is so predominant, all the money possible, as evidenced by the allotments shown below:

	Percent
Becker County	41.0
Beltrami County	66.6
Cass County	77.3
Carlton County	45.5
Clearwater County	75.0
Cook County	60.5
Itasca County	58.9
Mahnomen County	68.1
Mille Lacs County	69.1
Redwood County	45.7

This State assistance is, of course, inadequate.

It is very definitely felt in the State of Minnesota, and we feel this viewpoint is held in the United States as a whole, that the Indians are, properly speaking, the very definite responsibility of the Federal Government; and we, therefore, request your earnest consideration of the matter to this end, that the Federal Government supplement relief granted Indians in the State by direct Federal grant to the State for distribution to the counties.

It is conservatively estimated, based on an allowance of $100 per Indian case for the remaining months of 1936, that approximately $105,000 of Federal funds are necessary.

May I have early advice of your reaction to this request?

Yours very truly,

STATE RELIEF AGENCY,
L. P. ZIMMERMAN, *Administrator.*

EXCERPTS FROM THE MINUTES OF THE MEETING OF THE EXECUTIVE COUNCIL, APRIL 1, 1936

Whereas under the statutes of Minnesota, including Extra Session Laws 1935-36, chapter 101, appropriating money for emergency relief for the period ending July 1, 1937, the primary responsibility for the extension of relief is placed upon the counties of the State; and

Whereas in 10 of the more remote and less developed counties there being resident approximately 9,000 Indians, about one-half of whom are on relief and will so remain; and

Whereas the counties in which such Indians are so resident are reluctant to assume the responsibility of their care and are financially unable so to do; and

Whereas reliable reports indicate that there is considerable suffering among such Indians and that there is need for increased relief thereto, and such situation is becoming daily more serious; and

Whereas, in the opinion of the council, the problem of caring for such needy Indians is morally a national problem, instead of a State or local problem: Be it

Resolved by the Executive Council of the State of Minnesota at a regular meeting held this 1st day of April 1936, That the Federal Government be, and it is hereby, petitioned to supplement the relief which said counties and the State are able to provide for the care of such Indians with additional Federal funds; be it further

Resolved, That a copy of this resolution be forwarded to the Honorable John Collier, Commissioner of Indian Affairs, and to each Senator and Representative in the Congress from this State.

Information on Indian population and case loads, Oct. 15, 1935

County	Total population	Indian population	Number of Indian cases	Percent Indian cases (of total cases)
Aitkin	15,009	103	27	3.25
Anoka	18,415	24		
Becker	22,503	1,880	202	31.51
Beltrami	20,707	1,961	109	11.18
Benton	15,056			
Big Stone	9,838			
Blue Earth	33,847	2		
Brown	23,428			
Carlton	21,232	486	50	14.16
Carver	16,936			
Cass	15,591	1,304	170	19.10
Chippewa	15,762			
Chisago	13,189	7	4	1.75
Clay	23,120	13		
Clearwater	9,546	461	33	10.68
Cook	2,435	191	9	22.50
Cottonwood	14,782			
Crow Wing	25,627	33		
Dakota	34,592	53	10	2.14
Dodge	12,127			
Douglas	18,813	14		
Faribault	21,642			
Fillmore	24,748			
Freeborn	28,741			
Goodhue	31,317	83		
Grant	9,558	1		

Information on Indian population and case loads, Oct. 15, 1935—Continued

County	Total population	Indian population	Number of Indian cases	Percent Indian cases (of total cases)
Rural Hennepin	53,429	199	1	0.09
City of Minneapolis	464,356	158		
Houston	13,845	24	3	5.77
Hubbard	9,596	13	1	.29
Isanti	12,081			
Itasca	27,224	490	67	7.89
Jackson	15,863			
Kanebec	8,558			
Kandiyohi	23,574			
Kittson	9,688	6	4	4.82
Koochiching	14,078	154	7	1.68
Lac qui Parle	15,398			
Lake	7,068	3		
Lake of the Woods	4,194	8	1	.79
Le Seuer	17,990	8		
Lincoln	11,303	1		
Lyon	19,326			
McLeod	20,522			
Mahnomen	6,153	1,612	162	48.07
Marshall	17,003			
Martin	22,401			
Meeker	17,914	1		
Mille Lacs	14,076	296	51	6.94
Morrison	25,442	28	1	.18
Mower	28,065			
Murray	13,902	1		
Nicollet	16,550			
Nobles	18,618			
Norman	14,061	29	1	.65
Olmsted	35,426	4		
Otter Tail	51,006	25		
Pennington	10,487			
Pine	20,264	156	17	3.60
Pipestone	12,238	56		
Polk	36,019	25	3	.61
Pope	13,085	5		
Ramsey	286,721	174	46	.42
Red Lake	6,887			
Redwood	20,620	158	15	13.76
Renville	23,645	28		
Rice	29,974	16		
Rock	10,962			
Roseau	12,621	74	1	.70
St. Louis	204,596	595	38	.39
Scott	14,116	10	1	.03
Sherburne	9,709	22		
Sibley	15,865	1		
Stearns	62,121	19		
Steele	18,475	20		
Stevens	10,185	1		
Swift	14,735			
Todd	26,170	11		
Traverse	7,938	2	2	1.33
Wabasha	17,613	9		
Wadena	10,990			
Waseca	14,412	7		
Washington	24,753	50		
Watonwan	12,802			
Wilkin	9,791	1		
Winona	35,144	8		
Wright	27,119			
Yellow Medicine	16,625	79	8	2.56
Total	2,563,953	11,077	1,044	

Population as of 1930 census.

REPORTS OF COMMITTEES

Mr. CHAVEZ, from the Committee on Foreign Relations, to which was referred the bill (S. 4556) authorizing an appropriation for the payment of the claim of Gen. Higinio Alvarez, a Mexican citizen, with respect to lands on the Farmers Banco in the State of Arizona, reported it without amendment and submitted a report (No. 1972) thereon.

Mr. KING, from the Committee on Territories and Insular Affairs, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 4524. A bill to provide a permanent government for the Virgin Islands of the United States, and for other purposes (Rept. No. 1974); and

H. R. 8287. A bill to establish an assessed valuation of real property tax in the Virgin Islands of the United States (Rept. No. 1973).

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the bill (H. R. 5730) to amend section 3 (b) of an act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes", approved March

27, 1934, reported it with amendments and submitted a report (No. 1975) thereon.

Mr. HAYDEN, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 11687) to amend the Federal Aid Highway Act, approved July 11, 1916, as amended and supplemented, and for other purposes, reported it with amendments and submitted a report (No. 1976) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DUFFY:

A bill (S. 4570) to provide for the establishment of a Coast Guard Station at Green Bay, Wis.; to the Committee on Commerce.

By Mr. MINTON:

A bill (S. 4571) to authorize the Commissioners of the District of Columbia to reappoint James P. Day in the police department of said District; to the Committee on the District of Columbia.

By Mr. SMITH:

A bill (S. 4572) authorizing the Secretary of Agriculture to provide for the classification of cotton, to furnish information on market supply, demand, location, condition, and market prices for cotton, and for other purposes; and

A bill (S. 4573) to establish and promote the use of standard methods of grading cottonseed, to provide for the collection and dissemination of information on prices and grades of cottonseed and cottonseed products, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. SCHWELLENBACH:

A bill (S. 4574) authorizing the naturalization of James Lincoln Hartley, and for other purposes; to the Committee on Immigration.

By Mr. MALONEY:

A bill (S. 4575) for the relief of Peter Joseph Costigan; to the Committee on Naval Affairs.

By Mr. CONNALLY (by request):

A bill (S. 4576) to amend an act entitled "An act authorizing the Court of Claims to hear, consider, adjudicate, and enter judgment upon the claims against the United States of J. A. Tippit, L. P. Hudson, Chester Howe, J. E. Arnold, Joseph W. Gillette, J. S. Bounds, W. N. Vernon, T. B. Sullivan, J. H. Neill, David C. McCallib, J. J. Beckham, and John Toles", approved June 28, 1934; to the Committee on Claims.

By Mr. NEELY:

A bill (S. 4577) for the relief of Louis C. Runyon; to the Committee on Military Affairs.

By Mr. NYE:

A bill (S. 4578) for the relief of Edla H. Fyten; to the Committee on Claims.

By Mr. BURKE:

A bill (S. 4579) for the relief of the estate of Edward T. Graham; to the Committee on Claims.

By Mr. MOORE:

A bill (S. 4580) to amend the Air Commerce Act to provide for the safety of passengers in aircraft; to the Committee on Interstate Commerce.

By Mr. GIBSON:

A joint resolution (S. J. Res. 258) creating a commission for the erection of a memorial building to the memory of the veterans of the Civil War, to be known as the Ladies of the Grand Army of the Republic National Shrine Commission; to the Committee on the Library.

NATIONAL FLOOD CONTROL—AMENDMENTS

Mrs. CARAWAY submitted two amendments and Mr. CAPPER submitted seven amendments intended to be proposed by them, respectively, to the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENT TO PRICE-DISCRIMINATION BILL

Mr. MOORE submitted an amendment intended to be proposed by him to the bill (S. 3154) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors, which was ordered to lie on the table and to be printed.

PREVENTION OF AUTOMOBILE ACCIDENTS

Mr. LONERGAN, Mr. GIBSON, and Mr. MOORE submitted the following resolution (S. Res. 293), which was referred to the Committee on Interstate Commerce:

Whereas it is the duty of a responsible government to safeguard the lives of its people; and

Whereas in the year 1934 more than 30,000 people were killed as a result of automobile accidents in this country: Now, therefore, be it

Resolved, That the Committee on Interstate Commerce of the Senate, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation of the causes of automobile accidents and all possible means of preventing them and affording a greater measure of security to the people and their property in the operation of motor vehicles. The committee shall report to the Senate as soon as practicable the results of its investigations, together with its recommendation, if any, for necessary legislation.

For the purpose of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-fourth and succeeding Congresses, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

ALLEGED COMMUNISTIC ACTIVITIES AT HOWARD UNIVERSITY

Mr. McNARY. Mr. President, the senior Senator from Delaware [Mr. HASTINGS] is unavoidably absent from the Senate. In his absence I submit a resolution requesting certain information. I ask that the resolution be read by the clerk.

The resolution (S. Res. 294) was read as follows:

Resolved, That the Secretary of the Interior is requested to transmit to the Senate, as soon as practicable, the report made to him as a result of his inquiries in May 1935 concerning alleged communistic activities at Howard University in the city of Washington, D. C.

Mr. McNARY. I should like to have read a letter from the Secretary of the Interior.

The VICE PRESIDENT. Without objection, the clerk will read the letter.

The Chief Clerk read as follows:

THE SECRETARY OF THE INTERIOR,
Washington, April 18, 1936.

Hon. DANIEL O. HASTINGS,
United States Senate.

MY DEAR SENATOR HASTINGS: Your letter of April 17 has been received.

I would have no objection to a resolution requiring me to furnish to the Senate any reports in the Department relating to the investigation of alleged communistic activities at Howard University. Of course, if such a resolution were passed, I would comply with it promptly.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

Mr. BARKLEY. Mr. President, is the Senator from Oregon asking for the present consideration of the resolution?

Mr. McNARY. Yes.

Mr. BARKLEY. I have no objection to its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

CENTENNIAL CELEBRATION OF BATTLE OF SAN JACINTO—PRINTING OF ADDRESS BY GEORGE A. HILL, JR.

Mr. SHEPPARD. Mr. President, I present an address by George A. Hill, Jr., before the Kiwanis Club of Houston, Tex., on the eve of the celebration of the one hundredth anniversary of the Battle of San Jacinto, which I ask may be referred to the Committee on Printing with a view to having it printed as a Senate document.

There being no objection, the address was referred to the Committee on Printing.

MARGINS BETWEEN PRICES OF HOGS AND PRICES OF HOG PRODUCTS

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter received by me from Henry A. Wallace, Secretary of Agriculture. In this letter the Secretary takes exceptions to a statement made by me on the floor of the Senate on April 2 in the course of the debate on Senate bill 1424. In that statement I said:

The insufficiency of the information in the Department of Agriculture in respect to this subject is clearly indicated by the direct contradictions appearing in various public reports rendered to Congress and published, originating in the Bureau of Agricultural Economics.

Secretary Wallace believes that the following letter explains these apparent contradictions in regard to margins between prices paid farmers for live hogs and prices paid by consumers for the finished pork products. In the interest of clarification, I ask that Secretary Wallace's explanation be printed in the RECORD at this point.

I may add that column 4 of the table included in Secretary Wallace's letter shows the margin between hog prices at Chicago and retail prices at New York increased 7 cents between 1926 and 1932, while the margin between farm prices and retail prices at 51 cities decreased 67 cents in the same period. It is this difference in trends with which the Secretary's letter deals.

The VICE PRESIDENT. Without objection, the letter will be printed in the RECORD.

The letter is as follows:

APRIL 25, 1936.

Hon. ARTHUR CAPPER,
United States Senate.

DEAR SENATOR: We have noted on page 4786 of the CONGRESSIONAL RECORD, issued under the date of April 2, a statement by you in an address before the Senate to the effect that there is a direct contradiction in certain statistics appearing in two reports of this Department originating in the Bureau of Agricultural Economics. These statistics relate to margins between prices of hogs and prices of hog products. You cite data appearing in table 8 of a report submitted to the United States Senate, Seventy-second Congress, second session, entitled "Economic Situation of Hog Producers", and in tables 60 and 61 in Miscellaneous Publication No. 222 of the Department of Agriculture entitled "The Direct Marketing of Hogs."

We appreciate that your purpose in making this statement with reference to the Department's statistics was to call attention to the need for more adequate data in this field, especially with respect to operating margins of processors of livestock. Realizing the importance of more adequate statistics and because of my interest in improving our data wherever possible, I asked the Bureau of Agricultural Economics to check carefully the tables mentioned in order to determine whether the data were in fact as contradictory as your address implies. It appears on the basis of the information presented that you were misinformed with respect to the alleged inconsistency as between the tables and publications cited. The following explanation embodies the results of this effort to check the data carefully.

Attention is called to the fact that the tables cited include several margins, the different margins representing spreads between live-hog prices and wholesale prices of hog products, between live-hog prices and retail prices, and between wholesale and retail prices. Moreover, these spreads are based upon prices for different markets and, in some instances, for somewhat different products, depending upon the availability of data at the different marketing points and reflecting differences in price trends of different products derived from hogs.

Because of the need for data showing the spread between prices of live animals and wholesale and retail meat prices, the Department some years ago, through its Market News Service, began compiling data for comparing the price of hogs at Chicago, the most important market in the country, with wholesale and retail prices of hog products in New York City, the largest consuming center. Realizing, however, that the New York City market does not afford adequate data for price comparisons with respect to all products derived from the live animal, a further study was made to determine the difference between prices of live hogs and wholesale prices of all products in Chicago, which, as you know, is our principal meat-packing center and wholesale market for these products. Although New York is the largest consuming center, as a wholesale market for hog products it is not as important as Chicago. The Department's statistical series showing the wholesale value of hog products at Chicago, therefore, represents practically all the products derived from live hogs, whereas the two series showing wholesale and retail values of hog products for New York represent a lesser but, nevertheless, a major part of total hog products.

Even with these data for New York and Chicago, it was realized that we still lacked statistics showing the spread between prices received by farmers for hogs and the retail price of hog products for the United States as a whole over a long period of years. Consequently, a comparison was made of the United States average farm price of hogs and retail values of the principal edible hog products for the period from 1910 to date. In this study the retail value of hog products was computed on the basis of the retail prices compiled by the Bureau of Labor Statistics as a part of the Cost of Living series.

In the tables to which you refer five different margins or spreads between hog prices and values of hog products are given. These margins represent different things. In order that the distinctions between the various margins may be clearly indicated, we have brought together in a table below the data on these five margins.

Spread between price of hogs and wholesale and retail values of hog products

Year	(1) Price per 100 pounds of hogs at Chicago and wholesale value of 70.94 pounds of hog products at Chicago [1]	(2) Price per 100 pounds of hogs at Chicago and wholesale value of 53.78 pounds of hog products at New York [2]	(3) Retail value of 52.64 pounds of hog products at New York and wholesale value of 53.78 pounds of hog products at New York [2]	(4) Price of hogs per 100 pounds at Chicago and retail value of 52.64 pounds of hog products at New York [2]	(5) United States average farm price of hogs per 100 pounds and retail value of 52.64 pounds of hog products, 51 cities [3]
1924	$2.78	$1.53	$3.19	$4.72	$5.46
1925	3.25	1.55	2.90	4.45	4.11
1926	3.84	1.92	3.56	5.48	4.30
1927	3.65	2.28	3.37	5.65	5.27
1928	3.50	2.03	3.73	5.76	5.49
1929	3.08	1.64	2.87	4.51	5.00
1930	3.55	2.05	2.23	4.28	5.00
1931	3.40	2.60	2.18	4.78	5.75
1932	2.37	2.01	2.78	4.79	4.79

[1] Taken from report on The Direct Marketing of Hogs.
[2] Taken from Economic Situation of Hog Producers.
[3] Value of 52.64 pounds of hog products based on Bureau of Labor Statistics prices of hog products at 51 cities. United States farm price of hogs from Bureau of Agricultural Economics.

In the foregoing table the data in column 1 represent the margin between the price of hogs and the wholesale value of 71 pounds of hog products derived from 100 pounds of hogs. The margin in column 2 of the table is the spread between the price of hogs at Chicago and the wholesale value of 53.78 pounds of hog products at New York. This quantity includes only the principal hog products, namely, bacon, hams, picnics, loins, and lard. Column 3 shows the margin between the retail value of 52.64 pounds of hog products at New York and the wholesale value of 53.78 pounds of hog products at the same city. The 52.64 pounds for which the retail value was taken represents the yield of products which retailers are able to sell to consumers from the 53.78 pounds of products bought by them from the wholesaler. In other words, about 1 pound is lost in shrink and trimmings. Column 4 shows the spread between the retail value of 52.64 pounds of hog products at New York and the price of 100 pounds of live hogs at Chicago, and in column 5 the spread is that between the retail value of 52.64 pounds of hog products at 51 cities and the average farm price of hogs in the United States. In computing the retail value of hog products for 51 cities and the retail and wholesale values of hog products at New York only the principal products were included, since price data were not available for the minor products. It should be noted that in computing the wholesale value of 53.78 pounds of hog products it was only necessary to secure prices on the five principal products. In order to compute the wholesale value of 71 pounds of hog products it was necessary to compile prices of 22 specific hog products.

Comparison of the wholesale or packer margins between different markets shown in columns 1 and 2 of the table above for the period 1924–32 indicates that yearly changes in these margins were similar in direction in all years but two and that the relative changes were approximately the same for the two series most of the time. Such differences as appear are due to the fact that in some years the fluctuations in the value of the minor products, which are included in the value used for computing this spread shown in column 1 and not included in that for column 2, were relatively different from the changes in the value of principal products, which are included in the values used in computing both spreads shown in the two columns.

While columns 4 and 5 of the above table show the total spread between hog prices and the retail value of hog products, it should be recognized that these prices represent widely different situations. The hog price represented by column 4 is the price of live hogs at a specific market, Chicago, and the retail price in that column is the price compiled by our Market News Service in a specific consuming center, New York City. The retail price in column 5, on the other hand, is a general average of retail prices throughout the United States for certain cuts of meat which are compiled by the Bureau of Labor Statistics, and the average farm price of hogs is the price received by producers throughout the United States as compiled by the Bureau of Agricultural Economics.

In your address you stated that, commencing in 1926, one set of data showed a decline, whereas another set showed an increase in the same margin. Your statement is not entirely clear as to which sets of data you were comparing. It is possible that you were comparing the data shown in column 1 of the above table with the data shown in column 4. Because of the fact that 1926 is cited as the year in which the alleged inconsistency began, it seems likely that a comparison of year-to-year changes was made. If this was the case, attention is called to the fact that the data appearing in column 1 represent the price of live hogs in Chicago compared with the wholesale price of hog products in the same market. It would be correct to call this a wholesale or packer margin. The data in column 4, while showing a trend in the opposite direction from that of the data in column 1 for the 2 years following 1926, do not represent packer margins, but they represent the spread between the farm price of hogs and the United States average retail price of hog products, as explained previously. The two series of data, therefore, are not comparable.

If, on the other hand, your statement was intended to compare the long-time trend of the data in column 1 from 1926 to 1932 with the long-time trend of the data in column 4 for the same period, the general trend of the two series is in the same direction, namely, downward. If the comparison were made of the trends of the data shown in columns 4 and 5, it appears that the changes in the data in these two columns were substantially in the same direction from year to year throughout the period following 1926. They are therefore not inconsistent, especially when account is taken of the fact that they represent widely different situations, as explained above. One represents the spread between the price of hogs at Chicago and the retail value of hog products at New York City, and the other represents the spread between the average farm price of hogs in the United States and the retail value of hog products in 51 cities widely scattered throughout the country.

Changes in the United States average price of both hogs and hog products may be different in relative amount and directions from those in an individual market because of conditions peculiar to that market. For this reason it does not necessarily follow that changes in the total spread shown in column 4 should be equal in amount or always similar in direction to changes in the total spread shown in column 5. It will be observed, however, in comparing these two spreads that in all years but one or two the direction of change in the two margins was the same and that in some years the amount of change in the two margins was of about equal proportions.

Another point which should be recognized in making comparisons of the several margins is that the total spread between the price paid producers for hogs and the price paid by consumers for hog products is the sum of both the packer's or wholesaler's margin and the retailer's margin. These two margins can and do fluctuate independently of each other, and since each is a part of the total spread the fluctuations of the total spread are determined by the sum of the fluctuations of the two parts which compose it. For this reason changes in the total spread are not necessarily in the same direction or in the same amount as the changes in one or the other of the two parts which make up the total.

As your address indicates, the whole question relating to margins between livestock prices and prices of livestock products is of vital concern to livestock producers, and we are devoting considerable attention and study to it. The Bureau of Agricultural Economics is now securing prices of a greater number of livestock products than formerly, and also the number of markets for which prices are being secured has been increased. We appreciate also, as you point out, that our information and statistics with respect to such margins are in many cases insufficient, and we are desirous of securing more complete information as far as our resources permit. We do not believe, however, that there is in the data in the tables cited by you the contradiction which your statement implies. We should appreciate it if you would have this letter inserted into the CONGRESSIONAL RECORD so that an appropriate explanation of the apparent inconsistency will be readily available to those interested.

Sincerely yours,

H. A. WALLACE, *Secretary.*

THOMAS HOOKER AND THE FIRST CONSTITUTIONAL GOVERNMENT

Mr. LONERGAN. Mr. President, I ask unanimous consent to have inserted in the RECORD as part of today's proceedings of the Senate a statement which I have prepared on Thomas Hooker and the First Constitutional Government.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THOMAS HOOKER—THE FIRST CONSTITUTIONAL GOVERNMENT

Three hundred years ago, in June 1636, Thomas Hooker, pastor of the church of Newton, Mass. (now called Cambridge), led his congregation out of the Massachusetts Bay Colony to the valley of the Connecticut River—heralding that mighty westward movement which was to continue for two centuries to the shores of the Pacific. His followers, numbering not more than 100, carrying their household goods on wagons, and driving before them 160 head of cattle and a few other animals, tramped through the 100 miles of wilderness between the Charles and the Connecticut Rivers for 2 weeks. A weary journey, yet with ample compensation in the natural beauties of early June in New England and in freedom from the rigors of the "aristocracy of righteousness" they left behind. A little band, yet they established the settlement of Hartford, generally acknowledged, and definitely referred to by Johnston (Connecticut, A Study of a Commonwealth-Democracy) as the birthplace of American democracy.

Born in England about 1586, Hooker's life seems to reflect a rising spirit of what Cotton Mather so aptly characterized as a "conscientious nonconformity." By 1630 this attitude toward the traditional rigidity of the church had gained for him the ill will of Laud, the Archbishop of Canterbury, to the extent that he was forced to leave England and flee to Holland. This driving spirit brought him later to the shores of New England and finally to the Connecticut Valley.

The migration of the congregation of the Newton church to Hartford arose out of a fundamental difference in attitude toward the principles of government between Hooker and his followers and those in control of the Massachusetts Bay Colony. On May 31, 1638, exactly 2 years after the departure from Massachusetts, Hooker preached his now famous sermon in Hartford, which embodied the principles incorporated thereafter in the fundamental orders. John Winthrop is characterized by James Truslow Adams in his recent book, The Living Jefferson, as one of the ablest, gentlest, and best of the colonists in the bay colony. Yet even he was engaged in an attempt to keep political control in the hands of his own small group. In fact, he felt that "democracy is among civil nations accounted the meanest and worst of all forms of government." It was against this fundamental spirit, so constantly reflected in the Massachusetts Bay Colony, where it was necessary to be a church member to vote, that Hooker rebelled. The outline of the significant sermon, transcribed from the shorthand notes of Henry Wolcott, Jr., of Windsor, follows. Note that the text is taken from Deuteronomy 1:13.

"Deuteronomy 1:13: Take you wise men, and understanding, and known among your tribes, and I will make them rulers over you. Captains over thousands, and captains over hundreds, over fifties, over ten, etc.

"Doctrine I. That the choice of public magistrates belongs unto the people, by God's own allowance.

"Doctrine II. The privilege of election, which belongs to the people, therefore must not be exercised according to their humors, but according to the blessed will and law of God.

"III. They who have power to appoint officers and magistrates, it is in their power, also, to set the bounds and limitations of the power and place unto which they call them.

"Reasons: 1. Because the foundation of authority is laid, firstly, in the free consent of the people.

"2. Because, by a free choice, the hearts of the people will be more inclined to the love of the persons chosen and more ready to yield obedience.

"3. Because of that duty and engagement of the people.

"Uses: The lesson taught is threefold:

"First. There is the matter of thankful acknowledgment in the appreciation of God's faithfulness toward us, and the permission of these measures that God doth command and vouchsafe.

"Secondly. Of reproof—to dash the councils of all those that shall oppose it.

"Thirdly. Of exhortation—to persuade us, as God hath given us liberty, to take it.

"And, lastly, as God hath spared our lives, and given us them in liberty, so to seek the guidance of God, and to choose in God and for God."

Here, simply, but with infinite conviction, is expressed the germ of the American Commonwealth. Indeed, as one commentator has said, "If the germ is potentially, the whole development; that is, the most important profession of political faith in our history." Here we see the first practical public emphasis on the rights of the people to choose their own rulers and to limit the powers of those rulers—the first intimation of government "of the people, by the people, for the people." Here also is warning of the responsibility which such right of choice involves. The people must elect not "according to their humours, but according to the blessed will and law of God."

This seed of our democratic Government was developed into a written Constitution in 1639 by representatives of those who heard this sermon, and by certain others. Approximately coincident with the departure of Hooker and his small group from the Bay colony had been similar migrations from Dorchester to what is now Windsor, Conn., and from Watertown to the present Wethersfield. These three towns which, almost from the time of their establishment in the Bay colony, had been "nonconformist",

were well suited to the responsibility of drawing up the written document which may be regarded as the "first instance of a written constitution."

In 1639 representatives from these three towns met at Hartford and, probably under the direct guidance of Hooker, there drew up the 11 fundamental orders. The significance of this document is reflected by James Bryce in the American Commonwealth, where he calls it "the oldest truly political constitution in America." John Fiske, in The Beginnings of New England, says that this document was the first written constitution known to history which created a government. And, indeed, I know that many agree that the Government of the United States today is directly related in lineal descent to the one formed on that historic occasion in Connecticut. For, while the compact drawn up in the cabin of the *Mayflower* is a document defining and limiting the functions of government, and the Magna Carta was of the nature of a constitution as far as it went, the fundamental orders created a government!

At this time, when we are especially remembering Thomas Jefferson, whose words, "Governments are instituted among men, deriving their just powers from the consent of the governed", may still be read in the Declaration of Independence, it is interesting to suggest his forerunner in Hooker, who said, "The foundation of authority is laid * * * in the full consent of the people."

So today it seems only fitting that we, the representatives of the Nation at the seat of the United States Government, should join the city of Hartford in paying tribute to Thomas Hooker, minister, statesman, friend, and counselor of the people—father of American democracy. W. S. Archibald calls him "a great minister and a great citizen." Tall, strong of physique, upright, yet not rigid, morally he was respected and admired even by those who differed with him. I think we can devise no more fitting tribute than that expressed by John Winthrop, with whom Hooker was in constant disagreement politically, who wrote of him in 1647, at the time of his death, as—

"That faithful servant of the Lord, * * * pastor of the church in Hartford, who, for piety, prudence, wisdom, zeal, learnings, and what else might make him serviceable in the place and time he lived in, might be compared with men of greatest note; and he shall need no other praise: the fruits of his labors in both Englands shall preserve an honorable and happy remembrance of him forever."

ADDRESS OF PRESIDENT-GENERAL OF THE DAUGHTERS OF THE AMERICAN REVOLUTION

Mr. BARBOUR. Mr. President, I ask unanimous consent for the printing in full in the RECORD the address of Mrs. William A. Becker, president-general, at the Forty-fifth Continental Congress of the National Society of the Daughters of the American Revolution, on April 20, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Members of the Forty-fifth Continental Congress and friends: It is indeed a privilege, as your chosen leader, to welcome you to our beautiful Constitution Hall. You have come from every section of our country, from its highways and its byways, and from countries beyond the seas, and here—once more assembled—you bring your gifts of service to our great society. Heartiest greetings to one and all, and to those who in their distant homes are united with us through the invisible magic of the air, magic indeed—as great as any known to Alice in her Wonderland. Ours is truly a modern wonderland, ready and waiting to respond to the will of a mighty people, dedicated to love of country and to humanity.

Spring is here with its hope and promise, stimulating us with renewed purpose to faithfully carry on. America is the child of a great ideal, born of a vision in the hearts and wills of a sturdy people. Faith in God and in themselves brought men to these shores to build a new world. Like magic has our country grown great, strong, and prosperous. But magic works only so long as one holds the key to her secrets.

Yesterday we celebrated the one hundred and sixty-first anniversary of the firing of "the shot heard 'round the world"—the shot which announced to all peoples that the new world would be free—free to build the land of promise, free to fulfill the vision of its dreams.

Our ancestors knew that freedom entails responsibilities. They gave of their all for the faith that was in them. They knew that the long struggle which lay before them for liberty would set high value on human rights; they knew that constant vigilance was the price of freedom; and withal they visioned a better world. There was a time when the average man knew only stern duties and little of personal rights. Only gradually grew the vision that the success of any system of government depends upon a proper balance between rights and duties. Feudalism served its age as long as the overlord gave protection and security to those who served him. But the higher ideal was realized only when the law of compensation was recognized as the equal of authority with obligations. The observance of duties depends either upon compulsion or conscience. In a real democracy arbitrary compulsion should be lacking. But when conscience becomes dulled by the lack of religion and by the urge of grim necessity, danger is at hand.

Under the ideal condition, freedom to pursue happiness within the law, with all its rights and privileges—the right to security, the right to peace, the right to choose one's objective in life, the right to have work, the right of relief—all these privileges should be secure.

Unless there is a reawakened sense of responsibility, the balance is lost and democracy cannot live. Force would then assert itself for the attainment of those essentials which mankind must enjoy. The magic key lies buried in the cornerstone of this Republic—the character of her people, the principles of freedom, equality, justice, and humanity which remain her dream.

Great changes have come about in the character of our people. Millions of the oppressed and discontented of all lands have flocked to these shores, bringing new concepts, new traditions, and new demands. Indifference and greed are responsible for the coming of hordes unassimilated, un-Americanized, underprivileged, discontented, knowing only the rule of force.

Democracy being dependent upon those disciplined in self-control—the essential of self-government—those peoples, unprepared for the exercise of these duties, have not found democracy possible. Germany, long ruled by an iron hand, was a prosperous empire; a failure under democracy. Now vast numbers of people, lately released from the iron hand of European autocracy, are looking for strong leadership to point the way. In our country education is the answer. Vigilance is the price. Service is the opportunity.

The Society of the D. A. R. was founded not only to preserve historic monuments and colonial history, but to maintain the highest ideals of the founders of the Republic. National preservation through patriotic education is our essential program. Worthy citizenship is our watchword. As the responsibilities of true citizenship are again engendered in the minds of our people, the problems now facing us must disappear. Without character, without service, without religion, there is salvation neither for the individual nor for the Nation. Have we the vision to meet the problems of our day?

What are these problems? We are accused of a desire to maintain the status quo, of dealing death blows to personal freedom, of ignoring the principles upon which our Nation was founded, of unduly emphasizing excessive militarism. Let us then restate our faith in America's dream, the bringing of equal opportunity to every man, justice and humanity, freedom to live secure in the possession of property, home and family, and liberty to worship God according to the dictates of conscience. For the ultimate attainment of these ends no charter of government offers such security as does the Constitution of the United States.

The young woman who complains that so low a wage as $10 a week is driving youth to communism does not realize that under communism she would be compelled to keep her underpaid job, while in the United States she may turn without interference to a better job when opportunity offers. Youth without employment, without hope for the future, without prospect of marriage and a home, without knowledge of the principles of their government and its source of constitutional authority is lured by the call of revolt.

Starvation wages, unequal opportunity, uncertainty of justice, neglect of youth, disregard for law, lynchings, malfeasance in office, all these are blots upon our civilization—are challenges to our faith in our national ideals.

These challenges abound in every community. Our local governments must be made honest and above reproach; protection must be assured for the small industrialist, welcome given responsible trade unions, decent living conditions assured, education and recreational centers provided for all. But have we the will to achieve, the vision to carry on? We must have knowledge of the faith that is in us, must possess the "magic key", must dedicate ourselves anew to the service of God and country if America's dream is to come true.

In days of old the great prophets were guided by visions. God's call to Isaiah was answered by an unflinching "Here I am; send me." Ezekiel, gazing into the valley of dry bones, knew that they would live again. Daniel visioned salvation for his people. Saul, on the way to Damascus, heard the voice of God, and arose Paul, the great Apostle. Our Pilgrim Fathers were led by visions to a new land. The men who framed our Constitution envisioned a nation dedicated to the common welfare. Today we still have the vision, we believe and know that the attainment of these objectives lies in the hands of our people if they will but awaken and so dedicate themselves.

The hope of all nations lies in their youth. Old is the saying, "Give me the child until he is 8, and I will show you the man." The child, hardly beyond his mother's knee, is already molded in the form which will influence his entire life. Can we not revive in the mothers of our land a keener sense of responsibility for the faith, the love, and the devotion to service that should actuate the lives of our children, our future citizens?

Faith in the goodness of things, joy in service and obedience to authority should be the ideal of every child; his daily life one of unfolding accommodation to living, playing, and working with others, to learning consideration and protection for the weak, and to the development of his own powers as a valuable contribution to the life of all.

Decent homes are necessary, adequate food and clothing. Let us remember that many of our foremost citizens came from humble homes of poverty, but homes directed by honest and God-fearing people. Luxury and ease are often handicaps to children unless hand in hand with a strong sense of responsibility. Love of coun-

try is as natural as love of a nation's heroes—heroes of peace as well as of war.

Each community is responsible for its children and should provide outlets for their energies and needs. In some communities the church still ministers to unfortunate families, provides homes for neglected children and for the aged. Would that the people of every community felt these to be their special privileges.

Get closer to the children, know what they are thinking, what they are learning, in school and on the street. Insist upon teachers who know what America stands for and who believe in her high ideals. America is still free to train her children as she will.

The very vastness of the need today is a challenge and a pledge that there is work for all to do. See that youth is prepared and he will find his place. The young dream ardently and impulsively, lacking the wisdom born of experience. Any program for youth must have a challenge—be alluring, dramatic, consuming. It must appeal to the heart, furnish individual initiative and define a task to be done. Restless youth can no longer ship before the mast, or carve new fortunes out of the West. But there are greater adventures near at hand.

A study of summer camps erected by the Communist groups will reveal an intense and exciting program attractive to youth. Can we not give direction to youth that will fire him with equal zeal and also furnish him with a congenial task which he can perform? We cannot relinquish our place to the builders of class hatred, to the destroyers of the very woof and fiber of our best traditions. I maintain that the opportunity is ours if we have the vision and the will to give freely of ourselves and of our resources. And I have confidence that this can be done.

The Chicago Boys' Clubs have an enviable record for citizen initiative, and prove that wholesome recreation acts as a deterrent to crime; add to this a definite program of activity calling for initiative and a sense of usefulness and achievement, and what changed lives will follow!

In the most congested and underprivileged districts of Chicago the boys' clubs last year provided camps, contests, and supervised sports for 16,000 boys. During that time less than a dozen of their number got into trouble with the law. One of these clubs is in a district where 50 percent were formerly juvenile delinquents. Does this mean anything to us? The average cost per boy was $3 per year—one one-hundredth of the cost of keeping a boy in jail for the same period. But that is only the financial consideration. Who can estimate the moral and spiritual gain to the boy and to the Nation?

Ninety dollars will keep a child in school; $300 is the prison cost. We spend one and a half billions annually on detention and maintenance of prisoners, only two hundred millions less than it costs to educate 26,000,000 school children. Thirteen billions a year, or $22,800 every minute, is the estimated tax laid unofficially by crime on the people of the United States—its only return being "bigger and better."

Thirteen billion dollars. Twice what the Federal Government spent in 1935. Can there be any logic in spending more for crime than is being expended for education and for the development of what is best in youth?

Five boys recently sentenced to 243 years for shooting a shopkeeper will cost the State $100,000 if they serve their full term. Is it not an indictment of our intelligence that we permit these conditions to exist when it is so clearly demonstrated what we might be doing for the betterment of youth had we the vision and the will?

We who are here today know of lives shattered and health ruined by the World War, we know of a generation handicapped by the loss of its ideals and of its youth; we see the world the poorer for it. Today our problem concerns another generation of youth. Are they, also, destined to be lost, for lack of vision and want of leadership?

In the year 1930 America had 6,000,000 young people between the ages of 14 and 24 who were out of school and with no work. The number is larger today. Between the ages of 18 and 20 alone, 3,000,000 are unable to find employment, and unable or unwilling to attend school or college.

They are speaking of themselves as the lost generation. Can this condition be permitted to continue? Not if we have the vision.

Bewildered and discouraged and lacking knowledge of fundamentals, youth offers fertile soil for the shrewd propaganda of dangerous social and political theorists, who lose no opportunity for sowing the deadly seeds of discontent and revolution. These propagandists have work for everyone, also an ample fund from which to provide for scores of companions in revolt. If we are to be fortified against a youth movement which may destroy our "treasure chest" of sacred ideals and set civilization back unknown ages, let American citizens look to their homes and their communities, and be swift to provide character training and occupation for their youth.

The C. C. C. camps have been an untold blessing to our land, offering food, shelter, and constructive work to homeless youth, while providing relief for his or another needy family. A marvelous concept put into ready action by the preparedness of our peace army. A chance to work, a chance to play, and a chance to dream, with faith in those about him, and the gangster's halo quickly fades.

Boy and Girl Scouts, community clubs, our own C. A. R. chapters, Girl Homemakers, and Sons and Daughters of the United States of America furnish opportunity for initiative and leadership if only we have the vision of the America of our dreams.

Much community betterment could be brought about by youth organized for local service under inspired leadership.

Of leadership we have great need, for much is required of a leader today. Tact and grace and understanding are vital, as are also selflessness in service and ability to unite workers for a common cause and for the common good. Leadership in children is frequently manifest at an early age. It should be intelligently directed and tenderly guarded. Our country has need of them.

Training in statesmanship is quite as vital as training for citizenship. Service to the State should be a life profession expertly trained. The State Department guards the Nation's welfare and promotes just dealing with other nations. Should this Department fail, the Army stands ready to restore the peace. A training school comparable to West Point or to Annapolis should train citizens in the affairs of nations. The Bonar Law School, founded in England in 1929, provides young Englishmen with training in diplomacy and statesmanship. A sound foreign policy can be based only on an understanding of the problems and purposes of other nations.

It is regrettable that the cause of peace has suffered by well-intentioned, impractical zealots who would disarm their own country as "an example to the world." They encourage youth to have "conscientious scruples" against the defense of country; they advocate the abolition of military training camps; they shut their eyes to the world as it is, and believe that disarmament would assure peace to America; they unite with those who would disarm America first and to make her destruction sure.

National defense is the peace policy of the D. A. R. We believe in an Army, a Navy, and an Air Corps adequate to the needs of the Nation and in keeping with the acts of Congress. "To provide for the common defense" is one of the prime purposes of Federal Government. We rejoice that the present Congress has seen fit to make appropriations in keeping with the programs for an efficient Army and an adequate Navy. Years of neglect, while we hoped and vainly waited for reduction in the forces of other countries, are responsible for our programs of today. America is not and never has been a militaristic Nation. She has worked diligently for better understanding and the amicable settlement of disagreements. She must be prepared to defend herself and to keep alive her principles against enemies without, as well as those within her gates.

Misled youth of today is pledging itself never to fight for country; it is lending ear to those who say democracy has failed—there must be a new social order. Under the leadership of elements positively opposed to our constitutional government youth all over this country is demonstrating what they call as "peace strike." On Wednesday of this week they march out of their classrooms to show what they will do if their country ever calls them to the service of the Stars and Stripes. Their protest this year is particularly directed against the Reserve Officers Training Corps, for they say that there cannot be real freedom for their program while an R. O. T. C. exists on a college campus.

I beg you to study their program—a program that cannot coexist with training and loyal defense of country—and help these youth of America. No ironical paradox is it (as some would have us believe) that the D. A. R. are opposing the revolution which radicals would force upon us today. Our ancestors, though leaders of the American Revolution, builded on firm foundations long in the laying; they builded carefully and well and destroyed nothing. The revolutionists of today would first destroy morals and religion (which they term the opiate of the people), then the whole fabric of constitutional government, while property and homes would follow in the discard. As distant as the North Pole from the South is their philosophy foreign to ours. We need this knowledge and by it set our course. Have we the vision? Have we the will to conquer?

Do we concede that democracy has failed; that our people can no longer govern themselves; that security is a surer goal than liberty? Are we ready for dictatorship under whatever name it may be termed? Because we see the nations of the world, one by one, reverting to type, do we need to fear for democracy? America's sacred heritage, her "treasure chest", is freedom, is faith in God and fellow man. Let us be true to the type of our ancestors. Let the hardihood, the vision, and the will that made justice and equal opportunity the watchwords of every household find root again in millions of American homes. Let every community accept responsibility for its citizens; let America dream again of the great humanities, which alone can save her and reawaken zeal to labor for her ideals.

Read the Epic of America by James Truslow Adams, and, catching the vision, do not let it go, "a land in which life shall be better and richer and fuller for every man, with opportunity for each according to his ability and achievement."

Larger conceptions, deeper convictions, definite goals are our needs today. We must not, dare not, let them go! We need to ask ourselves simply and seriously what we are living for. We have received a great inheritance. What are we doing with it? Can we return a hundred percent on our trust, or are we going to be fearful and lose that which we have gained?

Pericles aptly said: "It is not that they, the heroic dead, secure in their immortality, need temple or column to perpetuate their fame or regard their virtues, but because, through admiration of what is heroic, men rise to higher levels." Have we, perchance, cultivated the spirit of things and neglected the things of the spirit? Much we have worshiped has turned and betrayed us. How is the Nation to use its bounties? Great possessions entail grave responsibility.

Issues today are beyond the purely economic. They affect the fundamental concepts of government, of society, of democracy, of liberty. Somehow we must hear all sides of a question and have the vision to see through the clouds.

Washington visioned a united people. Jefferson visioned the dignity and perfectability of the individual. Emerson pointed out that the antidote to all the failures of government is "in the growth and strength of the individual—in the substance of his character, in his ideals and his will. To develop the individual the state exists, and as he is so is the state."

Not in material wealth nor in fertile fields, but in the quality of its manhood and its womanhood is a nation great.

We have pledged ourselves to a program for youth. This old world is crying aloud for the things of the spirit, for first things first. A nation founded on things of the spirit needs but to catch the vision of the gifts that are here, of the heights still to be scaled, of the opportunities that still remain.

America, the land of opportunity! So visioned by the brave men and women who (out of a wilderness) carved this new land! So cherished by the signers of the Declaration of Independence! So destined by the framers of our Constitution and all who on its principles have builded a Nation that is still the hope of the world!

America still the land of opportunity if we but have the vision and the will!

Without vision the people perish.

TELL THE PEOPLE—EDITORIAL BY WILLIAM E. CHILTON

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Charleston Gazette, under the heading "Tell the People", which was written by a former distinguished Member of this body, Hon. William E. Chilton.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Charleston (W. Va.) Gazette of Apr. 26, 1936]

TELL THE PEOPLE

Were they living today, Thomas Jefferson, Andrew Jackson, Abraham Lincoln, Woodrow Wilson, William Jennings Bryan—all the leaders of the people, who, we feel, studied history, human nature, and the movements of people in groups and as individuals, would have their battles to fight over, upon the progressive principles which they fairly burned into the political thought of their times. The difference would be only in the details, the weapons, and the battleground. "Truth crushed to earth will rise again." It cannot be so deeply buried as to prevent resurrection nor so badly whipped as to deaden its eternal spirit and purpose.

Till May 12 the two leading political parties—and until the November general election, the voters will be facing efforts to evade or to accept, to deny or to recognize, to obscure or to proclaim, to crush or to enthrone the handmaid of justice, truth. In the language of the poet, "He is the freeman whom the truth makes free."

If you chafe at the "preacher" tone of these remarks, let us remind you that this is the supreme occasion for serious reflection, lest the bad plight from which the country is recovering at rapid strides be precipitated upon us again and we be relegated to that field of want, depression, doubt, and uncertainty upon which we turned our backs 4 years ago.

Now, let us consider the undisputed facts. It will be impossible for the Republican Party to destroy the New Deal, even should it accomplish the improbable—elect a President. Now, the Senate is two-thirds Democratic; besides, there are listed as Republicans such men as JOHNSON, LA FOLLETTE, and NORRIS, who agree with the progressive policies of Roosevelt and have given support to the principles of the New Deal. It thus can be seen from a plain statement of the facts that a change of Presidents now would throw the country into that most unfortunate of all governmental situations, to wit, a President of one political party without a Congress to back anything which that new President might want to do; on the contrary, a Congress committed against him. Congress, we must keep in mind, consists of both a Senate and House, and even if the Republicans should carry the House—a very improbable eventuality—nothing affirmative could be hoped for with a Senate alined as it is now; and the time spent from March 1933 to January 1937, when the new President would come in, will have then appeared merely as a target for the gunner's greed.

We are always assuming that the voters of the United States have their eyes to the future and their faces to the front. But let us suppose that the Republicans should carry the next Presidency and both branches of Congress. We are wondering whether or not there is any candidate for public office who will answer the following queries now in the minds of the people:

1. Would they abandon the effort to feed the children, women, and men who, without help from the Government, must suffer?

2. Will any of these candidates say frankly to the people that they favor and will support a program of repealing all of the New Deal measures upon the ground that they are erroneous or unconstitutional? To put it another way, the Supreme Court having held that it has the power to decide and declare that an activity of the people is exclusively a State matter, as the Court did in the A. A. A. decision, would any candidate on the side opposed to Roosevelt be in favor of declaring void, or repealing by legislative enactment, any of the New Deal laws which come under the aforesaid category? These are natural, pertinent questions for the people to pass upon if the criticisms of candidates in the field and the voluntary advisers, such as the Liberty League, mean what may be fairly deduced from their utterances. A criticism which does not mean a purpose toward betterment is a waste of words.

3. Will any of the candidates now wearing out shoe leather, consuming gasoline, and straining vocal chords in criticism, come down definitely to ground on any feature of the New Deal and declare for its repeal, or for urging the Supreme Court to declare it unconstitutional? Laws affecting labor, housing, improvement of navigable rivers and using those improvements for flood control, helping the unemployed, the homeless, and the helpless, are these under the ban? Who will so commit himself? Will any of the aforesaid critics come out definitely against the guaranty of bank deposits? Will any of them come out and declare in favor of putting gold back to the point where it was when Mr. Hoover was President, and turning the more than ten billions of gold which President Roosevelt has locked up back into general circulation, so that the real authors of war, the speculators in gold, can bring on war by means as old as political and money kings?

It is a fact, demonstrated by the current diplomatic events in Europe, that any kind of a general war in Europe is now almost impossible, because the international financiers, who make money out of war, will not give consent so long as at least half of the money gold of the world is withdrawn from this secret manipulation of money for selfish purposes. Oh, what a big question this is. The people do not want war; and who does not know that the European nations cannot fight unless the financiers of war profiteers and the remnants of old royal families can speculate and get gold.

Think over the retired royal families of Europe. Take the English house of Stuart, the last reigning member of which was Queen Ann, who died in 1714, when a new line of kings, beginning with George I, took the throne of England. This old Stuart family got a haven in France under the Bourbon kings. It had two pretenders, the old and the young. The young pretender fought the great Battle of Culloden and lost, but the family is still organized and very recently had a meeting of that clan in London; and they have resources. The Kings of Spain, who were abolished by that country, have great resources, so have the claimants to the throne of France, under different houses; they all have money or resources. The house of Hohenzollern is organized and has vast resources. There are many other royal families in Europe who are organized and keep up the old custom of having dukes, earls, landgraves, counts, and so on. They have nothing that is valuable to humanity but patience.

If these royal claimants, all of them, conspiring against government by the people, can get a chance to put their resources together and grab with it enough of the world's gold to finance war, there will be war sooner or later. They want gold so that they can live in any country while scheming for power.

Assuming that the people of the United States do not want war and do not relish anything that would either provoke war or encourage it, it can be seen that the policy of President Roosevelt regarding gold has been the greatest insurance policy for peace that has ever been devised by human government. It does not lessen the money in circulation in the United States, but it does hold gold for the time being away from the speculators in life and blood. Would any of the opposing candidates say that they are against the President's policy regarding gold, and that they would change the legislative and the Executive order which, while not decreasing the circulating medium of the United States, still holds that god of kings and royal families, of international financiers, and war profiteers in such a position that it cannot finance war. These pretenders to royal blood, claiming divine right to rule over unwilling people, know little about American finance, and they want money which they can hoard and that will be good in any land of Europe at any time. This is a mere obsession of royalty and big financiers. Our Supreme Court has settled that question for this country, as the Constitution in clear words provides. Money in this country is what Congress says shall be money, and the United States is free from the superstition that gold is natural money.

When the American people think, as we believe they are thinking now, and consider that all the money gold in the world is not sufficient to pay 1 year's interest, at 4 percent, on the private debts of the people of the United States, and the debts of the National Government, the States, counties, and municipal corporations, they will easily comprehend that the gold standard, as understood by Mr. Hoover, Mr. Coolidge, and Mr. Harding, would put this country in the helpless position of having to pay in money which does not exist and cannot be obtained.

We now ask the question, Would any of the critics of Mr. Roosevelt, or those who are demanding a change and are candidates for office, come out and declare that they would wipe out the legislation and the Executive orders of the present administration which have freed the American people from the slavery of gold, at least during the process of business recovery? Who is so bold as to commit himself to that old policy of monarchs that made gold the regulator of the prices of commodities and the wages of labor?

CATASTROPHE RELIEF LOANS BY RECONSTRUCTION FINANCE CORPORATION

Mr. WALSH. Mr. President, I ask unanimous consent to have inserted in the RECORD information furnished by the

Reconstruction Finance Corporation in reference to the method of obtaining loans for people who have been affected by the recent floods.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

INFORMATION REGARDING CATASTROPHE RELIEF LOANS

The Reconstruction Finance Corporation, pursuant to the provisions of Public, No. 160, Seventy-third Congress, approved April 13, 1934, as amended, is authorized, through such existing agency or agencies as it may designate, to make loans to corporations, partnerships, or individuals, municipalities, or political subdivisions of States or their public agencies, including public-school boards and public-school districts, and water, irrigation, sewer, drainage, and flood-control districts for the purpose of financing the repair, construction, reconstruction, or rehabilitation of structures or buildings, including such equipment, appliances, fixtures, machinery, and appurtenances as shall be deemed necessary or appropriate by the Reconstruction Finance Corporation, and for the purpose of financing the repair, construction, reconstruction, or rehabilitation of water, irrigation, gas, electric, sewer, drainage, flood-control, communication, or transportation systems, highways, and bridges damaged or destroyed by earthquake, conflagration, tornado, cyclone, hurricane, flood, or other catastrophe in the years 1935 or 1936, and for the purpose of financing the acquisition of structures, buildings, or property, real and personal, in replacement of structures, buildings, groins, jetties, bulkheads, or property, real and personal, destroyed or rendered unfit for use by reason of the catastrophe, when such repair, construction, reconstruction, rehabilitation, or acquisition is deemed by the Reconstruction Finance Corporation to be useful or necessary, said loans to be so secured as reasonably to assure repayment thereof.

ELIGIBILITY

The Reconstruction Finance Corporation will consider applications for loans presented by individuals, partnerships, or corporations, or by municipalities, or political subdivisions of States or their public agencies, including public-school boards and public-school districts, and water, irrigation, sewer, drainage, and flood-control districts, for the purpose of financing the repair, construction, reconstruction, rehabilitation, or acquisition of structures, buildings, or property, as referred to in the preceding paragraph, damaged or destroyed by catastrophe in the years 1935 and 1936. The Reconstruction Finance Corporation will determine from the facts and circumstances in each particular case when rehabilitation is "useful or necessary", and under what circumstances the loan is "so secured as reasonably to assure repayment thereof."

AMOUNT

Loans will be limited to an amount reasonably required to accomplish the purposes for which they may be authorized.

SECURITY

The act authorizing Reconstruction Finance Corporation to make these loans requires that they shall be collateraled:

(a) In the case of loans for the acquisition, repair, construction, reconstruction, or rehabilitation of private real property, by the obligations of the owner of such property, secured by a lien thereon;

(b) In case of loans for the repair, construction, reconstruction, or rehabilitation of privately owned water, gas, electric, communication, or transportation systems, by the obligations of the owners of such water, gas, electric, communication, or transportation systems, secured by a lien thereon; and

(c) In case of loans for the repair, construction, reconstruction, or rehabilitation of property of municipalities or political subdivisions of States or of their public agencies, including public-school boards, and public-school districts, and water, irrigation, sewer, drainage, and flood-control districts, by an obligation of such municipality, political subdivision, public agency, board, or district, payable from any source, including taxation or tax-anticipation warrants.

In the case of loans in connection with personal property, the specific requirement in regard to collateral will be determined in each case as presented. The act requires that all such loans shall be so secured as reasonably to assure repayment thereof.

TERM OF LOAN

The collateral obligations shall have maturities not exceeding 10 years in case of loans made under subparagraph (a) above and not exceeding 20 years in case of loans under subparagraphs (b) and (c) above.

In the case of loans made in connection with personal property, the collateral obligations shall mature at such time or times as the Reconstruction Finance Corporation may determine, and where not otherwise prescribed in the act, not later than January 31, 1945.

INTEREST

The interest rate will be 4 percent per annum.

The following sections of Public, No. 160, Seventy-third Congress, as amended, are applicable to loans referred to in this circular:

"An act relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans for the repair of damages caused by floods or other catastrophes, and for other purposes

"*Be it enacted, etc.*, That the act entitled 'An act authorizing the Reconstruction Finance Corporation to make loans to nonprofit corporations for the repair of damages caused by floods or other catastrophes, and for other purposes', approved April 13, 1934, as amended, is amended to read as follows:

"'That the Reconstruction Finance Corporation is authorized and empowered, through such existing agency or agencies as it may designate, to make loans to corporations, partnerships, or individuals, municipalities or political subdivisions of States or of their public agencies, including public-school boards and public-school districts, and water, irrigation, sewer, drainage, and flood-control districts, for the purpose of financing the repair, construction, reconstruction, or rehabilitation of structures or buildings, including such equipment, appliances, fixtures, machinery, and appurtenances as shall be deemed necessary or appropriate by the Reconstruction Finance Corporation, and for the purpose of financing the repair, construction, reconstruction, or rehabilitation of water, irrigation, gas, electric, sewer, drainage, flood-control, communication, or transportation systems, highways, and bridges damaged or destroyed by earthquake, conflagration, tornado, cyclone, hurricane, flood, or other catastrophe in the years 1935 or 1936, and for the purpose of financing the acquisition of structures, buildings, or property, real and personal, in replacement of structures, buildings, groins, jetties, bulkheads, or property, real and personal, destroyed or rendered unfit for use by reason of the catastrophe, when such repair, construction, reconstruction, rehabilitation, or acquisition is deemed by the Reconstruction Finance Corporation to be useful or necessary, said loans to be so secured as reasonably to assure repayment thereof.

"'Obligations accepted hereunder shall be collateraled—

"'(a) In the case of loans for the acquisition, repair, construction, reconstruction, or rehabilitation of private real property, by the obligations of the owners of such property, secured by a lien thereon;

"'(b) In case of loans for the repair, construction, reconstruction, or rehabilitation of privately owned water, gas, electric, communication, or transportation systems, by the obligations of the owners of such water, gas, electric, communication, or transportation systems, secured by a lien thereon; and

"'(c) In case of loans for the repair, construction, reconstruction, or rehabilitation of property of municipalities or political subdivisions of States or of their public agencies, including public-school boards and public-school districts, and water, irrigation, sewer, drainage, and flood-control districts, by an obligation of such municipality, political subdivision, public agency, board, or district, payable from any source, including taxation or tax-anticipation warrants.

"'The collateral obligations shall have maturities not exceeding 10 years in case of loans made under paragraph (a) of this act, and not exceeding 20 years in case of loans under paragraphs (b) and (c) of this act.

"'The Corporation shall prescribe such regulations as will most effectively expedite the repair, construction, reconstruction, and rehabilitation provided for by this act and effectively carry out the emergency-relief purposes of this act.

* * * * * * *

"'The aggregate of loans made under this act shall not exceed $50,000,000.'

"SEC. 2. The title of the said act is amended to read as follows: 'An act authorizing the Reconstruction Finance Corporation to make loans for the repair of damages caused by floods or other catastrophes, and for other purposes.'"

POLITICS IN RELIEF

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Washington Post, by Dr. George Gallup, relating to politics in relief.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post]

POLITICS PLAYS A ROLE IN RELIEF, SAY VOTERS IN NATIONAL POLL—SOUTH AND FAR WEST DISAGREE WITH EAST—FIFTY-FIVE PERCENT THINK RESPONSIBILITY FOR AID SHOULD BE TURNED BACK TO STATE AND LOCAL GOVERNMENTS; 45 PERCENT SAY "NO"

By Dr. George Gallup

NEW YORK, April 25.—Approximately 6 out of every 10 Americans, on the average, think that politics influences the handling of Federal relief funds in their localities. Nearly half the people receiving relief admit it. A fair-sized majority of Democrats believe it. A huge majority of Republicans are convinced of it.

These facts were brought out by a nonpartisan, Nation-wide poll of all classes of voters which has just been completed by the American Institute of Public Opinion. Whether the voters are right or wrong in thinking that politics colors relief is no concern of the institute. Its poll simply shows that this is what the people of the country believe.

The question voted on by thousands of persons—Republicans and Democrats, rich and poor, farmers and city folk—in every State in the Union was this:

"In your opinion, does politics play a part in the handling of relief in your locality?"

"Yes", said 65 percent.
"No", said 18 percent.
"No opinion", said 17 percent.

Relief has been called the national issue. It affects everybody. To the needy and destitute it means life itself. From the rest of the population it means a steady drain of cash.

Relief, as everybody knows, has also become a bitterly partisan issue. The poll reported today reveals for the first time the extent of the split among the three regular parties.

Asked whether they thought politics influences the handling of relief in their own localities, voters of the three chief parties replied as follows:

	Yes	No	No opinion
Democrats—percent	55	25	20
Republicans—do	80	8	12
Socialists—do	77	9	14

Note that there is a difference of 25 points between the Democratic and Republican vote.

The Institute of Public Opinion also sounded out the opinion of those most concerned with this particular problem—persons on relief. It found that 49 percent—nearly half—believe there is politics in the handling of Federal donations, 25 percent did not think so, and 26 percent had no opinion.

OPINION FOUND UNIFORM

Opinion on the question of politics in relief is fairly uniform throughout the country. A majority of voters in every State of the Union, except Kentucky, voted "yes" when asked if they thought politics influenced Federal donations in their localities. The affirmative vote in the Southern States, which are known to be loyally Democratic, was in some instances higher than the vote of the New England States, which are Republican today. For instance, 83 percent of the poll voters in Arkansas said there was politics in relief, and 75 percent in Mississippi, whereas the comparable vote in Vermont was only 51 percent and in New Hampshire 63 percent.

More than half of the number of persons on Federal work relief live in 11 heavily populated States. These 11 States account for approximately 2,245,763 out of a total of 3,861,586 work-relief cases, or about 58 percent, according to figures recently released by the W. P. A. Here is how the 11 States with the largest number of cases voted in the poll today on the question of politics in relief:

Politics in relief

	Yes	No	No opinion
States with largest number of work-relief cases:			
New York—percent	68	16	16
Pennsylvania—do	67	18	15
Illinois—do	60	18	22
Ohio—do	67	15	18
California—do	65	13	22
Texas—do	68	17	15
Massachusetts—do	72	14	14
Michigan—do	63	10	27
Missouri—do	63	23	14
New Jersey—do	78	12	10
Oklahoma—do	71	19	10

FARM VOTE VERSUS CITY VOTE

One of the most interesting facts uncovered by today's poll was that voters in rural areas—in hamlets, on farms, and along the country roads—are more convinced than persons in urban areas that there is politics in relief. The rural vote affirming this belief was 70 percent, whereas the comparable vote for the 10 largest cities in the land averaged only 61 percent.

There may be several reasons for this. The first is that the farmer's gorge probably rises if he finds a "city slicker" in a nearby town receiving relief money without working. A second reason is that the rural population is likely to take a greater interest in what goes on in its locality than people in a busy, crowded city where families sometimes never meet their next-door neighbors. Hence the average citizen's opportunity for first-hand knowledge of relief methods is probably greater in the rural areas than in the big cities and if politics exists he will be quicker to spot it.

In previous polls conducted by the institute the young voters of the Nation have been pretty consistently pro-administration. In fact, the young vote is one of Mr. Roosevelt's chief sources of political strength and polls have shown that the Republicans must develop an appeal to this group (and others) if they hope to win. Today's poll indicates that relief may offer the G. O. P. a convenient handle for this purpose.

RESULTS OF NATIONAL POLL ANALYZED

Question 1. In your opinion, does politics play a part in the handling of relief in your locality? Yes ———. No ———. No opinion ———.

The national vote: Yes, 65 percent; no, 18 percent; no opinion, 17 percent.

	Yes	No	No opinion
The vote by States:			
Arkansas—percent	83	14	3
New Jersey—do	78	12	10
West Virginia—do	77	13	10
Louisiana—do	76	9	15
Rhode Island—do	76	14	10
Connecticut—do	75	14	11
Mississippi—do	75	14	11
Washington—do	73	12	15
Massachusetts—do	72	14	14
Oklahoma—do	71	19	10
New Mexico—do	71	18	11
Kansas—do	70	20	10
Minnesota—do	69	17	14
Arizona—do	69	19	12
Maine—do	68	17	15
New York—do	68	16	16
South Dakota—do	68	20	12
Texas—do	68	17	15
Wyoming—do	67	27	6
Idaho—do	67	21	12
Florida—do	67	15	18
Alabama—do	67	13	20
Ohio—do	67	15	18
Pennsylvania—do	67	18	15
California—do	65	13	22
Tennessee—do	65	22	13
Virginia—do	65	17	18
Nebraska—do	65	20	15
Nevada—do	63	24	13
South Carolina—do	63	23	14
Missouri—do	63	23	14
Indiana—do	63	21	16
Michigan—do	63	10	27
New Hampshire—do	63	9	28
North Dakota—do	62	30	8
Iowa—do	62	22	16
Delaware—do	61	23	16
Wisconsin—do	61	21	18
Illinois—do	60	18	22
Georgia—do	60	21	19
Colorado—do	59	28	13
Maryland—do	58	18	24
Utah—do	56	27	17
Oregon—do	56	23	21
North Carolina—do	55	18	27
Montana—do	52	17	31
Vermont—do	51	38	11
Kentucky—do	43	27	30
Parties:			
Democrats—do	55	25	20
Republicans—do	80	8	12
Socialists—do	77	9	14
Groups:			
Reliefers—do	49	25	26
Farmers—do	70	19	11
Women—do	58	17	25
Young people—do	60	14	26

THE AMERICAN WAY FORWARD—ARTICLE BY JACKSON H. RALSTON

Mr. SHIPSTEAD. Mr. President, since the foundation of the Union, our system of taxation has always contrived to shift the burden from the privileged few to the backs of the consuming masses. It is a vital and threatening issue before the National Government and every State as well.

Judge Jackson H. Ralston, known and respected by many of us for many years as an authority and author upon international law, an able economist and sincere patriot, has written a short article on the tax situation in California which is of universal application and interest. It is titled "The American Way Forward", and I ask unanimous consent that it be inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE AMERICAN WAY FORWARD

By Jackson H. Ralston

What shall we do about the increasing tax burden?

We authorize our local, State, and Federal Governments to do a thousand things absolutely necessary to protect our lives, health, and property and care for the destitute, without which services civilization would collapse; services which private enterprise cannot and will not perform, but which cost money.

On the other hand, mounting taxes are proving ruinous to millions of farmers, workers, business and professional men; are hampering honest, constructive, individual enterprise; and are blocking recovery.

What is the practical answer to this impasse?

It is self-evident that every man should pay for the support of government in direct ratio to the cash and other benefits he receives from government. It is axiomatic that no man should be permitted to "pass on" his just taxes and make other men pay them.

No one will deny the justice of these propositions. Yet, this is exactly what our cleverly devised tax system has been doing for a

century. We are now paying the disastrous penalty. The latest device to "shift" the tax load from the few to the many is a "sales tax."

In California this tax originally was 2½ percent on all sales with a promise that by June 1935 it would be reduced to 2 percent. That promise was violated. The tax is now 3 percent on all sales except gasoline, on which there is a special tax of 3 cents per gallon, and an exception of foodstuffs except when sold in restaurants.

PURPOSE AND EFFECT OF THE SALES TAX

As a matter of fact, the real purpose of this tax was to cut down the taxes of the wealthy on the plea that real estate was overburdened. How it has worked out is a matter of common knowledge. State Comptroller Riley, who ought to know, says, "There is some justification for the statement that this small home owner has not been helped to the same extent as the large landowner" and gives figures to prove it.

Again, Professor Staffelbach, director of research, California State Teachers Association, reported in January 1935:

"The general sales tax is a form of taxation which constitutes a 'throw-back' to forms of taxation which were in effect before the French Revolution, and which it took a revolution to overthrow. It is completely the reverse of the ability-to-pay theory, in that it taxes poverty and tends to exempt wealth and ability to pay. * * *

"Citizen A and citizen B pay exactly the same percentage sales tax. Citizen A is forced to spend all of his $1,000 income; therefore he pays a tax on his entire income. Citizen B saves 90 percent of his income, which thus escapes taxation. He spends $10,000, on which he pays a tax of $250. The absolute nonconformity of this method of taxation with the ability-to-pay theory is apparent on the face of it. * * *

"The popularity of the sales tax is probably to be explained upon the ground of the sureness and the quality of the revenue it produces. The payment of the tax is so insidiously gradual that it is seldom seriously felt at any one time. The toll it takes is, however, none the less sure; and its effects upon the living standards of the people cannot be escaped. In many States, as in California, the sales tax has been the expedient used to bring relief to real and personal property. Real-estate men, as a general thing, have sponsored the sales tax in the belief that it would bring tax relief to home owners, farmers, etc. A little study will reveal that nothing could be further from the truth. * * *

"The only true relief brought to real-estate owners in California by substituting $100,000,000 in sales taxes for $76,000,000 in real and personal property taxes is to be found in the cases of large real-estate speculators whose real-estate holdings are large and whose payments in sales taxes will be relatively small. However, neither the future of the country nor the future of the real-estate business can safely depend upon the operations of such speculators."

Again, Prof. R. M. Haig, of Columbia University, recent adviser to the California Tax Commission, very forcibly expressed himself, as follows:

"Any politician who has the interest of the small home owner and rent payer at heart cannot sincerely and consistently urge the substitution of general sales taxes for real-estate taxes. So far as I am aware serious students of public finance are unanimous in the opinion that sales taxes are regressive in their tendency and effect. * * * To propose the substitution of general sales taxes for taxes on real estate as a measure of relief for the small man is an insult to the intelligence and an affront to common sense."

A sales tax is, of course, simply an additional open tax levied on top of a series of other tax items concealed in the price of any article you purchase, all of which are really sales taxes. These taxes add to the price of everything you purchase for your personal use, whether it be a house, an automobile, farm implements, store fixtures, clothing, food, or anything else. High prices prevent the people purchasing goods for their necessities or desires, slow down business, manufacturing, and the employment of labor. Manifestly, its abolition will speed up business, manufacturing, and the demand for labor will increase. That is the purpose of the constitutional amendment before the people, the text of which is printed at the end of this article.

Where, then, are we to get the money to finance our necessary Government activities? There is a way, based on the fundamental American principle of equal justice to all and special privileges to none. It will provide ample funds without wronging anybody.

RESULTS OF THE EXPENDITURE OF GOVERNMENT MONEY

Governments use the taxpayers' money, among other things, to build schools, roads, streets with sidewalks, sewers, arterial highways, and whatnot. These are essential services. But what happens? Land values instantly rise, as you soon discover if you try to buy a lot or a farm where these public improvements have taken place.

Hence, a special and privileged part of the community is benefited at the expense of the vast majority. Certainly this result is not a benefit to the dirt farmer or the would-be home builder. The persons benefited are the real-estate speculators who get something for nothing. It is proposed to start taxing these unearned increases in land values into the Public Treasury.

BENEFITS TO WORKING FARMERS

We are told that while the amendment might work well in the cities of California it will not work in the farming communities. This is untrue except in the case of a so-called farmer or speculator or the holder of great natural resources. Upon the speculator we need waste no sympathy. He has hoped to gain through the rise in land values something to which he has contributed nothing. He may even be a nonresident. The great landholders who hold blocks of territory out of development containing natural resources, in some cases of almost inestimable value, have found their taxes largely diminished with the sales tax. We would correct that situation.

The active, industrious working farmer will find that the proposed system will diminish his taxes, for it provides that buildings, farm machinery, improvements, and tangible personal assets are to be freed from taxation. He has, therefore, everything to gain.

A TAX THAT CANNOT BE SHIFTED

The landowner, whether an individual, estate, or corporation, gets all that can be had for the use of any land site. The gross rental value of the land site includes all the taxes on the land. The net rent, that which remains after all taxes have been paid, gives the land site its capitalized or selling value. People who buy or speculate in land buy or deal in the net or potential net rent that should go into the Public Treasury. The more of this flow of wealth diverted to government by taxation the less net that flows to the landowner as such. So we again emphasize that the more ground rent taken by government the less taxation that will be necessary on the goods and commodities people buy in retail stores. The less taxes in the price of goods, the greater quality and variety of goods and commodities that can be purchased. The more items of goods the more employment, since labor is required to produce each item. The more labor the more volume for all businessmen.

There is one best place to put taxes, and that place is not on land areas or merely land as such, but on the value of land. Owning land is a privilege given by the people. The value of land sites for use measures the value of the privilege. One acre in the heart of a city, or containing oil or mineral may be more valuable and produce more taxes than a thousand or more acres of ordinary farm or vineyard land. If the landowner is compelled to pay for the privilege which he holds, as proposed by this amendment and since he holds it, why should he not pay? Then the people will not have to "pay it anyway." The landowner cannot "shift" this tax.

John Stuart Mill says: "A tax on rent falls wholly on the landlord. There is no means by which he can shift the burden upon someone else * * * A tax on rent, therefore, has no effect other than the obvious one. It merely takes so much from the landlord and transfers it to the State." But it does have another effect. It enables industry to enjoy a tax reduction on the production and distribution of goods.

WHAT MAY WE EXPECT?

Since valuable, idle, or improperly used land sites will be taxed at the same rate as well-developed land sites, landowners and land speculators holding land out of use for immediate or future gain will be forced by the pressure of the tax on the privilege they are holding, and which others therefore cannot use, to use it or let others use it. They cannot continue their dog-in-the-manger attitude. With the rules of the game as they are they might as well have the unearned gain as another; but with the rules changed, no one will be able to enjoy such gains at the expense of the rest of the people.

We can look forward to the fact that unused land will be called into use whether it be in the city or in the country; that it will be possible for hundreds of thousands of men to own and develop land now held out of use and development; that with their employment, the holding of land being rendered unprofitable, markets for our manufacturers and our productions of every nature will be infinitely enlarged; that there will be a new demand for capital and labor; that our inadequately improved land in the cities will blossom out into structures useful in themselves and useful as indicating an employed and happy community; that with the exemption of houses and tangible personal property from taxation and riddance of a sales tax, even if the rate on land values should only be doubled, the small taxpayer will find his burdens lessened.

Everybody knows that where there are no people demanding the use of land, land has no value. We quote a man who made money out of land speculation; Arthur Brisbane, the well-known editorial writer, is represented by a large Middle West real-estate concern, as follows:

"Land values are made by population. When populations grow, land values grow. I had a little money laid by. I invested it in the land of growing cities, choosing my investments on the advice of men who knew values, and of whose knowledge and integrity I first satisfied myself. I profited. Then I reinvested my profits. That is all there is to it."

But what do hard-working business and professional men who help create these values think of this method of getting rich? Suppose everybody tried it? Such speculators "grow richer, as it were, in their sleep without working, risking, or economizing."

It is because high prices of land are created by the progressiveness and industry of the people that a tax on these values of sufficient proportion to divert this flow of wealth to public uses is essential. It is essential not alone to relieve the present tax emergency, but because it is one of the most potent, permanent, and deep-rooted causes of depressions and panics.

Dun & Bradstreet just last year published a book by Mr. Ray A. Foulke, manager of its analytical report department, in which this expert shows his belief that many of the evil financial conditions

of the past few years "are direct results of the ever-recurring speculation in farm lands, suburban real estate, and city properties."

John Moody, publisher of the famous Moody Manuals, an eminent financial authority, says: "I know something about panics and their causes, and I do not hesitate to come out flat-footed and say that this is just the character of legislation which will tend to prevent panics, as well as to relieve congestion." He referred to a bill gradually reducing the rate of taxation on buildings and concentrating it on land values as the pending amendment does. And here we may call sharp attention to the fact that this new system, though beginning now, will not come into full effect for 5 years, thus giving business and industry ample opportunity to adjust themselves to the new order.

There is no known student of economics who defends the sales tax. On the other hand, the graduated land tax proposed in this amendment is endorsed by many eminent economists and public men.

There are many men and organizations over the United States working for this reform. In California it is being promoted by the Sales Tax Repeal Association, 83 McAllister Street, San Francisco, and the Citizens Tax Relief Association, 321 West Third Street, Los Angeles, where more comprehensive literature can be obtained.

PROPOSED CONSTITUTIONAL AMENDMENT

Article XIII

SEC. 11a. Abolishing certain sales taxes. That all sales taxes in any form which have been created on behalf of the State or any subordinate jurisdiction since the 1st day of January 1933, be and the same are hereby discontinued, and the imposition of any new sales tax in whatever guise hereafter is forbidden.

Article IV

That so much of section 34a in article IV of the Constitution as reads as follows:

"Not more than 25 percent of the total appropriations from all funds of the State shall be raised by means of taxes on real and personal property according to the value thereof" be and the same is hereby rescinded and canceled; and taxation upon real and tangible personal property shall only be limited for county or city and county purposes as provided in section 2a of article XIII.

Article XIII

SEC. 2a. For the encouragement of industry. For the purpose of encouraging the establishment of homes, and for the further purpose of ultimately freeing industry in its various forms as rapidly as possible from taxation, and to encourage production by levying proper taxation upon the common product of the whole State, its land values * * * it is provided as follows:

From the assessed value of the improvements now or hereafter assessed for taxation and included in any homestead, before collection of taxation, shall be deducted the sum of $1,000.

For the first fiscal year occurring after the adoption of this section, and for each of the 4 immediately succeeding years, taxes upon tangible personal property and upon remaining improvements in and on land levied by the several counties, cities, and other taxing districts of the State, shall be decreased in the proportion of one-fifth of their assessed value, and thereafter shall cease, land-value taxation being substituted. As far as necessary, limitations of the tax rate of counties, cities, and other taxing districts shall be raised proportionately to the amount that the assessed value of tangible personal property and improvements not taxed shall bear to the entire assessed value of property subject to taxation. This provision for the gradual exemption of tangible personal property and improvements from taxation shall also be applied to any tax levied thereon for State purposes.

Improvements are defined as including all structures of any kind in and on land, and all fencing, drainage and irrigation pipes, vineyards, orchards, growing crops, and the like, increasing the value of cultivated and usable land over unused or uncultivated land.

The provisions of this amendment shall control any case of conflict with any other section or articles of the Constitution.

FLOOD CONTROL—STATEMENT OF WALTER S. FENTON

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the RECORD part of a statement before the House Judiciary Committee on the flood-control bill made by Walter S. Fenton, representing the State of Vermont.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF WALTER S. FENTON, REPRESENTING THE STATE OF VERMONT, BEFORE THE HOUSE JUDICIARY COMMITTEE ON THE FLOOD-CONTROL BILL

This subject matter, particularly as it relates to interstate rivers which either run along our borders, like the Connecticut River, or whose sources are in our State, is one of very great interest to our people.

We fully appreciate the difficulties that our sister States have experienced, particularly during the last spring, because back in 1927 we went through a somewhat similar experience in a flood which was State-wide with us and which caused our little State a matter of some $30,000,000 damages. However, the problem with us is quite different from that of the States lower down the river. Their problem or their difficulty, if you please, as I look at it, is primarily because the water is not held back, but comes down to them in great quantities in times of such a flood as we had recently. We had that problem of flood damage to some extent, but nothing like they experienced. The big element in our problem of flood control on the Connecticut River is the question of retaining this water so it will not go down to their damage.

I need not spend any time in recalling to your minds that our State is a very small State. It is not wealthy. Our State is very mountainous, and its valleys are not too wide, and the more fertile, productive land, of course, is found in the valleys, as is true everywhere. So the problem of flood control is one in which, as I stated at the outset, we have a very great interest.

That is why, insofar as this resolution is concerned, that we appear before the committee speaking in favor of it, because it is primarily a problem for the States involved and affected by this stream in particular, the Connecticut River, although we do have other streams wholly within our borders that require attention. I think we have two streams that run over into the State of New York and ultimately empty into the Hudson River. But I do not think there has been any great damage from either one of them.

The studies that have been made so far on this subject, as I view it, are wholly inadequate upon which to base any efficient, effective plan of flood control. I have heard it stated this morning by some distinguished Members of Congress that we should at once build these 10 storage reservoirs that have been recommended in the Army report so that we can prevent a repetition of the same flood condition next year. While I do not know just how much investigation the gentlemen have made into the construction work of the magnitude, I would hardly expect, even if the lands were to be controlled and owned in such a way that construction work could begin tomorrow, that they could be in a condition to retain any flood waters by next spring floods.

The difficulty with that proposition as I understand it, is that the program which proposes the construction of the 10 reservoirs in question is based primarily upon studies of the 1927 flood to which I referred. The flood of 1936 which caused this great damage in Massachusetts and Connecticut was a flood of an entirely different character. To illustrate what I mean by that, this program for the construction of these reservoirs contemplates the construction of three reservoirs on the White River in Vermont. The flow of water in the White River in 1936 was only approximately one-third of the flow of water in 1927. The result was that the stream flow in the Connecticut River at White River Junction, below the discharge of the White River, was 11 second-feet per square mile less, and the drainage area above that point is approximately 4,000 square miles, which makes a stream of 44,000 second-feet lower in the Connecticut River below White River Junction in 1936 than it was in 1927.

What that means is that the water which caused the damage in the States lower down the river did not come in such substantial quantities from Vermont. On the other hand, the discharge in the New Hampshire rivers, below the so-called Ammonoosuc River was very much greater than it was in 1927. I have just been interested in looking at a graph which presents by means of engineering methods the density of the rainfall. I think they term it an isohyetal diagram, which shows that the entire rainfall in Vermont for the month of March was approximately equal to that of 1 day at Pinghams Notch in the White Mountains over in New Hampshire, where they had something like 23 inches of rainfall in the month of March, and something over 10 inches of rainfall in 2 days.

As I say, there was a greater discharge into the Connecticut River, and particularly into the Merrimac, from that source.

Why? Because that is where they have the greatest rainfall, which, coupled with the melting snow, produced this extraordinary volume of water. Having in mind the stream flow in the Connecticut River at White River Junction was 44,000 second-feet less in March of this year, at the time of the peak of the flood at Vernon Dam, which is a little north of the Massachusetts-Vermont State line, the crest of the flood was 5 feet higher than it was in 1927.

Above Vernon Dam comes in the West River, coming in from Vermont, which is quite a substantial stream. Yet the stream flow in that river was 28 second-feet per square mile less in 1936 than it was in 1927.

Above that we have the Saxtons River just below Bellows Falls, which is not a very large stream. I cannot give you the figures on it, nor on the Williams River just above it.

Above that we have the Black River. The point I want to make with you is this: That you cannot plan upon a program resulting from a study of the engineers of the 1927 flood to take care of the type of flood that we had in 1936. And it is a matter of a good deal of doubt in my mind from various information that has been given to me whether the construction of these reservoirs would have had any material effect upon the disastrous results down in Massachusetts and Connecticut. I think the sponsor of this bill made substantially the same statement this morning. In that I agree with him fully.

The thing which I have understood was the principal cause of this extraordinary and long-continued high water in the lower Connecticut resulted from the fact that there was being discharged at flood stage into the Connecticut in Massachusetts and in Connecticut waters from the tributaries located in those States which carried not only the rainfall and the quick run-off which would result from frozen ground, but it also carried with it, on account of the warming weather and the effect of the rain on the heavy snow, a substantial amount of snow water. In ordinary times, so

I am told, those flood waters from those tributaries reach their flood stage and pass on down the river a considerable time before the flood waters from the upper Connecticut reach that point. And the result is that they pass off in what we might term normal high water for spring floods. In this particular year, however, the rainfall continued for some days, and those tributaries in that section were discharging flood waters at flood crest into the Connecticut River when the flood waters came down the river. And when you have the combination of the two the rivers cannot carry it away, and this damage was done.

As I say, this problem from our standpoint is so serious that we believe it requires the most careful study and investigation, utilizing, if you please, such information as has been gotten together by the Army Engineers in their study of the 1927 flood and other floods, using all of the material that can be gotten together with respect to the 1936 flood and the conditions which caused it and contributed to it, and all other information that can be gotten together, and then have the matter in such shape that the representatives of the States involved in this particular question may sit down—as some gentlemen expressed it here this morning—across the table and see if some acceptable plan cannot be formulated that the States can agree to, that is within their economic resources to carry out, and undertake to apportion the cost of it according to the benefits; and when such a plan can be formulated, then the saving grace, if you please, is that that plan can then be submitted to the legally elected representatives of the people of each State—namely, their respective legislatures—and, in the light of all the knowledge that has been accumulated on the subject, they will then have the opportunity to weigh the advantages and the benefits, on the one hand, and the economic disadvantages, on the other hand, and determine in their own good judgment whether or not it is a plan that they can embark upon.

As I say, it is a matter peculiarly for the States themselves involved to participate in, to consider, to decide upon themselves.

There are many, many things that I might say that would have to be taken into consideration, as I view it, in such a program, but I do not care to take up the time of the committee to do that at this stage of the proceedings.

PATRIOTISM AND THE WAR AGAINST CRIME—ADDRESS BY JOHN EDGAR HOOVER

Mr. DUFFY. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject Patriotism and the War Against Crime, delivered by John Edgar Hoover, Director, Federal Bureau of Investigation, before the Daughters of the American Revolution at Washington, on April 23, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The Daughters of the American Revolution as an organization holds great significance. It is more than an institution—it is a symbol of living testimony to the traditions upon which this great Nation was founded and by which it may live and prosper. Because of this, and because an overpowering danger faces America, I feel that the subject upon which I speak should be of the utmost importance to you and all other organizations born of patriotism. I refer to the menace of crime.

It is our duty to be alert and alive to any threat against our national welfare, whether it comes from without our borders or from within. Today we attempt to live in peace with the world. We seek to command the respect of the nations among which we must live and work, and to protect ourselves against what might be called the "criminals" of the community of these nations. We try to maintain an adequate Army and Navy. We all know that such a force is an insurance for peace. But we can never make peace with the underworld. It constantly threatens an invasion of our homes, our happiness, and our civil and public rights with a concentration of armed forces greater than that of our Army and Navy combined. These are not my words, but they are those of the man to whom I owe much gratitude for his hearty support in the efforts of the Federal Bureau of Investigation, the Honorable Homer S. Cummings, the Attorney General of the United States. Were crime to marshal its forces in a marching body of men, they would tramp ceaselessly past this hall, hour after hour, in daylight and in darkness and back to daylight and darkness again, even though they were 10 and 20 abreast, for the files of the Federal Bureau of Investigation show that there are actually 3,000,000 convicted criminals. Beyond this there are enough more with police records to demonstrate that an average of 1 out of every 25 persons in the United States of America has at least had his brush with law-enforcement agencies and is inclined toward criminality.

This army of crime is larger than any unified force in history. If this tremendous body of evildoers could be welded into a unit of conquest, America would fall before it, not in a month, not in a day, but in a few hours. Therefore, with the seriousness of this condition truly before us, I believe it is not at all sensational to assert that while we speak of peace we are really at war; that while we believe ourselves secure we are actually besieged; that while we look with fear upon any belligerent news from foreign shores we are turning our backs upon and our thoughts from the most serious and most devastating war which this country ever has known; that of the insidious attack of the armed forces of criminality.

Not to alarm you, but for your information, there are today in America 150,000 murderers roaming at large. Statistics show that during the lifetime of those who form our population 200,000—nearly a quarter of a million—persons will commit murder before they die and more than 300,000 persons—the population of an entire metropolis—will be murdered. Consider that! Think of the scare heads which ran in the newspapers concerning the tempestuous floods which ravaged our Eastern States only a month ago. We saw the news pictures depicting scenes of suffering. We were horrified at the plight of thousands who were homeless; our hearts sank as we read the mounting list of the dead and injured. Yet if this entire condition of death, desolation, and ruin were magnified to double proportions it would not then even approach the horrible picture of miles upon miles of stiffened corpses representing the 300,000 citizens of America who today are walking the streets in the belief of security, who are making their plans, dreaming their dreams of the future, and not realizing that they are doomed to die by the foul hand of the murderer. If we are not at war with crime, then never was there such a thing as war. If this war does not demand the straining of our every tendon of patriotism in a determined campaign of eradication, then this country never has known an emergency.

And so I tell the stark truth to you women, who are known for your devotion to the country for which your forefathers gave their blood, and ask in the name of those sacrifices that you do your utmost to reinstill a spirit of determination and of self-sacrificing alertness that the loyalty to America, the fidelity to ideals, and the unfaltering courage which gave us Bunker Hill and Valley Forge may be reestablished. Let America be called to arms and arise against this marauding army of crime that we may again battle to finality, that we may fight the good fight to victory over a most despicable foe.

Above all, we must not be lured into a feeling of false security by figures emanating from time to time tending to show that crime is somewhat on the decrease. True there has been a cessation of gang kidnapings and other heinous crimes due to the highly organized activities of the Federal Bureau of Investigation, but I warn you that should vigilance relax in the slightest those outrages would be renewed in greater viciousness than ever. There can be no weeding out of noxious growths until the roots which feed these growths are torn from the filthy muck which fosters them. Throughout our country law enforcement has been hampered, hamstrung, and strangled by the blood-caked hand of crime-affiliated politics.

I know the statement I have just made sounds sensational. It smacks of headlines. But I challenge you to find out for yourselves how really true it is. Political grafters stir uneasily when honorable citizens like yourselves begin to ask questions about the close connection between violent crime and crooked politics. They do not like honest law enforcement and they do not like the truth, which is that they are the brains behind the Dillingers of this land.

This political alliance with crime exists in State after State, municipality after municipality. It halts the policeman; it halts the law-enforcement officer, even as he reaches for his gun, and holds him there, a target for the bullets of the coward he has been attempting to arrest. It stalks into our courts, brushing aside indictments, trials, and even convictions with a wave of a hand. It enters our penitentiaries, swinging wide the heavy prison gates for men who otherwise would have paid their debt to society in punishment for their crime. It condones nonfeasance in office and provides actual malfeasance. It supports bribery, perjury, and gangdom, and it has been known to place more than one ex-convict upon the force of a police department. It is firmly entrenched, deeply rooted, and can be torn from its foundations only by the concerted unswerving self-sacrificing efforts of such patriotic organizations as the Daughters of the American Revolution. Remember this always: The only thing which concerns the crooked politician is the fact that every time you catch a criminal, he loses votes. You are going to find that a great hue and cry will arise concerning the gratifying advance against crime which has been manifest within the past 2 years. You will learn that the sob sisters will soon come forth from hiding with cries of persecution against these dear, good boys whom unfeeling law-enforcement agencies insist upon sending to prison. You will discover that crackpot politicians, racketeers of a new and different type, will scuttle out from the shadows to add crime upon crime by evoking new and *impossible schemes* for the alleged eradication of the lawbreaker. You will see private quack fingerprint bureaus springing up here and there, willing, at the drop of the hat, to protect our citizens upon the payment of a price when those very citizens can be protected at no cost whatever by the local law-enforcement agency or the Federal Bureau of Investigation. You will be surrounded by theorists, pseudo criminologists, hypersentimentalists, criminal coddlers, convict lovers, and fiddle-faced reformers, all surging forward with great ideas for the commonwealth but mostly for their own pocketbooks.

Therefore, I warn you to stay unswerving to your task—that of standing by the men on the firing line—the practical, hard-headed, experienced, honest policemen who have shown by their efforts that they, and they alone, know the answer to the crime problem. That answer can be summed up in one sentence—adequate detection, swift apprehension, and certain, unrelenting punishment. That is what the criminal fears. That is what he understands, and nothing else, and that fear is the only thing which will force him into the ranks of the law abiding.

There is no royal road to law enforcement. If we wait upon the medical quacks, the parole panderers, and the misguided sympathizers with habitual criminals to protect our lives and prop-

erty from the criminal horde, then we must also resign ourselves to increasing violence, robbery, and sudden death.

The time has come when it is the solemn duty of such organizations as the Daughters of the American Revolution to insist that there can be no compromise with crime. For too many years the citizen has viewed this problem as something with which he has no personal concern. Yet all this time he has been paying a personal tax of $120 a year for the privilege of living in a country which each year sees 12,000 murders, 46,981 cases of felonious assaults, 283,685 burglaries, 779,956 larcenies, and 247,346 automobile thefts. To use a plain Americanism, there has been too much passing of the buck; too much eagerness to hand over all criminal problems to strictly law-enforcement agencies. A policeman is only the agent of a citizen. He is only the servant of an employer—the public—and if that employer gives no attention to the business in hand, then indeed it is too much to expect that the servant will think, plan, and execute for the public that hires him. We all know that in practically every big case there is witness after witness who dodges his duty in the courtroom. We know that juries allow themselves to be swayed by personal expediency, cheap sentimentalities, politics, and sometimes by money.

It is common knowledge that in every large American city there is attorney after attorney who makes his living by counseling men whom he knows to be guilty, not only after they have been arrested, but often plans with them, plots with them, and conceives with them in the preparation of dastardly crime. We know that all about us are various figures and filaments of criminal life—the fixers, the hide-out owners, the money passers, the bond buyers, the fences, the bribers, and all the rest of the slatternly camp followers of infamy whose presence is necessary in the commission of a major infraction. All these things are of such common knowledge that children often play games in which these characters are simulated. But what does the average citizen do about it? Absolutely nothing!

It is your duty to safe and orderly society to see that a new viewpoint is brought about. To watch the criminal cases as they arise in your city; to make it your business to find out why the politically protected murderer is not captured; to guard the courtrooms against continuance after continuance and the disappearance of witnesses by which some infamous lawbreaker may be freed. Why only yesterday I was reading the statement of a criminal implicated in a notorious kidnaping. He had kept the hide-out where a man had been hidden away from his family until these notorious racketeers had been able to extort the savings of a lifetime before they freed their victim. Yet, in perfect nonchalance, he excused himself by saying that he did not know he was keeping a hide-out for a kidnaped victim. He only thought it was a witness in a murder trial whom a criminal friend desired to keep from testifying.

You as guardians of patriotism should watch appropriations and view with keen suspicion the various so-called economy moves by which venal politicians disrupt police departments, lower their morale, reduce the personnel, decrease guards at jails and prisons, bring about the possession of faulty equipment, and make their city a haven for the criminals who have promised to deliver heavy blocks of votes in return for political protection. It is your duty to see that shopkeepers, businessmen, and others who have become the victims of racketeers do their duty before the grand juries investigating these parasitical growths upon our body politic. Time after time earnest and honest prosecutors have endeavored to get at the bottom of the racketeering which is sapping steadily at the health and prosperity of this country. Time after time they have sought to solve the bombing, the murders, the assaults by which this bulk of racketeering exists, only to find that the same victims whom they are attempting to rescue constantly are stricken dumb when they appear before an inquisitorial body. In other words, these businessmen who should, as substantial citizens, be the first to display courage for the cleanliness of their city, become rank cowards before the threat of gangsterism, and I insist that there is no place in America for cowardice. I suggest also that if these men are cowards, that if they insist upon burdening their communities through their lack of fortitude, then it becomes the duty of the community to frown upon them as it would upon the racketeer who feeds upon us all. Neither I nor any member of the Federal Bureau of Investigation will knowingly have business relationships with a person whom we know to be deliberately fostering crime by refusing to aid law enforcement. If it becomes known that such patriotic organizations as the Daughters of the American Revolution place such persons beyond the pale of reputable association, then perhaps tongues will be loosened before grand juries, the shackles will be taken from the wrists of the policeman and placed where they deserve to be; the sneering vermin of gangdom will be sent scurrying into the cells where they belong, and America once more will be an unshackled Nation, free of the enforced levies of tribute by politically protected privateers.

Above all, it is your duty to inquire diligently into the record and achievements, good or bad, of every candidate who comes before you at election time. It is inconceivable that a country should be run so loosely that even ex-convicts, still maintaining their allegiance with the underworld, can be elected to office. I have said before, and I say again, that if every incumbent of public office in the United States were fingerprinted and the records of the law violators spread before the Nation in a single summary the results would amount to a scandal which would rock this country. It is not at all unusual to find in the files of the Federal Bureau of Investigation that some local patronage official who handles the public's funds and appoints the so-called guardians of public safety is discovered to possess a criminal record. The only remedy for this condition can come about through concerted efforts of organizations which are not afraid or too mentally lazy to make the life of every public official the open and clean book which this country deserves to possess in its library of public service.

Long since the time has passed when criminals hid in dark alleys or skulked in dank basements. The day of the mask and the dark lantern is over. Crime lives next door to you. Crime often plays bridge with you. Crime dances with your sons and daughters. It is ever present. But this veneer of social grace that our criminals have adopted in no way makes them less foul. They still rob and murder. They victimize America. And so for those of us who would preserve the patriotic ideals that were born in the suffering and agony of the Revolutionary days it becomes incumbent to give again of our time, of our sinews, and our strength that a most despicable enemy be repelled from our midst. These persons of the underfilth are not simply poor boys or moral invalids, as the supersentimentalists would have us believe. They are marauders, who murder for a headline; rats crawling from their hide-outs to gnaw at the vitals of our civilization. True, they are dressed as we are dressed. They live as we live, and often upon a better scale, owing to the rich rewards of their so-called profession, but their standards of life are those of pigs in a wallow, their outlook that of vultures regurgitating their filth. As such you must regard them—without sentiment, without the influence of pandering politics or of fantastic schemers, but as definite scourges to be viewed with safety only when they have been placed behind prison bars and forced to remain there until they have expiated their debts to a thoroughly outraged and sinned-against society.

During the last few years we have seen a wave of extortion flood through America. Homes have been wrecked by the threat of death, often in a manner beyond the scope of such agencies as the Federal Bureau of Investigation. In scores of instances we have seen these men arrested, watched them brought into court, and seen them freed on probation. Yet, in all these instances, I have yet to find a case where the women's clubs of a city arose in condemnation of such an outrage. I have yet to see a case where concerted effort was made to express public opinion through the pressure of the vote. I submit to you that only through this method, only through the voicing of the most urgent of protests, only through the threat of retaliation at the polls, regardless of party, can the power of the people be expressed in its attitude toward crime and its proper punishment imposed. There is too much probation and too little probationary supervision. There is too much parole and practically no follow-up system in many States by which the filthy outflow of countless prisoners is held in control. Every 2½ hours prison doors swing wide in freedom for a token of human life. A very few have served their sentences; a few more have been freed by death. The remaining thousands step forth enfolded in the sentimental mantles of parole or other forms of clemency. It is a national disgrace, in a country enriched with the traditions upon which this Nation was founded, that the average murderer serves only 4 years. There was a time in America when if a man committed a crime, he paid for that crime. In those days the total of crime was surprisingly small. With the increase of the sentimentalists we find that prison terms have gone steadily downward and that crime has climbed steadily upward—higher and still higher—and so it will continue to climb so long as public apathy allows it to do so. It was apathy which permitted the sentimentalists to make their creeping approach, to build beautiful stories about the sweet, dear convicts, who so loved freedom that they raised canary birds in cages or placed the picture of some dear old mother upon the walls of their cells.

These convict lovers built beautiful romances about this foul offspring of our national filth. They brought about the beautiful system of traveling bands for convicts, football games for convicts, tennis courts for convicts, radios in the prison blocks, and newspapers in every cell. They did all this while the citizen was busy with his own pursuits, selfishly engrossed upon what he thought was his own life. Thus today the citizen who forgot his vigilance must pay for his apathy and continue to pay for it so long as no concerted effort is made to eradicate the condition which exists.

Often we find that the most dangerous convicts are made trusties to go and come as they please. We find scandal after scandal—counterfeiting outfits discovered in prisons; sex killings such as that recently unearthed in a Midwest State; the free passage of narcotics and liquor; the selling of concessions within prison walls and buying of easy tasks; the malfeasance or nonfeasance in office necessary to wholesale escapes. All these things a citizen looks upon as appalling, and never once realizes that it is his own fault, his own problem, and his own responsibility. I place before you, therefore, the task of enlightening the thoughtless American upon the necessity for a rebirth of vigilance and the casting out of the lethargy which has brought this Nation to a maximum of 1,500,000 serious crimes per year. I do not mean misdemeanors. I mean crimes—murder, robbery, arson, aggravated assault, and aggravated thefts—until 1 out of every 16 families is annually a victim of some major violation of the law. I therefore request that you, as the leaders in patriotic America, look upon this as one of your most vital tasks—to insist upon the wider use of fingerprinting,

especially of those entrusted with the public welfare; to act as sentinels upon your merchants and see that they do their duty with regard to racketeering; to pound ceaselessly at your newspapers that no infraction of apprehension or criminal procedure go unnoticed; and to act as never-ceasing monitors upon your voters in the cleansing of the dirty body of politics. Remember this: Wherever there is scandal; wherever there are faulty vice conditions; wherever there is poor enforcement of law; wherever the criminals find an open gateway to freedom through the courtroom—in such places you will find the necessity for the most urgent and most ardent of your activities.

Lest I be viewed as an alarmist, I suggest that you study it with a view to your own municipality; that you look about you in your home surroundings and the conditions as you find them. What has become of the powerful criminals who committed the most violent of infractions in your community? How long was required to convict them? What was the sentence, and what has become of them, if they were sent to prison? Are they still there, as you were led to believe by the sentence of the court, or are they again free, prowling your streets, robbing your homes, and assaulting your citizens?

In a brief way I have previously referred to the subject of parole, but not completely. Certainly there are two sides to the parole question. One is the undeniable fact that, properly administered, parole is necessary and beneficial. It is only just and proper that a first offender, through some quirk of his mentality or of fate, thrown into the clutches of the law should be given every possible opportunity to again take his place as an honest citizen. However, it is an outrage that hardened criminals should be paroled time and time again until the total in instances has amounted to as many as 5 or 10 applications of salve-like solicitude which allows these men to walk sneeringly through prison doors, again seize their instruments of depredation, and once more proceed to assault the peace and dignity of America. These include gangsters, robbers, highwaymen, professional housebreakers, ravishers of young children, patricides, matricides, and multiple murderers, who have done no more to gain freedom other than to merely ask for it. In hundreds upon hundreds of cases we find that new depredations have been committed and new sentences imposed, new imprisonments brought about, and new paroles wafted upon the shoulders of these men even while the arresting officers in the primary case still believed the subjects were in prison for their original offenses.

This is not parole! This is not humanitarian treatment of unfortunates! It is an outright perversion and defeat of our laws. It is a deliberate action of sentimentalists and others more directly and monetarily concerned in breaking down the barriers of law enforcement, in decreasing respect for law, and in making possible a constantly mounting problem for the thin line of last defense upon which depends the safety of the American people. Thousands of men are listed in the fingerprint files of the Federal Bureau of Investigation as violators of parole. Time after time these men are discovered to be under arrest in some distant State. Time after time notification is sent to the parole boards of the States which list them as violators, and time after time these parole boards have refused to return these desperate, habitual criminals for their violations. It is a well-known fact in the underworld that such States are listed as desirable ones in which to commit crime. In such places parole is a slander upon the sanctity of the home. It is absolute freedom without supervision, without pursuit, once a State line has been crossed, and without more necessity than the mere writing of an occasional letter. This is an open challenge to the people of America; a sneering grimace at respect for law; a recruiting office for constantly growing armies of criminal conquest, which would thrust aside decency, deride honesty, and disarm law enforcement.

In many areas this known attitude of clemency continues downward until it is even known to childhood violators of law. In this connection I wish to remind you that 20 percent of our crime is committed by youths of less than voting age. Of this 20 percent, it is a rare thing when a youth is found who has not, to a certain degree, considered the results of his crime before he committed it; who has not reasoned that, even though he is caught, he is still, to a degree, safe because of the mercies of probation or parole. We need some good old-fashioned American housecleaning of the kind that will rip off the dirty hangings and let in the light; that will beat out the floor coverings and sweep away the filth which has accumulated through the years of lethargy. Beyond that we need the old-fashioned influence of the old-fashioned home.

I am sick of the maunderings of fanatics and tuffetheads, who believe that the way to educate the new youth is to allow the new youth to do anything it pleases. The days of the Revolution brought forth strong men, good men, honest men. Those men were reared in homespun surroundings, upon homespun philosophies. They were reared with a reverence for the American flag and there is need today for a concerted campaign that the reverence for this flag be renewed. It will be a sad day for America when any man must apologize for patriotism. It will be an equally sad day when any person who calls himself an American must apologize to his conscience for that fact that through superindulgence, through ignorance, through mental laziness, he reared his boy or girl to be a criminal. We need new altitudes of respect, both for the parent and for law. We need a rebuilding of the foundations which made this Nation the greatest in all history, bulwarks formed of more staple materials than those of apathy, selfishness, or indulgence. America grew and prospered by unswerving loyalty to high ideals, by unfaltering respect and reverence for the law and by the kindly but unfailing vigilance of the home. Until that vigilance is restored we cannot hope for a lessening of the terrible toll of crime upon the youth of America. Until ideals are restored we still must see the young armies marching, not toward the advancement of their country, but toward the monotony of the cell block and the grayness of prison walls. Until we realize that patriotism begins at home; that vigilance is the price of safety; that law abidance is paramount in all respects; until we understand and know and follow these definite fundamentals, we must continue to face the yellow-fanged force of criminality and realize that it is our master. We must dedicate our services to America in a new war—a combat to save our lives, our homes, our children. Today's teachings become tomorrow's traditions—may you concern yourselves that they be worthy of the history and heritages upon which your organization is founded and has prospered as it should.

I would not have you conclude that this picture is painted in arresting colors by a victim of a superheated imagination. On the contrary, it is sketched against a background of stark statistics, and the dismal truths are obvious, no matter from what angle we may view the national crime problem. I wish that I might draw your attention to a portrayal in softer shades, but if I did so I would only lead your thoughts away from a condition that defies delineation in poulticed phrase.

It is a sad fact that in our present-day America more attention is given to the breeding of horse flesh upon the race tracks, to the breeding of dogs upon the hunting field, to the breeding of hogs and cows and chickens than is given to some of our humans. Our boys and our girls are the seedlings of America, to grow as their parents and their surroundings direct. The War of the American Revolution, with its agonies and its privations, was not endured for the contemporary generation, but for the happiness, the welfare, and the progress of posterity. The same conditions apply today as they applied then—we must look to tomorrow, we must clean away the filth, so that those who are young and fresh and clean may not be contaminated. We must struggle against the strangling influences which surround us, that we may not be ashamed of the heritage we leave to those who follow. To you, the Daughters of the American Revolution, I entrust this solemn duty. I feel certain I give this task into hands fully worthy of their obligation.

Thank you.

CALL FOR JUSTICE TO ADMINISTRATION'S ACCOMPLISHMENTS

Mr. LEWIS and Mr. AUSTIN addressed the Chair.

The VICE PRESIDENT. The Senator from Illinois [Mr. LEWIS] gave the Chair notice that he would like to be recognized, and the Senator from Illinois is recognized, if he desires recognition.

Mr. LEWIS. Mr. President, I ask the Senator from Delaware [Mr. HASTINGS] to find it convenient to remain in the Chamber for a moment or two while I submit a few remarks touching his impeachment of the record of the administration in his address last evening to the Senate.

Mr. HASTINGS. Mr. President, the Senator from Illinois has asked me to remain in the Chamber, and I shall be delighted to do so; but I should like to tell him that at 20 minutes of 1 I shall be compelled to leave. I shall be here for 40 minutes, and after that time I shall have to ask to be excused.

Mr. LEWIS. The Senator from Delaware need not concern himself greatly as to any time after the limit he has put upon himself. I recognize his need for self-preservation.

Mr. President, yesterday the very able representative of that which we speak of as the Republican Party, the distinguished Senator from Delaware [Mr. HASTINGS], addressed the Senate seeking to point out, and in his phraseology, with much fury, impeached what he felt were the deficiencies of administration and in the particulars he designated. Particularly, the able Senator seemed to fall into a line of what seems a purpose of attack from those who have arranged their program of assault in the coming controversy that is just ahead, designated as a political campaign.

For myself, having great respect for the capacity of the distinguished Senator and those who join him from time to time in their exclamations and denunciations adverse to the policies of the administration, I cannot but deplore that there seems speciously the voice of condemnation as to anything and everything undertaken by this Government; that at no time there seems to be from these political opponents any voice of approval of any act, of any relief, of any benefaction, of any generosity, nor of any achievement on the part of this their own country, the United States of America, when accomplished through this administration.

The able Senator from Delaware was voicing evidently the very first of the program which we observe from those who are attending here in delegations called commercial organizations. The purpose of the assault is to prepare the ground to charge that that which is called platform has in some respects or in many respects in no wise contained any authority or warrant for conduct and put in effect and for action achieved of the administration.

Here in this responsible place I propound to the American public, in answer to the able Senator and those who shall follow his course the query, in what manner could a convention in June 1932 have seen ahead of it the conditions which had been brought upon the Republic by the administration then in power for the months of its life to follow? Who could have anticipated that when that administration was defeated it would have allowed the months after defeat, in a spirit of revenge and resentment, to lapse into a period when its representatives busied themselves to turn the fury of their opposition upon their own country, and brought the Nation to the point where its children walked the streets in hunger, their fathers struggled to exist in crushing want, their homes were blighted with desolation, and the whole great Nation of America stood before the world with her arms outstretched in beggary?

Who could have anticipated the condition that would follow on the part of the masters then in power by which the banks of the land were allowed to ravage themselves, their officers to loot their deposits and rape their own credits. Then to stand before the Nation with billions of dollars robbed of the people, from which there was not a recourse or resource anywhere that could restore a dollar?

Who could have foreseen that there would have been that array of men and women who, in desperation from oppression put on them, from point to point throughout the Republic, committed suicide, some throwing themselves from the elevations of great buildings, others destroying their lives by leaping from windows at the top stories of great edifices, and there finding refuge in any place rather than bear the ordeal and endure the affliction of what the administration was then putting upon them. All this, sir, was particularly following the conventions when the political and financial miscreants began to reveal their dishonorable purposes, and after it became impossible for any convention or otherwise to have discerned their object and declared provisions to oppose or remedy the conspiracy.

I ask the able Senator, conscious of his capacity as a great lawyer as well as an able advocate of his great party, how stand the opposition? Let us behold for a moment this question of the business of the platform as the only authority for conduct and the justification for action.

Will not the able Senator recall that there was the administration of Mr. Hoover? Where, in the platform of the party called Republican was there the authority or the designation to create something in the form of an organization called a Farm Loan Board, the like of which had no parallel in the law, yet to convert $500,000,000 of the money of the American people to waste and to dissipation? Yet let us believe that the distinguished President of that date felt possibly what he was doing was best from his lights, though there were no platform authority or platform declaration.

Then, sir, who will recall that there was anything in the platform that announced to the American poor and miserable, the uninformed, and the uneducated of government, the ignorant, and the unhappy in life's station, that under the name of the "noble experiment", called prohibition, thousands—16,000 human beings of America—in one form or another were to be seized, jailed for having brewed some mere sustenance in the form of liquid for themselves, their property under the name of an equity proceeding confiscated, everything they possessed taken, leaving them to bankruptcy and poverty, while their children were disgraced forever, as their fathers languished in prison, in jail, in the penitentiary? And in the meantime you prate of the Constitution and court obedience to the fundamental law as your personal trust to be guarded!

Shall you omit to recall that under the guise of prohibition and what you call legal constitutional rights, the Supreme Court of the United States found it agreeable to sustain action on the part of officials in hooking into a telephone line and seizing the private messages of one person to another, and under the guise of necessity for law and the enforcement of prohibition did that unprecedented thing which, we pray God, shall never happen again to America, when under the Constitution it was justified that a man's private conversations over the telephone to another could be caught over an intruding wire by prying spies and, when ascertained, could be testified on oath as legitimate hearsay testimony, and upon this the man involved sent to jail, his family ruined, his property destroyed, and he himself and his family forever disgraced under the Constitution?

Was this, may I say to my able friend, contemplated in the platform of my honorable opponent? Was there a word to be found in it that told the American public that this form of obloquy was to be visited upon them, this disgrace to the Nation, this dishonor upon these helpless mortals to be inflicted upon Americans?

May we not pause a moment while we ask the able advocate where in the platform of our honorable opponents was there any authority given to the President of the United States by intimation, much less by declaration, to grant a moratorium to the foreign debtor nations authorizing them to cheat this American Nation out of $10,000,000,000 principal, the interest due not yet paid even in part?

Where was there any statement in the platform which justified that usurpation? Where under the Constitution, for which such solicitude is being expressed, was there authority on the part of this honorable official to take the credit from this Nation, grant it to foreigners, and leave us helpless and in bankruptcy of that great sum now due to this country?

I ask again, therefore, may it not be that the honorable President felt that what was being done was best under the circumstances? But, however so, I appeal again, where was the platform privilege to do such? Yet when this, our administration, found these new conditions arising which multiplied upon them when no way to anticipate them existed, and sought to provide against those conditions, they are held as offenders against some sacred compact which one would imagine has been arranged between heaven and earth, and which we are charged with having violated with dishonor.

May I ask my worthy friend, and those who shall follow his leadership in a very unworthy cause, who authorized the President of the United States, Mr. Hoover, or his forces, to create this body of finance which my able friend in his ferocious argument yesterday claimed credit for with great acclamation, and which was called the R. F. C.? Who authorized them, and in what platform can we find where the privilege was declared, to organize themselves and do that which the able Senator from Delaware now confesses, as was confessed in his presence by the then Senator from Pennsylvania, Mr. Reed, took billions of American money, snatching it out of the pockets of the poor who must pay out of their wages the interest upon this money through their employers, and turning it over to the large interests, which interests are today, with this money in their pockets and in their Treasury, having their agents and representative here in the city of Washington, in the name of one form or another of society and association, condemning the President of the United States and the Government of the United States for doing the very thing they solicited as necessary to their welfare; and this, too, while they are carrying in their Treasury and in their pockets the money the loan of which they are denouncing?

Yet we are told, sir, of the high principle of honor, which, it is said, is that which is only inducing and justifying and stimulating action on the part of those who busily condemn every movement looking to the benefit of the needy and welfare of the deserving of America.

Mr. President, my able friend says, "Yes; but we must pause and remember that there was an effort on the part of

the administration in 1932 which looked fairly well upon the prospect of recovery; or at least it should be given credit", says my able friend, "for the effort in some direction, and for that it should not be forgotten." I answer my friend, I accept exactly this praise in the form of apology in behalf of those we call the Republican Party of that day; and I remind him, as to himself and the eminent sources that will follow him, that their position is best described by an epitaph which may be found on a tombstone in a graveyard not far from where we sit. I think, if I recall correctly, it reads:

Me head is thick, me legs are thin;
But I'm a damned fine man for the shape I'm in.

[Laughter.]

Mr. President, if we recall the able indictment of the eminent former President, leader of this former great party, let us ask what has become of the money which fled from these debased and gutted banks? What has become of those millions and millions of dollars? Where is, and where are, those funds? And let us ask the able Senator, who probably is more advised than many men in public life on the side of his honorable party, who is it that Mr. Hoover says in his last speech on the radio took the money of America, and, using the words of the ex-President, "took flight"? Who were those who sent the funds of their own land to a foreign country where they could be hidden from the tax gatherer on the one hand, and denied to the resources of America in its day of agonizing adversity? Since the indictment is made, and the impeachment from the eminent leader of the party then in power, may we not pause here a moment to ask so learned a statesman as the eminent Senator from Delaware what are the names of these malefactors who I say should be arraigned in civilization as traitors to their country, these who took the money of this Republic out of the land, and either invested it in foreign countries in the bonds and securities of enemy lands on the one hand, or securely ensconced it in safe-deposit boxes, far from the American-tax gatherer or the defense or protection of their American Nation?

My able friend says, referring to some speeches that have been made on the floor of the Senate by the majority leader, and that of the distinguished Senator from Kentucky [Mr. BARKLEY], alluding to stocks and bonds: "Yes; behold them", says the Senator. "True, they have risen." But for that my able friend will not credit the administration, nor will he concede that the rise in value is stable, secure, or real. Then, sir, I put the question to you: What is the meaning on the part of these prominent financiers, whose names and whose companies were read by my honorable friend, in putting stocks before the country and selling them again upon representations that they confess are thimble-rigging the market and swindling everyone who dares to trust them? For if these stocks be as the honorable leader the Senator from Delaware says, then they are an imposition upon the public, and those who are advancing and sustaining them should be under indictment for public national fraud, fraud and robbery of the widow who trusted to the advertisement, upon the child whose estate is being sacrificed, and upon the businessman whose confidence is beguiled and betrayed. If, on the other hand, these stocks are real, as let us believe they are, and their rising is the evidence of prosperity, from whence comes it if not come through the efforts, the services, the contributions both of wisdom and patriotism on the part of the administration in power? And who is it who purchases these securities, I ask my able friend, if it be not those who have confidence in this their Government, in the methods of this administration, in the measures of the President and his supporters? Otherwise, where would there have been a purchaser from any other source? Because those who are now manipulating these stocks are the same master manipulators who, a few years past, in some form and in some manner seizing the Government's money, speculated in stocks to the amount of billions of money, and sold to the people that which, like a bubble, burst in the air and left them empty and bankrupt. Shall these same manipulators be permitted now to receive praise and endorsement because we have sustained them by some new policy that has reinstated them into opportunity?

Yet my able friend the eminent Senator from Delaware would have us believe that this is all caused by some accident! I fear our able friend overlooks the fact which was published that here in the city of Washington, on the outskirts, there was seen a tent. A couple of men, wandering through, concluded it was a circus and thought they would find their way into it, after the order of the small boy, by slipping under the sides of the tent for free amusement. They entered in glee only to awake to the fact that instead of a circus of entertainment it was a religious revival service into which they had fallen! These eminent masters of stocks and exchange, while in the beginning certainly in the circus of their past performance, have waked to realize the benefits and cash in on the revival, sir, of confidence and honor established by this administration through the measures it has put before the Nation and had adopted.

Therefore, I ask my able friend, why should these people around him scorn the relief that we were compelled to give to the hungry, to those who walked the streets in desolation, who under their march and tread threatened revolution—a duplication of Russia and of Germany? Why are these scoffed and scorned because of the relief they are compelled to take? I propound to the eminent leader this question: Who put these people upon the necessity of that relief? Who placed them in the position where they had to put their pride under their feet and, like beggars upon the street, solicit alms for the preservation of their children and the maintenance of their habitations? Now that some relief is given, large and small, shall the great be found going hither and thither scorning the sources from whence these blessings came? What shall we say? Sir, we are pleased to reecho the expression of King Lear, as he beheld a similar situation of his time, crying forth, as Shakespeare records:

Poor naked wretches, whereso'er you are,
That bide the pelting of this pitiless storm,
How shall your houseless heads and unfed sides,
Your loop'd and window'd raggedness, defend you
From seasons such as these? Oh, I have ta'en
Too little care of this! Take physic, pomp;
Expose thyself to feel what wretches feel,
That thou mayst shake the superflux to them,
And show the heavens more just.

What has become of the spirit of this great body? What has become of the hearts of the eminent men on both sides who fill these places with distinction? Why in all America is there not yet one voice of approval rising from our honorable opponents? What is the quality of justice which finds in the whole service of the administration to the people nothing they could praise, nothing to which they could give their endorsement, nothing to which they could give their commendation?

Billions of money, it is said, have been expended. Has anyone asserted that one dollar has found its way corruptly into the hands of those who have expended such vast and unparalleled sums, as the honorable, able advocate correctly describes them? Not at all. Has anyone risen here to assert, whatever abuses there may have been, as has been from time to time clearly shown on the part of those who are trusted with the administration in local places, that a dollar has ever gone wrong in any form of dishonor on the part of those who have as officials administered this great trust? Is there no voice of approval for such faithful servants? Is there no praise for America when you behold her elevation and superiorities? Yet one hears the eminent leader speak of the American dollar, and refer to it as having been brought down to a 59-cent dollar!

What does all that mean? What is the meaning of telling the poor who toil with their hands that the dollar they have will buy them only 50 cents' worth of goods and has the value of only 59 cents? What is the meaning of advertising to the world that falsehood and slander upon American credit? Where is the cry of inflation of which we heard so much only a short while ago? Where is it? The eminent leader here to my right of the great cause of expansion of money, the Senator from Oklahoma [Mr. THOMAS] insists that the dollar is yet far from its real level, and that today one purchases with the dollar $1.25 or $1.30 of value; and

yet what does it mean, Senators—I propound this not in partisanship but as I address the sense of your patriotism—that there could really arise in this great body a band of honorable men, sensible and loyal, let us believe, who find it agreeable to advertise to the world that in this body there is no credit accorded to America, and that we regard its money as so dishonorable that there is none so poor as to do it reverence? Is this patriotism? Is this the honor of the ancient Republican Party, with its distinguished past?

Behold, how stand you compared to the world? This morning announces the marching hordes of revolt and riot in France, its heretofore professed gold standard dwindling, its credit rapidly evaporating. With Poland on day before yesterday—a country of splendid industry—adopting the financial doctrine of America, emulating our system of money and distribution, while great Sweden, in her calmness and sure conservatism, adopts the policy of the United States, and the Scandinavian countries one after the other copy her, now in this hour comes the news that Holland and Belgium are discussing a method by which this America arranges what is called the managed currency, this to emulate, copy, and proceed with our policy and financial system. Sirs, is there nothing to be said anywhere in behalf of America? Eminent Americans, I propound to you, is there nothing anywhere in your country that you can find to endorse? Everywhere, at all times, through the public press and otherwise, are we to see nothing but condemnation from you, first upon your administration, then upon your country, holding your Nation as unworthy, as you deplore your citizens' existence under a Democratic administration?

I shall not dwell further upon my honorable friend but to ask him, when he speaks of the security of this money, if he will not admit that these vast sums of money which have gone for relief have not gone into the pockets of the poor and the miserable who were needing it? They have expended it, and then by them it has been passed into the hands of these eminent financial and commercial masters, who used it for stock speculation, as they enriched themselves upon the money through the indirect method of taking it from those who are compelled to buy bread, clothing, and shelter. But hear we one word of confession? Yet it is recalled that these eminent masters, who are around this Capital community now in different forms of association, once not long since came here on their knees, as it were, in subservience, confessing the need of relief to save them from bankruptcy, receivership, and destruction; and with the American money in their banks lifting open their doors in order to give confidence again to the depositors and to their country, they now stand before the assemblages denouncing the very measure that gave them the relief and the Government which loaned them the money.

I would not engage here in an appropriate expression; but those around me recall the homely adage that "it is a dirty bird that befouls its own nest." While these here around us are holding these meetings, being greatly advertised and asserted and in every wise promulgated in their denunciations of the administration and their own country, I summon my eminent friend to cite from the eminent leaders of the opposition here in this Chamber, or these gentlemen who have assembled here to add their condemnation in the Capital—to be used for political purposes—one single word approving the administration, or the sacrifices which rescued the farmer from complete destruction when the administration came to his rescue in the days of drought?

Where is one word; aye, where is a single resolution that has ever been passed by one of these assemblages expressing sympathy for the misery of the city toilers or offering any aid in behalf of their unfortunate plight?

As we all know, we but lately had the floods which inundated the country, wiped out homes, destroyed hundreds and hundreds of human lives, robbed them of their all, of home and shelter, leaving them helpless; yet where is one word of commendation of the administration and its officials for the noble work they did in coming to the rescue of their country and those in this sad plight I have described?

Where is one resolution of sympathy or expression of aid on the part of these eminent gentlemen who assemble here to find a method of condemnation in some form of the administration to which they owe their very commercial life? Are they too cowardly, or are they too lacking in the impulses of gentility, to grant justice to the administrators of such great trusts?

Sirs, we are not deceived. We recall that the great Holy Law contains the wonderful expression of consolation, crying out:

> Be not deceived; God is not mocked. For whatsoever a man soweth that shall he also reap.

I now summon my friend to the thought and ask him if he does not feel that the time has come when there should be something of an abandonment of partisan politics, and something of a resumption of national patriotism? Has not the hour come when someone on the side of our honorable opponents can find the good, and fulfill the adage, as well as the admonition, of the great St. Paul, commanding?—

> Whatsoever things are true, whatsoever things are honest, whatsoever things are just, whatsoever things are pure, whatsoever things are lovely, whatsoever things are of good report; if there be any virtue, and if there be any praise, think on these things.

I conclude by asking, has not the time come when you shall certify that your President has proven himself worthy of trust? Where else shall you go? To whom else shall you plead, or to whom shall those who represent you or those for whom you speak plead, if it shall not be in the power and the character of the administration guided by the President of the United States?

Behold, when nations all around the world are in revolution, when everything is desolate, everything discouraged, everything abandoned, America alone stands firm, respected in the world, honored by civilization as the first nation of all earth. Yet is there no praise for that which has produced this commendable condition?

I submit to my honorable opponents, particularly the genial leader from Delaware, whether the time has not come when we shall acclaim to the world that, without regard to differences in small matters, we turn to America and announce on her behalf that we recognize that the world beholds and applauds that here it is that the great republican democracy of the earth finds its example and life of exalted service. Here and now we grant praise in all justice to the President of the United States, Franklin Roosevelt, and his administration of persevering patriots.

I thank the Senate for allowing me this moment's indulgence.

THE FARMERS AND THE NEW DEAL

Mr. DUFFY. Mr. President, I know that we have all enjoyed very much listening to the very eloquent address of the distinguished Senator from Illinois [Mr. LEWIS]. I merely wish to take 2 or 3 minutes of the time of the Senate to invite the attention of the Members of this body to a pamphlet which has come to me as having been distributed quite widely at our State university in Wisconsin. It is entitled "A Farmer Speaks", and from what I see on the back page it appears to be circulated by the American Liberty League, national headquarters, National Press Building, Washington, D. C. It is designated as "Leaflet No. 5." It purports to be a letter written by one Elmer Willis Serl, who gives his address as Lone Oak Farm, Route 1, Delavan, Wis., and he starts out by saying:

> Three cheers for the Supreme Court. Now maybe I can run my farm without interference from political parasites of the tax body who tell me what I may raise on my land, how much of it, or none at all.

He then goes on to state that for 25 years he has paid taxes on his 200-acre farm in Wisconsin and attempted to make the farm pay. He distinguishes himself as a plain farmer who has been to Washington only 25 times and ends up with a fervent appeal to the farmers of America and, I assume, the farmers in Wisconsin in particular, to do their duty next November and to throw out the New Deal lock, stock, and barrel.

I have never heard of Mr. Serl as one of the farm leaders in my State, and had in mind that I would write to Wisconsin to find out something about him. I fully intended to do so, but before I had an opportunity to write I received a letter from a man who lives in the immediate vicinity of Delavan, a very good friend of mine, one in whom I have the utmost confidence, and he gives me a little information about this distinguished gentleman.

I do not know why this pamphlet appears in yellow. Perhaps it is symbolic of the golden grain at harvest time, or it may be that it is yellow journalism. But at least the gentleman who is supposed to be the author apparently has not had a great deal of experience as a farmer. I am informed by this friend of mine that for 25 years this gentleman, who spends most of his time as a preacher in North Carolina, has had a farm which his father left him. It is situated 1 mile north of Delavan. He "has not had a horse or cow or pig or sheep in the barn in 25 years. A real-estate dealer in Delavan named Robar helps him rent the land out in small lots to adjacent farmers. He has also acquired a small set of buildings and some land across the road. He rents that house and land but there is not, and has not been for some years, any livestock of any description, except rats, in that barn."

My informant goes on to say that this distinguished farmer quoted by the American Liberty League "has not, so his neighbors say, milked a cow, held a plow, raised a crop himself, or fed a pig—except with a knife and fork—for the last 25 years. His barns are antiquated, plank floors, and so forth, and no condenser would take a pound of milk produced in them at any price."

I merely desired to reassure Senators that when they go to bed tonight they should not lose any sleep thinking about the terrible things the New Deal has done to the farmers of the country, and this farmer in particular, because he is probably now down in North Carolina playing golf. [Laughter.]

ALTERNATIVES FOR NEW DEAL POLICIES

Mr. GUFFEY. Mr. President, we have been wondering what would constitute the Republican plan for handling the various problems of the depression in the event of their hopes for next November being realized. It is not that I or anybody else that I know of on either side of the political frontier line anticipates any such thing, but it is, nevertheless, of interest to know what it is proposed to put in place of the New Deal policies which have been so bitterly assailed and criticized from the Republican side of this Chamber.

Perhaps there is a partial answer to the question in an article in Thursday's Philadelphia Record, which I am going to ask be put in the RECORD. This article purports to give a summary of the philosophy of Prof. Thomas Nixon Carver, professor emeritus of Harvard University and one of the leaders of the new Republican "brain trust." It must be admitted that Professor Carver is definite and specific in his remedies. He thinks the unemployment problem should be met by drastic curtailment of relief, sterilization of those he describes as palpably unfit, birth control to keep the population down, and limitation of marriage to those rich enough to afford to buy and maintain an automobile.

It has been the habit of our political adversaries to charge the President with responsibility for anything and everything that the technical advisers in the Government service write or say. On the same principle, it might perhaps be excusable to attribute Professor Carver's ideas of eliminating unemployment problems to Governor Landon, assuming that he is going to be the nominee, and perhaps to Chairman Fletcher, of the Republican National Committee, as an ad-interim sponsor of population restrictions.

Or perhaps the whole thing might be attributed to the Du Pont Liberty League, for, according to the article, one of the measures advocated is the organization of the property class in a party to put over this program. So I now offer Mr. Robert S. Allen's review of the professor's book and ask unanimous consent that it be included in the RECORD.

G. O. P. "BRAIN TRUSTER'S" FASCIST PLAN WOULD LIMIT MARRIAGE AND RELIEF—END OF REGULATION OVER BUSINESS AMONG PROPOSALS OF HARVARD PROFESSOR IN ECONOMICS—STERILIZATION OF UNFIT, BIRTH CONTROL, AND IMMIGRATION BAN URGED TO END LABOR OVERSUPPLY

By Robert S. Allen

WASHINGTON, April 29.—A program of pronounced fascist character is being advocated by a leading member of the recently organized Republican "brain trust."

He is Thomas Nixon Carver, professor emeritus of political economy at Harvard University, and his extraordinary policies are contained in an 84-page booklet entitled "What Must We Do to Save Our Economic System?" It has been privately circulated among business leaders.

WOULD CURTAIL RELIEF

Lauding theories advocated by Hitler and Mussolini, the Republican "brain truster" proposes that the following program be adopted by the "substantial people of America, the real forgotten men", to combat New Deal measures and policies:

1. Relaxation or elimination of Government regulation and restraints on business.
2. Drastic curtailment of unemployment relief, with the jobless needy "forced off (relief rolls) by severe regulations" if necessary.
3. Sterilization of the "palpably unfit", use of birth control, limitation of marriage to those who can afford to buy and maintain an automobile, and exclusion of all immigrants in order to reduce the oversupply of labor.
4. Organization of the properties class in a party to put over this program.

Carver's name is the only one on the cover of the pamphlet, but on an inside page are the names of three sponsors: Harold L. Doolittle, chief consulting engineer of the Southern California Edison Co.; Franklin L. Pratt, an insurance-company official; and Ernest Carroll Moore, vice president of the University of California, at Los Angeles.

In a foreword by these sponsors they reveal that Carver formulated his platform in collaboration with a large group of California bankers, utility officials, and business executives.

It is reliably understood that the pamphlet has been widely circulated as a confidential document among business men hostile to the administration.

BLAMES LABOR OVERSUPPLY

In his pamphlet Carver holds that the chief economic problem facing the country is unemployment. This is due, he contends, to an oversupply of labor. To remedy this he proposed what he calls "the alternative to unemployment relief", viz, birth control, sterilization, restricted marriage, elimination of immigration.

Pending the operation of these measures, he proposes in the meantime to give business its head by curbing or eliminating Government regulation, balancing the Budget, and stopping "tinkering with our monetary system."

He also advocates cutting taxes, but would continue public works of a permanently useful nature. None of the Government's projects, however, would be of a kind to compete with private industry. Publicly owned power plants would be taboo.

Carver lays great stress on his fear of a Communist revolution.

"The trouble has always been that economic planners have wanted to control the symptoms rather than the causes of the disease that afflicts the body politic", Carver writes. "In all this welter of discussion of economic planning, scarcely a word has been uttered on the important subject of population planning.

"Yet the population problem is fundamental, and the most dangerous form of laissez faire is that which leaves the quantity and quality of our population to blind forces which are cruder and more dangerous than so-called blind economic forces.

"So long as people who lack intelligence continue to spawn others who lack intelligence we shall have more of such people than we can possibly employ at good wages."

Carver voices a low opinion of the present reproductive processes, which, he says, are initiated by "the emotions, the passions, and the ignorance of men."

He explains that in the past strong races have taken care of their population by imperialistic territorial expansion.

"Strong races have, in the past", he declares, "solved the problem of maintaining a favorable man-land ratio by taking more land when they needed it. They at least had far-reaching plans for the solution of the fundamental problem of the man-land ratio.

"In this respect they were, on the intellectual, if not on the moral side, far ahead of any of our present-day economic planners outside of Italy, Germany, and Japan."

DUCE AND HITLER NOT SO BAD

While insisting that he abhors any governmental scheme which interferes with the freedom of the individual, Carver intimates that Mussolini and Hitler may not be as bad as painted. After all, he says, are they not the foes of communism?

He predicts that "hungry hordes from Russia, gazing covetously across their borders at countries blessed with capitalistic plenty, will some day invade Europe."

"Europe will once more stand with her back to the Atlantic, fighting for its existence against the hordes from the east", he says. "Possibly Mussolini and Hitler are more far-seeing than the rest of us and are prepared to stand together at another field of

Chalons as the ancestors of their people did in A. D. 451, who knows?"

Carver expands on his encomiums to Hitler by contending that the Nazi Fuehrer did the "rational" thing of segregating and sterilizing congenital defectives.

The United States could solve its unemployment problem, Carver says, by also engaging in a policy of imperialistic territorial expansion. He admits sadly, however, that Americans as a whole seem "especially unfitted, both by geographical position and temperament, for a career of expansion by conquest and colonization."

FINDS MENACE IN MASSES

He warns, however, that "propertyless masses" may have no "moral scruples" against such adventures.

"The landless and propertyless masses of Europe and America may find it easier to take land from their richer fellow citizens than to take land from weak races in distant parts of the earth", Carver says, adding that this is a suggestion which "property owners would do well to ponder."

The "brain truster" does not spare the goose flesh of his businessmen sponsors in any portion of his pamphlet: Speaking of the possibilities of violent revolution, he says:

"The law of proletarian revolution is startling in its arithmetical simplicity. Where manual workers become overwhelmingly numerous they will have both the motive for revolution and the power to carry it through to success."

Carver ends his booklet with a call to action. He pleads with the "substantial people" to organize and defend their rights.

He suggests that it might be possible to "persuade the perplexed masses that they have more to hope for under our system than under any other."

PROHIBITION OF PRICE DISCRIMINATIONS

The Senate resumed consideration of the bill (S. 3154) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases, and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors.

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. VANDENBERG] to the amendment of the committee.

Mr. ROBINSON. Mr. President, I regret that I am unable to support the amendment or agree to its incorporation in the bill. The amendment, as I interpret it, seeks to exempt, among others, automobile manufacturers from those provisions in the bill which relate to price differentials.

If the amendment should be agreed to, any manufacturer of automobiles who buys parts which have been manufactured by others in large quantities would find no limitation or restriction whatever on his purchasing power in its relation to competition with other manufacturers of automobiles.

There is in the bill what is known as the classification proviso, which, it seems to me, fairly takes into consideration the interest involved in the proposed amendment. That language appears on page 5, line 17, where it is proposed that the pending amendment shall be incorporated. I quote from the bill:

Provided, That nothing herein contained shall prevent differentials in prices as between purchasers depending solely upon whether they purchase for resale to wholesalers, to retailers, or to consumers, or for use in further manufacture; nor differentials which make only due allowance for differences in the cost, other than brokerage, of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered.

That would give equal treatment to all manufacturers, recognize their rights within limitations to secure quantity differentials, and, in my judgment, is a fair provision, which would be counteracted in part by the incorporation of the amendment of the Senator from Michigan, which in effect excepts from the operation of the bill manufacturers of automobiles who buy, in large quantities, parts already manufactured by others.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Michigan to the committee amendment.

Mr. VANDENBERG. Mr. President, of course the amendment is not a class amendment applying only to automobile manufacturers. It deals in general language with industrial production.

In the first place, I have never understood that this bill was primarily concerned about rearranging the rules of industrial production in the United States. I assumed that it was primarily a bill related to retail merchandising and the establishment and maintenance of fair practices. As a basic consideration, I can see no reason why, in the pursuit of the latter objective, we should reach into industrial production and apply to it rules which are primarily contemplated for retail merchandising in other fields.

It certainly is a very serious thing to propose, however indirectly, to interrupt the ordinary industrial production process in this country without ever having given industry a chance to appear before the committee and to thresh out the problem as industry believes it may be affected.

The Senator from Arkansas says he thinks industry is protected by the language he has read. If he is correct about it, I submit that the pending amendment is merely a confirmation of his interpretation of what the bill proposes to do; and I further submit that if there is any reason why the confirmation should be refused, we are invited to the conclusion that perhaps the interpretation that has been given us may not be wholly correct and reliable.

What is the thing that the amendment is seeking to do? Solely and only to assure the privilege of legitimate differentials in price, as between equivalent purchasers, by reason of difference in quantity of purchase and sale in industrial production. We have been repeatedly told that it is not the purpose of the bill to prevent differentials in price so long as the differentials are equally applied to all equivalent purchasers. There is not anything in my amendment which offends against that principle. It is simply a reassertion of the right to maintain price differentials on a quantity basis to equivalent buyers. There is nothing in the amendment which offends against the principle of equality nor which offends against the purpose to prevent unjust and undue discrimination.

The Senator from Arkansas has indicated that he thinks the amendment particularly applies to the automobile business. I am in no position to speak authentically for that business in this aspect. It is a fact, however, as everyone, I assume, generally knows, that the mass-production method in automotive production does rely for one of its factors upon quantity price advantages in purchases, in order ultimately to produce a maximum value at a minimum cost for the benefit of the buying public. I have never heard anyone suggest that there is anything immoral about it or contrary to public policy. On the contrary, it seems to me that we are constantly being pointed to the service now being rendered by the automotive industry in this country in respect to its contribution to recovery—a contribution which, by the way, is diametrically opposite to the economic theory which the President promulgated in New York last week, because it is a process based upon the lowest possible price plus the highest possible wage, plus the greatest possible sale attracted through this high value at low cost.

I am sure that the Senate does not wish to interrupt these processes as a result of this bill, which is intended to deal with something else; and all in the world I am asking is that my amendment, confirming what the Senator from Arkansas says is the intention of the bill, shall be permitted to go to conference for the first study anyone will ever have had a chance to give to this phase of the legislation.

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is on the amendment offered by the Senator from Michigan to the committee amendment.

The amendment to the amendment was rejected.

Mr. AUSTIN. Mr. President, I send to the desk an amendment, which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 6 of the committee amendment, line 14, after the word "trade", it is proposed to insert a colon and the following:

And provided further, That nothing herein contained shall prevent price changes from time to time where in response to changing conditions affecting the market for or the marketability of the goods concerned, such as but not limited to actual or imminent deterioration of perishable goods, obsolescence of seasonal goods, distress sales under court process, or sales in good faith in discontinuance of business in the goods concerned.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Vermont to the committee amendment.

Mr. AUSTIN. Mr. President, the purpose of my amendment is very simple. It is to take care of recognized changes in market conditions, as well as to take care of seasonal and perishable goods.

Mr. ROBINSON. Mr. President, this is a general amendment and, I think, a very valuable one. It does make provision in general language for a number of conditions which might arise, and to meet which amendments excepting certain commodities from the provisions of the bill have been proposed. I prefer this general language, and I am sure the Senator from Kentucky [Mr. LOGAN], who is familiar with the subject, also does.

I have no objection to the amendment.

Mr. LOGAN. Mr. President, may I ask the Senator from Arkansas if this is substantially the same amendment as that proposed by the Senator from Washington [Mr. SCHWELLENBACH]?

Mr. ROBINSON. The pending amendment is entirely consistent with but in some respects different from the amendment of the Senator from Washington. The amendment of the Senator from Washington does not contain all the provisions which are embraced in the pending amendment. I will say in this connection that the Senator from Washington presented his amendment yesterday afternoon. Not having had the opportunity of studying it, I asked that it go over until today. There is no objection to the amendment of the Senator from Washington, and it is not inconsistent with the pending amendment.

Mr. LOGAN. I think the amendment offered by the Senator from Vermont is in proper form and will be helpful to the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont to the amendment reported by the committee.

The amendment to the amendment was agreed to.

Mr. MCNARY. Mr. President, yesterday the National Cooperative Milk Producers' Association sent a letter to a number of Senators. I was the recipient of one of those letters which refer to one or two proposed amendments to the pending bill. In a hasty conference with the Senator from Kentucky [Mr. LOGAN] yesterday, and later in the afternoon with the Senator from Arkansas [Mr. ROBINSON], I agreed to offer the amendment this morning for their consideration and the consideration of the other Members of the Senate. At this time I should like to have the clerk read the amendment.

The PRESIDING OFFICER. The Senator from Oregon offers an amendment to the amendment of the committee, which the clerk will state.

The CHIEF CLERK. In the amendment of the committee at the end of section 2 (a) it is proposed to strike out the period, insert a colon, and add the following proviso:

And provided further, That nothing herein contained shall prevent discrimination in price in the same or different communities made in good faith to meet competition.

Mr. MCNARY. Mr. President, it is very obvious and readily observed that this is a restoration of the language of the Clayton Act so far as it is possible to make it applicable in the matter of competition in a given line. The Senator from Arkansas suggested that it might be included in the phraseology of the amendment offered by the Senator from Vermont [Mr. AUSTIN], but, in my opinion, the amendment of the Senator from Vermont does not include the proposal I have just submitted and which has been read by the clerk.

The Senator from Kentucky [Mr. LOGAN] this morning thought the same idea was carried in the so-called Borah-Van Nuys amendment. Of course, if that is the situation, I do not desire to press the amendment; I am willing to trust the judgment of the Senator who has the bill in charge and, if that is his view, there are either of two courses he could take. One would be to accept the amendment or state specifically that, in his best judgment, it is already a part of the amendment that has been incorporated in the pending bill.

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Arkansas?

Mr. MCNARY. I yield.

Mr. ROBINSON. I cannot say that I think the amendment which the Senator from Oregon has proposed is identical in effect with the amendment of the Senator from Vermont which the Senate has just agreed to; but I do say that I think the purpose which the Senator has in mind is accomplished by the amendment that has been agreed to.

I myself would not be able to accept at this juncture language that is so general as that contained in the pending amendment proposed by the Senator from Oregon. I should prefer that the Senator withhold the amendment until opportunity can first be afforded for its further consideration, if the Senator has no objection to that course.

Mr. MCNARY. I always desire to be accommodating, and shall be so in this instance; but I ask at this point, Mr. President, to have read a letter from a large creamery association operating in the State of Oregon which sells the products of milk throughout the country, and which explains the reason and justification for the proposal which I have just made. I ask that the clerk read the letter.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

TILLAMOOK COUNTY CREAMERY ASSOCIATION,
Tillamook, Oreg., April 27, 1936.

Senator CHARLES L. MCNARY,
Washington, D. C.

DEAR SIR: We have a letter from the National Cooperative Milk Producers Federation, Washington, D. C., regarding what is known as the Robinson-Patman bill. This bill attempts to fix a resale price of a product in various markets without taking into consideration what it might cost to carry stock in the various markets.

For instance, we store a large part of our cheese in Portland, feeling that we are an Oregon organization and, everything else being equal, should favor our own State. We also carry large quantities of cheese in storage in Oakland, San Francisco, Los Angeles, and San Diego. The freight to the various points is an item that must be taken into consideration in fixing a resale price. The storage costs are also a large factor in determining our selling price. We have a storage rate in Portland that is just about half of what we have to pay in Oakland, San Francisco, and Los Angeles, and much less than half of what we have to pay in San Diego.

It seems to me that it is not up to Congress to fix the price at which we have to sell our product. Some of our cheese is sold as new stock, some of it is carried for a short length of time, and we carry some for a long period. There is considerable shrinkage in storing cheese, and other factors enter into what price we should have for our product. As long as agriculture is in as precarious a condition as it is in at this time, it seems that we shouldn't be burdened with additional legislation such as the Robinson-Patman bill. May I hear from you on this, please?

Yours very truly,
CARL HABERLACH, *Manager.*

Mr. MCNARY. Mr. President, officers of the National Cooperative Milk Producers Association last evening when I showed them the letter said it very clearly defined the situation which would obtain in many sections of the country affecting milk producers and those who are interested in the cheese business. I asked that the letter be read merely to amplify the reasons which have been suggested for offering the amendment, and now, in view of the statement made by the Senator from Arkansas, I withhold further comment at this time, and shall be glad to allow further opportunity to consider the amendment. For that reason I withdraw the amendment temporarily.

The PRESIDING OFFICER. The Senator from Oregon temporarily withdraws his amendment.

Mr. ROBINSON. Mr. President, I feel it due to repeat what I thought I said a while ago, that I do not wish to imply by any statement I have made that I find myself in a position to agree to the amendment. I should like an opportunity of making a further study of it.

Mr. McNARY. Nothing that I have said would indicate that the Senator from Arkansas had accepted the amendment. I understood the Senator simply wanted a little additional time to consider the amendment before determining what course he would pursue in compliance with the request. I have temporarily withdrawn the amendment.

Mr. SCHWELLENBACH. Mr. President, I desire to offer the amendment which I have lying on the table.

The PRESIDING OFFICER. The Senator from Washington offers an amendment which the clerk will state.

The LEGISLATIVE CLERK. On page 5, line 25, after the word "delivered", it is proposed to insert a semicolon and the following: "nor differentials which are based exclusively upon recognized changes in the market price of the product or products sold."

Mr. ROBINSON. Mr. President, as stated a few moments ago, I have no objection to that amendment. It is entirely consistent with the amendment agreed to that has relation to the same subject and to other subjects, and, so far as I have any authority to do so, I accept the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Washington to the amendment reported by the committee.

The amendment to the amendment was agreed to.

Mr. AUSTIN. I send forward an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The LEGISLATIVE CLERK. On page 5 of the committee amendment, in line 19, after the word "depending", it is proposed to strike out the word "solely", and in line 20, to strike out the words "for resale to" and substitute therefor the words "as factors."

Mr. AUSTIN. Mr. President, I wish to make a brief explanation of the amendment. The proviso intended to be amended by this proposal now reads as follows:

Provided, That nothing herein contained shall prevent differentials in prices as between purchasers depending solely upon whether they purchase for resale to wholesalers, to retailers, or to consumers, or for use in further manufacture.

I shall not read the remainder of it, because it does not seem to me to be pertinent to the explanation.

The fault I find with that language is that it excludes the manufacturer who has a consumer customer. I believe from the statements made on the floor by the sponsors of the measure that it is not their intention to discriminate by the bill itself against any manufacturer. The complaint I make is that this language, if it is left as it is, deals only with the sale for resale, and it does not permit a sale to a consumer customer direct from the manufacturer. The description, in other words, of the class in the proviso is too narrow. It is so precise, so specific, that it crowds out that group of business people who sell direct from the factory to the consumer.

The intention of my amendment is merely to open that up so as not to discriminate against the manufacturer who has customers who are consumers.

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Kentucky?

Mr. AUSTIN. Certainly.

Mr. LOGAN. I am not sure that I understand exactly the effect of the proposed amendment. Will the Senator explain it again?

Mr. AUSTIN. On page 5, in line 19, I propose to strike out the word "solely" and in line 20 to strike out the words "for resale to" and substitute therefor the words "as factors." Then it would read:

Provided, That nothing herein contained shall prevent differentials in prices as between purchasers depending upon whether they purchase as factors, wholesalers, retailers, or consumers, or for use in further manufacture.

Mr. LOGAN. I will say to the Senator very frankly that I do not believe the word "solely" ought to be stricken out. If that should be stricken out, it would open the classification perhaps much wider than it ought to be. There is nothing to prevent classifying in different groups depending entirely upon whether the purchase is for resale by wholesalers or retailers or to consumers. If we strike out the word "solely" I am a little apprehensive it might leave the matter in condition which would not meet with my approval.

As to the other suggestion to strike out the words "for resale to" and substitute the words "as factors", I am not sure that I know what effect that would have at this time. I have listened to what the Senator said. As I understand, he feels the manufacturer cannot sell directly to the consumer. It seems to me, as I read it, that he can, whether purchased for resale to wholesalers or retailers or consumers; but the Senator from Vermont, I understand, takes the position that it must be purchased for resale to consumers and that the manufacturer could not sell directly to the consumer.

Mr. AUSTIN. That is correct.

Mr. LOGAN. To be perfectly agreeable about it, I think the manufacturer ought to be allowed to sell direct to the consumer that which he sells to others, but the use of the words "as factors" may or may not accomplish the purpose, so far as I know. I should like to know just what the Senator has in mind by the use of the words "as factors."

Mr. AUSTIN. A factor is an agent who acquires title to the goods that he sells. It only adds one more class to the group of purchasers from manufacturers. By taking out the words "for resale to" and adding the words "as factors", we make every one of those named after the word "factors" a class or a division of customers to whom a sale may be made under this proviso; that is to say, consumers would constitute such a division, retailers would constitute another, wholesalers would constitute another, and factors would constitute another. I am not particularly anxious about factors. I should like the Senator to understand that. I am anxious, however, not to interrupt and discriminate against the transaction direct between manufacturer and consumer, for that is in the public interest.

Mr. LOGAN. Will not the Senator divide his amendment into two parts? His amendment, as I see it, calls for striking out the word "solely", to which I would be opposed. The other part of it, to strike out the words "for resale to" and insert "as factors", I think should be considered separately.

Mr. AUSTIN. I am perfectly willing to divide my proposal and let the two be considered separately.

The PRESIDING OFFICER. The Senator from Vermont divides his amendment. The clerk will report the first amendment.

The LEGISLATIVE CLERK. In the committee amendment, on page 5, line 19, after the word "depending", it is proposed to strike out the word "solely."

Mr. ROBINSON. Mr. President, we do not agree to that. That would be an excuse for all kinds of discrimination. I cannot consent to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont to the amendment of the committee.

The amendment was rejected.

The PRESIDING OFFICER. The clerk will state the next amendment offered by the Senator from Vermont to the committee amendment.

Mr. AUSTIN. Let me restate the other amendment slightly changed for the sake of accuracy of verbiage. On page 5, line 20, I move to amend the committee amendment by striking out the words "for resale to" and inserting the words "as factors, or", and after the word "wholesalers", to strike out the word "to" and insert the word "or", and before the word "consumers" to strike out the word "to", so the proviso would read:

Provided, That nothing herein contained shall prevent differentials in prices as between purchasers depending solely upon whether they purchase as factors, or wholesalers, or retailers, or consumers, or for use in further manufacture.

Mr. ROBINSON. Mr. President, will the Senator be good enough to explain the effect of the proposal?

Mr. AUSTIN. The direct effect is to make it read as follows:

Provided, That nothing herein contained shall prevent differentials in prices as between purchasers depending solely upon whether they purchase as factors, or wholesalers, or retailers, or consumers, or for use in further manufacture—

And so forth. The effect of the change is to make consumers one of the classes comprised in the proviso. The proviso as it is written narrows the class down to those who are customers from a middleman. The words "for resale to" narrow the description down to only those persons who would be the customers of a manufacturer who is selling to a wholesaler for resale or to a retailer for resale or to a customer for resale. The proposal is to include manufacturers whose consumers are customers.

Mr. LOGAN. I think I may say to the Senator from Vermont that I understand what he is trying to do and I can see no objection to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. COPELAND. Mr. President, I move to insert at the bottom of page 8, the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from New York offers an amendment to the amendment, which will be stated.

The CHIEF CLERK. After line 12, page 8, it is proposed to add the following:

(e) That it shall be unlawful for any person engaged in commerce, in the course of such commerce, knowingly to induce or receive a discrimination in price or terms of sale, which is prohibited by this section.

Mr. ROBINSON. Mr. President, as I understand—and I inquire of the Senator from New York whether my understanding is correct—he has offered the amendment in the form in which it was submitted to me yesterday evening.

Mr. COPELAND. Yes, sir; I have.

Mr. ROBINSON. This amendment makes the person who knowingly receives an unfair, discriminatory price also liable; and I think it is sound in principle.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. COPELAND. Mr. President, I desire to have my constituents know that I have proposed the various amendments which have been worked out between us. Out of the sheaf of amendments I had, the one that has just been adopted is the only fruit that has been garnered. I wish my constituents to know that I did the best I could, but I also know when I am thoroughly licked; so I shall not offer the other amendments.

Mr. VANDENBERG. Mr. President, I now desire to ask for a little more light on the final proviso at the top of page 6; and I am forced to do so because of the rejection of the amendment I offered a short time ago.

It seems to me the rejection of the amendment squarely carries the intent and influence and purpose of the bill out of the field of retail merchandising and into the field of manufacture and industrial production; and that becomes a very serious question which has not been canvassed in any substantial degree at all.

The Senator from Arkansas [Mr. ROBINSON], when he was discussing my amendment, referred to the fact that it related to the automotive production business. While it did not so relate in terms, it obviously would relate to automotive production; and I therefore desire to recur to automotive production for the purpose of submitting an inquiry to the Senator from Arkansas and the Senator from Kentucky [Mr. LOGAN].

At the top of page 6, the final proviso regarding the question of permitting price differentials on account of quantity is limited to cases where buyers are so few as thus to be promotive of monopoly. I wonder if the Senator from Kentucky can tell me what that means in specific terms. How few do purchasers have to become before they are inherently suspect?

Mr. LOGAN. Mr. President, let me say to the Senator from Michigan that, as provided in the bill, they must be so few that their practices in securing discounts because of quantity tend to form a monopoly. The discounts which they receive by reason of the size of their purchases must be unjustly discriminatory or promotive of monopoly before the Federal Trade Commission may consider them.

I do not know at this time of a case anywhere that the language would reach. It may be that there would never be such a case; but what we had in mind in the consideration of this provision was that there might be one concern or two concerns with such purchasing power that they could buy in such tremendous quantities that they would be buying without competition, and that if such an occasion should arise, and the discounts secured by reason of large purchases would tend to promote a monopoly or be unjustly discriminatory, then the Federal Trade Commission, after hearing all parties, should have power to say, "Above a certain quantity you shall not have any quantity discounts." That is about the best I can explain the matter.

In the ordinary course of business there is nothing in the bill that prevents quantity discounts; but I realize that purchasers might be so few that not only could they drive everyone else out of business but they could destroy the manufacturer himself by coercing him into granting discounts that were unjustly discriminatory. That is my understanding of the matter; but I know of nothing that the provision was aimed at, except that a condition such as that might arise.

Mr. VANDENBERG. Let me trespass further upon the Senator's good nature.

The automobile industry is necessarily confined to a comparatively few producing units. If it were not thus confined, the American public would not have the advantage it enjoys today of an exceptionally high value at an exceptionally low price, and the country would not be enjoying the reflected benefit of the induced prosperity that has come from that precise formula, and a result that is constantly applauded by the Senator and his associates across the aisle as one of the great products of the present age.

It seems to me, as I read the proviso at the top of page 6, that the automotive producing industry would be perpetually at the mercy of the Federal Trade Commission whenever the Federal Trade Commission desired to investigate and determine, in its own good time and entirely on its own responsibility, that there were not enough automobile manufacturers, and therefore the quantity discounts, which are a necessary part of the cheap production of cars, must cease.

I cannot for the life of me see any advantage, in public policy or anything else, in putting a legitimate trade of that character in this constant jeopardy. What has the Senator to say about that?

Mr. LOGAN. Mr. President, I do not see how the provision affects the automotive trade at all, but a condition like this might arise:

Suppose, for instance, one of the large automotive companies is engaged in selling a certain fixture to the automobile trade. One company to which it sells has a purchasing power so great that it can buy in lots, say, of $10,000,000. Another company, engaged in manufacturing and selling automobiles, may be able to buy only $100,000 worth or a million dollars' worth, while the larger one could buy $10,000,000 worth. If increasingly larger quantity discounts are permitted, when one company's purchases get up to the tremendous sum of $10,000,000 while the other cannot purchase more than the amount I have stated, it would seem to me that there can be no harm in saying that in allowing quantity discounts there shall be taken into consideration how far the competitors can go, and the quantity limit shall be fixed where there will be competition.

I do not see what harm that could do to anybody. It is true that the purchaser having a tremendous power of money could perhaps force greater discounts than he was entitled to; but if he did not get any discounts at all, if the selling concern wanted his trade, the price might be made lower without discounts.

I do not see how this provision could hurt anyone. It might do this: In the sale of automobile parts, a company manufacturing automobiles might reach the point where itself it would have to go to the Federal Trade Commission because it was buying some of its parts from someone who had absolute control of the market. But I just cannot figure out how this provision could ever be used unless the competition had grown so weak that the discounts were unjustly discriminatory and monopoly might be promoted; and I do not believe the Senator from Michigan or anyone else would like to see a condition arise where monopoly might result. I know he is against that, and so am I, and so is everyone else. Then we have to lodge somewhere the discretion to determine what may create a monopoly; and we know that it will be created, if it ever is created, through the tremendous purchasing power of a few.

I say to the Senator that I believe in some instances the purchasing power now has become so great that discounts that are unjustly discriminatory are made in order to retain the trade or the custom of particular groups, or, we will say, one particular group. If that is followed to its logical conclusion, the time will come when one manufacturer will be of such gigantic proportions that the quantity discounts to him, when he goes to his full limit, will be so great that he can drive all the others out of business.

Mr. O'MAHONEY. Mr. President, may I interject a remark at that point?

Mr. VANDENBERG. Just a moment, Mr. President. The last example to which the Senator adverts, I apprehend, is in the field of retail merchandising.

Mr. LOGAN. I should think so; yes.

Mr. VANDENBERG. Is it not a fact that this provision was written entirely with the field of retail merchandising in mind, and that it never was contemplated that it was intended to reach into industrial production?

Mr. LOGAN. Really that was my idea about it. However, it had to be general. We could not pick out one particular business.

Mr. VANDENBERG. I understand.

Mr. LOGAN. But I had no idea, until the Senator from Michigan mentioned it, that it had anything to do with the automobile industry. It might have something to do with the industry of mining. It might be that the purchasing power of some manufacturer might be so great that he could buy coal in quantity limits that would enable him to drive out all competitors, and there ought to be some power somewhere—I do not care whether it is in the Federal Trade Commission or where it is—to say to those doing that which would promote monopoly that "Through quantity discounts you shall not be allowed to create such a monopoly." I do not know just how it should be done, but this is the best effort I could make at it.

Mr. VANDENBERG. The Senator has been very frank in saying that the proviso was drawn in contemplation primarily of retail merchandising and its related problems.

Mr. LOGAN. While I did not draw the measure, that has been my idea about it, and it is my idea now.

Mr. VANDENBERG. Exactly.

Mr. LOGAN. But I apprehend that if we attempt to make exemptions of particular classes of business we may run into difficulties with the Supreme Court. Congress at one time passed several laws exempting farmers from certain antitrust legislation, but the Supreme Court said, "You cannot do that." If we exempt one group, and make the law apply to another, I am afraid we may have some serious constitutional difficulty.

Mr. VANDENBERG. Mr. President, let me state what I desire to urge upon the Senator. The Senator, I repeat, has frankly indicated that the primary objective of this proviso is not in the field of industrial production at all.

Mr. LOGAN. So far as I know, that is true.

Mr. VANDENBERG. Very well. Is it not also true that the invasion of the field of industrial production by this legislation was never canvassed in the committee hearings?

Mr. LOGAN. The industries had opportunity, I may say to the Senator, at all times to present their side of the case, and I would not undertake to say from memory that they did not. I am under the impression that they did; that the representatives of industry appeared before the House committee, and that some of them testified.

I do not think it was ever considered that the measure under consideration would very seriously affect manufacturers or industry of that kind, in its present form. I doubt whether it will ever seriously affect them. But conditions might arise where they would be affected by it. The evils which are apparent now, however, do not flow from that source.

Mr. VANDENBERG. But does the Senator think it is wise needlessly to invade a field not originally contemplated by the legislation when it can so easily be avoided? I think the Senator will say to me without reservation that his interpretation of the bill is that industrial producers can enjoy quantity discounts in their purchases so long as they are equivalent as between equal buyers.

Mr. LOGAN. That is correct.

Mr. VANDENBERG. Yet when I try to state that in terms of an amendment offered to the bill the Senator says I cannot do it, and he leaves me tremendously at a loss to understand whether I am to believe his thoroughly candid assurance to me or whether I ought suspiciously to interpret his vote.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. ROBINSON. Of course, the sale of parts to be put together by the purchaser into a completed commodity is merchandising in a very practical sense, almost in every sense, so that the distinction which the Senator makes is, in my judgment, not a valid one.

With reference to the necessity for the proviso at the top of page 6 relating to the Federal Trade Commission, I recall, although I have not the record before me now, but can state it somewhat accurately, a case in which a packing concern arranged to make purchases in quantity lots of $10,000,000, and in another year in quantity lots of $9,000,000. There was no other packing concern that could purchase in such lots. Hence the classification into the $10,000,000 grade tended to give that purchaser the powers of a monopoly.

Take another case, that of a large chain-store grocery concern purchasing $800,000,000 worth of goods annually. There is no other chain-store concern that at all approximates that one in purchases, and without some such provision in the bill as that to which I am referring it might very well secure discriminations in price because of quantity purchases where there would be no other purchaser competing. The result would be that it would acquire a monopoly, in many communities, at least, by reason of the benefits it secured through price differentials on large quantities.

There is another case which has been fully investigated by the Federal Trade Commission and which is referred to in the House committee report where one company made enormous purchases of rubber tires, always in quantity lots, where there was no competition, and where, by reason of the advantages and benefits it secured through those large quantity-lot purchases, it acquired an advantage of an average of 26 percent over the agents of the tire company that sold to the beneficiary of the price discrimination. Throughout a period of years the advantages thus derived by that one purchaser, in a class to itself, aggregated $41,000,000. Similar conditions resulted in the case of the packer concern to which I have alluded.

I am very much interested in the discussion of the Senator. I have an engagement which will compel me to leave the Senate in a few moments, and I shall have to ask to be

excused, but I do not feel that there is any harm in this provision unless one bases his conclusion on the assumption that the purchaser of large quantity lots seeks to get an advantage to which he is not entitled under the bill or unless he bases his conclusion on the theory that the Federal Trade Commission will be unfair and that it will exercise an unsound discretion.

The sole object for which it may exercise this power is to prevent monopoly. The exercise of the power for that purpose is wholesome and essential unless one takes the view, as some do, that monopoly is desirable and should be encouraged. Of course, if we are to proceed upon that theory, there is no use in regulation at all, there is no value in any form of regulation. The whole theory of government regulation is the protection of the public against oppressive practices and against the results of monopoly.

Mr. VANDENBERG. Mr. President, if the Senator can linger just long enough to permit me to put this proposition to him, I think I can summarize in a few sentences the thing I should like to have him agree to.

I share all the sentiment he expresses regarding monopoly. I am seeking no discriminatory advantage for anybody. The case regarding the tire company to which the Senator referred was corrected under existing law.

My feeling is that the bill was drawn for a specific purpose, and that we now discover many instances in which the bill applies to many situations and circumstances not directly contemplated in the first instance, when it was prepared.

Mr. ROBINSON. Mr. President, if the Senator will permit me, I am not at all willing to admit that premise. The Clayton Antitrust Act contains terms general to all purchasers. The pending bill does not segregate any particular class of purchasers, or exempt any special class of purchasers. The same is true of the Van Nuys-Borah bill, which was adopted as an amendment to the pending bill on yesterday, and I think it is true of all the other bills on this subject which have been introduced. There is no reason for a discrimination in favor of one class of purchasers. The language of the existing law is general, and the language of the present bill is general; and the inevitable result of a proposal to except a class of purchasers would be to leave that class free to enjoy any kind of discrimination it can secure, even though it may result in monopoly.

Mr. VANDENBERG. Will the Senator let me finish the proposition I am trying to submit to him?

Mr. ROBINSON. Yes. I thought the Senator had finished.

Mr. VANDENBERG. Many industrial producers of the United States feel—let me put it that way—that this bill was not primarily intended to concern them.

Mr. ROBINSON. May I interrupt the Senator?

Mr. VANDENBERG. Yes.

Mr. ROBINSON. I think that is true as a general proposition. The bill deals with the purchase and sale of commodities.

Mr. VANDENBERG. Yes; and because of that fact they feel that the effect of the bill in the larger basic field of industrial production has not been adequately inquired into for the sake of the protection of the legislation itself. They feel, and I feel, that this phase of the matter has been only casually touched upon in committee hearings either in the House or Senate, and that almost no considered attention has been given to it.

Here is my proposition to the Senator: The bill apparently is going to be sent to conference with the Borah-Van Nuys bill attached, there to meet the Patman bill and perhaps the Utterback bill, and there to be finally resolved by the conference committee into one adequate, wise, and completed piece of legislation. It seems to me that with that prospectus the Senator ought to be willing to let my amendment go into the conference to raise the point I am bringing to him for whatever consideration it is worth when the time comes. Otherwise it is foreclosed.

Mr. ROBINSON. Mr. President, it is entirely true that we frequently see it happen on the floor of the Senate that an amendment is incorporated in a bill when it is expected that the amendment probably will be eliminated in conference; but it is also true that once an amendment is agreed to by either House, it becomes the duty of the conferees on the part of that House to stand upon the amendment, to insist upon its retention in the bill. Many years ago we established here that principle, namely, that conferees representing either House in efforts to adjust differences respecting legislation are in good faith obligated to carry out the will of the House by which they were chosen. So I should not like to put myself in the attitude of saying to the conferees, "I think this is an amendment consistent with the general purposes of the bill. Therefore you are instructed to urge its adoption in the final draft of the legislation."

It is true, as the Senator has suggested, that the conferees in the last instance will have to harmonize the differences between the two Houses, and in doing that they will probably work out a measure somewhat different from what either House has passed. The best I can say to the Senator is that I will give further consideration to his suggestion.

Mr. VANDENBERG. I realize that what the Senator says about Senate amendments is ordinarily true, but I think we can frankly agree that this is going to be a somewhat different kind of conference. I think we are proceeding on a different sort of basis in connection with the conference. We have taken the Borah-Van Nuys bill, which was originally intended as a substitute for the Robinson bill, and we have added it to the Robinson bill, so both of them can be there for consideration. Under the circumstances the conference will be of a little less than ordinarily binding importance insofar as Senate instructions are concerned; and, if this opportunity shall be afforded, I think the Senator will achieve in many industrial centers of the country a feeling of greater confidence in the purpose of the bill to give them all a day in court.

Mr. ROBINSON. I shall try not to conclude action on the matter just at this juncture.

Mr. AUSTIN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an editorial published in the Labor World of April 1, 1936, bearing upon the pending question.

The PRESIDING OFFICER. Without objection, it is so ordered.

The editorial is as follows:

[From the Labor World of Apr. 1, 1936]

CONGRESSMEN, WARNING!

There are two bills now before Congress the general purpose of which seems to be to still further hamper business, and these particular bills will "restrict" chain stores, as well as many manufacturing businesses.

The Borah-Van Nuys bill is now before the Senate, and the Patman-Robinson bill, the most vicious of the two, which has just been heard before the Judiciary Committee of the House, has been reported out favorably recommended. The bill provides, in effect, that it shall be unlawful for manufacturers to "discriminate" between purchasers (such as stores) either in the price or terms of sale. It would be well for the Members of Congress to remember that this bill would undoubtedly increase the cost of living 8 to 10 percent and would be detrimental to labor. It would add almost a billion dollars to the cost of living of the American people.

Samuel Gompers, the late president of the A. F. of L., once said:

"Labor should unite to oppose any movement to advance the cost of living. Most of these profiteering movements are insincere, economically unsound, and born of the racketeer, either political or otherwise."

There is already a big stir in labor circles over these bills, and Congress will hear from labor, because at this time, when there are almost 13,000,000 people out of employment and more than 20,000,000 on relief, it is the height of insanity to increase the cost of living. Labor will not stand for it.

Throughout the depression the chain store has been a friend of the poor man, because the cost of living has been kept within reason. So why hamper them in their service to the people, or why pass additional unconstitutional legislation?

Congressman CONNERY, who is a representative of labor in Congress, is reported to have recently said that the Members of the Seventy-fourth Congress will have little to carry back to their constituents to recommend them for reelection. So why add one more black eye to the long list of deficiencies of the Seventy-fourth Congress which are bound to keep a large percentage at home?

Congressman PATMAN argues that "the real independent merchant and businessman is in favor of this bill. It is in the inter-

est of the consumers, wage earners, and farmers, and the general welfare of the people. In truth and in fact, if the Robinson-Patman bill is enacted into law, the consumer will save billions of dollars a year", PATMAN declares. Then PATMAN goes on to cite methods used by the chain stores to get prices down, reading into the record a letter from J. M. Harris, of Texarkana, Tex. Thus PATMAN contradicts his own argument that the bill will save the consumer. It makes an absurdity of PATMAN'S whole argument, which is clothed in gross exaggeration and strong language.

The truth of the matter is, the Robinson-Patman bill will stop direct sales by the manufacturer to both the chain store and the independent merchant. It will create a middleman. It will increase costs in handling the goods. It will injure labor by causing more unemployment. It will add millions to the cost of living of the American people, and it will introduce new evil practices into American business born of deceit and such laws as PATMAN seeks to enact into law. These things alone totally condemn both these bills at this time, but it would also hamper the farmer in his dealings with his biggest customer, the chain store. Without creating an alibi for the chain store, which is now with us and part of the American system, whether right or wrong, there are a number of arguments in its favor. It connects the consumer with the door of the factory, with less waste, than any other form of merchandising. The manufacturer, particularly the small manufacturer, likes this system because it saves him the cost of selling, and it keeps his labor employed. He often knows a year in advance what his labor and other ordinary costs will be. It increases the volume of production and the number of dollars that can be paid out to labor.

The chain store is a highly competitive business, hence it continually fights to keep prices down. The chains save the consumer at least 10 percent. At the same time it has forced the independent merchant to modernize and make more efficient his own business. The live independents are not worrying about chain-store competition. The Federal Trade Commission, in its investigations, has found that the chain has held down prices to the consumer in all competing stores and that the chain has paid wages better than the average.

Labor in the country is now restless. There are strikes by the hundreds and more in the making. There are almost 13,000,000 idle workmen in the country, according to the figures of the American Federation of Labor. Labor has full knowledge of these facts and the Members of Congress who come before the people at the fall elections, and it is watching such legislation as the Robinson-Patman bill, with a vicious ulterior motive behind it, and which will undoubtedly increase the cost of living to both the wage earner and the unemployed, and with it the tax bill of the American people. The wage earner's wife, now rightly up in arms at the increasing cost of living, is already protesting. It is both economic injustice and industrial revenge. It will be well for the Members of Congress to remember the words of Samuel Gompers. It would be well for Congress to keep in mind that the food bill of the wage earner is on the climb. Labor resents it. He will have the chance to express his resentment at the polls in 1936.

These bills are also said to be unconstitutional. They will create chaos and unrest while they are pending in court. They will hamper every manufacturer in his dealings with his dealers. Labor will not stand for this stab in the back at this time when wages are not advancing as fast as the cost of living. Many wage earners are now looking on with wonder as Congress passes unconstitutional legislation. They are beginning to feel that they are being fooled.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

Mr. VANDENBERG. Mr. President, is this the final vote?

The PRESIDING OFFICER. Yes.

Mr. VANDENBERG. I shall have to renew my appeal to the Senator from Kentucky, and ask him if he will not permit my amendment to go to conference, and thus give industrial production in America "a chance for its white alley."

Mr. LOGAN. Will the Senator indulge me for a moment until I can have the opportunity to ask whether there are any other amendments to be proposed?

Mr. McNARY. Does the Senator mean amendments to the committee amendment?

Mr. LOGAN. Yes.

Mr. McNARY. I have one amendment which the Senator from Arkansas this morning stated he desired further time to consider.

Mr. LOGAN. That is exactly what I wished to ascertain. The Senator from Arkansas has just left the Chamber. On his return I think we can dispose of this whole matter.

Mr. McNARY. Mr. President, I am advised that there are other amendments to be offered. I know the Senator from Utah [Mr. KING] has an amendment.

Mr. LOGAN. Mr. President, I may say to the Senator from Oregon that in reply to my inquiry no one indicated a desire to present any further amendments. The Senator from Utah does have an amendment. Someone, perhaps, might notify the Senator from Arkansas that we have about concluded action on the amendments. The Senator from Vermont [Mr. AUSTIN] says he has no further amendments, and, so far as I know, there are no other amendments to be offered except the one which was offered by the Senator from Michigan [Mr. VANDENBERG] and the one offered by the Senator from Oregon [Mr. McNARY].

Mr. McNARY. Mr. President, let me address a remark to the Senator from Kentucky. Is it his opinion that the amendment I suggested this morning in behalf of the dairy industry is included in the amendment proposed by the Senator from Idaho [Mr. BORAH] and the Senator from Indiana [Mr. VAN NUYS]?

Mr. LOGAN. It is my judgment that the amendment which was proposed by the Senator from Idaho and the Senator from Indiana, and which was agreed to, allows discrimination in price to meet competition in different communities; and, as I understand, that is exactly what the Senator from Oregon proposes in his amendment. At the moment I do not have before me the Borah-Van Nuys amendment. I am quite sure it contains that specific provision.

Mr. McNARY. I shall be very happy, indeed, if the Senator will refer to that amendment, and let the RECORD contain the precise language which the Senator believes incorporates the amendment I have suggested.

Mr. LOGAN. Mr. President, I will call the attention of the Senator to the fact that there is this provision in the Borah-Van Nuys amendment:

> Nothing in this section shall prevent a cooperative association from returning to producers or consumers, or a cooperative wholesale association from returning to its constituent retail members, the whole, or any part of, the net surplus resulting from its trading operations in proportion to purchases from, or sales to, the association.

That is the provision as it relates to the association feature. I will have to read other portions of the amendment in order to find exactly what I had in mind:

> SEC. 2. It shall be unlawful for any person engaged in commerce, in the course of such commerce, to be a party to, or assist in, any transaction of sale, or contract to sell, which discriminates to his knowledge against competitors of the purchaser, in that, any discount, rebate, allowance, or advertising service charge is granted to the purchaser over and above any discount, rebate, allowance, or advertising service charge available at the time of such transaction to said competitors in respect of a sale of goods of like grade, quality, and quantity; to sell, or contract to sell, goods in any part of the United States at prices lower than those exacted by said person elsewhere in the United States for the purpose of destroying competition, or eliminating a competitor in such part of the United States.

That prohibits the sale in competition for the purpose of destroying competition or eliminating a competitor in any part of the United States; but, as I understand, it allows prices lower than those exacted from other customers unless it is to eliminate a competitor.

That is the construction that I have placed on it. I should like to say to the Senator from Oregon that the provision which I had directly in mind is the one that is included in the bill reported to the House by the Judiciary Committee of that body. If the Senator desires to offer his amendment now, although I notice the Senator from Arkansas has temporarily left the Chamber, we will see if we cannot dispose of it at this time. I have not seen the final form of the amendment; but, in view of the fact that the House committee has such a provision in the bill reported by it, and in view of the further fact that the majority leader, the Senator from Arkansas [Mr. ROBINSON], has agreed to give the matter further consideration, and is for the moment absent, and with a view to reaching a conclusion, I will make no objection to the amendment of the Senator from Oregon being adopted.

Mr. McNARY. I thank the Senator. The Senator from Iowa [Mr. MURPHY], who is greatly interested in the dairy industry, entertains the view, Mr. President, that the language in the Borah-Van Nuys bill includes the language I have suggested. The Senator is temporarily absent and so

is the Senator from Indiana [Mr. VAN NUYS]; but, in view of the very generous and kindly attitude of the Senator from Kentucky [Mr. LOGAN] to take the amendment to conference for the purpose of further consideration, I shall now offer the amendment.

Mr. LOGAN. Mr. President, will the Senator from Oregon yield, so that I may present to him another amendment on the same subject and ask his opinion as to whether his amendment will be necessary if the one I now show to him should be adopted, or if that one would be necessary if his amendment should be adopted?

The PRESIDING OFFICER (Mr. GEORGE in the chair). The question is on the amendment offered by the Senator from Oregon.

Mr. LOGAN. Mr. President, with the consent of the Senator from Oregon, let me say that the amendment of the Senator from New Jersey [Mr. MOORE] seems to me to cover the point expressed in the amendment of the Senator from Oregon, but goes a little further. I can hardly see the necessity for adopting both of them; and if the one which is a little fuller, offered by the Senator from New Jersey, is satisfactory to the Senator from Oregon, I think we might let that amendment be incorporated in the bill, instead of that of the Senator from Oregon.

Mr. McNARY. Mr. President, I see, from a hasty reading of the proposal of the Senator from New Jersey, that it probably does include the suggestion I have made but goes a little further. I have no objection to that amendment. I think it might be well, since it will probably be necessary to write the bill in conference, that all worth-while suggestions that may be offered should be incorporated in the bill so that the conferees may sit down and finally perfect a bill.

Mr. LOGAN. That is very fine, but it is rather cumbersome to incorporate in the bill two worthy suggestions both just alike. As a matter of fact, I have just said to the Senator from Oregon that I would make no objection to letting his amendment go in the bill.

Mr. McNARY. Mr. President, there are other Senators vitally interested in the dairy industry, and I believe, before final action is taken, I must suggest the absence of a quorum so that they may have an opportunity to be present.

Mr. KING. Mr. President, will the Senator yield for a moment?

Mr. McNARY. I yield.

Mr. KING. I am compelled to attend another committee meeting and should like to have considered an amendment which I offered yesterday. It is important not only to the mining States but to the oil States and coal-producing States. Will the Senator consent that the amendment be considered at this time?

Mr. McNARY. I should be very glad to accommodate the Senator from Utah.

The PRESIDING OFFICER. The amendment proposed by the Senator from Utah will be stated.

The CHIEF CLERK. In the committee amendment, following the amendment heretofore agreed to, on page 8, after line 12, it is proposed to insert the following:

(e) Nothing in this section contained shall prevent the sale or purchase of crude mineral products or metals in the form in which they are loaded for shipment at prices or terms of sale based upon differences in the grade, quality, or quantity of such products, or that make only due allowance for differences in the cost of selling or transportation, or discrimination in the price of such products in the same or different communities made in good faith to meet competition.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. KING] to the amendment reported by the committee.

Mr. ROBINSON. Mr. President, I understand the pending amendment is that offered by the Senator from Utah?

Mr. KING. It is.

The PRESIDING OFFICER. The Senator from Oregon [Mr. McNARY] temporarily withdrew his amendment for the purpose of permitting the Senator from Utah to offer an amendment.

Mr. McNARY. That is the parliamentary situation.

Mr. DAVIS. Mr. President——

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. ROBINSON. Mr. President, the effect of this amendment, if adopted, as I interpret it, would be to remove minerals from the operation of the bill?

Mr. KING. Only as to quantity.

Mr. ROBINSON. With respect to quantity allotments. The proponents of this amendment contend that the proposed legislation, if enacted, would not affect them; that they would not be involved in questions of unfair price discrimination; and yet, at the same time, they ask the legislative authority to exempt them from its provisions. I do not believe in this amendment; I do not think, if adopted, it would improve the bill. The Senator from Utah feels that it would do so.

Mr. COUZENS. Mr. President, will the Senator from Arkansas yield?

Mr. ROBINSON. I yield.

Mr. COUZENS. The Senator from Kentucky [Mr. LOGAN] a while ago said if we started making these exceptions that undoubtedly the bill would be declared to be unconstitutional; he made several references to that point. I do not desire to discuss any constitutional question, but I merely wanted to refer to what the Senator from Kentucky had heretofore stated.

Mr. KING. If the Senator from Arkansas will yield, may I say that I have numerous authorities here showing that this classification is supported by the decisions of the Supreme Court?

Mr. ROBINSON. Mr. President, I feel constrained to say that I do not believe any serious constitutional question is involved in this proposed legislation. With the distinct understanding that I do not approve this amendment, and that I shall not help to keep it in the bill unless the conferees should find it would have a wholesome and helpful effect, I am not going to make further objection to the amendment.

Mr. KING. Mr. President, I have proposed this amendment in the interest of the mineral industries which are vital to our modern industrial development.

The products of our mines are bulk, basic raw materials which do not enter into the channels of retail distribution. To the best of my knowledge, the mineral industries neither sell nor purchase from chain stores. The alleged abuses in that field of merchandising do not exist in the sale of mineral products and metals, and there is no complaint that as to this important field of industry the present Clayton Act is not entirely adequate. There is no need of any remedial legislation for the mineral industry, and the proposed bill, if applied to that industry, would abrogate long-established practices which are of great importance in the systematic conduct of mineral production.

This bill would greatly hinder the mineral or metal producer in disposing of his output through long-time contracts which involve quantity-price differentials. Such contracts are essential to the orderly planning and efficient extraction of our mineral resources. Quantity sales and quantity-price differentials under existing law are essential to low costs, steady operations, stability of employment, efficient extraction of mineral deposits and utilization of large tonnages of lower grade or "marginal" ores which would otherwise be entirely lost. They are thus a potent influence in conservation of natural resources.

It is believed by many that the bill before us would limit quantity differentials to definitely provable differences in cost of production, sale or delivery resulting from quantity sales. This requirement, coming as it does within the extremely controversial field of cost accounting, would impose an impossible burden of proof upon the mine operator. Who can say what the difference in cost of production of a ton of coal may be, for example, when produced for sale in small lots only, or when produced under long-term contracts calling for many thousands of tons? Under the first condition it may not be possible to operate a mine at all, whereas the second condition will permit large-scale, efficient operations.

The proposed bill would to a large extent put the mineral or metal producer in a strait jacket and would prevent that flexibility which is essential in disposing of his product. This applies not only to the metals and their ores, to coal and other similar minerals, but to petroleum.

When oil commences to come out of the ground the lease owner, or operator, has to sell it immediately at the best price he can get. It is a rare instance where he owns adequate tankage to store it, and if he has time and financial ability to construct tankage, it would frequently not be worth while to do so, because the oil might become exhausted. The flow of the oil when once started is continuous and the owner cannot interrupt it to arrange uniformity of prices. Long-term commitments are frequently imperative to assure a continued market.

My amendment follows the language of the present section 2 of the Clayton Act, and its effect would hence be to continue mineral products and metals subject to the same degree of regulation as heretofore. The exception which it provides would cover the crude unfabricated mineral products and metals in the form in which they are loaded for shipment.

I earnestly submit the desirability of making this exception in the case of the mineral industry where the disturbance arising from the proposed legislation would be vast and widespread, and would have a most disturbing effect on the important public policy of the conservation of natural resources of this country.

I shall ask to submit for the RECORD additional facts showing the necessity for this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. KING] to the amendment reported by the committee.

The amendment to the amendment was agreed to.

Mr. KING. Mr. President, I ask to have inserted in the RECORD as a part of my remarks statements prepared by representatives of the American Mining Congress, in respect to the amendment and in part explanatory thereof.

The PRESIDING OFFICER. Without objection, the statements will be printed in the RECORD.

The matter referred to is as follows:

PROPOSED FORM OF AMENDMENT

The source of the language of this suggested amendment is the existing Clayton Act as indicated previously; the portion of the amendment reading "crude mineral products or metals in the form in which they are loaded for shipment" has been suggested by the action of the Bureau of Internal Revenue in regulations 86 governing the income tax under the Revenue Act of 1934. In article 23 (m) 1 (g) the Bureau defines the phrase "gross income from the property" as applied to the depletion sections of the Federal income-tax law. In so doing it sought to define the status of mineral products insofar as their crude unfabricated marketable state was concerned and reference thereto will show that the principles as set forth by the Bureau of Internal Revenue in such cases are largely adopted in the proposed amendment. The purpose of such a limitation is to render only crude mineral products or unfabricated metals subject to the exception created by the amendment.

In excepting the products of the mining industry from the provisions of the proposed act and leaving them subject to the provisions of the existing law governing quantity price differentials, the mining industry will not be left unregulated but will be subject to a regulatory measure of the same sort which prompted the adoption of the existing provisions of the Clayton Act. The debates concerning section 2 of the Clayton Act appear conclusively to establish that it was intended to forbid the uneconomic practice of temporarily cutting prices in the locality of a competitor, for the purpose of driving him out of business and to establish a monopoly thereafter. The section is inapplicable, therefore, to a long-term relationship, such as generally exists in the mining industry, profitable to both of the parties, made with no intention of capturing the market and subsequently raising the price to monopolistic levels.

FACTUAL BASIS FOR A CLASSIFICATION EXCEPTING MINERAL PRODUCTS AND METALS

It is recognized that any amendment creating an exception in the case of mineral products and metals must be within the requirements of the fifth amendment; that it be reasonable and not arbitrary or capricious; that classifications to be valid must be upon recognized and established differences and that the line drawn between various classes must be definite and reasonably related to the purposes for which the regulation is designed.

It is striking that throughout the hearings on this legislation there has been no evidence which indicates that the evils and abuses, which are claimed to exist in the field of retail distribution and particularly as to chain stores, are applicable to the mining industry.

In the brief submitted by the United States Wholesale Grocers Association, one of the leading proponents of this type of legislation, the alleged evils sought to be corrected are enumerated, as follows:

"The factual data presented before the committee amply establish that these evils are prevalently found:

"(1) In the grant of quantity discounts exceeding any marginal cost differences between the customers concerned; that is, unsupported by 'differences in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered.' (Patman bill, p. 2, lines 17–20.)

"(2) In the payment of brokerage by the seller to dummy brokerage concerns owned and controlled by large buyers and serving the latter's interest.

"(3) In the grant of advertising and similar allowances which are either out of relation to the value of any service or facilities rendered in exchange, or which in any case result in saddling onto the seller the burden of the preferred customer's advertising cost, whereas his smaller competitors must sustain their own" (p. 247, hearing before the Committee on the Judiciary, 74th Cong., 1st sess., on H. R. 8442 et al.).

It appears significant that as to none of these alleged evils has any reference been made which relates them to the mining industry. As a matter of fact, there are definite and essential differences in the production and distribution of mineral products and metals from that of other commodities and particularly of commodities such as food, clothing, tobacco, etc., which have been brought within the chain-store plan of retail distribution. The sale of the products of mines at retail is negligible; the mining industry, to the best of our knowledge, neither sells to nor purchases from chain stores.

The products of mines are peculiarly susceptible of sales arrangements covering large quantities and long-term contracts. Virtually all minerals and metals are in the first instance bulk basic raw materials, sold in large quantities and not susceptible of general retail distribution. Some retain their characteristics as a basic raw material up to the stage where they have undergone some processing. This has been borne in mind in the form and language of the suggested amendment, which would apply to minerals and metals in the form in which they are loaded for shipment, for it is usually up to the point of shipment that minerals or metals retain their crude character.

The benefits to the mineral industry and to the public of large-quantity sales are many, including not only reduced costs of production, reduced selling and distribution expense, but in many cases the ability to schedule operations with reasonable continuity, without which it would be difficult or impossible to operate a mine at all. Consider, for example, a mineral producer who disposes of large tonnages through contracts extending over a considerable period. This assured outlet enables this producer to plan his operations systematically, keep his organization together, and give steady work to his employees, a result which could not be obtained except by his ability to quote a more attractive price on large contracts than he could quote on small-lot business.

In the field of mining the conservation of natural resources of the country is recognized as an important public policy. Today there is no partisan question as to this doctrine, and it is generally accepted that any form of legislation which directly or indirectly impairs this doctrine is inimical to the public welfare.

The inherent characteristic of minerals and metals as wasting assets largely governs the actual operations and practices of the mineral industry. Quantity sales, with their concomitant price differentials, are established and justified trade practices in the mineral field. Upon quantity sales and long-time contracts in large part depends the solution of the problems of efficient mining, better extraction, stability of employment, and the minimizing of so-called "selective mining", which may be so wasteful of the mineral resources of the Nation. Such selective mining involves, in plain language, the skimming of the cream, the taking under economic pressure only of the best.

Good management in the conduct of mineral production contemplates careful planning not for a few months or years but to extend continuously over a long period of years. A proper cost of production is dependent upon efficient mining and planning, and of great importance in such planning is the ability to dispose in the market of sufficient quantities of the product to give the cost benefits resulting from a sufficiently large continuous volume.

The effect of continuous large-scale production in accomplishing a substantial reduction in cost is well recognized. If a steady output in reasonably large volume can be maintained, it will enable the mine operator to mine a lower grade of material than would otherwise be possible, thus making available to the public a large tonnage of marginal ores which would otherwise be entirely lost. If, on the other hand, legislative restrictions on disposal of the output or other conditions are such that only the richer portions of a mineral deposit can be operated, the associated leaner portions which cannot stand the cost of being mined separately must frequently be abandoned and permanently lost. It is recognized, of course, that there are marginal mineral deposits which cannot operate at a profit regardless of the methods of selling the product; but the commercially workable mines should, in the interest of conservation of natural resources, be encouraged to extend their operations to the very lowest grade of material which can be

handled. To this end quantity price differentials should not be restricted further than in the present Clayton Act.

The above problems of efficient mining and better extraction are intimately involved in the most important question of stability of employment. Certain seasonal influences are extremely important in connection with the production of some of our minerals. Thus, for example, in the case of coal, it has always been the practice to endeavor to give the best measure of employment possible in the off season of the year by making long-time contracts which contemplate the storage of coal at or near the points of consumption. In the making of such contracts it is not only necessary but wise to make some concession in price. There is a very definite reason for this. A consumer who stores coal usually assumes all cost of unloading to storage and of lifting and transporting to the point of consumption. It is only reasonable that this assumption on the part of the consumer should be met in part by the producer. A similar situation exists as to other minerals.

In the production of both anthracite and bituminous coal there is a further problem which emphasizes the necessity for quantity price differentials. Accepted practice calls for the screening of the raw product of the mines into a number of sizes, varying from a large lump down to a fine slack. It is impractical to arrange storage at the point of production for sizes not readily salable at certain times of the year. For example, a production unit which is not protected by long-time contracts for the disposition of the fine sizes in wintertime will be compelled to shut down. In order to make necessary long-time contracts flexibility in quantity differentials is essential.

There is also no need for the regulation proposed by this bill in the case of crude petroleum. With an oversupply of crude in thousands of hands there is no opportunity for the producer to oppress the buyers who are ordinarily refining companies and who usually have some production of their own. Limitation to uniform prices would be a misfortune to the producer and hamper him in his efforts to get what he can in an oversupplied market. Oil prices fluctuate rapidly, and the lot of the producer is sufficiently difficult as things are now. On resales in bulk the situation is the same. The owner of the crude must find buyers where he can and frequently has more than one buyer can take, and should not have to bring all his prices down to his distress sales. The strong companies ordinarily refine the oil produced by them and do not sell it. The regulation proposed in this bill would hamper the weaker sellers particularly. There is no relief for the crude producer in the provisions of the proposed law for differences in costs; every lease varies from every other in amount of oil, expense of production, and frequently in quality. Most producers do not keep adequate or complete cost accounts.

Not only is a well, particularly a deep well, expensive to drill, like sinking a mine shaft, but the holder of several leases who finds oil on one must ordinarily drill the others or lose them or be subject to various liabilities. He must drill if his neighbors drill and keep up continuous production or lose the oil to wells offsetting his property. Oil flowing from one property to another belongs to the first person who takes it out. In a race like this none of them can wait for a market, or insist on his own price, or meet the uniformity of price contemplated by the proposed law.

Even if a producer has use or a market for one kind of oil, he may get oil of other characteristics which he must sell at the best price he can get or as to which he cannot wait to establish a uniform price. He will probably also have natural gas and "casing head", or natural gasoline, which he must market for what he can or else let go to waste. He must have freedom of sale for all products that come out of the ground, however varying in quantities or types, otherwise there will be uneconomic waste because of inability to store.

Mr. McNARY. Mr. President, I have formally proposed an amendment which was read from the desk a few moments ago, and I said that I desired to suggest the absence of a quorum, but I now see the two Senators present whom I wanted to have in the Chamber when the amendment was considered.

I should like now to ask the Senator from Iowa [Mr. MURPHY], who is always interested in the dairy industry, if he thinks the amendment I have offered is included within the provisions of the Borah-Van Nuys amendment?

Mr. ROBINSON. Mr. President——

Mr. McNARY. I yield to the Senator from Arkansas.

Mr. ROBINSON. I do not want to interrupt the Senator.

Mr. McNARY. I have propounded a question to the Senator from Iowa.

Mr. MURPHY. May I ask the Senator from Oregon to restate the question he addressed to me?

Mr. McNARY. I asked if, in the opinion of the able Senator from Iowa, the amendment which I proposed is embraced within the provisions of the Borah-Van Nuys amendment.

Mr. COUZENS. Mr. President, I suggest the absence of a quorum. We are transacting business with very few Senators present.

The PRESIDING OFFICER. Does the Senator from Oregon yield for that purpose?

Mr. McNARY. I do.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Holt	O'Mahoney
Ashurst	Connally	Johnson	Overton
Austin	Coolidge	Keyes	Pittman
Bachman	Copeland	King	Pope
Bailey	Couzens	La Follette	Radcliffe
Barbour	Davis	Lewis	Reynolds
Barkley	Dieterich	Logan	Robinson
Benson	Donahey	Lonergan	Russell
Bilbo	Duffy	Long	Schwellenbach
Black	Fletcher	McGill	Sheppard
Bone	Frazier	McKellar	Shipstead
Borah	George	McNary	Smith
Brown	Gerry	Maloney	Steiwer
Bulkley	Gibson	Metcalf	Thomas, Okla.
Bulow	Glass	Minton	Thomas, Utah
Burke	Guffey	Moore	Tydings
Byrnes	Hale	Murphy	Vandenberg
Capper	Harrison	Murray	Van Nuys
Caraway	Hastings	Neely	Walsh
Carey	Hatch	Norris	Wheeler
Chavez	Hayden	Nye	White

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present. The question is on the amendment of the Senator from Oregon [Mr. McNARY] to the committee amendment.

Mr. McNARY. Mr. President, I had propounded an inquiry to the able Senator from Iowa [Mr. MURPHY], which I should like to have him answer at this time.

Mr. MURPHY. Mr. President, I find nothing in the amendment as the Senator from Oregon proposes it which is at variance with the spirit, not of the Robinson bill but of the Borah-Van Nuys amendment, which the Senate adopted yesterday. It would appear, however, that the situation against which the Senator from Oregon so zealously seeks to guard is guarded against effectually in the amendment offered by the Senator from Idaho and the Senator from Indiana.

For the benefit of Senators who may not have knowledge of the situation it may be stated that the National Milk Dealers' Association does an interstate business, selling milk, we will assume, in Camden, N. J., in Scranton, Pa., and in New York City. The prices asked for the milk in each of the three cities may differ.

It appeared under the language of the Robinson bill that it would be obligatory upon that milk dealers' association, because it is engaged in interstate commerce, to sell its milk in each of those cities at the same price, and it would not in those circumstances be able to reduce its price in any city to meet local or intrastate competition there.

The Borah-Van Nuys amendment, it seems to me, covers the situation in this language, and I read from page 2, beginning in line 7, of the Borah-Van Nuys amendment:

> To sell, or contract to sell, goods in any part of the United States at prices lower than those exacted by said person elsewhere in the United States for the purpose of destroying competition or eliminating a competitor in such part of the United States; or to sell, or contract to sell, goods at unreasonably low prices for the purpose of destroying competition or eliminating a competitor.

It appears to me, from my reading of that provision, that if the National Milk Dealers' Association should sell at a lower price in one city than in another milk shipped in interstate commerce to meet the competition of intrastate commerce, it would fall within its rights in so doing and would not be guilty of a violation of the provisions of this measure.

The amendment offered by the Senator from Oregon is fully in accord with the spirit of the Borah-Van Nuys amendment. I would reply to him that in my view—and this statement is made after reference to and consultation with the Senator from Idaho [Mr. BORAH] and the Senator from Indiana [Mr. VAN NUYS]—the Borah-Van Nuys amendment covers the situation entirely, but there is nothing, as I read it, objectionable in the amendment offered by the Senator from Oregon and, without harm to any interest, it could be adopted.

Mr. McNARY. I thank the Senator for his response to my inquiry.

Mr. MURPHY. I should like to ask the Senator from Indiana [Mr. VAN NUYS] to correct any error of statement I may have inadvertently fallen into in my response to the Senator from Oregon.

Mr. VAN NUYS. Mr. President, I concur entirely in the statement just made by the Senator from Iowa. I think the amendment proposed by the Senator from Oregon is in entire keeping with the intendment of the so-called Borah-Van Nuys amendment. I think it is in the bill already without his amendment, but his amendment would clarify the situation. So far as I am personally concerned, I shall be very happy to have the Senate adopt the amendment of the Senator from Oregon.

Mr. ROBINSON. Mr. President, independent of any language which might limit or modify the clause proposed by the Senator from Oregon, I should think it might be construed as somewhat inconsistent with the general purposes of the proposed legislation; but the language which has been quoted by the Senator from Iowa [Mr. MURPHY], contained in the amendment already agreed to, would modify and restrict the application of the language contained in the amendment of the Senator from Oregon so that no discrimination could be granted or permitted that had for its purpose and its effect the elimination of competition.

Without that modification I should doubt the value of the amendment, although I recognize that it is intended for a wholesome purpose. I think the latitude would be too broad if we merely said that "nothing herein contained shall prevent discrimination in price in the same or different commodities made in good faith to meet competition." The authority thus granted might be employed notwithstanding there was an effort to meet competition in ways that would be questionable; but so long as the provision cannot be used as a means of destroying or eliminating competition, I do not see how it can be harmful.

Of course, the conferees may conclude to retain the provision of the Senator from Oregon and eliminate the Van Nuys-Borah provision, in which event I should have consented to a modification of the bill that is, in my judgment, not wholly consistent with the purposes of the proposed legislation; but on the assumption that both provisions are to be retained, I think no damage can result, and it may prove beneficial. So I shall not interpose an objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. McNARY] to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. ROBINSON. Mr. President, there remains one element of controversy and, I think, only one.

The Senator from Michigan [Mr. VANDENBERG] has been very gracious in presenting his amendment, and he has been very insistent on having it incorporated in the bill. I have stated to the Senate that I am not confident that the amendment is valuable; that I mistrust it insofar as it relates to what may be termed one class of sales and purchases. After all, however, that is a limited class. The Senator has appealed to have the matter considered in conference. I have been advised by my colleague, who has so ably assisted in connection with this bill, that he thinks it would be very well to have the Vandenberg amendment go to conference. In consenting that that shall be done, I wish to make it clear to the Senator from Michigan, as I did to the Senator from Utah, that my judgment does not approve the amendment; but I also recognize the fact that my judgment might be erroneous. A good many persons have believed it has been in times past.

With the understanding that I am not personally committed to the amendment and that the conferees may have liberty to do what they believe is fair and consistent with the interest of good and sound legislation, I am going to withdraw my objection, and if the Senator chooses to submit his amendment again I shall not object to it.

Mr. VANDENBERG. Mr. President, I thank the Senator. All I am seeking is to have a fair opportunity in conference for consideration of the merits of the argument I have submitted.

I ask unanimous consent that the vote by which the amendment was rejected be reconsidered.

Mr. ROBINSON. Very well.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan? The Chair hears none, and the vote is reconsidered.

Mr. VANDENBERG. Now I submit the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan to the amendment of the committee.

The amendment to the amendment was agreed to, as follows:

On page 5, line 17, of the committee amendment, insert the following:

Provided, That where such commodities are sold for use in further manufacture and in the production of a new product to be sold to the public, nothing herein contained shall prevent discrimination in price by reason of differences in quantity of the commodity sold.

Mr. MOORE. Mr. President, on behalf of the milk producers of New Jersey, I find it necessary to offer the amendment, which the clerk has at his desk, and which I ask to have read.

The PRESIDING OFFICER. The amendment offered by the Senator from New Jersey to the amendment of the committee will be stated.

The CHIEF CLERK. In the committee amendment, on page 6, line 14, after the word "trade", it is proposed to insert the following:

(e) Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price, or services or facilities furnished, the burden of rebutting the prima facie case thus made by showing justification shall be upon the person charged with a violation of this section, and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination: *Provided, however*, That nothing herein contained shall prevent a seller rebutting the prima facie case thus made by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor.

Mr. MOORE. Mr. President, all over the United States there has been great difficulty about the prices of milk. In New Jersey that was true. The producers of milk in New Jersey were starving. At the time I had the honor of being Governor of New Jersey we had a milk-control board. Prices were made that would permit these men just to live. The difference between poverty and prosperity was just 1 cent.

We have built up this system in New Jersey, in New York, in Pennsylvania, and possibly in other States of the Union. The milk producers in New Jersey feel that unless this amendment is adopted all of their work for all these years will mean nothing; that they will go back again to where they were. The amendment merely provides that if they charge more to one person than to another, or are accused of discrimination, they shall have a right to prove justification. I think the amendment goes just a little farther than the Borah-Van Nuys amendment or the amendment of the Senator from Oregon [Mr. McNARY].

On behalf of these people, who today have telephoned me, and who fear they are going to be thrown back, perhaps, to where they were, and have asked me to offer the amendment, I do so.

Mr. ROBINSON. Mr. President, the amendment of the Senator from New Jersey appears to be consistent with the McNary amendment and other amendments which have heretofore been agreed to. There is one feature of the amendment about which I am in doubt; and little opportunity is afforded to study the proposition, as I have not seen the amendment before it was brought forward here. I see no objection to its incorporation in the bill, so that the conferees may consider it along with the McNary and

Austin amendments which have heretofore been agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Jersey to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. HALE. Mr. President, I should like to ask the Senator in charge of the bill if he will not accept an amendment on page 5, line 9, after the word "are", to insert the words "manufactured or produced and."

Mr. ROBINSON. Then it would read as follows:

Where such commodities are manufactured or produced and sold for use, consumption, or resale.

Mr. HALE. It would eliminate from the operation of the law goods that come in from other countries. Yesterday I put in the RECORD a letter showing the effect of the proposed legislation on one of our existing industries, which my amendment, I think, corrects.

Mr. ROBINSON. I do not believe the amendment is necessary, but in view of the explanation the Senator has made, I see no objection to it.

Mr. LOGAN. I think it is all right.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maine to the amendment of the committee.

The amendment to the amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 7092) for the relief of Capt. Percy Wright Foote, United States Navy.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the President pro tempore:

H. R. 4159. An act for the relief of Anchorage Commercial Co., Inc.;

H. R. 7092. An act for the relief of Capt. Percy Wright Foote, United States Navy;

H. R. 10489. An act to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding and settlement of the city of New Rochelle, N. Y.;

S. J. Res. 247. Joint resolution authorizing the recognition of the three hundredth anniversary of the founding of Harvard College and the beginning of higher education in the United States and providing for the representation of the Government and people of the United States in the observance of the anniversary; and

H. J. Res. 215. Joint resolution to amend Public Act No. 435, Seventy-second Congress.

PREVENTION OF UNFAIR PRACTICES AND MISLEADING ADVERTISING

Mr. WHEELER. Mr. President, I ask unanimous consent at this time that Senate bill 3744, to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes, be made the unfinished business.

The PRESIDING OFFICER. Is there objection?

Mr. ROBINSON. Mr. President, if the bill shall be taken up, it is not my purpose to proceed with it today. I should like to have it before the Senate so that Senators may have the opportunity of studying it. I should like also to have a conference report disposed of, after which unless there is some routine business to be transacted, it is my intention to move a recess until Monday.

Let me add that I do not think Senators have ever had so much office work as they now have. I know there are in my office literally hundreds of letters which I have not even been able to read because I have not had the time to do so, and I should like to have a little time for consideration of business outside of the Senate. So I am intending to move a recess until Monday, unless something arises to prevent.

Mr. McNARY. Mr. President, I was about to inquire of the Senator from Montana whether he desired to have the Senate proceed with his bill today. If so, I should object to taking up the bill. In view of the statement of the Senator from Arkansas, I do not object, except to the manner in which the Senator makes his proposal. I think the Senator should move that the bill be taken up, rather than ask unanimous consent.

Mr. WHEELER. Mr. President, I move that the Senate proceed to the consideration of Senate bill 3744.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 3744) to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes, which had been reported by the Committee on Interstate Commerce with an amendment.

Mr. WHEELER. Mr. President, I desire to make a brief statement with reference to the bill so that when Senators come to study the hearings and reports between now and the time we proceed actually to consider the bill they may better understand it.

This is a measure which was recommended by the Federal Trade Commission. We held hearings before the Committee on Interstate Commerce for several days. The committee reported the bill with one amendment, eliminating one of the most controversial features from the bill.

Stated generally, the purpose of the bill is as follows: When the Federal Trade Commission Act was originally passed it was hoped by the Congress, as committee reports will show, that it would give the Commission power to stop certain unfair and deceptive practices if they were against public interest and were detrimental, regardless of whether or not they resulted in financial injury to some competitor.

The Supreme Court, in construing the law, held that it was necessary to show that some competitor was financially injured. In one case which went to the Supreme Court the case of Federal Trade Commission against Raladam Co., the Commission attempted to stop the advertisement and sale of a reducing compound composed of a drug which was found to be actually harmful to the public if not taken under the advice of a physician. The Supreme Court said of this drug:

Findings, supported by evidence, warrant the conclusion that the preparation is one which cannot be used generally with safety to physical health except under medical direction and advice.

But the Court held that because of the fact that there was not a showing made that some competitor had been definitely injured they could not sustain the Commission's cease-and-desist order.

Two of the Federal Trade Commissioners testified before the committee, Commissioner Davis and Commissioner Freer, and the chief counsel, Mr. Kelly. Mr. Ferguson, the acting chairman of the Commission, wrote a letter recommending the passage of the bill, pointing out that many acts and practices which are unfair and deceptive to the public are at present beyond the power of the Commission because of the ruling by the Supreme Court. In the case of false advertising, the Commission has no way of stopping it unless it can be shown that some competitor is injured through the unfair advertising or practice.

Notwithstanding the fact that the practices may be injurious to the public health, notwithstanding the fact that the advertisements or practices may be misleading and fraudulent upon their face, the Commission is powerless to intercede in behalf of the public unless it can be shown that some competitor is injured.

It is said that in 99 cases out of 100 before the Commission it can be shown that some competitor is injured, but that the Commission has to spend most of its time and most of its money trying to find out how some competitor was actually injured in dollars and cents. It is said that it is difficult many times to show that fact, but they have to

show it, at a great deal of expense to the Commission, and most of their time and most of their money is spent in that way.

When the Federal Trade Commission finds a case of that kind, they simply issue a cease-and-desist order. They say in effect to the company, "This is an unfair trade practice; it is an unfair advertisement, and you must cease and desist from doing this in the future."

If the respondents are not satisfied, or if the Commission wants to enforce the order, the case must be taken to the circuit court in the particular district where the company is located, and the matter adjudicated in the courts.

One other provision of importance is that persons are included in the bill as well as corporations. No member of the committee could see any reason why, if an individual were engaged in some practice complained of, he should not be amenable to the law just as a corporation would be.

I want to impress upon Senators that, notwithstanding the fact that there has been some propaganda against the bill, it does not fundamentally change the present law excepting insofar as it gives the Commission the right to say to a person engaged in a practice complained of, "You must cease and desist from this practice, in the public interest, notwithstanding noninjury to a competitor."

There has never been any difficulty with the newspapers, because it has been shown that when a newspaper was notified that in the opinion of the Commission some practice was unfair, the newspaper has voluntarily stopped printing the advertisement pending the outcome of the investigation of the Commission, and signed a stipulation to abide by the order of the Commission.

I have stated practically the only substantial provisions in the bill. There were one or two minor amendments about which there was no controversy of any kind.

TERM OF UNITED STATES DISTRICT COURT AT PANAMA CITY, FLA.

Mr. FLETCHER. Mr. President, the Committee on the Judiciary has unanimously reported House bill 9244, providing for the establishment of a term of the District Court of the United States for the Northern District of Florida at Panama City, Fla. I ask unanimous consent that the Senate proceed to the consideration of the bill.

Mr. McNARY. I understand the bill designates a certain city in Florida in which a term of district court is to be held. It is a House bill.

Mr. FLETCHER. Yes, Mr. President. No expense to the Government is involved.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That a term of the District Court of the United States for the Northern District of Florida shall be held annually in Panama City, Fla., on the first Monday in October: *Provided*, That suitable rooms and accommodations for holding court at Panama City are furnished without expense to the United States.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. GEORGE in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the calendar of nominations.

There are a number of treaties on the calendar, one of which the Senator from Nevada [Mr. PITTMAN] desires to have considered.

CONVENTION FOR PROTECTION OF MIGRATORY BIRDS AND GAME MAMMALS

Mr. PITTMAN. Mr. President, I ask to have considered at this time Executive A (74th Cong., 2d sess.), a convention between the United States of America and the United Mexican States for the protection of migratory birds and game mammals, signed at Mexico City, February 7, 1936.

The Senate, as in Committee of the Whole, proceeded to consider Executive A (74th Cong., 2d sess.), a convention between the United States of America and the United Mexican States for the protection of migratory birds and game mammals, signed at Mexico City, February 7, 1936, which was read the second time, as follows:

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE UNITED MEXICAN STATES FOR THE PROTECTION OF MIGRATORY BIRDS AND GAME MAMMALS

Whereas some of the birds denominated migratory, in their movements cross the United States of America and the United Mexican States, in which countries they live temporarily;

Whereas it is right and proper to protect the said migratory birds, whatever may be their origin, in the United States of America and the United Mexican States, in order that the species may not be exterminated;

Whereas for this purpose it is necessary to employ adequate measures which will permit a rational utilization of migratory birds for the purposes of sport as well as for food, commerce, and industry;

The Governments of the two countries have agreed to conclude a convention which will satisfy the above-mentioned need and to that end have appointed as their respective plenipotentiaries: The Honorable Josephus Daniels, representing the President of the United States of America, Franklin D. Roosevelt, and the Honorable Eduardo Hay, representing the President of the United Mexican States, General Lázaro Cárdenas, who, having exhibited to each other and found satisfactory their respective full powers, conclude the following convention:

ARTICLE I

In order that the species may not be exterminated, the high contracting parties declare that it is right and proper to protect birds denominated as migratory, whatever may be their origin, which in their movements live temporarily in the United States of America and the United Mexican States, by means of adequate methods which will permit, insofar as the respective high contracting parties may see fit, the utilization of said birds rationally for purposes of sport, food, commerce, and industry.

ARTICLE II

The high contracting parties agree to establish laws, regulations, and provisions to satisfy the need set forth in the preceding article, including:

(A) The establishment of closed seasons, which will prohibit in certain periods of the year the taking of migratory birds, their nests or eggs, as well as their transportation or sale, alive or dead, their products or parts, except when proceeding, with appropriate authorization, from private game farms or when used for scientific purposes, for propagation, or for museums.

(B) The establishment of refuge zones in which the taking of such birds will be prohibited.

(C) The limitation of their hunting to 4 months in each year, as a maximum, under permits issued by the respective authorities in each case.

(D) The establishment of a closed season for wild ducks from the 10th of March to the 1st of September.

(E) The prohibition of the killing of migratory insectivorous birds, except when they become injurious to agriculture and constitute plagues, as well as when they come from reserves or game farms; provided however, that such birds may be captured alive and used in conformity with the laws of each contracting country.

(F) The prohibition of hunting from aircraft.

ARTICLE III

The high contracting parties respectively agree, in addition, not to permit the transportation over the American-Mexican border of migratory birds, dead or alive, their parts or products, without a permit of authorization provided for that purpose by the government of each country, with the understanding that in the case that the said birds, their parts or products are transported from one country to the other without the stipulated authorization, they will be considered as contraband and treated accordingly.

ARTICLE IV

The high contracting parties declare that for the purposes of the present convention the following birds shall be considered migratory:

Migratory game birds:
- Familia Anatidae
- Familia Gruidae
- Familia Rallidae
- Familia Charadriidae
- Familia Scolopacidae
- Familia Recurvirostridae
- Familia Phalaropodidae
- Familia Columbidae

Migratory nongame birds:
- Familia Cuculidae
- Familia Caprimulgidae
- Familia Micropodidae
- Familia Trochilidae
- Familia Picidae
- Familia Tyrannidae
- Familia Alaudidae
- Familia Hirundinidae
- Familia Paridae
- Familia Certhiidae
- Familia Troglodytidae
- Familia Turdidae
- Familia Mimidae
- Familia Sylviidae
- Familia Motacillidae
- Familia Bombycillidae
- Familia Ptilogonatidae
- Familia Laniidae
- Familia Vireonidae
- Familia Compsothlypidae
- Familia Icteridae
- Familia Thraupidae
- Familia Fringillidae

Others which the Presidents of the United States of America and the United Mexican States may determine by common agreement.

ARTICLE V

The high contracting parties agree to apply the stipulations set forth in article III with respect to the game mammals which live in their respective countries.

ARTICLE VI

This convention shall be ratified by the high contracting parties in accordance with their constitutional methods and shall remain in force for fifteen years and shall be understood to be extended from year to year if the high contracting parties have not indicated twelve months in advance their intention to terminate it.

The respective plenipotentiaries sign the present convention in duplicate in English and Spanish, affixing thereto their respective seals, in the city of Mexico, the 7th day of February of 1936.

JOSEPHUS DANIELS. [SEAL]
EDUARDO HAY. [SEAL]

Mr. PITTMAN. Mr. President, I will state with regard to the treaty that it is similar to the treaty the United States has with Canada with regard to the same subject. The proposed treaty with Mexico, however, is more restrictive. The agreement provides as follows:

(A) The establishment of closed seasons, which will prohibit in certain periods of the year the taking of migratory birds, their nests or eggs, as well as their transportation or sale, alive or dead, their products or parts, except when proceeding, with appropriate authorization, from private game farms or when used for scientific purposes, for propagation, or for museums.

(B) The establishment of refuge zones in which the taking of such birds will be prohibited.

(C) The limitation of their hunting to 4 months in each year, as a maximum, under permits issued by the respective authorities in each case.

(D) The establishment of a closed season for wild ducks from the 10th of March to the 1st of September.

(E) The prohibition of the killing of migratory insectivorous birds, except when they become injurious to agriculture and constitute plagues, as well as when they come from reserves or game farms; provided, however, that such birds may be captured alive and used in conformity with the laws of each contracting country.

(F) The prohibition of hunting from aircraft.

The United States already, of course, has in effect all the laws which are provided for in this treaty, and Mexico agrees to enact the same kind of laws.

I ask to have the message of the President and the letter of the Secretary of State read from the desk.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

THE WHITE HOUSE,
March 5, 1936.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a convention for the protection of migratory birds and game mammals, between the United States of America and the United Mexican States, signed at Mexico City February 7, 1936, and an exchange of notes expressing an understanding between the Governments of the two countries that ratifications are to be exchanged in Washington and the convention will come into force on the day on which ratifications are exchanged.

The convention is similar to the treaty for the protection of migratory birds in the United States and Canada signed August 16, 1916. That convention was unquestionably a great step forward toward the restoration and protection of our migratory birds. But inasmuch as numbers of species of the birds whose protection in the United States and Canada has long been provided for extend their migrations to Mexico and still farther south, and in order to protect other groups of birds which migrate between the United States and the United Mexican States, it is obvious that effective conservation requires further international cooperation. It is for these purposes that the convention with Mexico has been concluded.

The attention of the Senate is invited to the accompanying report from the Secretary of State and the comment of the Secretary of Agriculture presented therein.

FRANKLIN D. ROOSEVELT.

(Accompaniments: Report of the Secretary of State. Convention. Exchange of notes.)

The PRESIDENT:

I have the honor to forward to you herewith a convention between the United States of America and the United Mexican States for the protection of migratory birds and game mammals, signed at Mexico City February 7, 1936, which is being brought to your attention for transmittal to the Senate, if you approve thereof, with a view to receiving the advice and consent of that body to its ratification.

This convention, which represents the culmination of some years of negotiations, embodies the conservation principles contained in the well-known migratory bird treaty, signed at Washington August 16, 1916, for the protection of migratory birds in the United States and Canada.

The present convention limits, with certain exceptions, the taking, transportation, and sale of migratory birds and their products to a maximum period of 4 months annually in each country under a system of permits; provides for the establishment of refuge zones; prohibits hunting from aircraft; and specifically provides for a close season for wild ducks extending from March 10 to September 1 of each year.

Further, the present convention prohibits the transportation of migratory birds and game mammals, dead or alive, their parts or products, across the American-Mexican border without a permit of authorization provided by the Government of each country.

Pursuant to an understanding between the Governments of the two countries, expressed in an exchange of notes which accompanies the convention, ratifications are to be exchanged in Washington and the convention will come into force on the day on which ratifications are exchanged.

The Department of Agriculture has taken an active interest in the negotiations and has greatly assisted in the conclusion of the convention. In a recent letter to me the Secretary of Agriculture made the following comment:

"A vast stride toward the restoration and protection, indeed in some cases the rescue from extirpation, of our migratory game, and various groups of our insectivorous and other birds, was taken by the conclusion of the convention of August 16, 1916, with Great Britain, for the protection of birds migrating between Canada and the United States. But as numbers of species of these birds, both game and nongame, extend their migrations and winter dispersals to Mexico and beyond, it has been manifest that to insure their more effective conservation, as well as the conservation of other groups of birds migrating between Mexico and the United States, cooperation with the United Mexican States is not only desirable but also quite imperative, and to that end the Department of Agriculture has earnestly desired and for some years past has sought to bring about the negotiation of a convention with that Republic.

"It is with genuine satisfaction and no little anticipation that we are now informed that the consummation of our hope shortly may be realized.

"Millions of our citizens, and their numbers are growing apace, whether they be tillers of the soil, nature lovers, sportsmen, or merely those esthetically inclined, are very earnestly interested in and concerned about the conservation of our birds, and it is not too much to say that they would heartily acclaim such a convention as this.

"With Canada, the United States, and Mexico cooperating in the conservation of migratory species of birds it confidently may be expected that the perpetuity of these birds is assured against all contingencies save the untoward operations of nature."

Respectfully submitted.

CORDELL HULL.

DEPARTMENT OF STATE, *Washington.*

(Enclosures: Convention and exchange of notes.)

The PRESIDING OFFICER. If there be no amendment to be proposed, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive A, Seventy-fourth Congress, second session, a convention between the United States of America and the United Mexican States for the protection of migratory birds and game mammals, signed at Mexico City, February 7, 1936.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to, and the convention is ratified.

RECESS UNTIL MONDAY

The Senate resumed legislative session.

Mr. BARKLEY. There being no further business before the Senate at this time, I move that the Senate stand in recess until 12 o'clock Monday next.

The motion was agreed to; and (at 2 o'clock and 55 minutes p. m.) the Senate took a recess until Monday, May 4, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 30 (legislative day of Apr. 24), 1936

POSTMASTERS

LOUISIANA

Herman E. Hebert, Berwick.

OKLAHOMA

Gladys E. McEwen, Aline.
Wayne E. Mead, Allen.
George E. Raouls, Picher.
Oscar Speed, Sayre.
James F. Nicholson, Talihina.
Blaine M. Skidmore, Vici.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 30, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou Lord, who knowest the hearts of all men, come now in the fullness of Thy power and prepare us for whatever awaits us. We pray Thee to enrich our minds with wisdom and knowledge from on high; with all diligence may we perservere and discharge the obligations resting upon us. We thank Thee for the gospel of love and sacrifice which was poured out in all fullness on Calvary's Cross. Create within us clean hearts and a right spirit; and may we strive earnestly to do Thy will as revealed in the life and character of the world's greatest Exemplar, our Lord and Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

AMENDMENT OF WAR MINERALS RELIEF ACT

Mr. SMITH of West Virginia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 1432) to amend section 5 of the act of March 2, 1919, generally known as the War Minerals Relief Statute.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 1432, the War Minerals Claim Act, with Mr. BEAM in the chair.

The Clerk read the title of the bill.

Mr. ENGLEBRIGHT. Mr. Chairman, I yield 7 minutes to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Chairman, I have no claimants in my district, and I am not primarily concerned with this matter from the standpoint of the individual claimants; but I have made a study of the matter in these claims because of the vital bearing they have on the question of national defense. In going into these claims I have become convinced that in this case the Government has committed the most immoral thing it has ever done. The attempts that have been made to show that these claimants have been paid in full time after time demonstrates an astounding lack of knowledge of the facts in this case.

Mr. Chairman, these men were induced as a matter of patriotism and in the interest of saving this Government millions of dollars to go out and borrow money in order to develop these various properties. These people had to go to the banks and borrow the money in order to stimulate the production of the four essential products involved, without which we could not have prosecuted the war.

Mr. COCHRAN. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Missouri.

Mr. COCHRAN. The gentleman said that the statement to the effect the claimants had been paid was not based upon the facts.

Mr. MAAS. I said "paid in full."

Mr. COCHRAN. Will the gentleman offset the facts as shown by my statement yesterday that they have received about $10,000,000?

Mr. MAAS. We admit they received nearly $10,000,000, but in the original instance $50,000,000 was appropriated to pay these claims. They have received less than 20 percent of what was originally appropriated to take care of them.

Mr. COCHRAN. That money was not all appropriated for that purpose.

Mr. MAAS. It was appropriated to settle these claims. Without going into details, because the matter has been well covered, what actually happened was that through technicalities in the law these people were not paid their actual losses. The loss is not only the money they borrowed, if they had to keep on paying interest, but must also include such interest payments. This is not interest on the claim, Mr. Chairman. There is a vast difference between interest on a claim and interest which is part of a claim. This interest is a part of the loss which was suffered by these people in developing the properties in an effort to carry on our part of the war.

Mr. COCHRAN. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Missouri.

Mr. COCHRAN. If a constituent of the gentleman is injured by an automobile and is taken to a hospital and has to pay a hospital bill as well as a surgeon's bill and we settle the claim 10 years afterward, is it not settling the claim by paying money spent to recover health, and would we not be just as much justified in paying interest up to the date of settling that claim as we would in paying this money to pay interest up to day of settlement?

Mr. MAAS. I think we would be justified in doing that, but those are not the facts in this case. These men borrowed money at the bank in order to carry on the development of these properties.

Mr. COCHRAN. But suppose the individual had to borrow money to pay his hospital bill? It would be interest on borrowed money.

Mr. MAAS. I think he ought to get interest, but that is an entirely different situation from this. This does not cover interest on a claim. The interest in this case is part of the claim.

Mr. PITTENGER. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Minnesota.

Mr. PITTENGER. Is it not true a jury in the automobile case referred to takes all of those things into account in awarding damages?

Mr. MAAS. Of course they would.

Mr. ENGLEBRIGHT. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from California.

Mr. ENGLEBRIGHT. Is it not a fact that in this case these men borrowed the money at the direct solicitation of the Secretary of the Interior to supply war minerals in a time of great emergency in this Nation?

Mr. MAAS. Exactly; and they were assured by the Government that they would suffer no loss as a result. They were awarded contracts, and, of course, if those contracts had been fulfilled, these men would not have lost money, but within a very few weeks the contracts were canceled on account of the termination of the war. The investment which was involved was a borrowed investment. No obligation is discharged until it is paid in full. These claims have never been settled in full. It is that which we are asking to have done now.

Mr. Chairman, the thing I am concerned with particularly is the question of national defense as affected by these claims. If we should be forced into the position again where we are compelled to defend ourselves by military operations, we would still be in the same position we were at the beginning of the World War.

These products are still not produced in sufficient quantity to carry on the defense of this country, and if the Government has to go out and buy these properties and make the total investment necessary to develop them, it will cost this country not another few million dollars but hundreds of millions of dollars.

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. GOLDSBOROUGH. For the purpose of clarifying the discussion, will the gentleman distinguish between the right of an individual who had the money to put up and did put it up to receive interest and the case of an individual who had to borrow the money.

Mr. MAAS. As I understand, they are separate claims to be dealt with separately. I think, fundamentally, there is no difference, but these are cases where they did have to go out and borrow the money and have continued to pay interest at the banks on this money.

Mr. GOLDSBOROUGH. I am only suggesting to the gentleman that it is the universal practice, apparently, in claims of this class not to allow interest. I myself know of many war claims that were fully justified and the payment of which has been deferred for years and years and no interest allowed.

[Here the gavel fell.]

Mr. ENGLEBRIGHT. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. GOLDSBOROUGH. And it does seem to me that if we are to vote for this legislation we ought to be told how these claims are to be distinguished from other claims.

Mr. MAAS. I may say to the gentleman that the distinction or difference is that these men have not been able to discharge their obligations. They are still at the banks, and naturally when any payment was made it had to be applied first to the interest and then to the principal, and the amount in each case left for payment on the principal was very small. These men are still burdened with these interest payments and they cannot discharge them until these claims are paid in full. There is a vital difference between that case and the case of a man who had the money and therefore has not had to pay interest. These men cannot be relieved from this obligation to pay interest.

Mr. GOLDSBOROUGH. The gentleman thinks there is a difference?

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. COCHRAN. I want to ask the gentleman from Minnesota another question. If the war had proceeded 2 years longer, and these claimants had made millions of dollars, at the expiration of the war would they have come to the Government and said, "We made millions of dollars; we do not want it; we will give it back to the Government; we simply entered this field to help out, not to make money"?

Mr. MAAS. The gentleman knows, if he knows anything about these claims, they would not have made millions of dollars under their contracts with the Government. They could not have made millions of dollars under the very restrictive terms of their contracts with the Government. At most, all they could have made would have been a modest return on the investment.

Mr. COCHRAN. Then they would have been one of the very few companies that helped to prosecute the war that did not make millions.

Mr. MAAS. That may be true.

Mr. PITTENGER. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. PITTENGER. Is it not the fact that all this was done under direction of the Government while the war was going on, and when the Government said, "Do what we tell you or we will commandeer your property"?

Mr. MAAS. Of course, it was done under such circumstances. In some cases the Government prevented the owners of such properties from joining the military services and insisted upon their remaining at home to operate these mines and increase their production. Now they have lost even the mines they owned before the war. It was a patriotic duty they performed as under no circumstances could they have made any large profits even if the war had lasted for several years. It was heads I win, tails you lose for the Government, and in this case it was tails for the mine operators.

To answer the question of the gentleman from Maryland [Mr. GOLDSBOROUGH], I do think there is a difference between paying interest on a war claim settled years later and in the interest payments involved in this bill. In the first case, it would be a matter of reimbursement for the loss of interest which the claimant might have received if he had had the money earlier and invested it for interest. In the case involved in these claims, it is interest which these claimants have been and still are paying out on money borrowed for the benefit of and at the urgent request of the Government.

These interest payments are still being made. These claimants cannot be relieved from continuing these interest payments indefinitely unless this bill is passed or they go through bankruptcy. In the latter case we do a double injury. We force the ruination of the claimants and we force a loss upon the people who advanced the money to these people upon the pledge of the Secretary of the Interior that the Government would back them up and see that no loss resulted.

If this bill is passed no claimant will get a cent. It will all go to discharge the existing obligations at the banks. Every claimant will have suffered severe financial loss above and beyond repaying the loans and interest thereon. The Government compelled these claimants to sell their properties which they owned before the loans were made, and to apply the proceeds to liquidating these loans before the Government would contribute to their further liquidation. No claimant made a profit nor even received a salary for his efforts in developing these mines for Government use.

Billions of dollars were awarded to war contractors for the loss of profits by reason of the early termination of the war. How unfair in the light of that action to deny these patriotic citizens reimbursement for at most only a part of their actual loss. Most of these claimants lost their mines, and this bill does not compensate them for that loss, nor the loss of their time, nor for potential profits, but only for the loss on the money they actually borrowed and the actual interest paid upon such loans. [Applause.]

[Here the gavel fell.]

Mr. SMITH of West Virginia. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Chairman, this bill is not fairly subject to the attack that has been made upon it; and if you, my colleagues, have any confidence in my integrity of mind and soundness of judgment, I beg that you hear me and believe what I say about this bill.

The gentleman from Missouri [Mr. COCHRAN] states that the all-important question involved is one of policy; that is, the Government paying interest on its obligations. To

me the important question before us is that of preserving the honor and integrity of the Government by seeing that it render justice to its citizens. To turn the beneficiaries under this legislation out without relief would make me ashamed of a thing I love—my Government.

Mr. GOLDSBOROUGH. Mr. Chairman, does the gentleman from Georgia care to yield?

Mr. COX. Pardon me if I decline for the present.

The gentleman from New York [Mr. TABER] on yesterday referred disparagingly to the largest chain affected by this bill, that of the Chestatee Corporation down in north Georgia, and with your indulgence I want to say just a word about this claim.

This corporation was the property of two brothers by the name of Pratt. They had invested in it their entire life savings. It was a going concern, operating at a profit to its owners. During the World War the Government, through its agents and under the direction of Secretary Lane, went down to Georgia and practically commandeered this property. Its owners were directed and required to enlarge the plant and to increase its output, the Government insisting that it needed the ores it was mining for war purposes. These people did not have the money needed to enlarge their plant, and did not have the credit to enable them to get it, and so informed agents of the Government. They did not want to incur this hazard incident to enlarging operations, but were practically forced to do so; but after being insured of protection against loss Secretary Lane induced Ashcraft & Wilkinson, of Atlanta, Ga., to finance them. Ashcraft & Wilkinson were not bankers and were not engaged in the money-lending business, but were conducting an entirely different enterprise. They did not have the money, but had good credit, and went out and borrowed the money.

[Here the gavel fell.]

Mr. SMITH of West Virginia. Mr. Chairman, I yield the gentleman from Georgia 5 additional minutes.

Mr. COX. They went to the banks and borrowed considerably more than $600,000, which they loaned to the Chestatee Corporation, under the assurance by the Government that they would be protected against loss.

Every penny of the money that has been paid to Pratt Bros. has gone to their creditors.

Ashcroft & Wilkinson still owe the banks a part of the money they borrowed to loan the Pratts. They have paid not only all the money that they have gotten from the Pratts under the legislation to relieve them but they have paid their own money and are still paying it.

To defeat this bill would not only ruin Pratt Bros. but would ruin Ashcroft & Wilkinson, who had no interest in the operation of the mining concern and no thought of profit in what they did.

Gentlemen, the proposition is just this: The Government comes to you and tells you it needs for war purposes the entire output of your mining plant. It commands you to enlarge it. You have not the necessary money and nowhere to get it, but the Government provides a lender. You create a heavy obligation, enlarge plant, and increase output, and after this is done the Government cancels its contract and leaves you with the bag to hold. What would you do? What could the Pratts or Ashcroft & Wilkinson do but obey the commands of the Government; and are they to be blamed for wanting the Government to keep its contract with them?

If this bill is passed not a dime goes to Pratt Bros., for they are already ruined. It simply enables them to discharge their obligations to their creditors who loaned them money to do that which the Government compelled them to do. They have lost their property and are not reimbursed under the bill.

My opinion is that there never has been presented to this House any claim having a better moral justification than this bill. [Applause.] If you will read the record of the hearings on the bill you will support it. It is a clean bill, and I hope it will pass. [Applause.]

Mr. ENGLEBRIGHT. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman, the gentleman from Georgia [Mr. COX] who has just spoken, is not only an honest man, but an astute lawyer, and he has made a most able and correct statement of this whole matter. It seems to me it is very clear and unmistakable to anyone who studies the legislation that the agreement between the Government and these claimants was a clear contract, which no one could possibly misunderstand. The only reason that the claimants were able to carry out the mining operations at the command of the Government and secure the credit was because both the claimants and their creditors were assured by the Government of the United States that they would not suffer loss if they would cooperate in the prosecution of the war. I dislike to disagree with my good friend from New York [Mr. TABER] but I think he is entirely wrong on this particular claim. This is a meritorious piece of legislation and I trust that every Member of the House who still believes in the sanctity and inviolability of a contract and wants to see the Government keep its word with its own citizens, will vote for the passage of this bill. [Applause.]

Mr. SMITH of West Virginia. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. WOODRUM].

Mr. WOODRUM. Mr. Chairman, reference has been made yesterday and today in the course of this debate to a claim of a certain claimant who lives in Virginia, and the incident hardship that has come to this young man as a result of the fact he was drafted during the period of the war to develop these mining interests. The facts have not been exaggerated, in fact, they have been understated. The young gentleman in question, and he is not a great deal unlike most of these claimants, was called into this particular service or rather induced to go into it because of his knowledge and understanding and special training that equipped him to do this job that had to be done. He did not have the money. He borrowed the money and incurred obligations, and the Government, your Government and my Government, as it too often does, has been extremely dilatory in taking care of its contractual and moral obligations. I have often said that no private industry, no business could live, if it was as dilatory to its obligations as the Government. I want to express my gratification at the sentiment of the Committee today as compared with what it was when this bill was brought up before. I have said time and time again, as a result of my experience in this body of 14 years, that the mistakes we make as a legislative body, and we make them sometimes, nearly always occur when we act hastily and without deliberation and information. Today the House has information on this claim and we find there is no partisanship, there is no geographical division, and the membership of this body, I believe, with a degree of unanimity seldom witnessed, is now determined to do belated justice to these claimants.

What happens after the money is paid? These people will be able to discharge some of these obligations to the banks, and to have their homes and personal property released for the first time, and they will be able to take up their existence which was broken when they entered into this service. I join with all in every opportunity to curtail expenses and to defeat unnecessary expenditures and unjust claims. On the other hand, I feel just as enthusiastic and just as interested to try to help some American citizen get his honest, just dues from the Government when I am convinced that that is the case. I am thoroughly convinced of the merits of this claim. The passing of this bill will send the claim to the Secretary of the Interior to adjudicate and pay these claims in accordance with the sentiment of the Congress when it passed the last amendment to the act. [Applause.]

Mr. ENGLEBRIGHT. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. GEARHART].

Mr. GEARHART. Mr. Chairman, the claims that are embraced in this bill are claims which this Congress in the act of March 2, 1919, agreed should be paid. That act directs the reimbursement of the war mineral relief claimants for "expenditures made and obligations incurred", and if at that time the then Secretary of the Interior had allowed and paid those claims as that act clearly intended, we would not be

here now giving consideration to the measure now before us. All of these claims would have been settled in 1919 if the legal advisers to the then Secretary of the Interior had not misadvised that official in respect to the interpretation of the phrase "obligations incurred." Those legal advisers informed the Secretary erroneously that "cbligations incurred" did not include the accruing interest upon promissory notes signed by the claimants and delivered to third party creditors, notes that they signed in order to finance the various enterprises which the Secretary of the Interior urged them to embark upon in furtherance of our cause in the war.

Pursuant to this erroneous interpretation of the law the Secretary of the Interior disallowed the interest accruing on these notes on the sole ground that the phrase "obligations incurred" was not sufficiently comprehensive to include such items. Because he would not allow a claim based on interest accruing on the note obligations, incurred as aforesaid, it became necessary for the claimants to return to Congress to secure legislation which would grant a right of appeal from the decision of the Secretary of the Interior to the courts. That act was promptly passed by the Congress, the justice of such a course being apparent. When the right of appeal was established as a consequence of the passage of this act of February 13, 1929, the claimants were compelled to assume the additional burden of prosecuting their cases to a decision on the mooted points through the courts.

The litigation, initiated in the courts of the District of Columbia, finally, in 1933, reached the Supreme Court of the United States, from which decisions settling the various points in controversy were ultimately handed down. The decisions, in effect, held that the claimants were, and from the very beginning had been, correct in their contention that the phrase "obligations incurred" included interest accrued and accruing upon notes executed by the respective claimants and delivered to third-party creditors to obtain the necessary funds to finance the various mining operations entered upon at the earnest behest of the then Secretary of the Interior, the Honorable Franklin K. Lane, who, it must be said in justice to his memory, during his lifetime did everything within his power, limited as he was by faulty legal advice, to deal justly with those who now address their appeal to this honorable body.

But the Court further held that the enactment of the act of March 2, 1919, the act which granted the right to file claims, fixed a "stop date", that is, a date beyond which, under that law, accruing interest could not be allowed.

In the contemplation of the situation in which these claimants now find themselves, because of the delays incident to judicial procedure over which they had no real control, let it be remembered that it was not until 1933, when the Supreme Court spoke, that a definition of their rights under the law of March 2, 1919, could be obtained.

Just what are the claimants now asking you to allow them? Merely that which you agreed to give them in 1919 plus interest which has accrued on the notes while the litigation pended, interest that has accumulated from the date of the passage of the act of 1919 down to the date of the enactment of the bill which we have before us today for consideration.

These claimants have been diligent in the prosecution of their claims. They have stood up bravely in defense of their cause, meeting every situation as it developed courageously. Their resources are now exhausted. If we fail them today, they will not be able to return another day. If we deny them that which they are so justly entitled to, it means bankruptcy for most of them, loss of everything at a time when the palsied hand of approaching old age, with all its discouragements in the contest for rehabilitation, is felt upon their shoulders.

In the name of the God who gave us life, will this great country, whom they served faithfully and well, desert them now? [Applause.]

Mr. Chairman, during the course of the debate on the pending legislation the argument has been frequently advanced that the claimants have already been fully reimbursed upon any obligations which the Government may have owed them and that that which they are now seeking is interest upon claims long ago settled, interest upon which was denied them.

Each of these contentions is completely without foundation. In order to make apparent the meritory nature of the claims involved, permit me to refer to just one of them, with the facts of which I am entirely familiar. In the claim which I have in mind the claimant, at the request of the Secretary of the Interior, incurred for the benefit of the Government obligations in the amount of $97,000, evidenced by several promissory notes. When the war abruptly ended the enterprises which he had embarked upon at the behest of his beloved country immediately collapsed, leaving him entirely without funds with which to satisfy the notes. When bankruptcy was staring him in the face Congress created the War Minerals Commission, which for the first time offered him a ray of hope of financial rehabilitation. However, the claim which he filed pursuant to law did not fare well at the hands of those who passed upon it. First, the Commission offered him $2,000 in complete settlement. This he indignantly refused to accept. Three weeks later he was tendered $22,022, which, in accordance with the understandings then arrived at, was accepted by the claimant in part payment. This was 1919.

In 1923 the claim was reopened by the Commission, and items of loss which had been previously disallowed in 1919 were reconsidered and ordered paid in the additional sum of $39,000. After a lapse of years, in 1934, while discussion as to items of loss and interpretation of the act were taking place, the Commission again reviewed the claim, this time allowing additional items that had theretofore been disallowed. Allowance was made upon these items, together with interest on obligations incurred during the war period down to March 2, 1919, in the sum of $24,500. These partial payments, consisting of three, made to the particular claimant I have in mind, at no time were sufficient in amount to fully discharge the claimant's interest-bearing obligations, together with the interest that had accrued and which was to thereafter accrue upon the reduced balances.

The original principal claim has never yet been fully paid by the War Minerals Commission to the claimant, let alone the large sum of interest which has accumulated during the 17 years intervening.

When these successive awards were made this particular claimant paid the entire amounts received to the reduction of his obligation to his own creditors, and they, pursuant to usages well established, applied the sums so received first to the satisfaction of the interest already accrued and the balance to the reduction of the principal indebtedness.

This simple process accounts for the balance which still remains due and which today constitutes the subject of his claim.

In contemplating the fact that to be "made whole" is all that he is asking for, we must bear in mind that the claimant never received any compensation from the Government for his service to it during this period when our common country was in the dire distress incident to war. Not a cent has been paid to him in satisfaction of any claim for prospective or possible profits upon the mining operations initiated. Because of this unjust burden which he has been compelled to bear during all of these years he today finds himself with head barely above water, grasping at the last straw. The unfortunate predicament in which he finds himself today is attributable entirely to an indifference to his condition by the beloved country which verges upon ingratitude, the country he served so faithfully and well when it was beset by enemies at every side.

In the name of simple justice the claims that are embraced in this bill ought to be paid. This bill ought to pass with the unanimous vote of the Chamber.

[Here the gavel fell.]

Mr. ENGLEBRIGHT. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. PITTENGER].

Mr. PITTENGER. I only want to call one more thing to your attention in addition to what I said yesterday, and that is the personnel of the Committee on Mines and Mining,

which heard the witnesses and which brought out a favorable report. If you are not going to stand by your committees, then what is the use of having committees? I submit to the Members of this House that Honest JOE SMITH, chairman of this committee, and the other distinguished members who serve with him and who examined and cross-examined these witnesses, and who brought out a favorable report, ought to be sustained by the Members of this House. [Applause.]

Mr. Chairman, I hope that the Members of the House will inform themselves concerning the above measure. There are some three or four claimants in Minnesota, and in view of their interest in this legislation I have made a careful study of it.

The measure is meritorious, and in view of misinformation which was given us on the floor of the House last July when the question of adopting a rule on a companion House bill was under consideration, I think the membership of the House ought to have the facts correctly stated to them.

There are many claimants, but every one of them have about the same background. Let me discuss one of the larger claims.

Back in 1917 a couple of brothers were conducting mining operations and were in fair financial circumstances. They had opened up and were operating a mine on a small scale, and were doing it profitably. When the submarine boats interfered with ocean shipping it became necessary for the United States to get some of its war minerals here at home, and that meant that mines had to be opened up and developed and operated. These men were called upon by the Secretary of the Interior, Franklin K. Lane, to tremendously increase production, and this involved a large outlay of money. They had to borrow it. Secretary Lane assisted them in having responsible people loan them money as a matter of patriotic duty. He promised that the Government would see to it that they did not lose in this mining venture. The Government had to have the war minerals, and had to have them promptly. A large sum of money was borrowed and mining operations started on a large scale. Then the World War stopped suddenly. These men were left with a lot of debts to pay, with property that no longer had value. It was useless because the war minerals were not needed. Financially these men were ruined.

I do not here discuss the history of the war minerals legislation, but over a period of years their losses were partially paid. I have seen their records and statements and the Government still owes them money as a result of the mining operations undertaken by the direction of the Secretary of the Interior. No Member of this House will vote against the measure if he will take the time to let some of these claimants give him the facts and circumstances that have made necessary the introduction of Senate bill 1432.

An answer to the Comptroller's letter of March 13, 1936, page 6391 of the RECORD, is attached hereto.

The second letter of the Comptroller, dated April 20, 1936, page 6392 of the RECORD, may be answered by saying that the Comptroller believes that two wrongs should make a right. Here the Comptroller states that there was no legal liability on the part of the Government to pay these claims. As a matter of fact, the act of October 5, 1918, which appropriated $50,000,000 as a revolving fund in these matters, permitted claimants to go into any Federal court for "just compensation", for property taken over, and so forth, if they were not satisfied with the finding of the Administrator. This right to go into any Federal court existed for 2 years after the passage of the act of October 5, 1918. But this act was not administered. Instead the War Minerals Relief Act of March 2, 1919, was approved, which provided that claimants should have their "net losses." The claimants thereupon filed claim under the act of March 2 and disregarded their legal rights under the act of October 5, 1918.

In both letters the Comptroller seeks to show that reimbursement by the Government of a claimant's item of interest paid or obligated on borrowed money in his wartime operations—which admittedly is part of his net loss—is identical with payment of interest on an amount claimed by a claimant against the Government. In one case the item is not interest as such on a claim but merely an item of interest paid out of pocket by a claimant which is part of several items of net loss in his claim, and the other would be an allowance of interest by the payor upon the amount of a claim. The two propositions are entirely different, yet the Comptroller in his letter seeks to make them identical.

In the general debate, as reported in the RECORD, the opposition, particularly Mr. TABER, seek to show that because Congress appropriated $8,500,000 in the 1919 act from the original appropriation of $50,000,000 in the 1918 act that no claims should be paid in excess of this original $8,500,000 estimate. As a matter of fact, the total amount of claims filed under the 1919 act was approximately $19,000,000. Obviously, the $8,500,000 could not satisfy these if a proper construction of the law showed that the claims were just and equitable.

Owing to erroneous constructions of the law by the Secretary of the Interior, Congress was obliged to pass the amendment of 1921, which was predicated upon a committee report, which said, in part, speaking of the Secretary's administration of the 1919 act, that—

> He had misconstrued the law and misapplied the facts to the law.

It was for this reason that Congress passed the act of 1921.

But the Secretary still continued to disallow certain items of net loss, and upon the courts in 1924 showing that he had so done, the Congress by the act of June 7, 1924, "withdrew the limitation on the appropriation heretofore named in the act of 1919 for the purpose of enabling the Secretary to pay adjudicated claims."

Six months later the Supreme Court held that under the act of 1919 the courts were without jurisdiction and reversed the construction of the law by the court of appeals at that time upon jurisdictional grounds only.

Then the claimants came back to Congress and, the act of 1929 was passed, which enabled claimants to go to court for a determination on questions of law theretofore decided against them by the Secretary.

There are still some 90 or 100 claims, including the interest item, under the court under the 1929 act. Many cases have been decided adversely to claimants. In the cases decided against the Government naturally payments of awards by the Secretary have been included in deficiency bills.

In December 1932 the Supreme Court held that the Secretary had wrongly construed the act of 1919 as to noninclusion of interest paid and obligated by war minerals producers in their claims for net losses. But in adjusting a claim under this rule the Secretary of the Interior decided that he could not pay said interest beyond the date of March 2, 1919, thus establishing a cut-off date. After 2 years of litigation the Supreme Court sustained this construction.

It thus appears that the construction of the 1919 act limits payments of interest on borrowed money during the war for war purposes to the said cut-off date. The act of 1919 does not suggest by its language or otherwise that a loss paid after March 2, 1919, but suffered theretofore, should not be reimbursed.

This rule is manifestly unfair to claimants inasmuch as some 90 or 100 claimants by March 2, 1919, had not liquidated their interest-bearing obligation to banks and others for credit obtained during the war, for the purpose of producing the needed war minerals at the request of the Government.

In many cases claimants paid their debts within 2 or 3 years after filing of claims from partial payments made by the Government or from funds obtained from their private sources. In certain other cases claimants had to refund their obligations or carry them because they were without private means; in other cases received no awards on their claims until 1933 or 1934, and the interest that they paid on their 1918 obligation was then only paid up to March 2, 1919. They have not yet received their out-of-pocket expenses for their interest payments made after said March 2, 1919.

The bill S. 1432 seeks to remedy this condition. It should be passed to make, in a measure, the claimants whole. The

fact that there is one large claim which will absorb possibly half of the appropriation is no reason why the other 89 smaller claims should be denied justice and equity.

The passage of this bill will enable the Secretary to adjust and pay claims on the facts that shall be determined by him by the reimbursement of the item of interest paid or obligated to be paid by claimants upon the money they were obliged to borrow and which they did borrow at the request of the Government in connection with their mining operations for war purposes.

COMMENT ON LETTER OF ACTING COMPTROLLER GENERAL, MR. R. N. ELLIOTT, TO THE HONORABLE JOHN J. COCHRAN, DATED MARCH 13, 1936

Mr. Elliott's letter makes no reference to the original controlling war-minerals statute, approved October 5, 1918, the title of which is as follows:

The act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of those ores, metals, and minerals which have formerly been largely imported or of which there is or may be an inadequate supply.

The Supreme Court of the United States has ruled, in effect, in one of the test cases (288 U. S. 97), that the act of October 5, 1918, is the controlling war-minerals statute. In so ruling the Court used the following words:

Counsel for respondent (the claimant) correctly states the issue presented to the trial court. * * * Are the losses suffered for expenditures for the items involved here within the provisions of the act of October 5, 1918, as amended and supplemented by the act of October 2, 1919?

And—

With the issue as stated the only showing required is that a claim for such losses was made and that such claim was disallowed because of the belief of the petitioner (the Secretary of the Interior) that the law did not permit such allowances. (Parentheses supplied.)

Section 5 of that act provided that the Government should pay "just compensation" and conferred upon claimant the right to sue for just compensation, if such were not offered, "in the manner provided by section 24, paragraph 20 and section 145 of the judicial code." Clearly, therefore, at the time of the passage of section 5 of the act of March 2, 1919, the Government was liable to producers who could prove their claims, and the wording of said section 5 wherein it provided in the enacting clause for the payment of "net losses" must be fairly considered as a congressional interpretation or measure of the "just compensation" provided for in the original act.

It is true that section 5 of the act of March 2, 1919, stated that nothing in that section "shall be construed to confer jurisdiction upon any court to entertain a suit against the United States", but it did not remove the right that claimants enjoyed at that time to sue for "just compensation" under the preceding act of October 5, 1918, but claimants did not sue. They accepted in good faith the provisions made by the Congress when it passed section 5 of the act of March 2, 1919, that their "net losses" should be paid. They agreed to the provisions that in determining net losses ores and minerals and property owned by claimants might be charged against the awards. They also accepted the provision that the Government should take credit for any profits which had been earned by them. In other words, they compromised, so to speak, with the Government, waiving their right to "just compensation" and accepting in lieu thereof the right to prove and receive their "net losses."

The Supreme Court of the United States has ruled that interest paid and accrued on borrowed capital is a loss reimbursable, and in so ruling cited the case of the *State of New York* v. *The United States* (160 U. S. 598, 621–624) as controlling. The act under which New York State recovered in that case provided for the refund of "costs, charges, and expenses" incurred in equipping troops, and so forth, which words were interpreted by the Congress by an amendment to that act as meaning costs, charges, and expenses "as well after as before" the passage of the previous act.

If interest paid by the State on its bonds for many years after the passage of that act was provided to be refunded by the amendment passed by Congress "as well after as before" the passage of the previous act, that case was exactly parallel with the provisions of pending S. 1432, providing for refund of interest paid after the passage of the act of March 2, 1919.

Mr. Elliott seeks to draw distinction between the precedents referred to in the House committee report and the claimants seeking recovery under S. 1432. He says the States (making no reference to municipalities, counties, or individuals, provided for in some of these former acts of Congress) were not engaged in business enterprises from which profits were to be expected, and so forth. Perhaps that is true, but on the other hand, their very existence was jeopardized by the then existing emergencies. Many claimants under the War Minerals Relief Act, when requested to produce the needed minerals while the original war mineral bill was pending in Congress, specifically pointed out to authorized Government agencies that the hazardous investments requested could not be safely considered as profit making and responded solely as a patriotic duty upon assurance of the then officials of the Government that they would be protected against loss. Their willingness that any profits made should be credited to the Government, as provided by the act of March 2, 1919, proves this assertion.

Congress has heretofore recognized by the act and its several amendments that this obligation, whether a legal liability or whether "a gratuity based upon moral and equitable consideration" should be discharged by the payment of net losses.

The expression, just above quoted, of Mr. Chief Justice Taft in his opinion in the case of *Work* v. *United States ex relator Reeves*, March 2, 1925 (267 U. S. 175) was pure "dicta." The question was not before the Court, and even if it was, it was only dicta, because in that case the Court ruled that no court, not even itself, had any jurisdiction. It was evidently so considered when the several cases later came before it under the authority of the act of February 13, 1929, which conferred jurisdiction on the courts, in that no mention was made in any of these several decisions in claimants' favor as to a gratuity, notwithstanding the fact that counsel for the Government forcefully presented that particular question in both brief and argument.

Mr. Elliott has fallen into the same error as the Solicitors of the Department of the Interior from the date of the approval of the act of March 2, 1919, until they were reversed by the Supreme Court on all questions of law in 1932 and 1933. This error was, among other errors, that they considered losses due to interest paid as interest and not as a "net loss."

The fact that the Government does not pay interest except for bond indebtedness and refund of taxes and the like is entirely irrelevant and immaterial. Section 5 of the act of March 2, 1919, and amendments thereto, and the affirmative Supreme Court decisions given under the authority of the act of 1929 all provide for the payment of "net losses." Neither the Congress nor the courts have been concerned with any of the particular items forming part of the net losses until the Supreme Court fixed a cut-off date, so to speak, beyond which date it interpreted the statute as not permitting the Secretary to refund losses due to interest paid and accrued.

Mr. Elliott says that "interest after March 2, 1919, on moneys which have been borrowed by claimants and expended in production of war minerals is not to be distinguished from interest negative by both the Comptroller of the Treasury and the Committee on Claims of the House, and that claims for interest after March 2, by reason of the delay of the Secretary in making settlement allowing interest to said date, is not to be distinguished from interest on any other claim against the United States where settlement is delayed."

Claimants are not asking for interest on their claims. They are asking solely for payment of their net losses suffered by reason of obligations incurred to pay interest on borrowed capital which Congress evidently intended as has been confirmed by the Supreme Court in its interpretation of

the act. If the wording of section 5 of the act of March 2, 1919, was insufficient to include in the payment of net losses interest which has been paid or has accrued after that date on obligations incurred within the statutory period, it is certainly not inconsistent to ask the Congress to clarify or amend the wording of that act exactly as it did when it amended the act of 1861 to include costs, charges, and expenses as well after as before the passage of that act.

It is pertinent to call attention to the fact that many of the recoveries through the courts and by authority of Congress as expressed in the references cited in the committee report were recovered only after the Comptroller of the Treasury or other fiscal authorities of the Government had denied claims of States, municipalities, counties, corporations, partnerships, and individuals, and that such acts of Congress or decisions of the court under authority conferred by the Congress have reversed these adverse rulings of the Comptroller and other fiscal authorities. It is therefore only natural that the present Acting Comptroller General, Mr. Elliott, should adhere to these former rulings and advise against passage of the pending bill.

Mr. ENGLEBRIGHT. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, frankly, I believe in being reasonably liberal with war claims, and I do so from the broad premise that the only way we can develop any kind of consciousness for peace in this country is to hit the Nation in the pocketbook. We can get into war so easily, but we will not pay the piper after we get into it. We develop some policy of war and then refuse to foot the bills, and take a rather niggardly and illiberal policy of paying the bills afterward. So I believe in liberality in connection with war claims, because it may ultimately serve to frighten us into a proper regard for the horrors of war.

I favor the payment of the claims which are set forth in the instant act. First of all, I do not believe any reason has been given why they should not be paid. They say to us, "We will sweep away 113 years of precedent." Is there anybody here who has the temerity to let any kind of rigid, inflexible precedent stand in the way of justice? They say, "You are going to sweep away 113 years of policy." I do not know what the policy has been before I came to the Congress, but certainly I will not let any policy stand in the way of considerations of justice. I believe the considerations of justice are involved in every one of these claims.

When Woodrow Wilson first brought his war message to the Congress and then spoke to the country in 1917, he said, "It is not an army that we must train; it is a Nation that we must prepare." In pursuit of that preparation, I suppose the administrative officers, like Franklin K. Lane, Secretary of the Interior, went forth and exercised an implied, inferential kind of authority in pointing our every energy and resource toward victory for this country in the World War. If that is the case, then we ought to stand by those administrative edicts whereby innocent citizens, dealing at arm's length and in good faith with their Government, undertook to contract to supply war materials, and then that war suddenly came to a premature end, after they had incurred a heavy obligation and failed to realize thereon. That seems to be all that is involved in the instant bill. The idea of the Federal Government saying to one of its citizens, "In good faith we will keep you whole if you will exercise the patriotic function and duty of purveying necessary war material for the prosecution of the war to victory", and then to back down on that contract that was written in terms of good faith, looks to me like a niggardly and illiberal policy on the part of the Federal Government.

I sincerely hope that every Member of this House can find it in his heart to approve these claims and once more get them off the record.

With respect to the question raised by the gentleman from Maryland [Mr. GOLDSBOROUGH] as to whether we shall distinguish these claims from others, I do not care whether we do or not. So long as the claims are founded in justice, it does not make any difference from what source they arise; they constitute a legal and moral obligation that devolves upon the Government of the United States; and even this Congress or any other Congress ought not let a hollow precedent or a kind of sham policy or any other consideration stand in the way of discharging our responsibility to give justice to those who dealt in good faith with their Government.

I hope the bill is passed. [Applause.]

[Here the gavel fell.]

Mr. ENGLEBRIGHT. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I appreciate that anyone who comes out these days and says a word for economy is not popular. I appreciate that anyone who comes here and tells the truth about these bills that are brought in here to take money out of the Treasury of the United States is unpopular. But, frankly, I expect to be unpopular as a result of my position on this bill.

Mr. WOODRUM. Mr. Chairman, will the gentleman yield?

Mr. TABER. I decline to yield until I have gone far enough to demonstrate the complete fallacy of the arguments that have been brought out here.

Mr. WOODRUM. The gentleman has made a pretty broad statement. I think he ought to yield on that.

Mr. TABER. I stand on that statement.

Mr. WOODRUM. Will the gentleman point out who told an untruth and what they told?

Mr. TABER. I am going to tell the truth about the bill. I have not accused anyone of telling anything else. I am going to tell the truth about it. This is the fifth trip to the well. Time after time this law has been changed. Let me give you some illustration of the situation in the hearing before the Appropriations Subcommittee considering the deficiency bill in 1934 some of these claimants appeared. The Oneida Mines Co. made an original claim of $421,000. By awards they have already been paid $388,000, and that is all the award they have been granted. The Mineral Ridge Manganese Corporation made a claim for $134,499. They were declined an award at first, but later were given $21,000 under the 1929 amendment. The Hanna Minerals Co. made a claim for $319,000 and have already been paid $314,000. The White Marsh Mining Co. made an original claim of $325,000 and have already been paid $275,000 as an award.

The Secretary of the Interior was given the power to decide these claims and award damages. He has made these awards in almost every case. The particular company which has received at this time most consideration, the Chestatee Co., has been paid a total of $692,000 down to 1922. It was said they had borrowed $600,000 and were still in debt after that $692,000 was paid. They have subsequently been paid $136,000, yet still they have a claim above the awards that have been made and paid to them of $600,000. How does it get that way?

I think it is about time, without any intelligent explanation of any one of these claims or any showing of a legal right to ask the Government to pay them another dollar, when this House voted a year ago to turn down a rule for this purpose by a vote of 196 to 131, that the House should not go further, but should defeat this proposition.

[Here the gavel fell.]

Mr. ENGLEBRIGHT. Mr. Chairman, I am for this bill, because it will discharge a just obligation, in my opinion, of the United States Government to these war-mineral claimants. Many of the individuals and companies that went into the war-minerals business for the production of manganese, chrome, and other war minerals went in at the direct solicitation of the Secretary of the Interior, or his duly authorized agents. It may be alleged that many of these companies made a profit on their operations. This statement is not entirely the fact, because they were continuously urged by the Interior Department to expand their operations, and most of them reinvested such profits as might have been made to comply with the wish of the Interior Department in order to supply additional war minerals.

It would appear to me as a member of the Committee on Mines and Mining that the sole issue before this House is the question of interest as constituting a part of net losses. The Supreme Court of the United States in 1933 wrote that such interest in these cases was part of the net loss. I sincerely hope this House will do justice to these long-suffering claimants and pass this legislation. [Applause.]

[Here the gavel fell.]

Mr. SMITH of West Virginia. Mr. Chairman, I yield the remainder of my time to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Chairman, the gentleman from New York [Mr. TABER] says these claimants have been to the well five times. He says they came to Congress every time asking for the passage of amendatory legislation. Here is volume 267 of the United States Supreme Court Reports.

Surely the gentleman will believe the Supreme Court of the United States. With reference to the amendment of 1921, this opinion of the Court says, on page 180:

> This amendment was brought about on the recommendation of the Secretary of the Interior because he had felt obliged, under section 5 as it was, to reject some 600 claims for failure within the time limit to show a direct personal request or demand upon the claimant by the Government authorities named in the act and a response thereto by claimant and because the Comptroller had refused to pay any changed award of the Secretary made after a rehearing or to correct miscalculation.

That refers to miscalculations made by the Secretary. He asked for the amendment to the act. So the gentleman did not state the facts in that respect.

Mr. Chairman, I want to call the attention of the Members of the Committee to the report put out by the Mines and Mining Committee, which was a unanimous report, at this session of Congress. This report is available to the Members and shows by numerous precedents that the interest we are talking about in this bill is not interest on a claim and neither is it a precedent. We have passed many acts and they are listed in this report. The most famous of them is the act reimbursing the State of Nevada for money which it expended in guarding the Overland Trail during the War between the States, and in addition to the principal which we reimbursed that State for, the Congress paid them interest at the rate of 24 percent per annum and in lesser amounts as the interest rate they paid was reduced.

In addition to that we have the famous case from the State of New York, the State from which the gentleman from New York [Mr. TABER] comes. In that case the Congress repaid the State of New York for money borrowed and expended in raising troops to fight the War between the States, and in addition paid them all the interest which that State had incurred in connection with that obligation before the debt was incurred as well as afterward. That is all we are asking for in this case.

Mr. COX. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Georgia.

Mr. COX. There is a contractual relationship involved to some extent as between the Government and these claimants which wholly and entirely distinguish these claims from those which the gentleman from Missouri has been speaking about.

Mr. RAMSPECK. That is true.

Mr. Chairman, I hold in my hand Report No. 558 of the Sixty-fifth Congress, made by Mr. Henderson, of the Mines and Mining Committee, to accompany H. R. 11259, introduced in that Congress, which contains a letter from Franklin K. Lane urging the passage of this original legislation, and stating in there that it was necessary, he thought, in order to carry on the war. I will not try to read it all at this time.

I also hold in my hand a report by Mr. Foster, of the Mines and Mining Committee, which I will be glad to show to any Member of the Committee. This is Report No. 493, Sixty-fifth Congress, second session, in which appears quotations from the testimony of Mr. Lane. I want to quote just briefly one sentence. In referring to the original legislation and his request that it be enacted for the stimulation of production of these minerals which could be secured that way, he referred to the Chestatee case and the fact that five mines had been developed by these parties.

Mr. Lane says:

> This kind of thing can be done throughout the United States—

Now, particularly I want the Members to listen to the following quotation, and this is Franklin K. Lane talking:

> provided you can give some kind of guaranty that the man who develops these new properties, which are in competition with materials which come from abroad, where there are larger deposits, provided that the man who develops the small deposit in the United States can be assured he will get his money out of the investment that he puts into the development of these mines.

Mr. DOCKWEILER. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from California.

Mr. DOCKWEILER. Since the gentleman has touched upon the subject of the correspondence of Franklin K. Lane, is it not a fact if that sterling character, whose untimely death occurred a few years ago, was alive today, these claims would be settled? In other words, he would have petitioned the Congress to take care of this matter and we would not have an interest charge of any kind?

Mr. RAMSPECK. I think the gentleman is correct.

In addition to the testimony of Mr. Lane, there is quoted the testimony of Mr. Barney Baruch, of the War Minerals Board, advocating this legislation. I also call the attention of the Members to the fact that in this report there is a quotation also from the testimony of Mr. Herbert Hoover, who at that time was connected with war affairs. He states:

> I feel there is very badly needed a stimulation to production, especially of the minerals which are mentioned.

He also states this:

> Viewed entirely from the point of view of ship construction, the expenditure in the securing of stimulation to production of these minerals would repay itself a hundredfold.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. KVALE. I want to say at this point that I know of no one in the House who is more careful of his facts or fairer or more honest or more straightforward than the gentleman from Georgia [Mr. RAMSPECK], and I am pleased that he has made that statement.

Mr. RAMSPECK. I thank the gentleman from Minnesota.

In conclusion, Mr. Chairman, may I say that I have studied every word of the hearings and the reports of the committees and the entire history of this legislation from 1918 down to date. I give it to you as my conscientious judgment and my honest opinion that there never was a more meritorious bill before this Congress. Unless this bill is passed these 91 claimants who acted in response to the request of a Cabinet member in the time of our emergency, who acted out of a spirit of patriotism and put their money into these enterprises so that ships might be released for carrying war supplies and troops to France, so that we might have these necessary minerals to carry on the war, will not be made whole. They were just as much in the service of our country as the boys who wore the uniform, although, of course, they did not take the same risks. I think they are entitled to the same justice and equity that the Congress has given to those boys, and I hope every Member of this House will vote for the bill and at last do justice to these people who at the request and solicitation of Secretary Lane and in response to the urgings of Mr. Hoover and Mr. Baruch and other officials of the Government went out and invested their money in a business which they did not have any intention of going into except as a matter of patriotism and who now have lost this money and cannot be made whole unless this legislation is passed. [Applause.] I thank you.

Mr. Chairman, those Members of the House who will take time to investigate the facts relative to S. 1432, will, of course, realize the merit to that measure. One objection that has been raised against this measure is the fact that the war ended November 11, 1918, and, as one Member put

it, "Why all this delay in connection with these obligations?" That is a fair question. It can be answered rather briefly and, in my opinion, entirely satisfactorily. When the war ended, November 11, 1918, the Secretary of the Interior, Franklin K. Lane, came to Congress and requested legislation to enable him to comply with promises he had made to these claimants that they would be protected against loss. This relief legislation was enacted as section 5 of the act of March 2, 1919.

Engineers, geologists, and auditors were appointed by the Secretary to investigate the mining activities and the various claims throughout the United States. These investigations continued for several years after the claims were filed with the Secretary, and, as a result of these investigations, hearings were held. This took more time. Many items of loss on the claims filed were disallowed by the Secretary. Rehearings were had, however, and many of these were afterwards allowed and paid in part. This was in 1921.

Litigation took place in connection with many items which the Secretary had disallowed, and in 1925 the Supreme Court of the United States held that no court has jurisdiction to question a decision of the Secretary of Interior; that his decision, even though erroneous, was final and conclusive. The claimants then sought to amend the War Minerals Act, so that disputed items could be considered. These items had to do with purchase of property and interest on borrowed capital, and other items. Finally, in 1929, Congress conferred jurisdiction on the courts to decide the disputed question of law. In 1932 the Supreme Court of the United States affirmed the contentions of the claimants and ordered the disputed items of loss to be included in the adjustments and payments. As a result of all this it was not until 1933 and 1934 that claimants received certain payments which the court decreed they should have received in 1919.

During the years interest-bearing obligations had continued to run, because the claimants were unable to pay the same, and the present legislation is to reimburse claimants for the interest that they had paid during these years.

Consequently, anyone familiar with Government procedure, after checking over the above Supreme Court decisions, will readily understand that the claimants have been diligent, and that they have not been responsible for the long delay in the adjustment of these claims.

According to the Secretary of the Interior, this legislation is final and, if enacted, will complete the final chapter in the history of the war minerals legislation. The act expressly provides that payments made now shall be in full settlement of all claims.

In connection with the pending legislation, the suggestion has been made that claimants have already been paid enough to discharge any obligations which the Government owed them, and what they now want is interest on their claims.

I want to call this to the attention of the Members of the House, because the statement is absolutely erroneous. One claimant discussed this matter with me the other day, and I give you the facts just as he related them to me.

At the request of the Secretary of the Interior he incurred obligations in the sum of $97,000. When the war ended he was ruined financially. Congress created the War Minerals Commission. After the Government determined his claim was valid the Commission offered him a $2,000 settlement. He refused to accept it, and 3 weeks later was tendered a settlement of $22,022, which was accepted as part payment on account by the claimant. This was in 1919.

In 1923 the claim was reopened by the Commission, and items of loss which had been previously disallowed in 1919 were considered and paid in the sum of $39,000. After a lapse of years, while discussions as to items of loss and interpretation of the act were taking place, in 1934 the Commission reviewed the claim and allowed additional items that had heretofore been disallowed, and made settlement to the claimant on such items as loss of property and interest on obligations incurred to March 2, 1919, in the sum of $25,500. These partial payments, consisting of three, made to claimant at no time were sufficient to discharge the claimant's interest-bearing obligations, and interest had been paid by the claimant during these 17 years while the Commission had been reviewing claims under the act. The original principal claim has never yet been fully paid by the Commission to the claimant, not even taking into consideration the large sum of interest which has accumulated over this period of 17 years.

When these different awards were made this particular claimant paid them to his creditors, who applied the payments first to accumulated interest, and second to part payment on the principal indebtedness. This claimant never received any compensation from the Government for his work; and during all of this time has had to face these obligations, and is still in the same financial condition that he faced when the war ended. He was ruined financially then and is in that condition today. In addition, he has had to mortgage his property in order to avoid bankruptcy.

I am sure that the Members of the House want to get the facts correctly about this war minerals legislation, S. 1432. The other day I was talking to one of the Members and he voiced the objection that Congress never allowed interest on claims. His remark was absolutely correct, but has no application to the pending legislation. The war minerals claimants never made a profit or received any compensation whatever for their mining operations. Further, they are not asking for any interest at all on any "claims." This measure is entirely different from that type of legislation.

These claimants borrowed money and have had to pay interest to their creditors. This bill is to reimburse them for the losses they suffered by reason of obligations of that character. This bill is in no sense a bill to pay interest on a claim against the Government—and I say this by way of repetition—but is a bill to reimburse claimants who have obligated themselves to creditors at the express request of this Government. I am calling this to the attention of the Members of the House because I know they will want the facts and because a great many Members may have the wrong impression of this measure.

This matter is discussed at some length in the report of the Committee on Mines and Mining, No. 2002, which accompanies S. 1432.

The item of interest on borrowed money appears in 91 of the three-hundred-and-forty-odd petitions filed under the act of 1929 in the Supreme Court of the District of Columbia.

The 91 claims are from the following States:

Alabama	2
Arkansas	3
California	27
Colorado	8
Georgia	4
Illinois	4
Indiana	1
Maryland	1
Massachusetts	2
Minnesota	7
Missouri	3
Montana	1
New York	2
Ohio	1
Oklahoma	2
Oregon	6
Pennsylvania	3
Tennessee	1
Texas	2
Utah	1
Virginia	5
Washington	2
West Virginia	2
Kansas	1

[Excerpts from official findings of fact in the Chestatee case (claim no. 1)]

WASHINGTON, *May 21, 1917.*

MR. FULLER CALLAWAY,
La Grange, Ga.

DEAR MR. CALLAWAY: I am informed by the Bureau of Mines that there is a large body of pyrite ore owned by the Chestatee Pyrite & Chemical Corporation, 9 miles north of Dahlonega, Ga., Mr. N. T. Pratt, of Atlanta, president. I am informed that this property is being opened up to produce 50,000 tons of pyrite a year and will probably be in operation by September if all goes well. I am also

informed that by extra effort the plant may be speeded up so as to obtain from 150,000 to 200,000 tons a year from this property.

As you know, sulphuric acid is absolutely essential for munitions and for the production of fertilizer, and they are especially needed in the present emergency. You have asked me where you could fit into some special work for the country. There is no emergency more pressing than the need of pyrite for our sulphuric-acid factories. Knowing your great powers of organization and your wide influence in north Georgia, I am writing to ask if you cannot in some way speed up this work.

It is a matter of such great importance that I shall be glad to render any assistance in my power in obtaining the necessary material and transportation facilities required, also furnish you with such expert advice concerning this property as you may desire.

Cordially yours,

FRANKLIN K. LANE.

The reply of Mr. George L. Pratt to the foregoing letter is as follows:

JUNE 18, 1917.

Memorandum for Mr. Fuller E. Callaway.

Proposed Government aid: The owners are prepared to have available at the mines a minimum of 150 tons per day of lump ores, delivery to begin in August, and an equivalent amount of fines as soon thereafter as concentration mill can be erected. It is altogether probable that if additional labor can be made available that other entries can be made into the vein at other points to result in increased output perhaps to double these amounts.

If, however, this tonnage is to be made available for market to supply present urgent requirements, it will be necessary to secure Government aid or aid from other sources to the following extent:

Fourth. Send such experts from the Geological Survey or Bureau of Mines or such other departments as may be deemed best to determine from personal investigation and inspection that the property and vein and the quality of ores are sufficient to warrant exploitation on large scale, and if found to be advisable, render such aid as may then seem warranted.

Fifth. Underwrite in some way the hazard of mining risk which now seems warranted on account of the urgent necessity of heavy tonnage of ore, but which would not seem to be justified under sound conservative business principles in normal times.

In appearing before the committee in advocating the passage of this bill—and I refer to the hearing before the Committee on Mines and Mining—Secretary Lane, sponsoring the legislation in accordance with his promise to Ashcraft and Wilkinson, referred to his activities, and referred particularly to the activities of his agent, Mr. Callaway, and without throwing any bouquets he held the Chestatee Corporation up as an example of what could be done in other mines in the country.

As I say, Secretary Lane, sponsoring this legislation that I have referred to, and referring to the activities of Mr. Callaway, his agent, said, among other things—and I am quoting now from House Report No. 493, Sixty-fifth Congress, second session, page 2:

Callaway is a very live man * * * that man has developed five mines since the middle of last year. * * * The men who owned these properties were not familiar with matters of large finance, did not know how to go about getting out their products and getting the money. * * * So he gave these men guidance and support, with the result that there has been that development which is very promising.

He went on to say:

That is the kind of thing that can be done throughout the United States, provided you can give some kind of guaranty that the man who develops these properties * * * can be assured that he will get his money out of the investment that he puts into the development of these mines.

Engineer Julihn, reporting to the Bureau of Mines, Department of the Interior, by letter from the Chestatee mine, dated November 28, 1917, said:

Arriving here as the first point of my itinerary, I quickly realized that the possibilities of this mine must be much greater than those of any other I would visit, and that no estimation of it could be made in cursory fashion. It is an enterprise of enormous potentialities in a formative state being attacked vigorously by capable men with adequate capital.

Again, on December 6, 1917, in reporting to the Bureau, Mr. Julihn said—and he was the authorized representative of the Government on the ground, cooperating and advising how to proceed:

the executive personnel is all that could be desired. There is no lack of money as the enterprise is adequately financed on a fine, clean basis.

The Secretary of the Interior, in making a partial award, said the following:

In this particular case * * * the then Secretary of the Interior personally requested one of the claimants to operate the properties on a big scale, which claimant at first declined to do unless the Government should underwrite the venture. This, of course, was impossible, but after some delay the Secretary, through his personal agent, requested Ashcraft and Wilkinson to use their influence to induce the claimant to enlarge his operations, and further, he asked them to assist in financing him.

Ashcraft and Wilkinson did so use their influence, and with success, and did finance claimant, for which financing claimant is obligated for a large amount.

The amount of money required to meet the Government's demands was so great as to make the securing of it by ordinary means almost impossible.

The activities of the Government to induce Ashcraft and Wilkinson to finance claimant so that war needs might be met quickly and in large measure were personal, direct, and effective. The fact that Secretary Lane, who himself had a part not only in the stimulation of the claimant, but, through suggestion, in the financing, recognized that Ashcraft and Wilkinson had performed a service to the Government is evidence of that service.

In reviewing this claim I have been struck by the magnitude of the expenditures and the possibilities of output. The very bigness of it tended to lead an examiner unconsciously to fail to give the claimant full justice. The record shows that the then Secretary of the Interior, realizing no doubt that this property presented opportunities for the biggest production of pyrites in the entire country, used every means in his power to persuade the claimant to develop it. His full influence short of underwriting the project, was exerted. Always, too, there was the realization that the claimant, in responding to the Government's request, would suffer great financial loss, notwithstanding the generous provisions of the War Minerals Relief Act.

THE SUPREME COURT, IN DECIDING THAT INTEREST ON BORROWED MONEY FOR WARTIME MINING ADVENTURES SHOULD RUN TO MARCH 2, 1919, ONLY, READ INTO THE STATUTE LANGUAGE WHICH CAUSED DENIAL TO CLAIMANTS OF THEIR NET LOSS ON THIS ITEM

It is clear that the Supreme Court, in the decision in *Ickes* v. *Chestatee* (289 U. S. 510) substituted the word "accrued" for the word "incurred" in the relevant proviso of the Relief Act, namely:

That no claims shall be paid unless it shall appear to the satisfaction of said Secretary that moneys were invested or obligations were incurred subsequent to April 6, 1917, and prior to November 12, 1918—

And so forth. This mistake evidently arose through the Supreme Court, in the Ickes decision, overlooking the pertinent language of the statute above quoted, which had been referred to in the earlier decision on this question, namely, *Wilbur* v. *Chestatee* (284 U. S. 231).

In the Wilbur decision the Court said:

The amount of interest that at the time of the passage of the Relief Act, March 2, 1919, had been paid or incurred by relator for money borrowed and lost in producing and preparing to produce pyrites upon the specified conditions is to be taken into account in determining the amount of its net loss as of that date. It constitutes a part of relator's expenditures and cost of the undertaking, and so is within the terms of the section as amended (*United States* v. *New York*, 160 U. S. 598; 40 L. ed. 551, 558–560; 16 S. Ct. 402).

The language "paid or incurred" obviously follows the language of the statute above noted. This opinion further states in speaking of the interest item:

It must be shown clearly that such interest was paid or the obligations incurred by relator at the instance of one of the specified governmental agencies.

The Secretary of the Interior, however, construed this Wilbur opinion to mean that he should only adjust and settle for interest paid or accrued up to the date of March 2, 1919, holding that the relief act, approved on that date, directed that he should "pay such net losses as have been suffered", and so forth, and that the direction of the enacting clause was not modified by any provisos in the statute. An analysis of the Secretary's construction shows that he gave first prominence to the adverbial clause "as have been suffered" in a sentence that directed him to pay net losses. He lost sight of the objective in the sentence; that is, to "pay net losses."

Upon the case going to the Supreme Court, the Secretary's contention was upheld (reversing the court of appeals) in the decision *Ickes* v. *Chestatee* (289 U. S. 518), and

it is here that the Court erred by reading into the statute a meaning not expressed by its plain language.

The Court in the opinion *Ickes* v. *Chestatee* (289 U. S. 510) on this point said:

> When this Court stated in the Wilbur case that in determining the loss as of March 2, 1919, there shall be taken into account the amount of interest which has been paid or incurred by relator for money borrowed and lost.

The word "incurred" was used to mean interest accrued on that date.

By this rule the Court has clearly stated that the word "incurred" that appears in the relief act and in its opinion in the Wilbur case should mean "accrued." The language of the statute is clear. There is no ambiguity. The statute clearly states that net loss should be paid and provides that no claim shall be paid unless "* * * moneys were invested or obligations were incurred * * *" prior to November 12, 1918. There is no limitation in the statute to suggest that interest upon moneys borrowed for the wartime adventure ending November 11, 1918, should carry interest only until the date of the passage of the act, namely, March 2, 1919.

By the oversight of the Supreme Court in the foregoing quotation from the Ickes opinion it is clear that the Court "legislated" and read new language into the War Minerals Relief Act.

The Supreme Court, in its decision that interest on borrowed money for wartime operations under the Relief Act should run only until March 2, 1919, adopted a mistaken view of accounting practice and erroneously decided that the wartime operations of claimants were "going businesses."

In the decision *Ickes* v. *Chestatee* (289 U. S. 510), the Court, while holding that "net loss" had to be paid to March 2, 1919, undertook to define "net loss" in the following language:

> The method of determining the net losses in such businesses during a particular period, or in a particular adventure, is well settled. The net losses consist of any deficit from operations plus any shrinkage in value of the plant investment. In calculating the loss for a period it is immaterial whether items entered as operating expense or as investment have been paid or are still owed for. If the capital employed by the corporation during the period, whether owned or borrowed, was sunk, its loss will necessarily be reflected either in the deficit from operations or in the shrinkage in value of the capital assets.

This definition is a good one. The Court, however, continues as follows:

> In calculating the operating deficit during the period ending March 2, 1919, interest paid or accrued on the borrowed capital was treated as an operating charge. Interest accruing thereafter on any loan then outstanding is comparable to the cost of caring, after that date, of the value of that property. Such items enter into the determination of the losses of a later period, and with these the Government has no concern. Hence the Secretary properly refused to consider interest accrued after March 2, 1919, in calculating losses during the period ending that day.

This second quotation from the opinion belies the first. The Court ignored the record in this case that showed clearly that the operation was not a going concern. It was a wartime undertaking. But the writer of the opinion undertook to classify all of the war minerals claims as operations or businesses as "continuing" and not those that operated for a specific period only. They were "particular adventures." This fact is well known. In fact, in an earlier opinion, *Wilbur* v. *Vindicator* (284 U. S. 231), the Court clearly recognized this fact, when speaking of the continuing value of these war-time operations in the following language:

> No such assumption can be entertained, for it's everywhere known that the contrary is true and that the value of lands and plans purchased and constructed to produce war minerals * * * greatly and permanently declined when the struggle ended.

War-minerals operations were specific or particular mining ventures, the net loss on which, up to the date of the armistice, including obligations on that date of all kinds, is, by the act of March 2, 1919, to be reimbursed. There is no language or suggestion, i. e., the act, to the effect that part of the said obligations are to be disregarded if not paid by March 2, 1919, and others are to be allowed. Yet this absurdity results from the intrusion of the so-called cut-off date for interest-bearing obligations.

COMMENTS ON LETTER OF ACTING COMPTROLLER GENERAL R. N. ELLIOTT TO THE HONORABLE JOHN J. COCHRAN, DATED MARCH 13, 1936

Mr. Elliott's letter makes no reference to the original controlling war-minerals statute, approved October 5, 1918, the title of which is as follows:

> The act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of those ores, metals, and minerals which have formerly been largely imported, or of which there is or may be an inadequate supply.

The Supreme Court of the United States has ruled in effect, in one of the test cases (288 U. S. 97), that the act of October 5, 1918, is the controlling war minerals statute. In so ruling the Court used the following words:

> Counsel for respondent (the claimant) correctly states the issue presented to the trial court. * * * Are the losses suffered for expenditures for the items involved here within the provisions of the act of October 5, 1918, as amended and supplemented by the act of October 2, 1919?

And:

> With the issue as stated, the only showing required is that a claim for such losses was made and that such claim was disallowed because of the belief of the petitioner (the Secretary of the Interior) that the law did not permit such allowances. (Parentheses supplied.)

Section 5 of that act provided that the Government should pay "just compensation", and conferred upon claimant the right to sue for just compensation, if such were not offered, "in the manner provided by section 24, paragraph 20, and section 145 of the Judicial Code." Clearly, therefore, at the time of the passage of section 5 of the act of March 2, 1919, the Government was liable to producers who could prove their claims, and the wording of said section 5, wherein it provided in the enacting clause for the payment of "net losses", must be fairly considered as a congressional interpretation or measure of the "just compensation" provided for in the original act.

It is true that section 5 of the act of March 2, 1919, stated that nothing in that section "shall be construed to confer jurisdiction upon any court to entertain a suit against the United States"; but it did not remove the right that claimants enjoyed at that time to sue for "just compensation" under the preceding act of October 5, 1918; but claimants did not sue. They accepted in good faith the provisions made by the Congress when it passed section 5 of the act of March 2, 1919, that their "net losses" should be paid. They agreed to the provisions that in determining net losses ores and minerals and property owned by claimants might be charged against the awards. They also accepted the provision that the Government should take credit for any profits which had been earned by them. In other words, they compromised, so to speak, with the Government, waiving their right to "just compensation" and accepting in lieu thereof the right to prove and receive their "net losses."

The Supreme Court of the United States has ruled that interest paid and accrued on borrowed capital is a loss reimbursable, and in so ruling cited the case of the *State of New York* v. *The United States* (160 U. S. 598, 621–624) as controlling. The act under which New York State recovered in that case provided for the refund of "costs, charges, and expenses" incurred in equipping troops, and so forth, which words were interpreted by the Congress by an amendment to that act as meaning costs, charges, and expenses "as well after as before" the passage of the previous act.

If interest paid by the State on its bonds for many years after the passage of that act was provided to be refunded by the amendment passed by Congress "as well after as before" the passage of the previous act, that case was exactly parallel with the provisions of pending S. 1432 providing for refund of interest paid after the passage of the act of March 2, 1919.

Mr. Elliott seeks to draw distinction between the precedents referred to in the House committee report and the claimants seeking recovery under Senate bill 1432. He says the States—

making no reference to municipalities, counties, or individuals, provided for in some of these former acts of Congress—were not engaged in business enterprises from which profits were to be expected, and so forth. Perhaps that is true, but on the other hand their very existence was jeopardized by the then existing emergencies. Many claimants under the War Minerals Relief Act, when requested to produce the needed minerals while the original war mineral bill was pending in Congress, specifically pointed out to authorized Government agencies that the hazardous investments requested could not be safely considered as profit making and responded solely as a patriotic duty upon assurances of the then officials of the Government that they would be protected against loss. Their willingness that any profits made should be credited to the Government, as provided by the act of March 2, 1919, proves this assertion.

Congress has heretofore recognized by the act and its several amendments that this obligation, whether a legal liability or whether "a gratuity based upon moral and equitable consideration", should be discharged by the payment of net losses.

The expression just above quoted of Mr. Chief Justice Taft in his opinion in the case of *Work* v. *United States ex relator Reeves*, March 2, 1925 (267 U. S. 175), was pure "dicta." The question was not before the Court, and even if it was it was only dicta because in that case the Court ruled that no court, not even itself, had any jurisdiction. It was evidently so considered when the several cases later came before it under the authority of the act of February 13, 1929, which conferred jurisdiction on the courts in that no mention was made in any of these several decisions in claimants' favor as to a gratuity, notwithstanding the fact that counsel for the Government forcefully presented that particular question in both brief and argument.

Mr. Elliott has fallen into the same error as the Solicitors of the Department of the Interior from the date of the approval of the act of March 2, 1919, until they were reversed by the Supreme Court on all questions of law in 1932 and 1933. This error was, among other errors, that they considered losses due to interest paid as interest and not as a "net loss."

The fact that the Government does not pay interest except for bond indebtedness and refund of taxes and the like is entirely irrelevant and immaterial. Section 5 of the act of March 2, 1919, and amendments thereto, and the affirmative Supreme Court decisions given under the authority of the act of 1929 all provide for the payment of "net losses." Neither the Congress nor the courts have been concerned with any of the particular items forming part of the net losses until the Supreme Court fixed a cut-off date, so to speak, beyond which date it interpreted the statute as not permitting the secretary to refund losses due to interest paid and accrued.

Mr. Elliott says that—

> Interest after March 2, 1919, on moneys which have been borrowed by claimants and expended in production of war minerals is not to be distinguished from interest negative by both the Comptroller of the Treasury and the Committee on Claims of the House, and that claims for interest after March 2, by reason of the delay of the Secretary in making settlement allowing interest to said date is not to be distinguished from interest on any other claim against the United States where settlement is delayed.

Claimants are not asking for interest on their claims. They are asking solely for payment of their net losses suffered by reason of obligations incurred to pay interest on borrowed capital, which Congress evidently intended, as has been confirmed by the Supreme Court in its interpretation of the act. If the wording of section 5 of the act of March 2, 1919, was insufficient to include in the payment of net losses interest which has been paid or has accrued after that date on obligations incurred within the statutory period, it is certainly not inconsistent to ask the Congress to clarify or amend the wording of that act exactly as it did when it amended the act of 1861 to include costs, charges, and expenses as well after as before the passage of that act.

It is pertinent to call attention to the fact that many of the recoveries through the courts and by authority of Congress as expressed in the references cited in the committee report were recovered only after the Comptroller of the Treasury or other fiscal authorities of the Government had denied claims of States, municipalities, counties, corporations, partnerships, and individuals, and that such acts of Congress or decisions of the court under authority conferred by the Congress have reversed these adverse rulings of the Comptroller and other fiscal authorities. It is, therefore, only natural that the present Acting Comptroller General, Mr. Elliott, should adhere to these former rulings and advise against passage of the pending bill.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

> *Be it enacted, etc.*, That in any claim that has heretofore been filed within the time and in the manner provided by the act approved March 2, 1919 (40 Stat. 1272), as amended, generally referred to as the "War Minerals Relief Statutes", in which the Supreme Court of the District of Columbia under the authority conferred upon said court by the act approved February 13, 1929 (45 Stat. 1166), has adjudged or decreed interest payments or obligations to be losses reimbursable within the meaning of the act of March 2, 1919 (40 Stat. 1272), as amended, the Secretary of the Interior shall open or reopen such claim and include in his adjustments and payments of losses, interest which has been paid or has accrued to the date of approval of this act: *Provided, however*, That such losses shall be shown to the satisfaction of the Secretary of the Interior as a matter of fact to be the result of a legal obligation incurred within the statutory period as provided in said act of March 2, 1919: *And provided further*, That the sum paid in satisfying said claims shall not exceed in total $1,250,000. It is also provided that all settlements under this act and pursuant to its provisions shall constitute full and complete discharge of all obligations of the United States accruing under the War Minerals Act and acts amendatory thereof.

Mr. CONNERY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I listened to this debate yesterday in all its phases, and I am convinced this is a meritorious bill.

The gentleman from Georgia [Mr. RAMSPECK] has eloquently explained the entire situation in reference to passage of similar previous bills in this connection and also to the decisions of the Supreme Court. It seems to me only a matter of justice that this House should pass the bill and take care of these people who, in time of war, and as a patriotic measure, went out and started these mines at the request of the Secretary of the Interior, and were promised, at that time, that no losses would come to them and that the United States Government would reimburse them if there were any losses suffered by them as a result of their patriotic endeavor to provide sufficient minerals and thereby release ships to convey troops with which, otherwise, we would have had to import these minerals into the United States in order to take care of our national defense.

The gentleman from Georgia explained thoroughly that the Supreme Court in its decision stated that the interest payments should be covered into the legal meaning of net losses.

Many of these people, as the gentleman has explained, are in want, as referred to in the Virginia case and the Georgia case. These cases cover 24 States of the Union. It is not a matter of something that the gentleman from Georgia is trying to pass for a constituent. It is a matter that affects 24 States of the Union, and the Supreme Court has said that the interest charges should be paid. The 1919 law was misconstrued by the courts, and then the Supreme Court of the United States said that interest charges were intended to be included and that these people should be reimbursed not only for the original cost which they understook at the instance of the Secretary of the Interior in time of war, but interest should be paid them for what they had lost. This seems only equity.

It is now a long time since the war, but what these people did was just as important at that time to the Nation as the troops that went to the front or as the men who were in the Artillery or Infantry or any other branch of the service. It was important to get these minerals to put into the shells that were to be fired upon the enemy and for many other purposes. It was important that these minerals be found.

The Secretary of the Interior caused investigation to be made, asked these people to open up new mines, asked them to exploit further mines which were opened, and told them, "If you have to borrow money to open these mines or get these minerals, we will see to it that you do not lose any money, and we will see to it that you are reimbursed for everything you put out." It is now a question of the good faith of the United States Government with its citizens who patriotically did their duty, opened the mines, did what they were asked to do, and at this time we certainly should not allow them to suffer for carrying out their patriotic duty to the Government, and I hope the bill will pass. [Applause.]

Mr. SISSON. Mr. Chairman, I move to strike out the last two words. I agree entirely with what has been so well said by the gentleman from Massachusetts [Mr. CONNERY]. I hope and pray that this country will never engage in the situation we were in during the period of 1914, when we began the preparation for the war of 1918, but I trust if we are in such a crisis that those who are in authority and who may begin by calling upon the people to support the Government, that those upon whom they call will not have staring them in the face the fact that the Government of the United States was reckless and defaulting in its obligations as to just claims during the war through which we have just passed.

Interest losses mean to my mind a matter not only of law but plain common sense and justice as an obligation incurred.

I have just as much love for my Government of the United States as any man here who would oppose these claims, but I believe it is my duty as a Member of this body to exert what little influence I may have with this Government to have it meet its obligations. I shall vote for this bill. [Applause.]

Mr. GIFFORD. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 5 minutes.

Mr. GIFFORD. I do not desire to take the 5 minutes. I have opposed so many of these large expenditures that I think I shall vote for this war minerals bill. I have read the debate and been rather impressed thereby. Somehow after reading the reports of investigating committees and listening to speeches made against those in the war who made huge profits, I have not heard from the Democratic side of the House very much sympathy expressed for those people who actually lost money. Today we find you are really pleading for some of those corporations which did suffer losses.

I am inclined to back you up in an effort to do belated justice to these people, for whom you have not heretofore expressed much concern. All we have ever heard from you is something about these awful profits that these recently styled "entrenched greed" people made during the war. Others who suffered severe losses have not been mentioned. So I join with you, in spite of the precedent you may be establishing with relation to interest payments, welcoming your change of attitude on this War Minerals Act, and shall vote for the bill. [Applause.] But I do not want it understood that I have backed down a fraction of an inch from the verbal castigations that I have administered because of so many of your unwarranted and reckless expenditures.

Mr. COCHRAN. Mr. Chairman, I move to strike out the last four words in order to secure recognition.

I regret to hear the gentleman from Massachusetts [Mr. GIFFORD] make the speech that he has just made. The principle involved here, the long-established policy of the Government, is too great for him to set aside, and I would rather see him continue the way that he has continued in the past. The gentleman and I have not always agreed on relief measures, but we generally agree on unsound claims bills.

As I said yesterday, the principle involved in this bill is whether or not you are going to pay interest to claimants beyond the date of the passage of the original act. The claimants received payment for losses as well as interest up to that date. This provides interest to date of settlement.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I only have a few minutes. I decline to yield. To hear some of the gentlemen talk here today, one would wonder whether or not these claimants have ever received any money. I made the statement on the floor yesterday and put into the RECORD a showing that they received approximately $10,000,000. Then, again, you have 84 additional cases still pending in court, and some day, if you pass this bill, you will pass another not only paying losses but interest to date of settlement, which will be for over 15 years, as well as the principal.

I am not going to vote for legislation that will set a precedent that is going to come back to plague us.

The gentleman from Minnesota [Mr. PITTENGER] is very much interested in this bill, as is his colleague [Mr. MAAS], judging from their speeches, although there is no claimant from their State. I am wondering, if we pass this bill, whether we will have another Minnesota fire-claims bill here asking us to pay interest to date of settlement of those claims, which Congress paid twice.

Mr. PITTENGER. Mr. Chairman, I demand the regular order. The gentleman is not discussing the bill.

Mr. COCHRAN. Not the way the gentleman would like to have me discuss it. Is it not reasonable that such a bill will be introduced? It is a matter of wonder to me how some of the Minnesota Members who were so interested in the Minnesota fire-claims bill and the Russian shoe bill should be interested in this bill and also are interested in another bill that I suppose will come in later—the so-called grain corporations bill.

Mr. KVALE. Oh, the gentleman is too fair to impugn the motives of his colleagues, and I know that he will withdraw his statement.

Mr. COCHRAN. I shall not withdraw my statement. I might say "some of those", if that will satisfy the gentleman, but I am not going to withdraw the statement, in view of what happened on the floor of the House yesterday and today. I do not impugn the motives of the gentleman, as he is not leading the fight for this bill.

Mr. PITTENGER. Mr. Chairman, I demand the regular order; that has nothing to do with this.

Mr. COCHRAN. The grain bill is another raid on the Treasury. Remember what I say, it will be back at a later date.

I repeat, I urge the Members of this House to consider the policy that this Government and this Congress has followed since 1813 and vote down this legislation. Do not provide to pay interest on losses or claims up to date of settlement.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. Yes.

Mr. GIFFORD. Inasmuch as the gentleman referred to me, I just wanted to say that I would like to go along with the gentleman, but how about the billion and a half dollars' raid on the Treasury for the W. P. A.?

Mr. COCHRAN. That is not a raid on the Treasury. That is to help people in distress, and I say to the gentleman that we will pass that bill. We do not want riots in this country. I would rather vote a billion and a half for people who cannot find employment and have no money to buy food than to vote for this bill. There is absolutely no connection between the two.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. RICH. Mr. Chairman, I rise in opposition to the amendment.

Mr. SMITH of West Virginia. Mr. Chairman, I move that all debate upon the bill and all amendments thereto do now close.

The CHAIRMAN. The question is on the motion of the gentleman from West Virginia.

The motion was agreed to.

Mr. RICH. Mr. Chairman, I demand recognition. I had a right to have recognition.

The CHAIRMAN. Under the rule the Chair must recognize the chairman of the committee. Under the rule the Committee will rise.

The Committee accordingly rose; and the Speaker having resumed the chair, Mr. BEAM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill S. 1432, and, pursuant to House Resolution 487, he reported the bill back to the House.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. TABER and Mr. COCHRAN) there were ayes 129 and noes 48.

Mr. COCHRAN. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and six Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 232, nays 97, not voting 98, as follows:

[Roll No. 85]

YEAS—232

Andresen	Dockweiler	Kopplemann	Ramsay
Arends	Dorsey	Kramer	Ramspeck
Bankhead	Doughton	Kvale	Randolph
Barden	Doxey	Lambertson	Rayburn
Barry	Drewry	Lambeth	Reilly
Beiter	Driscoll	Lamneck	Robertson
Bell	Driver	Lanham	Robinson, Utah
Berlin	Duffy, N. Y.	Lea, Calif.	Rogers, N. H.
Biermann	Dunn, Pa.	Lemke	Russell
Bland	Eckert	Lewis, Colo.	Sanders, Tex.
Bloom	Ekwall	Lewis, Md.	Sandlin
Boileau	Englebright	Lucas	Schulte
Boland	Evans	Lundeen	Scott
Boylan	Fernandez	McAndrews	Scrugham
Brooks	Fitzpatrick	McClellan	Sears
Brown, Ga.	Flannagan	McGehee	Secrest
Buck	Focht	McGrath	Shanley
Buckler, Minn.	Ford, Calif.	McKeough	Shannon
Burch	Frey	McLaughlin	Short
Burdick	Fuller	McLeod	Sirovich
Burnham	Gambrill	McMillan	Sisson
Caldwell	Gasque	McReynolds	Smith, Conn.
Carmichael	Gassaway	Maas	Smith, Va.
Carter	Gearhart	Mahon	Smith, W. Va.
Cartwright	Gehrmann	Main	Somers, N. Y.
Casey	Gifford	Maloney	Spence
Castellow	Gildea	Mansfield	Stack
Celler	Goldsborough	Martin, Colo.	Stewart
Chandler	Granfield	Mason	Stubbs
Chapman	Green	Massingale	Sullivan
Christianson	Greever	Maverick	Terry
Church	Gregory	Mead	Thom
Citron	Guyer	Meeks	Thompson
Colden	Haines	Merritt, Conn.	Tolan
Connery	Halleck	Merritt, N. Y.	Tonry
Cooper, Tenn.	Hamlin	Millard	Turner
Corning	Harlan	Mott	Umstead
Costello	Hart	Nichols	Vinson, Ga.
Cox	Healey	Norton	Vinson, Ky.
Cravens	Hennings	O'Connell	Wallgren
Crosby	Hess	O'Day	Walter
Crowe	Higgins, Mass.	O'Leary	Warren
Cullen	Hildebrandt	O'Neal	Weaver
Cummings	Hill, Ala.	Owen	Welch
Curley	Hill, Samuel B.	Parsons	Werner
Daly	Hobbs	Patman	West
Darden	Houston	Patterson	Whelchel
Dear	Hull	Patton	White
Deen	Imhoff	Pearson	Wilcox
Delaney	Jacobsen	Perkins	Williams
Dempsey	Johnson, W. Va.	Peterson, Ga.	Wilson, La.
DeRouen	Kahn	Peyser	Withrow
Dickstein	Keller	Pfeifer	Wolcott
Dingell	Kerr	Pierce	Wolfenden
Dirksen	Kinzer	Pittenger	Wolverton
Disney	Kleberg	Plumley	Woodruff
Ditter	Knutson	Powers	Woodrum
Dobbins	Kocialkowski	Rabaut	Zimmerman

NAYS—97

Allen	Beam	Carlson	Colmer
Amlie	Binderup	Carpenter	Cooley
Andrews, N. Y.	Blackney	Cavicchia	Crawford
Ashbrook	Blanton	Cochran	Crosser, Ohio
Bacharach	Brewster	Coffee	Crowther
Bacon	Cannon, Mo.	Cole, N. Y.	Darrow
Dies	Hollister	May	Robsion, Ky.
Duncan	Hook	Michener	Rogers, Mass.
Eagle	Hope	Mitchell, Ill.	Sauthoff
Eicher	Johnson, Tex.	Mitchell, Tenn.	Schaefer
Ellenbogen	Jones	Monaghan	Schuetz
Engel	Kelly	Moran	Snell
Faddis	Kennedy, N. Y.	Moritz	South
Fenerty	Kenney	Nelson	Stefan
Fish	Kniffin	O'Brien	Sutphin
Fletcher	Lehlbach	O'Malley	Sweeney
Ford, Miss.	Lord	Pettengill	Taber
Fulmer	Luckey	Polk	Thomason
Gilchrist	Ludlow	Rankin	Thurston
Gillette	McFarlane	Ransley	Tobey
Gingery	McLean	Reed, Ill.	Whittington
Goodwin	Mapes	Reed, N. Y.	Wilson, Pa.
Gray, Ind.	Marcantonio	Rich	
Griswold	Marshall	Richardson	
Hancock, N. Y.	Martin, Mass.	Risk	

NOT VOTING—98

Adair	Duffey, Ohio	Kennedy, Md.	Sanders, La.
Andrew, Mass.	Dunn, Miss.	Kloeb	Schneider, Wis.
Ayers	Eaton	Larrabee	Seger
Boehne	Edmiston	Lee, Okla.	Smith, Wash.
Bolton	Farley	Lesinski	Snyder, Pa.
Boykin	Ferguson	McCormack	Starnes
Brennan	Fiesinger	McGroarty	Steagall
Brown, Mich.	Gavagan	McSwain	Sumners, Tex.
Buchanan	Gray, Pa.	Miller	Tarver
Buckley, N. Y.	Greenway	Montague	Taylor, Colo.
Bulwinkle	Greenwood	Montet	Taylor, S. C.
Cannon, Wis.	Gwynne	Murdock	Taylor, Tenn.
Cary	Hancock, N. C.	O'Connor	Thomas
Claiborne	Harter	Oliver	Tinkham
Clark, Idaho	Hartley	Palmisano	Treadway
Clark, N. C.	Higgins, Conn.	Parks	Turpin
Cole, Md.	Hill, Knute	Peterson, Fla.	Utterback
Collins	Hoeppel	Quinn	Wadsworth
Cooper, Ohio	Hoffman	Reece	Wearin
Creal	Holmes	Richards	Wigglesworth
Cross, Tex.	Huddleston	Rogers, Okla.	Wood
Culkin	Jenckes, Ind.	Romjue	Young
Dietrich	Jenkins, Ohio	Ryan	Zioncheck
Dondero	Johnson, Okla.	Sabath	
Doutrich	Kee	Sadowski	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Taylor of Colorado (for) with Mr. Seger (against).
Mr. Creal (for) with Mr. Andrew of Massachusetts (against).
Mr. Taylor of Tennessee (for) with Mr. Wigglesworth (against).
Mr. Johnson of Oklahoma (for) with Mr. Jenkins of Ohio (against).
Mr. Knute Hill (for) with Mr. Bolton (against).
Mr. Reese (for) with Mr. Hartley (against).
Mr. Dunn of Mississippi (for) with Mr. Eaton (against).

General pairs:

Mr. McCormack with Mr. Treadway.
Mr. Tarver with Mr. Holmes.
Mr. McSwain with Mr. Cooper of Ohio.
Mr. Montague with Mr. Gwynne.
Mr. Feisinger with Mr. Tinkham.
Mr. Cary with Mr. Hoffman.
Mr. Buchanan with Mr. Culkin.
Mr. Duffey of Ohio with Mr. Dondero.
Mr. Boehne with Mr. Wadsworth.
Mr. Huddleston with Mr. Collins.
Mr. Greenwood with Mr. Turpin.
Mr. O'Connor with Mr. Higgins of Connecticut.
Mr. Snyder of Pennsylvania with Mr. Thomas.
Mr. Sumners of Texas with Mr. Doutrich.
Mr. Gavagan with Mr. Schneider of Wisconsin.
Mr. Parks with Mr. Biermann.
Mr. Cannon of Wisconsin with Mr. Kee.
Mr. Ryan with Mr. Dietrich.
Mr. Taylor of South Carolina with Mr. Edmiston.
Mr. Hancock of North Carolina with Mrs. Jenckes of Indiana.
Mr. Boykin with Mr. Larrabee.
Mr. Farley with Mr. Murdock.
Mr. Wood with Mr. Smith of Washington.
Mr. Miller with Mr. Harter.
Mr. Palmisano with Mr. Gray of Pennsylvania.
Mr. Richards with Mr. Cole of Maryland.
Mr. Kloeb with Mr. Starnes.
Mr. Zioncheck with Mr. Brennan.
Mr. Ferguson with Mr. Steagall.
Mr. Kennedy of Maryland with Mr. Bulwinkle.
Mr. Claiborne with Mr. Wearin.
Mr. Clark of Idaho with Mr. Romjue.
Mr. Brown of Michigan with Mr. Quinn.
Mr. Buckley of New York with Mr. Peterson of Florida.
Mr. Oliver with Mrs. Greenway.
Mr. Ayres with Mr. Cross of Texas.
Mr. Adair with Mr. Rogers of Oklahoma.
Mr. Sabath with Mr. Sanders of Louisiana.
Mr. Utterback with Mr. Montet.
Mr. Sadowski with Mr. McGroarty.
Mr. Lee of Oklahoma with Mr. Young.

Mr. WALLGREN changed his vote from "no" to "aye."

Mr. JOHNSON of West Virginia. Mr. Speaker, my colleague, Mr. KEE, is unavoidably absent. Had he been present, he would have voted "aye."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

ADMINISTRATIVE POWERS OF THE COMPTROLLER OF THE CURRENCY

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent that the bill (H. R. 12447) to amend certain provisions of the banking laws relating to the administrative powers of the Comptroller of the Currency, the conversion of State banks into national banks, the payment of dividends on common stock of national banks, and the election and duties of shareholders' agents, and for other purposes, reported by the Committee on Banking and Currency, be recommitted to the Committee on Banking and Currency.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

AMERICANISM VERSUS NEW DEALISM

Mr. SHORT. Mr. Speaker, I ask unanimous consent to correct my own remarks in the RECORD by inserting a speech recently delivered by myself.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SHORT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address, delivered by me before the Republican State convention, St. Louis, Mo., April 27, 1936:

Chairman Dalton, my fellow Republicans, and countrymen, indeed, I would be inhuman and ungrateful if I did not express to you my appreciation of the high honor which you have just conferred upon me by electing me temporary chairman of this State convention, to deliver this keynote address to such a large and enthusiastic gathering of representative Missouri Republicans. The militant spirit revealed by this vast throng is proof positive that the Republican Party is very much alive. It presages our return to power this November, which will mark the end of the most tyrannical, extravagant, and debauched administration in the history of our Republic.

Proud as I am to be a Republican, I want to speak to you today not so much as a member of a great political party, but as an American patriot who still loves his country and is willing to fight, and if need be, die for liberty. In this grave crisis and at this tragic hour, the American people should forget all about politics. The battle today is not between Democrats and Republicans; it is between those citizens of our country who still believe in our form of government, revere the Constitution, and prize their freedom more than they do benevolent doles, and another class of our citizenry who have become so entranced with and allured by New Deal promises or so intimidated by New Deal threats that they are willing to sell their souls for a mess of pottage. Today the conflict is between Americanism and New Dealism.

Franklin Delano Roosevelt was elected upon an excellent platform, written by prominent members of the Democratic Party. With one or two exceptions, he has consistently and completely broken every promise and plank in that platform, violated the pledges he made in his speeches as a candidate, and repudiated the cardinal principles and teachings of the great founder and patron saint of the Democratic Party. Likewise, he has turned his back upon the stalwart leaders of democracy and surrounded himself with a coterie of sophisticated satellites, impractical and inexperienced theorists, who were never elected to any office and were scarcely known to anyone, in order that he might carry out almost plank for plank and word for word the last platform of the Socialist Party. That is why practically every great Democratic leader of this country has already "taken a walk", and are as vehemently and conscientiously opposed to the dangerous doctrines, the insidious propaganda, and the charlatan methods of the New Dealers as we Republicans ourselves are.

In the past, Republicans and Democrats have differed on many matters, such as the tariff, League of Nations, and monetary policies, but never in the history of our Republic have Republicans and Democrats differed on the Constitution. And always, in a grave crisis when liberty is imperiled, when our rights and privileges as free men are endangered, and when the very fabric of our form of government is threatened with destruction, the American people know no politics, for they place patriotism above partisanship and the welfare of our country above personal greed and gain.

The task of criticism is by no means pleasant, but often is necessary. It is imperative that we have two great political parties in this country; and just as competition is necessary to have good business, so, in order to have clean and efficient government, it is necessary that we have a highly organized, aggressive, intelligent, and fearless minority, whose sacred right and solemn duty it is to criticize and hold in check the party which happens to be in power. For over a year the American people under this New Deal forgot their politics and the Republicans of this Nation, both in and out of Congress, cooperated almost to the point of folly with the present administration in its war on the depression. Not until the Houdini in the White House ran out of rabbits which he pulled out of his hat, not until the magician lost his magic wand, not until the laughing playboy turned his back upon the very men of his own party who were most responsible for his nomination and election, not until he ruthlessly trampled into oblivion the platform on which he was elected, not until he deliberately and flagrantly violated the promises he had made as a candidate, not until he had swallowed up the legislative functions of a supine, bootlicking, and intimidated Congress, not until he would have usurped the judicial functions of our courts and destroyed the Constitution, did the American people raise their voice in protest.

The amazing thing is that our people have been so patient, which can be explained only by the apathy and indifference of some and by the cowardice of others. Since I have spoken in practically all parts of our State and most of you present have no doubt heard me many times before, I do not care at this time to trespass upon your patience by reciting in detail the many broken promises of this administration.

After all, it is unnecessary to rehash old stuff, for the American people, even the small portion comprising the most ignorant, now fully realize that President Roosevelt and his "brain trusters" have enormously increased the cost of Government, piled bureau upon bureau, debased our currency, juggled finances, debauched the civil service, placed the Government in competition with all kinds of private enterprise, added more than 800,000 employees to the pay roll, multiplied our deficits, augmented our debt, and fed the American people expensive, poisonous propaganda while trying to ease their pain by feeding them palliatives the cost of which they must ultimately bear.

At first this administration based its hope of recovery and reform upon the N. R. A., which was a deliberate communistic attempt to regiment American industry and place business all over this country in a strait jacket. An overwhelmingly Democratic Congress immediately surrendered its prerogatives to the Executive, whose appointees as directors of various code authorities, drawing fat salaries, arrogantly and mercilessly cracked the whip over the heads of businessmen, large and small, until the Supreme Court declared the infamous, illogical, and un-American scheme of fascism unconstitutional and by a unanimous and vigorous opinion wrung the neck of the "blue buzzard" and threw its dead carcass out the window—not, however, until great wrongs had been perpetrated upon a free people and many of our citizens had been subjected to unjust and inexcusable assessments and forced to pay fines and suffer imprisonment. So incensed was the President after that adverse decision that he branded the nine mature Justices—who are not subject to political pressure, the violence of the mob, or Executive intimidation; men of intelligence and character, of high patriotism and long legal training and experience; who hold office for life and are free to render fair, just, and unbiased opinions; who are the repository of our rights and the safeguard of our liberties, the only citadel of freedom that stands between us and tyranny—as belonging to the "horse and buggy" age.

In other words, in the President's opinion the Court is obsolete and outworn and might as well be abolished. In spite of their decision he would resurrect the "blue buzzard" and several bills shortly afterward were introduced by Members of Congress in both Houses to set up a skeleton N. R. A. Thousands of N. R. A. employees were kept on the public pay roll for months after the act was nullified by the Court, at an enormous expense to the already overburdened American taxpayer. It is significant that a few months after the Court's decision, while the Ways and Means Committee of the House was considering the Guffey Coal Act, which should be called the "Goofy bill", since it establishes an N. R. A. for the bituminous-coal industry, the President wrote a letter over his own signature to Congressman SAM B. HILL, of the State of Washington, urging him and his colleagues not to allow any doubts, no matter how reasonable, as to the constitutionality of the measure they were considering, to deter them from enacting it into law. The essence of that letter was "ignore the Supreme Court, forget the oaths you have taken to uphold, protect, and defend the Constitution, and pass this bill because I want it." One of the pieces of "must" legislation. And the bill was passed, though I anticipate the Court will knock it in the head when they get to it.

Our experience with N. R. A., which was nothing more than a modern Spanish inquisition, with all of its brutal tyrannies, artificial codes, and unreasonable edicts issued by dictatorial bureaucrats, having the force of binding law upon the members of an industry, certainly taught us that it is impossible to ballyhoo or parade one's self back to prosperity, and also that the American people, unlike dumb cattle, refuse to be driven by these insolent little pygmies who never had any business of their own and who cared naught for the business of others so long as they received their fat salaries. A recent report by Acting Budget Director Daniel W. Bell to the Ways and Means Committee informs us that the N. R. A. cost the taxpayers of the United States $25,057,164, and that exactly $6,042,302 was expended after the Supreme Court declared the act unconstitutional. Bear in mind that this is only administrative expense, paid out directly by the Government, and does not take into account the hundreds of millions of dollars in losses and foolish expenses which business and industry of this country suffered.

In spite of this sad and costly experience, the administration is right now contemplating bringing in a new N. R. A. bill, and in case Mr. Roosevelt by any chance should be reelected this fall—and sufficient changes are made in the Supreme Court—and given another 4 years of Roosevelt, they will be made, by packing the Court or by the death of present members—American business will once more have saddled upon its back this blood-sucking serpent that will destroy its very life.

The next main prop to be knocked from under the New Deal was the A. A. A. Just as the N. R. A. had attempted to regulate and dictate to businessmen and industry, so the A. A. A. attempted to regiment the American farmer. Over $1,000,000,000 were handed out to the producers of certain products for not raising those products. Bear in mind that these Government checks went to fewer than half the farmers of this country, because many farmers refused to cooperate in such a scheme, which they believed to be un-American, and could not remain permanent, and which the Supreme Court declared unconstitutional, while other farmers produced certain commodities which did not fall under the program of A. A. A. The dairy industry, which is the greatest branch of agriculture, the biggest single industry in this country—bigger than oil, bigger than steel, bigger than automobile—suffered terribly under the A. A. A. and never received any benefits therefrom. Likewise the poultry raisers and fruit growers, as well as the dairy farmers in my own congressional district down in the Ozarks, never participated in any of these benefits. The fact of the matter is that certain classes of farmers were penalized in order to assist other kinds of farmers, and some sections of the country benefited at the expense of others.

And don't forget how the payments varied. According to the report of the Secretary of Agriculture himself, which, of course, had to be wormed out of him, one Florida sugar corporation, under the A. A. A., had received a total of $1,067,665 in three checks; a Hawaiian sugar company received a single check for $470,313 and in all will receive $1,022,047.87; a sugar grower in Puerto Rico was paid $961,065; one California farmer received over $200,000 for not raising 14,000 hogs; one cotton plantation was paid not far from $200,000 for holding down cotton production—but one-quarter of the cotton producers received less than $100. Many rich absentee landlords profited enormously under the A. A. A., whereas the poor, struggling tenant farmer and sharecropper suffered terribly. By limiting the acreage and reducing production they were thrown out of employment and placed upon the relief rolls, while at the same time the cost of overalls, work shirts, and calico dresses practically doubled for the farmers, miners, and manual laborers of our country. Likewise the processing tax on cotton largely paralyzed the great textile industry in New England, Pennsylvania, and the Carolinas. Many of the workers in these mills have been thrown out of employment because of the tremendous increase in imports of cotton and cotton fabrics from other parts of the world, principally Japan. The process tax on cotton also destroyed our world cotton export market. Today European nations, instead of buying raw cotton from the United States, are importing it from Brazil, Egypt, the Sudan, Caucasia, and India.

Under the A. A. A. a single wheat grower had payments running up to nearly $100,000, and some of the land on which he was paid for growing no wheat he had leased from the Indians for 50 cents an acre. It is a known fact that in many instances farmers have received more in 1 year for not planting crops on their lands than the land itself was actually worth.

In the meantime what happened to the millions of consumers of this country? Ask any housewife and she will tell you of the tremendous increase in the cost of living. Processing tax on corn and hogs made pork a luxury and the poor could eat no meat. The "brain trusters" preach the "abundant life", and in order to bring about its fulfillment they advocate a philosophy of scarcity, which has produced misery. In order to clothe the naked, they plow under the cotton; in order to feed the hungry, they burn wheat, agree not to plant corn if they are paid for their effortless task, and knock little pigs in the head.

When the farmer was paid not to grow cotton, he grew peanuts; when he was paid not to plant peanuts, he grew tobacco; when he was paid not to plant tobacco, he planted potatoes; then they proposed to pay him not to plant potatoes. The idiocy of these unnatural, artificial attempts to regulate nature, which is as foolish and futile as the attempt to legislate against cyclones or to repeal the law of gravity, culminated in the famous and never-to-be-forgotten potato-control law. On the 3d of last January President Roosevelt emphatically and almost defiantly challenged the Members of Congress to repeal any of the New Deal legislation. He was aware of his overwhelming majority in both Houses, but had forgotten the Supreme Court. With ferocity in his eyes and bitterness in his voice, he gave us to understand that the New Deal "would not retreat but would advance." Yet, 1 month later, the New Deal had retracted and the President had to swallow his own Adam's apple when he sent a special message to the House asking the Members of Congress to repeal the Cotton, Potato, and Tobacco Control Acts, which his administration had previously urged the very same Members to enact into law.

Notwithstanding this sad and costly experiment, the present administration is determined to resurrect the A. A. A. Already two bills have passed this session of Congress since the invalidation of the A. A. A. by the Supreme Court which will in some degree carry out the purposes of the original act—one is the Soil Conservation Act, which is a masquerade, and is, in reality, a crop-control act, and the other is the tobacco-control bill. Both of these acts are bad and vicious legislation, enacted over my vigorous protest, for they turn over to Czar Wallace complete authority to regulate in his omnipotent, infallible, impeccable, and flawless wisdom not only the growing of tobacco but will establish a dangerous precedent leading to the control of every crop in every section of this country, setting class against class and section against section. Both acts, in my opinion, are a subtle mixture of subterfuge and sophistry and a deliberate and insidious attempt to circumvent the adverse decision of the Supreme Court of the United States on the old A. A. A. law.

Any farmer who thinks he desires the resurrection of the A. A. A. should study carefully the comparative figures on imports and exports for 1934 and 1935 on a number of the foremost agricultural products, as follows:

	Imports		Exports	
	1934	1935	1934	1935
Fresh beef, pounds	140,474	8,584,114	19,411,017	10,499,421
Fresh pork, do	127,746	3,922,609	36,757,287	10,208,198
Wheat, bushels	7,736,532	27,438,870	19,968,589	232,965
Wheat flour, pounds	203,235	2,611,069	[1] 4,163,325	[1] 1,003,132
Corn, bushels	2,959,256	43,242,296	2,987,419	177,382

[1] Barrels.

And be it always remembered that before the farmer receives his check or any benefit he must first surrender his liberty and submit to the arbitrary control of the Secretary of Agriculture.

Many people believe that President Roosevelt will be reelected, partially because of his winsome smile, his mellifluous voice and entrancing personality, because his sweet phrases and honeyed words have captured many silly sentimentalists; but more particularly because of the expenditure of enormous funds which Congress, much to its shame and lasting disgrace, wrongfully turned over to him. In the Seventy-third Congress the President was given $3,300,000,000, while at the first session of this Congress, because of pressure from the White House and other sources, he was voted $4,880,000,000, ostensibly for relief, but in reality to use as a slush fund. I was honored by my Republican colleagues over a year ago by being chosen in caucus to lead the fight on the floor of the House against this huge sum of money being turned over to the President without any strings to it or earmarks upon it; but with more than 3-to-1 Democratic majority, it passed the House under gag rule and with very little debate. What has occurred since then every person here and every person in every American community knows. When the truth is fully known and the history is accurately written, the foul and rotten mess called relief will stink to high heaven and the whole dirty business will go down as one of the blackest pages in American history. The poorest and neediest of our people have not received the help they deserve, while the white-collar political parasites have fattened off the taxpayers. Discrimination and favoritism have been shown on every hand, and, for the first time in political history, public funds have been used for political purposes and employed to build up a gigantic machine in every precinct and township of every city and county in the United States, that the American people might be bribed with their own money in order to perpetuate in power the present ignoble crowd of destroyers.

The wild, wasteful expenditures of the past 3 years on temporary and useless projects, on boondoggling activities of inefficient and irresponsible parties, has no justification in law, precedent, or morals. We have encouraged indolence by rewarding idleness, and are in danger of fostering a generation of beggars and mendicants. Before many people in the remotest corner of our Republic build a chicken coop or repair a fence they first write to their Representative in Congress to see if there isn't some New Deal agency or appropriation which will pay the expense of it. Everywhere there is an attitude of "give me, give me, give me", and a feeling on the part of many that the Government is separate and apart from themselves. There are too many grown-ups who do not yet realize that they, themselves, are the Government, and that the only place Uncle Sam can get any money is out of their pockets. No government can give to its people anything it does not take from them.

Many people are now helping to pay the bill without realizing it in the increased cost of living. Most taxes are not direct, but are invisible, and today we are taxed from the cradle to the grave. The sheets and blankets under which you slept last night, you were taxed for, you paid a duty on your tooth paste and shaving cream this morning, the shoes on your feet, the hat on your head, the automobile you drive, the gas and oil you put in it, your ticket to the movies, the cigarette you light—on all these things and a thousand other commodities you are taxed, taxed, and taxed again. Not only is there a tax on the bacon and bread you will eat today, but your wife's cosmetics, furs, and jewels, if she is lucky enough to possess them, are all taxed 10 percent, and when you fish, hunt, play tennis or golf, don't forget that you pay a tax on your gun, rod, club, and racquet.

At the present time we have a monstrous tax bill being debated in the House, which no Member of Congress understands but which is supposed to raise more than $800,000,000 annually. Many of us believe it will destroy corporations, large and small, and will wipe out the investments of stockholders. Of all the loosely drawn, intricate, and ambiguous pieces of New Deal legislation, this is

the most vague, indefinite, and uncertain. It will make good business for barristers, but the most expert Philadelphia lawyers would be unable to comprehend the meaning of such a jargon of unintelligible words. It would require an Einstein to understand the table of logarithms included in the bill, which was written by one of the "brain trusters"; and though it is estimated this measure will raise a little less than a billion dollars, President Roosevelt proposes to ask Congress to turn over to him before we adjourn this session an additional $1,500,000,000 for relief purposes. If money can buy an election, we do not have to wait until November to know what the results will be; but for myself, I have not lost all faith in the intelligence, character, and patriotism of the American people, and I am confident that at least the 300,000 native-born Americans in my district cannot be bought and sold as cattle and will never barter away their liberties.

In the name of philanthropy President Roosevelt and big Jim Farley are "playing politics with human misery." Under the guise of helping the people, these men, drunk with power and greedy for more, through the well-known practices of benevolent despots, are enslaving the American people. When will this patronizing paternalism cease? It is now only a short step to dictatorship in this country, and, though it is an old saying, it is still true that "eternal vigilance is the price of liberty."

In his speech the other night at Baltimore the President courted the favor of youth. Already this administration has allocated $47,000,000 to be spent in the National Youth Administration, and Harry Hopkins proposes to spend $75,000,000 more in order to win the votes of the young people of our Nation. I do not think that the youth of our country desire to be spoon fed, and certainly they should be taught the lessons of self-respect and self-reliance. They should be made to understand early in life that the best security in the world a man can win is the security he wins for himself, and that when he comes to depend upon another, decay sets in; and that a nation, like an individual, can rise and progress only by its own strength. The spirit of our ancestors still beats in the breasts of our courageous and dauntless youth who want no honors or profits without just competition, and who want to win their own laurels by performance of difficult tasks and rugged duties. Make them the beneficiaries or recipients of effortless jobs or Government doles and hand-outs and we shall soon have a race of softies, incapable of making advancement and unworthy of any noble achievement. The whole philosophy of this paternalistic administration blights the soul, destroys the character, weakens the will, and wrecks the life of individual men and women. Its damning influence will continue for years to come, even if stopped now, and if the policy is sanctioned and continued by the American people then all I can say is "God pity us."

Youth may not realize, but age knows, that the experiences in life remembered are the hard ones and that the greatest satisfaction is derived from the performance of difficult tasks. American youth does not want to be coddled, but will respond to any challenge where arduous effort and stern self-discipline are required. The road of life is covered with sandpaper as much as with velvet, and indeed no normal human being would always want to live the life of ease and luxury. Mr. Roosevelt's clever speech is all the more dangerous because of its adroitness. In his inflammatory manner he incites youth to social revolution by encouraging the ruthless impulses of their perplexed and bewildered minds. In his characteristic way he attempts to drive a wedge between youth and age, as he already has done between capital and labor, employer and employee, creditor and debtor. Perhaps the most dangerous element in his whole mistaken philosophy is the setting of class against class. There can be no restoration of prosperity in this country or any happiness or peace of mind among its citizens so long as such a false philosophy is followed.

What Mr. Roosevelt should have told the American youth gathered at Baltimore was that they, themselves, would be compelled for the rest of their lives to carry the heavy burden which the wild, reckless spending orgy of the New Deal is now heaping upon them. It is not old age but youth that is to be pitied today, because the younger generation and several generations yet unborn will unfortunately inherit this legacy of lunacy and debt. To the young voters of America I would warn that their Government, from the day they become taxpayers until the day they die, will be going down into their pockets to take a part of their weekly pay envelope to pay for the mad follies of this administration. Youth is the innocent but the sure and inescapable victim of the New Deal spending spree. Though Candidate Roosevelt promised the American people economy in government, he has spent as much in 3 years as President as was spent in the first 124 years of our history. No more money was spent from George Washington to Woodrow Wilson, from the adoption of the Constitution to the outbreak of the World War, than has been lavishly scattered and prodigally wasted by the "squandermaniacs" in Washington. After 3 years of extreme and unreasonable experimentation on 130,000,000 Americans, we still have 12,000,000 men out of employment, which is practically as many as when the New Deal was inaugurated. We have more than 20,000,000 people on the relief rolls, and our national debt has been increased from approximately twenty-two to thirty-two billions of dollars, far in excess of what it was at the close of the World War, which, be it remembered, our Democratic friends kept us out of. In other words, after increasing our national debt by $10,000,000,000, we are practically back where we started from, and the end of spending is not yet in sight. What temporary gains were made were due to artificial shots in the arm which have prolonged the malady. The pain is stopped for a while, but the disease lingers on. We will soon have no water left with which to prime the pump. The well is already dry. A false prosperity has been created by spending money we do not have and by placing a mortgage on our children. Our expenditures are now 40 percent greater than our revenues.

This means that regardless of which party wins the election this fall, increased taxes are inescapable unless we resort to inflation, more radical than we now have, which, of course, is repudiation of a solemn obligation. Already the United States Government has violated the sanctity of contract with its own citizenry and is it to be wondered that honest and intelligent people have had their faith in the rectitude and integrity of their Government shaken? Last January the President told us there would be no new taxes, but now he is asking for nearly $1,000,000,000 additional and would ask for much more were there not an election this fall. The uncertainty of the election is the only brake that now holds the President in check. Return Roosevelt to the White House and grant sanction to his dangerous policies and this Nation will be confronted with bankruptcy if not anarchy. There are only two things that can be done about a debt—one is to pay it, the other is not to pay it. If the debt is paid, naturally taxes will be greatly increased, and if there are no additional taxes, the debt will be repudiated by printing-press money.

I fully realize, as do you, that the world is now going through one of its periodic transitions. It is only natural, logical, and inevitable that following a catastrophe of such gigantic magnitude as the World War we should be compelled, as every other participant in that savage struggle that exacted such a toll in life and property, to make certain social and economic readjustments. Being a young man, I have no fear of new theories, and I am not afraid of experiments so long as they are reasonable and carried out on a small scale until their worth is proved. I also know we can never go back to the old order just as it was. New ideas cramp some peoples' minds just as new shoes hurt their feet but not so with me. I know that without change there would be no progress, but I am not going to mistake mere change for progress. Change can be for the worse as well as for the better. That is what has happened under the New Deal.

Though young and still full of the spirit of adventure and willing to take a chance, I am old-fashioned enough to believe with Patrick Henry that the "only way to judge the future is by the past. * * * The only lamp by which to guide our feet is the lamp of experience." Experience is on the side of the Constitution under which we have lived, prospered, and become the richest and happiest people on the face of the earth. For 150 years our American principles and traditions have been tested, and any institution that has lived for a long time has good arguments for its existence. The egoist with colossal conceit can sneeringly refer to the Supreme Court as belonging to the "horse and buggy" days, but that Court has a century and one-half's glorious history back of it, and is the defender of the rights of the people. There are certain principles which are unalterable and eternal. Truth never changes, and the truths enunciated in the Declaration of Independence and the Constitution of the United States are just as true today and just as much needed for the welfare of humanity as they were in the days of Thomas Jefferson and Alexander Hamilton. The principles of Free Masonry are just the same today as they were in the age of King Solomon or George Washington. The cardinal teachings of the Catholic Church are just the same and just as true at this hour as they were at the time of St. Peter or St. Thomas Aquinas. No one would want to repeal the Decalogue simply because it was written by Moses in the stone age. I prefer to follow experience rather than try every wild-eyed and unknown experiment. History is a better teacher than hysteria and much safer to follow. Whatever changes are necessary to bring back prosperity to a distressed, bewildered, and harassed people can be made without destroying the very foundations of our Government by abolishing the Supreme Court or wrecking the Constitution. One does not have to burn down his house to get rid of the mice in the pantry. One does not have to kill his dog in order to get rid of its fleas. In fact, a few fleas are good for any dog—they keep his mind off being a dog all the time.

My fellow countrymen, we have come to the parting of the ways. The issue is clear-cut. Today America stands at the crossroads. One path leads to constitutional, representative government such as we have always known and enjoyed; the other leads to a dictatorship of a European brand. The big question is, Shall America remain a democracy or become an autocracy? The issue is between slavery and freedom. After all, this country is ours, and those who govern us derive their just powers from the consent of the governed. They are not our masters, but our servants, subject always to our will, instead of our being subject to their capricious whims and fancies.

Those who condemn in wholesale manner the past and who have lost faith completely in our modern American system of government; those who are now preaching strange and spurious doctrines imported from abroad, and who would substitute new social theories and a different philosophy from any we have ever known, ask us what program we have to offer. First, let me say that if we had no program at all we should be fully justified, after our painful experience of the past 3 years, to rise up in a body and drive from the seats of the mighty those who are now prolonging this depression, holding the club of hunger over the heads of helpless people in their attempt to superimpose upon them a government totally foreign and altogether un-American. If a father should see his child rush on the tracks before an oncoming train, the first thing he would do would be to stop the child or rescue it

from its danger before sitting down and giving the child a long lecture enumerating the many reasons why it is dangerous to walk on railroad tracks. When a man's house is on fire, he doesn't sit down, draw plans, and figure out a detailed program contemplating just what kind of wallpaper or paint he shall use in the reconstruction and repair of his damaged edifice; the first thing he does is to put out the fire which threatens to destroy his domicile. Today America is on fire and the danger is so great that men and women, regardless of race, party, or creed, should vigorously put an immediate stop to the dangerous, destructive policies of the man in the White House. I believe in pouring the oil where the squeak is, and the big squeak in this administration is none other than Franklin Delano Roosevelt, who is more Delano than he is Roosevelt.

However, the Republican Party will have a constructive program which all America will know about, after we nominate our candidate for the Presidency and adopt a platform at Cleveland. There are 100 men in the Republican Party today who would be far superior in every way to the present leader of the American people. Without attempting to dictate in the slightest the planks that should be incorporated in our platform, I do submit a few suggestions:

In the first place, the Republican Party should refuse to sidestep, pussyfoot, or evade the big issue in this campaign and should wholly and uncompromisingly repudiate the underlying fundamental philosophy and the entire idiotic new social and economic theories of the New Deal. We should pledge ourselves to halt the concentration of power in a Federal bureaucracy and should restore the American system of an indestructible union of sovereign independent States, insisting upon States' rights and local responsibility.

We should cut the cost of government to the bone by actually abolishing New Deal alphabetical agencies and discharging a vast army of political parasites who are not needed for the useless tasks they perform today. We should insist upon balancing the Budget, not so much by increasing taxation but by a drastic reduction in governmental expenditures.

As always in the past we should now insist upon sound money, an honest dollar, establish our fiscal affairs upon a firm and fixed basis, and put an end to the constant tinkering with the currency and the flirtation with inflation.

We should continue to oppose the League of Nations, the World Court, and every movement that would embroil us in foreign entanglements.

We should take politics out of civil service and adhere to the merit system in the selection of Government employees. Since the inception of the merit system, the percentage of Government employees covered by it has steadily grown under every President, reaching a peak of 80 percent just prior to Roosevelt's inauguration. Under Jim Farley's bossism, the percentage abruptly sank to 57 percent. These figures tell the tale.

We should preach a doctrine of plenty rather than scarcity and assist agriculture not by reducing production, since all wealth is the result of production, but give the farmer a moratorium on his indebtedness at a lower rate of interest, reduce taxes on real estate, teach him diversification of farm activities, develop and expand both our domestic and export markets, and give him, as we have given labor and industry, a tariff sufficiently high to prohibit the importation of commodities which can be produced within the confines of our own country.

We should immediately take the Government out of competition with private enterprise and compel the Government in its building program to submit to the same rules and regulations imposed upon private business while completing the work it has already undertaken. Certainly we should not do as President Roosevelt—strangle the life out of business while at the same time demanding that business itself solve the grave problem of unemployment. We should reestablish common honesty and decency in Government by carrying out the assurance that the Government will no longer violate the sanctity of contract, but will keep its word with its own citizens.

We should advocate only a reasonable, workable, and constitutional social-security program embracing old-age pensions, unemployment insurance, assistance to dependent children, helpless cripples, the blind, and maternal welfare.

We should immediately insist that the administration of relief be returned to the various States and local communities. By so doing we should cut the cost of administration in two by discharging the thousands upon thousands of relief authorities who are now drawing good salaries for doing nothing, and the people who are really suffering would receive more than they now get.

We should plead with the American people to remember with some pride the old-fashioned virtues of their fathers; to develop once more the spirit of initiative and self-reliance, and instead of idleness and destruction to practice the homely virtues of thrift and industry.

Above all else, we should affirm our undying faith in the Supreme Court and pledge our lives, our fortunes, and our sacred honor to the preservation of the Constitution of the United States. On different occasions I have taken the oath to preserve, protect, and defend that sacred document. In my present office I have a vow in high heaven to uphold it. So has the President of the United States. I declare unto you, and do so deliberately, that any public official, whether he be potentate or pauper, whether he be President or police judge, who has taken that solemn oath in the presence of God and his fellow countrymen, who has sealed that oath with his lips on the Holy Bible, and who then ignores it or deliberately violates it—that official, regardless of his race, party, or creed, is guilty of treason, deserves impeachment, and should receive the eternal opprobrium of his fellow countrymen. I repeat what I said in this very room last February to the Association of Young Republicans of Missouri at their annual Lincoln Day banquet: "No man is better than his word."

Let us enter this campaign without any hope or expectation of personal gain or reward. What happens to me individually amounts to little; what happens to my country amounts to everything. We shall engage the enemy in battle, not for the sake of winning an election for the Republican Party nor with the intention of defeating the Democratic Party, but as lovers of liberty for all; and as true patriots, let us join hands and heads and hearts as we go forth to preserve America.

YOUNG AMERICA AND THE NEW DEAL

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting an address delivered by myself.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CALE of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me before the thirtieth annual Grant dinner commemorating the birth of Ulysses S. Grant, held by the Unconditional-Capitol City Republican Club and the Young Men's Republican Club of Albany, N. Y., on April 28:

Little persuasion was needed for me to accept your invitation to participate in this gathering. Two impelling reasons caused me to readily consent.

I am especially pleased to be with you tonight because you represent that organization formed over three score years ago to advance the election of Grant as President of the United States, who was to fulfill in a large measure the principles of liberty and equality voiced by the founder of our party, Abraham Lincoln. In this day of such uncertainty for the future of our country, today when there are those who for base, selfish, and political purposes would seek to arouse the hatred of class against class, today when there are some who would violate the sanctity of personal liberty and security, today when there are some who would flaunt the flag of communism and fascism in the face of real Americanism, who would by governmental edict seek to direct and control the lives and activities of all of our citizens, who would usurp unto themselves the legislative powers of the representatives of the people, and who would devitalize our highest Court which is and has been the guardian of the rights of our people today, when there are those who would seek to tear down and destroy those fundamentals of our Constitution that have made us a prosperous, a happy, and a secure people, it is a source of real inspiration to find that the young people of America, and more especially the young Republicans are as active and vigorous in their determination that the principles of Lincoln and Grant should be carried forward and made more secure as were your predecessors in their zeal for the election of Grant himself. I am proud to be with such an organization, it has strengthened my own confidence in our future welfare.

My further reason for quickly accepting your invitation is the opportunity it afforded me to revisit the scenes where I once studied law and learned something about our Constitution. It was here that I first learned of our three branches of Government—executive, legislative, and judicial—and that each of them had very positive, but limited powers. Here, too, did I learn of the inviolable right of a person to be secure in his person, his house, papers, and effects against unreasonable searches and seizures.

In this city did I become impressed with the right of our people to worship freely, to speak freely, and to write freely. And again, it was here that I was taught the mechanics of amending our Constitution, of the very definite and positive way in which it is to be changed if circumstances indicate that a change is needed.

In the past few years, having witnessed at first hand the open violation by the Democratic administration of these fundamentals of our basic law, principles which my father and my forefathers have enjoyed throughout the existence of our Nation, I have become more convinced than ever before that these are the groundwork of the success and happiness of our people and am unwilling that they should continue to be so openly and flagrantly desecrated without some effort on my part and the part of other young people of the country to stem the tide of rising socialism. And so, it is good to be in Albany again, to revisit the scenes of my legal training, and to again become imbued with the spirit that animated the founders of this Republic when they met in solemn sessions to formulate the Constitution.

Being somewhat youthful myself, I feel that perhaps it is not presumptious for me to speak in behalf of millions of young persons of the country, who of late, like myself, have become somewhat bewildered by the political tenets which we have heard mouthed so frequently. We have heard a good deal of the evils of the old order, of the reaction of the "Old Guard", and of the failure of our system to properly and fully safeguard the rights of our people. We have heard much about the Elysian fields of the New Deal, of the "more abundant life" that is assured to each of us, of the "planned economy" that a beneficent government is

going to prepare for us and of the "social rights" of mankind. Those who would seek to offer honest criticism of many of the nostrums of the New Deal and conscientiously oppose the extravagant spending orgy of the administration are named "tories", "reactionaries", or "backers of bloated bondholders." On the other hand, those who are most active and outspoken in behalf of this so-called new order are hailed as being divinely inspired, as a Moses leading the children of Israel out of the wilderness, and the liberator of humanity from the "shackles of entrenched greed."

With all these epithets and encomiums being hurled about us, it is small wonder that the youth of the country, having faith as it does in its fellow man and wanting to believe the things that it is told, is bewildered, confused, and at loss to know which to believe and which to discredit.

Young America has no delusions about either the Old Deal or the New Deal. Those who are honest with themselves, must admit that there have been grave abuses of public trust in the past; that the Government did not as fully take steps to protect the rights and interests of the common person as it might have. True, there were some instances in which the old order might have done better, but that does not mean that the whole American system, which is interwoven as an integral part of the old order, must be relegated into the discard and completely cast aside for this new concept of society that has swept Europe in recent years and has likewise become a component part of the New Deal. We are quite willing that the abuses of the past might be corrected, but we are entirely unwilling that their correction should be brought about at the expense of losing our heritage as American citizens. We do not ask that the hands of the clock be turned backward; but, much as we disapprove of the laissez faire of past days, we would greatly prefer it to the dark days of the medieval ages toward which this administration is rapidly and surely leading us, when man was but a puppet of the state, directed and controlled in all of his commonplace activities by edicts of the Crown, paying annual tribute at exorbitant rates to his overlord for the privilege of a bushel of grain and a hovel in which to sleep.

What is the basis of the charge against the Republican Party that it is dominated by the "Old Guard" and that it is the party of reaction? No one will deny that there are a few persons who have been dominant behind the scenes of our party's affairs for a great many years and who in a large degree are responsible for those failures of our party to fulfill the expectations of our voters in recent years. I speak of those who do not hold public office, but who, under cover of darkness and behind closed doors, gather for the selection of candidates and formulation of party principles. To me they are the "Old Guard", and the sooner they realize that their presence is no longer needed or wanted, the better it will be for the welfare of the Republican Party and of the Nation. It is not necessary to name names; they know themselves and should be ready to step aside while it can be done gracefully. But simply because a person is old and has been a Republican for a great many years and has been prominent in public affairs does not mean that he is a reactionary. Of course, my field in politics has been limited, but I can truthfully say that the Republican Members of Congress who are to my mind conservative to the degree of reaction can be counted on a single finger of a single hand. There may be instances in other legislative bodies and other public offices of persons of our party who are blind to progress; I do not know of them and certainly would not attempt to justify them.

As the youngest Republican in Congress and, but one, the youngest of the entire membership, I am proud to accept as my leader there BERTRAND H. SNELL, who has sat in the Halls of Congress for over a score of years, rendering invaluable service to his party and the Nation, fighting with vigor and determination only those measures of the New Deal that he believes to be obnoxious to Americanism. Surely it cannot be said that he is a reactionary or a Tory or blind to progress. Nor can it be said that he is deaf to the ideas of youth or to their participation in our party's councils, and in this I speak from experience. Never have I gone to him with a problem that confronted me but that he gave me the full benefit of his advice and experience. Never have I asked consideration from him but that he gave it to me without hesitation if he was able. Never has a conference of our party members been called but that the young members were included and given an opportunity to express themselves, and never have any of us been told how to vote. So far as I am concerned, I have no quarrel with the elder Republicans. I realize that we need the benefit of their experience, of their ability and counsel, just as I am convinced that if the Republican Party is to be successful there must be no failure or refusal to recognize the reasonable desires of the young Republican or resentment of his presence in the party conclaves. There is room for both the old and the young, there is a crying need for the presence of both in the management of our party's affairs, and unless cooperation between the two can be accomplished the future of the Republican Party is doomed.

The real difference between the Republican Party and the Democratic Party of today, as I see it, was very tersely spoken by the President in his Baltimore speech of 2 weeks ago when, in speaking of the loss by youth of its enthusiasm and ideals as it grows older, he said, "That is one reason why the world into which they go gets better so slowly." In all the history of the world there has been but one individual who, in the space of 3 youthful years was able to revolutionize the entire land in its moral and social concepts and even then the process of spreading the word of the Nazarene was long, protracted, and arduous, and even in this day, nearly 2,000 years since, the struggle for the existence of Christianity still goes on. Centuries were required to liberate man from the economic serfdom of the Dark Ages, gradually culminating in the formation of the Republic and the conception of our Constitution embodying the rights of the common man against autocracy either of government or of wealth. The world has gotten better slowly, but for the very reason of its slowness the betterment has become certain and more secure and will remain secure if the youth and persons of all ages will hold fast to the fundamentals of freedom and refuse to be carried away by the nostrums of those whose regard of themselves is a blasphemy of the Man of Galilee.

How is the enthusiasm of youth to attain quickly its ideals? No plan is offered to us that will not destroy our fundamental concepts of society. The counterpart of the Chief Executive, in speaking before the students of New York University a few days ago said, "The answer of the old school of economics isn't the one. There must be something else. I'm not here today to tell you what those changes will be because I don't know." Quite characteristic of the whole New Deal are those words, "Something is wrong with the system; we don't know what it is so we will discard the whole thing and try something new, something that we are not sure of but at least it is something different from what you have had."

Before we are ready to take something new we want to know that that something is going to leave us better than we were before. We do not want to experiment with ourselves or with the lives of our children. We want to be sure.

And therein is the general policy of the Republican Party now and throughout its history. It has not been blind to progress; in its conservatism it has waited until the new idea has been thoroughly discussed, completely understood, with the common conclusion that the remedy is sound, before it has taken the step. I am sure that the conservatism of our party, its caution and unwillingness to rush into unknown and untried ventures, no matter how romantic or idealistic they may have seemed, has been largely responsible for the prosperous history of our country and our people. We have no disagreement with the objectives of the President; we, too, would forever banish unemployment, want in reclining years, low wages, unhealthful working and living conditions. Our difference lies not in the objective but in the means of obtaining it. Many of us honestly are convinced that the policies of the past 3 years will defeat the very objectives we seek; that they will produce a less rather than a more abundant life; that honest business does not have a fair chance when government goes into competition with it or seeks to control it. There can be no social security without economic, business, industrial, and financial security, and we now have none of them.

In any fair appraisal of the New Deal it must be regarded not in the light of what it is now, but what it would have been had it not been for the Supreme Court. We must not quickly forget the N. R. A. and the A. A. A., through which the President sought to impose his revolution upon society. These are but two of the prominent vehicles of the New Deal; there are many others that are quietly carrying out their socialistic programs.

And so, when young America looks at the New Deal in its entirety, there is little in it that appeals to any of us who seek to achieve for ourselves the security of the average man. Strip it of its nice words and beautiful phrases and there will be found little to attract the young man whose goal in life is to have a job, a home, and a family, to save his earnings for the education of his children and for the care of himself in his old age, to perhaps rise above the level of his fellow worker if his ability, his ambition, and his enterprise will permit him to be carried to greater heights. The President very appropriately voiced the enthusiasm and ideals of youth when he said at Baltimore, "Your objective is an opportunity to make an honest living; a reasonable chance to improve your condition in life as you grow older; a practical assurance against want and suffering in your old age; and with it all the right to participate in the finer things of life—good health, clean amusement, and a part in the satisfactions of the arts, the sciences, and religion."

No one can take exception to that statement. That is just what we do want. Certainly living off our Government at subsistence wages of $44 per month will not give it to us. Certainly we cannot "improve our condition in life" if, as laborers, we are to be told the amount of our wages, the hours that we are to work, and that our chance of promotion is slight, or, as farmers, we are told where and what we are to sow and when and for how much we are to reap and sell our crops. Certainly we cannot "assure ourselves against want and suffering in our old age" if, as businessmen, we have the fingers of government continuously about our throat and are taxed to the breaking point to support the wanton, reckless, and profligate spending that all these experiments are costing. Certainly there is little incentive for any of us to work hard and to be thrifty, to make an honest living, when we are told that one out of every six persons in the country is in the employ of some government and that we are supporting them to the extent of 25 cents of every dollar that we earn.

Jobs are what we want, and not relief nor governmental paternalism. We know that industry cannot employ us so long as its activities are circumscribed by the strangle hold of an autocratic government and its lifeblood sapped by the exactions of a spendthrift but greedy rulership. It is only through private business that we can hope to get the kind of a job that will give us the things we want, but private employers, already burdened and restricted with handicaps of the New Deal legislation, are justly fearful of what new restraints may be placed upon them by this

administration. Industry is anxious to employ us, but it cannot add employees unless it can afford to pay them, and it cannot afford to pay until it is given an opportunity to make profits. Unemployment can never be corrected by government, only private industry can do that, no matter how many billions are spent by the Government in the attempt. Let government give business more than a "breathing spell"; let it go ahead and work out its own problems and become strong and healthy before it is again rolled into the operating room for further experimental mutilation. No one will deny that it is the duty of government to regulate business for the protection of the investor, the laborer, and the consumer, but a tyrannous interference with private enterprise can only end with disaster to us all.

The young man does not ask for much in this world. All we want is the same equality and the same opportunity to work and to save that our forefathers had. We do not want to be cut all according to the same pattern, as is the inescapable result of a regimented business. "Planned economy" and "governmental paternalism" may give us a little finer clothing, a little more food, and perhaps a nicer place in which to live, but all that will not be worth the sacrifice we must make. Rather would we be content with scanty clothing, meager food, and an humble home and know that the opportunity lies before us to rise to whatever heights our ambition, our self-reliance, our enterprise, and our thrift and ability may carry us than to have these finer things furnished us by a benevolent government but bought at the price of a broken morale, a stifled initiative, and a blurred vision.

Not only is the outlook dismal for those who seek employment but also for those who are fortunate enough to have a job when we consider the tremendous cost of all this New Deal experimentation and realize that some day we must foot the bill. When the New Dealers took over the Government in 1932 the national debt was approximately $21,000,000,000, but when they leave it at the end of this year it will be over $40,000,000,000. Year after year billions more were spent than were collected in taxes. In these days of mathematical hieroglyphics the meaning of a billion dollars has moved into obscurity. Reduce the term to minutes and you will perhaps a bit more readily understand the gigantic proportions of the word. The debt which Mr. Roosevelt will leave behind at the end of his first term has been increased by him to the extent of $20 for every minute since the birth of Christ and over $250 for every minute since our Government was created 150 years ago. To express it a bit differently so that we may fully appreciate what has happened, for every family in the United States Mr. Roosevelt has added the burden of paying over $600 more than that family was obligated to pay when he became President. This is what the New Deal has cost each one of us who is the head of a family, and this in spite of new taxes and increases in the old. It is the equivalent of a mortgage upon our home, our car, our savings account, our insurance, and our wages for all time in the future until the debt is repaid. The burden of repaying the debt does not rest upon the shoulders of those who are now doing the spending or benefiting by the money being spent, but will be borne by the young America of today and their children and grandchildren. Over a decade was necessary to reduce our national indebtedness by $12,000,000,000; by the same token scores of years must pass before this great burden is turned aside. The thrift and saving and hard work of all must be called into action. But we must not forget that we have obligations to others besides our Government. We have families, children to feed and clothe, to educate, and to establish in business or some other means of livelihood, and someday we, too, will be old and perhaps in want.

We do not object to the Government's caring for those who are in need and at the same time are unable to obtain employment. We are quite willing that they should be cared for, and believe that such is the duty of Government, but we are entirely unwilling either that the resources of the country should be enlisted to create and encourage a horde of people to continue to be dependent upon their Government so long as the flow of funds continue or that the Nation's wealth should be used to entrench any political party in the seats of government. Entrenched greed in business or industry, to us, is no different than entrenched partisanship. If the New Deal were guilty of no other violation of public trust deserving its ouster at the polls next November, the fact that it has used, and admittedly so, the moneys of the public designed for relief for the advancement of the cause of "new dealism" merits for them immediate ejection. Surely no fair-minded citizen, however partisan he may be, will permit such a flagrant abuse of public trust to continue.

Probably we would not have justification for complaint against the wanton and wasteful spending of our money if it were shown to have done some good and had in some measure corrected the evils against which they were directed. When the administration came into power the unemployed were numbered at some eight or nine million; today that number has swollen to over 11,000,000, and over 22,000,000 of persons are on relief. Spending the public moneys has not solved the problem, nor has regimentation of business and agriculture done it. There can be but one answer: Turn back to the States and the several localities the responsibility for caring for the needy and give business a chance to repair its own leaks that it may of itself absorb the unemployed.

If the Nation weathers the crisis now confronting it, the Constitution and the Union of States will be stronger than ever before. I have confidence that the American people inevitably will decide the right if they have all of the facts before them. Those who are on the paying end of the New Deal outnumber those on the receiving end, over three to one, and if the payers will combine their efforts and act together, the rescue can be made absolutely certain. It is our duty as young Republicans to not only acquaint ourselves of the true nature of the New Deal but to actively see that that information is passed on to others who might not know it. We must take an increased devotion to the cause of human freedom, individual liberty, and American civilization and pledge ourselves to complete the unfinished work remaining before us that we may hand down to our children's children the priceless heritage bequeathed to us. To those who would wreck the American system, let us say, "Thou shalt not destroy enterprise, ambition, and opportunity; thou shalt not crucify initiative and genius upon a cross of regimentation; thou shalt forever keep the gateway open to the youth of America."

PROGRESS AND DEVELOPMENT IN WATERWAY IMPROVEMENT

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my own remarks by inserting in the RECORD a speech by General Markham, Chief of Engineers, before the Rivers and Harbors Congress.

The SPEAKER. Is there objection?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by General Markham, Chief of Engineers, United States Army, before the National Rivers and Harbors Congress, April 27, 1936:

Mr. President, ladies, and gentlemen, it is again a privilege to appear before the membership of the National River and Harbor Congress and to describe briefly the progress and developments in waterway improvements since your last annual meeting. It is gratifying to appear before your Congress, as its influence has ever been progressive in the development of a comprehensive and intelligent permanent policy and improvement program for the utilization of our national water resources in the interest of the people as a whole.

During the past 3 years, with the exception of an item of $10,000,000 provided in the second deficiency appropriation of 1935, the funds for new work on river and harbor improvement have been provided entirely from the several emergency appropriations, and the regular departmental appropriations have been for maintenance operations only. These emergency funds have permitted an augmented program which has made possible the accelerated rate of progress in the completion of authorized projects. They have totaled $483,000,000, and have provided for the average direct employment of 55,000 persons, and for the indirect employment of at least that many more. In addition to the emergency funds, approximately $128,000,000 has been made available during the same period from regular appropriations for maintenance operations, making a total of $611,000,000 in 3 years, or more than $200,000,000 per year. The total water-borne commerce of the United States averaged more than 414,000,000 tons annually in the period.

We are particularly pleased that permanent worth-while improvements have been accomplished with these funds which, at the same time, have provided a substantial measure of employment relief, and have been of effective aid in stimulating the heavy construction industry.

We have recognized the desirability of undertaking our operations by contract whenever practicable and when satisfactory prices could be obtained. In spite of the difficulties in undertaking relief work by contract to meet the requirements of the relief program, we succeeded in preparing a form of contract for such work, with the approval of the Works Progress Administration, which has enabled the major portion of the relief work entrusted to our Department to be successfully executed by contract. In obtaining exemptions for certain skilled positions, and other minor adjustments necessitated by the relief requirements, we have had the full cooperation of the Works Progress Administration. During the past year 66 percent of the new work on river and harbor improvements was undertaken by contract, as compared with 34 percent with Government plant and hired labor. This represents almost a direct reversal of the percentage which obtained some 20 years ago which has been made possible by the cooperation of the contractors and their willingness to meet the requirements of the Department and at the same time to submit reasonable bids for the work in view.

The exigencies of the relief program during the past year again necessitated the prompt advertisement of work to provide immediate employment.

Many important projects were completed, to include the Delaware River from Philadelphia to the sea; the final completion of the last link in the intracoastal waterway along the Atlantic coast providing 1,360 miles of protected inner passage for small boats from the Delaware River to Miami, Fla.; the 25-foot channel in New Haven Harbor; the Raritan River to Arthur Kill Cut-off Channel in New York; the 32-foot Houston Ship Channel; and the Brazos Island Harbor entrance channel. Substantial progress was achieved at Boston Harbor; in the completion of highway and railway bridges across the Cape Cod Canal, and the enlargement of the canal dimensions; the improvement of the New York State Barge Canal; the New York and New Jersey Channel; the extension of the Delaware River improvement to Trenton; extension of the canalization project on the upper Mississippi River; the completion of the stabilization works on the Missouri River practi-

cally to Omaha; the replacement of six old dams on the Ohio River by two high dams with movable crests located at Montgomery Island and at Gallipolis; the extension of the breakwater at Los Angeles; the improvement of Tampa Harbor, Fla.; and a number of other important projects urgently needed in the interests of navigation. The upper Mississippi River improvement has advanced to a point where 3 years should witness its full completion; the Bonneville Dam on the Columbia River is well ahead of schedule. There has been no period in our history which has witnessed a comparable attainment in the development of our rivers and harbors.

During the next fiscal year there will be a return to the established system in which the new funds for river and harbor improvements are to be provided from the annual War Department appropriation. This will permit the selection of work to meet the urgent needs of navigation without prime importance being given to relief requirements, although, of course, that factor must be taken into consideration in the allocation of funds. It is understood that the conferees have agreed on a total appropriation of $161,670,899 for the preservation and maintenance of existing navigation works and new improvements, of which $115,000,000 will be available for new improvements. A large portion of those funds is required for the continuation of work now under way started with funds from the relief appropriations but not utilizable in its present condition. A small balance will be available to start work on new projects, and should suffice to meet the more pressing needs of navigation. The maintenance funds appear sufficient, with rigid care, to maintain project dimensions as required in the interests of commerce. Until the appropriation is definitely established the program for the next fiscal year cannot be definitely prepared, but its preparation will be governed by the requirements of navigation.

The Emergency Relief appropriations have also provided funds for a small number of flood-control projects to include the continuation of work on the Mississippi River and on the Sacramento River, authorized by Congress; a comprehensive program in the Muskingum conservancy district under cooperative agreement with that district; the construction of the joint navigation and flood-control dams at Fort Peck on the Missouri River, and near Grafton on the Tygart River; the Conchas Dam in New Mexico; the Sardis Dam in Mississippi; and a number of small levee and dike projects which were found to meet the requirements of the relief program.

The tremendous increase in flood damages throughout the United States which has inevitably resulted from the industrial development of our river basins, and the growth in population with corresponding increase in land values, has created a strong sentiment throughout the United States for participation by the Federal Government in flood-control work.

The Constitution of the United States has conferred on Congress the power "to regulate commerce with foreign nations and among the several States and with the Indian tribes." In the early days of the Republic, there was serious doubt whether this power to regulate included the right to improve, but the enlightened decision of Chief Justice Marshall in the case of Gibbons against Ogden established clearly and indubitably the exclusive power of Congress with respect to the interstate waterways of the country, and marked the birth of a permanent Federal policy of river and harbor improvements which has been expanded and more clearly defined from year to year with the advance of population and the increasing need for commercial transportation.

While the Constitution clearly gives Congress the power to authorize the National Government to improve waterways for navigation and interstate commerce, it has not been determined that the Government has responsibility for constructing flood works generally, and a Federal policy with respect thereto has never been enacted legislatively, although Congress has authorized the construction of protective works in certain specific cases to include the Sacramento River, the Lake Okeechobee project, and the Mississippi River project. Public opinion, now realizing the magnitude and extent of flood losses, appears to recognize that destructive floods, together with contributory conditions of land misuse, erosion, and accelerated run-off of rain water, the resulting siltation of streams and reservoirs and impairment of the navigability of rivers, which combine to upset orderly processes and to cause losses of life and property and the destruction of national resources, constitute a menace to national welfare. A strong public demand has developed for flood-prevention measures and the coordinated control of erosion and run-off to ameliorate soil erosion and to conserve water resources.

The investigation and improvement of rivers and other waterways by the Federal Government for flood control and other purposes are under the jurisdiction of, and are prosecuted by the War Department. Coordinate studies and construction activities on drainage basin lands and small headwater streams, including the construction of small ponds and check dams involving incidental flood control, but primarily for the purpose of silt control and soil and water conservation, are under the jurisdiction of, and are prosecuted by the Department of Agriculture.

There has been in the past no conflict, nor is there any occasion for conflict in the future, in the execution of the works charged to the two Departments. The theory has been advanced that a large number of small dams forming reservoirs with minor storage capacity far up on the headwater streams, together with check dams still farther up such headwater streams, will form a substitute for the major structures and great impoundments proposed for the control of floods on major streams. Headwater structures are of great utility in the conservation of soil, in reducing minor floods, and in subsidiary benefits to include the reduction of siltation in major reservoirs. However, they would not prevent the cataclysmic floods which have so dramatically impressed themselves on the country at large during recent months. This great downpour of waters may be controlled only by major engineering structures providing great impoundment areas, or by the construction of suitable works for the direct protection of definite areas.

The investigation developed by the War Department in its surveys authorized by Congress have found some 1,600 waterway projects, with a total construction cost of $8,000,000,000, including approximately 600 flood-control projects, with a construction cost of $1,160,000,000. More than one-half of these projects would not appear economically warranted at the present time, in that the estimated construction costs exceed the benefits derived therefrom. In many projects the advantages which would result from their construction accrue to the people in the immediate vicinity, and it would certainly appear that a proportion of their expense should be borne by the interests immediately benefited. Where localities directly benefited by remedial works cannot meet in full the cost of such works, the Federal Government might well participate generously. However, complete responsibility for such protection should not be placed on the Federal Government. We shall always have flood and drought, heat and cold, earthquake and wind, lightning and tidal wave, which are all too frequent in their afflictions. The Government cannot be an insurer of its citizens against the hazard of elements and cannot undertake to reimburse them for loss and damages incurred under such conditions, although it is chargeable with the rebuilding of public works and the humanitarian duty of relieving its citizens from distress.

General flood-control legislation is now receiving the consideration of Congress, although the policy of Congress with respect to the participation of the Federal Government has not as yet been indicated. It does seem axiomatic that States and other local authorities should supply all lands and assume financial responsibility for damages that may result from the construction of flood-control projects. It would be a far-reaching precedent for the Government to buy the land and property requisite for protective works to the end of increasing the value or security of the private lands and properties to be protected and most inadvisable for it in generously helping a given section of the country to render itself liable for consequential damages. There are many Federal activities which contribute to the general welfare of the country through the improvement of lands and streams which are more or less distinctive in character and are now being planned or prosecuted by a separate department or agency of the Government. Most of these activities differ to such a degree in their conception and their prosecution as to require very little coordination between the several agencies to make them effective and efficient. The Army Engineers of the War Department are concerned with public improvements for direct and immediate control of floods which may be accomplished by the construction of levees, the enlargement of the discharge capacity of the natural channels, the provision of means of escape by diversion from the main channels into emergency channels or excess flood waters, and the construction of reservoirs to withhold from the natural channels in excess of their discharge capacities these flood waters. General plans are available for projects for the direct control of floods over the United States, costing more than any amount which can reasonably be devoted to that purpose, including the rivers and localities where the recent devastating floods have caused such damages and disorders as to attract widespread public attention. Our organization is prepared to initiate and prosecute vigorously any flood-control measures which may be authorized by the Congress as the necessary funds are provided.

COINAGE OF 50-CENT PIECES COMMEMORATING ANNIVERSARY OF ADMISSION TO UNION OF STATE OF ARKANSAS

Mr. TERRY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 11688) providing for a change in the design of the 50-cent pieces authorized to be coined in commemoration of the one hundredth anniversary of the admission of the State of Arkansas into the Union.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. WOLCOTT. Mr. Speaker, I object.

Mr. TERRY. Will the gentleman reserve his objection?

Mr. WOLCOTT. I will withhold the objection.

Mr. TERRY. I hope the gentleman will not object to this bill being taken up now. It is for a 50-cent piece in commemoration of the one hundredth anniversary of the admission of the State of Arkansas into the Union. The celebration begins on the 2d of June. It is imperative that action be taken at this time, and I hope the gentleman will withdraw his objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. RICH. Reserving the right to object, I will not object to this bill, but this is about the fifteenth bill coming in here

authorizing the coinage of coins. It seems to me the administration should get these all together and do it at one time. It would save a lot of the time of the House.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Director of the Mint, with the approval of the Secretary of the Treasury, is authorized and directed to provide for a series of not more than three different designs of to be placed on the reverse side of the 50-cent pieces to be coined in accordance with the provisions of the act entitled "An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the admission of the State of Arkansas into the Union", approved May 14, 1934.

The United States shall not be subject to the expense of making the necessary dies and other preparations for such coinage.

With the following committee amendment:

Page 1, line 5, strike out "a series of not more than three different designs of" and insert "one additional design of not less than twenty-five thousand."

The committee amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to extend my own remarks made earlier today on the war-minerals bill and include certain excerpts from the hearings.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

MARINE CASUALTY INVESTIGATION BOARD

Mr. BLAND. Mr. Speaker, by authority of the Committee on Merchant Marine and Fisheries, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8599) to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board, and increase efficiency in administration of the steamboat-inspection laws, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. RICH. Mr. Speaker, reserving the right to object, is this new board that is to be created going to cost anything?

Mr. BLAND. I do not recall the cost. This bill passed the House at the last session. It is one of the safety-at-sea measures and provides for the reorganization of the Steamboat Inspection Service.

Mr. RICH. What is the new commission? Is that for the purpose of handling this reorganization?

Mr. BLAND. No. The bill changes the name of the present Bureau of Steamboat Inspection to that of Marine Inspection. The bill provides for traveling inspectors and also for a Marine Casualty Board where there are accidents.

Mr. RICH. Does it set up a new commission for that purpose?

Mr. BLAND. The Senate bill set up a permanent board. The House bill provided boards to investigate casualties as they arose.

Mr. RICH. Just remember that is another Democratic board.

Mr. BLAND. That is all right; we will remember what the Democrats do.

Mr. KENNEY. Mr. Speaker, reserving the right to object, does this bill affect radio operators on steamships?

Mr. BLAND. As amended by the Senate they are not affected. In the bill that passed the House they were brought under some regulation; I do not remember just what.

Mr. KENNEY. Mr. Speaker, I object.

THE ROBINSON-PATMAN BILL

Mr. KVALE. Mr. Speaker, I ask unanimous consent to extend my remarks by printing in the RECORD an address delivered by the junior Senator from Minnesota, Senator BENSON, on the subject of the Robinson-Patman bill over a Nation-wide radio hook-up on the evening of April 25 last.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KVALE. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following address by Senator ELMER A. BENSON, of Minnesota, made over the National Broadcasting Co. network on the evening of April 25:

I hope to speak tonight to an audience representative of this Nation's producers, consumers, and independent distributors. I feel that the farmers who produce the necessities of life, the consumers who buy, and the independent merchants who sell the necessities of life, and who are a vital part of the communities which they have helped to build, have a common interest in the passage at this session of Congress of the Robinson-Patman bill. In order that my discussion may be clear, in the few minutes allotted to me I want to ask and to answer these questions:

What is the merchandising situation in America, and how does that situation affect the producers, consumers, and independent merchants? What is the Robinson-Patman bill? Is it an anti-chain bill, or a chain-store tax bill, or simply an antitrust measure? What will the bill do if enacted into law? What evils will it cure? How do the trade practices that exist and the remedies this bill provides affect the producer? How do they affect the consumer? How will this bill affect the independent merchants and the cities, towns, and villages they have helped to build?

Let's deal first with the merchandising situation in America. The great majority of manufacturers, processors, brokers, cooperatives, and independent merchants in this country are comparatively small independents, without spokesmen through any powerful lobby, and with no voice except through their own respective trade associations.

There are 5,000 large wholesalers in this country. There are 750 large and powerful chain-store systems. In all there are 7,061 chain-store organizations.

Seventy-five percent of the retail business done in America is done by the independent retailers, so 75 percent of the wholesalers and brokers and manufacturers are dependent upon the success of the independent retailer for the successful sale of their products.

There are over 50,000 manufacturers, processors, canners, packers, refiners, and converters. There are over 1,500 large general food brokers. There are 5,000 large wholesale grocers in 2,200 distributing centers. There are 1,544,000 independent merchants throughout this Nation facing extermination and 3,870 chain-store owners doing the exterminating.

The owners of these chain stores, that do less than one-fourth of the Nation's retail business, have thrown a smoke screen about the controversy over the Robinson-Patman bill. They have tried to make the Nation's consumers believe that the recipients of unfair price discrimination are the people of the country and that you as consumers get the benefit of the chiseling done among chiselers.

Let me quote some facts from the last complete United States retail census. In 1933 the independent merchants of America sold at retail $18,000,000,000 worth of goods. The chain stores of the country sold a little over $6,000,000,000 worth of goods in 1933, and the $6,000,000,000 that was paid by American consumers to chain stores represented 25 percent of all of the retail business done in the United States. That 25 percent of all of the money spent by the American people over the counters was headed into pockets of a few people in the large centers of population who own and dominate the chain-store systems. I did not say it all went into their pockets, but the profit on it did.

The 75 percent of the business that was done by independent merchants was shared by 1,500,000 proprietors of 1,349,337 stores. The 25 percent of the business that was done by the chains was done by 141,000 stores and shared by only 4,000 proprietors. On that 25 percent of the Nation's business they made a gross profit of over 26 percent. In my home State of Minnesota 30,416 independent merchants did a business of $450,000,000 in 1933 and 2,881 chain stores did a business of $103,000,000. Now, let us look to the trend of trade and industrial practices today.

This trend is for the manufacturer to make just enough of any commodity so that, under the mockery of an artificial law of supply and demand, he can sell this limited supply of the commodity at a padded price that will bring to him for the smallest investment and factory operation the highest and most exorbitant profit.

What is the eventual end of such a trend in such a system? The manufacturer will buy, not all that the country can produce but just enough of what the country can produce to provide just those articles that he will be able to sell at an exorbitant price. Then, because of his limited output, he will create an artificial scarcity. Because of this artificial scarcity, he will call upon the inoperative law of supply and demand as an excuse to raise his price beyond the reach of the common man.

The wealthier few who can pay the exorbitant prices that result from the artificial scarcity will make him more money operating his factory a quarter of capacity than he could make if he operated it at full capacity, produced four times as much, employed four times as many men. The farmer, the producer, will have no place to sell the things he produces, because the majority of workers will have nothing with which to buy them.

The vast majority will have no place to work to make the money to pay for things to wear and eat, and the vast majority of farmers will have no place to sell the things they raise. This is the philosophy of the favored few and the philosophy of chain-store practices. These practices are only an example in this trend of our economy of scarcity.

The vast chain-store enterprises in this country represent seven or eight billions of dollars. They are consolidating in the hands of a few a wealth far greater than the entire outlay of the United States Government for the relief of one-fifth of the Nation's population. These chains are today conducting a united and organized lobby, virtually as powerful, and surely as sinister, as was the notorious utility-holding-company lobby that was exposed in the last session of this Congress.

These chain-store interests and this chain-store lobby have set out to defeat the Robinson-Patman bill by two major pieces of trickery. First, they are attempting to arouse the consumers of this country to bitterness and antagonism toward the independent merchants who are their neighbors and friends, and who so often have been their patient creditors. They have tried to sell these consumers on the idea that the Robinson-Patman bill will increase the prices they pay for the necessities of life. Permit me to say that it is as brazen a falsehood and as contemptible treachery as has ever been attempted by any lobby, because it seeks to aline friend against friend so that a few millionaire chain-store magnates may reach into the consumers' pockets for a few more dollars.

Second, the chain-store lobby has sought to convince the public of this country and the Congress that the bill puts a penalty on efficiency and seeks to eliminate competition. In other words, that it seeks to restrain artificially the progressive merchandising methods of chain stores and mail-order houses for someone's selfish protection.

The chain-store interests launched their attempt to fool and trick the consumers of this country along about the first of March. They flooded the country with propaganda charging that enactment of the Robinson-Patman bill will cost consumers of the United States $750,000,000 a year. This is a contemptible misrepresentation.

It is as contemptible as their closely allied efforts to sell the public on the idea that this is a bill to increase prices by increasing chain-store costs of operation. This bill does not put a penalty on efficiency.

It puts a penalty on crookedness.

It does not penalize any person or corporation, whether that person or corporation be a chain store, a mail-order house, a manufacturer, a wholesaler, or an independent merchant. I should have said it does not penalize any of them if they play square.

The Robinson-Patman bill is just what it is entitled. A bill to establish and require fair trade practices in merchandising. It provides no special privileges for the independent merchant that would be denied the multimillionaire operators of vast chain-store systems. It places no added burden on multimillionaire merchandisers, but it does outlaw robbery as robbery is now practiced by some of those merchandisers. It levies no tax on any store of any kind. It only guarantees to the independent and unorganized merchant the same rights that are accorded by some manufacturers to vast chain-store systems.

The Robinson-Patman bill does not compel any manufacturer or wholesaler to charge any higher price for any article to any chain-store system, but it does compel that seller to quote the same price for the same quantity to every independent merchant buying under the same conditions.

As the author of the bill, Congressman WRIGHT PATMAN, himself so clearly put it, under the Robinson-Patman bill a factory cannot sell 25 percent of its output to a chain-store corporation at a lower price than it charges independent merchants who buy the other 75 percent of that output.

Congressman PATMAN, using the chain-store propagandists' own figures, aptly cited that, if chain stores, doing 25 percent of the retail business in this country, can save American consumers $750,000,000 a year, then independent merchants, who do the other 75 percent of the Nation's retail business, can save the American consumer two and a quarter billion dollars a year when they receive the same price that the chain stores now receive through cheating rebates and chiseling subsidies.

The chain-store lobby is trying to tell you that a bill to require fair dealing will hurt the consumer. They might as well tell you that your electric-light rates would be lower if one vast utility combine controlled all the light plants in America. They might as well tell you that you would pay less for canned goods if one New York multimillionaire controlled all of the canning plants in America.

The Robinson-Patman bill protects the independent businessman and promotes individualism, and guarantees equality of opportunity, and encourages local ownership and control of business because it prevents monopoly. It operates the same as does any other antitrust act, and prohibits rebating and knocking off of millions of dollars to favorite merchandising combines, that must only be charged on to the bill of the less-favored merchant and unprotected retailer.

In 1 year one grocery chain-store corporation is reported to have received $8,000,000 in secret and confidential rebates, discounts, advertising allowances, and brokerage. Over half its net profits were obtained in advance by the rebate and discount methods of buying.

In 1930 this Wall Street chain store operated over 15,000 stores—an average of 5 stores per county for each of the 3,000 counties of the 48 States. It did a business that year of over $1,000,000,000—nearly 10 percent of the national food business of the United States. If that isn't approaching monopoly, I do not know a monopoly when I see it.

A special report of the United States retail census, a part of the census of American business, presents an analysis of the 1,526,119 stores enumerated in 1933 by types of operation, and plainly shows the trend toward monopoly by comparison with the figures for 1929.

The following summary table shows the number of stores and sales, by types of operation, in 1933 as compared with 1929:

Comparison of retail stores, by types of operation

Type	Number of stores		Percent change
	1933	1929	
United States total	1,526,119	1,543,158	−1.1
Independents	1,349,337	1,375,509	−2.0
Chains	141,603	148,037	−4.3
Direct selling	7,026	1,661	+323.0
Mail order	311	271	+15.0
Commissaries	2,719	1,347	+101.0
Utility-operated	4,127	4,053	+1.8
Other types	20,996	12,280	+71.0

	Sales (in thousands of dollars)				Percent change
	1933	Ratio	1929	Ratio	
United States total	25,037,225	100.0	49,114,653	100.0	−49.0
Independents	17,826,562	71.2	38,081,504	77.5	−53.2
Chains	6,312,769	25.2	9,834,846	20.0	−35.8
Direct selling	187,368	.7	93,961	.2	+99.4
Mail order	244,381	1.0	515,237	1.0	−52.6
Commissaries	95,578	.4	115,583	.3	−17.3
Utility-operated	76,079	.3	163,371	.3	−53.4
Other types	294,488	1.2	310,151	.7	−5.0

Shown for each type, in addition to the number of stores, are data covering volume sales, the number of proprietors, number of full-time employees, amount of pay roll, average annual earnings of full-time employees, and total reported expense. The latter is exclusive of any compensation or return for the services of proprietors engaged in their own stores, usually in lieu of employees.

In 1933 there were 26,000 fewer independent stores and 6,400 fewer chain stores than in 1929. On the other hand, there were 5,400 more direct-selling (house-to-house) retailers, 40 more mail-order houses, and about 10,000 more stores of other types, including leased departments, cooperatives, etc.

Discrimination against dealers is so extreme that thousands of dealers, we are told, are driven out of business. The strangle hold of these special privileges and sundry species of rebates is so complete that even half the competing manufacturers are driven out of business, and closed factories and closed stores add to the ranks of the unemployed.

I would like to quote a few lines of forgotten logic that were expressed by the Ohio State Supreme Court in its findings in the case of the *State ex rel.* v. *Standard Oil Co.* (Ohio, 49–137).

That supreme court said, "A society in which a few men are employers and the great body are merely employees or servants is not the most desirable in a republic, and it should be as much the policy of the law to multiply the numbers engaged in independent pursuits or in the profits of production as to cheapen the price to the consumer.

"Such policy would tend to an equality of fortunes among its citizens, thought to be so desirable in a republic, and lessen the amount of pauperism and crime."

The court then went on to cite that it mattered not how a monopoly be created, whether by patent or "by extensive combinations among those engaged in similar industries controlled by one manager." It added, with judicial foresight, "by the invariable laws of human nature, competition will be excluded and prices controlled in the interests of those connected with the combinations or trusts." Our present chain-store system has set up a series of Nation-wide practices that are as unjust to the independent merchants as they are costly to the public. What would you think of a merchant on the main street of your city or village who attempted such practices to his customers? Here is how it would work. How would you feel toward the merchant in your town if he had one price to the farmer with the 160-acre farm and one hired man and a higher price to 10 farmers with 80-acre farms and no hired men? How would you feel toward the merchant in your town if he had one price to 100 workers with pay checks of $100 a month and a lower price to the worker with a pay check of $200 a month? What would you do with that kind of a merchant?

Let us put it another way—use another homespun illustration. Let us say that four farmers, Olson, Brown, Jones, and Smith come into the back door of this merchant's office early in

the harvest season. They show him that they are hiring lots of men for the harvest, as they are the biggest farmers in the neighborhood. They make a little proposition. They say to the retailer, "We are your biggest customers. We will buy more groceries than any other 20 men in the neighborhood. If you make us the right kind of terms, we will buy all of our groceries from you for the fall and winter. But we will do a lot of talking to our neighbors and tell them what good groceries you have, so you figure out the best price and then knock off 10 percent additional from that price for the advertising we will give you, and we will close the deal."

Suppose this retail storekeeper sold all of these large orders for groceries at cost, less 10 percent for advertising, to Olson, Brown, Jones, and Smith. The retailer would have four large orders assured him every week for the fall and winter months. He would also have a lot of conversational advertising, but he would have no profit. So what would this storekeeper do then?

He would go into his private office and figure out just how much he was losing below what return he would have had if he had charged his regular margin of profit and overhead.

Then he would apportion that loss out according to the remainder of his probable business turn-over, spread it onto all of his other customers during the coming season. He would figure out just how much he would have to add to the price of the goods on his counter, the goods he was going to sell to the hundreds of men and women in your community, who were not favored members of the inner circle of the four wealthier farmers.

As soon as the merchant had this figured out you would see him go out to the store window and start changing the price tags in that window and the price tags on the shelves behind the counter. You know, as well as I do, that the change in those price tags would be upward, not downward.

You, my friends, would be paying throughout the fall and winter for the special privileges of Olson, Brown, Jones, and Smith.

When the Robinson-Patman bill seeks to prevent monopoly and prohibit special privilege and secret rebates, it is only protecting the consumer, the farmer, and the wage earner. It is only forcing all retail distributors to meet on an open and aboveboard basis of keen and honest competition where the same premium for efficiency and distribution will prevail.

Maybe the old-fashioned butcher boy used to weigh his thumb occasionally, but under the present system you, the public, are paying for weighing all the big thumbs in Wall Street.

The Department of Commerce has issued a report showing that on all purchases from chain stores in four large cities, more than 50 percent of the items sold were short in weight. This was far more than the short weight charged against independents. Seventy-six of the one hundred and twenty grocery manufacturers in this country admitted being forced to give some sort of unfair, preferential treatment to chain buyers, and 23 of them admitted that they were clubbed into the bargain they made.

Don't forget that today a lot of men who were prosperous merchants on our main street a few years ago, are now numbered among the 13,000,000 unemployed in this country. That is their thanks for helping to found and build pioneer towns.

Do not let the chain-store millions and their newspaper propaganda convince you that the mulcting, cheating tactics of the chain stores today are any benefit to the people of America. They are only silky words and distorted figures, attempting to prove to you that paying crooked bonuses from a corkscrew system is a benefit to the man who produces the stuff they sell and the man who pays his wages for it over the counter.

The chain-store lobby has tried to convince you that the chain stores pay higher wages to their employees than do the independent merchants. That too is untrue. An investigation made by the Federal Trade Commission for the United States Senate shows that 1,200 chains, operating 65,000 stores throughout this country, and employing nearly 300,000 people, paid an average wage of less than $21.50 a week. The average wage of independent-store employees was $28.50 a week.

The chain-store lobby does not tell you that the clerks and managers of most of the chain stores throughout the country have to pay, out of their salaries, for every wormy cabbage and every rabbit-bitten carrot, that the customer brings back. That is how the chain-store tactics affect labor.

Out of 26 tobacco manufacturers interviewed, 16 admitted they were clubbed into price preference by means of extra discounts, rebates, and other allowances. How did they make up this loss? By adding to the price they charge to the merchants who sell 75 percent of their output.

The chain stores club down the price they pay to the producers just as they club down the price they pay to the manufacturers. The manufacturer can add it on to the price he charges the independent merchants. But the producer who brings his butter or berries or vegetables to market comes without a club in his hand.

In the hearings, conducted by Congressman PATMAN in the House, a common practice in the berry-growing district was exposed. The first farmer in with six cases of berries on a morning when berries were selling for $3 a crate, received $3 a crate for his berries from the chain-store manager. The chain-store manager opened a crate and put 24 boxes in the widow with price cards on them at 10 cents a box.

As the sun came up other farmers arrived with their loads of berries. Berries were selling that day at $3 a crate. The chain-store manager would point to the window and say, "Why I am retailing at 10 cents a box or $2.40 a crate." Through these tactics he would force down the price to the farmers so that he would only pay $2 a crate, and then, after the morning's buying was over, the figure on the price card on the little boxes in the window would go up again. That is how the chain-store practices affect the producer.

But here is where the downright bribery comes in—and don't forget that when bribery is a common practice in business dealing, sooner or later you, the consumers, pay the cost.

The testimony in the recent American Safety Razor case of the Federal Trade Commission shows that in addition to a 10-percent special advertising allowance given chain drug and cigar stores, American Safety Razor Corporation sold the United Cigar Stores 20,000 shares of treasury common stock at the price of $47.50 per share, when at that time the market price of that stock on the New York Stock Exchange was $70 or more per share. Thus the American Safety Razor Corporation virtually handed to the United Cigar Stores $450,000 in cash as consideration for buying its product. There are no decisions at the present time which will serve as authority or precedent for the Commission to prevent such deals. The Robinson-Patman bill aims to correct just this situation.

If those who control the great purchasing power can continue unfairly to force rebates, allowances, discounts that have to be made up in charges to other customers, then what happens? Their competitors are forced out of business. Their own purchasing power is increased, and the grip of monopoly is tied about the throats of both the producers and consumers of America.

Let the large units of trade drive the small units out of existence, and then what? Complete monopoly with both producer and consumer at the mercy of that monopoly. For lack of competition the farmer then must sell at prices fixed by that monopoly or let his produce rot. For lack of competition the worker must buy at prices fixed by that monopoly or go hungry and cold. That, my friends, is price fixing.

The Robinson-Patman bill does not fix prices, but let the trend to monopoly continue and monopoly will fix prices.

Out in my own home State of Minnesota no more than 2 years ago, hundreds of our independent merchants became fearful when my party advocated a program of which this bill is a part.

Today those merchants look for their salvation to this measure * * * to its harnessing of monopoly * * * to its prohibition of avaricious special privilege, and its unscrupulous mulcting of the unprotected and unorganized. Today those merchants have learned who are their friends. They have learned that they cannot get a hearing in the great reactionary newspapers that defamed and vilified my party and the State administration that had striven to help them.

They have learned that those daily newspapers are published not for service but for profit. They have learned that those newspapers squeeze their fat profit out of advertising. They have learned that the fattest of those advertising profits come from the great banker-controlled chain stores. They have learned that the newspapers print what the monopolies want them to print and leave out what the monopolies want them to leave out.

What have you read in your daily newspapers about this fight for life of the independent merchants? I do not mean editorials. It would be too much to expect these profit-inspired and chain-store-dictated newspapers to set clever young men of their editorial writing staffs to work arguing for a bill that would rip the cheating privileges out of the hands of the rich monopolies.

I am not talking about editorials, I am talking about the news columns of those newspapers.

What do you read, even in the news columns, about this fight for life of the independent merchants?

Just a few weeks ago you had the perfect illustration of what I mean. Right here in Washington the independent merchants of America, the small businessmen of the Nation's large and small main streets, gathered for the biggest day of their organizational history. Every State in the Union was represented. The officials and duly chosen representatives of virtually every independent retail merchandizing group in the country participated. There were the retail druggists, the retail grocers, the retail fruit and vegetable dealers, the retail clothiers and hardware men, and tire sellers. They were the men and women who came from the sidewalks of our cities and from the corner stores and main streets of our towns and villages and from the farming communities. They came to organize to save themselves, their stores, towns, and communities, which they had helped to build, from chain-store extermination.

They came to Washington for what they termed their first national "independents day." They held their epoch-making Nation-wide conclave in historic Constitution Hall.

But what happened? Even the Washington dailies all but ignored their huge convention. And did any of the hundreds of newspapers throughout America send their army of Washington correspondents over to Constitution Hall to cover the convention?

If they did, I would like to know which one it was. I am sure that paper is not published in Minnesota. Why, the few straggling reporters that were ordered to run over to that great convention for a few moments and "look in on it" wandered about Constitution Hall with their faces pulled by that expression of utter desolation and disgust that marks a newspaperman's face only when he is sent to cover a story that he knows will never get in the paper.

Those delegates at Constitution Hall celebrating their "independents day" represented 1,500,000 independent merchants of America. Together with their employees and their families dependent upon them, they represented about 12,000,000 Americans.

On their platform program they had a half dozen distinguished speakers, any one of whom would have drawn a crowd of many thousands of listeners at any State fair in America.

But those speakers and those independent merchants talked in plain language about some delicate and startling subjects. They talked about secret rebates, and special discounts, and advertising allowances, and some of the other discriminations practiced and permitted to be practiced by the chain-store combines of this country. They talked about the Robinson-Patman bill that would cure those evils, stop those practices, and give the independents not one iota of advantage, but an even footing with the chains. They talked about a bill that would try to make the chain-store overlords as clean as they are clever, as honest as they are omnipotent, and as equitable as they are efficient.

So, my friends, they didn't get their doings put in the newspapers. If you do not think that chain-store practices have become recognized as an evil let me tell you that 26 of the 48 States, fearful of the loopholes that now lurk in our Federal law, have tried to establish fair-trade laws. Seventeen States have established chain-store tax laws and 19 others have tried to establish them.

The Robinson-Patman bill is not a tax bill. It does not levy a penny of tax nor a penny of penalty. It is a protective measure. It is a plug for the loophole of crooked merchandising, a loophole that only time and experience and our changed social and economic order has shown to exist in the present Clayton antitrust laws. It does prevent discrimination in prices where such discrimination does tend to create monopoly. That was the purpose of the Clayton Act, which this Robinson-Patman bill seeks to amend, and the Clayton Act is now 22 years old.

Most of the trick pamphlets and phoney arguments and misleading literature that has been scattered to the four winds of the country by the chain-store lobby holds up, to your horror and amazement, distorted versions of the language of the Robinson-Patman bill. Most of that language and those phrases with which they attempt to frighten you are the same language and the same phrases that for 22 years have been in the Clayton Antitrust Act.

It does not prevent discounts for advertising, provided the same discounts for advertising are allowed to little purchasers in the proportion to the goods they buy and the advertising they do.

A manufacturer can manufacture an entire year's output and sell it at a loss if he wants to, provided he takes the same loss on sales to the independent distributor that he takes in his sales to the chain-store and mail-order distributors.

And, finally, let me say the Robinson-Patman bill is not merely an anti-chain-store bill. The bill does not in any way attempt to change the business methods or practices within the chain-store systems, whether those practices be good or bad. It does not put any penalty on efficiency, either in manufacturing or distribution. It makes no differentiation between prices charged, just so the prices are equal on a corresponding quantity to every purchaser. It does not prevent the distributor or retailer, whether he be chain or independent, from passing along to the consumer every saving that efficiency can devise. It does not prevent quantity discounts. It does not fix prices. It does not prohibit anything except practices that destroy competition and bring about monopolies. The Robinson-Patman bill cannot injure any legitimate business or legitimate practices.

The opponents of this bill are those who bribe their favorite customers at the expense of the rank and file of their customers. They talk about the Robinson-Patman bill destroying equality of opportunity for young people. No agency in the American system of distribution has been any more destructive of opportunity for youth than the chain banks and chain enterprises who seek to regiment and standardize clerkships, counter salesmen, auditors, and store managers into a vast army of mediocre trade slaves, living on starvation wages, devoid of every iota of originality or independence.

If you believe that competition is the life of trade; if you believe in the policy of live and let live; if you believe it is the duty of government to protect the weak against the cheating and bribing of the strong; if you believe that all of the consumers in America should have a right to buy their goods in fair and open markets of trade; if you believe that the farmers' market gardeners and dairymen of the community should have a right to sell their products to their friends and neighbors and storekeepers who have helped them build their communities and towns, then you are an advocate of the Robinson-Patman bill.

I was born and lived all but a few years of my life in a small community in southwestern Minnesota. I have seen these independent merchants take the role of leadership in every movement for the betterment of that community.

These merchants and the townspeople and farmers for miles around worked hand in hand to build that community into a thriving town. These merchants and townspeople and farmers were friends and neighbors. They shared the good years and the bad; they contributed to community funds for harvest festivals and Fourth of July celebrations. They supported the churches and schools and public improvements. Whether they met at church or at the ballot box on election day, or at an auction sale, they were friends, and they shared their pride in the community. I do not want to see those 1,500,000 independent merchants exterminated by chain-store monopolies.

I do not want to see the 12,000,000 people who are dependent on them sacrificed on the block of discriminatory trade practices that any common man would just call cheating.

COMPENSATION OF DIVISION SUPERINTENDENTS AND OTHERS IN THE RAILWAY MAIL SERVICE

Mr. MEAD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10267) to provide for adjusting the compensation of division superintendents, assistant division superintendents, assistant superintendents at large, assistant superintendent in charge of car construction, chief clerks, assistant chief clerks, and clerks in charge of sections in offices of division superintendents in the Railway Mail Service, to correspond to the rates established by the Classification Act of 1923, as amended, with a Senate amendment, disagree to the Senate amendment, and ask for a conference.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, lines 3 and 4, strike out "with the concurrence of the Civil Service Commission."

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. BURCH, HILDEBRANDT, ROBERTSON, DOUTRICH, and GOODWIN.

HOURS OF DUTY OF POSTAL EMPLOYEES

Mr. MEAD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10193) to amend the act to fix the hours of duty of postal employees, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 9, strike out "weekly."

Mr. RICH. Mr. Speaker, will the gentleman explain what changes have been made in this bill by the Senate?

Mr. MEAD. The House bill designated these employees as weekly employees. The Senate struck out the word "weekly" and inserted "per diem." The department informs us the Senate amendment will in no way injure the administration of the bill.

Mr. SNELL. There are no weekly Democrats, either?

Mr. MEAD. No. It affects only 192 employees in the Mail Equipment Shop, mostly women. To identify them particularly we classified them as weekly workers. They are per diem workers. The Senate thought it was unnecessary to classify them as weekly workers.

Mr. RICH. In other words, you are cutting down the hours of labor from 44 to 40 and increasing the wages 10 percent.

Mr. MEAD. We did that in the 40-hour week bill, but this additional legislation was made necessary by a decision of the Comptroller of the Currency excluding this group from the operations of that bill.

Mr. RICH. The lowest pay any of them receive is $4.40 per day. You increase them 10 percent. The highest pay any of them receive is $12.60 a day and you increase them by 10 percent, too.

Mr. MEAD. And many of them have been borrowing money to live on since they suffered this cut.

Mr. RICH. There are lots of people in the gentleman's district and in my district borrowing money to live on, and they do not get as high wages as these people get without the increase.

Mr. MEAD. They do not have to pay the high rents we pay here in the District.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. STACK. Mr. Speaker, I ask unanimous consent that on tomorrow, May 1, after the reading of the Journal and the disposition of business on the Speaker's table I may address the House for 10 minutes.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to address the House for 10 minutes

tomorrow after the reading of the Journal and the disposition of business on the Speaker's table. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, and I shall not object, I would like to know from the majority leader what the program is going to be for tomorrow.

Mr. UMSTEAD. Mr. Speaker, reserving the right to object, and I shall not object to the request of the gentleman from Pennsylvania, we are about to begin the consideration of the appropriation bill for the Navy Department, and I hope, therefore, that no other request will be made which will delay the consideration of that bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to know whether the gentleman from Pennsylvania is going to rip up the Kelly machine that tried to defeat him and could not?

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, and I shall not object, I think it proper for me to make a statement, because it may give some information to Members who may be making plans for the remainder of the week. A situation has developed in the House where we think it very important that we finish the Navy appropriation bill as speedily as possible. I want to therefore give notice that it is the expectation to finish the Navy appropriation bill this week. I regret to announce that we expect to finish this bill by Saturday night. This is the first time during the session we have kept the Members here on Saturday, but we have reached the stage in our proceedings where it is necessary.

Mr. SNELL. Will the gentleman inform the House what it is expected to take up the first of next week?

Mr. BANKHEAD. For the present, unless some change in the program develops, Monday and Tuesday are regular calendar days. We hope to have the deficiency bill, the so-called relief bill, ready for consideration on Wednesday. It is our expectation to take that matter up next.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BOILEAU. Mr. Speaker, I desire to propound a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BOILEAU. I am advised by the Clerk that 218 Members have signed the petition to discharge the Rules Committee from further consideration of the resolution bringing up the Frazier-Lemke bill for consideration on the floor. May I ask the Speaker whether or not the petition is now completed and the matter on the calendar?

The SPEAKER. The motion is now on the calendar under the rules of the House.

Mr. BOILEAU. That is all I wanted to know.

MARINE CASUALTY INVESTIGATION BOARD

Mr. BLAND. Mr. Speaker, I wish to renew my previous request. The gentleman who interposed the objection has withdrawn his objection.

I ask unanimous consent, Mr. Speaker, to take from the Speaker's table the bill (H. R. 8599) to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board, and increase efficiency in administration of the steamboat-inspection laws, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Chair appointed the following conferees: Mr. BLAND, Mr. SIROVICH, Mr. RAMSPECK, Mr. LEHLBACH, and Mr. WELCH.

NAVAL APPROPRIATION BILL, 1937

Mr. UMSTEAD, from the Committee on Appropriations, reported the bill (H. R. 12527) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other purposes (Rept. No. 2548), which was read the first and second time, and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. UMSTEAD. Mr. Speaker, I move that the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 12527) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other purposes; and pending that, I ask unanimous consent that general debate on the bill may continue for the remainder of the day, one half of the time to be controlled by the gentleman from Michigan [Mr. MCLEOD] and the other half by myself.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 12527, with Mr. VINSON of Kentucky in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. UMSTEAD. Mr. Chairman, it is with profound regret that I announce the illness of the chairman of the Subcommittee on Naval Appropriations, the distinguished gentleman from Kentucky [Mr. CARY], who has for several months devoted a great deal of time and effort to the consideration of this bill. I deeply regret he is not able to be with us today and to have charge of the bill. However, he has prepared a statement in connection with this measure, and at this time, Mr. Chairman, I ask unanimous consent that the statement of the gentleman from Kentucky [Mr. CARY], chairman of the subcommittee, may be inserted in the RECORD at this point in the same type print in which it would appear if the gentleman had delivered the speech on the floor of the House.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. CARY. Mr. Chairman, ladies and gentlemen of the Congress, it becomes my duty at this time to present to you for your consideration the naval appropriation bill for the fiscal year 1937. Unfortunately and unavoidably this bill carries the largest appropriation of any annual naval supply measure ever presented to the Congress predicated upon estimates prepared in time of peace. This is to be regretted. You know and I know that every dollar spent for the habiliments of war is a wanton waste and an indictment against the civilization of the world.

The peoples of the earth seem to be straying far from the teachings of the Prince of Peace when he gave to the world the doctrine of "Peace on earth, good will toward men."

Americans are a peace-loving people. We are opposed to war, and have led the way for disarmament and peace of the world. Our teachings and examples have not been followed, and we are compelled to build a national defense at great cost. The disturbed condition of the world today is appalling. More men are under arms than at any time since the World War. The nations of Europe are facing relations more strained possibly than have ever before prevailed. It is fearful to think of what may happen in the near future.

Notwithstanding, we, as a people, have confidence in the ultimate triumph of sane, sensible, peaceful methods of settling differences between nations, yet in the present troubled state of the world we realize that armament cannot be dispensed with. The national-defense program of the present administration is absolutely necessary and far-sighted. It is for the purpose, and only for the purpose, of securing our peace, maintaining our security, and of deterring aggression.

I believe it is the duty of this Congress to build up our armed forces on land, in the air, and at sea commensurate with our needs to insure our national security—that is the aim of the present program.

We have not abandoned disarmament as the key to universal peace. I earnestly hope that we may continue to lead the way for the peace of the world and that the dream of disarmament may become a reality. If this can be done, the huge expenditures for armament may then cease and the greatest burden to humanity lifted and happiness brought to the people of all the earth.

Mr. Chairman, on November 12, 1921, the eyes of the world were focused upon this great city of Washington. An epochal event was about to transpire.

Here on that date were met leading statesmen and high-ranking naval officials of our own and foreign Governments for the express purpose of endeavoring by treaty to stop a race in naval armaments. We, with most of the other nations who took part in that meeting, were fresh from the great catastrophe of war. There was an earnest desire at that time by all the participants to bring about a treaty that would forever stop a mad race in world armament. It was a movement initiated by the Government of the United States, pursuant, I think it, but fair to say, to a provision carried in the Naval Appropriation Act approved July 12, 1921, whereby the Congress authorized and requested the President of the United States to take appropriate steps to bring about such a conference. This Government was interested at that time, as it has been ever since, in trying to show the nations of the earth the absolute folly of war and the preparation for war.

Our aims and our hopes, it seems to me, could not have been better expressed than by President Harding, who during the course of his address to the assembled delegates used these words:

> Out of the cataclysm of the World War came new fellowships, new convictions, new aspirations. It is ours to make the most of them. A world staggering with debt needs its burden lifted. Humanity which has been shocked by wanton destruction would minimize the agencies of that destruction. Contemplating the measureless cost of war and the continuing burden of armament, all thoughtful peoples wish for real limitation of armament and would like war outlawed. In soberest reflection the world's hundreds of millions who pay in peace and die in war wish our statesmen to turn the expenditures for destruction into means of construction aimed at a higher state for those who live and follow after.

Today, but little more than 14 years later, we seem to be upon the threshold of having those hopes and those aspirations, which offered so much in the promotion of international accord and good will, tossed aside despite all the ugly potential consequences with which all nations are fully familiar.

Ambition and greed, engendering fear, suspicion, and distrust, apparently remain entrenched—not only entrenched, but seemingly have gained a position of dominance. When these sinister obstacles to human progress and happiness dominate the policy of nations, the oppressive cost of war preparation becomes a secondary consideration. This undoubtedly is true with the nations of Europe at the present time. Insatiable avarice stops at nothing, not even war, with its appalling toll of human lives, its measureless cost, and the sorrow, misery, and distress which follow in its wake.

Because, my friends, suspicion and international distrust have been revived, or, possibly, have continued to survive, this bill we present to you today may mark another epoch, at least so far as our own Navy is concerned. It appears now likely that it will be the last measure to be written consecutively and completely within the circumscribing terms of an international agreement.

A lack of international accord or the lack of agreement such as we have had is not reflected in this measure. As to future measures, we must await upon the course of other powers. America will not lead in a naval race, but I do not entertain the slightest doubt that the American people are predominantly in favor of and will insist upon a navy second to none and one which at all times actually will observe the ratios established by the Washington Treaty of 1922.

Our existing policy is founded upon the Washington and London treaties. They will cease to be operative after the end of this calendar year. This bill is another step toward the attainment by 1942 of the maximum strength we are permitted to have under those agreements, all in under-age tonnage save capital ships. We are submitting a recommendation with respect to capital ships which I shall refer to later.

The size of this measure, I realize, is exceedingly disturbing to some people. Mr. Chairman, it is disturbing to me, and if anybody can show me wherein it may be appreciably reduced without in anywise doing harm to the sort of establishment we are endeavoring to build up I shall be most happy to have them come forward and do so. I am about persuaded that it just cannot be done.

When we consider these national-defense measures we should do well to remember Cromwell's oft-repeated admonition to his troops who were about to ford a swollen stream. Said Cromwell: "Put your trust in God, but be sure to keep your powder dry." To be prepared, my friends, in other words, for no one can forecast what might happen or when or in what quarter. The world is now in the midst of a swirling stream. Whether the dikes will hold or whether there will be a break here of there or all along the line God only knows.

Statesmen advised by naval experts not of our own Government alone but of the Governments of Great Britain, France, Italy, and Japan established and did agree to the principle that our Navy should be the equal of any other navy in the world, and that as to Japan the ratio should be as 5 is to 3. Certainly it is not unreasonable to seek to attain and maintain such a degree of preparation, particularly when we see cotreaty powers building up to the maximum fleets thus permitted. It would be unreasonable not to do so.

Any Member on this floor who has selected and sent to our Naval Academy the sons of persons who are in part responsible for that Member being here owes it to those boys and to the parents of those boys and to the communities from which they were chosen that they are not placed in a position where, if called upon to engage in battle in defense of America, they will be handicapped because, forsooth, that Member's naval interest, his interest in national defense, ceased with the exercise of that bit of patronage.

Where is your patriotism? It was John C. Calhoun who said that "protection and patriotism are reciprocal." You cannot profess to one and ignore the other. They go hand in hand and are inseparable.

When the Army bill was on the floor here I heard it suggested that the military part of it should be cut between a third and a fourth, that the money thus freed might be used to feed the hungry. That struck me as plain, unadulterated demagogy. Whether you believe in national defense or not, it is a fact that 85 percent of the money carried in this bill, not earmarked or allocated to pay, will be expended either directly or indirectly for personal services, and the same was true of the Army bill.

Those of us who, by reason of our committee assignments, are directly charged with dealing with national defense preparation frequently are asked against whom we are preparing, or, if we are not looking to a war of aggression, why need we further build up the existing establishments, or rather why should we not reduce them.

My answer to them is that America is not making preparation for war against any power, and America will never engage in a war of aggression, but, as Lord Byron once said, "The best prophet of the future is the past." We do not know, we cannot know, what tomorrow may bring forth, and I, for one, am unwilling to gamble with the security of this priceless heritage we have from our forefathers—these United States of America. However, I am not so national-defense minded, Mr. Chairman, that I am willing to underwrite every request for funds that may be presented. There is a phase to the stupendous expenditures that have been and are being made in the name of relief that to all persons who have a responsibility in connection with Federal budgeting is extremely disturbing. Not unlike the effect of the large war budgets, the recent availability of such vast sums for fighting the depression has led to a disregard of sound budgeting. It has created a sort of fiscal psychology in both

the legislative and executive branches of our Government which will take years completely to dissipate, but it must be dissipated if we ever are to bring expenditures within proper bounds. Now, I am a bit suspicious that our Navy friends have a touch of this easy-money mania. We are aiming to have a treaty Navy by the end of the fiscal year 1941. We have been told that such a Navy, upon attainment, will cost us $555,000,000 annually to maintain and operate, including the construction cost of replacement vessels and aircraft. I propose, and I hope you will join me, to keep that figure as the very maximum so long as we are not compelled to go beyond the size and kind of navy which that figure contemplates. I am inclined to believe that we can come well inside of it, and I certainly do not propose to let appropriations approach that maximum ahead of time.

In the consideration of the bill we are now presenting, with that figure of $555,000,000 having been supplied to us by the Chief of Naval Operations scarcely more than a year ago, we met with propositions which showed a disregard for such an ultimate maximum, and we have made reductions in this bill because of that fact. I wish to say to those of you who are opposed to large naval expenditures and to those of you who stand for a treaty navy, but who keep a weather eye on the cost, that you should keep this maximum figure in mind, and make inquiry as to all legislation proposed, whether or not it occasions an increase in any of the items contributing to the $555,000,000. All legislative proposals originating in the executive branch, to get by the Budget, must be found not to be in conflict with the administration's fiscal program. I suggest that we might very well adopt a similar policy and demand to know as to each piece of naval legislation presented here whether or not, if it should become law, it would mean adding to the cost of any of the component parts of the $555,000,000.

If you will look at the analysis of the large increase carried in the Budget over the current appropriations which I have made for you on page 2 of the report, you will see that a very large portion of it is responsive to recent legislation which it would not be possible to effectuate without adding materially to the cost of the Navy, both as regards matériel and personnel. This legislation we cannot view as a mere gesture. It becomes, when enacted, the last expression of the position of the Congress upon the matters to which it relates, and the Appropriations Committee cannot, as I see it, do more than see that appropriations asked to make it effective are no greater than necessary consistent with good business policy. So it seems to me, Mr. Chairman, when we bring bills in here and have them attacked because of their magnitude, it is very much like locking the barn door after the horse has gotten away.

The Budget increase of $60,315,324—net—is considerably more than accounted for by four propositions.

For the current fiscal year the appropriations were made looking to an enlisted force of 93,500 men by the end of the year. The average number we appropriated for was 88,000. For 1937 the Budget looks to closing the year with 100,000 enlisted men, the expansion to be so regulated, however, that the average number for the year will be 96,500. We therefore are called upon to appropriate for the full year for an additional 8,500 men, and the cost will be $10,527,114. During 1937 the number of vessels that will be in commission will increase from an average of 312.3 to 319.6. The number of operating airplanes are estimated to advance from 958 to 1,259. These factors, in conjunction with the policy not to have less than 85 percent of complement in any type of vessel, are responsible for this present request further to expand the enlisted strength.

The authorized enlisted strength of the Marine Corps is 20 percent of the authorized enlisted strength of the Navy, which is 137,485 men. That would make the authorized enlisted strength of the Marine Corps roundly 27,500. The enlisted strength of the Marine Corps, as you all know, has been held down by appropriations. For the present year the number is 16,000. For 1937 it is proposed that the number shall be gradually increased to 17,000, and we are asked to provide for the cost for the full year of one-half of the increase, or 500, which means an added expense of $429,904. The increase in the enlisted strength of the Marine Corps is required mainly to augment the Fleet Marine Force, which has an approved strength of 7,500 and an actual strength of 2,805, both figures being exclusive of aviation personnel. There is an additional demand, also, to supply marine complements for additional vessels that will be in commission.

Then, aside from enlisted men, it appeared necessary when the Budget was shaped to add another appointment to the Naval Academy, raising the number to five, which is the full number authorized by law. The need for this additional appointment was urged as essential to bring the line officer strength up to 6,531 by 1945. The number of line officers on September 30 last was 6,165. Four appointments are estimated to yield 521 graduates and five appointments 625. The number available for commissioning, however, runs about 84 percent, due largely to Staff Corps and Marine Corps demands. This annual yield, of course, is considerably offset by normal attrition, which, under present law, will assume larger proportions by reason of the extension of selection to encompass all grades from junior lieutenant to captain, both inclusive. In addition there are somewhere in the neighborhood of 500 over-age lieutenants and lieutenants (junior grade), who become extra numbers on July 1 next and will be retired when their commissioned service shall have amounted to 21 years and 14 years, respectively, which will occur between 1939 and 1941.

The cost of this proposal for 1937 was represented to be $589,937, exclusive of $147,000 under Public Works for additional dormitory space, to cost $750,000.

Very recently, and after the conclusion of the committee's hearings, the Department concluded to recommend a modification of the laws governing the selection and elimination of officers in the junior grades, and, if such a change be made, four appointments, in conjunction with other appointments authorized by law, will provide a flow of graduates adequate to meet all now apparent demands. Being thus advised, the committee has prepared this bill on the four-appointment basis, and, by so doing, has been able to make a reduction of $441,609. A portion of the Budget increase has not been disturbed because it appears that there will be a larger number of midshipmen at the Academy next year under the four-appointment arrangement than originally estimated.

These three personnel propositions which I have just discussed occasion an addition in the Budget over the current year of $12,068,755.

The fourth proposition, and the proposition which accounts for more than 80 percent of the net Budget increase of $60,000,000 plus, pertains to the shipbuilding program. The increase asked in the Budget is $49,595,000. I shall speak of that later when I speak of some of the reductions the committee has effected.

These four matters, Mr. Chairman, three involving personnel and one matériel, more than account for the net Budget increase. The other items, as I have already said, are itemized for you in our report, divided between personnel and matériel. They are offset by the considerably lesser amount we are asked to appropriate for public works.

I shall turn now to our committee action.

I have had the finest kind of cooperation from my committee colleagues, and we have worked out a bill which I should hesitate further to reduce in any direction for maintaining, supporting, or operating an establishment of the proportions to which we are committed. We have made a gross reduction of $23,805,119 and a net reduction of $18,522,592. You will find that all detailed in a table commencing on page 4 of the report. To be perfectly frank about it, however, as I have stated in the report, $15,000,000 of the reduction we have made definitely is a deferment, and, of the remainder, $1,722,950 may or may not be a permanent saving, depending upon food and fuel price trends.

It is not my purpose to discuss in great detail the changes we have made. The report possibly should suffice, but, with your indulgence, I shall take sufficient time to call attention to the most pronounced items.

NAVAL RESERVES

We have reduced the Naval Reserve estimate by $921,531. The estimates for this component came to us in the total figure of $8,790,000, which is a net increase over the current year of $1,437,175. I shall enumerate for you the principal items in that figure for which we have declined to recommend appropriations.

For giving 14 days' training duty to officers and men of the merchant marine. That would cost $226,798.

For bringing interior divisions to salt water for training instead of training them on the ships assigned to the Reserve on the Great Lakes. That would cost $44,632.

For giving a greater number of officers and enlisted men of the volunteer branch of the Reserve 14 days' training duty. That would cost $427,448.

For embarking on a new plan to give 45 days' training duty to 1,000 college students. That would cost initially $138,000.

This last proposition is an improvisation for an extension of the Naval R. O. T. C. law, which has a statutory limit of 1,200 trainees, 200 of whom are supposed to be allocated to the Marine Corps, but all appropriated by the Navy. The Congress having enacted legislation to provide the Navy with Reserve officers through the medium of R. O. T. C. schools, the committee has taken the position that if a need exists to expand that law, legislation should be sought, and that there should not be resort to the indirect way here proposed.

ORDNANCE

You will notice a sizable reduction we are proposing under the Ordnance Department. The Budget includes $2,372,000 for ordnance for the 1937 airplane procurements. We ascertained that 113 of those airplanes are not expected to be delivered prior to July 1, 1937, and the cost to supply the ordnance for those particular 113 planes is estimated to cost $1,205,933. Therefore, we have subtracted that amount from the estimate. There is no occasion to appropriate the money in advance of the fiscal year in which it will be expended.

The other reduction we have made is more or less arbitrary. I do not like arbitrary reductions and as a rule I am not disposed to resort to them, but we increased the current appropriation over the appropriation for 1935 by $11,154,400, and we just concluded that we would not recommend a further increase at this time. The current increase was occasioned by a number of projects, some new and of a confidential character, and others were made for projects which had been pinched by reason of inadequate prior appropriations.

The ordnance situation of the Navy, as a whole, is in a very satisfactory state, owing largely to the liberal policy the Congress has pursued in making provision for spares and reserves for new ships, the cost being lodged against ordnance funds for new ship construction.

PAY, SUBSISTENCE, AND TRANSPORTATION, NAVAL PERSONNEL

We have effected a number of reductions in the appropriations for pay, subsistence, and transportation of naval personnel, amounting, in the aggregate to $1,757,019. I shall merely mention the larger ones. Continuing the four-appointment arrangement to Annapolis, to which I have previously referred, accounts for $222,792 of it. We found the estimate for pay of enlisted men based upon a distribution in pay grade at variance with the distribution we were told a year ago had been employed in arriving at the whole annual cost of maintaining a Navy of full treaty proportions. Computing the present estimate on such a basis, and I know of no reason why we should not, yields a saving of $949,103.

Under the subsistence head we have made a reduction of $356,529, which may or may not prove to be a permanent saving. The estimate is based upon a ration cost of 47 cents. For the period July to September 1935, the ration actually cost 45.902 cents. We have employed that figure. If the cost goes up a deficiency appropriation will be in order because the components of the ration are fixed by law. Moreover, there is no disposition on anyone's part, I am sure, to economize at the expense of the soldier's or sailor's table.

The third and only other major reduction we have made under this personnel item of appropriation applies to transportation. The Budget allows an increase of $593,237, and we have cut that amount by $213,600, and here again arbitrarily, in a measure, at least, although in part justified by the pending reduction in rail and Pullman rates made subsequently to the submission of the Budget.

FUEL AND TRANSPORTATION

The bulk of the appropriation for fuel and transportation is expended for fuel oil. The estimate for 1937 is $9,800,000, which looks to the consumption of a greater quantity of fuel oil by 193,264 barrels, and an average price of 95 cents per barrel. Recent bids, however, show a marked downward trend for oil delivered on the west coast, on the strength of which the estimate has been recalculated, using an average price of 78.75 cents per barrel, which admits of a reduction of $1,312,540.

PUBLIC WORKS

For the current fiscal year $18,399,000 has been appropriated directly for naval public works. That figure includes $16,924,000 appropriated in the Second Deficiency Appropriation Act, fiscal year 1935. For 1937 the Budget proposes an appropriation of $5,000,000 toward the prosecution of projects estimated to cost $10,986,100, and in addition $260,000, to be charged to the naval hospital fund, for extending the main hospital building at San Diego, Calif.

The committee does not recommend the appropriation at this time of the amounts included in the estimates for the following projects:

Additional dormitory space at the Naval Academy	$147,000
Improvement of interior illumination, Naval Academy	121,500
Improvement of waterfront, naval operating base, Hampton Roads, Va	135,000
Naval model basin in the vicinity of the District of Columbia	1,881,200

The first item I have explained before. The next two items are in the desirable but not immediately necessary category. If the first item were of high priority, it would have been urged before this. The total cost of each of these two items is $270,000 and $300,000, respectively.

A bill authorizing the model basin has been passed by the House and Senate and was awaiting the approval of the President when our report was written. Until it becomes law the committee would be without authority to include in an appropriation bill funds for going ahead with the project.

The committee has added to the estimate $125,000 for extending the machine shop at the Norfolk Navy Yard. It is advised that this expenditure will be early repaid through economies resulting from more economical production facilities. It has made an addition of $150,000 for necessary work at the Mare Island Navy Yard preliminary to beginning construction of the graving dock at that establishment, authorized by the act of April 15, 1935, and it has made a draft of $295,000 upon the naval hospital fund, in addition to the $260,000 proposed in the Budget on account of the naval hospital at San Diego, to begin the construction of a new naval hospital in this city, which was authorized by the act entitled "An act to authorize the Secretary of the Navy to proceed with certain public works at the United States Naval Hospital, Washington, D. C.", approved February 25, 1931.

AVIATION

Taking into account contract authorization under the Budget estimate, there would be available for obligation on

account of Navy aviation during 1937, $6,587,690 more than is available for obligation the present fiscal year, the total proposed availability being $45,410,000. This increase divides principally between maintenance, which is increased $2,765,550, and new aircraft, where there is an increase of $3,618,340.

The maintenance item is stepped up very largely by reason of the expansion I have previously mentioned in the number of operating airplanes from 958 to 1,259. There also will be an appreciably heavier charge occasioned by the intensive overhaul program at the naval air station, Pensacola, because of the heavy training program.

The increase for new airplanes results from the planned procurement of a larger number of more expensive types. For the current year the appropriation and contract authorization were designed to procure 555 airplanes for the Regular Navy. It appears now that actual procurements will number 502. The 1937 Budget looks to the procurement of 333 airplanes for the Regular Navy.

At the time of the hearings 331 airplanes of the 502 to be bought for the present year had not been ordered, and there remained to be ordered 355 airplanes under appropriations or contract authorizations made or given prior to the fiscal year 1936. In other words, we ran into about the same situation as did the Army subcommittee headed by the distinguished gentleman from Arkansas, Mr. PARKS, who told us, if I remember correctly, that 752 airplanes for the Army, provided for as far back as 1933, remained undelivered. I do not see why we should become exercised about a shortage of planes and provide for more than we do when it appears that we are unable to get deliveries without long delays of those for which we do provide.

However, the Navy's plane situation, so far as numbers go, I should say is quite satisfactory. The estimate is that there will be 1,406 airplanes on hand on July 1, 1936. It is apparent from the airplane statement in the hearings, however—page 489—that they do possess too many different makes or models within the several types. This has meant expensive procurement initially through small orders, and it means expensive maintenance because of the variety of spares that must be carried and the diversity of types which repair forces are called upon to handle. This situation has been brought about by two factors, I should say. One, negotiated orders, which are now taboo, and the other the rapid advancement of the art. It does begin to look now, I am happy to say, like we are getting nearer to the point where we will have more planes of the several types of the same make.

The committee has made a reduction of $1,411,730 in the aviation estimate. We have made a lesser allowance by $141,730 for shore maintenance and operation, holding to current-year allocations, except as to Pensacola, where there naturally will be substantially greater activity.

One million dollars of the reduction is merely a switch from cash to contract authorization. Estimated delivery dates of the airplanes for which the estimate provides indicate that, roundly, $1,069,000 of cash will not be needed until after June 30, 1937.

The other item of reduction applies to two nonrigid airships, one to cost $70,000 and the other to cost $200,000. The committee of scientists appointed by the Secretary of the Navy more than a year ago to review and analyze the present situation as to design and construction of airships and to make recommendations as to future design and construction of airships has submitted its report, but the Department has come to no decision thereon. The committee has eliminated those two new nonrigids, believing that any further construction of any type of airship should await upon the policy recommended by the Department and approved by the Congress.

Now, I should like to refer to another matter touching aviation, upon which we are submitting a recommendation to you. The Vinson-Trammell Act carries authority for the construction or manufacture by the Government of airplanes authorized by such act and of the engines therefor. A P. W. A. allotment of $2,708,800 was made to the Navy for extending the facilities of the Naval Aircraft Factory at Philadelphia for the production of program airplanes and engines, the plant being already equipped for and engaged in airplane-overhaul work and equipped for building experimental or special types of airplanes other than engines. The funds allotted will equip the plant for engaging in airplane manufacture on a larger scale, but additional funds will be needed to engage in engine production or building airplanes other than of the training type.

The factory is now engaged in building 85 training planes and it is planned to build 100 engines for such airplanes of a patented design for which a royalty will have to be paid. The Navy has not engaged in building airplane engines. Considering royalty cost, inexperience, and limited production, the chances are that the Government will pay more for the engines than if it purchased them. The last training planes purchased, including engines and all equipment, cost $12,291 each.

To engage in the construction of other than training types of airplanes would necessitate the installation of further equipment and to build an engine of its own design would require the provision of considerable machine-tool equipment. The cost of the more complicated and expensive types of planes would be all out of proportion to the cost of planes commercially produced, because of the limited number that would be produced. For example, the present year, by increasing an order for torpedo bombing planes from 57 to 114, a saving of $800,000 was effected.

The committee believes that the Navy should not go beyond the manufacture of primary training airplanes—the simplest type—and should not engage in airplane-engine manufacture at all. It believes that the Government would save money by pursuing such a course; and, further, that it would save money if it would go out of the airplane-manufacturing business altogether. It should be borne in mind in this connection that private contractors are limited to a 10-percent profit by the Vinson-Trammell Act.

The committee has attached to the bill a limitation barring expenditures upon Government-built airplane engines, other than experimental engines, and Government-built airplanes, other than of the primary training type. So far as such a restriction affecting the work load at the Philadelphia plant is concerned, it was stated to the committee that the policy has been, and will be, to keep employment at the same level whether the factory be engaged upon manufacture or overhaul work. If there be less manufacture there will be less overhaul work sent to other overhaul establishments.

NEW SHIP CONSTRUCTION

Now, I wish to turn to the biggest single item in the bill. For building ships the Budget estimate is $182,500,000. This compares with $132,905,000 made available for the present fiscal year, including a reappropriation of $6,000,000, so we have practically a $50,000,000 increase.

Of the $182,500,000, $168,519,631 is for continuing work on or completing vessels now under construction and $13,980,369 is for beginning the construction of 6 submarines and 12 destroyers.

The portion for vessels now building will be applied to 88 vessels. Expenditures very probably will reach the peak during the ensuing fiscal year. The curve will start downward beginning July 1, 1937, and there will be an appreciable drop on July 1, 1938, irrespective of battleship replacement, which may then be confronting us.

Since the presentation of the Budget there has been concluded another naval conference from which has issued a new naval treaty, signed by the plenipotentiaries of our own Government and the Governments of France and Great Britain on March 25, 1936. The Washington Treaty, signed February 6, 1922, fixed the life of a battleship at 20 years. The London Naval Treaty, signed April 22, 1930, suspended the replacement of battleships during the life of that treaty, which expires December 31, 1936. The new naval treaty provides that a capital ship becomes over-age 26 years after its completion. However, after December 31, 1936, under the new treaty, if ratified, there will be no prohibition upon lay-

ing down new capital ships between 17,500 and 35,000 tons, and, if not ratified, no prohibition whatsoever as to ships of any category or character.

Applying the 26-year principle and the further principle of the Washington Treaty permitting the laying down of replacement tonnage 3 years before the vessels they replace become over-age, we have three battleships the replacement of which may be commenced at any time in the calendar year 1937, namely, the *Arkansas*, which will have been completed 26 years in 1938, and the *Texas* and *New York*, which will have been completed 26 years in 1940.

In view of the freedom of action permissible as to battleship replacement after December 31, 1936, and the evident determination of our Government, voiced in the Vinson-Trammel Act of March 27, 1934, and in subsequent legislation, to maintain a navy second to none, the committee feels that the means should be available for matching any battleship construction that may be undertaken by any of the other signatory powers to the London Treaty, signed April 22, 1930, or to the new treaty, signed March 25, 1936. The committee is unwilling to recommend that our Navy Department be given carte blanche to go ahead with the replacement of battleships. Our Government, which has taken the lead in moves to contribute to the maintenance of the general peace and to reduce the burdens of competition in armament, should be the last to take the initiative, but neither should we permit ourselves to become laggards again, as was the case following the Washington Treaty of 1922, so well shown in the table commencing on page 79 of the hearings. Therefore, the committee has made provision in the bill for the commencement of not more than two capital ships, as replacements of over-age capital ships, to be undertaken only in the event that capital-ship replacement construction is commenced by any of the other signatory powers to the treaty for the limitation and reduction of naval armament signed at London, April 22, 1930.

Capital ships of 35,000 tons are estimated to cost upward of $51,000,000 apiece.

In addition to the appropriation requested for 1937, there will be available $33,397,868 of prior year appropriations and an amount upward of $26,000,000 of the N. R. A. allotment of 238,000,000. The total available for expenditure, therefore, will be roundly $242,500,000. The committee has reduced the estimate by $14,000,000, because it feels confident that actual Treasury withdrawals during the period of the fiscal year will not approach such total availability figure by at least the amount of the reduction indicated. If they should, our action would merely delay paying bills maturing on June 30, 1937, until the day following July 1, 1937, the first day of the next succeeding fiscal year.

A reduction of $14,690,000, proposed by the committee in the 1936 bill, was vociferously protested in several quarters, but the present hearings disclose that there will be an unexpended balance at the close of the present fiscal year of roundly $19,000,000 in excess of such amount.

The amount for initiating new construction—that is, $13,980,369—represents the first increment of $113,958,000 for building 6 submarines and 12 destroyers of not over 1,500 tons each. This will leave 23 destroyers and 8 submarines remaining to be initially appropriated for for replacing existing over-age tonnage in those two categories.

We are not allocating any money to the construction of new capital ships. If the construction of one or both is proceeded with, subject to the conditions we have provided, the money will need to be found within the total amount we are recommending for appropriation, which may or may not occasion some slowing down in the progress of work upon other vessels.

I very much deprecate the possibility of our having to engage in battleship construction. I had entertained the hope that there might be a continuation of the building holiday and that ultimately these enormously costly craft might pass out of the picture completely. Of course, it is possible yet that this hope may not be in vain.

STRATEGIC WAR MINERALS

The committee has made one appreciable addition to the Budget estimates. It has to do with the proposition presented last year, which the House approved, to enable the Navy to accumulate a reserve of strategic war minerals. Our esteemed colleague, Representative SCRUGHAM, of Nevada, is an authority on such matters, and I shall leave it to him, in his expert and inimitable way, to justify the item.

CONCLUSION

In conclusion, I wish to say a word about the new naval treaty concluded at London on March 25. While I can hardly profess complete surprise at the outcome, I must confess to a measure of disappointment. I had entertained the hope, and I may say that I had some basis for so doing, that irrespective of the unrest and disturbed conditions beyond our shores, a "good neighbor" solution might in the end prevail.

I was struck by this passage in Ambassador Davis' speech, made upon the signing of the treaty:

> I do not believe there is a single provision in this new treaty to which any naval power cannot agree, and it is hoped that all the other Washington treaty powers which are not signing this treaty today will later adhere.

Insofar as I can gather from newspaper accounts from a draft of the proposed treaty itself and from Mr. Davis' speech, I must confess that neither do I see why there should be any objection on the part of any power to subscribing to such a document. I can find little solace in it for those of us who sincerely would like to see a reduction in the cost of armament accomplished through international agreement; more vital and important now, perhaps, than when President Harding used the words in 1921, "A world staggering with debt needs its burden lifted." The only comfort I get out of this latest proposed accord is that it will serve as a bridge, as Mr. Davis says, "to future treaties of more far-reaching scope."

Mr. Chairman, at the proper place in the consideration of this bill, if I could be present, I should offer a way to attempt to cross that bridge. I believe that we ought to see that the door will be open at the first opportune moment for the maritime nations of the world again to gather to work out an agreement that actually will lead to a substantial reduction in our own and foreign naval budgets. I have not much faith in these overseas gatherings, though. There is a sort of atmosphere over there which I fear is not conducive to soberest reflection when it comes to dealing with a problem of this kind.

The amendment I should like to propose would follow very closely—almost to the letter—the provisions of section 9 of the Naval Appropriation Act approved July 12, 1921, and would read as follows:

> That the President of the United States is authorized and requested to invite the Governments of Great Britain, France, Germany, Italy, and Japan to send representatives to a conference, which shall be charged with the duty of promptly entering into an understanding or agreement by which the naval expenditures and building programs of each of said Governments, to wit, the United States, Great Britain, France, Germany, Italy, and Japan, shall be substantially reduced annually during the next 5 years to such an extent and upon such terms as may be agreed upon, which understanding or agreement is to be reported to the respective Governments for approval.

Mr. Chairman, I do not believe there is a man on this floor who would not support such an amendment. I am wholeheartedly in favor of a Navy for America absolutely second to none, but if we can have such a Navy for a third or a half or any fraction less than the cost we are now heading for, we should bend every effort—pursue any honorable course to accomplish that end. We owe it to our own America, we owe it to mankind the world over, not to let this great principle, initiated here in 1921, be defeated by the very influences it was conceived to overcome.

I thank you.

Mr. UMSTEAD. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. DARDEN].

Mr. DARDEN. Mr. Chairman, I shall not at this time attempt to discuss the measure under consideration. I have requested this opportunity for another purpose.

I want to say a few words about my friend, the late Col. Henry Latrobe Roosevelt, Assistant Secretary of the Navy. His work is finished, and while nothing that I may be able to say can add to the respect and esteem held for him by the naval forces of the United States, it is my desire to call his excellent record of service to the attention of the Congress.

Colonel Roosevelt entered the service of the United States in 1896, when he was admitted to the Naval Academy at the age of 17. Three years later he resigned to accept a commission as second lieutenant in the Marine Corps for service in the Spanish-American War.

He was immediately ordered to sea, and on the U. S. S. *Newark* and later on the U. S. S. *Mayflower* served off the coast of Cuba.

He was promoted to first lieutenant in 1900, and in 1902 was sent to the Philippines, where he served for 2 years with the marine brigade on duty there. While in the Philippines he was appointed assistant quartermaster, with the rank of captain, and it was in this branch that he continued.

From the Philippines he returned to Washington for duty at headquarters, but his service here was brief. He was soon to go to Panama with an expeditionary battalion on the U. S. S. *Columbia,* and later during 1906 and 1907 he performed expeditionary duty in Cuba.

In 1908 he was promoted to the rank of major and placed in command of the Marine Corps depot of supplies at San Francisco, where he remained until 1911, when he was again ordered to the Philippines as brigade quartermaster, where he remained until 1914, when he returned to headquarters here for a short time.

Upon the outbreak of the World War he was sent to the American Embassy in Paris for special duty having to do with the relief of American nationals stranded in Europe on account of the hostilities. Upon the completion of this work he again returned to Washington.

Nineteen hundred and sixteen and nineteen hundred and seventeen found him in Haiti, where from April 1916 to May 1917 he was a director in the Haitian Constabulary, with the rank of colonel and inspector general.

When the United States entered the war he was ordered home and sent to Quantico, where as quartermaster of marine barracks he rendered great service in the construction and maintenance of that important post. He was promoted to the rank of lieutenant colonel in 1919 and in 1920 he resigned to enter private business.

On March 17, 1933, he was appointed Assistant Secretary of the Navy, which post he held until he passed away a few weeks ago.

He brought to his work as Assistant Secretary an understanding of naval problems and a deep sympathy with the aims of the service. He was one of them and they loved him. It was my high privilege, as the Representative of a naval district and as a member of the Naval Committee of this body, to see much of him in the course of my work with the Navy Department. I found him generous and ever ready to help. He was intensely interested in improving the naval service in every possible manner.

He faithfully discharged the duties of his office through the most trying times. We are indebted to him for a service which won the respect and admiration of all who knew him. The United States could ill afford to lose him. To his friends the loss is irreparable.

Mr. UMSTEAD. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I think the membership of the House owes much to the distinguished gentleman from North Carolina [Mr. UMSTEAD], who took charge of this bill as a pinch hitter for his colleague who became ill. The gentleman and his subcommittee have rendered splendid service in handling the measure and I am sure that not only all the members of the Committee on Appropriations, but the entire membership of the House appreciate their services.

Mr. Chairman, I desire to discuss for a few minutes the effects of a bill which we passed in 1923, known as the Reclassification Act. At the time this bill was before the House I then sounded the warning that Congress, by the passage of that act, was giving up its hold on the purse strings of the Treasury so far as the amounts of all salaries are concerned, and this warning has become true, in fact, by reason of the construction and manipulation of that measure. Sooner or later the Congress must repeal that act, and then fix salaries commensurate with the value of the service performed.

I called attention 2 or 3 years ago to the way it affected the Veterans' Administration. While there are some good law schools here, like Georgetown University and George Washington University, a lot of half-baked law colleges sprung up in Washington to grind out periodically a bunch of lawyerettes, who took law merely to increase their salaries under this 1923 Classification Act, and they never will be lawyers. I showed that $1,400 clerks in the Veterans' Administration, by getting a diploma from one of these so-called law colleges here, and getting the status of an attorney, although not prepared to try a case in court and never having been before a court to try a case, and without the knowledge or experience of being able to try a case efficiently, nevertheless became lawyers and automatically, under the act of 1923, their salaries were raised from $1,400 to $2,500, and then to $3,000 and $4,000 and $5,000 and $6,000, eventually, until at the time I checked it up 3 years ago and put their names in the RECORD, with the salaries they used to draw as clerks and the salaries they were then drawing as lawyers in the departments, there were 876 of these so-called lawyers then in the Veterans' Administration alone. I put in the names of several hundred of them who used to be $1,400 and $1,800 clerks, who, after getting their law licenses, drew salaries of $3,000 and $4,000, $5,000 and $6,000 a year apiece as half-baked lawyerettes.

This is the way this 1923 Reclassification Act has been debauched and used to defraud the Government with respect to every department and bureau of the Government. Check them up and in every bureau and in every commission and in every independent office and in every department of government you will find clerks who, through these so-called law colleges here, have secured law licenses and are called lawyers and have had their salaries raised two or three times to double and treble of what they really earn. I could give you a list of them that would astonish you.

I have carefully checked up this 1923 Reclassification Act with respect to the District government. Please get our hearings and see how salaries have been doubled and even trebled since 1923. Did you know you have the highest-paid officials in the District government of any municipal government on earth? Check it up with all of the comparable cities. They have all had their salaries here doubled and more than doubled since 1923. I put an army of them in the hearings last year, giving their names and positions and showing what salaries they drew before the 1923 Reclassification Act and the salaries they have drawn under that act since 1923. And still they do not seem to be satisfied with their tremendously large unearned salaries. They are seeking extra outside remuneration.

Let me mention one of the municipal court judges here in Washington. Do you know that they are the court of lowest jurisdiction and rank with the ordinary justice of the peace or county court judge in some of the States? It has the lowest jurisdiction of any court in Washington. They try civil cases only involving amounts from $1 to $1,000 which is the extent of their jurisdiction. They try no criminal cases, and yet these municipal judges of minor importance have succeeded in getting themselves graded under this 1923 Classification Act until they draw $8,000 a year, when, in a great majority of States of the Union, the circuit judges get only about $4,500 a year, and these circuit judges

in States have unlimited jurisdiction and try men for their lives and try cases involving property rights amounting to millions of dollars. One of the best lawyers here in Washington told me this morning that if Congress were to reduce the salaries of these municipal court judges to $2,400 not one of them would resign, and that in his opinion they would be adequately paid. Yet under this Reclassification Act of 1923 they draw $8,000 per year.

The judges here who compare with our State circuit court judges presiding over courts of record are called supreme court judges. The higher or appellate court here is called the court of appeals, and your judges on the Court of Appeals for the District of Columbia get salaries of $12,500 a year. Think of it. How many supreme court judges in your State back home get as much as $12,500 a year? They are not satisfied with $12,500 salaries. Some of them have to deliver law lectures to these law schools for additional pay.

Later on, when I get time, I am going to put in the RECORD the names of some of them who are now getting pay from these law schools of local universities.

There are nine judges of this Supreme Court, or trial court, of the District of Columbia. The membership of this court was formerly not so large, and has been increased from time to time since I have been in Congress the judges claimed they were overworked. Yet we have found out that for several years seven out of those nine judges, getting salaries of $10,000 a year, have been hiring themselves out to these so-called law colleges in Washington for extra pay.

One of them called me up the other day and intimated that "Congress cannot control us, we are Federal judges." I said, "If you are Federal judges we have a law already that controls you, because Federal judges cannot accept outside employment."

Reverting again to our municipal court judges who get $8,000 a year to do ordinary justice-of-the-peace work, we asked them to tell us whether they accepted outside employment, and what outside pay they received. One of them wrote in effect, "It is none of the business of Congress what we do after 4 o'clock." That is about the substance of what he said although he couched his contempt for Congress in diplomatic language. He contended that it was none of the business of Congress what he did after he got off the bench, but he would not tell us what college he was serving, or what outside pay he was getting.

Our committee brought him before us at a hearing, and I wish you could have heard the distinguished Republican member of our subcommittee, one of the ablest Members of the House, the gentleman from Pennsylvania [Mr. DITTER] [applause] during his questioning of this important judge.

I wish you could have heard him all through the examination of this judge. He twisted him up until the judge did not know whether he was "going or coming." [Laughter.] We ascertained finally that in addition to the $8,000 a year salary this municipal judge was drawing, he was also getting $800 a year for conducting a moot court at Columbus University; $500 for conducting a moot court for the National University; and $500 for conducting a moot court for the Howard University. That annually was in addition to the $8,000 salary he is drawing for running the municipal court in Washington.

The gentleman from Pennsylvania [Mr. DITTER] asked him if he did not think the people had a right to expect him when he got on the bench to have a clear mind and a rested body and not worked down by holding moot courts. He had the audacity to say it was very helpful to every judge to conduct such a court and come in contact with the young, embryo lawyers of the country.

We also had before us the acting corporation counsel of the District, Mr. West, who draws $7,000 as assistant corporation counsel for the city. We found out that in addition to getting $7,000 a year salary, he is teaching in the National University as an instructor in law. In addition to teaching there, he is appointed on the examining and grievance committee to examine lawyers. He not only teaches them but examines them to see whether they are good lawyers.

For that he admitted that he had already this year received $939, and he expected another division of fees for this fall's examination of about $900. He did not stop there. In addition to that, he said that he had been appointed by one of the judges on the bench here as a receiver in a case involving assets of $45,000 and that the usual receivership fee was 5 percent of the valuation of the property. So that 5 percent of $45,000 would be divided between him and his coreceivers. He receives $7,000 salary as assistant corporation counsel, and a salary for conducting the law school and $900 for examining lawyers and then the receivership fee on top of it. All Members of Congress had better quit sitting in this House of Representatives and get a job on these municipal and police court benches here if we want to make money. We could double our income if we could get out of Congress and get on one of these little municipal or police courts here.

That is not the main vice of it—this accepting of outside employment. I will show you what the main vice is. Do you know that in that corporation counsel's office we showed by him yesterday that if vacancies were filled they would have 19 lawyers—the corporation counsel and 18 assistants—and I guarantee to you that outside of New York and possibly 2 other States there are 45 States in the Union that have not as many lawyers in their attorney general's department as does the District of Columbia in its city attorney's office. I guarantee to you there are 45 States in the Union the personnel of whose attorney general's office, from the attorney general down to the lowest assistant, do not get salaries comparable to the salaries paid these assistant corporation counsel here in the District of Columbia. Here is a list of them and their salaries: Corporation counsel—now vacant—salary, $9,000.

List of assistant corporation counsel

	Salaries
Vernon E. West, principal assistant corporation counsel	$7,000
Hinman D. Folsom, special assistant corporation counsel	6,500
Walter L. Fowler, assistant corporation counsel	5,800
Elwood H. Seal, assistant corporation counsel	4,600
Chester H. Gray, assistant corporation counsel	4,600
Edward W. Thomas, assistant corporation counsel	4,000
Rice Hooe, assistant corporation counsel	3,800
William H. Wahly, assistant corporation counsel	3,800
(Vacant) assistant corporation counsel	3,600
T. Gillespie Walsh, assistant corporation counsel	3,600
Stanley DeNeale, assistant corporation counsel	3,300
Raymond Sparks, assistant corporation counsel	3,200
George Darrell Neilson, assistant corporation counsel	3,200
Edward M. Welliver, assistant corporation counsel	3,200
James W. Lauderdale, assistant corporation counsel	2,600
John O'Dea, assistant corporation counsel	2,600
Mr. Fee, junior attorney	2,600
W. J. Hogan, junior attorney	2,000

Show me the States that have more attorneys, with larger salaries in their attorney general's department of state, than are paid the city attorneys of Washington.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. UMSTEAD. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BLANTON. With your permission, later on I shall put into the RECORD a list of these many embryo so-called law colleges here that are grinding out these half-baked lawyerettes every month or two, and I shall show you the effect it has on the pay roll of the Government of the United States in all of its bureaus and departments.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. COX. With regard to the statement of the gentleman as to what he will insert in the RECORD, I have a feeling that the House ought to be indulgent and offer all possible encouragement to the gentleman and his committee, because they have to take the abuse of everybody in Washington with a grievance against the Congress. While the gentleman and his committee may sometimes find themselves discouraged in the thought that the House is not fully appreciative of their labor and is not giving them full support, nevertheless what the gentleman and his committee have done has

brought information to the House which I believe has created a sentiment that will support any proposal the gentleman might bring here looking toward the reform of the municipal government of the city of Washington.

In other words, speaking for myself, I have never been able to justify in my own mind the taxing of the people in the outlying area of the country for the support of the municipal government of Washington, and I believe if the gentleman can ever present the issue to the House the House will take action which will in effect wipe out all this Federal contribution we have been making for many years to the support of the municipal government.

Mr. BLANTON. I thank the gentleman for his contribution.

Mr. COX. There is not a great city in the country but would be glad to duplicate the entire governmental establishment we have here in Washington as an inducement to have the seat of government located in its midst. If it were not for the Government, the city of Washington would hardly be more than a crossroads town. The gentleman has the support of the country and, I think, this House in this fight he is making.

Mr. BLANTON. I thank the gentleman.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. DONDERO. For one who sits on this side of the aisle, I have always recognized the tireless energy of the gentleman from Texas. Was there any evidence as to the volume of work imposed on the district attorney's office as compared with an attorney general's office in a State?

Mr. BLANTON. In reply to the question asked by our distinguished colleague from Pennsylvania [Mr. DITTER], the acting corporation counsel said they were completely up with their work. They are completely up with their work and yet are always asking for an assistant down there, and put on two extra without authority from Congress, and still are teaching on the side, selling their services to law schools here. Why, there is one fellow down there practicing law, and he said that he takes care of all his clients, practicing on the side. We want to stop that and we are going to call on the House to help us stop it.

Mr. DONDERO. Does the gentleman mean that he is drawing a salary from the district attorney's office and still practicing law on the outside?

Mr. BLANTON. Yes.

Mr. DONDERO. In addition to that?

Mr. BLANTON. Yes. I mentioned also that the chief assistant, Mr. West, is getting a $7,000 salary, and gets pay for teaching in a law college, and is engaged in a receivership case which involved $45,000 worth of property, and also gets $900 twice a year on a law committee. I do not believe that a judge on a bench ought ever to engage in any outside business or engage in the sale of his services to anybody else. I was on the circuit bench for 8 years, and it took every moment of my time to properly discharge the duties of my office.

I did not have time to go out and act as receiver. I did not have time to go out and practice law. I did not have time to go out and lecture to a university law school. I did not have time to pass on examination papers for twice $900 a year. It took every minute of my time while I was on the circuit bench for 8 years to discharge my duties.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and put in some informative data that I expect to use.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to revise and extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. McLEOD. Mr. Chairman, I yield 20 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, I want to call to the attention of the membership of the House the Navy Department appropriation bill which we have before us this afternoon. The principal thing to which I want to direct attention is the increase in this appropriation this year over what it was a year ago. If the figures have been correctly given to me by the chief clerk of the Committee on Naval Affairs, the appropriation last year was $460,421,879. The appropriation asked in this bill at the present time is $532,785,807, or an increase of $72,363,928.

I do not know whether this is the beginning of a naval race, as far as a building program is concerned, or not. It evidently looks like it, however.

I want also to call your attention to the fact that the War Department appropriation last year was $422,896,470. This year the appropriation as it passed the House was $543,341,506, or an increase of $121,445,036. A great increase.

Mr. UMSTEAD. Mr. Chairman, will the gentleman yield?

Mr. RICH. I prefer not to yield until I give my statement with reference to the expenditures, and then I will yield to the gentleman if I have time.

Now, we have increased our appropriations very, very materially. We talk peace and prepare for war. In round figures, the appropriations for war have been increased over $300,000,000 over last year. I want it distinctly understood that I am in favor of adequate protection, but I have never been able to find anybody who could define that word. It is left to the discretion of the individual Members of the House to determine just what "adequate protection" means. I assure you that I will be the last man to vote for a war of aggression. I will take a great many insults, I might say, from foreign people before I would want to embroil our country in war, because I do not believe any question can be satisfactorily settled by taking up arms and trying to kill off the people of this world in order to settle a dispute.

I want to call the attention of the majority Members to a statement made by the majority leader, Mr. BANKHEAD, on yesterday, when he stated before this House that he was in favor of cutting down Government expenses. I want to call to the attention of the majority leader as well as the members of the various committees on the Democratic side of the House who have the influence to determine the legislation that is to be passed by this body, that you have increased the appropriation bills this year as follows:

The Department of Agriculture appropriation bill over $14,000,000; independent offices, over $75,000,000; Department of the Interior, over $4,000,000; Treasury and Post Office, over $29,000,000; State, Justice, Commerce, and Labor, over $8,000,000. Now remember the increases for the Army and the Navy.

In other words, in round figures, about $325,000,000 increases in appropriations this year by the House of Representatives over what they were a year ago.

I want to call the attention of the majority to the fact that in the Senate at the present time every one of the bills under consideration has been materially increased. A number of those bills are in conference at the present time. They are coming back to the floor of this House and the conferees will ask you to approve them. What are you going to do? The responsibility rests on this majority party. You can see by the votes in the last few days that when the orders come down the Avenue for you fellows to crack into line and put a certain bill through, like you did the tax bill yesterday, and such a ridiculous bill as it was, that you whip into line practically a hundred percent. That responsibility is yours, and you have to face your people back home when it comes to that.

Now, I want to call the attention of the Democratic Party to plank no. 1 of your platform:

> The Democratic Party solemnly promises, by appropriate action, to put into effect the principles, policies, and reforms herein advocated; and to eradicate the policies, methods, and practices herein condemned. First, we advocate an immediate and drastic reduction of Government expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance to accomplish a saving of not less than 25 percent in the cost of Federal Government; and we call upon the Democratic Party in the States to make zealous effort to achieve a proportionate result.

You also promised to balance the Budget. I wonder whether the members of the Democratic Party know what they are doing. The President of the United States said, "I stand by this platform and am for it 100 percent." The chairman of the Democratic National Committee, James A. Farley, who is also Postmaster General, and who is also State chairman of the Democratic Party of the State of New York—holding triple offices—also stands on that platform. I wonder whether that man even knows who the President of the United States is? [Laughter.] He promised economy, and he evidently does not know the meaning of the word.

I am going to quote to you from Mr. Farley. Speaking over a Nation-wide hook-up, Chairman James A. Farley, of the Democratic National Committee, on the night of November 9, 1932, the night after the Presidential election, said:

> You may be sure when Franklin D. Roosevelt makes a promise to an individual or to a Nation that promise will be fulfilled, for he makes none beyond his power to make his pledges come true. He is pledged to an economical and an efficient government of our national affairs. He will choose nobody incapable or unwilling to conduct the Government on that basis.

If Jim Farley knew who the President was in 1932, I wonder if he would recognize him if he walked past him on Pennsylvania Avenue knowing the promises contained in the Democratic platform and comparing them with actual results?

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. RICH. I cannot yield until I have finished this financial statement; then I will yield.

The results and the promises are as far apart as the North Pole is from the South Pole, as daylight is from darkness, as far apart as any contrast you may choose to make. Are we going to continue in this same direction? The President of the United States said on January 3:

> We are approaching a balanced Budget.

If anything was ever ridiculous, in my judgment, that is it. He knew better when he made the statement. If he would only refer to the daily statement of the United States Treasury, Mr. Morgenthau, Secretary of the Treasury—and I hold in my hand the one for April 24, 1936; I have referred in the past to the one for January 3, 1936—the President would know that his statement was not at all correct. I call your attention in this statement to the fact that the total receipts of the Federal Government for the year up to the present time is $3,294,634,000, the total expenditures are $5,874,203,000, the excess of expenditures over receipts is $2,579,529,000. I also call your attention to the fact that the national deficit at the present time is $31,436,531,000, in round figures, there being some odd dollars. On top of that, you must add $2,000,000,000 due to devaluation of gold that was spent and charged off the statement. This is an astounding figure, an astounding burden you are putting on the youth of this country when we today say we are not capable of shouldering it. How can they?

I have said before—I say it again—that we Members of Congress may not be fools, but we certainly do the things that fools would do. If anything is tending to wreck this Nation financially, this administration is doing it. I even had a Member of Congress say to me yesterday, and he is a Democratic Member, too: "I believe that the President of the United States has designs on trying to change our form of Government." I think the man was right; I think the man was sincere when he made that statement. I know this sentiment has been expressed not only by Republicans and Democrats in the House of Representatives, but by many people on the outside. I believe it; I believe it, and I have no hesitancy in saying so. I did not ride in here on President Roosevelt's coattails and do not need to apologize to him or anybody else for making the statement I just made. If I thought the man was honest, I could probably forgive him because he is so dumb, but if he is so dumb he cannot see the things that he is doing, and that he is trying to wreck our form of government, then I think it is time for the American people to wake up.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. RICH. I have a lot of things I want to say about this. I want to try to get the people of the country to realize what we are doing. I do not want so much the people of this country to hear me as I want the membership of this House to hear me. This is a serious, solemn time in the history of this Nation, most serious.

Mr. FOCHT. Mr. Chairman, will the gentleman yield?

Mr. RICH. I cannot yield.

Mr. FOCHT. The gentleman mentioned a change in the form of government. Just what form of government does the gentleman think he has in mind when he said that? Let us know the full scope of this matter.

Mr. RICH. He is directing us toward a Russianized soviet union of states, if I know anything about it. He is the dictator at the present time, but we are going beyond the point of dictation. We are going to get to the point where all the freedom of the American people is going to be lost. In 1776 we fought, for the freedom of America, the War of Independence. The ultimate object was freedom. The enlightened people of America say: "Oh, we will never stand for a Russianized form of government; we are too bright, too intelligent"; but I am telling you and the other Members of the House of Representatives that some of these days this thing is going to crush in on you, and it is going to wind you up so quick that you will be ground under the foot of a dictator. It will be most shocking to every Member of this Congress, because he has had a part in the legislation that was passed in the last 2 or 3 years, and you will all wonder why we have been so doggoned dumb as to pass a lot of this legislation. I am glad I voted against most of it, especially every act that has been declared by the Supreme Court unconstitutional.

Mr. BLANTON. Will the gentleman yield?

Mr. RICH. I cannot yield to the gentleman from Texas. I would have to yield first to the chairman of the committee. I am not going to yield to anyone until I yield to the chairman. Mr. Chairman, I am not going to yield this floor until I get all of this out of my system.

Mr. BLANTON. The gentleman would not refuse to yield to a pal, would he?

Mr. RICH. I am not going to yield to the gentleman from Texas; however, I have heard him condemn the things that are being done at the present time, and I do not want him to help me out, because Mr. Roosevelt might go down in his district and try to defeat him. He is too valuable a man to defeat. I want him to stay here to try to cut down Government expenses. [Applause.]

Mr. BLANTON. Will not my pal yield to a question?

Mr. RICH. The gentleman is too valuable a man, and I do not want to get him into trouble because of anything I may say. I will protect you from Mr. Roosevelt and Jim Farley.

Mr. BLANTON. Let me ask the gentleman just one question.

Mr. RICH. Mr. Chairman, I decline to yield.

Mr. Chairman, what would have happened if we had joined the League of Nations? You can see what has happened to the League of Nations in the past year when Italy defied the League and went down there in Africa to conquer Ethiopia, a little country in the northern part of Africa. If we had become a member of the League of Nations, we would be compelled to use this Navy for which we are appropriating money in this bill to go over there and defend those countries in Europe. We would probably have to spend three or four times as much money to build a bigger Navy. We would have to go over to those people and get involved in another world war, and we hope they will not become involved in a war over there. But in the meantime little Ethiopia must submit. Why? Because the League of Nations states they are powerless to do anything. If we were a member of the League of Nations, you can see how vital it would be to this country. We would either have to back down or we would have to go over there and fight a war. And what for? Why, to prevent Italy from conquering that little country, Ethiopia. You will remember the treaty that was made a few years ago, what we called the 5–5–3 ratio so far as the building of battleships was concerned. This treaty involves

England, Japan, and the United States. Well, Japan said, so far as the treaty was concerned, they were not going to abide by it, and started out to build battleships and cruisers. Consequently, they withdrew. England has started to build more battleships. What are we doing? We are now trying to follow the course of England and Japan by increasing our Navy. A naval race has started. What for, peace or war?

Mr. Chairman, if we were honest and conscientious in our endeavor to keep down governmental expenses, if we were sincere in trying to protect our shores, we would not do what is sought to be done by this naval appropriation bill. We are cutting down appropriations for aviation instead of increasing them, and we are increasing the appropriations for the building of battleships instead of cutting them down.

[Here the gavel fell.]

Mr. McLEOD. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. DITTER. Will the gentleman yield?

Mr. RICH. No; I have a lot more I want to say.

Mr. Chairman, if we wanted to protect our own shores, we would increase the appropriations for aviation. We would not increase the number of battleships. Why do we want these big battleships costing forty or fifty million dollars? Just so we can take our soldiers over to foreign shores to fight in foreign countries. We do not want to do that. We should protect our American shores; therefore we ought to increase our appropriations for aviation so that we can protect the Americans here at home. That is the thing that ought to be done. Protect our own shores from aggression by a foe, stay at home and attend to our own people and our own business, and we will have plenty to do. Let us be a peaceful nation. Be a friend to all the world.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield the gentleman 1 additional minute if he will yield to me for a question.

Mr. RICH. Mr. Chairman, in fairness to the chairman of the committee, I would have to yield to him, and if I had only 1 minute, I could not yield.

The CHAIRMAN. The gentleman declines to accept the time.

Mr. UMSTEAD. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Chairman, on April 2 the gentleman from New Jersey [Mr. LEHLBACH] addressed us on the evil of permitting our Postmaster General to act as National Democratic Chairman, and also upon an alleged spoils system adopted by the present administration.

In the record of the Republican National Committee the titles of vice chairman and acting chairman are so frequently used, and real chairmen are so well camouflaged by dummies, that the real chairman is hard to locate. However, it is very apparent that Postmaster Generals Payne, Cortelyou, and Hays at some time during their incumbency were chairmen of the Republican organization.

But is there any honest man who will deny even to himself that when Harry New and Walter Brown were Postmasters, and Harry Daugherty was Attorney General, they were not in truth and in fact the directing executives of the Republican organization?

These precedents are not given as a reason for the appointment of General Farley as Democratic Chairman. It will be a very hopeless day for this Republic when the Democratic Party models its governmental policy and shapes its ideas of public service after the conduct of the gentlemen who occupy the saddle whenever the Republican Party is in power.

The fact is that good public service occasionally requires that the National Chairman be given a fairly lucrative public position. Political chairmen are not orchids; they cannot gather sustenance from the air; they must have a substantial reliable means of support; and with this in mind, a party must choose for its chairman a man from one of three types:

First. One of sufficient wealth to have unlimited leisure.

Second. One who will obtain his livelihood either from private bribes, Government contracts, or from contributions to his party organization.

Third. One publicly and frankly on the governmental pay roll.

If we take the men of wealth and leisure, the unavoidable tendency will be to shower governmental favors on the social class of the party chairman.

If we require our chairman to get his pay either directly or indirectly from private sources, experience and common sense tell us that such contributions are seldom made from patriotic motives.

While the third choice—of putting our party chairman on the governmental pay roll—has its disadvantages, at least it reduces temptation to a minimum, while legal contracts with the Government are impossible. Such a public officer is also subject to exceptional public scrutiny because of an opportunity for making political capital out of his mistakes. This stimulus to efficiency should more than offset the time consumed in political activities.

POSTMASTER GENERAL FARLEY'S RECORD

The record of Postmaster General Farley gives no evidence of impaired public service. The last full year of Republican control—1932—showed a postal deficit of $153,000,000. The first full year of Democratic control—1934—showed a postal surplus of twelve million, although the postal receipts were $1,400,000 more in 1932 than in 1934.

Mr. LEHLBACH and Mr. KNUTSON rose.

Mr. HARLAN. I yield to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Does the gentleman know that two different systems of bookkeeping were employed by the Postmaster General under the Hoover administration and Postmaster General Farley, and does he not know that Postmaster General Farley charged off all franked mail and other services of a similar character which were included in the report of the Hoover Postmaster General?

Mr. HARLAN. In 1930 the method of accounting in the Post Office Department was changed by act of Congress (U. S. Code, ch. 39, sec. 793). At that time the franked mail and the different subsidies were taken off of the charge of the Post Office Department, but identically the same method of accounting whereby a Republican deficit of $153,000,000 was created in 1932 was used in 1934, when the Democratic surplus was realized.

I cannot yield further now, unless the gentleman can disprove that statement.

Mr. LEHLBACH. The gentleman is mistaken.

Mr. HARLAN. If the gentleman will investigate he will find I am not mistaken and that the change was made in 1930.

Mr. LEHLBACH. Yes; those items were segregated in 1930, but were not subtracted at that time.

Mr. HARLAN. Unfortunately the gentleman is wrong. The gentleman is usually so eminently correct in his statement of fact and even in his deductions when partisan politics are not involved that I regret his error here. He is merely repeating some false propaganda manufactured by the Republican committee. One short glance at General Brown's report in 1930 will show him that all such items, amounting to $40,000,000, were then subtracted and have been so ever since.

Again in 1935, after all salaries had been restored and drop-letter rates reduced one-third, a postal surplus of nearly $5,000,000 was recorded. These two surpluses have been the first ones in the Postal Department since the last Democratic administration of President Wilson, and they follow 12 years of Republican maladministration, when postal receipts were at their highest. In 1930, with receipts at a peak of over $705,000,000, our taxpayers paid a tribute to Republican inefficiency and/or corruption to the tune of a $58,000,000 net deficit, or $98,000,000 gross.

Yet the gentleman from New Jersey 4 years ago with equal zeal pointed with pride to the achievements of that administration and now views the present one with alarm.

PUBLIC INDIFFERENT TO POLITICS

Mr. Chairman, the overwhelming majority of our citizens are not interested in such flapdoodle. There are those who criticize this administration because they seek political suc-

cess for themselves. There are those who literally hate this administration because their style of playing the game has been somewhat cramped. There are those who by temperament fear the untried and constantly seek to hold back the sands of time.

Outside of these groups, criticism of this administration, even when based on facts, as it occasionally is, falls on deaf ears. They cannot hear the criticism because of the crescendo of accomplishment. They are proud of our President, his courage to try, his human touch, and the achievements of his Cabinet.

CIVIL SERVICE UNDER DEMOCRACY

The sensibilities of the gentleman from New Jersey are deeply offended by an imagined disregard of civil-service requirements. He says:

For the first time in half a century of civil service, protected employees in the regular departments of the Government have decreased instead of increased.

The truth is that the number of civil-service employees has actually increased instead of decreased during this administration; and if the number had decreased it would have been but one of 12 such events in the last half century. One of these decreases was from June 1932 to June 1933, 8 months of which were under Hoover, where 11,000 classified employees were discharged.

The best available estimates and figures show that our present classified employees exceed 459,000 as against 456,000 in June 1933, an increase of over 3,000 instead of a decrease, as alleged.

Mr. KNUTSON. Will the gentleman yield?

Mr. HARLAN. I yield.

Mr. KNUTSON. When did they raise the postage to 3 cents?

Mr. HARLAN. Under President Hoover, and it remained at 3 cents until 1934, when we reduced it to 2 cents for drop letters.

Mr. GIFFORD. Will the gentleman yield?

Mr. HARLAN. Yes.

Mr. GIFFORD. The gentleman has in mind the crippled service, especially in rural-district post offices.

Mr. HARLAN. Of course, there have been some anti-administration communities that have complained.

Mr. GIFFORD. Is not the gentleman aware of the order of the Postmaster General to close up these country post offices which have been closed?

Mr. UMSTEAD. I yield the gentleman 5 minutes more.

Mr. WEARIN. The gentleman is aware of the fact that the Post Office Department has been maintaining small, unprofitable post offices in some sections of the United States for political purposes, and the order of the Postmaster General was to eliminate those that were losing money, for the public interest, but he gave the same service through rural routes.

Mr. HARLAN. That is certainly true. Many rural offices were closed and better service given by putting them on rural routes. General Farley has lengthened those routes to take them out of horse-and-wagon age, recognizing that we now have automobiles.

It is true that from 1933 to 1934 the classified employees decreased in number 5,500, but let us recall that during that year the Post Office Department turned a deficit of $53,000,000 into a surplus of twelve million. This was partly done by reducing personnel by 17,000. This reduction was made, not to create spoils, as the gentleman's innuendo would indicate, but to effect an economy.

He states that all appointees of new agencies are outside of civil service. Either by act of Congress or through Executive order practically all positions in 13 of these agencies are now under civil service:

The Securities and Exchange Commission, the Federal Communications Commission, the Railroad Retirement Board, Bituminous Coal Commission, Motor Carrier Bureau of the Interstate Commerce Commission, Social Security Board, Labor Relations Board, Public Utility Regulation, Soil Conservation Service, Collectors of Cotton Statistics, Alien Property Custodian, Farm Credit Administration, United States Railroad Administration, and certain positions in the C. C. C. camps.

Three others, the Federal Housing Administration, the Tennessee Valley Authority, and the Resettlement Administration, are getting large numbers of employees from the civil-service lists; a third of the A. A. A. employees came from civil-service registers, and the Home Owners' Loan Corporation and Tennessee Valley Authority conduct their own examinations on a plan that will compare favorably with the civil service.

The gentleman complains that some of the departments have required congressional recommendations before making appointments. This is true as to a part of those appointments made outside of a civil-service or other examination. However, is there a sane executive, governmental or otherwise, anywhere that would not require his chief appointees, at least, to be sympathetic with his aims and purposes? That is just horse sense.

But to say that these clearances were solely on political lines is pure nonsense. In my district, the Third Ohio, one of the candidates for the Republican nomination for Congress was for some time employed by the Agriculture Department.

This condition is so uniform throughout the country that both in the Democratic congressional caucus and in our political organizations throughout the country there has repeatedly flared up so much resentment against the flood of Republican appointees as to reach the proportion of a revolt.

No higher proof of the nonpolitical character of these appointees is needed, also than the sub rosa and bitter complaints of Republican politicians that these appointments are undermining their own party by converting reactionaries into liberals. Congressional recommendation—yes, to determine the applicant's sympathy with the purposes of the position sought but not for political spoils.

The gentleman charges that barely more than half of our nonmilitary employees are under civil service. The best available figures show 57 percent classified. His inaccuracy there is pretty good for an election year.

However, Mr. Chairman, that low figure is obtained by including all the temporary employees of the different relief agencies, which, under present law, will soon be released. If these are eliminated the ratio of civil service to nonclassified employees would reach 70 percent, and, as shown before, is rapidly growing.

Democracy brought civil service into being after a 20-year battle with Republican carpetbagging, spoils, and corruption. No one with any true Democratic blood in his veins can help but regret the dire necessity that required the temporary partial setting aside of the civil-service system.

What was that necessity? The urgent and immediate need of relief. These administration agencies not only functioned to bring relief, but the individuals employed by the agencies themselves were taken from the unemployed.

To have thrown all of this employment under the civil service would have meant the practical creation of one more huge governmental agency and tragic delay. It would have meant employment entirely on the basis of merit, when need was the paramount issue. It would have meant employment by State quotas, when need did not follow State lines. It would have placed an arbitrary age limitation to all applicants when need recognized no such factors. It would have required all employees in the same classification to receive the same pay, when necessity required the spreading of employment to as large numbers as possible, with less pay in the emergency agencies than the regular establishments.

In short, to have complied with civil-service regulations and at the same time fight the depression in 1933 were wholly incompatible.

But those days are over. The civil service is being rapidly restored to its proper status and will remain so unless some succeeding Republican administration does as did President Harding—start it in reverse purely for political purposes.

History will record the Republican Party as one of the greatest enigmas of American institutions: Born of a love of human freedom, cradled in the highest idealism, composed of millions of our finest citizens, and given power when a combination of natural and economic forces irresistibly thrust prosperity upon us. Every element in its background and environment was favorable to an unblemished record.

Yet practically the only time its leadership has ever achieved the virtue cherished by its founders and professed in its preelection platforms is when it is out of office. From the terror and corruption of reconstruction days to the latest air-mail subsidy scandal, its leadership has taken to itself every sordid act of governmental debauchery recorded in Federal annals.

Nevertheless, it has continued to perpetuate itself in power because of the skillful dissemination of the legend that it was the cause, rather than one of the effects, of our phenomenal prosperity. For the fleshpots our people have been willing to vote away their heritage. From 1929 to 1933, however, this prosperity legend was most thoroughly deflated. If the Republican leadership is again able to befuddle its former supporters into a renewal of confidence, it will not only remain an enigma—it will be an outstanding example of a modern miracle.

There was once a turtle who walked this earth in great complacency. His only interests were of the flesh, and he was not disturbed about the pains or wants of others. His eyes were constantly turned toward the clod and food. A great barometric depression came, followed by a storm. A strong gust of wind blew this turtle on his back. He struggled and wriggled for hours to right himself, but to no purpose. The storm subsided, the sun set, and the stars began to blink. For the first time this turtle beheld the beauty of the firmament. In wonder and awe he ceased his struggle. He lay until morning looking at the stars, regretting his wasted past. He even became thankful for his misfortune.

Then a swollen freshet reached this turtle and washed him again aright. Once more he resumed his complacent walk, grumbling of Nature's extravagant waste of water, happy in his rugged individualism; indifferent to the pain or wants of others, forgetful of his moral rebirth in adversity, ungrateful for his deliverance.

Turtles have been that way ever since. [Laughter and applause.]

Mr. McLEOD. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. DONDERO].

GREAT LAKES-ST. LAWRENCE SEAWAY

Mr. DONDERO. Mr. Chairman, on the 11th of March 1934, a very important national and international project received a congressional anesthetic in this Capitol and for more than 2 years it has been sleeping among the forgotten names.

By a vote of 46 to 42, the Senate of the United States failed to ratify or approve the proposed treaty with the Dominion of Canada for the completion of the Great Lakes-St. Lawrence waterway. That action removed, at least temporarily, the dream of two friendly nations from the stage of public attention.

Its defeat has been a disappointment to the hopes of millions of people living in the interior of the United States and Canada.

For more than two centuries this subject has attracted their attention and stirred their vision. For more than 30 years it has held their interest in its planning.

My purpose in addressing the House today is to call to the attention of this body and the people of our country this forgotten but most vital national question.

When the Supreme Engineer of the universe determined to create the greatest fresh-water seas on this globe He placed them near the center of a great continent and connected them by a single highway 1,000 miles long with the oceans of the world—the St. Lawrence River. So generous has been the Great Builder to mankind that he left it to the children of men almost wholly unobstructed and unimpaired.

The completion of the St. Lawrence seaway is a subject of absorbing interest to two friendly governments. Two nations whose people speak the same language and read the same Bible, whose national aspirations and economic problems are much the same. Two nations which have maintained for over 100 years an international boundary or frontier more than 3,000 miles in extent without a fort, without a gun, without a soldier, and without even as much as a suspicion. Nowhere else in the world does a similar situation exist.

If a link of track 48 miles in length of one of our transcontinental railroads was obstructed by grade or rock, if a section 48 miles long of the Lincoln Highway was washed out by flood, which made it impassable for through traffic, a way would be found at once to remove the rock from the railroad and replace the concrete on the highway to make them safe and passable for all purposes.

That is substantially the situation that exists relative to the Great Lakes-St. Lawrence waterway. The connecting channels and harbors of the Great Lakes are to be deepened to 27 feet to conform to the depth of the seaway. Most of this work has been done. Canada has completed the Welland Canal at her own expense, costing $128,000,000.

The project has a number of objectives. The President pointed out in his message advocating the treaty that navigation and power were the two main considerations. There are other benefits. Forty million people living in that midcontinent area would be liberated from land-locked transportation and given the right to "go down to the sea in ships."

The great need of cheaper water transportation would advance the economic welfare of the Nation; it would aid the farmers, recapture our export trade, provide employment, and make possible cheap rural electrification in New England and northern United States.

President Roosevelt in his message to the Senate said (CONGRESSIONAL RECORD, Jan. 10, 1934, p. 338):

> I am convinced that the building of the St. Lawrence seaway will not injure the railroads or throw their employees out of work; that it will not in any way interfere with the proper use of the Mississippi River or the Missouri River for navigation.
>
> I have not stressed the fact that the starting of this great work will put thousands of unemployed to work. I have preferred to stress the great future advantages of our country, and especially the fact that all of us should view this treaty in the light of the benefits which it confers on the people of the United States as a whole.

Statistics show that river and harbor work yields 76 cents out of every dollar to the laboring man.

Twenty-three States have endorsed the undertaking. Every board and commission designated by the two Governments to examine and study the problem has reported favorably for its construction.

The people of the Nation have a right to ask, Does the saving and advantage of the waterway justify the cost? Its cost is to be borne equally by the two Governments, and the amount has been estimated by the engineers at $540,000,000, or $270,000,000 as the share of each.

From that sum may be subtracted $89,000,000 proposed to be paid by the State of New York for power rights, leaving $181,000,000 to be paid over a period of 10 years—being the estimated time to complete the work—or about $18,000,000 a year.

This is not a political question. President Hoover and the Republican Party were committed to the plan. President Roosevelt has advocated its completion.

We must justify the cost or the venture is unsound economically.

The average of all estimates of new tonnage available to the seaway is 20,000,000 tons. The total tonnage of the United States in 1935 was 414,000,000 tons, of which 91,000,000 tons moved on the Great Lakes, or 22 percent of the Nation's water-borne commerce.

If the United States hopes to recapture its export grain market, it must meet competitive world prices. The States of the upper Mississippi Valley include the world's greatest food-producing region. It is the granary and flour barrel of the Nation. It is a thousand miles from the sea. Russia's grain area is 300 miles from Odessa, Rumania 200 miles, and the Argentine 300 miles from point of export. It is obvious

that we cannot compete with other grain-producing nations of the world because of the far-removed location of the point of production from ports of shipment by water.

From Chicago to Buffalo is found the busiest maritime commerce in the world. Although a thousand miles from seaboard, the commerce up the St. Lawrence River has made Montreal the second largest seaport on the Atlantic. Nearly 125,000,000 tons of water-borne commerce originate on the Great Lakes annually, and in one season 100,000,000 tons passed through the Detroit River. That was more commerce in tonnage than passed through the Panama Canal in the first 9 years of its existence.

In a single season, 1928, the number of ships that passed through the locks in the St. Lawrence River equaled one for every half hour night and day, Sundays and holidays, and exceeded 8,000,000 tons.

No one can accurately measure the benefits that will accrue to the cities, and also the States, of the Great Lakes region and the interior of the United States when ocean and Lakes are brought together by the completion of the seaway. Lake ports will become ocean ports and 85 percent of all the ships of the world may, and I believe will, become friendly visitors of trade. The result will be that the farmer and the industrialist of a landlocked empire—the Middle West—can compete on a basis of nearer equality with their seaboard competitors and 40,000,000 people can buy and sell in the markets of the world at the lowest cost of transportation.

The people have a right to know whether or not the cost of the seaway can be justified and whether its completion is a sound business venture.

Today the largest industry in the United States is the automobile industry, with the manufacture of more than 80 percent of all cars centered in the State of Michigan, most of which is located in or near Detroit and some of it in the district which I have the honor to represent. Based on a 5-year average, it has been estimated that 375,000 cars could be exported annually at a saving of $42.50 per car, or $15,000,000 annually; a saving of 10 cents a bushel on wheat; a saving of $10 per ton in the shipment of meats, lard, and dairy products; and $5 per ton on steel could be realized.

The Chicago Tribune, September 25, 1932, said in its editorial:

> If the St. Lawrence seaway is built, it is altogether probable that it would permit economies in manufacture and the transport of paper which might amount to as much as $3 per ton on the 100,000 tons of paper which the Tribune consumes each year. The building of the waterway would mean an annual increase in the net profits out of this newspaper of $300,000.

In the State of Wisconsin exists a very large manufacturing concern, makers of plumbing and bathroom supplies. It imports large amounts of ball clays and china clays from England. On 11 shiploads the net savings in cost of transportation was $89,000. The ships were small enough to navigate the 14-foot locks in the St. Lawrence. If they were 30 feet the economic utility would be much greater.

The world's largest independent producer of automobile engines is located in Michigan. To ship by rail one of its engines from Muskegon, Mich., to San Francisco costs $4.57 per 100 pounds. The rate via Philadelphia to San Francisco is $2.80 per 100 pounds—a difference of $1.77, or 38.6 percent. The rail rate from Philadelphia to San Francisco is $1.60 plus 2 cents wharfage. The water rate is but 46 cents per hundred more to ship an engine 6,000 miles than it costs to ship the same engine 796 miles by rail.

The saving on agricultural and manufactured products exported would also apply to all commodities imported.

The States tributary to the waterway furnish the following portion of our commerce: 44 percent of our meat exports, 18 percent of our flour, 42 percent of our farm machinery, 17 percent of our iron and steel, 65 percent of our imports of crude rubber, 33 percent of our imports of coffee and tea, and 60 percent of our imports of pulpwood.

The merchant marine of the world consists of about 9,400 ships; two-thirds, or 6,300, have drafts of 25 feet or less. There are three kinds of vessels—cargo ships, combination freight and passenger ships, and tankers. Of these, 6,800 are freight ships, 1,400 combination freight and passenger ships, and 1,200 tankers. Ninety percent of the freighters could use the seaway; 90 percent of the tankers and 70 percent of the combination freight and passenger ships could also make use of it.

The official summary of the report of the Corps of Engineers says (CONGRESSIONAL RECORD, Jan. 31, 1934, p. 1659):

> In estimating the savings on other commodities the average saving per ton on the typical commodities was used. It was realized that the navigation season on the St. Lawrence would be about 8 months per year and a reduction of about one-third in the potential tonnage was arbitrarily made for this reason.
>
> The figures, as reduced, were found to indicate an export tonnage of 7,471,500 tons, with an indicated saving of $44,810,923. Similarly import tonnage was estimated at 5,742,333 tons and the savings on the movement at $34,082,207. * * *
>
> Comparison with the important ship canals of the world, including the Manchester, Kiel, Suez, Panama Canals, and the North Sea Canal to Amsterdam, in terms of length of restricted navigation, depth, bottom, width, and locks, shows that the proposed seaway is completely practical for navigation by ocean cargo vessels. The completed seaway from Duluth to the Atlantic Ocean will provide a waterway in which vessels may move with unrestricted speed over approximately 97 percent of the total distance.

Through the years the interior of the country has not complained about paying $53,000,000 to make Philadelphia a seaport, 101 miles inland; $35,000,000 for New Orleans, 110 miles inland; $58,000,000 to improve the harbor of New York; $102,000,000 for flood control in the Mississippi Valley—and many millions more are now being asked for flood control.

Accepting the annual saving in transportation costs as estimated by our engineers at $78,000,000, the seaway would more than pay for itself in 3 years. No such claim or the necessity for their construction can be made for the Florida ship canal, the Passamaquoddy project, the Grande Coulee Dam and others on which millions of dollars of public money is being expended while the Great Lakes-St. Lawrence seaway, a project of national and international import affecting more than one-third of the people of the Nation, slumbers and is forgotten.

Its cost spread over a period of 10 years would entail an annual expenditure of $16,000,000 to $18,000,000; not a very large sum when compared to other amounts now being lavished on other works.

Bearing on the importance of this great waterway to the sea, it is pertinent to note that the St. Marys Canal, between Sault Ste. Marie, Mich., and Ontario, carries the largest amount of water-borne commerce of all the artificial waterways of the world.

Imports on the Great Lakes, according to the report of the Chief of Engineers of the Army for the year 1934, amounted to more than 4,000,000 tons, valued at $119,000,000, of which only 271,000 tons, valued at $10,000,000, were imports from overseas. This tragically small amount of foreign water-borne commerce to the inland seas is the answer to the necessity and the importance of the Great Lakes-St. Lawrence waterway.

Our exports for 1934 on the Great Lakes were nine and a half million tons, twice our imports, valued at $56,000,000, of which only 71,000 tons, valued at $3,000,000, sent to overseas ports by water transportation.

One billion five hundred and eighty-six million dollars has been expended by the Federal Government on waterway transportation other than the Great Lakes, while at the same time only $194,000,000 has gone into the Great Lakes harbors and channels.

The Great Builder of the Universe intrigued the vision of mankind by the wonders of His creation and left a little obstruction in the St. Lawrence River, the doorway of the unsalted seas that leads down to the oceans of the world.

England has been the pathfinder of commerce and transportation from the beginning of the history of this globe on which we live. The great oceans were separated by a small strip of land in the desert of Egypt. England built the Suez Canal and the seven seas were united in commercial wedlock. The maritime business of the nations chartered its course and England became the "mistress of the seas" and ruled the waves. Cheap transportation did that.

Let us complete the 48 miles of canal in the St. Lawrence River, ratify a treaty with Canada, and this Nation will have a fair chance to recapture some of its lost export trade and extend to a third of our population an opportunity to compete in the markets of the world.

Let this great national and international question be reconsidered in the present session of Congress, and may the President ask the Senate to ratify the treaty with Canada in the hope that the dream of two centuries will become a reality.

Bacon said:

> There are three things which make a nation great and powerful—a fertile soil, busy workshops, and easy conveyance for men and goods from place to place.

This is the philosophy with which we as a nation must approach the treaty to complete the Great Lakes-St. Lawrence waterway. [Applause.]

Mr. UMSTEAD. Mr. Chairman, I yield 20 minutes to the gentleman from Iowa [Mr. BIERMANN].

Mr. BIERMANN. Mr. Chairman, we hear a great deal about Government expenditures, balancing the Budget, and reducing taxes, but we may just as well make up our minds that we are not going to balance the Budget, we are not going to reduce expenditures materially, and we are not going to reduce taxes until we affect two items: One is paying for past wars and the other is preparing for future wars.

I wish to call the attention of the committee to some figures which to my mind are impressive. These are expenditures which Congress already has voted, or is pretty sure to vote, for the fiscal year 1937 for paying for past wars and preparing for future wars. I omit a number of items that could properly be included.

For the Veterans' Administration $753,000,000. Additional appropriation for the prepayment of the bonus, $1,730,000,000. The Bureau of the Budget estimates that the interest charge for the next fiscal year will be $805,000,000. It is fair to charge at least three-quarters of that to war, which makes an item of $600,000,000. The Army appropriation as it passed the Senate was $611,000,000. The Navy appropriation bill which we are now considering is for $532,000,000. The total of these items is $4,226,000,000. Until we can affect that item of $4,226,000,000 there is no use of this Congress talking about balancing the Budget or of reducing taxes. And I venture the prediction that the actual outlay for 1937 on past and future wars will be close to, if not actually, $5,000,000,000.

It would amuse me, if the thing were not so serious, to hear men on this floor talk about economy and reducing expenditures and spend perhaps a half a day talking about a $25,000 item. A few days ago we debated for 3 hours and we had two roll calls to decide whether or not the Black Committee should be represented in the Supreme Court by a $300-a-month lawyer or whether we should appropriate up to $50,000 for that purpose. We decided on $10,000. This afternoon, with a matter of $532,000,000 before this House, there are not 30 Members here to listen to the debate, and I presume that of the 20 or 30 who talk in the general debate on this Navy appropriation bill there will not be more than 4 or 5 who will say anything about the bill.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield for an observation?

Mr. BIERMANN. I yield.

Mr. DIRKSEN. I wonder if, in large measure, one of the faults is not that we are not expected to offer any amendments to appropriation bills that have been so carefully prepared in committee, and that when you do you ofttimes get so little sympathetic treatment for any amendment that, for all practical purposes, the Members feel it is fruitless to offer amendments to an appropriation bill, particularly if it is so effective as to go to the very vitals of the bill. Is that not true?

Mr. BIERMANN. There may be something to that. It seems to be taken for granted that every appropriation bill be passed as it is brought in. The Congress seems to have committed itself to the idea that we have to appropriate more than a billion dollars every year in the name of "preparedness." I should like to have some proponent of this bill tell us against whom we are preparing. I make the statement now that there is no proponent of this bill who can come into this House with a statement by any Army officer or any Navy officer submitting a plan, a supposititious plan or a fanciful plan or an imaginary plan, by which any foreign country or any combination of foreign countries would have any reasonable prospect of successfully invading America; yet we are appropriating over a billion dollars in the name of "defense." Defense against whom?

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. LUNDEEN. Would not the able gentleman state that the figure appropriated is at least twice as large as is necessary to defend our own soil? All I am interested in, if I may say it, is to defend our own soil. I believe, with George Washington, "Why stand on foreign soil?" Let us defend our own soil. A billion dollars is too much for that. We are getting ready to interfere in other wars elsewhere on other continents.

Mr. BIERMANN. I thoroughly agree with the gentleman.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. MARTIN of Colorado. I understood the gentleman to ask who we were preparing against?

Mr. BIERMANN. Yes.

Mr. MARTIN of Colorado. I recall that same question being asked Gen. Leonard Wood in Boston when he was making a preparedness address in 1916. The gentleman will note the date. He was asked who we were preparing for or against. His reply was that if you could tell him for what storm a captain prepared the ship when he left port, he would tell who we were preparing against.

Mr. BIERMANN. That was a very clever answer by Dr. Wood.

Mr. MARTIN of Colorado. That was a year before 1917.

Mr. BIERMANN. Yes. It was a clever answer, but it was not a very sound answer, and it did not answer the question.

Mr. MARTIN of Colorado. No; but history answers the question which was asked of General Wood.

Mr. DIRKSEN. Will the gentleman yield further?

Mr. BIERMANN. I yield.

Mr. DIRKSEN. I agree with the theory of the gentleman from Colorado, but what we are dealing with is the specific question of how much we shall spend for what we deem adequate protection. On that subject we differ quite a bit.

Mr. BIERMANN. Of course, if we follow the suggestion of the gentleman from Colorado that we are going to have the same kind of an answer to my question as in 1917 was given to the question asked of Dr. Wood in 1916, then, of course, we cannot prepare too much; but I assume that this Congress is not going to entangle us in another war on foreign soil. The excuse for these appropriations is that we are going to "defend" our own soil from foreign attack. A billion and a quarter is too much money to appropriate for an attack from nobody, for the wildest jingo cannot tell us of any country that contemplates attacking us or of any combination of foreign countries that could successfully attack us. These appropriations cannot be defended as "defense" measures.

Mr. Chairman, our Army and Navy appropriations, assuming the Senate does not increase the amounts in this bill, and ignoring W. P. A. and P. W. A. and other funds that are going to the Army and the Navy, will be, for the year 1937, $1,143,000,000. This is $3,130,000 a day for the year. This Capitol building cost $15,000,000. In other words, for the money it will take to run the Army and the Navy the next fiscal year we could duplicate this Capitol building each 5 days.

Mr. Chairman, I ask unanimous consent to insert in the RECORD at this point a short table of figures regarding the cost of some of the public buildings in Washington.

The CHAIRMAN. Are they the gentleman's own figures?

Mr. BIERMANN. They are figures I got from official sources, and I cite the sources.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The table referred to follows:

Archives Building	$8,549,703.85
Commerce Department	17,149,489.37
Connecting wing Labor-Interstate Commerce Commission	1,997,384.18
Internal Revenue Building	8,056,287.62
Interstate Commerce Commission	4,436,617.71
Department of Justice	10,214,108.45
Department of Labor	4,738,987.21
Post Office Department	9,280,455.62
Total estimated cost of buildings in triangle	65,951,433.64
Total cost of Treasury Building to date	8,260,635.04
Total cost of Capitol Building	15,000,000.00
Total cost of Library Building, including bookstacks, addition to library and auditorium	9,351,560
	98,563,628.68

(Figures in triangle buildings and Treasury Building are by Procurement Division of the Treasury Department. The other figures are by Architect of the Capitol.)

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. LUNDEEN. All the main public buildings we have in Washington, such as the Capitol, could be duplicated for the cost of about two battleships plus their auxiliary and protecting vessels, I believe. These great vessels in modern warfare, as stated by Admiral Sims, in command during the World War, will not be safe in the next war unless they are as far up the Mississippi River as we can get them. I have no objection to building efficient machines of war for defense, such as the aircraft submarines and light, fast surface vessels; but why build these obsolete monsters? Why, they are prehistoric.

Mr. BIERMANN. I feel the same way about the matter; but before we adjourn I imagine we shall have to pass upon the authorizing of the building of two battleships at a cost of about $50,000,000 each. In the report of this committee it is stated, on page 15, that "capital ships of 35,000 tons are estimated to cost upwards of $51,000,000 apiece." All the buildings in the Triangle here in Washington, according to the figures in this table, cost a little less than $66,000,000. In other words, for the cost of running the Army and Navy less than 2 months during the next fiscal year we could duplicate all the buildings in the Triangle.

Since the World War closed, that is, beginning with the fiscal year 1920, we have appropriated for the United States Army in round numbers $7,507,000,000; we have appropriated for the Navy, again in round numbers, $7,319,000,000; we have appropriated for those years, including the present fiscal year, $14,827,000,000. If the present bills for 1937 appropriations pass as they now exist, the total cost of the Army and the Navy since the close of the World War will be $15,970,000,000, and this does not include very substantial sums allocated to these departments by the various relief agencies. It does not, for example, include $160,000,000 allocated to the Navy in the one fiscal year of 1935.

Mr. MASSINGALE. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. MASSINGALE. The gentleman stated that the cost of a capital battleship to the Government of the United States was about $51,000,000. Does the gentleman have any information on what the cost of a similar ship would be, say, to England or to Japan?

Mr. BIERMANN. No.

Mr. MASSINGALE. Is it not about half this amount?

Mr. BIERMANN. No; I do not think so. I have not the figures; but I recall in the debate on the ship-subsidy bill last year I asked the distinguished gentleman from Virginia [Mr. BLAND] what cost of shipbuilding they were trying to equalize in that bill. I asked if they were going to equalize for the English cost, where wages were high, or the Japanese cost, where wages were low per day. We get utterly confused if we lose sight of the fact that labor costs and wages per day are two different things; but I asked him whether he was trying to equalize for the English cost or the Japanese cost. I expected him to say the Japanese cost, but he frankly told the House—and it is in the RECORD—that it costs less to build a ship in England than it does in Japan. So to take just wages per day to determine the cost of building a ship is not sound reasoning. Whether or not ships can be built more cheaply in England or Japan is a question I should like to have some member of the Committee answer, if he will.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. DIRKSEN. In connection with the gentleman's observation on a balanced Budget and a reduction in the cost of operation of the Military and Naval Establishments, has the gentleman any information or figures to show how much could be saved to apply toward balancing the Budget by reducing the personnel of the Army or the Navy or reducing the requirements of food, clothing, ordnance, munitions, and so forth, that are made by private industry? Has the gentleman figured how much this might add to the lines of the unemployed? I just wonder how much that amount would be that could actually be applied toward a balancing of the Budget.

Mr. BIERMANN. I have no figures on that.

Mr. DIRKSEN. I wonder if it would be a great deal, as a matter of fact. I am quite intrigued with the whole idea.

Mr. BIERMANN. I cannot imagine that any reasonable excuse can be found for spending $1,143,000,000 in the next fiscal year on our Army and Navy in the name of "national defense." If we spent it in the name of offense it would be a different proposition.

Mr. Chairman, I have asked several proponents of this kind of expenditure to submit a statement by any second lieutenant of the Army, or any general, or the statement of any ensign in the Navy, or any admiral, as to how this country may be successfully invaded by any foreign power or any combination of foreign powers. I venture the assertion that the statement will not be submitted to the Members of this House. Then I want to lay this question also before the proponents of this bill. I would like to have them cite to this House one time in the past 100 years—and I will give them a little more time than that—a case where any belligerent power has been successful in landing from the water a hostile force on foreign soil. During the World War the Allies had the big navies of the world, yet they could not get close enough to Germany to fire a single hostile shot into Germany. Take the Turkish situation. After slaughtering thousands and thousands of allied soldiers they did get a little foothold, but they could not maintain the foothold. It is just not in the cards that any foreign country or combination of foreign countries can successfully invade this country, and I defy the proponents of this bill or any militarist or any jingoist in the House, if there be any, to propose any plan for invading this country and then get an officer of the Army or Navy to sign his name to it and say that it is sensible.

Mr. LUNDEEN. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Minnesota.

Mr. LUNDEEN. The gentleman is making a very able statement, and I take it that the gentleman is not for stripping the country of its defenses?

Mr. BIERMANN. Oh, no.

Mr. LUNDEEN. The gentleman is merely advocating the defense of the soil of the country. The General Staff has repeatedly stated, through members of the General Staff, that this country cannot be invaded by a foreign foe. Japan is busy with Russia. England is busy with her troubles, and Germany and France are busy. What country is going to attack us? We might get into somebody else's quarrel, and I am going to say "No" to that as far as my one single vote is concerned before it is too late.

Mr. BIERMANN. I will gladly join with the gentleman.

I raise this question: What are we going to do with these battleships and this big Navy? In case another war breaks out in Europe, are we going to insist on defending our right to trade with a belligerent or with some neutral country through which the goods might get into a belligerent country? Of course, if we are going to insist on that, we may just as well make up our minds now that we are going to become entangled in the next European war. Are we going to insist on the open-door policy in China? Are we going to insist on Japan doing everything just the way we want it done? If so, we want the largest Navy we can support in order to maintain a war in Asiatic waters. But any responsible Army or Navy man will tell you this country cannot be invaded.

Mr. Chairman, I remember 34 years ago this fall being in Minneapolis, Minn., and listening breathlessly to Richmond P. Hobson making a speech in favor of a great Navy. He said that the need of a large navy was to repel a Japanese invasion. He had us all sitting on the edges of our seats. He stated that the invasion was not going to be 20 years hence nor 15 years hence, and we got further out on our seats and were more breathless; then he came down to 10 years, 5 years, and 2 years, and said: "It is not going to be 2 years hence." He stated that it was so near that our utmost efforts could not prepare us adequately against an invasion by Japan. This incident occurred in the fall of 1902, and the same kind of talk has been going on in this country in all of the intervening 34 years.

[Here the gavel fell.]

Mr. UMSTEAD. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. DIRKSEN. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Illinois.

Mr. DIRKSEN. The gentleman is not insensible to the fact that if we encourage our people and our industries to carry on a commerce with all the countries of the world, certainly there are considerations which demand that we must put behind them whatever protection the Nation can afford to our commercial trading.

Mr. BIERMANN. But I do not believe that it is necessary to have a battleship accompany every trade ship around the world.

Mr. DIRKSEN. I agree with the gentleman, and I do not hold that view at all; but there are some things that we must bear in mind. We cannot say to this country and to its tradespeople and to the whole economic structure, "Now, go ahead and sell automobiles and typewriters in China, but if you do, you do so at your own peril." We should let them know in advance if this country is going to take that attitude, so that they may fortify themselves accordingly. I think that would be going pretty far, and I do not believe the gentleman would go that far.

Mr. BIERMANN. I agree with our very distinguished and able statesman, Cordell Hull, whom I look upon as one of the great men of this administration. He is building up a foreign trade effectively, and in doing so he declares he is laying the soundest foundation for peace. Peace is inclined to follow trade, I believe. Replying to the gentleman's suggestion that in case our people develop trade with foreign countries we should be prepared to defend that trade, I do not know how far I would go with that idea. In case the question rose as to whether we should send battleships over to defend our trade in China or pay the damaged tradesmen out of the Treasury, I would be inclined to make it good out of the United States Treasury. [Applause.]

Mr. DIRKSEN. But we have not had that question determined as yet, and until we do, to follow the matter to its logical conclusion where we would get rid of our Navy entirely, the effect would be to say to our trades people that they carry on their international business relationships at their own peril and this would be going very far.

Mr. BIERMANN. Yes; and I am not here to decide all those questions, but I do not believe I would be quite willing to vote for any kind of arrangement that would make it necessary to send our boys to foreign countries to participate in disputes over there and get their eyes shot out or their legs cut off or their bodies destroyed and their future and the future of their families ruined because we had some trade with a country over there and insisted on protecting that trade regardless of the cost in American lives.

Mr. DIRKSEN. I agree with the gentleman, but I am wondering where we are going to draw the line.

[Here the gavel fell.]

Mr. UMSTEAD. Mr. Chairman, I yield 5 minutes to the gentlewoman from Arizona [Mrs. GREENWAY].

Mrs. GREENWAY. Mr. Chairman, I appreciate this opportunity. My remarks may be a little irrelevant so far as the Navy is concerned; but like my good friend the gentleman from Pennsylvania [Mr. RICH], I have something in my system I would like to get out.

I have been wondering all week what the Nation thinks of the spectacle of our industrial leaders in meeting in downtown Washington and their Government representatives assembled in Congress considering and concerning themselves with the affairs of the Nation.

Before the chamber of commerce representatives arrived it was broadcast across the Nation that we people in Congress were vultures picking to pieces the sparrow of industry. I went down there and listened to the opening speech with interest and with hope. I listened to every word, and I have read it twice since. It was an extraordinary speech, moderate in its delivery, beautifully thought out, and remarkable in every way, but most remarkable in its omissions.

It described the freedom that industry in this country enjoyed in a not very far past. It then described the infringement of government in recent years on business. It then listed as detrimental to business and business recovery practically every major bill that has been passed by the Democratic Party in the last 4 years, and at no period in the speech, with one exception, did it mention unemployment or concede the reason why the Government had had to try to do something to take care of the unemployed in the United States, and that one instance in which it referred to the unemployed was the most remarkable part of the speech. I would like to know what you think of it. It said—you know I have not got so I can really call people by name and say mean things, because I am a little reluctant, so I say, "it said", I will not say "he said." [Laughter and applause.] It said:

> It is not enough that we simply show that the present financial policies of the Government are destroying the possibilities of a balanced Budget. The real job is to show the average American citizen that sound finance and a balanced Federal Budget are more valuable and vital to him and his children than any possible dole or bounty or hand-out which may be given to him, and which, in the very process of giving, exposes our whole land to the terrors and distress of inflation, repudiation, or confiscatory taxation.

It suggests that one of the objects of the chamber of commerce should be to develop public opinion in this country even to the point of making the man, woman, and child who is receiving food in the form of a dole from the country, know that he had best not receive it if it is necessary that the Budget be unbalanced that he receive it.

Is not this a remarkable thought? Think of the human being today who would believe that their Government should balance the Budget to the exclusion of giving him and his wife and child the necessities to exist. Mind you, there was no mention of meeting the problem of unemployment whatever or recognition that most of the laws which business believe detrimental were necessitated directly or indirectly to meet the unemployment.

I have inquired all week what will be the outcome of the activities of the chamber of commerce in a concrete purpose and result.

[Here the gavel fell.]

Mr. UMSTEAD. Mr. Chairman, I yield the gentlewoman from Arizona 3 additional minutes.

Mrs. GREENWAY. So far as I can learn, their principal objection is to concentrate upon counting the unemployed of this country. Why did they not begin to count the unemployed 4 years ago? The unemployed have been counted

again and again and again. They have been counted by the United States Employment Office, by the American Federation of Labor, and by welfare.

I believe the chambers of commerce are dead right in saying that the fact that none of these counts tally does justify a recount and an honest analysis of what the condition is, but this is merely a first step—offering no remote solution.

I would have to stop now—am I going to have 2 more minutes?

Mr. UMSTEAD. I have yielded the gentlewoman from Arizona 3 minutes and I gladly yield 2 more minutes, if desired.

Mrs. GREENWAY. I thank you very much. I am grateful. I did not realize how long it took for a woman to talk.

By the way, I am so impressed with those people up at the chamber of commerce. They look like experts. They look prosperous. Their eyes are keen and quick, and I believe that having people like that who can create surpluses really is the greatest good fortune this country has, provided they share the responsibility of trying to work out a solution instead of just making tally sheets and criticizing the Government.

Now, let us get down to this end of Pennsylvania Avenue. Let us consider the tax bill. Directly and indirectly the meetings of both the chamber of commerce and the Congress this week have all had to do with unemployment and welfare. We passed a tax bill. In passing it the inference of this House was that we had waited on industry long enough. Maybe we were right; but what have we done if the bill remains as it was when it passed this House? Now, this is what I believe we have done. I believe we have taken from industry savings and thus crippled against future expansions and depressions the only vehicles through which classified employment can be efficiently given. We have taken surpluses created through thrift, ingenuity, and vision from practical and successful institutions, and plan to transfer it to departments for sustaining classified employment through artificial channels.

I do not believe anybody in Congress thinks that this country can continue to carry millions of people on welfare and not eventually run on the rocks. Business must believe this, too; but until industry, labor, and government concede and shoulder it as the problem that will, if not solved, change and destroy the character of our country, we can make no progress.

Why cannot those successful in business talk to us down here, and why cannot we talk to them? Why cannot they take some of these surpluses and give employment instead of necessitating their confiscation through taxation and futile and demoralizing use through this so-called welfare system, which by the very reason of its nature must not become a permanent institution?

I can vote against a tax bill that seems to undermine all the principles that have led to success, but I cannot sit by and see industry, which has profited in so many ways in the last 3 years, bemoan and deride the efforts of their own Government to devise ways for the less fortunate to sell their usefulness while they offer no concrete plan and apparently see no necessity for one.

Unless existing industry can be used to absorb the unemployed, the answer is Government interference. You have been very patient, and I thank you. [Applause.]

Mr. McLEOD. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. MAIN].

Mr. MAIN. Mr. Chairman, one of the clearest concepts in American public opinion today is that we want no war. And most definite of all convictions is that America shall not engage in a war of offense. In their relationships with the people of other nations, the American people think only of peace. They do not think of war. The only act of violence which Anglo-Saxon jurisprudence condones is one of self defense—defense of self, home and family—and those in kindred situations. No other act of physical pursuasion or coercion is justified according to the professed standards of American civilization.

But, Mr. Chairman, I am informed that the bill before us proposes the largest peacetime appropriation ever recommended by a Committee on Naval Affairs for the consideration of the American Congress. I submit, sir, that a big appropriation presupposes a big Navy, and I submit further that a big Navy is by way of anticipation of a big war. There is no other use for a big Navy. But, Mr. Chairman, American public opinion today says that the only legitimate use for an American battle fleet is in the waters of the western continent. True, we sent a fleet to the other side of the world to engage in a battle in 1898. And thereby the United States temporarily became involved in a policy of imperialism which has been a source of expense and embarrassment from that day to this. If we should become involved in a military or naval encounter in that section of the world again it will come through some real or fancied insult to our sphere of influence in the Philippines. But, I repeat, sir, that American opinion will not sustain a war involving the Philippine Islands. The natives of the Philippines have pleaded for independence and they are in the way of attaining it. As soon as they get it, or before, Japan will take steps which will cause the Filipinos to call loudly for the support of the mother country. But our people will not support a foreign war. Why does Congress impose upon the American people the expense of preparing for a foreign war?

Mr. Chairman, it is only within the last few hours that this bill has become available for examination by the membership of the House. With the very limited opportunity which we have had to study the bill I would not presume to suggest to the members of the committee in charge that they strike out any specific item. But I do plead with the committee in charge, and with the membership of the House to pare down in some practical way, and in substantial amount, the staggering total of this appropriation measure. Let us, in fact, express by this bill that which patriotic citizens are constantly saying in their school assemblies, church gatherings, at the work bench and in the counting houses; namely, that America is preparing for peace and not for war.

Mr. LUNDEEN. Will the gentleman yield?

Mr. MAIN. I yield.

Mr. LUNDEEN. Would not the gentleman think the best place to cut expenses of the bill would be battleships and dreadnaughts?

Mr. MAIN. I think that is a practical suggestion.

A. A. Milne writes, "If you want peace, you must renounce the idea of war." But this legislation does not renounce the idea of war; it preserves, encourages, and develops the idea of war.

And if war should come again, Mr. Chairman, what are the possibilities or the probabilities? It is reliably asserted that the next war will be a war of chemicals and gases. Through clever propaganda, we were led to believe that the World War was a war to end war. Mr. Chairman, the next war, if it comes, will be a war that will end civilization.

Heretofore the menfolk of the belligerent nations have engaged in warfare, in trenches or on battlefields, remote from the centers of population. But a war conducted with chemicals, gasses, and airplanes will not be decided in favor of the Nation with the largest battleships or the swiftest cruisers. Such a war will be determined in favor of the Nation with the most ingenious chemists, the most intrepid aviators, and the most fiendish commanders. America has neither the cause nor the conscience to engage in that sort of human extermination.

This is the bill providing appropriations for the support of the Navy. The personnel of the Navy and all sea-faring men honor the tradition, in case of threatened peril, "Women and children first." Milne and many others say that the next war will be a war from the air in which every woman and child will be involved. There is no defense for these women and children except an attack which will involve the enemies' women and children.

Christianity has been maligned as a failure, but someone has said, with a taint of skepticism, that we cannot say Christianity has failed because it has never been tried; and, quoting Milne again, we read:

> There is one way, and only one way, to arrest this war; that is, to renounce war. I have suggested a method by which this renunciation might be made a reality. You will call it "impossible!" When we call a thing "impossible", we mean that it has never happened in our experience. A renunciation of war has never happened in our experience, and, therefore, any method of effecting it is "impossible" until we have tried it. * * * If the economic life of the world barely survived a war which it entered in a condition of health, it cannot, starting in its present condition of ill health, survive another war.

All the other considerations aside, Mr. Chairman, this country cannot stand the economic strain of another war. Fifteen or twenty years after an armistice has been signed some of the horror and cruelty of war may have been erased from our thoughts. We may even gloss over the fact that wars are futile and inefficient as a means of settling national and international difficulties. But the Members of this Congress are never permitted to forget the staggering financial cost of war. America simply cannot afford to go to war. War loans, pensions, claims, compensations, hospitalization, all combine to saddle the Nation with burdens of unmeasured magnitude and duration. Intelligent America must find the better way; and if all other argument falls, I repeat this challenge, and this warning, "Women and children first."

Mr. Chairman, I plead again with the membership of this House to amend this bill in some manner, and to such extent, as will definitely announce to our people and to the world that America is peace minded and not war minded. And as one of the opportunities to give evidences of the good faith and sincerity of our dedication to the cause of peace, I call again to the attention of the membership of the House the petition of the gentleman from Indiana, Mr. LUDLOW, now on the Speaker's desk, seeking to bring to the floor of this House for debate and action the proposed amendment to the Constitution of the United States, providing that, except in the event of an invasion by an armed force, the authority of Congress to declare war shall not become effective until confirmed by a national referendum by the people who are going to provide the human material with which war is conducted.

And I further recommend and advocate for the serious consideration of Congress, H. R. 9134, sponsored by my colleague, Mr. BOILEAU, of Wisconsin. In the language of that bill, Mr. Chairman, it ought to be the declared policy of the United States to use the governmental powers of national defense for defense only. We ought to refrain from maintaining or establishing agencies of warfare other than those necessary for defense. America ought to fulfill the commitments of the general pact for the renunciation of war ratified by the Senate in 1929. It ought to be the settled policy of this Congress, in connection with every appropriation bill, to renounce war as an instrument of national policy. And we ought to adjust the military system of this Nation to harmonize with the policy of the pact for renunciation of war. We ought to maintain a defense policy designed only to defend the boundaries of the Nation against invasion. And we ought to eliminate from the defense establishments all such agencies and activities as are designed and primarily useful only for aggressive or foreign warfare. And, Mr. Chairman, in further harmony with the provisions of H. R. 9134, we ought to divorce our thought from the psychology of war by abolishing the Department of War.

It may be important to change the name of the Department of Interior to that of Department of Conservation, but I submit, Mr. Chairman, that it is infinitely more important that we abolish the Department of War and merge the activities of that Department with the Department of the Navy and all air forces, and transfer them to a new department—a department that by its very name typifies and signifies American thought and attitude—the department of national defense.

Why, Mr. Chairman, under the present system these Departments actually compete with each other in the markets for supplies and equipment. We ought to put a stop to the spectacle of one department of Government bidding against another department maintained for the defense of the Nation. Under the proposed reorganization it will be possible to coordinate the purchase and production of military supplies. Economy, efficiency, common sense, and real patriotism all join in the argument for appropriate name and coordinated authority for the department of national defense.

But, sir, I would not have my plea for a reduction in the sum total of this appropriation bill interpreted as an argument against preparedness. One of the outstanding organizations in the land for the training of youth has for its slogan "Be prepared", and nations, like individuals, must be prepared. But the temper of America does not point toward preparedness through the medium of junkerism or professional militarists. America does not look to the professional soldier or sailor to control its military or naval policy. To prove this, we need only cite the fact that in the President's Cabinet the ranking heads of the military and naval departments are invariably chosen from civilian life. Real preparedness in America—and the potential protection which America needs—rests with the Officers' Reserve Corps, the National Guard, the United States Naval Reserve, and the United States Marine Corps Reserve. And to that end I recommend for the early consideration and serious attention of Congress, House bills 11681 and 11682, introduced by our colleague, Mr. MAAS, of Minnesota. These bills provide for the reorganization, administration, and maintenance of the United States Naval Reserves, the United States Marine Corps Reserves, and for other purposes.

In supporting these measures I join in the sentiment recently expressed by the resolution of my comrades in the General George A. Custer Post of the American Legion at Battle Creek. And I join with the gentleman from Minnesota in asserting that the civilian reservist, trained for defense, is the best guarantee of our safety; and that such reserve force, on the other hand, contains no military threat to the peace of the world. The reservist has everything to lose and nothing to gain by war, but he makes the most effective defense force because he is able to effectively fight when and if an emergency should arise. Well-trained reserves are the cheapest and most effective defense forces. And men of that type, sir, will never stimulate or encourage a war of offense, nor one to be conducted on foreign soil. [Applause.]

Mr. McLEOD. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, we find that for this year, when we add what we are going to appropriate by means of the bill under consideration to what we have already appropriated for the War Department, we shall have appropriated over a billion dollars for war purposes. Not only do we appropriate a billion dollars for war purposes under the guise of national defense but we find today in this bill a surprise appropriation of approximately $104,000,000 for the building of two additional battleships, for which there has been not a single iota of evidence adduced at the hearings on this bill. This item was put in about 2 days ago without a hearing or study.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Yes.

Mr. LUNDEEN. Would it not be a good deal better, before we spend $104,000,000 on two battleships that no one seems to be able to show the reason for building, to take care of the veterans and the widows and the orphans of the last war? And if the gentleman will permit, on November 11, 1928, President Coolidge said that when the last veteran and the last widow and orphan shall have been taken care of because of the last war the last war will have cost the United States more than $100,000,000,000.

Mr. MARCANTONIO. I think the gentleman is correct. So that we are confronted with a situation of $1,000,000,000 for war purposes and an additional $100,000,000 for two battleships, about which no member of the committee knew anything until 1 or 2 days ago, without a single word of testimony attempting any justification for this insane expenditure. The minutes of the hearings before the subcommittee

of the Committee on Appropriations are barren of any reason for this additional appropriation.

We increase appropriations for war on one hand, and on the other hand we find that, while we appropriated $4,800,000,000 last year for unemployment relief, this year, dealing with practically the same situation, there has been recommended only $1,500,000,000 for unemployment relief. The argument is advanced by the spokesman for the administration that the reason why we are appropriating only $1,500,000,000 is that it is assumed that private industry will absorb a large number of these unemployed. Whether or not private industry will absorb these remains to be seen; whether or not the problem is as simple as that also remains to be seen. Technological displacements and other economic factors cannot be left unconsidered if you want to solve the problem. If private industry does absorb a large number of unemployed they will be employed at substandard wages.

Force employment at substandard wages and you destroy the much-vaunted American wage structure. Destroy the wage structure and you will increase the number of unemployed. The most important issue before the people is to put the unemployed back to work at a living wage. One step in that direction is the 30-hour week without reducing wages. Until then the most important immediate issue before the American people is that of caring for the unemployed. Despite the false optimism emanating from the Department of Labor, we still have 12,626,000 unemployed. This figure is conservative. It was compiled by the conservative leadership of the American Federation of Labor and released by it on March 2, 1936. It also stated that the month of January 1936 showed an increase in unemployment of 1,324,000, the largest since 1931. Its comment was "to lose ground to such an extent at this time is nothing short of tragic." Therefore the "recovery is here" ideology upon which the President's recommendation for only $1,500,000,000 for unemployment relief is based is unrealistic. The dismissal of 700,000 workers from W. P. A. is based on the same artificial and wishful premise. The money-saving, cruel, chiseling devices employed by the local relief bureaus, such as in New York City, at the expense of its staff and clients is in accord with this false policy. The New Deal relief program today is not much different than that of Herbert Hoover in 1930. Mr. Hoover attempted to solve the problem by waiting for Lady Prosperity to come from around the corner. The New Deal is trying it by proclaiming loudly and smilingly that she has kept her date and is now promenading with the president of the chamber of commerce along Main Street. Mr. Hoover then contended that very little should be expended for unemployment relief. The New Deal relegates unemployables to local charity, professes his desire to care for the employable unemployed, but refuses to continue to provide for the 700,000 of them today and many more tomorrow.

It also has refused to provide for those who have become in need of W. P. A. employment since November 1, 1935. Those who will remain on W. P. A. will continue to be the recipients of the un-American security wage. So that, despite the fact that an appropriation of $4,800,000,000 was found to be entirely inadequate to deal with the problem of 12,000,000 unemployed during the fiscal period of 1935–36, the President now asks for only $1,500,000,000 to deal with a similar situation for the fiscal year 1936–37. This is the sum recommended by the reactionary National Economy League. It constitutes a sweet victory for the Liberty League over the unemployed. The American Tories have cause to rejoice, since their views on relief, recommending cuts in relief appropriations, are now being adopted by the New Deal. The New Deal fights the Liberty League by making faces at it and uses words. In deeds it surrenders. Hence, as for the unemployed, the New Deal has substituted in the place and stead of the Hoover fantastic myth of two chickens in every pot the stark reality of two wolves at every door.

In the face of this appalling situation the unemployed can expect nothing from those in power. They must depend on themselves, on militant labor organizations, and on all liberty-loving Americans. They must organize American public sentiment behind a genuine relief bill.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Yes.

Mr. CHRISTIANSON. The gentleman speaks of recovery. Is the gentleman aware of the fact that one-fifth of the families of the United States are today living on an income of $1.36 a day, another fifth on a daily income of $2.72?

Mr. MARCANTONIO. I am also aware of the fact that 22,000,000 persons in the United States are still dependent on public charity in some form or other. They are dependent on either starvation direct-relief budgets, or on starvation security W. P. A. wages. I do not claim recovery. The New Deal does. You have no recovery while 22,000,000 exist in such a condition.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Yes.

Mr. McCORMACK. Where would they be if the present administration had not engaged in the humane policy that it has?

Mr. MARCANTONIO. You should ask me where would the administration be. The unemployed owe the past appropriations to their own mass pressure. It is true that the administration made appropriations in the past. However, they were inadequate. Everybody connected with relief or W. P. A. Administration knows it. If those appropriations were adequate, why are you now discharging 700,000 persons from W. P. A. rolls? I voted for the $4,800,000,000 bill. I agree it was better than nothing; but at the same time the present administration is retreating. Why appropriate $4,800,000,000 for 12,000,000 unemployed in 1936 and ask for only $1,500,000,000 for 1937 with the same number of unemployed? Yet we appropriate over one billion for war.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Yes.

Mr. McCORMACK. Not with the purpose of entering into a controversy with the gentleman—I respect his views too much, and with many of his views I agree; but in addition to the $1,500,000,000, there is probably, as I understand it, a billion and a half dollars available from the $4,800,000,000.

Mr. MARCANTONIO. Assuming that figure to be correct, the fiscal year does not end until June 30, 1936. We start to spend the new appropriation of $1,500,000,000 on July 1. How much will be left by July 1 of that other $1,500,000,000 we do not know. In fact, the discharge of 700,000 from W. P. A. proves that you are running out of funds. Therefore when we add what will be left, if any, on June 30, 1936, to the proposed $1,500,000,000 the sum will be much below $4,800,000,000.

Mr. McCORMACK. I agree; but the gentleman will agree with me that with the proposed appropriation of a billion and a half dollars there is a large sum left from the $4,800,000,000 which will be utilized. Whether or not that will satisfy the demand, I shall not pass on.

Mr. MARCANTONIO. The sum remaining must be insufficient to last until June 30, otherwise why are you discharging 700,000 men from the W. P. A.?

Mr. McCORMACK. I cannot agree with that.

Mr. MARCANTONIO. And you are also refusing to take on the W. P. A. roll persons who became eligible for W. P. A. after November 1, 1935.

Mr. McCORMACK. May 31, too, and those who are on relief, but I will say to the gentleman that in connection with the dead line I am in agreement with the gentleman on that. I have recently addressed a letter to Mr. Hopkins, as I have on several occasions in the past, stating that that dead line should be eliminated, and I am hopeful that it will be.

Mr. MARCANTONIO. The difference between the gentleman and me is that the gentleman prefers to be hopeful with reference to relieving the unemployed, and I believe in having the Congress of the United States take action for unemployment relief now, to appropriate sufficient to do away with dead lines, and reemploy those who have been discharged.

Mr. McCORMACK. Will the gentleman yield further?

Mr. MARCANTONIO. Just for a question.

Mr. McCORMACK. The gentleman apparently is entering into a controversy with me which does not exist.

Mr. MARCANTONIO. No. I did not intend to enter into any controversy with the gentleman.

Mr. McCORMACK. I simply, for the RECORD, wanted to show that the $1,500,000,000 limit is greater than that which was used last year.

Mr. MARCANTONIO. Not by any means. The gentleman will admit that it is not equal to $4,800,000,000.

Mr. McCORMACK. Oh, yes.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. BLANTON. For the unemployed who honestly want to work and cannot get it, I think the Government, and all of us, are deeply sympathetic, and we will do all we can for them; but for the organized unemployed, who organize to cause trouble, and who do not want to work, and would not work if they could, but who organize to create trouble, I do not think the Government ought to show them any consideration whatever, and when they take charge of a State capitol, like they did at Trenton, N. J., I think they ought to be put out bodily without any consideration whatever.

Mr. MARCANTONIO. I expected that from the gentleman. However, despite the gentleman from Texas, the unemployed have a right to organize and will organize. He reminds me of a queen of France some time ago who said, "The people have no bread. Let them eat cake." It perfectly describes the gentleman's attitude toward the unemployed.

Now, to continue, 700,000 workers are being discharged from W. P. A. Nobody who was not eligible for relief prior to November 1, but who became eligible for relief after November 1, is taken on W. P. A.

You can talk all you want to about industrial recovery. You can talk all you want to about financial recovery, but when you go back to your districts this year you are going to be confronted with the unemployed in your district. You can show them the stock-market sheets and you can show them the increases in prices, but they will ask you: "How can you vote for increases in naval and military appropriations and at the same time vote for decreases in appropriations for the unemployed in your own district?" That is a question which you must face and is a question which you must answer.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. SHORT. The gentleman certainly does not want 22,000,000 of our citizens continued upon relief?

Mr. MARCANTONIO. No; I do not.

Mr. SHORT. Well, if the $3,300,000,000 granted to the President in the Seventy-third Congress plus the $4,880,000,000 given him at the first session of this Congress has failed to take those people off of relief, how in the world does the gentleman think they can be taken off of relief by continuing these expenditures?

Mr. MARCANTONIO. I am glad the gentleman asked that question. The difficulty with the present administering of relief is that you do not give to the unemployed sufficient to give them purchasing power. What you give them is a security wage, from $19 to $94 a month; very few received $94. The average in my city is $55 a month on W. P. A. All they can purchase is slum shelter and a starvation diet. The same applies to those receiving direct relief. They have no purchasing power. If you, as a military man, were going to capture a fortress, and you needed four regiments to capture that fortress, you would not send one regiment at a time against that fortress but you would send the entire four regiments at one time.

In dealing with the problem of unemployment we never appropriated sufficient funds to give the unemployed any purchasing power. That is why the unemployed are in no better position today than they were before. Today they are in worse position, because today the friends of the forgotten man, while they make faces at the Liberty League and chambers of commerce, are in retreat. For approximately the same number of unemployed you are appropriating much less than before. If in the past we had given the unemployed sufficient to maintain themselves in health and decency, they would have had a purchasing power. Using this power, the wheels of industry would have been moving on a larger scale than today. However, we would still have had many unemployed. In the past with the end of the crisis we had few unemployed left during the period of so-called recovery. Today the residue of unemployed is so large that, despite financial recovery, the unemployed remain our most important problem. Why? Is it the fault of the unemployed, or is it due to an inequitable and unjust economic system which must be overhauled? Would the gentleman refuse to give shelter and food to the victims of this system simply because the system forces them to remain idle?

Mr. McCORMACK. Will the gentleman yield further?

Mr. MARCANTONIO. I yield.

Mr. McCORMACK. Would the gentleman be frank in expressing his opinion of the Hoover administration in making no appropriations for the unemployed?

Mr. MARCANTONIO. It was absolutely wrong, and you are beginning to reach Mr. Hoover's position. He said, "We will solve unemployment by waiting for Lady Prosperity to come from around the corner and keep her date." She did not come. You are saying the same thing. You are saying that she is here. She is going to meet the president of the chamber of commerce, but despite that, you still have 12,000,000 unemployed, and you now propose to cut relief appropriations to a bone.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SHORT. Mr. Chairman, I have been authorized by the gentleman from Michigan to grant 5 additional minutes to the gentleman from New York, provided he will yield for one other question.

Mr. MARCANTONIO. I yield to the gentleman who gave me the time.

Mr. SHORT. The gentleman from New York, of course, is aware that the President of the United States has emphatically said that the problem of unemployment must be solved by private business. This administration strangles private business to death at the very time it demands that business hire the unemployed.

Mr. MARCANTONIO. I disagree with the gentleman on the question of private business. I think we have been too lenient with private business. I voted for the tax bill, but I did not think it went far enough. It was a cream-puff, milk-toast tax bill. Furthermore, we should not dodge the responsibility; the problem cannot be solved by private business. It must be solved by the Representatives of the American people in Congress.

Mr. McCORMACK. Does not my friend put himself in a rather inconsistent position where he denounces and criticizes the Hoover administration for its failure to assume the proper leadership, and at the same time criticizes the Roosevelt administration for giving proper leadership with reference to relief?

Mr. MARCANTONIO. You have not given proper leadership with reference to relief. The fact that you have discontinued Federal direct relief; the fact that you are now throwing out 700,000 persons, and the fact that those who remain must exist on security wages and starvation budgets proves poor leadership.

Mr. McCORMACK. We have given $3,000,000,000 a year.

Mr. MARCANTONIO. That is not enough. Now you appropriate only one billion and a half. You started in the right direction. Now you retreat. What kind of leadership is that?

Mr. McCORMACK. It is $3,000,000,000 a year more than Hoover gave.

Mr. MARCANTONIO. Is the gentleman proud of being just a little bit better than Hoover? Is that all the gentleman has to offer? [Laughter.]

Mr. McCORMACK. It is $3,000,000,000 better.

Mr. MARCANTONIO. And now it is only $1,500,000,000 a year better. Tomorrow it will be less. The day after you will give as little as Mr. Hoover. If you can do no better than that for the unemployed in the country, the unemployed will have a perfect right to consider the New Deal in Mr. Hoover's class next November.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. FLETCHER. Will the gentleman be kind enough to favor us with any plan he has to offer to solve the unemployment problem, briefly? How would the gentleman solve the unemployment problem if he were President?

Mr. MARCANTONIO. As a Member of Congress I introduced a bill which has been endorsed by respectable organizations as well as other organizations which might not be considered respectable by the gentleman from Texas [Mr. BLANTON] because they are organized unemployed.

Mr. BLANTON. No.

Mr. MARCANTONIO. I decline to yield, Mr. Chairman; I decline to yield, and ask that this interruption be not taken out of my time. The gentleman [Mr. FLETCHER] asked me a good question.

Mr. FLETCHER. I asked my question seriously; I should like to know.

Mr. MARCANTONIO. Answering the gentleman from Ohio, I desire at this time to recite the salient provisions of my bill.

It is based on the following six principles: First, the unemployed are victims of an unjust economic and social system which has failed and are without work due to no fault of their own, and that the general welfare of the American people depends on the welfare of the unemployed; second, therefore they should not be treated as objects of charity, but as a matter of right should be given work at a living wage during their period of unemployment, and as a matter of right the unemployables should be furnished relief on the basis of a minimum necessary to maintain life in health and decency; third, the burden for accomplishing these objects should be borne by those who have profited from a system which creates unemployment; fourth, the unemployed are to participate in the administration of work and direct relief; fifth, something should be done toward a permanent solution such as reopening and operating shut-down factories by and for the benefit of the unemployed; sixth, State and local funds are inadequate, and Congress should make adequate appropriations.

Accordingly, my relief bill provides for an appropriation of $6,000,000,000, $2,000,000,000 in grants to States for direct relief, $2,000,000,000 in grants to States for State and local work projects, and for projects required for the operation by States or municipalities of abandoned factories, mines, and other enterprises for the purpose of providing employment and producing goods for use. None of these funds are to be used for financing privately owned enterprises. Two billion dollars for the continuance of W. P. A. The six billion dollars shall be expended for the fiscal year ending June 30, 1937.

The bill also provides for certain standards. The relief standards guarantee sufficient and nourishing food, decent housing, appropriate clothing as to season and comfort, medical and dental care, replacement and renewal of essential household goods, carrying charges on homes owned by relief clients, provided such charges are not in excess of rent allowance; the maintenance of relief clients' membership affiliations in his religious, fraternal, political, or social organization; necessary transportation and communication expenses. All those who do not receive an income from any source equal to the minimum standard established in his locality as necessary to maintain life in health and decency for himself and dependents would be eligible for relief. Those who receive an income less than such minimum would receive the difference. All payments are to be in cash. No such person shall be disqualified because of sex, race, color, creed, citizenship, residence requirements, political or labor affiliations, refusal to work at occupation for which he is not fitted, refusal to work because of a strike or lock-out, refusal to work at substandard conditions of hours and wages, or refusal to work where he is required to scab or join a company union.

It also provides for standards on work projects, such as prevailing wages, but in no case shall weekly compensation be less than the minimum necessary to maintain life in health and decency for the worker and his dependents, 30-hour week, collective bargaining, workmen's compensation, work at one's own trade and according to his skill, and no discrimination. Preference would be given to those projects which would be of a permanent and useful nature.

All persons unemployed and capable of work would be eligible for work on these projects.

The relief and work projects would be administered by a commission of 15—5 to be unemployed, appointed by the President from panels of names submitted by organizations of unemployed, 5 from panels of names submitted by social workers, and 5 from panels of names submitted by the Works Progress Administration.

No State would be given grants unless it had adopted relief and work projects standards and plans conforming with those set up in the bill. The commission would pass on the plans of the various States before allocation of funds were made to them. The States, in addition, in order to qualify, must set up State and local boards giving the workers and relief clients one-third representation. The local committees shall fix minimum standards for the locality, and a dissatisfied worker or relief client may appeal to the local committee and may make a final appeal to the State committees.

The administering of the Federal work projects would be in the hands of regional and local committees giving the workers one-third representation. The local committees would fix minimum standards. Again dissatisfied workers may appeal to the local committees and may make final appeal to the regional committee.

The usual question will now be asked, Where are we going to get the money? Many sources exist. Reduce to a minimum the more than a billion dollars appropriation made for war purposes. Apply the British tax rate on all individual and corporate incomes, inheritances, and gifts over $5,000 a year. This source will be more than ample.

This bill, in my opinion, meets the immediate demands of the unemployed until such time as the Frazier-Lundeen bill for social insurance is adopted.

This bill is now before the Committee on Labor and we intend to hold hearings on it beginning the 4th of May. The day is not far distant when the Marcantonio Federal relief and work projects standards act will be considered a conservative bill by Members of this House.

Mr. BIERMANN. What is the number of the bill?

Mr. MARCANTONIO. H. R. 11186.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. LUNDEEN. Would not the gentleman also say that social-security measures should be gone into further?

Mr. MARCANTONIO. Yes. The social security plan adopted just places the burden of caring for the poor on the shoulders of the poor. It does nothing for the present unemployed and acts as an impediment to genuine social-insurance legislation. As I see it, the only real social-security bill is the Frazier-Lundeen bill. This bill gives the people genuine social security and puts the burden where it belongs—on the wealthy. Now, I should like to complete my statement.

Mr. SHORT. Mr. Chairman, will the gentleman yield for a question?

Mr. MARCANTONIO. Will the gentleman grant me further time?

Mr. SHORT. Yes.

Mr. MARCANTONIO. Then I yield to the gentleman from Missouri.

Mr. SHORT. Does not the gentleman also feel that if we returned relief agencies to the various States and local communities that the cost of administration would be cut in two; that whereas many white-collar Government parasites

are fattening off the taxpayers under the present system, the people on relief would receive more than they are now getting?

Mr. MARCANTONIO. The only difference there would be to substitute local politicians for politicians from Washington.

[Here the gavel fell.]

Mr. McLEOD. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York.

Mr. MARCANTONIO. I should prefer to see the administration of relief placed in the hands of a body made up of representatives of three important groups. The welfare group should be represented, the Government should be represented, and there should be representatives selected by the President from panels of names submitted by various organized unemployed, of whom the gentleman from Texas is so afraid.

Mr. BIERMANN. Will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Iowa.

Mr. BIERMANN. I understand the gentleman would have the Government appropriate money to put people to operating the closed factories. Where would the gentleman sell the stuff that these factories made?

Mr. MARCANTONIO. We would produce it by the unemployed and for the use and benefit of the unemployed.

Mr. BIERMANN. The gentleman would sell it to the people who made it?

Mr. MARCANTONIO. Not necessarily. We would sell their products throughout the country. In other words, you are producing for use instead of profit. We are bound to come to it sooner or later.

Mr. BIERMANN. Would the gentleman operate a typewriter factory that way, or an adding-machine factory that way?

Mr. MARCANTONIO. We can always exchange commodities; sell these commodities and use the proceeds for the benefit of the unemployed. That has been done before.

Now, coming back to the Navy bill, I want to say a few words. The reason I spoke of the unemployment problem and the inadequate appropriations therefor was simply because of the fact we are appropriating over a billion dollars here for war purposes. Over a billion for death and inadequate funds for the unemployed. In addition to that we are appropriating several million dollars for the purpose of building two battleships. I wonder, and I am suspicious, what funds are going to build the keels of the battleships? Are they going to be built out of W. P. A. funds or out of funds appropriated by this body? I think that is a question that should be taken up and answered when debate is confined to the bill tomorrow.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. They will build a great number from funds appropriated by this body, and they will build some more out of W. P. A. funds.

Mr. MARCANTONIO. Then we are burying the forgotten man under the keels of battleships. You are using his only too inadequate funds for this purpose.

In conclusion, I want to make this one statement: I am not a fanatical pacifist. I believe in defending the United States, and, if necessary, if the time should ever come, I would not hesitate to do my share of the fighting in the defense of our country. But why spend this amount of money when you cannot even identify the enemy that will invade the United States. If we are not preparing against an invasion, what are we preparing for? Are we preparing for another imperialistic war? Are we preparing perhaps for another war to end wars or for a war to make the world safe for democracy?

Mr. Chairman, why are we building all of these ships? Why are we appropriating over a billion dollars for destruction? Where is the enemy? Can anyone mention the enemy? I challenge any Member, whether he be a member of the Military Affairs Committee, the Naval Affairs Committee, or the Appropriations Committee, to reveal to us the enemy that is going to attack us.

Mr. BLANTON. I accept the challenge and can mention an enemy if the gentleman will yield?

Mr. MARCANTONIO. I know what the gentleman is going to say. He is going to holler "red"! He reads "red", he dreams "red", he sees "red" all the time.

Mr. BLANTON. I have a pretty good reason for all of it.

Mr. MARCANTONIO. The gentleman cannot give a good reason but his usual laughable charge.

Mr. BLANTON. The speech the gentleman is making is a pretty good reason.

Mr. MARCANTONIO. My speech is a good reason to prove that the gentleman's views on this subject are silly.

Mr. McCORMACK. Will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Of course, without mentioning any nation, the gentleman realizes that unfortunately causes of war are in existence everywhere. Every other nation of the world is apparently preparing for war. Of course, I condemn it just as much as the gentleman does, but it is going on just the same.

Mr. MARCANTONIO. Is anybody preparing to invade the United States?

Mr. McCORMACK. Well, every other nation is preparing.

Mr. MARCANTONIO. But not to invade the United States.

Mr. McCORMACK. The causes of war are in existence, and no one knows where it may come from.

Mr. MARCANTONIO. All we should be concerned with is an invasion of the United States.

Mr. McCORMACK. We do not know when it is going to start. The gentleman knows as well as I do that a navy has to be built before a war occurs. You cannot build a navy overnight.

Mr. MARCANTONIO. We have heard that argument for the last 35 years. We have heard about Japan and everything else, and on this pretext we have appropriated millions of dollars, and now we are going to spend more than a billion dollars for war. We are preparing for war and we will have war, a war, not in defense of our homes, but an imperialist war, a war to insure our financial and imperialistic interests. I shall never vote for such a war as long as I am a Member of Congress. It is over a billion dollars for war, while 700,000 W. P. A. men are being discharged from the rolls. How can anyone justify the expenditure of a billion dollars for war while at the same time 700,000 men in the United States of America are being kicked off the W. P. A.? That is the question that the unemployed will put to you in the next elections in this country. [Applause.]

[Here the gavel fell.]

Mr. UMSTEAD. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MAVERICK].

Mr. MAVERICK. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and to include certain excerpts.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

REPUBLICAN PARTY GETS A FASCIST WHAT-HAVE-YOU "BRAIN TRUST"

Mr. MAVERICK. Mr. Chairman, I am very much worried today because I note some little dissension among my Republican brethren. They seem to disagree on various things. But something is going to come into their lives which will banish their bickerings and disagreements. It is a "brain trust" of their own which they have gone out and hired. Is not that wonderful, after shouting against our "brain trust", and abusing the Democrats for 3 long years? What is this Republican "brain trust" for? I will tell you.

This morning I did not sleep very well, so I got up and read the Hearst newspaper. I saw in the Merry Go Round column a story about a professor by the name of Thomas N. Carver, who appears to be the head of the Republican "brain trust", and its best thinker. Then I sent out and got the Philadelphia Record and read that newspaper, and in the Washington News this afternoon I see there is another story. The Merry

Go Round, widely read American column of national news, is by Drew Pearson and Bob Allen, and the story in the Philadelphia Record, giving more details, is by Bob Allen.

It seems the Republicans and their shiny new "brain trust" have got some big ideas, and stranger or more eccentric ones were never heard before. I gather this from reading what they have to say. Here is what these brain trusters are for: In the first place, they are for nothing. That is, they are for nothing that is progressive, intelligent, or constructive in America. Then they are for everything that is reactionary, and then they are for being "yes" men for the utilities, the banks, the munition makers, and the big corporations. Then they are for setting class against class; I mean, the big property owners against ordinary humanity, ordinary Americans.

DON'T MIX REPUBLICAN BUNGLER FLETCHER WITH OUR DEMOCRAT OF SAME LAST NAME

I am now going to read some of this matter that came from the newspaper. It is pretty tiresome to read, but it explains the Republican mind and is good reading, is swell reading, because it shows just how stupid the Republican leadership is. They have what they call a National Bungler, who is Mr. Fletcher, and he went out and hired this "brain trust."

Mr. FLETCHER (interjecting). Mr. Chairman, will the gentleman give the full name—Henry P. Fletcher—not BROOKS FLETCHER?

Mr. MAVERICK. I shall be pleased to see that that is done. I will see that the name of the National Republican Bungler is not mixed with yours, BROOKS FLETCHER, a good Democrat of Ohio. [Laughter.] Our Democrat, BROOKS FLETCHER, is the opposite of the Republican one in every way.

Mr. DREWRY. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. Of course I will yield to the gentleman from Virginia.

Mr. DREWRY. I was just wondering why a good Democrat should object to the stupidity of a Republican leader.

Mr. MAVERICK. Well, I just want to call it to the attention of the American people. When I said I was worried I may have been a little sarcastic; but I do not object. You see, we have been accused for 3 years of having a "brain trust", so they went out and got a "brain trust." But it turned out to be a second-hand "brain trust", a sort of empty-headed outfit and a sort of reactionary one. In other words, they copy us, the Democrats. Imitation is a high type of flattery, but the imitation comes late, and is not up to quality. Let me read what this story says, and this is really a serious sort of thing. From the Philadelphia Record of April 30, 1936, we read as follows:

Big headline: G. O. P. brain truster's Fascist plan would limit marriage and relief.

Subheadlines: End of regulation over business among proposals of Harvard professor in economics. Sterilization of unfit, birth control, and immigration ban urged to end labor oversupply.

And here is the article. I am reading:

[By Robert S. Allen]

A program of pronounced Fascist character is being advocated by a leading member of the recently organized Republican "brain trust."

He is Thomas Nixon Carver, professor emeritus of political economy at Harvard University, and his extraordinary policies are contained in an 84-page booklet entitled "What Must We Do to Save Our Economic System." It has been privately circulated among business leaders.

This particular booklet, though there are others worse, by the same author, was published through a Fascist, big business group out in Los Angeles. Their main ideas, according to the headlines, and as I read the booklet, are forced sterilization and birth control, and an immigration ban; and to bring prosperity back to the country this Republican "brain trust" is not going to allow anybody to get married unless he first owns an automobile. Yes; this is how the Republicans are going to bring us back prosperity. Just make them all buy automobiles before they let anybody marry. First you must own an automobile and then the stock owned by the Du Ponts in General Motors will go up; Mr. Raskob will feel good; Al Smith will smile; everything will be fine; and the depression will thereby be over.

It says among other things that they would have an immediate curtailment of relief, and then the article continues:

"Lauding theories advocated by Hitler and Mussolini", who are the new gods of the Republican Party—

The Republican "brain truster" proposes that the following program be adopted by the "substantial people of America"—

Only the substantial people, you understand, are Republicans—" 'the real forgotten men' (the spokesman and head brain truster for the Republicans says) to combat New Deal measures and policies."

REPUBLICAN "BRAIN TRUST" TO TURN BIG BUSINESS LOOSE ON COUNTRY; NO LABOR LEGISLATION

So I read the program of the Republican "brain trust":

1. Relaxation or elimination of Government regulation and restraints on business.

What they in effect say and really mean, is to leave business entirely without any control, have no labor legislation, no old-age pensions, no social security legislation—just let business alone and do not charge them any taxes. This is their idea of bringing back prosperity.

G. O. P. TO LET THEM—WHAT—STARVE?

Now, let me read the second one.

2. Drastic curtailment of unemployment relief with the jobless needy "forced off (relief rolls) by severe regulations," if necessary.

I understand in this Fascist organization out in Los Angeles they had a lot of conversations that they kept secret and never allowed to be printed. This booklet is one that they revised down, that is, with a lot of their more brutal suggestions cut out in the printing. The implications, however, are there. They do admit, however, relief is to be stopped by "severe regulation." There is a lot of hidden meaning and brutality in that.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. CHRISTIANSON. It seems to me that the proposal to which the gentleman from Texas properly objects follows the Administration's own policy as enunciated by the President of the United States a year ago in January when he declared that the Government "must and shall get out of this business of relief." If quoted correctly, your so-called "Republican brain truster" is only echoing the words of the Democratic President of the United States.

Mr. MAVERICK. We hope to cut it down, but we are not going to do it in the way that this man advocates, which is to let the people starve.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. Yes.

Mr. McCORMACK. The President said that that would be done as quickly as the economic circumstances would permit.

Mr. MAVERICK. I thank the gentleman; that is correct.

Mr. CHRISTIANSON. We cannot accept that explanation because the language of the President's message does not bear out what the gentleman from Massachusetts has stated.

THIRD BRAIN PLANK—NO AUTOMOBILE; NO MARRIAGE

Mr. MAVERICK. The third one suggested by the Republican "brain trust" and I presume approved by the Republican Party:

Sterilization of the "palpably unfit", use of birth control, limitation of marriage to those who can afford to buy and maintain an automobile, and exclusion of all immigrants in order to reduce the oversupply of labor.

I understand in these meetings in Los Angeles the participants went considerably further than that in their philosophy, and their intended plans on the American masses. I mention this to show the arrogant attitude of this Republican professor, and how, of course, his views met with the approval of the Republican Party, or he would not have been employed.

Now, we have been accused of regimentation of the economic life of the Nation, but it seems to me that the Republicans now want to go out and regiment family relations.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. These "brain trusters" want to do a lot of things that no one in the Democratic Party ever even thought of. When the whole story is told it will be shocking to some and funny to others. I now yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. But this so-called "Republican brain truster" is only echoing what has been proposed in bills introduced by two distinguished Democratic Members of this body, the gentleman from Oregon, Mr. PIERCE, and the gentleman from Oklahoma, Mr. GASSAWAY.

Mr. MAVERICK. Oh, they are fine gentlemen, but that has not been adopted by our "brain trust" or our party. That has been adopted by the gentleman's party. Moreover, your brain-truster apparently wants to force this upon the American people. He and his crowd of "supermen" will decide who can live, and who can, in his own words, "spawn."

G. O. P. BRAINS ADVOCATE FORCE OF PROPERTIED CLASSES AGAINST HUMAN RIGHTS

Now, the fourth point in this Republican platform, which is blue-printed for them by the Republican G. H. Q., is as follows:

No. 4. Organization of the propertied class in a party to put over this program.

That is the real idea. It is to set class against class; to use the force of property against humanity. That shows a fundamental difference in the economic, political, and social philosophy, of the two parties. This is for the purpose of setting up the propertied class against the ordinary average Americans who live in this country. The Republican Party represents centralized property and finance; the Democratic, the rights of the average man.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. Yes.

Mr. LUNDEEN. When property rights and human rights conflict, human rights must prevail.

Mr. MAVERICK. Yes; of course. I thank the distinguished gentleman.

Mr. CHRISTIANSON. Mr. Chairman, can the gentleman distinguish clearly between property rights and human rights? The gentleman must see that property as such, being dead and inanimate, can have no rights, but that the right to acquire, own, and use property is one of the most valued of all human rights.

Mr. BANKHEAD. Mr. Chairman, I hope my friend from Texas will not let this red herring which the gentleman from Minnesota is attempting to draw across the trail divert him from what he is talking about——

Mr. MAVERICK. The red herring which the Republicans are drawing across themselves with their own "brain trust" is worse; I shall not let him divert me.

(The gavel falls.)

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. UMSTEAD. Mr. Chairman, I yield the gentleman 3 minutes more.

REPUBLICAN PARTY BENDS KNEE TO LIBERTY LEAGUE

Mr. MAVERICK. I just want to say in reply to the gentleman from Minnesota [Mr. CHRISTIANSON] that the Republican Party is backed and controlled by an organization known as the American Liberty League——

Mr. CHRISTIANSON. The head of the American Liberty League is a good Democrat.

Mr. MAVERICK. Quondam, or ex-Democrat; now reactionary hired hand of the munitions interests and in his spare time a reactionary boss of the Republican Party. Furthermore, we do not acknowledge him any more. But, to go on, the Republican Party bends its head to what they call the American Liberty League. But the American Liberty League is not for liberty. They say they are, but they are for property. And that isn't all; they are for the big-propertied class, for the monopolists, and for property being owned by a few, with human rights made subservient. And I agree with the gentleman from Minnesota [Mr. CHRISTIANSON] that ownership of property is a valuable human right, but the Liberty League is only for that for themselves. I believe, however, that there should be a wide distribution of property.

HOSTILE AND SELFISH INTERESTS FINANCE MOVE

I continue reading the article by Mr. Allen in the Philadelphia Record:

Mr. Carver's name is on the cover of the pamphlet, but on the inside page are the names of three sponsors: Harold L. Doolittle, chief consulting engineer of the Southern California Edison Co.; Franklin Platt, an insurance company official, and Ernest Carroll Moore, vice president of the University of California, at Los Angeles.

In a foreword by these sponsors they reveal that Carver formulated his platform in collaboration with a large group of California bankers, utility officials, and business executives.

In his pamphlet Carver holds that the chief economic problem facing the country is unemployment. This is due, he contends, to an oversupply of labor. To remedy this he proposes what he calls the alternative to unemployment relief, viz, birth control, sterilization, restricted marriage, elimination of immigration.

Get this: the matter of birth control and sterilization is apparently not advocated even to the extent of permitting it voluntarily, but to impose it by force upon the people of the United States. That is the idea of the Republican "brain truster" employed because of his ideas.

Here is more of the program mapped out for the Republican Party by their "brain trust", which I continue to read:

Pending the operation of these measures, he proposes in the meantime to give business its head by curbing or eliminating Government regulation, balancing the budget and stopping "tinkering with our monetary system."

He also advocates cutting taxes, but would continue public works of a permanently useful nature. None of the Government's projects, however, would be of a kind to compete with private industry. Publicly owned power plants would be taboo.

This, in effect, would mean that the great T. V. A. development would be turned over to big business as a gift from the taxpayers; big business would profit from it, but the taxpayers would have to foot the bills. As for reforestation, prevention of soil erosion, and all the great reclamation, conservation, and drainage projects, the ordinary citizen would have to pay for it too.

REPUBLICAN "BRAIN TRUSTER" ADVOCATES "POPULATION PLANNING"

The story continues:

Carver lays great stress on his fear of a Communist revolution.

"The trouble has always been that economic planners have wanted to control the symptoms rather than the causes of the disease that afflict the body politic", Carver writes. "In all this welter of discussion of economic planning, scarcely a word has been uttered on the important subject of population planning.

"Yet the population problem is fundamental, and the most dangerous form of laissez faire is that which leaves the quantity and quality of our population to blind forces which are cruder and more dangerous than so-called blind economic forces."

It is presumed some high council will decide who is intelligent and who is not. And then, it seems, people who are not intelligent will be prevented from "spawning."

"So long as people who lack intelligence continue to spawn others who lack intelligence we shall have more of such people than we can possibly employ at good wages."

Carver voices a low opinion of the present reproductive processes, which, he says, are initiated by "the emotions, the passions, and the ignorance of men."

He explains that in the past strong races have taken care of their population by imperialistic territorial expansion.

"Strong races have, in the past", he declares, "solved the problem of maintaining a favorable man-land ratio by taking more land when they needed it. They at least had far-reaching plans for the solution of the fundamental problem of the man-land ratio.

"In this respect they were, on the intellectual, if not on the moral, side far ahead of any of our present-day economic planners outside of Italy, Germany, and Japan."

DUCE AND HITLER NOT SO BAD

While insisting that he abhors any governmental scheme which interferes with the freedom of the individual, Carver intimates that Mussolini and Hitler may not be as bad as painted. After all, he says, are they not the foes of Communism?

He predicts that "hungry hordes from Russia, gazing covetously across their borders at countries blessed with capitalistic plenty, will some day invade Europe."

"Europe will once more stand with her back to the Atlantic, fighting for its existence against the hordes from the East", he says. "Possibly Mussolini and Hitler are more far-seeing than the rest of us and are prepared to stand together at another field of Chalons as the ancestors of their people did in A. D. 451, who knows?"

Carver expands on his encomiums to Hitler by contending that the Nazi Fuehrer did the "rational" thing of segregating and sterilizing congenital defectives.

The United States could solve its unemployment problem, Carver says, by also engaging in a policy of imperialistic territorial expansion. He admits sadly, however, that Americans as a whole seem "especially unfitted, both by geographical position and temperament, for a career of expansion by conquest and colonization."

FINDS MENACE IN THE PEOPLE

He warns, however, that "propertyless masses" may have no "moral scruples" against such adventures.

"The landless and propertyless masses of Europe and America may find it easier to take land from their richer fellow citizens than to take land from weak races in distant parts of the earth", Carver says, adding that this is a suggestion which "property owners would do well to ponder."

The brain truster does not spare the goose-flesh of his businessmen sponsors in any portion of his pamphlet. Speaking of the possibilities of violent revolution, he says:

"The law of proletarian revolution is startling in its arithmetical simplicity. Where manual workers become overwhelmingly numerous they will have both the motive for revolution and the power to carry it through to success."

Carver ends his booklet with a call to action. He pleads with the "substantial people" to organize and defend their rights.

He suggests that it might be possible to "persuade the perplexed masses that they have more to hope for under our system than under any other."

WHICH ARE THEY, CRACKPOTS OF RIGHT OR LEFT, OR JUST PUZZLED?

Mr. MAVERICK. There is an article in the Washington News this afternoon written by Ruth Finney, showing that this Republican brain truster is vague in his thinking and does not know what he is talking about. I understand that his views were all discussed by the Du Ponts and Henry P. Fletcher, the National Republican Bungler, and Republican leaders before they hired him, so they knew and accepted what he stood for. But among other things, Carver, the brain truster, is against the tariff. He says that it is wrong, that it is improper to have a tariff, but he is narrow-minded enough on other issues, so he passed muster with the big boys who own, operate, and finance the Republican Party.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. UMSTEAD. I yield 2 minutes more to the gentleman.

Mr. MAVERICK. Let me read a paragraph from a story in the Washington News:

To cap the climax Carver disapproves of the keystone of the Republican Party, the protective tariff. It is an erroneous policy, he says, because it diverts labor into inefficient industries. He adds: "We cannot safely trust too much economic power in the hands of one individual."

CONTROL MONOPOLY—REDISTRIBUTE WEALTH—WHAT'S THAT?

Here are some more paragraphs in the news showing his views:

There are three kinds of income, Carver says, "earnings, stealings, and findings." Under earnings, he classifies wages paid for productive labor, interest on one's own accumulations, and profits on business which one manages honestly.

Stealings he lists as burglary, swindling, deception, chicanery, mendacity, and monopoly. Findings he calls mineral wealth, rise in the site value of land, and inherited wealth.

He favors proceeding, by legislative action, to redistribute all unearned wealth, and he outlines three steps toward this end—increased taxation of land values, a graduated inheritance tax, and control of monopoly prices.

WHAT DO THE REPUBLICANS STAND FOR?

He does not seem to know what he is talking about.

What I want to show to this Congress and to the people of the United States is this, that the Democratic Party offers an integrated, intelligent plan for the recovery of this Nation. But the Republican Party offers absolutely nothing—not a single idea or achievement.

Mr. Chairman, the Democratic Party at least has courage to act, to do something. Night and day for 3 long years we have been damned because we are alleged to have "brain trusters" in our administration. We admit we have some men with brains in our organization; we admit we have got brain trusters with us. And as far as I am concerned, I want to make the observation that it seems to be the settled policy of the Republican administration to get the weakest men in Government service and to have the brightest men in big business, and then it is much easier for big business to control the Government. Personally, I am proud of this Government and believe that we should get the most intelligent and best educated men in the country to serve it, and we need brains more now than ever before. The Republican Party saw that the old story about brain trusters was not going over so well, so they went out and hired some of their own—making themselves illogical and ridiculous, and at the same time, really did not get men with brains or progressive spirit, but most of them labor-hating, reactionary yes-men with vague and conflicting ideas.

My hope is that every American citizen will look forward to giving his children university educations—and of making brain-trusters out of their sons. I would like my son to be a brain-truster. I would like my son to have a trained brain and to use it for the benefit of his country. And just by way of a side remark, I had rather he used his brains for peaceful purposes than to have them shot out in a war.

There seems to be a disposition on the part of the Republicans to back everything that is brutal and stupid and cruel. They have worked all this in with the Liberty League; the Republican Party has become merely a subcommittee, without voice or vote, for the Liberty League. Meek submission to the Liberty League is all the Republicans offer the American people. They appeal to prejudices; they yell loudly when the Democrats offer anything constructive, talk vaguely of economy; do nothing, say nothing, and amount to nothing. The Democratic Party has made many mistakes, but it has attempted to give a progressive and intelligent administration to the people, with human thought and human rights predominating in thought and action. And believe me, that will be continued until we reelect Mr. Roosevelt in November—and then we'll keep on. [Applause.]

Mr. UMSTEAD. Mr. Chairman, I yield 3 minutes to the gentleman from Alabama, Mr. BANKHEAD.

Mr. BANKHEAD. Mr. Chairman, inasmuch as the gentleman from Texas, Mr. MAVERICK, has adverted to what the distinguished gentleman from Minnesota [Mr. CHRISTIANSON] called so-called Republican "brain trusters", and in view of the fact that the Democrats were very much criticized for calling into consultation a few college professors, I desire to incorporate in the RECORD a few of the names of the heads of that organization, although there are 59 of this group of so-called Republican "brain trusters."

Dr. Saxon of Yale; Dr. Bullock of Harvard; Dr. Carver of Harvard; Dr. Hobson of Wisconsin; Dr. Tucker of Columbia. They got after us a good deal for getting Dr. Tugwell from Columbia and now they have imitated us as nearly as possible by getting a Dr. Tucker from Columbia; Dr. Bradford of Lehigh; and Dr. Carpenter of Buffalo. I think the names of these distinguished "brain trusters" ought to be embalmed in the Record for the benefit of posterity. [Applause and laughter.]

Mr. MAVERICK. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. I yield to the gentleman from Texas.

Mr. MAVERICK. Embalmed is right. They are dead intellectually and need it. I understand they tried to get jobs with the Democrats but they were so inefficient and ignorant that we would not hire them. [Laughter.]

Mr. BANKHEAD. That is the common report. I do not know whether that is true or not. [Laughter.]

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. I yield.

Mr. McCORMACK. I also want to call the attention of the gentleman from Alabama to a little pamphlet which has issued for the first time by the Republican National Committee, a pamphlet numbered 1, volume 1. I wonder if that is the product of this new "brain trust"? The title is "On Our Way." It constitutes about the cheapest kind of ward politics that could be conceived in any man's mind, put out by any cheap politician. I have shown it to my friend.

Mr. BANKHEAD. The gentleman from Minnesota referred to it as "the so-called brain trust." So it has developed that they do not have any brains.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. I yield to the gentleman from New York.

Mr. MARCANTONIO. I ask the "brain trusters" on both sides, how are they going to put 12,000,000 men back to work?

Mr. BANKHEAD. The gentleman has not referred that question to me. I can answer it, but, of course, if he prefers the "brain trusters" to answer it, I will let them do it.

I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. I was going to make the observation that I hope that other members of the so-called "Republican brain trust" do not hold the views quoted by the gentleman from Texas.

Mr. MAVERICK. Oh, you cannot make any excuse like that; no, sir. Do not talk about Tugwell any more.

Mr. CHRISTIANSON. Because if they do, then I as one Republican would have to demur, for those views too nearly coincide with those which have been enunciated by the present Democratic Administration and its leaders in Congress.

Mr. MAVERICK. Oh, that is a poor excuse.

(Here the gavel fell.)

Mr. UMSTEAD. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. McFARLANE].

Mr. McFARLANE. Mr. Chairman, I desire to speak this afternoon about the 10-percent profit limitation amendment placed on the War Department appropriation bill on February 14. If the Members will give me their attention for just a minute, I believe I can call to their attention some important facts that should be taken into the consideration of the conference report that is to be considered next week.

TEN-PERCENT PROFIT LIMITATION FOR NAVY

Just to briefly refresh your memories concerning this 10-percent profit limitation amendment, let me say you will remember that more than 2 years ago a similar 10-percent profit amendment during debate in the House was placed on the Vinson-Trammell Naval Act, limiting all ship and naval-aircraft construction profits to 10 percent. Under the law it is the duty of the Internal Revenue Department to prescribe rules and regulations for the enforcement of this profit limitation, and this has been done.

This amendment has been working satisfactorily, as shown by the Navy Department and Treasury Department records. According to the report filed today by Senator WALSH, of the Senate Naval Affairs Committee, reporting favorably H. R. 5730, he indicates this profit-limitation amendment, effective since March 27, 1934, has not worked any hardship on anyone, in making this statement:

CONTRACTS MADE UNDER EXCESSIVE-PROFIT PROVISIONS

To date there have been 637 contracts with a total contract price of $229,352,577.40 entered into subject to the provisions of the Vinson-Trammell Act. The reports received to date following completion of the contracts total 82, of which 7 show profits in excess of 10 percent, totaling $13,716.84; and 24 losses totaling $197,609.74; the remainder of 51 showing a profit of 10 percent or less.

It will be remembered that, separate and apart from the construction program carried in the regular appropriation bills of the War and Navy Departments, which totals over $1,000,000,000 for these two Departments for this year, that these two Departments have received from the Public Works Administration the past 3 years the sum of $304,846,741.50, as follows:

Public Works Administration—Allocations to the War and Navy Departments, 1933–36

[Accounts and deposits, Feb. 18, 1936]

	Fiscal year 1933	Fiscal year 1934	Fiscal year 1935	Fiscal year 1936	Total
War:					
War Air Corps (airplanes)		$7,500,000			$7,500,000.00
Seacoast defenses		6,994,000			6,994,000.00
Ordnance:					
Watertown Arsenal			$89,000		89,000.00
Rock Island Arsenal			370,000		370,000.00
Ammunition		6,000,000			6,000,000.00
Equipment			2,309,491		2,309,491.00
Motorization		10,000,000			10,000,000.00
Subtotal		30,494,000	2,768,491		33,262,491.00
Navy:					
Aeronautics		7,500,000			7,500,000.00
Ordnance		330,225		−3,046.50	327,178.50
Yards and docks:					
Physical improvements		25,150,537	331,535	275,000.00	25,757,072.00
Vessels [1]	$238,000,000				238,000,000.00
Subtotal	238,000,000	32,980,762	331,535	271,953.50	271,584,250.50
Grand total	238,000,000	63,474,762	3,100,026	271,953.50	304,846,741.50

[1] Statutory allotment.

Thus we may better realize the enormous sums of money now being expended by these two departments. Then we refer further to the favorable report of Senator WALSH, and we find this statement concerning the $238,000,000 P. W. A. ship-construction program, to say nothing of the other ship-construction appropriations made in the regular appropriation bills. The report of the Senator says:

None of the contracts for the construction of complete naval vessels subject to the provisions of the Vinson-Trammell Act have been completed to date.

Thus we find no ship-construction company has yet made any income-tax return on ship contracts since the enormous ship-construction program of this administration has begun that has had for its purpose to bring the Navy to full treaty strength. This raises the interesting question of the conditions under which these ship-construction contracts were let. I find in turning to pages 55–56 of the preliminary report of the Senate munitions investigation report, this colloquy when Mr. John P. Frey, president of the Metal Trades Department of the American Federation of Labor, was testifying:

Mr. FREY. When Mr. Wilder was at my office, some 10 or 12 days before the bids were opened, he made the statement that he could give the names of the yards who would be the lowest bidders on all of the category of ships to be contracted for. I told him that was interesting. I had heard so many rumors about various things since I had been in Washington that I had to have something more substantial than that before I would give it any consideration. He said, "I will give it to you now, and I will seal it." * * *

The CHAIRMAN. Let the record be clear. The sealed information was given 10 days before?

Mr. FREY. Yes; about 10 or 12 days before. Three days before the bids were opened I was in General Johnson's office discussing the Ship Building Code and my own impression as to the intention of the shipbuilders, and I said: "They are all in collusion." I was talking then about the code. I said, "I think they are also in collusion so far as the bids for these new vessels are concerned."

I said, "I have had given to me a list of names of the shipyards who would be the lowest bidders for one type of vessel."

I said, "It is here in my pocket", and I took it out and I said, "Here, you take this. This will be interesting to you."

Johnson said, "That is too hot. I am not going to get mixed up in anything of that kind. I have got troubles enough of my own."

And General Johnson refused to take the sealed envelope. A great deal was going on at that time to occupy my interest, and I put the envelope in my desk. The day after the bids were opened and the bids published in the daily press I called Mr. Calvin into my office and said, "Let us find out whether Wilder was filled with hot air or whether he really knew what he was talking about."

Mr. FREY. * * * We opened the envelope and we checked them off and Mr. Wilder was accurate in every instance. He had named the lowest bidders.

Senator VANDENBERG. Who were the three lowest bidders?

Mr. FREY. There were submarines to be built, and destroyers to be built, and light cruisers, and armored cruisers, and aircraft carriers.

Senator VANDENBERG. Who were the successful bidders which Mr. Wilder identified?

Mr. FREY. There I have to depend on memory. I believe that the Bath Iron Works, the Bethlehem Shipbuilding Co., the New York Shipbuilding Co., the Newport News Shipbuilding & Dry Dock Co., and I think there may have been one other.

In any event, as we checked up, we find that the statement which Mr. Wilder had given to me 10 days before was right.

Senator VANDENBERG. Did you mention Bethlehem?

Mr. FREY. Yes. Afterward I asked Mr. Wilder how he could give us so accurately the information, and his reply was perhaps characteristic. He said, "I have been in the game myself."

He was president of the New York Shipbuilding Co. for a while.

Senator VANDENBERG. How many ships were involved in this contract letting?

Mr. FREY. All of the ships that were contracted for under the original $238,000,000 appropriation.

Senator VANDENBERG. It was a large number of ships?

Mr. FREY. Yes.

Senator VANDENBERG. Thirty-odd ships?

Mr. FREY. Yes, sir.

Senator VANDENBERG. In various tonnage categories?

Mr. FREY. Yes, sir; from submarines to aircraft carriers.

Senator CLARK. The Bath Iron Works got one or two, Mr. Frey?

Mr. FREY. I think they secured two.

Senator CLARK. A very small proportion of the whole?

Mr. FREY. Yes.

Senator VANDENBERG. And with respect to all this diversified contractual structure, all of these various types of ships, Mr. Wilder's estimate as to the prophecy of who was to get the same, made 10 days before the bids were opened, proved scrupulously accurate in every respect?

Mr. FREY. In every instance. I forgot to mention that—and Mr. Calvin has refreshed my memory on this—that the Federal Ship Yard and the United Dry Docks were also bidders and also secured contracts at that time.

Mr. Wilder, who submitted in advance of the bidding in 1933 a list of low bidders to Mr. Frey, testified that the prearrangement in 1933 was known also to potential subcontractors:

Senator CLARK. Referring again to this transaction in 1933, Mr. Wilder, when you supplied this list to Mr. Frey and Mr. Calvin, you say that that was a matter of general information at that time?

Mr. WILDER. Yes, sir.

Senator CLARK. Will you describe a little further what you meant by "general information"?

Mr. WILDER. General knowledge would be a better word.

Senator CLARK. General knowledge?

Mr. WILDER. Yes, sir. Such people as the Chicago Pneumatic Tool, Westinghouse, or any large corporation that is supplying the shipbuilders knew what the arrangements were.

Senator CLARK. What were the arrangements?

Mr. WILDER. Knew where to look for the business.

Thus we find not only fraud and collusion among the ship contractors on arranging who would be high and low bidders, but this information, it seems, was known to the subcontractors as well who would furnish most of the technical equipment and material for use of these ships.

We find Mr. Wilder further testified how he happened to get hold of the confidential information (p. 57, preliminary Munitions Committee report):

Mr. WILDER. Now, if the Senator will permit, the reason I got that information was because the shipbuilders are reported to have had one whale of a row, and as a result of that row, this row being in the week prior to July 26, 1933——

Senator VANDENBERG. You mean the "big three" had a row?

Mr. WILDER. The "big three" had a row, and how. You had Charley Langell on the stand the other day. If you call him again, ask him what happened; why it was necessary for him to go out of the conference room and telephone Camden and urge Ernest Cornbrook to get in a plane and come right down.

Senator CLARK. Who is Ernest Cornbrook?

Mr. WILDER. Operating vice president of New York Ship. Bardo was getting the worst of the argument. Langell is the estimator. Langell had sense enough to go out and fly down. That was a week prior to July 26. It was reported that the row was so severe that Mr. Cornbrook had a heart attack at 4 o'clock in the morning and was taken out on a stretcher at the Mayflower Hotel. That was Thursday or Friday before the bids were opened.

Senator VANDENBERG. That is, at a meeting, an all-night session in the Mayflower Hotel, between the representatives of the "big three" a week before the bids?

Mr. WILDER. The week before. I cannot place it exactly.

Senator VANDENBERG. The week before the bids?

Mr. WILDER. The week before the bids, Thursday or Friday. Mr. Ernest Cornbrook flew down, and then at 4 o'clock was taken out on a stretcher. It was reported to me that the subject of the row was that Bethlehem would not accept the fighting ship and wanted something more out of it in addition. That was the reason.

Senator VANDENBERG. What else was reported out of the meeting?

Mr. WILDER. That is all.

Senator CLARK. Was this before the bids were filed?

Mr. WILDER. Before the bids were opened. It was on the basis that Bethlehem get one 8-inch-gun, 10,000-ton cruiser and 4 destroyer leaders of 1,850 tons; New York Ship, two 6-inch-gun, 10,000-ton cruisers and 4 destroyer leaders of 1,850 tons; and Newport News, 2 aircraft carriers.

Senator BONE. The bids had not yet been filed?

Mr. WILDER. No, sir.

Senator BONE. Manifestly, you could not have an understanding of that kind without knowing the attitude of the Navy Department, because it involved two different parties.

Mr. WILDER. That is just what I wanted to clear up Senator Clark on. This had nothing to do with awards. This was the filing of the bids.

Senator BONE. I understand, but the award is the important part. If they were made in that way and there was collusion, the Navy Department would have to be a part of it.

Senator BARBOUR. Awards can only be on the basis of a bid.

Senator BONE. I understand that.

Senator CLARK. Mr. Chairman, I am glad Senator BONE brought that up. Assuming collusion on any bid, the method by which that would be determined would be for the party selected by the conspirators to make the low bid and for the other parties to the understanding to make so-called protective bids?

Mr. WILDER. Yes, sir.

Senator CLARK. Sufficiently higher so that the selected party would necessarily be the low bidder. Is not that the customary method Mr. Wilder?

Mr. WILDER. Yes, sir.

Senator VANDENBERG. In other words, if at that midnight meeting it was decided that Bethlehem is to get—what does Bethlehem get?

Mr. WILDER. One 8-inch-gun cruiser and four destroyer leaders.

Senator VANDENBERG. All right. If they decided at that midnight meeting that Bethlehem is to have that particular group of ships, then Bethlehem bids low on that group, and the other two bidders bid high. Is that the way it works?

Mr. WILDER. Yes, sir; that is the way, the explanation of the 1933 situation.

Senator BONE. That is the explanation I wanted.

Senator VANDENBERG. Then to reciprocate Bethlehem bids high upon whatever ships are allocated to the other builders?

Mr. WILDER. Yes, sir. They faced a rather definite situation there.

Senator BONE. They were parceling the country out? "All Gaul is divided into three parts."

Mr. WILDER. Oh, yes; it is just the "great divide." They are quite accustomed to that in Bethlehem. They used to do it, and called it "Bonus Hill."

The testimony of Mr. Frey and Mr. Wilcher as shown by the munition hearings was rather fully verified and substantiated by documentary evidence and statements of others placed in a position to know the facts.

Profits on ship construction before 10-percent limitation amendment.

Before the 10-percent profit limitation amendment was offered and approved on March 27, 1934, we find these same ship contractors making these admitted large profits:

	Dollars	Percent
Cruiser *Augusta* (Newport)	2,800,945	35
Cruiser *Houston* (Newport)	2,800,945	35
Cruiser *Chester* (New York Ship)	2,946,706	36.9
Cruiser *Northampton* (Bethlehem)	2,200,000	25.4
Cruiser *Indianapolis* (New York Ship)	3,007,049	33.4
Cruiser *Portland* (Bethlehem)	2,058,796	21.8
Aircraft carrier *Ranger* (Newport News)	3,050,000	23.1

Last year the lobbyists for the ship contractors and scientific-instrument concerns in particular came before Congress with the above-described legislation practically to nullify or repeal the Vinson-Trammell Ship Authorization Act by excepting practically all of the firms that operated under it, as shown by the provisions of H. R. 5730. That legislation passed the House by a few votes. On a motion I offered an amendment to strike out the enacting clause, and a change of eight votes would have defeated it. I believe we would have been able to defeat this legislation had we been given equal time in debate and had we been able to thus present the full facts concerning this matter before the House.

So, we now have this situation existing: The 10-percent-limitation amendment as it applies to all ship and aircraft

construction for the Navy is in the law today, and the Treasury Department has provided adequate regulations to make it effective.

TEN-PERCENT PROFIT LIMITATION FOR WAR DEPARTMENT

As to the War Department appropriation bill, the amendment that was unanimously adopted by the House, thoroughly understood by the committee, was taken out in the Senate as shown by the RECORD, largely, I believe, by misinformation given the Senate concerning the fundamentals of the amendment. I refer you to my speeches on this subject of February 18 and March 23, also the Senate hearings upon the Subcommittee on Appropriations. The 10-percent amendment, as I understand it now, has been taken out by the conference committee in its report which will be given to the House next week. I am taking this opportunity to call your attention to some of the reasons why I believe this amendment should be placed back in the War Department bill to put them on an identical basis with the Navy concerning similar purchases of aircraft and ship procurement.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield for a question.

Mr. LUNDEEN. Would it not be better if we had Government ownership of the manufacture of munitions? And let me add that I am in agreement with the gentleman on his 10-percent proposition.

Mr. McFARLANE. I should like to see that on all war munitions supply; but until we can get that, we should properly curb the exorbitant profits now being made by these different concerns, all of whom are practically owned and controlled, directly or indirectly, by the Chase National, National City, and the J. P. Morgan group——

Mr. LUNDEEN. I agree with the gentleman about that.

Mr. McFARLANE. Until we can bring that about it is up to us adequately to limit the profits these different concerns are making. I have here a chart which I inserted in the RECORD, Seventy-third Congress, second session, page 4977, showing the interlocking set-up of the aviation industry, which shows this entire industry is just one big family largely owned and controlled by a very few big Wall Street bankers. I inserted this chart and another one in the record of the hearings of the Naval Affairs Committee in 1934, and it has never been successfully denied. These two charts show the complete interlocking set-up of the Air Trust and show also these three financial institutions practically completely own and dominate the entire aircraft industry.

Until we can better control this situation and stop these enormous profits I say we should at least limit their profits to not to exceed 10 percent. Let me briefly refer to the reasons given by General Craig and Assistant Secretary of War Woodring as to why this 10-percent amendment should be taken out of the War Department appropriation bill. This 10-percent-profits amendment was taken out by the Senate.

WAR DEPARTMENT'S OBJECTIONS ANSWERED

They say first that it will greatly delay procurement. This is not true, as shown by the records of the Departments themselves. The Navy has operated efficiently under the Aircraft Act of 1926, even though they have not followed it and have made very little attempt to, but they have made a much better showing than the War Department has, although they are deliberately violating the law every day in their purchases. Now, if Congress is going to say, "All right, boys, we will take it your way"—and that is what the Congress is doing if they allow them to get by with this—then, that is that; but certainly these Departments cannot show any records to justify it. The Navy Department operating under the 10-percent limitation is far ahead in their procurement methods.

The second objection they raise is that it will stifle research and development. To the contrary, that is not true. The system they are now using in both departments is stifling research and development. The Aircraft Act of 1926 was designed to encourage research and development. For example, this act, section 10 A to E, provides how open competition shall be had through advertising in at least three leading aeronautical journals prior to letting any contracts for new designs of aircraft or aeronautical parts or accessories. Then when the winner of this competition is determined under section 10 K the law provides how the new design shall be builded into the new planes. And Congress year after year has appropriated millions of dollars for the War and Navy Departments for this research and development work. Then, whether the experimental plane is purchased under section 10 A to E, open design competition, or section 10 K, experimental model, either domestic or foreign, purchased without competition, the Government is then ready to consider quantity purchases, if needed. And under the law, if and when followed, it provides clearly how the Government shall pay for all research and development.

However, under the systems of procurement set up by the War and Navy Departments, the plain letter of the law is not complied with, and the Air Trust merchants apparently have their own way under the procurement set-up in effect, which makes it greatly to their advantage to be able to furnish the complete airplane on the line for test, knowing that if with their pressure they can put over the sale, that regardless of merit they will get plenty of allowance or leeway given them for supposed research and development work, and this to be taken into consideration in the consideration of their contract bid.

Under Mr. Woodring's view on the line complete airplane test system, what chance does the inventor or small airplane manufacturer have? The answer is none. The big Air Trust manufacturer submits his new dressed-up model with its few little new frills on it, and regardless of the real merit of the planes in this kind of competition there is nothing to keep the departments from buying whatever plane they please. And the Comptroller's office has repeatedly called these matters to the attention of the War and Navy Departments, and has pointed out to them the weakness of their own weak, improvised systems—set up by them apparently to knowingly and willfully violate the procurement laws. The War and Navy Departments are deliberately violating the procurement law and have done so ever since 1926. I have shown by the Comptroller's records where they have done that year after year—see pages 10034, 10043, CONGRESSIONAL RECORD, Seventy-third Congress, second session—and they are doing it now.

They have failed to follow the law, and I have made speeches on the floor at different times, for instance, on February 18 and March 23, this year, in which I put the facts in the RECORD, pointing out same. No one can stand on this floor and by the Government records deny those facts. They are true.

PROFITS ALLOWED IN ENGLAND, FRANCE, AND ITALY

Now, the question the Congress should decide is, What are you going to do about it? England, France, Italy, and other major powers have held that 5, 6, and not to exceed 8 percent is a handsome profit to give these concerns on production contracts, and that is the maximum amount those countries allow.

ADMINISTRATION FAVORS PROFITS LIMITATION

This administration, I know, agrees with that proposition. I am not their spokesman, and I do not claim to be, and I am not quoting them, but I remember the battle the President made as Assistant Secretary of the Navy to curb these war-material profiteers and how he tried to hold down their profits.

EXPERIMENTAL-RESEARCH EXPENDITURES

I will put in the RECORD the facts showing how much we have spent year after year for experimental work in the Navy Department.

The Congress the last 10 years has made the following appropriations for the Navy for experimental work:

Fiscal year:	*Amount*
1926	$1,674,277
1927	1,664,364
1928	1,640,844
1929	1,966,113
1930	1,807,034

Fiscal year—Continued.	Amount
1931	$1,991,092
1932	2,107,971
1933	1,985,975
1934	2,197,558
1935	1,820,597
1936 (to Mar. 16, 1936)	1,591,827
Total	20,447,652

Mr. Chairman, we are spending a tremendous amount of money to carry on this experimental and research work, in both the Army and the Navy and associated departments, and the Government, not private industry, is directly taking care of all that expense. In addition to that the National Advisory Committee on Aeronautics is spending, and has spent year after year, according to the figures I have, large sums of money annually for experimental work which they carry on largely for the benefit of the Army and Navy, and indirectly for the benefit of the Air Trust. In 1935 the Army spent $4,541,799. This bill carries an appropriation of $4,865,293 for experimental work. This is supposed to take care of their experimental work. There is no question about that.

WAR DEPARTMENT SYSTEM STIFLES RESEARCH

It is said that if this money is not appropriated it will stifle research. This research is stifled by the system under which they are operating, as above pointed out, and by the system which these prominent divisions of the War and Navy Departments have set up. Let me quote from Mr. Woodring's testimony as he gave it before the Senate Appropriations Committee on March 3, 1936. Here is what Mr. Woodring, in part, said (see pp. 22–31):

In looking up the law some 2 years ago I found that we were not carrying out the law, the Defense Aircraft Act of 1926, in the method in which we were procuring our aircraft, and as you know—you have heard a lot about it—we changed from a negotiated contract to a competitive bidding basis, which I think conscientious opinion holds is according to law.

The second thing that I have in mind was that we would, in changing to a competitive method of procurement, that we would transfer from the Government bureau, from a Government bureau, and Government civil service, and Army men, at Wright Field, we would transfer from them the development in engineering, designing, and possibly construction of airplanes over to industry, where I think it rightfully belongs.

I am against the Government being in business, in the manufacture of any of this business, especially of airplanes. The competitive method of doing business puts the responsibility of design and progress of military aircraft in the hands of the industry. * * *

The second phase of my change was to put this procurement responsibility and the progress of military aviation upon industry.

Further, in explanation of the procurement policy installed, Mr. Woodring said:

The House Military Affairs Committee have conducted a detailed investigation into Army aircraft procurement over this same period, and my office in collaboration with this committee have worked out a policy of procurement which has been in effect some 20 months and is definitely producing the desired results. * * * Now the system is becoming effective, and this year we will have over 500 modern airplanes delivered, and they, I want to say to you, are the finest airplanes that any country has in military aviation. I believe they are 2 years in advance, in progress, of any other military arm of government.

So that now Mr. Woodring describes his procurement system built up as follows:

The bidder is required to submit with his bid a completed airplane on the line for test, as he submits his bid, and these airplanes are thoroughly tested and contracts awarded to the manufacturer who has produced the finest performing airplane, after we have evaluated all the planes in competition.

To insure the reasonableness of the cost a careful financial audit is made of the cost figures of the manufacturer, after we make an award. This policy is resulting in a constant striving on the part of the manufacturers to offer better and better performing aircraft. It places squarely on the shoulders of industry, where it logically belongs, the necessary research and development work and gives the Government the active use and benefit of all the brains of the industry.

For instance, we will send out invitations for bombers for delivery in 10 or 12 months, and probably three different concerns scattered well over the United States to bid on bombers. Certainly under that kind of a system the companies are going, with their engineering and designing and researching departments, are going to try and build, develop and build, and deliver on the line the finest bomber in order to win the competition and therefore get the business.

Certainly it can thus be seen from the system set up by Mr. Woodring that research and development is being stifled, and under his system the little fellow and independent inventor do not have a chance.

[Here the gavel fell.]

Mr. UMSTEAD. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. McFARLANE. Secretary Woodring stated further:

Assistant Secretary WOODRING. I feel that competitive bidding is now giving the Government adequate protection as well as resulting in marked improvements in aircraft performance, and as a further precaution the Army Air Corps carefully audits the books of the manufacturers under the now-existing provision of the Aircraft Act of 1926.

Senator COPELAND. In that audit, Mr. Secretary, is the Department going into the question of salaries of officials and that sort of thing?

Assistant Secretary WOODRING. I believe the salaries paid to officials is left out. We go into the costs of labor. We go into the actual cost of the airplanes, leaving out overhead. I think every factor, leaving out overhead, is gone into, I would say.

And I think to put on a 10-percent limitation would be to go back to the cost-plus contract.

Thus we clearly get Mr. Woodring's views on how he claims following the aircraft of 1926 would reduce competition. The above quotations from his testimony clearly show why he feels that to advertise in the papers would reduce competitive bidding. In other words, to follow the War Department reasoning—circularizing the aircraft trade, setting out specifications for bids which require a complete airplane to be submitted for test on the line gives free competition and advertising for aircraft procurement, first through design competition, then build the experimental plane through negotiated contract at Government expense based on this design competition would not be as free competition as the system improvised by Mr. Woodring, which keeps the small producer from competing because he cannot build a model plane and submit it on the line for such tests.

Mr. Woodring knows the system he has worked out is clearly contrary to the present law.

Assistant Secretary Woodring appeared before the committee and stated, "If you limit us to 10 percent profit we cannot buy aircraft." How do they know? They have never tried it. Here is the way the Army buys aircraft. They will write a letter or send out a circular stating the requirements they propose for an airplane of a certain design and character. They will send these circulars to a few concerns which they want to have bid on the contracts. A sample plane is then brought down which meets those specifications. Then they conduct flying tests of the airplane, the finished product, and the one that suits them they buy, regardless of price, and regardless of whether it is the highest or lowest bid.

That is shown in the RECORD, and Senator FRAZIER has shown that in debate in the Senate, and the facts cannot successfully be denied. No one will attempt to deny these facts from the War Department records. Take the last contract for 20 planes. Four different concerns bid, and this is what Comptroller McCarl said about this purchase of 20 airplanes by the War Department from the Douglas Aircraft Co., the highest bidder, without any proper competition, as required by law:

The abstract of bids shows that the Douglas Aircraft Co., Inc., which received the award for the delivery of 20 airplanes, submitted a bid of $49,500 each for the skeleton airplanes; the Curtiss-Wright Airplane Co. submitted a bid of $29,500 each; the Fairchild Aircraft Corporation submitted a bid of $29,150 each; and the Bellanca Aircraft Co. submitted a bid of $17,424 each. That is to say, the bid of the Douglas Aircraft Co., Inc., for $49,500 was more than $20,000 each in excess of the bids submitted by the Fairchild Aircraft Corporation and by the Curtiss-Wright Airplane Co. for delivery of airplanes within the specifications as advertised. You report that the bid of the Bellanca Aircraft Co. was not considered because of failure to supply an airplane for tests.

There was no competition with respect to price, and as hereinbefore stated there was a difference of approximately $20,000 per plane, or $400,000 for the 20 planes contracted for (about 94 percent), between the offering by the Douglas Aircraft Co., Inc., which was accepted, and that by the Fairchild Aircraft Corporation, yet the offering of the latter far exceeded the minimum requirements of the specifications.

The plan having provided no method of translating difference in "figures of merit" into terms of money, it would have been possible

thereunder for the Douglas Aircraft Co., Inc., or other bidder, whose offering exceeded only to the extent of a few "points" the offerings by competitors, to have obtained an award even though its bid exceeded even in greater amount the bids of competitors than the approximately 94 percent actually appearing here.

There can be no proper evaluation of offerings, except perchance in certain design competitions, where price is totally disregarded and comparison is solely on the basis of design, construction, and performance. Obviously, uses of public moneys appropriated for defense would not be justified in paying an amount possibly three or four times actual value, and much in excess of a bid offering an airplane far exceeding the minimum requirements, just because the offering of the high bid outscored the offering of the lower bidder by a few points—and this perchance, with respect to elements not necessarily of the exact value or importance accorded in the evaluation table.

In the instant matter while it was stated in the request for bids that award would be made under subparagraph (t) of section 10 of the act of July 2, 1926, which subparagraph is applicable to awards for quantity production of particular designs theretofore determined pursuant to law to be best for the needs of the United States, the plan specified for determining the offering to receive the award clearly discloses that no particular design had been so determined to be best for the needs of the United States in that such competition as there was in the matter went only to such elements as design, construction, and performance—competition as to price was wholly lacking.

As has several times been stated by this office in decisions to both the Secretary of War and the Secretary of the Navy, with respect to uses of appropriations under the act of July 2, 1926 (44 Stat. 788), the law contemplates that there be design competition for the purpose of determining the airplanes best suited for the needs of the United States, and that after it has been so determined what designs of airplanes are best suited for the needs of the United States there shall be advertising, on the basis of such designs, for quantity production, with award under subparagraph (t) of section 10 of said act. While the War Department has contended for other procedures and has operated in such manner as to make it difficult for the accounting officers of the Government to give reasonable effect to the law as so interpreted by decisions as to the legal availability of the appropriations involved, and yet avoid drawing the lines too sharply on administrative effort, and there have been numerous and extended investigations and hearings by committees of the Congress, yet the law as so interpreted has remained unchanged and the instant transaction was had in the light thereof. In such circumstances the accounting officers may not properly, and without limit, continue to overcome the effects of faulty administration by setting up safeguards around particular transactions, apparently sufficient in the circumstances to protect the Treasury. Then, too, bidders have interests that are for respecting.

The procedure was not as authorized by the act of July 2, 1926, supra, for quantity production and so as to obligate the appropriation proposed to be utilized accordingly, and while it has characteristics of a design competition, as provided for by said act, such a competition does not contemplate purchase of 20 airplanes as was contracted for, but rather 1 or possibly 2—with advertising for quantity production after there has thus been determined the particular airplane best suited to the needs of the United States.

In view of all the circumstances appearing, however, including the appearance of some improvement in administrative methods, it may be stated that if there exists such serious need for early delivery and use as to negative in the public interest cancelation of the contract and advertising for quantity production of such airplane as has been determined to be best suited to the needs of the United States, as contemplated by the act of July 2, 1926, supra, and such facts are made of record here, it would seem this office might be justified in withholding objection to uses of the appropriation in making payments—but only to the extent of established reasonable and necessary costs to contractors in manufacturing the airplanes as contracted for, plus reasonable profit—and within the price as stated in the contract. This, of course, because of total lack of competition as to price and the wide difference between the amount of the high bid, accepted, and the lower bids offering airplanes showing merit far in excess of the minimum requirements, and which were rejected.

So thus we see that the War Department is still pursuing their same old tactics of omitting open competition and are continuing to purchase on a quantity basis for what is supposed to be experimental planes. In this particular case, for example, the Fairchild Aircraft Corporation bid $20,350 per plane less than the Douglas Aircraft Co., and their bid was considerably over the minimum requirements of the War Department, and yet they failed to receive any contract, and this is under the late improvements in procurement carried on about which Mr. Woodring says he is so proud.

[Here the gavel fell.]

Mr. UMSTEAD. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. McFARLANE. Here is one of the late contracts the War Department had in buying aircraft. The Douglas Aircraft Co. of California, a part of the Air Trust, bid $49,500 per plane for 20 planes. The other bidders bid from $20,000 to $30,000 less per plane. Each of the bids was above the minimum requirements of the War Department, and yet they bought the Douglas Aircraft plane that cost the Government more than $400,000 for the skeleton planes than the other bids. Think of it. And yet Mr. Woodring has the gall to tell you that this is competition. It is the kind of competition you have today in the War Department.

The same thing goes through the whole field of purchases, including all accessories. I have copies of contracts recently let without competitive bidding for spark plugs, showing we are paying about $3 each for the spark plugs for these planes when you can buy them through competition for less than half that amount.

However, we cannot get competition, and, Mr. Chairman, we are not going to be able to get competition unless this Congress will insist upon the plain letter of the law being enforced.

The experience of the Navy Department clearly shows that this has not worked any hardship upon them and that the system has been satisfactory and only one single concern has ever refused to come in under the system used by the Navy, and it is a much better one than the one used by the War Department. The Navy Department under its 10-percent limitation has been getting more satisfactory results and better equipment than the Army.

As to the statement Mr. Woodring makes that the equipment bought now under this so-called competitive system of his is 2 years ahead of anything in the world, that is all bunk. It is not true. I challenge the statement, and I challenge him to prove it. The planes we are buying today are at least 2 years behind the planes purchased in European countries today, and their performance record shows it.

Practically every record held for different aircraft performances is held by European countries, and they have real competition over there. They have a system of procurement that gets the most for the least money. Over here we are interested so much in merchandizing we have not time to consider the matter seriously and give the American taxpayer a break by giving us the most for our money. The Chase National Bank and the National City Bank and the Morgans are interested in selling their merchandise at the best possible prices regardless of relative world standing; they are not interested in our aircraft maintaining its proper position among the world powers in the air.

[Here the gavel fell.]

Mr. McFARLANE. I wish I had more time to cover this subject. I believe I could give the House some valuable information which they ought to have in passing on this profits-limitation question, as involved in the Army and Navy bills. [Applause.]

Mr. UMSTEAD. Mr. Chairman, I ask unanimous consent that all Members who have spoken on this bill today may have 5 legislative days within which to revise and extend their remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. UMSTEAD. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. VINSON of Kentucky, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 12527, the Navy Department appropriation bill, had come to no resolution thereon.

MY TRIBUTE

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the life and character of the late Senator Frank B. Willis, of Ohio.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, I have concluded, after many years of service in Congress that there are but two worth-while reasons why any man or woman should be tempted to forsake the happiness of home and its comparative peaceful environments for public service and conflicts.

First. An honest desire to serve the best interests of his fellow man; to lift humanity. If this is genuinely the predominant motive which prompts one to take up the responsibilities of public life—and the belief that the consciousness in his own heart of duty well performed is sufficient reward—then welcome to the political arena, but be assured that the old prophet wisely said, "Vanity, vanity, all is vanity."

Second. The opportunity of public life, particularly service in Congress makes it possible to meet, to know, to enjoy, and to profit by close acquaintance and fellowship with the men and women who carry on the legislative, executive, and judicial branches of our great Government. My service in Congress has afforded me the rare privilege to have personal, and ofttimes intimate, acquaintance with 7 Presidents, scores of Cabinet members, jurists, and possibly 2,000 Senators and Representatives. This high advantage is fully 50 percent of the permanent reward of my humble service.

High among this long and large list of notables who have come and gone and yet tarry looms the name of my colleague, Frank B. Willis. He adorned and ornamented the scrolls upon which are indelibly engrossed the names of many distinguished Ohioans. When near the highest pinnacle of honor and fame, this great and good man was ruthlessly stricken down in his beloved home city of Delaware, where he was so genuinely loved and honored.

It was my privilege and honor to know Senator Willis for 40 years. I knew him as a student at Ada, brilliant and ambitious; as an outstanding professor in that university; as a State legislator. I was here to welcome him when he first came to Congress 25 years ago, happy to congratulate him when he became Governor of Ohio, and again when he returned to serve in the Senate of the United States. His rise was as rapid as it was deserved. No one, no thing, could long restrain his indomitable spirit or his high aspirations. He was more than equal to every trust and to every responsibility; no scar, no stain is upon his escutcheon. He hitched his ambition to the stars, and had not the Common Leveler of all untimely interfered, the highest gift of the American people seemed within his grasp. It is the unsolved mystery of life why one so splendidly equipped for highest honors, one so needed should be so suddenly cut down while at the meridian of life and usefulness.

A prince once said of a king struck down,
Taller is he in death.
These words hold good, now as then,
'Tis after death we measure men.

These lines all must approve. It is after the passions of envy and prejudice are softened by time an unbiased appraisal of the worth and character of men and women are truly and fairly measured. Frank B. Willis stood in life like the mighty oak, towering high, monarch of the forest, which when it crashes to mother earth leaves a void not easily filled or soon replaced. The historian who coldly but considerately measures men for their worth, I am sure, will place my friend Senator Frank B. Willis, high among the great statesmen of his day. His memory will long continue to abide as sweet incense to thousands of admirers and his loved ones.

EXTENSION OF REMARKS

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an aviation industry chart as a part of the remarks I made today in Committee.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

NAVAL APPROPRIATION BILL, 1937

Mr. McLEOD. Mr. Speaker, I ask unanimous consent to reserve all points of order on the bill H. R. 12527, the Navy Department appropriation bill.

Mr. UMSTEAD. Mr. Speaker, I have no objection to the request of the gentleman from Michigan.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, what is the request?

The SPEAKER. Request is made by the gentleman from Michigan that he be permitted to reserve all points of order on the Navy Department appropriation bill.

Mr. BLANTON. Mr. Speaker, I may say to my colleague that it is usual on both sides of the aisle to always allow the minority party to reserve all points of order on an appropriation bill, and I hope the gentleman will not object to this request.

Mr. BANKHEAD. Is there any particular item in the bill that the gentleman wishes to reserve points of order to?

Mr. McLEOD. Not at this time.

Mr. BANKHEAD. I shall not object.

The SPEAKER. Is there objection?

There was no objection.

COINAGE OF 50-CENT PIECES, SWEDES IN DELAWARE

Mr. STEWART. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 231, to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the landing of the Swedes in Delaware.

The SPEAKER. The gentleman from Delaware asks unanimous consent for the present consideration of Senate Joint Resolution 231, which the Clerk will report.

The Clerk read as follows:

Senate Joint Resolution 231

Resolved, etc., That in commemoration of the three hundredth anniversary of the landing of the Swedes in Delaware there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 20,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design, containing some recognized emblem of the State of Delaware, to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the president of the Delaware Tercentenary Commission upon payment by him of the par value of such coins, but not less than 5,000 such coins shall be issued to him at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such commission, and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendment: Page 1, line 6, strike out the words "to exceed twenty" and insert "less than twenty-five"; page 2, line 10, strike out the word "five" and insert in lieu thereof the word "twenty-five."

The SPEAKER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. STEWART. Mr. Speaker, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. STEWART: Page 2, line 8, after the word "Delaware" insert the word "Swedish."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The joint resolution, as amended, was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DURATION OF GENERAL DEBATE

Mr. UMSTEAD. Mr. Speaker, I ask unanimous consent that debate tomorrow on the bill under consideration, making appropriations for the Navy Department, be confined to the bill and limited to 1 hour and 30 minutes, not less than 1 hour of which shall be given to the gentleman from Michigan.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that general debate upon the pending bill be limited to one hour and a half, to be confined to the bill, with not less than 1 hour of the time mentioned to be allotted to the gentleman from Michigan, the other time to be controlled by himself. Is there objection?

Mr. LUNDEEN. Mr. Speaker, I shall not object, but I should like to say that this discussion has been healthy.

The SPEAKER. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HIGGINS of Connecticut, for 5 days, on account of illness in family.

To Mr. SWEENEY, for 12 days, on account of important business.

To Mr. ZIONCHECK, indefinitely, on account of official business.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4159. An act for the relief of Anchorage Commercial Co., Inc.;

H. R. 7092. An act for the relief of Capt. Percy Wright Foote, United States Navy;

H. R. 10489. An act to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding and settlement of the city of New Rochelle, N. Y.; and

H. J. Res. 215. Joint resolution to amend Public Act No. 435, Seventy-second Congress.

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 247. Joint resolution authorizing the recognition of the three hundredth anniversary of the founding of Harvard College and the beginning of higher education in the United States and providing for the representation of the Government and people of the United States in the observance of the anniversary.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 4159. An act for the relief of Anchorage Commercial Co., Inc.;

H. R. 7092. An act for the relief of Capt. Percy Wright Foote, United States Navy;

H. R. 10489. An act to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding and settlement of the city of New Rochelle, N. Y.; and

H. J. Res. 215. Joint resolution to amend Public Act. No. 435, Seventy-second Congress.

ADJOURNMENT

Mr. UMSTEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 18 minutes p. m.) the House adjourned until tomorrow, Friday, May 1, 1936, at 12 o'clock noon.

MOTION TO DISCHARGE COMMITTEE

MARCH 5, 1935.

To the CLERK OF THE HOUSE OF REPRESENTATIVES:

Pursuant to clause 4 of rule XXVII, I, Hon. CHARLES G. BINDERUP, move to discharge the Committee on Rules from the consideration of the resolution (H. Res. 123) entitled "A resolution to make H. R. 2066, a bill to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Farm Credit Administration, the Federal Reserve Banking System, and creating a Board of Agriculture to supervise the same", a special order of business, which was referred to said committee February 21, 1935, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

1. Charles G. Binderup
2. Karl Stefan
3. F. L. Crawford
4. Randolph Carpenter
5. Ernest Lundeen
6. Guy M. Gillette
7. R. T. Buckler
8. Charles V. Truax
9. Finly H. Gray
10. William W. Blackney
11. Frank Carlson
12. Earl C. Michener
13. Gardner R. Withrow
14. Albert J. Engel
15. W. P. Lambertson
16. Merlin Hull
17. William A. Pittenger
18. John E. Miller
19. William T. Schulte
20. Fred H. Hildebrandt
21. Will Rogers
22. Martin F. Smith
23. Henry E. Stubbs
24. Knute Hill
25. Harry Sauthoff
26. Theo. B. Werner
27. John Lesinski
28. M. A. Zioncheck
29. Compton I. White
30. Usher L. Burdick
31. I. H. Doutrich
32. B. J. Gehrmann
33. Fred C. Gilchrist
34. Jesse P. Wolcott
35. Phil Ferguson
36. Wilburn Cartwright
37. Edward W. Patterson
38. Roy O. Woodruff
39. George G. Sadowski
40. William Lemke
41. W. D. McFarlane
42. Paul John Kvale
43. P. L. Gassaway
44. John T. Buckbee
45. John W. Gwynne
46. Jed Johnson
47. Jack Nichols
48. Dan R. McGehee
49. James W. Mott
50. Joseph P. Monaghan
51. Vito Marcantonio
52. Henry C. Luckey
53. G. J. Boileau
54. Sam Massingale
55. Edward C. Eicher
56. Maury Maverick
57. Clarence Cannon
58. Everett M. Dirksen
59. Thomas R. Amlie
60. Dewey Short
61. James H. Gildea
62. Elmer J. Ryan
63. M. C. Wallgren
64. J. H. Hoeppel
65. U. S. Guyer
66. John A. Martin
67. James I. Farley
68. Raymond J. Cannon
69. R. T. Wood
70. Roy E. Ayers
71. B. K. Focht
72. Aubert C. Dunn
73. Clare E. Hoffman
74. Martin L. Sweeney
75. Harold Knutson
76. Walter M. Pierce
77. Frank C. Kniffin
78. Charles L. Eckert
79. B. W. Gearhart
80. Paul R. Greever
81. Abe Murdock
82. L. T. Marshall
83. Glenn Griswold
84. Clarence J. McLeod
85. J. W. Robinson
86. John S. McGroarty
87. Wesley Lloyd
88. R. M. Duncan
89. John M. Costello
90. M. A. Dunn
91. William A. Ekwall
92. George J. Schneider
93. John J. Dempsey
94. J. Will Taylor
95. Chauncey Reed
96. John M. Houston
97. Harry B. Coffee
98. Isabella Greenway
99. Otha D. Wearin
100. B. M. Jacobsen
101. A. L. Ford
102. Josh Lee
103. Leo E. Allen
104. L. C. Arends
105. Frank E. Hook
106. Ben Cravens
107. George A. Dondero
108. William P. Connery, Jr.
109. Kent E. Keller
110. C. W. Turner
111. J. R. Mitchell
112. Herron Pearson
113. John L. McClellan
114. D. Worth Clark
115. C. Murray Turpin
116. T. Alan Goldsborough
117. Brooks Fletcher
118. Louis C. Rabaut
119. Stephen M. Young
120. J. G. Scrugham

121. Carroll Reece
122. Sam L. Collins
123. Tilman D. Parks
124. Thomas O'Malley
125. J. E. Rankin
126. R. E. Thomason
127. T. A. Jenkins
128. W. L. Nelson
129. Warren J. Duffey
130. James A. Meeks
131. George Burnham
132. Albert E. Carter
133. August H. Andresen
134. Melvin J. Maas
135. Clifford R. Hope
136. Lloyd Thurston
137. Richard J. Welch
138. H. Utterback
139. Orville Zimmerman
140. Charles L. South
141. Braswell Deen
142. Fred Biermann
143. Wright Patman
144. William A. Ashbrook
145. Fred Cummings
146. Morgan G. Sanders
147. George Mahon
148. Samuel B. Pettengill
149. William I. Sirovich
150. Charles W. Tobey
151. Charles J. Colden
152. John H. Tolan
153. Wesley E. Disney
154. Joseph Gray
155. Jennings Randolph
156. Chester Thompson
157. Harry L. Englebright
158. John D. Dingell
159. John F. Dockweiler
160. Virginia E. Jenckes
161. J. Hardin Peterson
162. Frank Crowther
163. Harry L. Haines
164. Hampton P. Fulmer
165. Jared Y. Sanders, Jr.
166. Charles F. McLaughlin
167. John J. McGrath
168. Robert Crosser
169. Charles A. Halleck
170. O. H. Cross
171. Stephen W. Gambrill
172. Arthur D. Healey
173. Sam. B. Hill
174. James P. Richards
175. John P. Higgins
176. Hamilton Fish, Jr.
177. John G. Cooper
178. Ralph O. Brewster
179. Theodore Christianson
180. Martin Dies
181. Prentiss M. Brown
182. George W. Johnson
183. Edward C. Moran, Jr.
184. T. L. Moritz
185. A. H. Gasque
186. Charles A. Plumley
187. William M. Colmer
188. Francis D. Culkin
189. Nat Patton
190. Edward A. Kenney
191. F. J. Sisson
192. V. W. Main
193. R. A. Green
194. W. H. Larrabee
195. Edward T. Taylor
196. C. Elmer Dietrich
197. Charles Kramer
198. Brent Spence
199. Joe H. Eagle
200. Michael J. Stack
201. Charles N. Crosby
202. Thomas L. Blanton
203. Joseph B. Shannon
204. Henry Ellenbogen
205. Joseph L. Pfeifer
206. Arthur P. Lamneck
207. Martin J. Kennedy
208. James G. Polk
209. Alfred F. Beiter
210. James M. Mead
211. Simon M. Hamlin
212. William N. Rogers
213. Robert T. Secrest
214. Byron N. Scott
215. C. A. Wolverton
216. J. George Stewart
217. M. K. Reilly
218. W. M. Berlin

This motion was entered upon the Journal, entered in the CONGRESSIONAL RECORD, with signatures thereto, and referred to the Calendar of Motions to Discharge Committees April 30, 1936.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

828. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 28, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Westcott Cove, Stamford Harbor, Conn., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

829. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 28, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Great Miami River, Ohio, authorized by the River and Harbor Act approved July 3, 1930; to the Committee on Rivers and Harbors.

830. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 28, 1936, submitting a report, together with accompanying papers on a preliminary examination of Columbia River, Oreg. and Wash., from Tongue Point to the sea, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

831. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 28, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Snohomish River and its tributaries, the Skykomish and Snoqualmie Rivers, Wash., with a view to the control of their floods, authorized by the acts of Congress approved February 26, 1925, and June 13, 1934; to the Committee on Flood Control.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. UMSTEAD (for Mr. CARY): Committee on Appropriations. H. R. 12527. A bill making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other purposes; without amendment (Rept. No. 2548). Referred to the Committee of the Whole House on the state of the Union.

Mr. BEITER: Committee on Rivers and Harbors. H. R. 11504. A bill to authorize the Secretary of War to grant to the city of Buffalo, N. Y., the right and privilege to occupy and use for sewage-disposal facilities part of the lands forming the pier and dikes of the Black Rock Harbor improvement at Buffalo, N. Y.; with amendment (Rept. No. 2549). Referred to the Committee of the Whole House on the state of the Union.

Mrs. JENCKES of Indiana: Committee on the District of Columbia. H. R. 12424. A bill to provide for examination and registration of those engaging in the occupation of beauty culture; without amendment (Rept. No. 2550). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 12002. A bill to authorize funds for the prosecution of works for flood control against flood disasters along the Lackawanna River; without amendment (Rept. No. 2567). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 12174. A bill to provide a preliminary examination of the Ventura River, in Ventura County, State of California, with a view to the control of its floods; without amendment (Rept. No. 2568). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 12202. A bill to provide for a preliminary examination of Six Mile Creek in Logan County, Ark., with a view to flood control and to determine the cost of such improvement; without amendment (Rept. No. 2569). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 12299. A bill to authorize a preliminary examination of the Delaware River with a view to the control of its floods; without amendment (Rept. No. 2570). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 12370. A bill to authorize a preliminary examination of Big Blue River and its tributaries with a view to the control of their floods; without amendment (Rept. No. 2571). Referred to the Committee of the Whole House on the state of the Union.

Mr. HAINES: Committee on the Post Office and Post Roads. H. R. 11822. A bill to permit certain special-delivery messengers to acquire a classified status through noncompetitive examination; with amendment (Rept. No. 2572). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOBBINS: Committee on the Post Office and Post Roads. H. R. 11954. A bill to amend the act of February 28, 1925 (43 Stat. 1053), relative to postal rates on third-class

mail matter; without amendment (Rept. No. 2573). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DALY: Committee on Claims. H. R. 6920. A bill for the relief of Ella Goodwin; with amendment (Rept. No. 2551). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 7666. A bill for the relief of Sol J. Hyman; with amendment (Rept. No. 2552). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. H. R. 8373. A bill for the relief of James Fitzgerald; with amendment (Rept. No. 2553). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 9926. A bill for the relief of Robert B. Barker; with amendment (Rept. No. 2554). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. S. 1042. An act for the relief of J. R. Collie and Eleanor Y. Collie; with amendment (Rept. No. 2555). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 1075. An act for the relief of Louis H. Cordis; with amendment (Rept. No. 2556). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. S. 1827. An act for the relief of Lucille McClure; with amendment (Rept. No. 2557). Referred to the Committee of the Whole House.

Mr. NICHOLS: Committee on Claims. S. 3241. An act authorizing adjustment of the claims of F. L. Forbes, John L. Abbot, and the Ralph Sollitt & Sons Construction Co.; without amendment (Rept. No. 2558). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. S. 3544. An act authorizing adjustment of the claim of the Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans; without amendment (Rept. No. 2559). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3645. An act for the relief of Dampskib Aktieselshap Roskva; with amendment (Rept. No. 2560). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3685. An act for the relief of George Rabcinski; with amendment (Rept. No. 2561). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. S. 3769. An act for the relief of Marcellus E. Wright and Lee, Smith & Vandervoort, Inc.; without amendment (Rept. No. 2562). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. S. 3839. An act granting a pension to Randall Krauss; with amendment (Rept. No. 2563). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. S. 3932. An act for the relief of Ann Rakestraw; without amendment (Rept. No. 2564). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. S. 4416. An act for the relief of Josephine Russell; without amendment (Rept. No. 2565). Referred to the Committee of the Whole House.

Mr. PERKINS: Committee on the Judiciary. S. 4395. An act for the relief of the State of New Jersey; without amendment (Rept. No. 2566). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. UMSTEAD: A bill (H. R. 12527) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other purposes; to the Committee on Appropriations.

By Mr. BACHARACH: A bill (H. R. 12528) to increase the maximum amount of monthly old-age payments by States which will be matched by the Federal Government; to the Committee on Ways and Means.

By Mr. COX: A bill (H. R. 12529) to repeal the special tax on retail dealers in oleomargarine, to amend the provisions of the oleomargarine laws as to the measurement of artificial coloring, and for other purposes; to the Committee on Agriculture.

By Mr. LEE of Oklahoma: A bill (H. R. 12530) to amend paragraph 761 of Revenue Act of 1930 to increase duty on cashew nuts; to the Committee on Ways and Means.

By Mrs. NORTON (by request): A bill (H. R. 12531) to amend section 11 of an act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia, and for other purposes", approved March 3, 1921; to the Committee on the District of Columbia.

Also (by request), a bill (H. R. 12532) to authorize the furnishing of steam from the central heating plant to the District of Columbia; to the Committee on the District of Columbia.

By Mr. PIERCE: A bill (H. R. 12533) to authorize completion, maintenance, and operation of certain facilities for navigation on the Columbia River, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. DOUGHTON: A bill (H. R. 12534) amending section 337 of the Tariff Act of 1930 to give the Federal Trade Commission jurisdiction over unfair methods of competition and unfair acts in the importation of articles into the United States; to the Committee on Ways and Means.

By Mr. BLAND: Resolution (H. Res. 500) authorizing the Committee on Merchant Marine and Fisheries to make a full inquiry into the condition of the fishing industry in the United States and its Territories and possessions; to the Committee on Rules.

By Mr. DIMOND: Joint resolution (H. J. Res. 578) authorizing a preliminary examination or survey of Myers Chuck Harbor, Alaska; to the Committee on Rivers and Harbors.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CITRON: A bill (H. R. 12535) for the relief of the East Coast Ship & Yacht Corporation, of Noank, Conn.; to the Committee on Claims.

By Mr. CURLEY: A bill (H. R. 12536) for the relief of James M. D'Arcy; to the Committee on Claims.

By Mr. GAMBRILL: A bill (H. R. 12537) for the relief of Herman F. Krafft; to the Committee on Naval Affairs.

By Mr. GINGERY: A bill (H. R. 12538) granting a pension to Laura Alice Hammaker; to the Committee on Invalid Pensions.

By Mr. HARLAN: A bill (H. R. 12539) to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim, or claims, of the Recording & Computing Machines Co., of Dayton, Ohio; to the Committee on Claims.

By Mr. LAMNECK: A bill (H. R. 12540) granting a pension to Susan Wells; to the Committee on Invalid Pensions.

By Mr. LEE of Oklahoma: A bill (H. R. 12541) for the relief of Roy Curtis Booher; to the Committee on Naval Affairs.

Also, a bill (H. R. 12542) granting a pension to Wilber T. Lardie; to the Committee on Pensions.

Also, a bill (H. R. 12543) for the relief of William Ravenscroft; to the Committee on Military Affairs.

By Mr. RISK: A bill (H. R. 12544) for the relief of Mary L. D. Tremblay; to the Committee on Claims.

Also, a bill (H. R. 12545) for the relief of Anton J. Windfort; to the Committee on Claims.

Also, a bill (H. R. 12546) for the relief of Edward Burk; to the Committee on Claims.

Also, a bill (H. R. 12547) to authorize the payment of the sum of $2,500 to the dependents of the officers and men who lost their lives on the submarine *S–4;* to the Committee on Naval Affairs.

By Mr. ROBSION of Kentucky: A bill (H. R. 12548) for the relief of R. T. Boatright; to the Committee on Claims.

By Mr. ROMJUE: A bill (H. R. 12549) granting an increase of pension to Estline Baker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12550) granting an increase of pension to Annie A. Alexander; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12551) granting an increase of pension to Fannie Davis; to the Committee on Invalid Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 12552) granting an increase of pension to William Hays; to the Committee on Pensions.

By Mr. CASEY: A bill (H. R. 12553) for the relief of Samuel J. Swain; to the Committee on Military Affairs.

By Mr. McSWAIN (by request): Joint resolution (H. J. Res. 577) authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point Maximo Mariano Pruna y Hernandez, a citizen of Cuba; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10810. By Mr. COCHRAN: Petition submitted by Joe Shea, 6034 Carlsbad Avenue, St. Louis, Mo., and many other citizens of St. Louis, favoring the passage of House bill 7122, providing for pensions for adult blind persons; to the Committee on Pensions.

10811. By Mr. CULLEN: Petition of the United Upholsterers' Union of New York, Local No. 44, U. C. L. M. I. U. of N. A., urging enactment of legislation for the creation of a court of appeals for civil-service employees with a set-up of national and local machinery and with employees' representation thereon through a recognized union representative as outlined in the Pearson bill (H. R. 9258); to the Committee on the Civil Service.

10812. By Mr. CURLEY: Petition of the New York Adult Blind Association, Inc., requesting the passage of House bill 7122; to the Committee on Pensions.

10813. By Mr. FITZPATRICK: Petition of the United Upholsterers' Union of New York, Local No. 44, U. C. L. M. I. U. of N. A., endorsing and requesting enactment of legislation for the creation of a court of appeals for civil-service employees as outlined in House bill 9258; to the Committee on the Civil Service.

10814. By Mr. PFEIFER: Petition of the United Upholsterers' Union of New York, Local No. 44, concerning the enactment of legislation creating a civil-service court of appeals as provided in the Pearson bill (H. R. 9258); to the Committee on the Civil Service.

10815. By the SPEAKER: Petition of the city of Toledo, Ohio; to the Committee on Banking and Currency.

HOUSE OF REPRESENTATIVES

FRIDAY, MAY 1, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we wait again in prayer to hear Thy changeless voice and to see the unvarying face of our Father in Heaven; we lift the cross against a radiant sky. Thou art the author and impulse of every good work, and we would league ourselves with Thee. Be Thou the inspiration of our thoughts; wield Thy scepter and they will lose their weakness; enfold them and they will banish fear; conquer them and they will be courageous. We pray that we may draw from a vision of Thee an intolerance of wrong and a love for righteousness. Impress us, blessed Lord, with the abiding truth: He who serves Thee with a good and upright heart will find in Thee his peace when the day is far spent. In the Master's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12098) entitled "An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes."

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 9244. An act providing for the establishment of a term of the District Court of the United States for the Northern District of Florida at Panama City, Fla.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3154. An act making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases, and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys from exploitation by unfair competitors.

EXTENSION OF REMARKS

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to extend my own remarks by including two articles by Bob McCormick on resettlement. They are very short articles.

Mr. RICH. Mr. Speaker, reserving the right to object, who is Bob McCormick?

Mr. FLANNAGAN. He is a writer on the Washington Daily News.

Mr. RICH. Mr. Speaker, I shall have to object.

PERMISSION TO ADDRESS THE HOUSE

Mr. SISSON. Mr. Speaker, I ask unanimous consent that on Monday next after the reading of the Journal and disposition of matters on the Speaker's desk I may address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following communication, which was read by the Clerk:

WASHINGTON, D. C., *April 30, 1936.*

Hon. JOSEPH W. BYRNS,
Speaker, House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I hereby resign as a member of the Committee on Patents, effective this date.

Respectfully yours,

CHARLES J. COLDEN, M. C.,
Seventeenth District, California.

The SPEAKER. Without objection the resignation will be accepted.

There was no objection.

APPOINTMENT TO COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. BUCK. Mr. Speaker, I offer a resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 501

Resolved, That CHARLES J. COLDEN, of California, be, and he is hereby, elected a member of the standing Committee of the House of Representatives on Merchant Marine and Fisheries.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

STATE, JUSTICE, COMMERCE, AND LABOR DEPARTMENTS APPROPRIATION BILL, 1937

Mr. McMILLAN, from the Committee on Appropriations, submitted a conference report (Rept. No. 2574) on the bill (H. R. 12098) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes, for printing in the RECORD.

Mr. WITHROW. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. MAPES. Mr. Speaker, will the gentleman withdraw that for a moment until I can prefer a unanimous-consent request?

Mr. WITHROW. I will withhold it temporarily.

WASTE AND TAXES

Mr. MAPES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by printing a radio address delivered last night by my colleague from Michigan, Mr. WOODRUFF.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAPES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address of Hon. ROY O. WOODRUFF, of Michigan, over Columbia Broadcasting System April 30, 1936:

Ladies and gentlemen, the demand from the White House that Congress repeal the corporation income tax, the capital-stock tax, and the excess-profits tax which, according to the Treasury officials would have yielded $1,100,000,000 this year, and enact in their place other taxes of acknowledged uncertain productivity, but which are hoped to raise $600,000,000 more than this sum, placing upon the shoulders of the already overburdened taxpayers this additional tax burden, brings more sharply to the attention of the public the profligate way in which the national substance is being dissipated by the administration.

It reminds us again, and vividly, of the many promises of economy and good government with which we were regaled when Franklin D. Roosevelt was campaigning for the high office he now holds.

It reminds us also of the provisions of the platform of the Democratic Party in 1932, to which their Presidential candidate swore unswerving fealty. The American people believe, and have a right to believe, that a party platform embodies a program of legislative and executive action which will be followed scrupulously in the event the party wins the approval of the electorate.

The platform should be, and must be if our institutions are to stand, an inviolable pact with the people. They should hold to the strictest accountability any party or any individual who willfully and flagrantly violates the pact.

By examining the pledges of the Democratic platform and candidate of 1932, and by comparing them with actual performance after the party and candidate had received at the hands of the people an unmistakable mandate to carry out those pledges, we can determine for ourselves whether the covenant has been kept, and whether there has been that scrupulous regard for that platform and those personal pledges which the people of this country have every right to expect.

Another Presidential election approaches, and mere prudence should cause us to examine our most recent administrative history. We should examine the books and cast a balance. Things which have been promised, things which have been done, which are now being done, and which appear to be indicated in the event the present administration should be returned to power, should be examined under the cold light of fact. It is only in this way we can learn whither we are going, what the price of the indicated economic joy ride promises to be, and whether we are willing to pay the price.

The Democratic platform of 1932, among other things, declared:

"We believe that a party platform is a covenant with the people, to be faithfully kept by the party when entrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe."

It also declared:

"We advocate an immediate and drastic reduction of expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government."

That Mr. Roosevelt agreed, especially with the latter plank of their plaform was evidenced while making an appeal for the support of the people of Iowa at Sioux City on September 29, 1932, when he said:

"I accuse the present administration of being the greatest spending administration in peacetimes in all history—one which has piled bureau on bureau, commission on commission, and has failed to anticipate the dire needs and the reduced earning power of our people. Bureaus and bureaucrats have been retained at the expense of the taxpayer."

Mr. Roosevelt continued:

"Later in this campaign I propose to analyze the enormous increase in the growth of bureaucracy. We are not getting an adequate return for the money we are spending in Washington; or, to put it another way around, we are spending altogether too much money for Government services which are neither practical or necessary."

Three weeks before election Mr. Roosevelt announced:

"Before any man enters my Cabinet he must give me a twofold pledge of—

"First. Absolute loyalty to the Democratic platform, and especially to its economy plank.

"Second. Complete cooperation with me, looking to economy and reorganization in his department."

He continued:

"I regard reduction in Federal spending as one of the most important issues in this campaign. In my opinion, it is the most direct and effective contribution that government can make to business."

The extravagance Mr. Roosevelt complained about can be determined by an examination of the public records. They will disclose that for the year ending June 30, 1931, under the Republican administration Congress appropriated $3,591,604,616. For the fiscal year ending June 30, 1932, Congress appropriated $3,868,731,286. These must have been the appropriations to which his remarks were directed.

The Government cannot spend until after Congress has appropriated. The figures just mentioned were the limit of expenditures for those years, and it was this spending which so alarmed the Democratic candidate. To carry out his pledge to the people to reduce the spending of the Government 25 percent, it would have been necessary for him to have reduced the yearly expenditures to an average of $2,897,625,959. That was in effect the promise he made to the people of these United States.

Remember, please, that we were in the depths of the depression. The conditions existing at the time he made his campaign were precisely what they were when he was inaugurated. He must have known of the unemployment existing. He surely knew of the suffering among our people. He certainly was not unaware of the appropriations made by the Republican administration from which to feed the hungry and clothe the naked. He at that time must have known the necessity for such appropriations.

It was common knowledge that food and clothing, provided from the Treasury of the United States, were being distributed to the needy by the American Red Cross, working through its local representatives, without expense to the Treasury for such distribution. He must have known this was being done. Mr. Roosevelt must have realized that a sympathetic administration was increasing the governmental expense in order to supply the needs of unfortunate citizens whose needs could not be fully supplied by the local authorities. He knew then, and he knows now, that not the slightest hint of politics crept into the distribution of relief to the poor under that Republican administration. The American Red Cross cannot be charged with playing politics with human misery. He knew spending for relief must continue. All this he knew, and yet he promised to reduce the Government expense 25 percent.

Now, let us examine the performance. Let us see if those promises have been kept. What were the appropriations for the first year of Mr. Roosevelt's administration? Yes; what will they have been for the 4 years when this session adjourns and all appropriation bills will have become the law and the record established for which his administration is responsible? Listen, my friends, while I give you the sad news:

	Appropriations
Congress appropriated for the fiscal year ending June 30, 1934	$7,102,000,000
Congress appropriated for the fiscal year ending June 30, 1935	8,581,000,000
Congress appropriated for the fiscal year ending June 30, 1936	10,350,000,000
Congress will have appropriated for the fiscal year ending June 30, 1937	8,395,000,000
Four years' total	34,428,000,000

When we speak of billions, we are dealing in sums so huge as to be beyond the comprehension of human minds. It is only by comparison that we can even begin to realize just what they mean.

The United States Government declared war with Germany on the 7th day of April 1917. We were officially at war with that country until July 2, 1921. During that more than 4 years of war, and during which we squandered and wasted like a nation of drunken sailors, and during which we had in the field four and one-half million soldiers, half of whom saw service in Europe, it cost the United States for all civil and war expense the immense sum of $26,000,000,000. This does not include the more than ten billions we loaned our Allies, which the American taxpayers must pay. This, by the way, seems in retrospect to be the familiar Democratic manifestation of the policy of "the good neighbor."

It is interesting to note, particularly in view of the criticism hurled at a previous administration and the promises of economy on the part of the present one, that 4 years of Roosevelt during peacetimes will cost the American taxpayers $8,428,000,000 more than it cost them during the more than 4 years of war under Wilson.

Further, it is also interesting to note the expense of running the Government during the first 124 years of the national existence. From Washington's first inauguration to Wilson's first inauguration, during which time we paid in part the expense of the Revolu-

tionary War; during which time we fought and paid for the War of 1812, the Mexican War, the Indian wars, the Civil War, and the Spanish War and paid all other expenses of government, the cost to the taxpayers all down those 124 years was only $24,340,000,000, or $10,078,000,000 less than Mr. Roosevelt has asked for and received in a little more than 3 years at the hands of this accommodating Democratic Congress.

What has become of his promised economy? How does his spending compare with that of the previous administration, of which he so loudly complained? How does his record in this respect compare with that of his predecessor? The records show that he is spending far more than double the amount. Now the questions arise: How is he spending all this money? What has he done about abolishing useless bureaus and commissions, eliminating extravagance, etc.? Let us examine the facts:

There are today so many new alphabetical set-ups in the city of Washington that I doubt even the President himself knows what they all are, or what they are supposed to do. There are 43 different agencies of the Government spending relief money. Twenty-two of these agencies are of the New Deal, alphabetical, "brain trust" variety, of which the best known, the most extravagant, the most unjustified, the most useless is the Resettlement Administration headed by Prof. Rexford Guy Tugwell.

Verification of this statement can be had from a report of its activities furnished the Ways and Means Committee by Professor Tugwell himself, during the recent hearings on the tax bill, and from an employee of the Resettlement Administration who, of course, belongs to the Democratic Party, otherwise he would not have the job he holds. The latter information came to me not long ago in the form of a letter, which I quote in part as follows:

"We have winked at spending thousands until at last the music must be faced.

"Why not begin in sincerity by trimming some of the useless and worthless agencies? And for the sake of common decency begin with the Resettlement Administration, where—

"First. The Administration pay roll has reached $2,000,000 per month.

"Second. Thirteen thousand chair warmers are doing and duplicating each others' work, and nearly all of it useless work.

"Third. Eight hundred and ninety-four persons in the Administration engaged in 'management', but so far no one has been able to find out what they manage.

"Fourth. More than 3,500 employees of Resettlement are receiving salaries in excess of civil-service ratings, all because they have pull and friends.

"Fifth. The Administration's Construction Division is spending for labor to the tune of $30,000 per day—enough to build at least 10 low-cost houses, but does not build 10 houses a month.

"Sixth. Hundreds of the higher-salaried employees know that they are on dignified relief, but why dish out relief at the rate of $2,500 to $5,000 per year per person?

"Seventh. Of all the headaches the present administration will have will be the one when the public finds out what a disorganized, far-flung, wasteful agency the Resettlement is.

"Eighth. You may be interested in knowing that many have left the Resettlement to save their self-respect, and the writer of this will do so soon."

The Resettlement Administration is the agency referred to as "Utopia unlimited" in a series of articles appearing recently in the Washington Post. It is an agency established without specific authorization of Congress and was brought into existence by Executive order of the President. To this activity—or shall I say "inactivity"—has been allocated by the President the staggering sum of $278,347,171.29. Professor Tugwell has employed, according to his report, 16,943 persons, at an aggregate expense to the taxpayers each year of $24,380,985 for salaries alone.

As nearly as we can gather from the sentimental and gushing pronouncements regarding its origin and purposes, emanating from its publicity division, the philosophy pursued is that by shifting people around from where they are to where Dr. Tugwell thinks they ought to be, somehow in the process the subjects of his experimentation will realize the "more abundant life."

An illustration of this theory working out in practice is seen in the Matanuska Valley project in Alaska, involving transfer of 200 families from Michigan, Wisconsin, and Minnesota, where they had established themselves, to the rim of the Arctic Circle, where they were allotted farms of 40 acres per family upon which they, I understand, assumed mortgages of $6,000 each, not one of which can ever be paid, even in part, but where, according to the "brain trusters", agricultural conditions are almost ideal.

To date the Government has spent approximately $18,000 per family. Not a crop has been raised, and already 33 families have thrown up their hands, given it up as a bad job, and have returned home. The remainder of them will undoubtedly follow in the near future.

The Matanuska experiment is only one of many under way. Information coming to us regarding these other projects is replete with instances of similar unsatisfactory conditions which point to ultimate failure, with the result of shocking waste of the public funds, with no permanent benefit to anyone.

An even more startling discrepancy between the cost to the taxpayers and the benefits to the recipients of the favors being spread around greets the inquirer who looks into the fiscal affairs of Professor Tugwell's administration. Administrative costs have been, according to the best information I can secure, $13,000 to provide benefits to the needy of less than $2,500. The reason for this is vividly set forth in the letter from which I quoted earlier in my remarks. This would seem to indicate that the "relief" extended by this agency is confined principally to the "relief" extended to those upon the Resettlement pay roll.

The daily statement of the United States Treasury, dated April 20, 1936, disclosed the fact that of the money allocated to the Resettlement Administration, there was of that date the sum of $173,646,075.56 unexpended. If the President is really desirous of securing the amount of money called for by him, which, of course, the pending tax bill will not provide, I suggest he issue an Executive order putting an end to the fantastic activities of the Resettlement Administration, discharge Professor Tugwell himself and all his 16,943 assistants, and cover back into the Treasury's general fund the $173,646,000 while this sum is still unexpended and available.

There's a well-known axiom that "a dollar saved is a dollar earned." Here is an opportunity to actually secure this magnificent sum of money without delay, and without taxing our people in this amount. I commend this suggestion to the earnest consideration of the President of the United States.

There are many other activities of the administration, entirely without legislative sanction, involving the expenditure of hundreds of millions of dollars, of no economic need or benefit, and which cannot be justified.

The ridiculous limits to which the administration is going in its squandering and waste of public funds is indicated by the allocation to the States of a sum approximating $60,000,000 to be used for recreation.

Every dollar the Government spends, or ever will spend, must necessarily come from the pockets of the American taxpayer. There is no other source from which it can come. Money, if it is to have value, must be earned by someone in the process of the production of wealth. Taxes must be paid from income. A dollar spent for taxes cannot also be spent for bread or meat. Because of this, whenever taxes are increased the standard of living is lowered accordingly.

Government debts must be paid, principal and interest. They represent taxes.

When we Republicans took over the control of Government from the Democratic Party in 1921 the national debt was 26 billions, in round numbers. When the Democrats were returned to control on March 4, 1933, the national debt had been reduced by the Republican administrations to $20,968,391,487.

The daily statement of the United States Treasury dated April 23, 1936, gives the national debt as of that day as $31,437,665,170.38. All of which indicates that the promises of economy, which carried with them implications of reduced national debt, made when seeking the approval of the electorate, have long since been forgotten, with the result that the national debt has been increased in the amount of $10,499,274,683.38 in a little more than 3 years of this Roosevelt administration, notwithstanding increased taxes during this period. And the end is not yet by any means.

Calvin Coolidge at one time said:

"There is scarcely an economic ill anywhere in our country that cannot be traced directly or indirectly to high taxes. To increase that burden is to disregard the general welfare. Through constructive economy, to decrease taxes is to enlarge the reward of everyone who toils."

President Roosevelt at Pittsburgh on October 19, 1932, in discussing costs of government and the necessity for economy in expenditures, referring to the burdens unnecessarily thrust upon our people through unwise Government spending, made this statement:

"Our workers may never see a tax bill, but they pay in deductions from their wages, in increased costs of what they buy, or (as now) in broad cessation of employment. There is not an unemployed man, there is not a struggling farmer, whose interest in this subject is not direct and vital."

In the face of all this, in the face of the fact that the extravagances and waste now taking place are thrusting upon the shoulders of generations yet unborn tax burdens under which they must stagger throughout their lives; the extravagances and waste go on, and the Democratic leadership has the effrontery to solicit the support of the youth of today, who, with their children and their children's grandchildren, will be called upon to pay a tremendous price for this governmental joyride.

Necessary relief must be carried on, of course, but all this can be done without adding to the public pay rolls hundreds of thousands to administer this relief, by the simple expedient of turning relief administration over to the States and their agencies, which are already established and which are much closer to the people and to the problems presented.

Certainly in the expenditure of the taxpayers' money for public works in order to provide relief some regard should be shown for the necessity of the project. We should at least attempt to secure a dollar's worth for every dollar spent. In every community in this country there are schools which should be built, roads constructed, grade crossings built in order to protect the lives and property of our people, sewers built and extended, that the health of our communities may be further secured. There are other projects which can be undertaken with the knowledge that the coming generations, who will be called upon to pay much the larger part for all this, will receive some benefit from these expenditures. Work projects should be confined to activities of this character.

Nor should there be begun nor finished other projects, such as the Florida ship canal or the automobile highway now being built down the Florida Keys without the contribution of a single penny by the State of Florida, and about which no information can be

secured in the city of Washington, but which will cost many millions of dollars of the money of the people of all the States.

The usefulness of the canal, if it is ever completed, will never be such as to even in small part justify its cost, if the opinion of shipping officials can be relied upon.

Passamaquoddy, the economic joke of all the many economic jokes of this administration, which the President, after allocating several million dollars for its development out of the four billion eight hundred and eighty million the Congress so obligingly placed in his hands, has dumped the whole proposition into the lap of Congress and is now demanding that we accept the responsibility and furnish the funds for its completion. Congress has wisely declined to do this.

I think my audience will all remember the avidity with which the administration seized upon the creation of the great "shelterbelt" of forest a hundred miles wide and running north and south for 1,100 miles through the prairie States. Presenting as it did another funnel through which could be poured into the administration's economic ashcan many other hundred millions of dollars of the taxpayers' money, it was received with enthusiastic acclaim by the spenders of the administration. This proposal, accepted without investigation and without the realization that a shelterbelt of trees even a hundred miles wide would furnish little protection to that great expanse of prairie land, was heralded as the solution of the dust storms which have so sorely beset that section of the country in the last few years. Fortunately for the taxpayers, and before much money had been expended, the difficulties of making trees grow in that land, upon which trees had never grown, together with the belated realization of the utter absurdity of the whole thing, became so apparent that it evidently has been abandoned.

Other activities of the administration, both unwise and expensive, should, it seems to me, be given consideration at a time when Congress is considering a proposition of further increasing the tax upon our people. Certainly we who are sent here from the four corners of this great land to protect the economic welfare of the people who send us here, should not in the slightest degree unnecessarily increase the burdens of those whom we represent. If by properly conserving the money already at our disposal, if by eliminating every expense not necessary to our economic life and future, if by eliminating boondoggling and other useless, senseless activities, if by refusing at this time to construct great works at a cost of hundreds of millions in the mere hope that in the dim and distant future they may contribute to the economic welfare; if by doing these things we may meet the financial obligations of the Nation without adding to the tax burdens of our constituents, should we not do so?

One cannot address himself to this subject, it seems to me, and bring every relevant thing into the picture in the time at my disposal. I wish I had time to refer at some length to certain activities now being engaged in by the administration, which vitally affect the everyday life and the economic welfare of the great agricultural class of the country. I shall do so briefly.

It is conceded by every informed person, I think, that upon the welfare of the farmers depends in large degree the welfare of all other classes of our citizens.

That the administration appears to recognize this fact seems to be indicated by some of the things that have been done in the name of agricultural relief. However, certain other things have been and are now being done which more than offset all the benefits the American farmer may have received through the medium of the A. A. A. contracts.

I refer to two things: First. While with one hand we have been taxing our people on the very necessities of life, through the processing taxes, to raise the money with which to pay the farmers for taking millions of acres of good American farm land out of production, we have, with the other hand, been spending hundreds of millions for great irrigation works in the West to bring into production and into competition with farms already in existence, other millions of acres, which up to this time have produced nothing of agricultural value.

These lands are valuable, of course. There is no question but that they will be needed in the distant future when our population shall have increased to the point where the farms now available and now producing can no longer supply the food necessities of our people. But how can we justify taxing our people, taxing our already overburdened farmers, if you please, in order that we may bring into existence these great irrigation projects which can only intensify the almost insurmountable difficulties which already face our farmers?

Second, is the problem presented to the farmers and to the country by the so-called reciprocal trade agreement, under which we are surrendering our markets to the foreign producer. A study of the records for the last year discloses the tremendous increase in imports of farm and other products, while at the same time there was a substantial reduction in our exports. There was a shockingly large increase in our imports of agricultural commodities. Certainly any program which permits the farmer to be assailed upon the one hand by the competition of an always increasing number of irrigation projects, which he is taxed to pay for, and upon the other hand by the competition of constantly increasing importation of foreign agricultural products with their low cost of production can hardly be considered a program wholly in his interests.

The public is supposed to believe that the purpose and effect of this tax bill is to force net earnings out of the treasuries of the corporations into the pockets of the rich, thereby forcing those with large incomes into higher income-tax brackets and compelling them to pay a much larger share of the tax of the country than they have heretofore paid. It will not have this effect for reasons I shall now present.

The income tax, with its exemptions and its graduated scale of taxation is, in my judgment, the fairest tax that has yet been devised. Its purpose, of course, is to compel every taxpayer to pay in proportion to his ability to pay. It has been successfully applied up to a certain point. Unfortunately, the existence of tax-exempt bonds of the Federal Government, the States, and all political subdivisions of the States present an avenue of escape for taxpayers in the higher surtax brackets, thereby preventing the application of the tax upon the very wealthy in full measure.

For instance, a taxable income of $250,000 represents an investment of $4,333,333 in business and productive enterprise at a dividend rate of 6 percent. The income tax on this $250,000 is $128,294. This sum subtracted from the $250,000 leaves a balance or net income of $121,706 on the investment. The same sum invested in tax-exempt securities at 3½ percent would net the taxpayer $143,892, or $22,186 more than he would receive if he should leave his money invested in enterprises which provide jobs for American wage earners. In other words, the present conditions, and the availability of tax-exempt securities as an avenue of investment, present to the taxpayer with this amount of money to invest an inducement of $22,186 per year to invest his money in tax-exempt bonds. The larger the sum available for investment, the larger the inducement to the taxpayer to take his money out of productive enterprise, as is shown by the following table:

Taxable income derived from investment at 6 percent	Tax	Net income after tax	Yield from investment of same capital in 3½-percent bonds	Inducement to invest in tax-exempt bonds
$250,000	$128,294	$121,706	$143,892	$22,186
$500,000	304,144	195,856	291,666	95,810
$1,000,000	679,044	320,966	583,333	262,377
$2,000,000	1,449,019	550,981	1,666,666	1,115,685
$5,000,000	3,788,994	1,211,006	2,916,666	1,705,660
$10,000,000	7,738,994	2,261,006	6,866,006	4,604,994

There is another inducement which the prudent investor rarely overlooks, and that is the fact that there are none of the hazards of business connected with investment in carefully selected tax-exempt securities. The result of this situation is that by far the larger number of the more wealthy citizens do not today have their money invested in corporations or other business, the income from which would be subjected to the higher income-tax brackets. A certain amount is so invested, yes; but when it becomes profitable to enter the avenue of tax escape through this other line of investment, the way is open and the hand of economy, frugality, thrift, careful management of resources, selfishness—whatever you care to call it—beckons and the taxpayer enters.

There is nothing the Congress can do about this so long as it remains possible for the Federal Government, the States, and the subdivisions of the States to issue bonds and other securities, the income from which is immune from taxation. Neither the measure before Congress at this time nor any other law the Congress can enact can in itself change this situation. The 48 States of this Union constitute the only authority which can put an end to this intolerable condition. And they can do so only after the Congress has adopted and sent to them a constitutional amendment correcting this situation.

At different times, before and since the inauguration of President Roosevelt, he has directed attention to this situation and made note of the fact that many of our more wealthy people were, through this medium, escaping their fair share of the national tax burden.

In his tax message of June 19, 1935, he made the following statement:

"I renew, however, at this time the recommendations made by my predecessors for the submission and ratification of a constitutional amendment whereby the Federal Government will be permitted to tax the income on subsèquently issued State and local securities, and likewise for the taxation by the State and local governments of future issues of Federal securities."

At the time the President sent his message to Congress the law provided a maximum of 55-percent surtax on individual incomes. That he was fully alive to the ineffectiveness of the higher surtaxes is indicated by his statement quoted above. And yet in that same message he stated:

"The disturbing effect upon our national life that come from great inheritances of wealth and power can in the future be reduced, not only through the method I have just described, but through a definite increase in the taxes now levied upon very great individual net incomes."

He knew, of course, that surtaxes as high as 55 percent were ineffective; that they had already driven hundreds of the larger-income owners into the tax-exempt field; that we were not even then securing the amount of revenue from the rich we had every right to expect; he must have known that to further raise the surtaxes to 75 percent, as was done in the bill he requested, before a constitutional amendment had been submitted to and adopted by the States would result in driving hundreds of others to the protection of the tax-exempt field of investment, with a consequent loss to the Treasury.

But that bill, my friends, was to be known to all and sundry as the great Roosevelt soak-the-rich tax bill; the uninformed were

to be convinced that the millennium had arrived and that at last this class were to be compelled to bear their share of this tax burden. To convince them of this it was necessary that the surtaxes be again boosted, so that the orators of the party could go forth in the following election and make their campaigns upon this false premise.

The last two Congresses have not without ample cause become known as rubber-stamp Congresses. Our friends on the other side have, without exception, speedily enacted every measure seriously suggested to them by the President of the United States. There has been no time when rebellion in their ranks, regardless of their personal opinions, has in the slightest degree threatened the enactment of even one of the well-known "must" measures. The President knows this. I am sure he has a high appreciation of the splendid cooperation he has received at the hands of his Democratic Congress. I am sure, also, that he is fully aware that if he were to seriously ask the leaders of the House and the leaders of the Senate to put through the two Houses of Congress a resolution submitting to the States the constitutional amendment mentioned above, it would be done immediately.

Representative TREADWAY, of Massachusetts, 10 long years ago introduced a resolution providing for this constitutional amendment. He has reintroduced it in each succeeding Congress. It is now reposing quietly in the Judiciary Committee of the House, and, notwithstanding frequent urgings, the committee has, up to this time, declined to even hold hearings on the resolution.

Does anyone doubt that should the President ask for the immediate consideration of this resolution that the amiable, distinguished Democratic chairman of that great committee would for one instant refuse such a request? We all know he would not. So what are we waiting for? Why aren't we doing the thing we so clearly should do? Why doesn't the President send up a "must" message on the subject if he is seriously in earnest about this matter? Why isn't this done now, in order that the principle of the graduated income tax may apply to all alike? It hasn't been done up to now and I am satisfied it will not be done during this administration. Why it is not done I shall leave to our Democratic friends to explain.

The tax bill now before Congress is another measure similar to the one of 1935, in that it also is designed to convince the uninformed that through this medium we are going to "soak the rich."

Every Member of Congress should know that the tax on the rich will not be increased as a result of the bill. If there should be an increase of revenue resulting from the enactment of the bill, it necessarily follows that this increased tax will be paid by those other than the rich.

Representative TABER, of New York, disclosed many ways in which revenue can be saved and not cripple any legitimate function of government, nor withhold any necessary money for relief. I have suggested others. Courageous, intelligent action along the lines suggested will make unnecessary any tax bill at this time. Such action would enable us to more nearly approach a balanced Budget than the bill before us, even though the revenue it produces far exceeds the fondest hopes of its proponents.

The seriousness of this situation will be appreciated when it is known that Mr. Morgenthau, Secretary of the Treasury, when appearing today before the Senate Finance Committee on the pending tax bill, let it be known that the current fiscal year's deficits would hit an all-time peace peak of $5,996,000,000 by June 30, and that within 14 months this deficit would mount to $8,641,000,000.

A statement released for publication today by the American Federation of Labor, an organization thoroughly friendly to the present administration, discloses that last month there were 12,184,000 persons still without normal work in industry. There is no better authority as to unemployment conditions than this organization. If anything were needed to show the utter and complete failure of the policy of borrowing and spending and wasting and squandering our way out of the depression and into prosperity, it is this.

I shall vote no more taxes upon an already overburdened people until such time as sanity in expenditures returns to this Government. Wild, wasteful, unnecessary spending seems to be limited only by the amount of money they can raise by taxation and by borrowing, thus increasing the national debt, which is now at a high peak for all time.

These wasters, these boondogglers, seem to forget that every dollar spent must be earned by someone. They forget that every dollar of tax extracted from the pockets of the toilers and others means one dollar less that can be spent for the necessities of life. They overlook the fact that as taxes increase the standard of living of our people decreases. They have piled upon us debts that cannot be paid in generations, and the end is not yet.

Anticipating, I suppose, their future desire for the money, the administration asked and received at the hands of this complaisant Congress the authority to increase the national debt to $45,000,000,000, and this, my friends, is something for all of us to think about; but more particularly should the youth of the country ponder this and realize what such an eventuality will mean to them and the generations to come after them.

Representative TABER, of New York, ranking Republican member of the Appropriations Committee, in debating the tax bill, pointed out ways in which more than a billion dollars can be saved without crippling any legitimate function of government nor withholding any necessary money for relief. I have suggested others. Courageous, intelligent action along the lines suggested will make unnecessary any tax bill at this time. Why not leave upon the statute books the corporation taxes now yielding an estimated eleven hundred million dollars this year, which this bill surrenders? Why place the corporations of the country in a position where they can, if they are satisfied to conduct their business in an improvident way and lay aside no surplus for the proverbial rainy day, pay no tax whatever? That is what this bill will permit. Why abandon certain definite revenue, and the methods whereby it can be secured, and enter upon another tax experiment of exceedingly doubtful productivity?

A careful study of the bill would seem to indicate that three classes of corporations only would not be embarrassed by the enactment of this bill. They are, first, the larger corporations having at this time adequate surplus to carry them through another period of economic distress. Second, public-service corporations dealing in the necessities of life, and because of this fact having a more continuously stable volume of business than the ordinary corporation. Third, the great chain-store corporations, the business of which is of a character to lend itself readily to expansion, and just as readily to contraction by closing any 1 or 100 of its units whenever they show a loss. For this reason it is not necessary for this class of corporations to carry great surpluses to tide them over an extended period of loss.

As a matter of fact, the penalties upon business resulting from this legislation will fall most heavily upon the smaller corporations, that constitute the industrial and business backbone of the Nation, and those larger organizations which, after the past 5 years of business adversity, find themselves at this time without sufficient surplus to carry them through additional years of adversity. The burdens will rest most heavily upon those least able to bear them and most lightly upon those best able to bear them.

There are very serious objections to the bill, other than those I have mentioned, which I have not the time to elaborate upon, but which are summarized in the report to the House by the Republican members of the Ways and Means Committee, as follows:

1. It will discourage and possibly prevent the accumulation of adequate rainy-day reserves and constitutes a direct threat to the security of business, employment, and investments.
2. It will cause corporations to restrict the distribution of their existing tax-paid reserves, which can only be rebuilt under penalty.
3. It will discourage business rehabilitation and expansion and have a retarding effect upon recovery and reemployment.
4. It will hamper the growth of small corporations, impede the development of new enterprises, and foster monopolies.
5. It puts a penalty on prudence and a bounty on improvidence and constitutes an unwholesome interference with the exercise of sound judgment in the management of business.
6. It will accentuate the extremes of future booms and depressions.
7. It will oppress businesses burdened with debts and will result in a restriction on corporate credit.
8. It will drive capital out of productive enterprise into tax-exempt securities.
9. It violates every sound principle of income taxation, is arbitrary and oppressive in its application, and will be unequal and discriminating in its operation.
10. It will crucify financially weak business enterprises, while permitting the strong to minimize or entirely escape the tax.
11. It will create inequities and unfair competitive situations which are far greater and more real than the imaginary ones it purports to correct.
12. It will result in the double taxation of all dividends paid out of reserves, whether accumulated in the past or in the future.
13. It will cause untold confusion and add bewildering complexities, both in the computation and administration of the tax.
14. It abandons an assured revenue of $1,100,000,000 annually for one purely speculative and uncertain, and which promises to be most disappointing in amount, thereby further jeopardizing the Federal revenue.

I might say, in closing, that during the hearings on this bill in no single instance did the representatives of any large corporation appear in opposition thereto.

ORDER OF BUSINESS

The SPEAKER. Under the special order for today the gentleman from Pennsylvania [Mr. STACK] is recognized for 10 minutes.

Mr. WITHROW. Mr. Speaker, I did not withdraw my point of order.

The SPEAKER. The Chair understood the gentleman had withdrawn the point of order.

Mr. WITHROW. I said that I would withhold it. I insist on the point of order.

The SPEAKER. The Chair misunderstood the gentleman.

Mr. STACK. I ask the gentleman to withdraw that until I can get through with these remarks, as I have an important engagement. Will the gentleman please withdraw his point of order?

Mr. WITHROW. Mr. Speaker, would it be possible for me to yield to the gentleman from Alabama?

Mr. BANKHEAD. Mr. Speaker, if the gentleman will withdraw his point of order, I should like to ask unanimous consent to address the House for 1 minute.

The SPEAKER. Does the gentleman withdraw the point of order?

Mr. WITHROW. Yes, Mr. Speaker.

Mr. BANKHEAD. I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BANKHEAD. If the gentleman will propound his question, I shall be glad to answer it.

Mr. WITHROW. Mr. Speaker, I am very much interested in considering the Frazier-Lemke bill on the 11th of May. I am fearful that the House will recess or adjourn, so that not enough legislative days will intervene so as to permit consideration of the measure on the 11th of May. That was my purpose in making the point of order, so that we would be in session tomorrow, if necessary, in order to supply the required number of legislative days, so that we might consider the Frazier-Lemke bill on May 11.

Mr. BANKHEAD. I am very glad that the gentleman propounded that question, and I am very glad to answer it not only for his information but for the benefit of all those who may be interested in the Frazier-Lemke bill.

There have been 218 signatures attached to the petition to discharge the Committee on Rules from consideration of that bill. The bill, under the rules of the House, will come up for consideration on the 11th day of May. I want to give the gentleman assurance that, as far as I am concerned, and all of those of us who are in anywise responsible for the program upon this side of the House, there will be no effort whatever, either by attempts to recess or any other parliamentary obstacles, to prevent consideration of that rule on the 11th day of May.

Mr. WITHROW. That is fine. I thank the gentleman.

The SPEAKER. The Chair wishes to state also to the gentleman from Wisconsin that he has examined the calendar and finds that even if a recess is taken over tomorrow, Saturday, and the following Saturday, unless other recesses are taken, the motion to discharge will be in order on the 11th of May.

Mr. WITHROW. I thank the Chair. That is fine.

The SPEAKER. Under the special order the gentleman from Pennsylvania [Mr. STACK] is recognized for 10 minutes.

WHAT IS A CONGRESSMAN?

Mr. STACK. Mr. Speaker, ladies and gentlemen, my colleagues of the House, I come before you today to give you my humble reaction to what happened last Tuesday, April 28, in my district, the Sixth of Pennsylvania, where as you know a primary election was held. It was an interparty affair and the issue was clearly drawn—the people, or representative government versus slate making by the so-called political bosses behind closed doors. On the one side were the honest-to-God voters of the district—the average citizens, the electors who, if you please, actually own the Government and should rule or direct it, following my philosophy of government or in accordance with Jefferson's philosophy of government. Fortunately for me and representative government these were in the majority. On the other side was the so-called political organization, which by some method, mostly hallucination, imagined that it had absorbed the political mantle of Matt Quay, Boise Penrose, Jim McNichol, and Bill Vare, who not so very long ago used to be able to send into the district a slate concocted in sunny Florida or in the balmy air of Ventnor, N. J., consisting of a candidate who sometimes did not even live in the district, like my illustrious predecessor, and we had to like it and vote for him or not vote at all.

During the campaign I did not mention my opponent's name once. Personalities were not involved here, but principles were involved. I did mention, however, his political backers; and I told my people, with evident effect, that if he were nominated and elected to Congress he would have to take orders, not, however, from them, but from his political bosses. I also told them that if I were their choice I would continue to be their servant, glorified if you will, but just the same their servant, to do their reasonable bidding in the Halls of Congress. That I would continue to vote for and work for legislation favorable to the masses as against the special privileged.

Mr. Speaker, those opposing me brought all kinds of pressure to bear on my friends and workers, even threatening to take their little State and Federal jobs away from them, and in some cases actually doing it. But to no avail. Why? Because my people, the good people of my district, knew my record here in the Halls of Congress; they knew that I had supported the New Deal in all its liberal legislation; they knew that I had their interest at heart and not the money changers; they knew that the American Federation of Labor had endorsed me because my vote has been and always will be for labor; they knew that as a veteran who fought and bled for his country that I was and am interested in the veteran and his dependents; they knew that the substitute post-office employees and all Federal employees benefited by my presence here in Congress; they knew that I was and am against the private control of money under the guise of our so-called Federal Reserve System and that I was and am for the restoration to Congress of its constitutional right to coin money and control the value thereof. Incidentally, in my district there are some 90 units of the National Union for Social Justice. Through his radio voice Father Coughlin had educated them. They knew what they wanted and what they want in and from their Congressman. They are a power not only in my district but throughout the State, as some of my colleagues fortunately or otherwise well know. They are not politicians—just plain businessmen and women interested in the business of their Government; and, after all, Government is a business; it is your business and my business. It is the business or ought to be the business of everyone.

My colleagues of the House, as your friend I am asking you to listen attentively to their proposition. These militant crusaders in behalf of representative government are here to stay; they are here to see that you and I, their servants, shall represent them properly and shall take care of their business in a business manner. Therefore, Mr. Speaker and my friends of the House, my humble reaction to Tuesday's primary in Philadelphia is that you and I must and shall be representatives of the many, not of the few. We must try to represent all our people all the time. We must realize that there are movements sweeping the country uncanny in their strength because of the fact that the public as a whole are sick and tired of gag rule and gang rule and the manipulation of national legislation by a handful of "rubber stamp" leaders who take order from the higher-ups.

We must realize, as I certainly do, that our chief concern here in Congress must be the concern that we should be for Mr. Average Citizen. We must be believers in fair play and that no legislation, that no bill which has any merit should be smothered in committee.

If we do this honestly and fairly our constituents back home will know it and appreciate it and reward us by returning us to office.

They renominated me, and they will reelect me by the largest majority a Democrat ever got out of Philadelphia, the quondam home of Toryism and Republicism.

In conclusion, I want to thank all my friends back home for all the support they gave me in this campaign. I want to thank the National Union for Social Justice. I want to thank the advocates of an old-age pension as proposed in the McGroarty bill. I want to thank Mr. Green and all the friends of organized labor. I want to thank the retail druggists of West Philadelphia for their cooperation and promise them that I will do all I can toward helping to enact into law the Robinson-Patman bill. And, finally, I want to thank the veterans of my district and all the good people who so ably supported my candidacy on April 28, 1936. [Applause.]

Mr. BOYLAN. Mr. Speaker, will the gentleman yield?

Mr. STACK. I yield.

Mr. BOYLAN. I congratulate the gentleman upon his wonderful victory. Incidentally, having in mind the gentleman's address of some weeks ago, I should like to inquire, what became of McCloskey?

Mr. STACK. I would rather let the dead stay buried.

Mr. BOYLAN. There is another boy the gentleman spoke about, Turk Connally. What happened to him?

[Here the gavel fell.]

OLD-AGE PENSIONS AND OUR INDUSTRIAL SYSTEM

Mr. GRAY of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

Mr. UMSTEAD. Mr. Speaker, reserving the right to object, and I shall not object to the request of the gentleman from Indiana, I hope no one else will make a similar request, because we are exceedingly anxious to proceed with the consideration of the naval appropriation bill.

Mr. GRAY of Indiana. I am in accord with the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GRAY of Indiana. Mr. Speaker, there was a time in our early history when men were more equal to labor to live under our free competitive system of industry than they are today.

There was a time when men could claim the right of more equal opportunity, the right of more equal advantages to labor under our free competitive system of industry than they can claim and hold today.

There was a time when men could labor and take more equal earnings and income, could accumulate more equal property and wealth, and could acquire more equal means with which to live under our free competitive system of industry than they can take and acquire today.

There was a time when the average common man could earn enough and save enough, and did earn and save enough, not only to provide for himself as he labored but to maintain himself and family in old age.

There was a time when parents, meeting with misfortune, a son or child or children, while providing for themselves and families, could help the old folks at home.

And there was a time when the head of the family alone could provide for his wife and children and meet all their requirements to live without his wife, sons, and daughters being compelled to help make the living.

NEW AND CHANGED CONDITIONS

But these times of more equal opportunities and advantages have passed—gone—and been supplanted by the few taking the greater share of the income and amassing swollen fortunes and leaving only the meager portion to be divided up among the many.

Under these new and changed conditions the common laboring man can no longer earn a living while he labors and save up for old age, and a son or child or children, while supporting their own families, can no longer help the old folks at home.

This failure of earnings and income of the masses, the many of the people, has brought a new problem for solution, the problem of providing means of support for the aged and dependent people under which old-age pension legislation has become a vital necessity of the time.

PENSIONS FOR OLD AGE IMPERATIVE

Under these new and changed conditions pension payments for old-age support have become vital and imperative to make up for the want and failure of sufficient earnings and income in the prime working days of men to provide a living while they labor and for old age in their declining days.

Under these new and changed conditions the responsibility for the support of the aged has shifted or is shifting from the people themselves and from the sons and children of parents and has become an obligation upon the State and Nation which the Government must assume as a policy of public justice and human welfare.

OUR INDUSTRIAL SYSTEM

Our free competitive system of industry is a natural system of industry which has grown up and developed among the people and under which they could live in plenty and great abundance accordingly as they are willing to toil and labor in recognition of the equal rights of men.

But under the impulse of selfish human nature actuating the shrewd, crafted, and resourceful, a certain, special few men have taken more than they have earned or could enjoy and have held these earnings from use and comfort of the many, the masses of the people. And the timid, confiding and unsuspecting, yielding to the strenuous strain of human greed of the strong, powerful, and designing, have taken less than they have produced and than they need and require and less than sufficient to provide for the common necessaries of life, even while they are laboring from day to day, and nothing when they have reached old age.

ENOUGH FOR ALL

There is enough wealth and property created, enough of the necessaries, comforts, and conveniences, if apportioned as created or produced, to supply all of the people of the world in plenty and great abundance. The wealth produced or created by men is about in equal shares and proportions to each man or individual of the population and if held in such substantial equal portion all would be equally and amply provided for, with the comforts of life today.

But wealth produced in substantially equal shares is held in grossly unequal proportions in vast amounts by a certain, special few, and only the smaller part and remainder by the many to be divided and apportioned out among the masses.

A GAMBLING INDUSTRIAL SYSTEM

A just, honest, and fair industrial system is an industrial system under which every man takes accordingly as he labors, accordingly as he toils to produce and share equally, fairly, and justly with his fellow man and coworkers the fruits of his labor and toil.

But we do not have today an honest and fair industrial system under which the men who create the wealth may take a fair and equal portion of the wealth and property they produce and under which they can take and enjoy the fruits of their toil and labor. Instead of such just industrial system, we have a gambling industrial system, we have a juggerly industrial system, a system under which the certain, crafty few can take and manipulate wealth the many produce, and who can take and are taking and hold more, without performing any service to their fellow man, than the men whose toil and labor produces the wealth.

WAYS LEFT OPEN

Under the forms and safeguards of our industrial system provided and left open to insure and guarantee the economic freedom and industrial liberty of the dependent, individual man to labor to live, the certain, special, crafty few have come in to usurp and take advantage of the timid, confiding, and unsuspecting many.

Through certain gambling operations, through the hidden forms of corporations, creating superpower over individual men, through certain bond and stock manipulations, through certain grain and provision-market operations and other shrewd and crafty forms devised, the certain, crafty, special few have taken advantage of these ways left open to appropriate the wealth created by the many, until the people are left with a bare subsistence while toiling and laboring to live and to suffer want and destitution in their old age and declining days.

Under this gambling industrial system, money is manipulated and used to make more money and to make and accumulate money faster than men can labor to make money by the toil, wear, and sacrifice of their bodies. And capital under covered gambling forms is made to yield more earnings and income than all the toil and labor of men and in a few short years to double and triple itself, absorbing all or a greater portion of the income of industry earned in our competitive industrial system.

MEANS OF ADVANTAGES

Wealth under our gambling industrial system, produced by labor, is taken from the people in many crafty and ingenious ways, under grain and produce-market manipulations, under covered bond and stock maneuvers, under control of prices and supplies, by buying, holding, and selling operations, and by creating scarcity or surplus at will.

PRIVATE CONTROL OF MONEY

But the control of money, the most vital part and element of our industrial system, is probably the greatest power

under which advantage is taken and by which taxes, interest, and debts are doubled and tripled upon the people secretly covered, hidden, and concealed.

Money is that part of the means and facilities of our economic and industrial system whereby to enable the people to exchange their services and what they produce for other services and what others produce in providing for their wants and needs. Without the means and facilities of money our specialized industrial system could not operate or function for a single day. The people could not provide themselves with the necessaries and comforts of life. They could not take what others produce, nor provide or furnish others with what they produce.

Money, the lifeblood of industry, has been and still is under the private, selfish control of a few bankers and financiers, the shylocks and money changers of today, with power to make high prices or low prices or a panic at will, accordingly as may best serve their interests for the time. By the secret control of money our industrial system cannot only be manipulated, the production and wealth and property, the earnings and income from industry, cannot only be acquired, controlled, and held, but property, earnings, and income can be taken without the knowledge of the people by whose toil and labor it has been produced.

ALL WEALTH CREATED BY LABOR

All wealth which exists today in necessities, comforts, and other forms has been dug out of the ground or produced by the strenuous toil and labor, by the brawn, muscle, and sweat of the brow, and without which no wealth could exist and none of the necessities, comforts, and conveniences could be used and enjoyed by the people.

Under this perverted industrial system, this gambling industrial system, the men who have dug the wealth out of the ground or who have created or produced it by their toil and the sweat of the brow possess and enjoy the least of it. And the men who have neither dug it out nor labored to create or produce the wealth possess the greater part or share of it and use and enjoy the most of it.

GREAT WEALTH HELD BY A FEW

Today some single, individual men hold and possess property and wealth which has required the labor of thousands working their lifetime to create, and the few are taking the earnings and income sufficient to support these thousands while laboring and during old age.

Today under this gambling industrial system some men have taken and are now holding wealth produced by the toil and labor of others which they themselves could not have dug out of the ground, nor created by their toil and labor working night and day every hour since the days of Christ on earth.

Entering under and through the ways left open in our free, competitive system of industry, concealed under the forms of corporations, through market and gambling operations, the few have taken from the masses, the many, until the greater portion of the people have been impoverished during life and left helpless and dependent in old age.

Under this gambling, perverted industrial system, the certain, special few men are taking and holding wealth, earnings, and income which they can never use or see, which they can never realize or enjoy, all for the abnormal pleasure and gratification of holding from the possession and use of others. Under this gambling industrial system in a hidden, covered, and concealed way one-tenth of the people are taking nine-tenths of the income, and nine-tenths of the people are receiving and trying to live and sustain their physical bodies from one-tenth of the income from industry.

THE ABNORMAL FEW

These certain, special few men are the men in whom selfish human nature has been abnormally accentuated, cultivated, and developed, until the impulse to take and possess property, wealth, and hold from others has become a mania, a ruling passion of their lives.

And the way has been left open in our economic and industrial system, concealed under the forms of business or operations and with the secret and private control of money, whereby to take from the many, the masses, the wealth which they have produced, their earnings and income from their toil and labor.

THE AUTOMATIC MACHINE

While wealth, the earnings and income of labor, were being filched and taken from the masses under our gambling industrial system, the automatic machine was invented to lighten the labors of men to live and to help them produce more and better of all the necessaries and comforts of life. But instead, the machine has been seized upon by the shrewd, crafty, and resourceful to further take from the laboring masses their substance, earnings, and income and finally used to dispense with their employment and to further reduce their earnings and income and leave them even more destitute in old age.

If our free competitive system of industry has been left free and equally safeguarded for all the people to labor to live and enjoy the fruits of their toil, the machine, instead of a curse, to reduce their earnings and income and employment, would have come as a blessing to men to aid them to live better and to enjoy more.

THE MACHINE MUST WORK FOR ALL

If the machine could be made to work for all the people, it would not make a scarcity of employment; it would not take the laboring man's place—if the laboring man could take a just share of the earnings and profits of the machine for his own use and advantage, he could work on full time and live better—he could work on full time and have more than before the machine was invented.

The work of the world is not all done. There is more work yet to be performed than all the machines and men can do, than all the machines running full time can do, than all the men working full time can do. Both could not perform all the work that is needed, could not produce more than all the people could enjoy by working full time every day for the next 50 years.

It is a perverted industrial system that, because a few men cannot make profits, the masses must remain idle and in suffering until they are hungry and dependent, until they are exposed to the weather and the elements and driven to public charity and relief.

There is a new day coming in industry. There is a new day coming for the laboring man. There is a new time approaching, when the machine and the laboring man will produce the necessary comforts and conveniences for use and service of all the people without stopping when profits fail for the few.

CONDITION OF PEOPLE BEFORE PANIC

Even before this panic came in 1920 and 1929 the conditions of the laboring masses was growing more and more precarious. The right of men to labor was becoming more and more uncertain, and with their earnings and income vanishing they were already living in fear and apprehension of the future and approaching old age.

When this panic and depression came first in 1920 and again in 1929 the rich had been and were growing richer and the poor poorer for 50 years, and until a few of the people had come to hold and control the greater share of the created wealth and were taking a like portion of earnings and income.

THE CONCENTRATION OF WEALTH

Such was the concentration of wealth in a certain special few. Such was the plight of the many, the masses, from whom wealth had been filched and taken. Such was the meager earnings and income, the failure of the buying and consuming power, of the tax, interest, debt, and mortgage-paying power of the many, the masses, the multitude, when the international bankers and financiers, the modern money changers, in 1920 and 1929, in mad, frenzied, and impatient haste, cornered and withdrew the money supply, brought a fall of values, prices, and wages, prostrating and paralyzing industry, and stopped even the meager earnings coming to the common masses and laboring people.

With the panic coming and continuing throwing the masses out of employment, leaving them in fear, dread, and

apprehension of their condition in the future with no security for labor, they are demanding that they be assured against unemployment and failure of income and that provision be made for them in the dependency of old age.

THE PROBLEM LONG REALIZED

While this problem of old-age support has been only suddenly realized by many people, it has long been apprehended and warned against by economic students of the times. It has been coming gradually for over 50 years, with the concentration of wealth in a few and the failure of earnings and income in the many. The problem was seriously facing our social order as a menacing and threatening economic evil even when the panic and depression came, which only brought existing conditions to a full realization and crisis and uncovered and made apparent what was already, in fact, at hand as a pressing emergency to be met.

CONFUSING TAXES IN THE PRICE OF THE VITAL NECESSARIES

There is no tax plan or system more complex, confusing, and less understood in the minds of the people of the country than sales or transaction taxes, and which can more plausibly be urged not only upon the confiding and unsuspecting people but upon many honest leaders of men.

A sales or transaction tax is a tax so mixed, mingled, and confused, so hidden, covered, and concealed in the increased price of the vital necessities of life, that a galling, burdensome tribute can be levied upon and collected from the people without the knowledge of a tax imposed, and while the people are left groaning from its crushing weight. A sales or transaction tax is not only a tax in gross violation of the principle of the ability to pay and every policy of just taxation, but its most vicious part and effect is the exemption of the rich from their just burdens of the Government.

THE OBLIGATION OF GOVERNMENT

Such is the economical and industrial condition of the country, and such is the plight of the aged dependent under our gambling, perverted industrial system—left starving, freezing, suffering, destitute in the midst of the very wealth and riches which they have worn out their bodies to create. And such is the obligation and responsibility of the Governments, State and National, to provide for the comforts of the aged, whom they have allowed exploited and exhausted of their earnings, income, and substance by a toleration or failure to remedy the evils and abuses under which the masses have been filched and left destitute.

A TAX UPON THE RIGHT TO LIVE

A sales or transaction tax is a tax upon the vital necessaries of life required by the common masses to live. It is, in fact, a tax upon the right of the many, the masses, to live and reduces their earnings and income by the amount of the tax imposed. It is for this reason alone that a sales or transaction tax is invariably and always urged upon Congress by those who represent the great fortunes whenever new or additional taxes are proposed, and who seek to protect great wealth and riches from the payment of an equitable share of the tax burden.

TAXING THE POOR

Such a tax to provide for the support of the aged and the dependent people would be a tax upon their children and upon the common classes and the poor, and would be in effect to exempt the rich and the holders of swollen fortunes from the payment of just or substantial part of taxes.

HOW WEALTH IS HELD

The wealth created by the toil and labor of the many, the masses, the multitude, and taken by the certain special few under the evils of our industrial system is held under so-called vested titles, through corporation shares, stocks, and bonds to great physical property, wealth, and assets.

This great, accumulated physical wealth into which the people's earnings and income have gone is not susceptible of division or separation for return back to the people for use in kind and portion required for their support in old age.

Any attempt now to share or apportion this great predatory accumulation of wealth would dismantle industry and trade, would throw our industrial system back to primitive means and methods and make men "jacks of all trades" and leave them masters of none. We must deal with the world as it is, in the form it has been permitted to assume, and not as it ought to have been made and kept to conserve the natural rights of men to labor upon the earth to live and enjoy the fruits of their labor.

INCOME ALONE TO BE REACHED

But these great property interests and wealth are bringing to the certain, special few a great swollen stream of earnings and income which they can never use and enjoy, which they can never see or realize, and which they are hoarding and holding for the abnormal pleasure and gratification of keeping from the use and enjoyment of others. It is only in the form of surplus earnings and income that the wealth taken and appropriated from the toiling, laboring masses can now be reached and taken for a return of a share and portion back to those whose labor produced it for their support in old age.

A TAX UPON THE INCOME OF SURPLUS WEALTH AND SWOLLEN FORTUNES

Before a tax is assessed and levied upon the common masses of the people either in the form of a direct tax, or an indirect sales or transaction tax (which is a tax upon the common masses and the poor) to provide support by a pension for the aged and dependent, a tax should be assessed and levied upon the earnings, dividends, and income from surplus wealth and swollen fortunes sufficient and ample to provide these aged and dependent people with comforts for their remaining years.

SHARING THEIR OWN INCOME

And this should be provided them not as public charity or as a dole but as delayed and deferred payments of a just and equitable share of income from their own created wealth.

THE GOLDEN RULE

Until we can eradicate the economic evils of the times, until we can suppress the industrial gambling operations, until we can overcome monopoly and restraint of trade and make our industrial system free for every man to labor to live and to take and enjoy the fruits of his labor, we must invoke the Golden Rule in favor of the aged and dependent and provide them with a pension for support which will afford the same comforts and necessaries which we would wish provided for ourselves, suffering under like conditions and misfortunes.

And bringing the Golden Rule down to date we should be ready and willing to provide an old-age-pension law and system which will assure the aged people with the same substantial comforts we have enjoyed and would wish to enjoy during our remaining days if left without provision in old age.

THE EVILS MUST BE REMEDIED

But the aged and dependent people left helpless and destitute in this crisis must not only be cared for and supported, but economic conditions must be restored so that their children can earn and save enough, while providing as they labor to live, to support themselves in ample comfort in old age and their declining days.

It would be sad tragedy and commentary upon the future and the young people today to encourage them to spend their all as they labor in wanton indifference and waste with full reliance upon the Government for support when they grow old and infirm.

When the child cannot be trained and brought up in his youth, when character is molding and encouraged to be ambitious, frugal, and saving, with pride, satisfaction, and self-reliance, the progress of the human race will be at an end. It is individual responsibility, it is industrial self-reliance, it is individual initiative which makes for and builds up stability of character and prepares men for the contests which they have waged and must wage in the course of the battles of life.

LABOR MUST TAKE A JUST SHARE OF THE MACHINE EARNINGS

The remedies for the evils of the machine claimed taking the place of the laboring man is not to slow down or stop the automatic machine but to keep the machine working more for the laboring man with whom it is competing and for labor to

take the earnings of the machine to maintain buying and consuming power.

While the remedy for those who seek more leisure, with no ambition to live better or enjoy more, may be to reduce their working hours and time, the remedy for those who are ambitious to have more, enjoy more, and live better is for them to work on their full time during their prime working days. The remedy for the working man is to take the earnings and income of the machine under cooperative or collective operations, maintain his normal earnings and income and his full working time and employment during his prime, live better, and enjoy a more abundant life while working and providing support for old age.

If the masses could have only claimed the advantages of the automatic machine in industry, every man who was ready and willing to work, who was willing to toil and labor to live to earn by the sweat of his brow, would have been able to take not only the bare necessities of life but would have been able to use and enjoy a greater share of the necessaries and comforts and many of the luxuries as well.

The automatic machine can only produce. It cannot eat, it cannot wear, it cannot take, use, and consume the necessaries and comforts which it produces. And the certain, special few men taking the greater share of the earnings and income, which under our system of industry is the buying and consuming power, are alike without capacity to consume what the automatic machine produces.

Unless the toiling masses, the multitude, who alone have the capacity to take and consume production, can take a share of the earnings of the automatic machine, the means to consume what the machine produces, the wheels of the machine will slacken, slow down, and finally stand still and rust away on their bearings.

THE AGED DEPENDENTS

I deny and resent the charge made against these elderly, dependent people that they are deliberately taking advantage of the panic and condition of the times to lay down on the taxpayers and claim their support from the Government.

Even under this perverted industrial system, many of these men, now dependent, looking to old age, had been saving for their declining years. They had put their money in the banks or they had paid into building and loan associations, or they had bought investment stocks from which to draw when their working days were over. And many of these elderly, dependent people had been paying on a humble home with only a few hundred dollars remaining to pay when their home would be free and in which they could live in their frugal way. They had worked their way to humble independence and saved up for the coming rainy day.

WHEN THE PANIC CAME

Such was the condition of these aged dependent people when the panic or depression came. They were still working and proud to work, working at their life's chosen trade, or exchanging for a lighter task, but working on the same as before and striving to live on their insufficient pay.

Still up to the panic of 1929, the many with their savings vanishing, and the machine taking away their employment, the masses were toiling on hopeful and cheerful, straining under loss of property and income to provide the necessaries of life burdened and held for excess profits.

Up to the time the panic came the work-worn, aged workingman was still holding some savings earned and laid by during former years, still paying on his mortgage, still hoping to provide for his infirm and declining years.

THE AGED WILLING TO WORK

Even at past 60 many of these elderly people and with a fair saving in hand accustomed to an active life, refused to stop, to step aside and retire, but took just pride and satisfaction in the realization of self-reliance in still working to make their way.

But when the panic came with other men they lost their places. And while waiting for employment to return they were forced to encroach upon their savings, stinting, spending little day by day, until finally their savings were exhausted and their provision for old age was gone.

Or while waiting for employment to return the bank broke with their money on deposit, or the building and loan closed, unable to pay, or their investment stocks fell and fell until they were worthless papers and their home went to delinquent tax sale, or their mortgage was foreclosed.

THE DOOR OF INDUSTRY CLOSED AGAINST THEM

And then seeking employment they found none and were told that when employment did return their advanced age would bar them. The door of industry had swung and closed against them forever, through which they could never enter again. They must wait on the relief rolls for the final summons to come.

WAITED FOR EMPLOYMENT TO RETURN

And even after the panic came the laboring men and common masses waited for employment, waited in patience and forbearance, waited in Christian fortitude for prosperity to come "around the corner", waited while their meager means were being exhausted, waited while their taxes went delinquent, waited while their home was being foreclosed, waited, suffering and in want, while seeing their life savings fade away. And even then they were undismayed, still buoyant, hoping for employment, waiting for a new opportunity, waiting to start life over again, still anxious and impatient to labor to vindicate their pride and their spirit of self-reliance.

And even when this new administration came in 1933 to bring a return of prosperity, the industrial working or laboring men were still buoyant with hope and courage, still looking for employment to return, still waiting to maintain their pride, to vindicate their will to work, their courage to toil on and labor to live.

These aged, work-worn, laboring men were still ready to try again and regain their lost savings and fortunes, to recover their mortgaged homes, until the door of industry was declared locked and closed against them forever and left in a state of helpless destitution. They were not even then asking for a pension. They were only asking to toil and labor. No pension program was demanded. They were still proud and self-reliant, asking no favors but the right to labor to live.

THE AGED HAD SAVED FOR OLD AGE

These old people now dependent were active and industrious in their prime. They had earned and saved up enough to have provided frugally for their comforts, the necessaries for their declining days. And if they could have lived and worked under an honest industrial system, if every man had been allowed to take the wealth, earnings, and income he had produced, they would have spurned and resented a pension as a claim of charity or benevolence.

And if there had been no panic to bring the condition of the people already suffering from a failure of earnings and income under the evils of this gambling system to a crisis, the demand for an old-age pension would have been long delayed and postponed.

Under the delay of two administrations, the suffering and dependency of 6 years, the hope of prosperity long deferred, the realization of a bare existence even with a return of employment, finally destroyed their morale, the pride and independence of men, and many have been driven to relief and to live a precarious existence.

EXTENSION OF REMARKS

Mr. QUINN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a brief editorial on flood control from the Pittsburgh Press.

Mr. RICH. Mr. Speaker, it would please me very much to be able to make an exception in the case of my colleague from Pennsylvania, but the gentleman knows it is the established policy not to print editorials in the RECORD. Much as I regret to do it, I am forced to object.

NAVY DEPARTMENT APPROPRIATION BILL, 1937

Mr. UMSTEAD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill

(H. R. 12527) making appropriations for the Navy Department and the naval forces for the fiscal year ending June 30, 1937, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12527, with Mr. VINSON of Kentucky in the chair.

The Clerk read the title of the bill.

Mr. UMSTEAD. Mr. Chairman, as I understand the order of the House on yesterday, there remains 1 hour and 30 minutes of general debate on this bill, to be confined to the bill. Of this hour and a half the gentleman from Michigan [Mr. McLEOD] has at his disposal 1 hour. Is my understanding correct?

The CHAIRMAN. The gentleman is correct.

Mr. McLEOD. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I sincerely hope that I am not taking time from some Members who really could add more than I can to the discussion of the Navy appropriation bill; but in a general way, and because of the happenings of the last 2 or 3 days, and because I took the floor on May 2, 1935, for a similar reason, I really desire just a few minutes at this time to express myself along the same line.

It is not surprising that there exists among our people such real concern over these greatly increased expenses for military and so-called defensive purposes. Much real discussion and anxious consideration has been evidenced, especially during the past year, in the great anxiety of our people in general to formulate proper neutrality legislation. Vast expenditures for military purposes do not appeal too strongly as the method which may convince other nations of our peaceful aims. As representatives of the people, it is our plain duty to vote money sufficient for their protection. Under these extraordinary conditions, especially when funds are so much needed to alleviate distress, we are hard put to prove that we are, in the slightest degree, likely to be attacked by any foreign power. It is inconceivable that anything can happen of such provocative nature that would make a declaration of offensive warfare have any appeal to our people. During these days the jingoist would have but scant followers. It is amazing to survey the change of opinion that has taken place in this country. Those Congressmen and Senators who voted against our entering into the World War seem now to be the greatest of heroes and to glory in what was regarded as almost a treasonable attitude at the time.

Now, every one of you know that before you came to Congress this year you were watched very closely with reference to your attitude toward the subject of neutrality and what you would do to try to make foreign nations believe that we had a peaceful attitude toward them. I want it fully understood that I am not debating against the details of this bill. I have great respect for those who formulated the bill, and I shall vote for the bill, of course. It is, perhaps, the best we can do. I am not too familiar with the details, and I would, therefore, be foolish to try to curb it after such study as I have made with relation to it.

But, Mr. Chairman, I have to go home and the other Members of this House have to go back home and convince our people that what we have done is compatible in the matter of making foreign nations feel that we really have peaceful intentions. The gentleman from New York yesterday indulged in a very catching phrase. It is slogans that cause us so much anxiety. He said that "we are burying the forgotten man under the keels of warships." However, it may be wise to make a reasonable expenditure in our Navy if it can be shown that W. P. A. workers could be transferred to such work.

This probably would not be practicable, as but few persons would be fitted for such employment. The burden of the discussion as to the increase of expenditures for military purposes is certainly to be carried on in the comparison of its need to that of relief purposes and its effect in its expression of our views on neutrality and the interpretation placed by other nations on our really peaceful intentions toward them. Our national recovery is of the paramount importance at the moment. The Nation's leaders in business have gathered in this Capital during the last few days and given full expression of their criticisms of a government which is regarded by a seemingly large majority as being unfriendly and far from helpful to them, even though the country looks to them to bring about this recovery. They are greatly disturbed over the tremendous public debt of mushroom growth. Constantly multiplying taxes and harassment of legislative measures already passed and still threatened cause them utmost concern. We cannot disprove their contention that already they have paid out twenty billions more than necessary to help the unemployment situation. They insist that they have rendered full cooperation, even though it has been done under a constant punitive attitude of an administration unfriendly toward business.

This morning appears the story of the Secretary of the Treasury which he gave in testimony yesterday or the day before before a Senate Finance Committee. Far beyond our early pessimistic statements is the deficit of 1937. We politicians sit here apparently unworried. The larger the appropriation as affecting our individual districts seemingly the more we believe that will help to reelect us. Let businessmen criticize and warn us, but with little effect. We are told that they do not represent the aspirations of the people. They are simply "entrenched greed", in the opinion of this administration. Scant attention is paid to their suggestions here on the floor of Congress. Yet we look to them to pull us out and put the country back on the road to recovery.

Last May I took the floor, urging that the Congress give a little attention to the business leaders who had gathered here from all over the country. I was interested to read what the gentlewoman from Arizona said on yesterday. She complimented so highly the opening courteous address and stated she had read it and reread it. She stated it was a marvelous document, but remarkable for its omissions. I also read that speech, and I read the speech of Mr. Roper, which was also remarkable for its omissions.

Mr. FORD of California. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from California.

Mr. FORD of California. The gentleman has heard of Mr. Carver?

Mr. GIFFORD. I read about him yesterday.

Mr. FORD of California. He is the head of your "brain trust"?

Mr. GIFFORD. I do not know about that.

Mr. FORD of California. Does the gentleman agree with his philosophy?

Mr. GIFFORD. In answer to the gentleman's question I would say with some of it, "yes"; and some of it, "no."

Mr. FORD of California. What does the gentleman agree with? Does the gentleman agree that young people should not marry until they can own an automobile?

Mr. GIFFORD. We understood yesterday when we read the article and also when I read the article in the forum that you would seize upon that as we seized upon the foolish Tugwellian philosophy.

Mr. FORD of California. Does the gentleman agree that is foolish?

Mr. GIFFORD. I do not agree that the Republican Party should gather a "brain trust" to offset the foolishness practiced by your administration.

Mr. FORD of California. Does the gentleman agree with that "brain trust"?

Mr. GIFFORD. No; I do not agree with the idea of a "brain trust." I am opposed to it. I am pleading this morning for sensible businessmen to do the practical work that must be performed by this Congress to bring the Nation back to recovery.

Mr. FORD of California. Then the gentleman disagrees with the Republican "brain trust?"

Mr. GIFFORD. I would do away with all your Tugwellian philosophy. It is not practical. Much of it is silly. I knew

when we employed a "brain trust" that you would immediately dig up all the books that were ever written by them and show their former views, their former so-called puppy views, just like we called the Tugwell views puppy views of his earlier writings.

I read Mrs. GREENWAY's statement about the remarkable absence of certain things in the Sibley speech. She said they did not talk about unemployment except for one brief reference. I think she should be very grateful they did not discuss the way money has been spent in Arizona and New Mexico on unemployment problems.

Then there were the remarkable omissions of Mr. Roper when he issued his various commandments as to what business must do, but not a word to the effect that the Government is now going to desist from its persecution of them. Representing our great Government, Mr. Roper, from whom we really did expect helpful things, said not a reassuring word to the businessmen there assembled. The first day of the conference pleasant and peaceful expressions were passed from one to the other in an attempt to dodge anything of a nature that might be critical of the Government. Finally, on yesterday, the real feeling of these men toward us was given expression, and do our ears not burn when we read it? Shall we continue our attempt to fasten this burden of debt and taxation upon business?

Will you not read their statements about the new tax bill and believe they know its effect upon business? If these businessmen do not understand their own business, certainly we do not. When they tell us they spent $20,000,000,000 to relieve unemployment, employing more than they needed to produce in the last 2 or 3 years we cannot deny it. We must believe their statement.

I think I see more clearly than I did a year ago when these prominent men of business came to Washington. I find that there is still a great fear all over the Nation in the country districts. Industry will manufacture shoes for us, they will manufacture textiles for us as we need them, but the trouble is that about every individual in every hamlet in the United States who has a dollar is fearful of using it lest it will not return to him. Frankly, we usually live off of each other by interchange of work or produce. In the past we have traded one with the other, but today there is a great fear lest, if I employ you, you will not employ me back, or if you get hold of any money I have, it will find its way to the bank to be frozen. This former interchange is now sadly among the rank and file of the American people.

Business pleads with us to lessen the burdens of taxpayers. Can we not give some assurance that these vast expenditures are going to be curtailed? Can you not openly say that you are really worried about the great public debt and will take steps to diminish it? Can you not say, "Yes; I am greatly concerned, and I do not wonder that Mr. Morgenthau is concerned"? Rather, however, we appear not to worry about it, but continue even greater spending. The President himself, in his cocksureness, reminds me of the man who said, "If I ever had a chance to acknowledge a mistake, of course, I would do so." It becomes painfully evident that he will never acknowledge a mistake.

I regret that the captains of industry should feel forced to come to Washington and to criticize Congress so severely. But can we refute their declaration, "We understand our business; we do not understand politics, but we must fight these politicians who vote away billions and impose impossible taxes"? I am willing to listen to them. I am sympathetic toward them, because they are the only ones that will bring about recovery in this country. [Applause.]

[Here the gavel fell.]

Mr. McLEOD. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. BACON].

Mr. BACON. Mr. Chairman, I ask unanimous consent to read a short letter and comment thereon, although I believe the debate is to be confined to the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BACON. Mr. Chairman, I want to read this letter to expose a racket. It is being circulated apparently quite widely throughout the country. It comes from the office of C. D. Hudson, 308 Barr Building, Washington, D. C.:

GENTLEMEN: You are no doubt acquainted with the fact that the Treasury Department has placed on file with the House Ways and Means Committee a list of all persons who in 1934 were reported as receiving salaries of $15,000 per year or more. These names and amounts received have become public information, although with only one copy of file it has been impossible to date for any person or agency to copy off the entire list.

We have made arrangements to secure a copy of this list and are in position to furnish at once names reported from at least 20 States. Additional States will be available within a few days, and it is our hope to have the entire list in 10 days to 2 weeks. It is estimated there are approximately 15,000 names on the entire list.

In most instances the following information is provided: Name, city and State, firm affiliation, and salary collected. The names are classified by States.

We are offering these lists to a selected group of high-type clients for the use of their sales departments. We will be pleased to provide you with this information as rapidly as available for a consideration of $50, for which we would bill you after your receipt of the lists.

In view of the timeliness of this information we would appreciate your prompt consideration of this proposal.

Very truly yours,

C. D. HUDSON.

The House last year had the good sense to defeat the snoopers by repealing the so-called "pink slip" provision. There are bills before the Ways and Means Committee, and especially one introduced by Mr. TREADWAY, to make the salary lists confidential as far as the general public is concerned and simply making lists available for the Members of the House and Senate and the Government departments.

This letter bears out the statement I made on the floor of the House last year that if you make these lists available to the general public they will be more useful to snoopers and racketeers than anyone else, and I am glad that this letter has come to my attention, because it proves the case I tried to make out last year. Although this letter offered the list to a respectable manufacturer, it could easily have been addressed to racketeers and gangsters. I realize that the blame for this unfortunate situation does not lie with the House of Representatives. [Applause.]

Mr. UMSTEAD. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. BUCK].

Mr. BUCK. Mr. Chairman, I desire to take this opportunity to thank the Committee on Appropriations for the item included in this bill for the preparation of the site, preliminary test pits, cofferdam, and other preliminary work toward the construction of a graving drydock at Mare Island Navy Yard, which was authorized by the naval public works bill of 1935.

Naturally, I regret that the full amount of the authorization is not to be appropriated at the present time. I asked for that at the hearings, but I realize the problems confronting the committee, which has prevented allocation of this full amount. Possibly the amount now allotted, $150,000, is all that can reasonably be expended toward construction during the coming fiscal year. It will at least prepare the way and get the preliminary work of clearing the site completed.

The necessity for additional docks on the Pacific coast, both at Mare Island Navy Yard and Bremerton, and possibly elsewhere, was made very clear during the hearings on the naval public works bill last year. Both navy yards are now operating to capacity, and the lack of additional docking facilities requires a considerable amount of overtime work because of the necessarily shortened docking periods. When the naval public works bill was under consideration I presented a brief table showing the dockings at Mare Island and Puget Sound for the fiscal years 1931 to and inclusive

of 1934. I now desire to insert a similar table, bringing it down to the last available date of March 1936:

Dockings at Mare Island and Puget Sound Navy Yards (fiscal years)

Location	1931	1932	1933	1934	1935	July 1935–March 1936
Mare Island drydock no. 1	25	23	37	27	49	27
Puget Sound drydock no. 1	17	40	32	25	37	8
Mare Island drydock no. 2	86	89	90	91	62	54
Puget Sound drydock no. 2	40	12	18	20	17	10

These data show conclusively that existing docks at Mare Island are being used to the utmost capacity, and, used as they are, ships cannot remain over a limited time in dock, nor for the time that the navy yard believes requisite for proper overhaul. In order to properly maintain satisfactory conditions for naval vessels, it is essential that eventually additional drydocks be provided on the Pacific coast. It will, therefore, be a real saving to the Government in its maintenance cost of naval vessels when the additional docks already authorized are completed.

I am fully aware of the many difficulties that the Appropriations Committee has encountered in endeavoring to allocate funds to those projects which are of most importance to the operation of the Navy. As I said at the beginning of my remarks, I am very grateful to them for the consideration they have shown in appropriating money for the start of this particular drydock, and I know that as soon as the opportunity is open the additional money for its completion will be made available. [Applause.]

Mr. McLEOD. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CROWTHER].

Mr. CROWTHER. Mr. Chairman and Members of the Committee, in the morning press we are advised as to the appearance of the Secretary of State, the Honorable Cordell Hull, before the United States Chamber of Commerce yesterday. The burden of his song was that unless we continued our policy of negotiating trade treaties we might have to protect ourselves from the dogs of war which he suggested might be unleashed by all Europe. The trade advantage theme is now to be set aside and an argument highly altruistic in character is offered in its place. If I remember correctly, there was another famous Democrat who was to keep us out of war. Secretary Hull's plan will prove equally disappointing.

Regarding the Canadian treaty, I quote from the Denver Post:

> Our kind of liberalism is the big-hearted, open-handed, giving kind. Canadian liberalism is slightly different. It was learned at the knee of Old Mother England, the best go-getter in the world. Secretary of State Hull, our premier diplomat, is an expert at making this sort of trade agreement. He gave away the profits and the security of the beet-sugar business to Cuba, and now he's going to give the western livestock business to Canada. He apparently is trying to make more treaties than William J. Bryan. The commoner's arbitration treaties were at least harmless; Secretary Hull's are not. Leave him in the State Department long enough and there will be no effective tariff on anything. If you inquire of him about the effect on American workers and their families, he will reply, with his sad and humble look, that such matters are not in his jurisdiction, and will most courteously send an aid to show you the nearest relief station, where you will be given your share of the more abundant life free of charge.

Mr. Chairman, I desire to take a few minutes of this body's time to call your attention to one of the follies of this administration. Much has been said in speeches, over the radio, and through the press about the so-called Reciprocal Tariff Act which was approved on June 12, 1934. It is also important that the country should know something of the effect of this New Deal policy and the attitude of this administration toward the industries of this country and those who seek a judicial review of this law.

The hearings before the Ways and Means Committee when this bill was under consideration and the debates on the floor of the Senate clearly forecast everything that has happened in the administration of this law since its enactment, and, in my opinion, strengthens the prediction as to its unconstitutionality.

When this bill passed the House there was no provision in it for a hearing of any kind, but when it reached the Senate, as a sop to those industries who led an organized opposition to the bill and to those Senators who opposed it, the bill was amended and the present section 4 was inserted. This section reads as follows:

> SEC. 4. Before any foreign trade agreement is concluded with any foreign government or instrumentality thereof under the provisions of this act reasonable public notice of the intention to negotiate an agreement with such government or instrumentality shall be given in order that any interested person may have an opportunity to present his views to the President, or to such agency as the President may designate, under such rules and regulations as the President may prescribe; and before concluding such agreement the President shall seek information and advice with respect thereto from the United States Tariff Commission, the Departments of State, Agriculture, and Commerce, and from such other sources as he may deem appropriate.

As was predicted at that time on the floor of the Senate, the hearings which have been held prior to the negotiation of the 10 treaties that have been negotiated under this act have been before a committee who has nothing to do with the negotiation of the treaty, but merely acts as a safety valve to permit any representative of industry to register disapproval. In other words, the administration through the newspapers and Government publications announces that it is about to negotiate a treaty with a given foreign country, and without knowing whether or not the commodity which you manufacture is going to be affected or even considered you are given this one opportunity to come down to Washington and offer your objections. After that it is a star-chamber proceeding. The Government economists collaborate behind closed doors with New Deal politicians, and if this group by whim or fancy decide to cut out half the protection which any industry in the United States enjoys under the present tariff act it is done without a word of warning to that industry. The industry first learns in the newspapers of the publication of the treaty which may tomorrow force it into bankruptcy by the invasion of cheap-labor imported merchandise.

As I stated at the outset, we have heard and read much of the efficacy of the New Deal reciprocal-tariff policy. We were told, and we are still being told, that it will increase foreign trade and bring back prosperity. Of course, it has always been difficult for me to understand how you can restore prosperity in this country by opening the doors to competitive merchandise, thereby swelling the army of unemployed, based upon the hope that some foreign country may act as our benefactor by buying American-made high-priced merchandise above the world market. That it has not done so will be seen by some of the facts I am about to state.

Last year importations into the United States increased by $392,000,000 over 1934. Our exports increased by only $149,000,000. The bulk of this increase is not due to the New Deal reciprocal-tariff policy. As a matter of fact, up to the end of 1935, only four agreements had come into effect. These were the agreements with Cuba, Belgium, Haiti, and Sweden. The bulk of our increased imports last year came from countries with which we had no agreement. There was, for example, an increase of $55,000,000 in our imports from Canada, an increase of $36,000,000 in our imports from Argentina, a $40,000,000 increase from Great Britain, $6,000,000 increase from Mexico, $5,000,000 increase from Soviet Russia, and a $34,000,000 increase in our imports from Japan during 1935.

The only thing the New Deal reciprocal-tariff policy has succeeded in doing is to disrupt several lines of trade in which they have in their wisdom seen fit to reduce the duty. It is not even possible for the New Deal advocates to claim any credit for the comparatively slight increase in exports. The principal gains in exports last year were to countries

with which we did not have any trade agreement, the United Kingdom and Canada between them accounting for 50 percent of the increase in exports of the United States in 1935.

They told us that this reciprocal-tariff policy was going to be the salvation of the farmer. Last year our exports increased by 7 percent, but the exports of the two groups which make up farm products did not share in this movement. Exports of crude foodstuffs decreased slightly, and exports of manufactured foodstuffs decreased 6 percent. It is time we stopped swallowing the nonsense that has been disseminated as to the advantages of this reciprocal-tariff policy.

On December 7, 1935, at the request of Mr. George S. Fletcher, of Miami, Fla., a fruit and vegetable grower, Lamb & Lerch, a firm of attorneys in New York City, filed a suit in the United States Customs Court at New York attempting to test the constitutionality of this Reciprocal Tariff Act. On January 20, 1936, papers filed by these attorneys in accordance with the regular practice in such matters were forwarded to the United States Customs Court, and in due course set before the third division of that court on March 18, 1936. What took place at that hearing is reported in the New York Times of the following morning, as follows:

TRADE PACT TEST DELAYED BY UNITED STATES—CUSTOMS COURT PUTS CASE OVER AT REQUEST OF ATTORNEYS FOR GOVERNMENT—CUBAN IMPORTS AT STAKE—FLORIDA FRUIT GROWERS CONTEND RECIPROCAL AGREEMENT IS UNCONSTITUTIONAL

Balked in an attempt to obtain an immediate trial of their test case before the United States Customs Court, attorneys for domestic interests abandoned hope yesterday of getting a United States Supreme Court ruling on the constitutionality of the Reciprocal Trade Agreement Act before the end of this year.

The third division of the Customs Court, Judge Cline presiding, acting on a motion by Government attorneys fighting the test case by which George S. Fletcher, head of the Florida Agricultural Association, seeks to upset the reciprocal-trade program on constitutional grounds, yesterday adjourned the trial until the June term over protests of John G. Lerch, attorney for Fletcher.

The suit revolves about the duty assessed by the Government on a sample shipment of pineapples from Cuba. In accordance with terms of the trade agreement signed with Cuba in 1934, a tariff rate of 20 cents, instead of the former levy of 40 cents, a case was assessed on the fruit. Fletcher, who imported the shipments, protested the reduced rate and challenged the entire Reciprocal Trade Agreement Act on the ground that Congress exceeded its authority in delegating treaty-making and other powers to the President.

Before a courtroom crowded with spectators representing protectionists, importers, exporters, and others interested in the outcome of the litigation, Mr. Lerch and Charles J. Milville, special attorney on the staff of Joseph R. Jackson, Assistant United States Attorney General in charge of customs cases, engaged in a spirited interchange.

Mr. Lerch charged the Government with following tactics similar to those by which the New Deal successfully delayed tests of the constitutionality of the N. I. R. A., A. A. A., and other measures.

Retorting that the agricultural group involved in the case was attempting to rush the Government into a trial, Mr. Milville held that under long-established custom of the court either party to the suit was entitled to a continuance the first time a case was called for trial.

James Bevans, attorney for the National Council of Importers & Traders, Inc., was given permission to file briefs in the case. His request to participate in the actual trial of the action was denied, however.

Mr. Fletcher, who came here from Miami yesterday expecting to appear as a witness in the trial, told newspaper men outside the courtroom that the jobs of 200,000 Florida residents engaged in fruit packing depend upon the reciprocal-tariff policy being upset.

When Mr. Hull, the present Secretary of State, appeared before the Ways and Means Committee my colleague, Mr. TREADWAY, of Massachusetts, at some length interrogated him as to his views on the constitutionality of this law. Although he was asked the direct question a number of times, a careful examination shows that he neither affirmed nor denied its constitutionality. There have been a number of legal opinions rendered on the constitutionality of this act since it was passed, one of which was published in the CONGRESSIONAL RECORD of February 7, 1936, page 1645, entitled "Legal Aspects of Trade Agreements", but all of which agree that this law is unconstitutional.

It would seem to me that regardless of a campaign year, if the true purpose of the New Deal were to restore prosperity and to build up a legitimate foreign trade, the sooner the United States Supreme Court had an opportunity to pass upon the constitutionality of this act the better it would be for this administration to assure the industries of this country of the legality of a policy which the administration has assumed for the benefit of the farmer and industry. But obviously, through its attitude of delay in the United States Customs Court, which is the only tribunal competent to review this act, the Government is afraid to permit that court to pass upon this case until after election. On March 18, although Mr. Fletcher submitted his case without testimony, the Assistant Attorney General in charge of customs asked for a 3-month adjournment in order that he might look for testimony to round out the case of the other side. It is rather novel, to say the least, to find the defendant in a suit asking for an adjournment to supply deficiencies which he alleges to exist in the plaintiff's case. If these deficiencies actually exist, the defendant should rest his case and receive the judgment of the court. Obviously, the reasons given are not the real reasons, and it is difficult to believe that they would have been asserted or the delay granted had there been no national election in 1936. [Applause.]

Mr. McLEOD. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, in view of the noise in the Chamber I may have to content myself with talking to the two distinguished ladies on the Republican side this afternoon. I am sure we have a common interest in the appropriations for the national defense.

The introspective quality of mind is a great thing when you come to consider a bill such as a naval appropriation bill. It gives one an opportunity to put himself in a corner and take a sort of moral, mental, and spiritual inventory and disabuse himself of a lot of mental turmoil that always comes along with a bill of this kind. I wish there were about an hour available, because I should like to go into the kind of conflicting emotions that always assail me when I consider a bill of this kind. First, there is the experience of the World War, that has somehow developed a repugnance to the philosophy of submitting international disputes to the arbitrament of the sword. Second, there is the judgment of history that is going to be recorded on us who are shaping the policy of the Nation at the present time. I should like to have history record, so far as I am personally concerned, that at least I sought to make some contribution to the advancement of civilization instead of putting fuel upon the fire of armaments and armament races. Then there comes the queer feeling of expending millions on armament when millions of our people are jobless and hungry. I say the introspective quality of mind is a great thing, because it does give one a chance to come to some settled conclusion and to reconcile what seem to be conflicting emotions.

As we go back home, on patriotic days, we shall no doubt address patriotic assemblages and make stirring appeals for peace. On other occasions we will address the Legionnaires or groups identified with Navy traditions.

I wonder whether the membership of the House has the same difficulty that I have when I address these diverse gatherings. I go home and reflect and study and wonder whether I can reconcile the views I addressed to one body as against the other. Is there a harmony that one can establish in his mind, insofar as peace is concerned, as distinguished from huge appropriations for naval and military armaments? I rather fancy there is; and so I have spent some little time in trying to come to some common ground.

So far as many of the provisions of the bill are concerned, they are, we may say, noncontroversial. Reasonable appropriations for the Hydrographic Bureau and the Bureau of Navigation, for food, fuel, and clothing, for ordnance and technical service, for naval aviation, and all that sort of thing, are not affected by controversy. We can generally agree on those.

I believe we can also find many other points of agreement to which every Member of this House will subscribe. Universal peace is the golden objective which we all seek to attain. We are, or should be, agreed on the principle of

armament reduction as a burdensome thing to the taxpayers of all nations. We can all agree upon the desire to abolish war as a method of settling international controversies. We can agree pretty well that we all experience an uncertain feeling about a budget that daily grows to a greated degree of unbalance. We all agree upon the necessity for adequate defense.

Our problem comes, however, when we seek, each for himself, to determine what constitutes adequate defense and what increases should be approved, if any.

Having listened to a number of gentlemen yesterday afternoon who addressed themselves to the bill, it appears to me that the real controversy centers around an increase in the personnel of the Navy, an increase in new capital ships, and replacement of ships that are presently over age.

So we are trying to determine whether we are to vote for an appropiration in excess of half a billion dollars, increasing the personnel, taking care of replacements under the treaty, and taking care of new ships that will bring us up to the treaty strength. As I evaluate the arguments yesterday afternoon, some said there is no need for expanding the Navy, because nobody will invade this country, nobody can invade this country, that we still enjoy a kind of splendid isolation, and we are not committed to any aggressive military or naval policy, and therefore we do not need such an elaborate and far-flung Naval Establishment.

It is contended that armament reduction is necessary to balance the Budget. It is said that a large Naval Establishment is an incentive to war. It is said that the money required to maintain a large Navy can be better used for humanitarian and educational purposes. It is said further that the naval building race will rush the world into universal bankruptcy, that expenditures in the United States for defense purposes are comparatively larger than in other nations, and finally it is argued that we should assume a position of moral leadership in persuading the other nations of the world to join with us toward ultimate disarmament. Those are the principal reasons for opposition to huge naval expenditures. Some of them are rather persuasive. For others, there is an adequate and convincing answer.

As I look on the other side of the picture, however, to find some reason why I as one who has constantly cherished the hope for universal peace, should support the present bill in most of its particulars, I find first of all that on February 6, 1922, when in connection with the Washington Conference, we assumed a kind of moral leadership in the world in the hope of pointing the major nations in the direction toward disarmament and had actually gone so far that we scrapped seven superdreadnaughts and four cruisers uncompleted in which we had invested $176,000,000, we found that Japan, France, Great Britain, and all the rest would not follow our leadership. Perhaps at this particular time, when the world is in a state of hysteria and chaos, we cannot afford to sacrifice our Naval Establishment.

It was a glorious opportunity for this Nation and we embraced it. The tragedy of it is that we found no cooperation and support from other nations. There was a momentary appearance of cooperation, but it soon vanished in thin air. That venture cost us $176,000,000. It was worth it. It would be worth much more than that to have succeeded. At the time of that Washington conference there was tension in the Pacific and elsewhere, and if nothing else was accomplished, we at least relieved the tension for a number of years and made a start on the 5–5–3 limitation between Britain and the United States and Japan.

However, we learned more than that. We learned to our own sorrow that the world had not yet reached the place where we could secure international cooperation toward disarmament except for the customary lip service. We learned also that our faith was a bit premature, and hence there stands before us the lesson of keeping our own naval strength up to the limits established in the treaty.

But on the basis of the present showing and the disturbance and turmoil that you observe in Germany, Italy, France, and other corners of the world, I doubt very much whether it would be the part of wisdom and discretion for us to sacrifice our naval armaments, or even to let them fall into a state of disrepair, or fall behind the parity ratios that were tentatively established in 1922.

Now, as to armament costs as compared with other nations, I look at these comparative figures as to the per-capita expenditure for naval appropriations in this country as compared with others, and then it occurs to me that they can get five men to work in Japan for the same amount of money that they can get one man on this side. Material costs less over there. Labor is infinitely less. So when we seek by comparison to determine whether we are so far ahead in the naval race we must take into consideration how much more they get for a dollar than we. That throws the figures out of all proportion, and they cannot be used as a yardstick or a guide in coming to a conclusion. I fancy that if we made these comparisons by making proper allowance for the difference in living standards, wage levels, and material costs as between the United States and other nations, their per-capita defense and armament costs would far exceed those of this country.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. DIRKSEN] has expired.

Mr. McLEOD. I yield the gentleman 1 additional minute.

Mr. DIRKSEN. It is distressing to think that there is not an hour to discuss this, but I appreciate there is not, and I am thankful for the time the gentleman has given me. I do believe that we cannot afford to let our Naval Establishment be impaired. When we talk about armaments and think of balancing the Budget and reducing expenditures, we are not getting at the real root of the controversy. As I see it, we are going to make some progress in reducing armament to the irreducible minimum after we have eliminated the causes of war. A large navy is not a cause for war any more than a police force is a cause of crime. A large and adequate defense establishment is not an incentive for war. The causes and incentives, as a study of history discloses, lie in the minds and hearts of those who determine the political and economic policies of nations. The causes are international hatred, suspicion, jealousies, commercial rivalries, and all those things that make nations resort to war as a form of political action, because that is all that war is. When those can be eliminated, then perhaps we can make some real progress in the direction of cutting down these huge armaments everywhere in the world.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mrs. ROGERS of Massachusetts. Is not our Navy really our ocean police force in behalf of peace?

Mr. DIRKSEN. It is our floating frontier, I would say.

I nurture an abiding hope for the day when there will be no war and when the burden of armament can be materially reduced. But that will come only when the reason for armaments has been eliminated and the most intelligent and constructive contribution that we as Members of Congress can make to that end is to assist in developing in this Nation and in all nations a militant consciousness for peace, for understanding, and an appreciation that war is such a futile and costly way of expressing our differences.

We must get upon solid and logical ground and not confuse the issue by assuming that the physical existence of armies and navies are the moving cause for conflict.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. McLEOD. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I desire these 5 minutes in order to ask some of the members of the committee some questions. The first is, looking through this bill I do not find where any provision has been made for what I would term oil-tank supply ships of sufficient capacity and speed to properly serve the large battleships when they are in action or when they are cruising, say, from the west coast of the United States to the Philippine Islands as an illustration. I may say I am not a member of the committee, and

I do not know anything about the building or operation of navies, but I speak as a private citizen who feels that if we are to be a world power, if we are to have a world trade, and if we are to be recognized as one of the major countries of the world, we must have a navy. As a private citizen, I do not believe that the Navy is any good unless we have a merchant marine that will back it up and serve it. I do not think it is any good unless we have auxiliary ships which can supply the Navy when engaged in offensive or defensive warfare.

I should like to ask some member of the committee what there is in this bill which provides in any way whatsoever for oil tankers, for instance, that can supply these capital ships, which can move as fast through the water as the capital ships are supposed to move in the event that we are actively engaged in warfare.

Mr. UMSTEAD. Does the gentleman have reference to the two capital ships authorized under this act?

Mr. CRAWFORD. No. I have made a careful study of the four-power pact and the nine-power pact, and I have done some research work in connection with the recent agreement between Great Britain, France, and the United States, and I think I understand quite clearly what you mean by the two capital ships provided for in this bill, but I have not been able to find any equipment which a layman who is interested could lead himself to believe is capable of supplying our capital ships in times of offensive warfare.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. VINSON of Georgia. As I understand, what is troubling the gentleman is that there is nothing in the bill dealing with auxiliary ships?

Mr. CRAWFORD. Of the type I am speaking of; yes.

Mr. VINSON of Georgia. What particular type is the gentleman referring to?

Mr. CRAWFORD. I am referring to this type: In the committee report it is pointed out that we will need something like seven or eight million barrels of oil. Now, suppose we have trouble on the Asiatic front——

Mr. VINSON of Georgia. I understand what the gentleman is referring to. I will state to the gentleman there is a bill on the calendar now, having been reported by the Naval Appropriations Committee, authorizing additional oil tankers and what are known as additional auxiliary craft. It is pending now. The gentleman is absolutely correct. We must have auxiliary ships to support the fighting ships. There are approximately 150 different types of ships which constitute the auxiliary fleet.

Mr. CRAWFORD. May I ask the gentleman what provisions, if any, have been made in this bill or any other bill with reference to transport ships?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. McLEOD. Mr. Chairman, I yield the gentleman 1 additional minute.

Mrs. KAHN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mrs. KAHN. That has always been the weakness of our Navy. Even at the time when President Roosevelt ordered the first round-the-world trip of our American Navy, the colliers and auxiliary ships were ships which were traveling under foreign flags.

Mr. CRAWFORD. Exactly. We have not had during the past 30 years auxiliary equipment for our Navy that was at all adequate, insofar as I am able to find anywhere in the record. The fact that this House only last year passed a Merchant Marine Act and the Senate is now engulfed in a state of chaos in consideration of a Merchant Marine Act is conclusive evidence the auxiliary equipment is not now available. Capital ships are obsolete after 20 to 26 years of service. If new ones are to be built, certainly we must provide new and modern and swift auxiliary equipment to go along with them. Furthermore, a Navy is helpless without an adequate merchant marine, and any informed person knows we are so far behind in this respect that it is a national tragedy.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. VINSON of Georgia. The gentleman is clearly misinformed. We have ample ships of auxiliary types to support every type of battleship, submarine, cruiser, and destroyer that the Navy requires.

[Here the gavel fell.]

Mr. McLEOD. Mr. Chairman, may I inquire how the time stands?

The CHAIRMAN. The gentleman from North Carolina has 29 minutes remaining, the gentleman from Michigan 24 minutes.

Mr. McLEOD. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes.

Mr. McLEOD. Mr. Chairman, I wish to take advantage of this opportunity to express the profound regret of the minority members of the Navy subcommittee that the chairman is unable to attend the debate on the pending Navy supply bill.

Representative CARY has won our friendship and warm admiration by the impartial spirit of cooperation that has characterized his work as chairman of the Navy subcommittee of the Committee on Appropriations. In acknowledging his conscientious and whole-hearted efforts in drafting the pending bill, I am happy to pay tribute to those high qualities and the ability which make working with him on the Appropriations Committee a pleasure. I know that all my colleagues in the House join with me in extending the heartiest good wishes for his speedy and complete recovery.

At this time I should also like to speak a word in commendation of Mr. John Pugh, the able and efficient clerk of the Navy subcommittee. Mr. Pugh's long experience and deep knowledge concerning naval affairs have made him an invaluable asset to our subcommittee and his painstaking and untiring efforts have been of great assistance in the preparation of this bill.

In preparing the estimates for the naval supply bill for the fiscal year 1937, a number of reductions were made in the name of economy. There are still a number of items that could be drastically reduced without sacrificing measures essential for adequate national defense. At the same time there are one or two instances where reductions have been made to an extent that justifies the charge of false economy.

Starting with the Second Deficiency Appropriation Act for the fiscal year 1935, funds in the amount of $10,000,000 were appropriated to build a huge floating drydock. The contract for construction of this dock has not yet been let and the Navy Department is still working on the plans for its construction.

Facts developed during the hearings (pp. 7–10) show that it is really contemplated only to use this floating drydock at Honolulu. No good reason has been given for its construction that would outweigh the additional heavy initial cost and higher expenses of maintenance and operation.

It was testified by Navy witnesses that the cost of constructing a fixed graving dock of the same capacity at Pearl Harbor would be about $4,000,000, including pumping plant and other accessories. In addition it was shown that the material upkeep would undoubtedly be greater for a floating drydock because its steel construction would be more perishable than concrete when exposed to salt water and weather.

As the Navy Department expects to keep this floating dock permanently located at Honolulu there is no good reason why such a vessel should be constructed thousands of miles from its point of use, and then, at great expense, towed to its probable permanent anchoring place.

This is a frill which has not been justified and which should be eliminated for the sake of sensible economy. When the bill is read for amendment, following the debate,

it is my intention to offer an amendment to provide that a fixed graving dock be used in place of this huge floating experiment and reappropriate the ten millions.

This is an instance where funds could be further reduced without the least danger to proper provisions for adequate defense. I should now like to call the attention of the House to an instance of false economy that has crept into the naval policies of the administration.

On page 416 of the hearings we find that the subcommittee was informed last year by an expert naval witness that slashing needed funds to provide machine tools was "false economy."

This year the estimates for machine tools for use in the naval building program were again reduced. For efficient tools, naval experts had estimated that $1,400,000 was necessary in addition to the amount finally requested. On page 412 of the hearings appears the question:

> Originally, Admiral, you felt that for the efficiency of your Bureau the amount for machine tools, $2,150,000, was necessary for the efficiency of that work for the coming year, and that that much money was needed to be included in the annual supply bill?
> Admiral LAND. That is correct.

This same witness had previously testified—page 410—in answering a question relative to possible obstruction of the Navy program resulting from slashing funds for needed machine tools that—

> It will be a little more expensive and a little less efficient with a little more delay.

On page 481 of the hearings, and the next few succeeding pages, we find a glaring example of funds being spent without justification. The Government is now operating a factory and producing airplanes and airplane engines at costs far in excess of those incurred by private manufacturers. The testimony in these pages shows that this project, started with an idea of providing a yardstick to measure costs of planes, will be an expensive white elephant. An expert naval witness estimated that it would cost the Navy $27,000 to build a plane that could be manufactured by a private aircraft concern for $25,000. In reply to a question, Admiral King told the subcommittee that he could not see any saving in this venture "in the immediate future."

There is another item of considerable importance that the House should bear in mind in passing on naval supply bills. These appropriation measures have not been reflecting the actual expenditures for naval construction. On page 342 of the hearings it was developed that nearly half of the 106 new ships under construction are being built with "emergency" funds.

When the Navy is finally completed to treaty strength the maintenance cost of approximately $555,000,000 yearly is apt to come as a rather surprising shock to the country. If the Navy is to be built up to treaty strength it should be done openly, rather than by prolonging the process and permitting deficiencies in the matter of needed materials, needed tools, and needed ships. Instead of drawing on emergency funds to help build up the Navy, funds that the country knows nothing about, specific funds should be appropriated in the annual supply bills. [Applause.]

[Here the gavel fell.]

Mr. McLEOD. Mr. Chairman, I yield the balance of my time to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Chairman, I join with the other Members, both of the majority and the minority, in expressing my regret that the distinguished gentleman from Kentucky [Mr. CARY] because of illness cannot be here today to carry out the program of this naval appropriation bill.

I feel a word of commendation should be expressed to our colleague the gentleman from North Carolina [Mr. UMSTEAD] for his willingness to assume the task of carrying this naval appropriation bill through the House.

Speaking for the minority, in most instances we assure you our whole-hearted support so that this bill may be carried out as the committee has reported it. In most instances we are in agreement. There are some criticisms I feel we of the minority should direct to the attention of the Committee. The minority since 1933 has taken exception to the general policy of the present administration with respect to the right of the Congress to delegate to the Executive the spending of money. Those who have pacific tendencies, those who feel that the Navy is too large, should be mindful of the fact that in a very large measure this present bill is carrying out a policy of the Democratic administration. I want all the pacifists on the Democratic side of the House to take the blame upon themselves with respect to a large part of the costs of this present Navy bill. You delegated to the President the expenditure of funds. Yours is the responsibility for the course you pursued in connection with those expenditures. The Democrats are responsible entirely if you authorize the Executive to obligate the country and then require this present Appropriations Committee to complete projects for which sufficient emergency funds were not provided. I want every pacifist on the Democratic side of the House to go back into his own district and tell the folks back home that he is responsible for this big Navy bill.

I want the pacifists on the Democratic side to say to their people who complain about the expenditure of all these funds: "We gave the President the right to make these large contracts, to start these stupendous projects, to create these liabilities. He entered into the contracts and they are costing more than they should, but we have to pay the bill."

Just go through the bill and see a few of the items. Just go through the bill item by item and note the extent to which the emergency program provided for through the delegation of power to the Executive by the Democratic side of the House affects the bill, and see whether or not a large part of this Navy bill could not have been eliminated had there been the careful scrutiny, the painstaking investigation, the examination of witnesses which should always precede the matter of the making of appropriations by this body. But you Democrats did not do it. You gave carte blanche authority not for a thousand, not for a million, but for billions.

Mrs. O'DAY. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I am sorry I cannot yield. I should like to be courteous, but I have only 17 minutes.

You gave carte blanche authority to the Executive to spend the money and now you are beginning to complain because you have to help finish the projects.

Last year—I am talking to the pacifists——

Mrs. O'DAY. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I am awfully sorry. I will yield if the gentlewoman can secure me additional time.

Mr. UMSTEAD. Mr. Chairman, I yield the gentleman 1 minute that he may yield to the gentlewoman from New York.

Mr. DITTER. I thank the gentleman from North Carolina, and yield to the gentlewoman from New York.

Mrs. O'DAY. As a so-called pacifist I want to explain that what——

Mr. DITTER. I yielded for a question.

Mrs. O'DAY. Does the gentleman understand that those who are opposed to war are willing to yield to the President power over any amount of appropriations for constructive purposes, but not for destructive purposes?

Mr. DITTER. May I ask the gentlewoman if she feels that the two new battleships included in the present appropriation bill are for constructive or destructive purposes?

Mrs. O'DAY. Destructive purposes.

Mr. DITTER. So the lady takes exception to the administration policy with respect to these two new battleships?

Mrs. O'DAY. The lady does.

Mr. DITTER. May I enlighten the lady by saying these two new battleships came into the appropriation bill presently before the House, not as a result of any hearings on this bill. We did not get one word of testimony in the hearings with respect to these two battleships. They came in entirely at the request of the present administration and through the Naval Establishment; so we give entire credit to the administration for these two destructive factors to which the lady takes such violent exception.

Mrs. O'DAY. Why not give credit for the constructive appropriations also?

Mr. DITTER. Of course, may I say to the gentlewoman and the other Members of the Committee, in my opinion, this Navy, second to none, is a constructive factor. I just wanted to get the lady's opinion with respect to destructive and constructive.

I am profoundly impressed with the fact that this present Navy bill and the present naval program, with the exception of some few items, is a constructive factor which is going to make for the peace of the world and will not in any way endanger or hazard the peace of the world. May I say to the gentlewoman from New York that that is her President's program, so she should join heartily in supporting this bill.

Now, Mr. Chairman, may I make just a few further observations? I wonder how many Members of the House are aware of the fact that down in Charlestown, W. Va., there is located a plant called an ordnance plant. I wonder how many know that in this present bill a very considerable sum is included for the maintenance of that dead baby down there in Charlestown, W. Va. It represents an investment of $25,000,000 and was intended first as a yardstick. I thought that we never had yardsticks until the present administration came into power, but I find that a yardstick for ordnance manufacture was started by a Democratic administration back in the war days. They wanted to measure how much it should cost to manufacture armament and projectiles in the State of Pennsylvania. They tried to create the impression that we Pennsylvanians were making too much money out of our steel mills, so they built a yardstick down there in Charlestown, W. Va.

Do you know what the record shows? It shows that the projectiles that were turned out down there in Charlestown, W. Va., cost twice as much as the contract price of the projectiles which came out of the steel mills of Pennsylvania. It showed that the armor plate they tried to make, but never produced, cost much in excess of what that same armor plate could have been bought for in the steel mills of Pennsylvania. Down there is an investment of $25,000,000, plus a million or more of maintenance cost, with absolutely nothing to show for the money. It is just one of those yardsticks by which the profits of private industry were supposedly to be measured and which proved a fiasco and a fizzle.

Mr. Chairman, my own conclusion is that probably some of these other yardsticks that the present administration is trying to create to measure the profits of private industry will suffer the same fate and ultimately be in a similar condition to the armament plant down there in West Virginia. Let us sell the plant, let us give it away, if necessary, but in any event let us save the taxpayers the cost of maintaining and policing that plant down there, in which there is not a wheel turning, in which there is not a bit of production going on, which stands there as a magnificent monument to the wrong philosophy that private industry should be measured in the matter of profits by some governmental agency.

Mr. Chairman, there is another thing about this Navy bill I want to mention. Ten million dollars was appropriated in the deficiency bill last year for another experiment. It cannot be called a yardstick. The Naval Establishment did not come before the Navy Appropriations Committee, but after the Navy Appropriations Committee had concluded its hearings and after the bill had been passed by the House, surreptitiously the naval group came before the deficiency committee and asked for an appropriation of $10,000,000 for a floating drydock. Not another country in the world has a floating drydock of this kind. I understand the original plans provided for fireplaces in the officers' quarters of this floating drydock. It was originally to cost $10,000,000. Now they come before us and tell us that the $10,000,000 will not pay the bill. There is, therefore, provided an additional $5,000,000, and the probabilities are that the $5,000,000 additional will not pay the total cost of this floating drydock.

Mr. Chairman, what is the purpose of the floating drydock? Well, as I understand it, they want to place it out in the Pacific Ocean. It is going to float around out there. Let us reappropriate this money. Those of you who want to save money, those Democrats who want to go back to your primaries and show that you are for economy, those Democrats who want to go back home and say that you want to carry out that old campaign promise and the old 1932 platform of saving money; in other words, if you want to resurrect that old hope again, join with us Republicans in our program today when we seek to reappropriate this $10,000,000. You will have a mighty fine argument to make to your people in that event. You may then say, "I was for economy. I tried to save $10,000,000 of your money." See whether you cannot arrange to have the $10,000,000 stricken out and have a feather in your cap, and get some credit for these many, many deficiencies that are presently charged against you as a result of the policy of this administration of lack of consideration, and as a result of this spendthrift policy which has characterized every single action of the present administration.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. DITTER. If the gentleman will secure additional time, I will yield.

Mr. UMSTEAD. Mr. Chairman, I yield the gentleman 1 minute.

Mr. VINSON of Georgia. Will the gentleman give the Committee the benefit of what he proposes to do with the $10,000,000 that he proposes to take away from this floating drydock? Does he propose to put it back in the Treasury, or does he propose to build a drydock on land?

Mr. DITTER. I recognize that we cannot do anything unless the sensible, splendid Democratic majority, such as is represented by my distinguished friend from Georgia, joins with us. Unless they do that, we cannot do anything.

If you will give us your support, we purpose asking that this money be reappropriated for the purpose of a model basin at $3,500,000, for which, I understand, the gentleman engineered the legislative program through the House, and for which, no doubt, he holds an opinion with respect to the necessity therefor.

Mr. VINSON of Georgia. What are you going to do with the $7,000,000 left?

Mr. DITTER. I want to tell the House that if they do not do this, or if the House decides it cannot go along with this $10,000,000 of reappropriation which we are going to request, then my friend here is coming in very, very shortly, probably paving the way through the deficiency committee again, for $3,500,000 additional for a model basin.

Mr. VINSON of Georgia. I am going to offer an amendment on this bill.

Mr. DITTER. Then I assume the gentleman will join with me in supporting this program whereby this $10,000,000 is to be saved.

Mr. VINSON of Georgia. Not at all, because I do not propose to let the gentleman, under the guise of economy, jeopardize national defense on the Pacific coast.

Mr. DITTER. I wish I might concur with the gentleman in that. Will he not certainly acknowledge—and I believe he will—that this is purely an experimental proposition; that there is nothing of its kind afloat on the seas under the flag of any nation?

Mr. VINSON of Georgia. The gentleman supported the bill when the Congress authorized it last year; and if he will examine the hearings, he will find that Great Britain has a floating drydock and tried to unload it on the United States.

Mr. DITTER. Not of the size or of the kind we propose having.

Mr. VINSON of Georgia. The purpose is identically the same.

Mr. DITTER. The purpose is the same but on a very much smaller scale and probably on a practical scale; and may I say I supported it at that time because, like a great many other Republicans, we were deluded into believing that the assurance of the gentleman and those identified with the administration could be depended upon, and that the program would cost $10,000,000 instead of probably double that

amount. We have been confident, because we have had such certainly we are going to correct the error of our ways. We are going to try to show that this disappointment brings us a remarkable degree of confidence in some of the assertions of the gentleman and others identified with this administration. If we have been mistaken, if we have been disappointed, over to a program whereby we will insist on economy——

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. DITTER. No; the gentleman can use his own time.

Mr. VINSON of Georgia. I have not any time, and the gentleman controls the time over on his side.

Mr. DITTER. I have just a little time and I am going to use it myself.

Now, just a further word. I want the membership of the House to know something else about this naval appropriation bill. I wonder how many of the Members of the House here know about the operations of the selection board. I wonder how many of you know that officers in the Navy are ruled arbitrarily by a group——

[Here the gavel fell.]

Mr. UMSTEAD. Mr. Chairman, I shall be pleased to yield the gentleman from Pennsylvania 2 additional minutes.

Mr. DITTER. I thank the chairman of the subcommittee, because I would like to bring these figures to the attention of the House.

As a result of the forced retirements under the action of the selection board in 1921, the cost of these enforced retirements was $16,034.63. Mark these figures, if you will. By 1936 that cost had increased to $971,650.23. What does this represent? Year by year you are putting a colossal burden on the shoulders of the taxpayer as a result of the action of the selection board causing involuntary retirements from the service, and these enforced retirements from the service requiring not only payment under retirement to those who are involuntarily separated from the service, but the substitution of additional men who must take their places, thereby increasing the load and putting an additional load upon the naval appropriation bill to carry out the selection board policy.

I feel that the Naval Affairs Committee has a distinct responsibility. I think it should bring in here some legislation to do away with the selection board program. I believe it should come in here and honestly face the facts and tell the people of the country that an expenditure of more than $971,000 this year—and the amount is increasing every year—has been brought about as a result of the action of this selection board.

Mr. DARDEN. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I know there are few Members of the House who realize the tremendous load being carried as a result of the selection board, and it is my conviction that the rank and file of the men in the service, with the exception of the few in the top grade, would welcome the opportunity of having this selection board eliminated and permitting instead the same kind of promotion program that is carried on in the Army.

The importance of the bill now before the House cannot be overemphasized. It has more than a domestic significance. It plays an important part in our foreign policy. It involves the question of national defense. It is definitely related to the momentous and critical subject of world peace. A tremendous responsibility devolves upon each of us in the consideration of this measure as we study the justification for the needs of the Naval Establishment and weigh the evidence presented by those charged with the administration of naval affairs. The far-reaching effects of our naval policy—of which this appropriation bill is a part—should be recognized by every Member of the House. It is necessary that we consider pertinent facts if we are to arrive at an honest and impartial decision.

Neither sectionalism nor partisanship should influence our conclusions. We should dismiss all thought of North or South, of East or West. We should forego our sense of loyalty to industry or to agriculture. We should avoid a spirit of allegiance to one political party or to another, and without rancor or bitterness or prejudice direct our attention to the problem as a common problem, the successful solution of which will bring a lasting satisfaction to us and a benediction to those who will follow after us.

There are differences of opinion on the question of the safest course to pursue in order to continue at peace with the nations of the world. There can be no doubt of our desire for peace. The record of our actions is eloquent testimony of our ambitions. Many men and women are apprehensive that the present naval policy will prove conducive to conflict rather than a deterrent of war. I cannot concur with this conclusion. I attribute the highest motives to those who honestly champion the cause of peace and who, actuated by lofty purposes and a noble idealism, seek to stop a competitive armaments race, but I am not persuaded that the course which they advocate will lead to the attainment of the desired goal.

We have in our midst those who would make disarmament a vehicle for the advancement of their own selfish interests and for the development of class prejudice and discontent. Protestations of a willingness to appropriate billions of dollars for a favored class or for a favored project in order to gain political popularity and at the same time a vehement denouncement of reasonable efforts to provide an adequate national defense, raise a grave doubt of the bona fides of the protestants. It smacks much of demagoguery. I loathe the demagogue who proclaims tenets of pacifism for the Nation in order that he may arouse social animosities and the discontent of class hatreds among our people. I insist that it should not be possible for financial interests to marshal the manhood of America to aid in maneuvers of aggrandizement, but raising a hue and cry about munition makers, potent as such hue and cry may be to excite popular wrath, will never allay suspicions, destroy doubts, or heal the festering sores of old animosities. Taking the profits out of war will not take the venom out of hate. Demagoguery depends upon deceit for its appeal. It thrives on deception. Intrigue is essential to its effectiveness. Its heart is a throbbing dynamo of malice, hatred, and vindictiveness. It is the very antithesis of peace and good will. Demagoguery never creates. It always destroys. The demagogue takes on the mantle of peace to hide his subtle machinations. He is the willing ally of and fluent conspirator with subversive leaders of dangerous movements of sedition and revolution. The demagogue in his role of an inciter has no claim either to our patience or confidence. To this group I tender neither an explanation of nor a reason for the present needs of the naval establishment. They have neither the right to expect nor the right to demand them. They would neither accept nor approve them. As enemies within our gates they deserve only our disdain and avoidance.

Honest men—and I might say altruistic men—may have differences of opinion as to the methods which should be pursued to reach a certain objective. As for myself, I yield to no man in a desire for world peace, and particularly in a desire that the United States may be saved from any possible involvement in the disturbing conditions prevailing in Europe today. My hopes are just as intense, my aspirations are just as genuine, my prayers are just as fervent as the hopes and aspirations and prayers of the most-devoted disciple dedicated to the cause of peace among the nations of the world. But, sad as it is to relate, most of us acknowledge that hopes and aspirations are frustrated and that prayers are unavailing when nations commit themselves to a program of aggression and plunder. Unfortunately, war is a horrible reality. I am afraid that it will continue to be a reality until the discordant notes of human frailties are brought into harmony with the music of eternal verities. Men and nations continue to be selfish, avaricious, pugnacious, and quarrelsome. Until the hearts of men are changed these traits of men will remain, and as long as they remain, the peace of the world will be threatened. I claim common ground with all conscientious, practical endeavorers whose hearts are thrilled with the hope for the establishment of good will, friendship, and understanding.

But in view of the attitude of other nations and in the light of our experiences, what should our position be? Can we be unmindful of the serious aspects of world conditions? Should we substitute the unrealized dreams of disappointed idealists for the actual experiences of everyday life? Can our sense of national self-respect countenance a complete disregard of the contingencies which have been created? Should we invite difficulties by courting a spirit of complacency and by refusing to acknowledge the existence of proven facts?

Out of the cataclysm of the World War there came new convictions and new hopes for world peace. Not only the horrors of war but the price of war had made an impression upon us. We discussed the causes, the sacrifices, the sorrows, and the incalculable costs of the conflict, and to most men there came an abiding conviction of the utter futility of such struggles. The enormity and wantonness of destruction impelled men everywhere to seek for an avenue of escape from a possible repetition of the catastrophe. We had indulged in an orgy of destruction, we were anxious for opportunities of construction. From all sides came the cry for the lifting of the crushing burden of debt under which all nations staggered. Convincingly there came to us the realization of the absurdity of permitting passions and prejudice to rule when reason and judgment might be supreme. A new hope was born in the hearts of men that frankness and cooperation and understanding would be the new order among the nations of the world.

With this conviction and hope we addressed ourselves to a solution of the problem in a practical way. The Washington Conference on the Limitation of Armaments was the conscientious endeavor on the part of the United States to destroy the lurking suspicions out of which misunderstandings so often arise, to translate into a glorious reality the idealism toward which the finer sensibilities of men point the way, and to invite and offer the fullest degree of cooperation to the other nations for the adoption of proposals, free of intrigue and deception, which would result in a reduction of the means for war and in an increase of enjoyment of the arts of peace. We urged upon the conferees that the time had passed for inquiry and investigation and that the time had arrived for positive action. We insisted that the heart of the problem was competition in naval construction and that if the problem was to be solved competition must be abandoned. We recognized that the purposes of the conference could not be attained without sacrifices and advocated a cessation of building programs, even though it entailed heavy losses for ships under construction. As an evidence of our honesty of purpose and of the genuineness of our desires we put into execution our spirit at the conference by scrapping our finest men of war at a loss of almost $200,000,000. I submit that actions speak louder than words and that history does not record a finer example of the willingness to sacrifice for a practical solution of a world problem than the voluntary destruction of battleships by the United States following the Washington Conference in 1922. At Geneva, in 1927, and again at London in 1930, our efforts were directed toward an extension of the disarmament program and toward a larger appreciation of the value of peace. Reference need hardly be made to the outcome of the conference recently held in London and from which conference our representatives have just returned. Suffice it to say that the picture is dismal and disappointing. The future is foreboding. But we can claim leadership in an endeavor and a continuity of endeavor which would have tranquilized the world had the same spirit of sincerity and honesty and frankness characterized the purposes of other nations as that which was manifested by this country. Our plea for disarmament has been rejected.

For this we are in no way to blame. Disappointed and disillusioned, we have but one course left, to provide an adequate national defense of which the Navy must be the foremost factor.

We had been led to believe that the World War was a war to end wars, and that we were to make the world safe for democracy. We have been disappointed in both of these hopes. Dictatorships today threaten democracy and the world has again become an armed camp. Each week brings new fears and forebodings. Treaties, pacts, agreements, and covenants appear to be but idle gestures or shameful conventionalities as one nation after another repudiates its solemn obligations whenever its policies are questioned or its plans are opposed. Compliance with the mandates of the League of Nations might well be compared with the efforts at enforcement of that constitutional amendment which is remembered today as a noble experiment. With due solemnity decrees are made only to provide an opportunity for skillful diplomats to find an excuse for not enforcing them. The agility with which the executioner can ease its way out of an undesirable situation speaks well for foreign diplomacy even though it makes of the League a travesty and a farce. Sanctions are synonymous with suspicions. Our fondest hopes have been dashed to the ground as ruthless dictators have built gigantic machines of ruin to arouse a spirit of nationalism among their people to assure these masters an undistributed dominion over their subjects and to threaten by force the acceptance by other nations of their absolute demands. We have witnessed an increasing contemptuous indifference to international morality, and where there is no sense of morality there can be no security in agreements nor hope of understandings. Such are the problems as I see them. Such are the conditions with which we are confronted. What course should we follow?

With our hopes of understanding dissipated and our sense of security in agreements destroyed, what course can America pursue which will be compatible with national safety and what course should the Congress take in order to discharge our obligation to provide for the common defense? Shall we attempt to find safety by withdrawing from our contacts with other nations? "No man liveth unto himself" and no nation can live successfully unto itself. Isolation means stagnation and decadence. The recluse arouses our sympathy as he closes the doors of fellowship and deprives himself of the wealth of kindliness, inspiration, and helpfulness which springs from associations and friendships. Scrooge was a pathetic figure before the ghost of Marley visited him. A nation which shuns intercourse with other nations and holds itself aloof from contacts becomes even more pathetic. We cannot ignore world movements nor dissociate ourselves from tragedies enacted on the stage where we as a nation must play a leading role. The initiative, the ingenuity, the courage of America cannot be confined. We are a world power and as such must face facts, not fancies; we must deal in realities, not dreams; we must be practical, not idealistic.

I contend that we have an obligation to provide for the common defense. I contend that our primary duty is preparedness, if we are to enjoy a sense of self-protection. I contend that we should be able to command respect and not invite scorn and derision. I contend that we can bring a larger degree of influence upon world affairs and bring our contribution for world peace more effectively by self-assertiveness than by assuming an attitude of passive acquiescence. I contend that at this time an adequate national defense provides the best assurance of peace for America.

An adequate national defense depends primarily on an adequate naval establishment, and an adequate naval establishment must include modern equipment on the sea and in the air, strategic shore stations, and an efficient complement of officers and enlisted personnel trained and ready to execute a program in any emergency. The present bill provides for such a naval establishment. Some of us may take exception to some items, but, as a whole, the appropriations provided for in the bill represent the reasonable requirements of a naval program which has been authorized by the acts of Congress, which has been approved by a majority of the people of the country, and which is requisite for our national needs under present war conditions. We are building, equipping, and manning a treaty Navy. To do otherwise at this time would be folly. It would insure a repetition of the

unpreparedness debacle of World War days and invite disaster. Contemporary events constitute an added and pointed lesson on the plight of a nation weak and unprepared for an emergency. I believe we should have a Navy comparable to the navy of any other nation of the world. I believe we should have this Navy as the most effective means of insuring peace for America. I believe that the present bill is the means of paying the premium for the necessary insurance policy for our safety and protection.

To be at peace with the other nations of the world is our fondest hope and our sincere purpose. To this end our every endeavor should be dedicated and it is my abiding conviction that a navy second to none constitutes a dedication to this cause. [Applause.]

Mr. POWERS. Mr. Chairman, I ask unanimous consent to extend my own remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. POWERS. Mr. Chairman, I have the pleasure of introducing in the House today a House companion measure to Senator BARBOUR'S valuable bill, Senate 4031, which is entitled:

A bill to create a commission to enter into negotiations with respect to the refunding of certain obligations for foreign governments held by the United States, and for other purposes.

This bill calls for creation of a World War debt refunding commission. The commission would consist of five members, one of whom would be the Secretary of the Treasury, who would serve as chairman. The other four shall be, according to the bill, appointed by the President, by and with the advice of the Senate.

The commission would be authorized to enter into agreements with foreign governments with a view to refunding or converting the obligations of such foreign governments now held by the United States arising out of the World War into bonds or other obligations of these governments in substitution for the bonds or other obligations now held by the United States. The term, form, conditions, date or dates of maturity, and the rate or rates of interest will also be established by the commission, with such security, if any, as shall be deemed for the best interests of our country.

The bill also provides that the commission shall make a report to the President and the Congress in January of each year of its activities under this act. The report shall include also recommendations from the commission in the matters to which this act relates. The commission shall make a final report on the termination of its activities. It shall also transmit to the Congress immediately copies of each agreement entered into with a foreign government under the act, but no such agreement shall become effective until further action by the Congress.

The bill provides also the commission shall cease to exist upon the expiration of 3 years after the date of enactment.

So much for the mechanics of this measure. Let me point out to you just briefly its very evident and valuable features.

In the first place, it is imperative that something be done—and done soon—to have amortized our loans to our Allies in the World War. This bill suggests one way to do it. I believe, after careful study of the means suggested in the measure, you will agree that this momentous problem can only be solved by thorough and diligent investigation through a commission such as this bill would create. Having the Secretary of the Treasury as its chairman, we can be assured the commission would act entirely in accordance with the foreign policy of the Executive. With the President selecting the four other members of this commission, that assurance is strengthened. This commission is given, under this measure, full and specific power to act "by and with the advice and consent of the Senate." This is entirely as it should be.

Furthermore, the Executive is more thoroughly protected by the wording of the second section of the bill, which says:

Subject to the approval of the President, the commission is authorized to enter into negotiations.

The Congress is protected in that the measure declares that a yearly report shall be made to the Congress; that all agreements suggested shall be printed and transmitted to the Congress before any such agreement shall become effective.

One of the most valuable features of the bill is that the commission shall cease to exist upon the expiration of 3 years after enactment. We have seen entirely too unwieldly a bureaucracy created in our National Government. The act, by disbanding the commission within 3 years, gives us the certainty that we shall get quick and impartial action.

Our American taxpayers have suffered long enough under the financial burden imposed by the defaults of the foreign governments. It seems to me that insufficient emphasis has been placed lately on the war-debt situation. Now is the time to demand, and to get, action looking toward the refunding of the just and overdue obligations of our debtor Allies.

When the United States entered the World War we were hailed as the "saviors of liberty." Our Allies welcomed the manpower we threw into the conflict. They welcomed our munitions, our ships, our equipment. Moreover, they welcomed our money. Most of our boys, thank God, came back. Practically none of our money did.

It is regrettable that many of our former Allies see fit to belittle the contribution the United States made toward winning the war. Four million of our best young manhood was sent abroad. They were fresh, young, trained troops. They were thrown into the breach and the histories of today record the valor, the courage, and indomitable will to conquer, which they manifested. Our equipment came at a time when the Allies were frantically in need of it. Our money went to them at a time when they were desperate for funds.

I believe it is not too much to say that were it not for the entrance of the United States into the World War, France, England, and perhaps Italy and some other nations would today be vassal states, and would have lost their liberty if not their sovereignty.

The nations which we aided—Belgium, France, England, Russia, and Italy—can never repay us in dollars and cents for what the preservation of their freedom cost us in blood and treasure. Our entry into the conflict stemmed the tide which had been flowing steadily against the Allies. Our entry formed the turning point of the war. We can rightly say that it is due to us, and to us alone, that these countries were able to keep their places in the sun.

Besides our investment in manpower and equipment, we spent millions of our own money on our share of the war. When we entered the war our national debt was about $1,000,000,000. At the close of the war we had increased the national debt to more than twenty-six billions.

This was the money we spent as our personal share of the cost of the war, and does not include the tremendous loans we made to foreign countries.

It is to be remembered and stressed that the United States practically charged nothing to its Allies for munitions, implements of war, and the costs of the conflict. The loans which we know as war debts are primarily commercial loans.

The foreign nations who are branding our people as usurers forget the fact that we forgave them very substantial parts of their loans. For instance, we were owed over four billions and a half dollars by the British Government. Of that, when we refunded for them, we forgave a billion and a half, or 30 percent of the loan. France owed us originally four billions two hundred and thirty millions, and we forgave them two billions and a half, or 60 percent. Italy, which owed us two billion a hundred and fifty million, was forgiven to the extent of a billion seven hundred million, or 80 percent of the loan. Belgium, although she only owed us four hundred and eighty-three millions, was forgiven three hundred millions, or 60 percent of the loan.

Usurers do not "forgive" debts. Such forgiveness was the act of a friendly nation willing and ready to cooperate with its Allies to help them establish themselves on a firm financial footing.

Such benefactions should have earned for us the gratitude of the European countries we saved from vassalage. If they are duly grateful, they are exhibiting their gratitude in strange ways, first by defaulting on their debts and then calling us "usurers" for trying to collect them.

There is no precedent in the history of this country for the kind of treatment we have received from our debtor allies. At the close of the Revolutionary War, President Washington and Secretary of the Treasury Hamilton assured our creditors that they would be paid in full and with interest. France is now one of our debtors. She has defaulted. How would she have felt if we had defaulted the loans she made us during the Revolutionary War? It is history that France made the loans to us then, not because of any great love for America but because we were fighting her ancient enemy, England. She was willing to do all she could for the sole purpose of weakening England—and not for the purpose of helping the United States. Yet we paid our debt to her with interest. In contrast to that consider the France of today, which borrowed our money to preserve its own liberty, and for no other reason, and then refuses to pay back its loans!

Europe sometimes makes the excuse that America made profit from its loans. That is the excuse of the dishonest debtor. How can we make profit from a loan that was not repaid, either in principal or in interest?

It is to be remembered and emphasized that a great percentage of these so-called war-debt loans were commercial transactions. A large part of the money was loaned after the war was over. These nations borrowed from us for the purpose of rehabilitating themselves. There was then "no common enemy" to face. The war was over. Peace reigned once more and ravaged Europe was trying to reestablish itself. For that purpose they borrowed more money from a gullible and free-handed United States. This part of the war debts has gone into default along with that which was loaned them while the conflict still raged.

Were these nations unable to pay us, we could treat them as insolvent debtors. However, they are more than able to comfortably repay the United States. The only thing that stops them from making repayment is the evident and total lack of desire to repay. They prefer, naturally, to permit our taxpayers to assume the burden which should be theirs. They apparently feel no shame for such dishonesty. Their only feeling on the question of the war debts is a resentment that we should even expect to be repaid.

Let us investigate the ability of these nations to repay. We have used England, France, Belgium, and Italy as examples thus far. To continue the comparison, if the British people wanted to fully and completely repay the United States, they would only have to give us 4 cents of each dollar now expended by their Government. I do not believe there is an individual in this country who, to clear up an honest obligation, would not be willing to put aside 4 cents from each dollar he spends to take care of that debt. There is no logical reason why any nation should be less honorable than a private creditor.

To continue, Italy would only have to pay us 1.3 cents from every dollar she spends for governmental purposes; and France and Belgium would only have to pay us 2 cents each for each dollar they spend.

Think for a moment what it would mean to our tax-burdened people were these foreign governments to repay us the war-debt money. The municipalities of the Empire State have a funded debt of about three billions two hundred millions. Figuring that this State pays one-fifth of the Federal taxes, it would receive from payments of the war debts about $3,000,000,000—enough to wipe out the debts of all the municipalities in that State. What is true in the Empire State will be true in all of the other 47 States of the Union. Prompt and honorable payment of the war debts would go a long way to removing many of our taxation worries.

The attitude of our Government during the various administrations since the World War, including the present one, has been most charitable and kind toward our debtors. In fact, it has been too charitable and too kind. If this war-debt money we loaned Europe were something we had obtained by a wave of a magic financial wand, we could view the defaults of our debtors with equanimity, if not with satisfaction. However, this money is not something we pulled like rabbits from a financial hat. It is the money of our American taxpayers. If the European countries do not make good the loans, our taxpayers must.

These debts must be paid. The issue today is whether our Government is going to ask the foreign countries to repay them or whether they will insist on saddling them on our own taxpayers. There is no middle choice. Either Europe pays its own debts or our people pay for them. I do not believe it is right for any administration to permit its taxpayers to assume another country's burdens. France, Great Britain, Italy, and the rest can pay.

We are hearing in the daily papers of the tremendous unrest abroad. Europe is a tinder box which is liable to flame into another horrible war any moment. Nation is arming against nation. Bitterness and international strife are in the air. How can European peoples permit themselves to be drawn into another war when they have not yet paid for the last one?

England spent during the past fiscal year $686,736,147 for armaments of all kinds. France spent $688,584,175; Italy, $956,399,400; and Belgium, $231,317,447. Their payments on the war debts this year, if they were made, would amount to $9,720,765.95 for Great Britain, $3,046,879.72 for France, $896,155.88 for Italy, and $484,453.88 for Belgium. In other words, to pay their installments on the war debts this year these countries would only have to pay a percentage of the money they are now spending on armaments alone. The percentage Great Britain would have to pay would be only one-hundredth of 1 percent; for France it would be four-thousandths of 1 percent; for Italy nine-tenths of 1 percent; and for Belgium two-thousandths of 1 percent. Let me impress upon you that these percentages are based on the best obtainable and authentic figures at this time and represent the percentage of their war-debt payments as against the money they are now spending for armaments. What is true for these countries mentioned is largely true for all our debtors.

I believe the resolution by Senator BARBOUR, for which I have today introduced a House companion, would go a long way toward solving, in a friendly, equitable manner, our war-debt problem. The need for such a solution is immediate. We cannot permit our taxpayers to any longer assume the debts of these foreign nations. With the help of you gentlemen this war-debt problem will be effectively solved, and the American taxpayer will be relieved of at least a part of the tremendous burden he is now carrying.

On behalf of the taxpayers, on behalf of our country, I solicit the aid and cooperation of every Member of the House to effect the solution of our war debts.

Mr. UMSTEAD. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. VINSON].

Mr. VINSON of Georgia. Mr. Chairman, in the 2 minutes allotted to me I want to briefly refer to the statement made by the gentleman from Pennsylvania [Mr. DITTER] in reference to the selective law. Let me call attention to the fact that the selective law was passed years ago, when the distinguished gentleman from Pennsylvania, Mr. Butler, was chairman of the committee. At that time it was, and still is, the opinion of those who are well informed about it that it is the most fair and equitable system ever devised in reference to promotion and retirement.

The gentleman from Pennsylvania [Mr. DITTER] pointed out that the legislation ought to follow the Army plan. What is the difference? Briefly, it is this: Stagnation was so bad in the Army—lieutenants had reached the age of 40 and 50 years and could not be promoted until Congress came in with a blanket promotion of six or seven thousand Army officers.

The merit system enters into the selective system of the Navy. It does not give the ranking officer a promotion; he is not promoted when some officer above him retires or dies.

I submit that the selection law is a fair and equitable method of grouping the officers, taking the list of names of certain officers, and determining who is best fitted for the next in command. As years go on it will be in the interest of economy instead of a burden on the taxpayer.

[Here the gavel fell.]

Mr. DITTER. Will the chairman of the committee yield to the gentleman from Georgia in order that I may ask him a question?

Mr. UMSTEAD. I yield to the gentleman from Georgia 1 minute.

Mr. DITTER. Will the gentleman from Georgia yield?

Mr. VINSON of Georgia. I yield.

Mr. DITTER. I would like to ask the gentleman whether he would acknowledge that the Army plan might provide a more equitable and fairer system and also entail less expense to the taxpayer?

Mr. VINSON of Georgia. On the contrary, if you retire a man at a youthful age instead of 64, where under the law they get 2½ percent of the basic pay, it is more economical.

Mr. DITTER. The gentleman will acknowledge that we have a board of men forcing into retirement officers that would not otherwise be forced into retirement?

Mr. VINSON of Georgia. That is absolutely true.

[Here the gavel fell.]

Mr. UMSTEAD. Mr. Chairman, how much time remains?

The CHAIRMAN. The gentleman has 22 minutes remaining.

Mr. UMSTEAD. Mr. Chairman, I yield that time to myself, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

Mr. UMSTEAD. Mr. Chairman, I announced yesterday that every member of the naval subcommittee and every member of the Committee on Appropriations profoundly regretted the inability of the chairman of the Subcommittee on Appropriations for the Navy Department, the gentleman from Kentucky [Mr. CARY], to be present and handle this bill. I suppose I feel his absence perhaps more keenly than any other member of the subcommittee, because, of necessity, I was called upon to take charge of this bill and handle it in his absence. I recognize full well my inability to take his place or to handle the bill in the House as he would have done if he could have been here.

The Budget estimate of appropriations for the next fiscal year for the Navy Department carries a larger amount for the Navy than has been appropriated for the current fiscal year. The current appropriation bill, including reappropriations, carried $489,275,975. For 1937 the Budget proposes $549,591,299, which is an increase over the appropriations for this fiscal year of $60,315,324. We have effected net reductions totaling $18,522,592. The total of our bill is therefore $531,068,707, or an increase over the appropriations for the current fiscal year of $41,792,732.

Mr. Chairman, I shall not undertake in the remaining few minutes to cover in detail all the items of this bill. I do, however, desire to call to the attention of the members of the Committee certain items involved in this measure. Much of this increase we are called upon to consider is caused by two things, namely, new legislation and taking up projects inadequately financed by allotments of relief funds. As to the latter, $31,951,000 is carried in this bill, not for the completion, but toward the completion of 32 vessels started under an N. R. A. allotment of $238,000,000. This allotment, it appears, will be about $59,000,000 short of the amount needed for the completion of those vessels, including the provision of ordnance spares and reserves. We are also carrying in this bill funds to complete a number of radio stations initially provided for with N. R. A. allotments.

Of course, this bill very largely is beyond our control as an appropriating committee. Our naval policy is established pursuant to law by the administration. We have committed ourselves to the maintenance of a Navy of a certain size; that extends to ships, aircraft, to personnel, and to the shore establishment. The task of our committee, as I see it, is to see that the appropriations are held to the bare minimum necessary to provide and support such a Navy consistent with good business judgment and ordinary common sense.

As previously indicated, the Budget estimates for the Navy exceed the sum of current appropriations, including in the latter reappropriations amounting to $7,544,596, by $60,315,324.

This increase divides, generally and roundly, as follows:

Personnel, Regular Navy and Marine Corps and Reserve forces	$20,000,000
Maintenance and operation of the Navy, exclusive of service personnel	6,500,000
Construction of ships	49,500,000

The principal offset against this increase is in the estimate for public works, which is, roundly, $14,000,000 less than the amount that has been made available for the present fiscal year.

The personnel increase is incident to several factors. I only intend to mention a few of them:

(1) Increasing enlisted strength of Navy from 93,500 to 100,000 ..... $10,527,114

That is due partly to the policy to which we are committed of maintaining 85-percent complements on all combatant vessels and on submarines 100-percent complements, and to additional vessels that will be in commission during 1937—an average of 319.6 as against 312.3 this year—and also to vessels coming into commission early in the fiscal year 1938, for which crews will have to be assembled in advance.

We have reduced the estimate for pay of men by $949,103 because we found too many in the higher pay grades. What was considered to be a proper grade distribution of enlisted men of treaty-navy strength was incorporated in last year's hearings, and we found that said distribution had not been adhered to in the preparation of the 1937 Budget, and we had the estimate recalculated to conform with that treaty-navy distribution, with the result that we get a saving of $949,103.

(2) Five appointments to the Naval Academy $589,937

Permanent law authorizes five appointments. By limitation the number was held to three over a long period of years; raised to four one year; put back to three the next; raised to four last year; and for next year the Budget proposes that the controlling limitation be dropped, which automatically would make the number five. We have not had five appointments since the fiscal year 1923.

We are disregarding the Budget and making provision for four.

There has been so much dissatisfaction over the selection arrangement, both in and out of the Navy, that the General Board has been making a study of the whole subject, and we are advised has come to conclusions which will be laid before Congress at the next session, which if approved will reduce separations and make five appointments unnecessary. As a matter of fact, the Navy Department has submitted within the last few days to the Bureau of the Budget a recommendation for a modification of the Budget estimate to provide for four instead of five appointments to Annapolis.

There would be an additional expense in connection with five appointments to provide for more dormitory space. The Budget includes $147,000 for beginning the work, which would cost to complete $750,000. The $147,000 and the other amounts we have eliminated by adhering to four appointments make a total of $441,609. Some of the Budget increase has been permitted to stand because of an estimated larger number of students on the four-appointment basis than first appeared likely.

(3) Normal increases incident to longevity and retirement, Navy and Marine Corps $6,920,763

This increase is incident to promotion, higher pay periods, 5-percent pay increase after 3 years' service, growing retired lists, and a greater number of transferred enlisted men. There is a total of $3,426,902 in the estimate because of a bigger retired list and a larger number of transferred men. By transferred men I mean enlisted men who transfer to the Naval Reserve after 16 or 20 years' service.

I feel that I should call attention again to the growing cost of transferred members of the Naval Reserve; that is, enlisted men of the Navy who transfer to the Naval Reserve after 16 or 20 years' service. The law, as amended, requires 20 years' service as to those men enlisting after such amendment. After the combined service in the Regular Navy and in the Naval Reserve of such transferred men equals 30 years they become eligible for the retired list. The estimate for pay of transferred men—15,742—for 1937 is $13,790,890 and for retired enlisted men—5,748—$6,891,254. The two combined exceed the sum of the current year appropriations by $2,507,063. Serious consideration might well be given to the repeal of the transfer law, which of itself defeats building up a most effective and inexpensive reserve through men not reenlisting who now are induced to remain in the service to earn, after 20 years' service, an annuity of $1,135 average until they reach a retired status, and $1,248 average after being retired.

We have added $84,220 to meet the expense of the bill just sent to the President for approval amending the Marine Corps Personnel Act of 1934.

(4) Expansion of Reserve activities, Navy and Marine Corps $1,719,720

If you will turn to page 195 of the hearings, you will find a break-down of the Naval Reserve increase, and on page 658 there is an itemization of the increase touching the Marine Corps Reserve.

As to the latter, the committee has made a net increase of $16,234, which represents an addition of $48,307 for pay for the aviation branch and a reduction of $32,073 in the project to give 45 days' training to college students with a view to developing a force of 650 platoon leaders, which the committee feels should be obtained more gradually.

Of the net increase of $1,437,175 for Naval Reserve activities, the committee has deducted $921,531, all itemized on page 6 of the report. I invite your attention to that list.

The estimate for naval ship construction is $182,500,000. Of that amount, $168,519,631 is intended for carrying forward work on or completing 88 vessels.

There will be available for expenditure on account of such vessels, in addition to the appropriation now asked, $33,397,868 of prior year appropriations and an amount upward of $26,000,000 of the N. R. A. allotment of $238,000,000, or a total availability for expenditure on account of such vessels of $227,917,499. We have reduced the total estimate by $14,000,000.

There was much objection last year when the committee proposed to reduce the estimate of $152,500,000 by $14,690,000. We have found that there will be a balance at the end of this fiscal year of about $19,000,000 in excess of the amount we proposed to reduce the estimate.

For laying down new ships the Budget includes $13,980,369 on account of 12 destroyers and 6 submarines, to cost in all $113,958,000. Each of the destroyers is estimated to cost $6,463,000 and each of the submarines $6,067,000.

All of this new construction is in continuation of the program to provide replacements for destroyers and submarines which have become over age, and is in keeping with the policy to have the Navy of treaty strength in under-age ships.

After the 12 destroyers we are providing for here, we shall still need to build 23 to give us our treaty allowance of 150,000 tons, all under age.

Our treaty allowance of submarines is 52,700 tons. After the six we are providing for in this bill we shall need to build eight more to have all of our submarines under age.

With these smaller vessels out of the way we shall be in very fine shape. We are building replacements now for 2 of the 10 light cruisers of the *Omaha* class. None of the other eight comes up for replacement before 1940.

As to our 15 battleships, the replacements for 3 may be laid down in 1937; then they come along, 4 in 1939, 1 in 1940, and so forth.

Since the presentation of the Budget there has been concluded another naval conference from which has issued a new naval treaty, signed by the plenipotentiaries of our own Government and the Governments of France and Great Britain on March 25, 1936. The Washington Treaty, signed February 6, 1922, fixed the life of a battleship at 20 years. The London Naval Treaty, signed April 22, 1930, suspended the replacement of battleships during the life of that treaty, which expires December 31, 1936. The new naval treaty provides that a capital ship becomes over age 26 years after its completion. However, after December 31, 1936, under the new treaty, if ratified, there will be no prohibition upon laying down new capital ships between 17,500 and 35,000 tons, and, if not ratified, no prohibition whatsoever as to ships of any category or character.

Applying the 26-year principle and the further principle of the Washington Treaty permitting the laying down of replacement tonnage 3 years before the vessels they replace become over age, we have three battleships the replacement of which may be commenced at any time in the calendar year 1937, namely, the *Arkansas*, which will have been completed 26 years in 1938, and the *Texas* and *New York*, which will have been completed 26 years in 1940.

In view of the freedom of action permissible as to battleship replacement after December 31, 1936, and the evident determination of our Government, voiced in the Vinson-Trammell Act of March 27, 1934, and in subsequent legislation, to maintain a navy second to none, the committee feels that the means should be available for matching any battleship construction that may be undertaken by any of the other signatory powers to the London Treaty, signed April 22, 1930, or to the new treaty, signed March 25, 1936. The committee is unwilling to recommend that our Navy Department be given authority to go ahead with the replacement of battleships without restriction.

Our Government, which has taken the lead in moves to contribute to the maintenance of the general peace and to reduce the burdens of competition in armament, should be the last to take the initiative. We are proposing to meet such a contingency in this way:

Not more than two capital ships, as replacements of average capital ships, to be undertaken only in the event that capital ship replacement construction is commenced by any of the other signatory powers to the treaty for the limitation and reduction of naval armament signed at London, April 22, 1930.

There is one other matter I think I should bring to your attention. You will find on page 430 of the hearings a statement of the estimated additional cost to the Navy during the fiscal year 1937 of the new leave legislation which just recently was enacted. The estimated additional load is $8,348,869, which will have to be absorbed or provided for later in the way of a supplemental appropriation. It would be rather interesting to have the figure as to the entire Federal service.

Mr. Chairman, my time is running short and I shall have to conclude, but before doing so, I wish to express my appreciation for the splendid cooperation I have received from my colleagues on the subcommittee and for the cordial support I have had thus far from the distinguished gentleman from Georgia [Mr. VINSON], who is chairman of the Naval Legislative Committee, and from his very able committee colleague the distinguished gentleman from Virginia [Mr. DREWRY]. I also want to express my profound thanks and appreciation to the able and efficient clerk to our subcommittee, Mr. Pugh.

I shall be glad to contribute any additional information that may be desired as to the bill when it is read under the 5-minute rule. [Applause.]

The Clerk read as follows:

NAVAL ESTABLISHMENT

OFFICE OF THE SECRETARY

MISCELLANEOUS EXPENSES

For traveling expenses of civilian employees, including not to exceed $2,500 for the expenses of attendance, at home and abroad, upon meetings of technical, professional, scientific, and other similar organizations when, in the judgment of the Secretary of the Navy, such attendance would be of benefit in the conduct of the work of the Navy Department; not to exceed $2,000 for the part-time or intermittent employment in the District of Columbia or

elsewhere of such experts and at such rates of compensation as may be contracted for by and in the discretion of the Secretary of the Navy; expenses of courts martial, purchase of law and reference books, expenses of prisoners and prisons, courts of inquiry, boards of investigation, examining boards, clerical assistance; witnesses' fees and traveling expenses; not to exceed $15,000 for promoting accident prevention and safety in shore establishments of the Navy, to be expended in the discretion of the Secretary of the Navy; newspapers and periodicals for the naval service; all advertising of the Navy Department and its bureaus (except advertising for recruits for the Bureau of Navigation); costs of suits; relief of vessels in distress; recovery of valuables from shipwrecks; maintenance of attachés abroad, including office rental and pay of employees, and not to exceed $8,000 in the aggregate or $900 for any one person for allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., title 5, sec. 118a); the collection and classification of information; not to exceed $185,000 for telephone, telegraph, and teletype rentals and tolls, telegrams, radiograms, and cablegrams; postage, foreign and domestic and post-office box rentals; necessary expenses for interned persons and prisoners of war under the jurisdiction of the Navy Department, including funeral expenses for such interned persons or prisoners of war as may die while under such jurisdiction; payment of claims for damages as provided in the act making appropriations for the naval service for the fiscal year 1920, approved July 11, 1919 (U. S. C., title 34, sec. 600); and other necessary and incidental expenses; in all, $1,132,500: *Provided*, That no part of any appropriation contained in this act shall be available for the expense of any naval district in which there may be an active navy yard, naval training station, or naval operating base, unless the commandant of the naval district shall be also the commandant of one of such establishments: *Provided further*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed $515,000.

Mr. LUCKEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am opposed to this naval appropriation bill and am going to vote against it. I know there is no hope of defeating this exorbitant naval appropriation, but I do feel that I must make my protest not only against this bill but against the whole procedure by which this has been handled. Here is a bill for over a half billion dollars—surely a sum worthy of great consideration. Yet what are we asked to do? We were given this bill with the report yesterday afternoon and were graciously allowed the privilege of even reading the printed hearings on the bill, the object being to read the bill, report, and hearings while the debate is going on. That is a fine way to prepare to vote on a half billion dollars. And today we are expected to vote.

Now, for several weeks I have been calling the Appropriations Committee, hoping to be able to get a copy of the bill, hearings, and report in time to give it all the study it deserves. Being no more than an average fast reader, I have not even been able to read the bill, report, and hearings. We were prepared to spend all this week on the tax bill, and yet we get this bill crammed down our throats. It might be the best bill in the world, or it might be the worst, but there is surely not sufficient time to make a careful study to formulate an accurate judgment.

With this bill America has finally jumped into the armament race with both feet, politely claiming that it is no race but a mere desire to keep even. Why this unprecedented expenditure, and against whom are we arming? Just a glance over the record is enough to convince any sane man that something vital is wrong. If we are going to spend our money, let us take the time to make sure that we are getting something for it. We hear a lot about economy, and yet I can find nothing in the bill to indicate that there is any intention to cut down the excessive expenditures on the Atlantic seaboard naval bases. For years it has been advocated that only the bases at New York, Philadelphia, Washington, and Norfolk need be continued. In late years our naval problems have all centered on the Pacific, yet we are content to continue seven navy yards on the Atlantic seaboard. Our bid for commercial supremacy is primarily in the Pacific. Thus, either war or peace tactics would indicate the justice of the contention that much economy could be practiced.

Loud wails are heard that because of reduced appropriations since the war we have been unable to maintain our Navy and keep it at treaty strength. Competent officials say that is so, but I challenge anyone to find out why it is so.

The period during which we lost so badly apparently was from 1923 through 1934. For those years our naval appropriations amounted to $4,052,000,000; Great Britain, $3,342,000,000; Japan, $1,657,000,000; France, $937,000,000.

This armament race seems to be divided into two heats; the United States wins the first heat in that we are able to spend more money, but we run a poor third in the second heat, which is in getting something for our money.

This is a regular appropriation, not a relief measure. It is part of the housekeeping expenses of our Government—one more burden upon the average taxpayer. At a time when we are concentrating every effort toward the relief of unemployment and protecting millions of our citizens from the tragedy of actual starvation we can well consider how we spend our substance. Adequate national defense? Yes. Ever-increasing and practically unlimited expenditures? No. [Applause.]

Mr. CHRISTIANSON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the distinguished gentleman from Georgia has expressed regret that an appropriation for national defense should be the subject of partisan controversy. I would call his attention to the fact that the Democratic Party has itself made it a partisan issue, for in its 1932 platform his party declared for—

> A Navy and Army adequate for national defense based on a survey of all facts affecting the existing establishments, that the people in time of peace may not be burdened by an expenditure fast approaching $1,000,000,000 annually.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. CHRISTIANSON. I yield.

Mr. BIERMANN. The gentleman has quoted from the Democratic platform. He has stated that the Democratic Party made it a partisan issue. Will not the gentleman be so fair as to quote the Republican platform on the same subject showing they made it a partisan issue?

Mr. CHRISTIANSON. If I had the Republican platform at hand, I should be glad to quote its plank on armaments. I would suggest that the gentleman himself might be able to furnish the language.

Mr. BIERMANN. I shall do so.

Mr. CHRISTIANSON. I would ask him to do it in his own time, however, because I have only 5 minutes.

The plank I read was the Democratic promise. What was the performance? Has there been the reduction in military and naval appropriations impliedly pledged in the platform?

In this, as in many other matters, the record shows that the promise has been kept—in reverse.

In 1934 naval expenditures were $297,029,000, and in 1935, $436,448,000. The naval appropriation for 1936 was $483,468,000, and the 1937 Budget calls for $551,308,000.

The naval Budget for 1937 exceeds the expenditures for 1934 by $254,279,000. Military and naval expenditures for 1937 will be more than $1,000,000,000, even if the administration does not divert a single dollar of "relief funds" to military and naval purposes next year.

Whenever we of the minority criticize the top-heavy Budgets of the present administration we are asked in a tone that indicates that the question itself should silence all opposition: "Where would you make the cuts?"

Speaking for myself alone, I would suggest that the bill we are now considering offers a good place to start. In making that statement I am supporting the Democratic platform—the platform on which the Democrats rode into power in 1932, but which they have consistently and completely ignored since they were elected.

We have heard much of late about the "good neighbor" policy. It has been publicized in such a way as to leave the impression that it is something new and unique. How does the naval policy of the administration square with its "good neighbor" professions? Does a good neighbor prove his neighborliness by buying more guns and laying in larger stocks of ammunition to be used against one or more of the neighbors?

The Nye committee has disclosed how munitions manufacturers have in the past helped involve us in war. By providing more business for these same "merchants of death" we are giving them proof of our willingness to be cooperative and encouraging them to continue the propaganda by which nations that want to be neighborly, and even friendly, are induced to fly at each other's throats.

I would suggest that the party in power, at its forthcoming convention at Philadelphia, write this plank into its platform:

We promise, in spite of the badly unbalanced condition of the national Budget and a national debt approaching $40,000,000,000, in spite of increasing unemployment and lengthening relief rolls, to continue to expand the military and naval Budgets without regard to cost. We promise to give munitions manufacturers funds appropriated for bread for the poor. We promise to encourage by our enthusiastic participation that race of death which leads toward another great war, toward universal bankruptcy, toward the eclipse of liberty, and the final destruction of civilization.

Be honest, write that plank into your platform, and then await the verdict of the people! [Applause.]

[Here the gavel fell.]

Mr. BIERMANN. Mr. Chairman, I rise in opposition to the pro-forma amendment.

The gentleman from Minnesota, to support his accusation of partisanship, read the plank of the Democratic platform of 1932 relating to national defense. It is my purpose now to turn back that challenge as is right fit to the Republican Party. He did not tell what the leaders of the Republican administration did to this country in the way of bankrupting it and piling up debt, making shortages in personal income and corporate income and national income.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. Pardon me, I have not the time.

Mr. CHRISTIANSON. I supposed we were discussing——

Mr. BIERMANN. I have not yielded to the gentleman, Mr. Chairman. I will if I have time after reading this plank of the platform. The gentleman wants me to read the Republican platform plank on armament. It is not a concise plank like the Democratic plank is, but it is one that includes everything. It is for reduction of armament and for increase of armament, for arbitration and against arbitration, for internationalism and for nationalism. I read now from the Republican platform:

Reduction of armament: Conscious that the limitation of armament will contribute to security against war, and that the financial burdens of military preparation have been shamefully increased throughout the world, the administration under President Hoover has made steady efforts and marked progress in the direction of proportional reduction of arms by agreement with other nations. Upon his initiative a treaty between the chief naval powers at London in 1930, following the path marked by the Washington conference of 1922, established a limitation of all types of fighting ships on a proportionate basis as between the three great naval powers. For the first time, a general limitation of a most costly branch of armament was successfully accomplished.

In the Geneva Disarmament Conference now in progress America is an active participant, and a representative delegation of our citizens is laboring for further progress in a cause to which this country has been an earnest contributor. This policy will be pursued.

Meanwhile the maintenance of our Navy on the basis of parity with any nation is a fundamental policy to which the Republican Party is committed. While in the interest of necessary Government retrenchment, humanity, and relief of the taxpayer we shall continue to exert our full influence upon the nations of the world in the cause of reduction of arms, we do not propose to reduce our Navy defenses below that of any other nation.

National defense: Armaments are relative and therefore flexible and subject to change as necessity demands. We believe that in time of war every material resource in the Nation should bear its proportionate share of the burdens occasioned by the public need and that it is a duty of government to perfect plans in time of peace whereby this objective may be attained in war. We support the essential principles of the National Defense Act as amended in 1920 by the Air Corps Act of 1926 and believe that the Army of the United States has through successive reductions accomplished in the last 12 years reached the irreducible minimum consistent with the self-reliance, self-respect, and security of this country.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman now yield?

Mr. BIERMANN. I yield if the gentleman will tell me in a few words what that means.

Mr. CHRISTIANSON. The gentleman calls upon me to make a half hour's speech, for I presume it would require that much time to discuss fully everything contained in that plank; I shall not do that, but merely call the gentleman's attention to the fact that under Republican administrations an honest effort was made to get the nations together to reduce armaments. Furthermore, under the last Republican administration the appropriations for the Army and Navy were several hundred million dollars lower than they have been under this administration. The gentleman will also concede that under this administration those appropriations have increased progressively so that we have now passed by over $100,000,000 the $1,000,000,000 goal which the Democratic platform said we were approaching and which the Democrats in 1932 viewed with so much alarm.

[Here the gavel fell.]

Mr. BIERMANN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BIERMANN. No one has been more opposed to the appropriations of the last several years than I have, and I am going to vote against this bill.

Mr. CHRISTIANSON. Good.

Mr. BIERMANN. I have not voted for an Army appropriation bill or for a Navy appropriation bill since I have been in Congress. I do not expect to vote for any until they are reduced below what they have been; but the gentleman certainly should not indict the Democratic Party for failure to try to make international arrangements to maintain peace, because a Democratic administration was the originator of that type of thing, and a Republican Senate, for nothing but the basest kind of partisan motives, defeated that effort.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. Mr. Chairman, I yield to the gentleman from Georgia.

Mr. VINSON of Georgia. I am not going to get into an argument with the gentleman from Iowa with reference to the League of Nations, but I want to say to the gentleman from Iowa the reason this budget is so much is due to the failure of the Republican Party in the Hoover administration to carry out the platform which the gentleman from Iowa has just read. It is now incumbent upon the Democrats to afford the country the national defense which the gentleman's party failed to afford when they were in power.

Mr. BIERMANN. Mr. Chairman, I yield to the gentleman from Minnesota.

Mr. LUNDEEN. I should like to make the observation that as far as the Republicans are concerned they built a Navy, as they did in the Harding administration, then sank it and came back to build it all over again; so what are they talking about?

[Here the gavel fell.]

Mr. MICHENER. Mr. Chairman, I move to strike out the last six words.

Mr. Chairman, the gentleman who has just spoken stated that he has not voted for a national defense bill since he has been in Congress.

Mr. BIERMANN. Mr. Chairman, let me correct that. I do not want to haggle about a national defense bill or have it hung on something I voted against. I am as much for national defense as any Member of the House.

Mr. MICHENER. I cannot yield further because the gentleman is taking too much of my time. Possibly I misquoted him, although I understood him that way. He probably said that he had never voted for a Navy bill.

Mr. BIERMANN. Or an Army bill.

Mr. MICHENER. Or an Army bill. There may be a distinction between a national defense bill and an Army bill and a Navy bill, but if there is, I do not quite understand it.

Mr. Chairman, unlike the gentleman from Iowa [Mr. BIERMANN], I have never voted against a national defense bill since

I have been a Member of Congress. However, I feel constrained to vote against the pending bill.

I am going to vote against this bill for several reasons.

First. I believe the Congress, the direct representatives of the people, should determine if, when, and how the national defense, which, of course, contemplates the Army and the Navy, should be increased or decreased. The matter of discretion is involved, and the power to make these momentous decisions should not be delegated to the Executive or any bureau of the Government. Our Army and Navy are most efficient, and we must rely much upon them. At the same time the policy should be determined by the Congress. Naval men become navy-minded just the same as bureaucrats believe in expanding bureaus.

During the depression Congress has appropriated large sums of money for relief. And the executive branch has been given authority to determine where this money should be expended. Without any initial authority from the Congress the Executive, through the N. R. A. and the P. W. A., entered upon naval projects, and now in this bill the Congress is asked to appropriate money to complete these projects, which were never authorized before the initial work was done and millions of dollars expended. Under the guise of emergency legislation no branch of our Government should be permitted to initiate public expenditures that must be carried on for years.

This same policy has been pursued by the Executive in reference to various reclamation, irrigation, and other projects, like Passamaquoddy Bay and the Florida canal. In short, we have reached the time when the people are demanding that the Congress take a hand in the matter of determining where the money is to be spent.

Second. I am very much opposed to the building of any additional capital warships or dreadnaughts at this time. I understand fully that the building of such ships is not made mandatory by this bill. However, again the President is given a certain discretion whereby upon the happening of certain events, in his judgment, he might commence the construction of two of these superdreadnaughts at a cost of approximately $103,000,000. That is the estimate, and we all know that the final cost will be much more. If this bill passes with this last provision, then it is pretty safe to say that before another year rolls around the work will have been inaugurated, possibly the keels will have been laid, and then, like the Florida ship canal, we will be asked to complete the work to save the money we have already invested, if for no other purpose.

I am not unmindful of the provision in the bill indicating that the Executive should not commence the construction of these two battleships unless signatory powers to the Limitations Treaty indicate their purpose to construct like ships.

In view of conditions in Europe today, is there any doubt in anybody's mind that work would not be commenced on these ships before next year's appropriation bill? The Congress will be in session in January next, and by that time we will definitely know as to whether or not we must build additional battleships if we are to keep pace with the other signatories. Then, again, inventions are being made so rapidly that it is altogether possible that we will not want superdreadnaughts in our scheme of things by the time these ships would be completed and available. I cannot see a single reason why this $103,000,000 and more should be authorized or appropriated at this time.

I yield to no one so far as my belief in adequate national defense is concerned. What is adequate defense? I have received several letters within the last week asking me that very question. We all know that the matter is controversial. Even our Military Establishments cannot agree as to the proportion of equipment. Some believe in large ships; others in destroyers; many in the air forces—so, after all, it is difficult to state just what constitutes adequate national defense. Our people want such defense, but they want no more at this time. In these days we should be thinking about curtailing expenses and balancing the Budget; which, of course, means taking some of the burden off the backs of the taxpayers. Every dollar unnecessarily spent for battleships takes just that much money out of the pockets of the average man and woman in the country, and to that extent deprives those taxpayers of benefits which they would otherwise enjoy.

Let us not forget that while our people are ready to support proper defense, yet those same people are not war minded. They want no more war. They do not want to exalt our Army and Navy beyond necessity. I am sure that all patriotic citizens want us to make sufficient appropriations to protect our citizens and our land. They want our flag at all times to demand the respect of all nations, and our people will be satisfied with nothing less.

In closing let me insist that it is our duty to eliminate all unnecessary items from this bill, reduce expenditures to the minimum in keeping with national security.

This bill carries approximately $555,000,000, which is a number of millions of dollars more than appropriated last year. It seems to me that there should be a reduction instead of an increase. The committee cites the fact that the committee has reduced the amount below the amount asked for by the President in his Budget. For this the committee is to be commended, but experimental drydocks at a cost of $10,000,000 each will entail endless upkeep and expense in the future. This is not warranted by necessity and this construction is not justified. As I stated in the beginning, I shall with regret vote against my first Army or Navy bill during my service in Congress.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent that the gentleman may have 1 additional minute to answer a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Georgia.

Mr. VINSON of Georgia. I think the gentleman is clearly laboring under a misapprehension, because in the act of March 27, 1934, the Congress authorized the construction of two battleships and the replacement of further battleships as they reached their limit in accordance with the terms and provisions of the Washington-London Conference. It is not necessary to have any further hearings or any further authorization, because it is a part of a plan already authorized.

[Here the gavel fell.]

Mr. UMSTEAD. Mr. Chairman, I ask unanimous consent that all debate on this section close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is rather amusing to listen to the remarks made by my distinguished friend from Minnesota, a former Governor of that great State [Mr. CHRISTIANSON], when he undertakes to claim credit for the Republican Party during the years from 1921 to 1933 in maintaining a proper national defense for our country.

I recognize that our political feeling sometimes prompts us to interpret things in a way most favorable to our own position. The fact remains, and the truth is, that the Washington Conference was held during the Harding administration, as a result of which we scrapped several hundred million dollars of naval vessels which were then under construction, and many of which were practically completed.

Mr. Chairman, coming forward to the present time, we find during the Republican administrations from 1921–33 a failure to engage in necessary building; a failure to make replacements; that the Navy was permitted and directed to use naval vessels that had gone beyond their normal life. In March 1933 our Navy, for all practical purposes, was hardly stronger than the French Navy, having in mind the defense of Atlantic and Pacific coasts. Great Britain had a navy stronger than ours. Japan had a navy stronger than ours,

not only in vessels but in tonnage. Furthermore, both nations had made replacements with new, modern, up-to-date vessels.

This occurred during the 12 years of Republican administration. As the gentleman from Minnesota has injected this matter into the debate, I rise to show how negligent the past Republican administrations have been with reference to our national defense. Since the inauguration of President Roosevelt a different policy has existed. Our Navy has been strengthened, as it should have been before. President Roosevelt is giving our people a Navy for defense, and not for offense, that will assure protection of our people and our shores.

Now, my other Republican friend who spoke, the gentleman from Michigan [Mr. MICHENER], talked about adequate national defense. What is adequate national defense? If I addressed that question to an audience of 1,000 persons, each one might well ask, "Just what do you mean?"

An adequate national defense, in my opinion, is the building up of our Navy to the limits allowed by our treaties with other nations. Such is not a general statement but is a specific statement as to what I consider as constituting adequate national defense. [Applause.]

[Here the gavel fell.]

The Clerk read as follows:

NAVAL RESEARCH LABORATORY

For laboratory and research work and other necessary work of the Naval Research Laboratory for the benefit of the naval service, including operation and maintenance of a laboratory, additions to equipment necessary properly to carry on work in hand, maintenance of buildings and grounds, temporary employment of such scientific and technical civilian assistants as may become necessary, and subscriptions to technical periodicals, to be expended under the direction of the Secretary of the Navy, $300,000: *Provided*, That $50,000 of this appropriation shall be available for the temporary employment of civilian scientists and technicists required on special problems: *Provided further*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed $120,000, in addition to the amount authorized by the preceding proviso.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall attempt not to use the entire 5 minutes, but I do want to make an observation with respect to what was said about scrapping $176,000,000 worth of ships during the Harding administration.

This may look like a sheer waste of energy and money and yet the strict fact is that we scrapped seven superdreadnaughts and four cruisers in 1922 for very specific purposes. The first specific purpose, as I conceive it, was that we assumed a position of moral leadership in the world for the purpose of bringing other nations into line so far as disarmament was concerned. The second reason was that Japan, Great Britain, and the United States were sitting around the table for the purpose of approving a treaty that bore the celebrated 5–5–3 ratio.

What was the condition at the time this conference was being held? Japan was holding out and continually insisting that she should have the right to build just as many ships as she liked and she did not care to subscribe to a 5–5–3 limitation. What could she do when the United States of America assumed leadership and said, "We will point the way, we will seek to make as impressive a contribution toward disarmament as we possibly can, and we are willing here and now to assume the responsibility of discontinuing and destroying $176,000,000 worth of naval handiwork that embrace the money of the taxpayers of the country"?

Under these circumstances there was nothing for that rising oriental power to do except to follow the United States, and I want to make it clear to this committee that while we may talk about scrapping $176,000,000 worth of ships involving the taxpayers' money and that it may look like a blot upon the escutcheon of the Harding administration, the fact is it was an excellent investment. The United States, for once at least in its history, assumed to give direction to the thinking of the world, assumed to take a position of leadership in the hope that the other nations would follow suit.

Mr. LUNDEEN and Mr. VINSON of Georgia rose.

Mr. DIRKSEN. Let me first finish my statement.

Unfortunately, however, they did not follow suit. It was a very painful but worth while lesson, so far as the United States was concerned, and on the basis of what happened in 1922 we can feel reasonably safe in going along with the naval appropriation bill until such time as we eliminate suspicion and jealousy and commercial rivalry, which are the basis of all wars.

It is a grand, magnificent bit of futility to stand here and oppose a reasonable naval appropriation bill, thinking that armament and naval appropriations are the incentive for war. This is a lot of balderdash and poppycock. Nobody would say, for instance, that a police force of 1,600 men here in Washington is an incentive to crime. Nobody would contend with any degree of logic or reason that battleships and cruisers and destroyers are any incentive to get into war. There are other reasons for war, and we have been going along seeking to oppose appropriation bills for military and naval defense thinking we are making a contribution to peace when we are doing nothing of the kind.

Sometimes I think that in proportion, as we lay an aggravated burden upon the pocketbook of the Nation, we make the Nation conscious of our purpose. Strike the average citizen in his pocketbook and ultimately he will come to the conclusion that something ought to be done about it. All these years since the Civil War we have been going along supinely and indifferently thinking so little about a philosophy of peace or the development of peace consciousness. When this can be effected in all the nations of the world, that will be when we may stop pyramiding large armament in the Orient, in the United States, in Great Britain, and elsewhere. We simply have not got at the cause. We are confusing cause and effect, and let nobody hesitate about voting for adequate defense, or even for this naval appropriation bill, with the exception of possibly one or two items, thinking that by so doing he is saving his gracious position in behalf of those who are in favor of peace.

I yield to no one in this body so far as a desire for universal peace is concerned, but we must get at the real root of the matter. [Applause.]

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 5, line 4, strike out "$300,000" and insert in lieu thereof "$1,000,000."

Mr. CRAWFORD. Mr. Chairman, in offering this amendment I do not in any way desire to increase the total appropriation under this bill; but I do desire to question the advisability of providing only $300,000 for scientific research work in a game of this kind.

The appropriation calls for an expenditure of a little more than a half a billion dollars. As I study the question of naval armament, we know that other countries are spending *tens* of millions of dollars in research, and that it is a game which requires the greatest attention to this particular phase of the work that can possibly be given.

If we hope to develop the latest scientific improvements, if we hope to be equal to foreign nations who have spent millions in such work and are spending millions in such work every year, we should make it possible for the Navy Department to develop a naval research laboratory equal to any in the world in order that we may keep pace with other nations in scientific research, so that we shall advance far beyond anything heretofore developed by our Nation in the matter of national defense, which includes communications, explosives, and other items. We must not fail in this.

While the public does not know of the important procedure other countries are pursuing in connection with scientific research work, there are men in this country who do know what is going on.

In my opinion as a layman and private citizen, this $300,000 is not at all sufficient for research to accompany an expenditure involving more than half a billion dollars.

I know that if we went out to spend $100,000,000 in any private field of achievement you would provide three or four hundred thousand dollars for scientific research work. I would like to ask the acting chairman if there are any provisions anywhere else in the bill which gives us more money for scientific research work than is provided in this item?

Mr. UMSTEAD. Mr. Chairman, I shall undertake to answer the question in my time if the gentleman will permit me to do so.

Mr. CRAWFORD. Mr. Chairman, the development of the airplane and the dirigible is fast breaking down ocean barriers which have afforded us a natural protection. We now must be prepared to seek protection by science so that we can develop defensive and offensive means of protecting our fleet from modern mechanical warfare. The first step in this line of defense and offense lies in the development of suitable equipment, which must receive its initial development in our highly developed naval research laboratory. The naval research laboratory must become one of the strongest arms of our national defense, and I should like to inject this at this time in connection with what was said a moment ago. Had the doctrine and philosophy of Secretary Stimson been followed out, I should like to ask if Japan would have dared make the announcement which she handed to our Secretary of State on December 29, 1934, which, in my opinion, led to the cancelation of the Nine Power Treaty, and which today brings us under a set of circumstances wherein the United States, Great Britain, and France are traveling this road alone, with Italy and Japan out on the side. And it brings us down to this very bill where we have to say in the most unusual terms:

Not more than two capital ships, as replacements of over-age capital ships, to be undertaken only in the event that capital-ship-replacement construction is commenced by any of the other signatory powers to the Treaty for the Limitation and Reduction of Naval Armament signed at London, April 22, 1930, $115,300,000.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. UMSTEAD. Mr. Chairman, I rise in opposition to the amendment; and in answer to a question propounded by the gentleman proposing the amendment, I advise him that at the present time the Navy has an experimental laboratory at Annapolis, it has one at the navy yard in New York, and also it is carrying on experimental work through the National Advisory Committee for Aeronautics at Langley Field. The real reason that this amendment should not be agreed to is that the gentleman is evidently confusing the research work of the entire Navy Department with the research laboratory at Belvue. The research laboratory at Belvue deals only with radio and sound investigations. It is not the general laboratory of the Navy Department. The subcommittee went to that station at Belvue last year and made a careful survey. We increased that appropriation to met their needs; and in my judgment, Mr. Chairman, this station to which the gentleman proposes to give an additional $700,000 could not use it during the coming fiscal year. There is no purpose in making an additional allotment of $700,000 to just one part of the Navy research work throughout this country. I hope, therefore, that the Committee will vote down this amendment.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. Yes.

Mr. CRAWFORD. The only point I desire to make here——

Mr. UMSTEAD. I yielded to the gentleman for the purpose of asking a question.

Mr. CRAWFORD. I am going to ask a question. The only point I desire to make clear is this. I want to know if this $300,000 which is provided in the bill is the total amount which is being appropriated for scientific work in connection with the naval operations of this country, and if it is not, what other appropriations are being provided in this bill or in other bills?

Mr. UMSTEAD. Mr. Chairman, unfortunately, the gentleman was talking to someone when I made the statement a moment ago which covered the inquiry. I shall be very glad to repeat it, however. This is not the only appropriation carried in the naval appropriation bill for experimental work. The Navy now has experimental laboratories at Annapolis, at the navy yard in New York, and experiments are being carried on by the National Advisory Committee for Aeronautics at Langley Field, Va., and at other places, and in practically all departments of naval activity. The Bureau of Standards, of course, is a Government agency that serves all Government departments, including the Navy. I call attention to the fact that the gentleman's amendment reaches only one small branch of the naval experimental activities, located at Belvue, which does nothing but deal with radio and sound investigations.

Mr. CRAWFORD. Where in this bill or any other bill are these things provided for?

Mr. UMSTEAD. They are provided for in the appropriations for the various units under the department.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Michigan.

The amendment was rejected.

The CHAIRMAN. The gentleman from Michigan offers another amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: Page 5, line 5, strike out "$50,000" and insert "$160,000."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

The Clerk read as follows:

NAVAL PRISON FARMS AND PRISON PERSONNEL

For the operation, maintenance, and improvement of naval prison farms and for the welfare, recreation, and education of prison personnel, to be expended under such regulations as the Secretary of the Navy may prescribe, $14,270: *Provided*, That expenditures hereunder shall not exceed the aggregate receipts covered into the Treasury in accordance with section 4 of the Permanent Appropriation Repeal Act, 1934.

Mr. MARTIN of Colorado. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I regret that my enforced attendance on another committee prevented me from accepting the allotment of time kindly made to me by the subcommittee chairman on general debate, as it had been my desire to occupy a little time on this bill in that way.

When one has held fixed views on matters of great national concern over a long period of time, under widely varying stresses and circumstances, he naturally attaches more or less weight to such views, and it is his duty to impart them to his fellows for whatever they may be worth at the risk of whatever criticism there may be to himself.

Over a long period of time I have accumulated some observations, perhaps cynical observations, regarding questions of international relationships, of peace treaties, neutrality laws, and preparedness. I do not have the time now to go into my views on this question, but I shall avail myself of the liberty of extending them in my remarks in the RECORD.

Briefly, it is my fixed conviction, based on a long life of observation, that international friendship is a diplomatic myth and that peace treaties and neutrality laws are only as strong as the will and the power to defend them, and just as weak.

There is another reason, perhaps personal and sentimental, why I should like to have availed myself of some time in general debate. In brief, it is this: Twenty-four years ago this month on a naval appropriation bill, as a young man, I stood back in that aisle and participated in the debate.

Some of you know that there is a hiatus of just exactly 20 years in my congressional record. It is a rather interesting thing, after a lapse of 24 years, to dig back into the

CONGRESSIONAL RECORD and see what your views were then. I have done that, and it is a matter of some assurance and satisfaction for me to know that I may stand here today and read my remarks from that long-gone debate of 24 years ago to state my position on this naval appropriation bill. I was then, as I am now, a big-navy Democrat. I was then, as I am now, for a full measure of preparedness in every line of national defense.

They say that history repeats itself. Yesterday on this floor in the debate I heard the same question asked that I heard in that long-gone debate: "For what are you preparing?"

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. MARTIN of Colorado. Mr. Chairman, I do not move fast enough. I ask unanimous consent that I may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MARTIN of Colorado. They asked, "What war do you want to prepare for?" Gentlemen asked that question 24 years ago. Gentlemen said on this floor, "Why do you want to build up a navy; there will never be another war." The man who afterward became minority leader on that side of the aisle, a very able man who served in this body for 26 years, said this country would not need to build another battleship or any other kind of warship for 25 years.

When was that? That was in May 1912. In that body there then the living survivors of two wars in this country, the Civil War and the Spanish-American War. Behind them there was a history of 5,000 years of war and almost nothing but war among the human race on earth, and yet they stood here and argued that we needed no navy because there would never be another war. I asked the gentleman from Iowa yesterday about the question asked of Gen. Leonard Wood in Boston when he was making a preparedness speech in 1916. A heckler wanted to know for what war General Wood wanted to prepare. I pointed out that that question was asked in 1916, and that in 1 year history had answered it by the precipitation of this country into the greatest war in human history. In my judgment, the thing is to be prepared. If you ask me what is adequate national defense, I would say, "It is defense measured by the power and responsibility of the Nation." When you want a navy you want it now. You want it at once. You do not have any time to build navies. You do not have any time to prepare after war breaks.

Mr. CASTELLOW. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. CASTELLOW. Might we not just as well ask a man when he buys a lock to put on the door, "For what thief are you guarding against?"

Mr. MARTIN of Colorado. There is just as much sense to it.

I beg your indulgence to read a few lines from my remarks made 24 years ago. I quote from the RECORD of May 28, 1912, at page 7338:

> One day during this session our socialistic brother, the gentleman from Milwaukee [Mr. Berger]—

And, by the way, he was a lovable man and a very popular Member of this body—

> made what I thought was a very pat and apt suggestion, and that was that neutrality is a good thing if only you are able to enforce it.
>
> Mr. Chairman, I subscribe most heartily to that proposition. I was one of the thirty-odd Members on this side of the House who voted for two battleships in each of the two naval appropriation bills in the Sixty-first Congress, and I regret very much that the pending naval appropriation bill does not make similar provision. [Applause.]

The applause I quote from the RECORD. The occasion of the applause was that the Democratic majority at that time had held a caucus in this Chamber to pledge its membership against the construction of even one battleship in that session of Congress, in which only thirty-odd of us opposed the resolution. Continuing my quotation:

> While I represent the State which above all others in the Union is secure from foreign attack or invasion, I take some pride in the fact that I am as much in favor of an adequate Navy as any Member of this body who represents a seaboard district.

Quoting further along from my remarks on that occasion, I said:

> I confess, perhaps it is because I am so dense, that I can no more distinguish between a defensive and an aggressive navy than I can between good trusts and bad trusts.

That was an issue in those days, good trusts and bad trusts.

[Here the gavel fell.]

Mr. MARTIN of Colorado. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The following is from the CONGRESSIONAL RECORD, May 28, 1912, pages 7338–7339.

> According to my way of reasoning, a navy is either adequate or inadequate, measured by the power and responsibility of the nation. I can conceive of no other practicable test. This is one case where, in my judgment, a half loaf is not better than no bread. A weak navy would provoke, not prevent, trouble. Either we should have and maintain a first-class navy or none. It takes 2 years to build a modern fighting ship and so long to build a modern navy that you must keep building. When you want a navy, you want it badly and at once. One naval battle decided the war between China and Japan. One naval battle decided the war between Russia and Japan. Two naval battles decided the war between the United States and Spain. In these four engagements, three navies were destroyed and their countries humbled and driven from power for decades; and unless the human race has suddenly lost its instinct of the ages, other powers will meet the same fate.
>
> Members of this House participated in the greatest Civil War in all history. Since then the world has witnessed the terrible Franco-Prussian war, the war between Turkey and Greece, the war between England and the Transvaal, the war between China and Japan, the war between Japan and Russia, the war between the United States and Spain, of which we also have survivors in this House; so that, within the memories of yet vigorous and active men, every great nation of the world—England, the United States, Germany, France, Spain, Italy, Turkey, China, Japan, all of them—have been involved in war. Shall we see no more terrible wars? To ask this question in the light of history and the racial instinct is to answer it.

Mr. MARTIN of Colorado. The answer, much as I deplore it, will probably be the same answer that was given to the question asked of Gen. Leonard Wood as Boston in 1916.

I am for preparedness and I am for the bill. [Applause.]

Mr. Chairman, if I may, I want to expand briefly on those instrumentalities of peace on which some gentlemen appear to rely rather than on preparedness measures. I indicated them at the outset of my remarks.

I read recently an expression of regret by the representative here in Washington of a foreign power over statements made by a distinguished and authoritative Member of the other body, which statements this representative considered as in violation of the "traditional friendship", as he expressed it, between our two countries. The only fear I would have of pretenses of friendship from such a source would be that they might tend to lull our people into a false sense of security and encourage defenselessness.

How lacking in substance is international friendship is most strikingly shown by the fact that within 20 years after the Revolutionary War, France and the United States were in a state of incipient war over treaty differences, with American warships engaged in French waters, and again in 1866, when the United States compelled the withdrawal of France from Mexico. I mention these historical facts in no spirit of reproach to France. I believe if lasting friendship between nations were possible, it would be possible between the United States and France.

The United States fed Belgium during the Great War and paid for the dirt to rebuild it after the war, yet Belgium promptly repudiated her financial debt to this country. That was her requital of the finest display of generosity ever shown by one nation to another. Belgium, which owed us everything, has paid nothing; while Finland, which owed us nothing except the money she borrowed, has paid everything. Belgium also joined the little gold bloc which frustrated the efforts of this country at the London Economic Conference to stabilize international currencies and exchanges.

The United States by a virtual tour de force set up the Republic of Panama, transformed it from a region of death-laden swamps and jungles into one of the most healthful spots on the continent, and built across it the greatest engineering project in history, giving it a permanent and important place on the map of the world, yet Panama was the only nation that went into court and brought suit against the United States to exact payment of our canal leasehold obligations in gold at the predevaluation price. Her attitude toward us has always been one of truculence. It is a question if there is not a more friendly attitude toward this country in the Republic of Colombia, from which we virtually wrested Panama, and to whom at the last session of Congress we authorized the payment of $25,000,000 in liquidation of the alleged damage.

Even our "little brown brothers", who could not repay in centuries what we have done for them, a record of generosity and abnegation without precedent or parallel, are demanding payment in gold at the predevaluation price of a deposit of $23,000,000 in the United States Treasury, which deposit it is now claimed was in silver and certainly not in gold.

I do not mention these cases as singling out for disparagement the Panamanians or the Filipinos; I merely mention them as exhibits in making out my case against international friendship. There are doubtless others, or there would be others under like provocation. If friendship between nations has any place in the preservation of international peace, it is entirely too fragile a restraint to withstand any serious strain.

Nor is the writing of treaties any assurance of international peace. The treaty to protect the neutrality of Belgium and preserve it from invasion was a scrap of paper. The first military move of Germany, a party to the treaty, was to trample that helpless and inoffensive little power into the dust. Now Germany has not only completely scrapped the World War peace treaty, which she signed under duress, but also the Locarno Pact, to guarantee European frontiers against militarization, which she voluntarily signed long after the war.

The Nine Power Pact is a scrap of paper. That pact guaranteed the political sovereignty and territorial integrity of China, yet for 4 years now, Province by Province, China is being dismembered and taken over by a signatory to the pact.

The United States has 33 peace treaties, negotiated under the administration of Woodrow Wilson, slumbering in the archives of the State Department. They are forgotten.

The Member of the other body to whom I referred a moment ago called attention to the fact that while peace societies and movements pursue the procuring of these peace agreements with evangelistic zeal, yet when the agreements are flouted, when they are violated by the very signatories, nothing is done about it, nothing is said about it.

What is said of treaties of peace may be said of neutrality laws. I voted for the neutrality resolution in the last session of Congress and the amended resolution in this session. I would have voted for the original bill still further extending embargoes to materials which may be used for military purposes. But I would vote for such measures rather as a gesture in the direction of peace than as any insurance of peace. Germany found ways and means to involve this country in war, presuming that this country was powerless to retaliate, and ways and means may be found to involve it in future wars. Neutrality laws, like peace treaties, must depend for sanction upon the power behind them.

Mr. Chairman, the Monroe Doctrine is said to have preserved the Western Hemisphere inviolate from foreign conquest, but there is only one nation in the Western Hemisphere which could have promulgated and enforced the Monroe Doctrine. Even without the Monroe Doctrine, the certainty that any invading power would have to face this great Nation would be the restraining influence, and if it were not for this power the map of South America today would be like the map of Africa, a Joseph's coat of many colors to indicate the colonial possessions of a half dozen European powers.

A differentiation is being made between wars of invasion of American territory and wars not involving such invasion. May I ask the question, Within which category would fall the protection from foreign invasion of any nation on the American Continent? Supposing a foreign power were to invade Central or South America. This was more than a supposition at the time of the outbreak of the World War. Then a great European power envisioned just such an enterprise. Perhaps the contempt of Europe or of the world for the ability of the United States to defend itself is not now so great. If not, that is one of the benefits to be set up against the terrible cost to us of that war.

I favored adherence to the League of Nations and the World Court. The chief objection to the League of Nations is that its covenants provide sanctions. The trouble with sanctions is that they call for enforcement, which involves military measures. That is the trouble with all peace pacts and treaties. It is also the trouble with neutrality laws. They are not self-executing. Their violation calls for redress, and the circle is complete. The end of the circle is war.

The modus operandi of the League of Nations is that the aggressor nation shall be determined and all the sanctions of the League, one after another, invoked against it jointly by all the other members, the final sanction being military force. In the case of Manchuria, the aggressor nation was determined and condemned. There the procedure stopped. It is agreed that in the case of Manchuria the League of Nations failed. It is failing in Africa. Nothing short of the complete procedure of the League of Nations can stop war, and the world is not ready for any such procedure. If we want neutrality, we must be prepared to defend our neutrality. If we want peace, we must be prepared to defend our peace.

If I may write the defense laws of the country, I care not who writes its neutrality laws or its peace treaties. My formula for the national defense is simple. It is to be so ready that the other party will hesitate to start.

The term "adequate national defense" is not self-defining, but standards of comparison are available. It would embrace, if not what Woodrow Wilson called "incomparably the greatest navy in the world", at least a navy equal to the strongest, and an air force of equal rank. It would embrace the framework of a land force capable of prompt and great expansion. And what is equally important, it would embrace research and experimentation in every instrumentality entering into warfare. We should keep thoroughly abreast in point of knowledge as far as ascertainable with what other nations are doing and our own laboratories should be busy.

I abhor war and all its evils. I regard its coming, not with anticipation but with dread. But I cannot go along with the view that the way to avoid war is to stick your head in the sand and expose your rear elevation to the horizon. There are six great powers in the world besides the United States. Two of them are now at war, one in Asia and the other in Africa. A third has flung its gauntlet in the face of Europe. England has just voted one and a half billions for defense. For this country to neglect or slight its national defenses in the face of such a world would be living in a fool's paradise. The wisest counsel ever given this country was by a great progressive President, the first Roosevelt, who said: "Speak softly and carry a big stick; you will go far."

Mr. UMSTEAD. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BOILEAU. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I was very much interested in the remarks of my distinguished friend from Colorado, particularly that part in which he referred to statements he made upon this floor 24 years ago. It appears that even then Members of Congress and people generally throughout the country were speaking of an "adequate" or "inadequate" navy. Even then the expression "adequate navy" was paramount in the minds of those discussing the question of national defense; but apparently—and with all deference to my good friend the gentleman from Colorado, for whom I have such a high regard—it seems that even 24 years ago people were omitting to define

what they meant by "adequate." In other words, they said "adequate", but they did not say adequate for what. It seems to me this question cannot be properly discussed unless we decide first of all for what purpose we want an adequate navy. Do we want a navy adequate to protect us from invasion, or do we want a navy adequate to enable us to carry on a war of aggression? I submit that if we are to have a navy adequate for the purpose of carrying on a war of aggression, then this bill is perfectly justified; then I do not believe we are appropriating too much money. But if we are to content ourselves with a navy adequate to protect us against invasion, adequate for the purpose of protecting ourselves against any probable enemy, then we are spending far too much money today on a navy.

In my humble judgment a large navy today under conditions of modern warfare can be used successfully for only one purpose—that of aggression, of foreign war. Today, when we speak of national defense, there is no place in the picture for a large navy. Admiral Bristol in 1932 made the statement that a navy would not be used for the purpose of protecting our harbors or our coast lines; that we would have land fortifications, mines, submarines, and the Air Corps for this purpose. Secretary of the Navy Swanson recently stated that a large navy was needed primarily for the purpose of protecting our foreign trade and foreign policy. I submit that the question of national defense does not include the protection of our foreign trade [applause]; and if we are going to consider this proposition solely from the standpoint of national defense, if we are going to listen to the demands of the American people who are against our preparations for a foreign war, we will kick this bill out of the window; we will recommit it to the Committee on Appropriations and have the committee bring back a bill that will eliminate from the Navy all such activities and agencies as are designed and are primarily useful only for foreign and aggressive war. We are going crazy in this country on the subject of building a huge navy, something that under no possible circumstances can give us any real defense. True, it might make us more powerful; it might throw the fear of our Navy into the hearts of some small countries; but a large navy is not needed for the purpose of protecting our people, protecting our own country.

We are spending a lot of money for a huge navy that can be used only for aggressive or foreign warfare, and doing this at a time when millions of our people are crying for bread. In my judgment it is ridiculous; in my judgment it is a waste of money to pass this huge appropriation. In my judgment we ought to reorganize the Army and Navy into one department of national defense, for defense only, and forget about building a navy second to none. We do not need a large navy in this country to protect our own people and our own property. In my judgment a large navy is merely a threat to the peace of the world. [Applause.]

The Clerk read as follows:

Newport, R. I., $125,000.

Mr. RISK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RISK: Page 7, line 18, after the words "Rhode Island", strike out "$125,000" and insert "$198,000."

Mr. RISK. Mr. Chairman, my purpose in offering this amendment to increase the appropriation for the naval training station at Newport, R. I., by $73,000 is to rehabilitate in some measure the physical condition of the buildings at that training station. The training station at Newport was established as a permanent station in 1883, and since that time has been administered efficiently and has done remarkable work. With the exception of 2 years, from 1933 to 1935, it has been open. It was closed completely from July 15, 1933, to July 15, 1935, at which time it was reopened. For 3 years there have been no appropriations for repairs. It is obvious to anyone that after being closed continuously for 2 solid years, deterioration must have set in to a great extent in those buildings.

Mr. Chairman, at this station there are over 100 buildings, 50 of which are permanent brick buildings. When the station reopened in July of last year I saw with my own eyes the state of repair of those buildings. I went over every inch of ground and I was in every one of the buildings. I saw not only the enlisted personnel, but some of the trainees, actually engaged in cleaning up debris and patching up the walls and roofs of those buildings.

The committee proposes, and the proposal is included in this bill, to include for alteration and repairs the sum of $7,700. This amount is ridiculously low. Anyone knows that $7,700 is too small an amount to take care of necessary repairs and alterations of buildings which are valued by the Navy Department at four and three-quarters million dollars, but which we feel are worth between ten and twelve million dollars.

Mr. Chairman, I speak for the thousand trainees there, for the 212 men who make up the enlisted personnel at the station, and for the civilian employees who have been precluded from employment by reason of the fact there has been no appropriation made to take care of this station. The sailors have been forced to do the work themselves and the civilian tradesmen and skilled mechanics have been excluded by virtue of this situation.

[Here the gavel fell.]

Mr. UMSTEAD. Mr. Chairman, I rise in opposition to the amendment to make just a very brief statement.

Mr. Chairman, this appropriation bill carries an increase of $10,000 over the appropriation made for this station last year. The Budget estimate was $135,000, but due largely to savings we hope may be effected in the purchase of oil we reduced the amount by $10,000.

Mr. Chairman, I am inclined to believe we have provided for all essential needs, and I therefore trust the amendment will be defeated.

Mr. RISK. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield to the gentleman from Rhode Island.

Mr. RISK. Was not certain information given to the subcommittee in connection with an item of $66,000 which was asked to cover repairs and alterations for the training-station buildings at Newport, R. I.?

Mr. UMSTEAD. As I recall, there was no such estimate, and I am informed by the clerk of the committee that no such estimate was received by the committee.

Mr. RISK. Did the gentleman or the subcommittee receive any correspondence from the citizens of Newport and myself on this point?

Mr. UMSTEAD. I did not receive it.

Mr. RISK. Mr. Chairman, I may say there is considerable correspondence in the files of the subcommittee on this point.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island.

The question was taken; and on a division (demanded by Mr. RISK) there were—yeas 24, noes 43.

So the amendment was rejected.

The Clerk read as follows:

Norfolk, Va., $235,000, of which sum $10,000 shall be available immediately.

Mr. COLDEN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COLDEN: On page 7, between lines 21 and 22, insert:

"Naval athletic and training field, San Pedro, Calif., acquisition by the Secretary of the Navy, by purchase, condemnation, or otherwise, at a cost not to exceed $225,000, the premises known as the Navy Athletic Field, San Pedro, Calif., and adjacent lots now occupied as a Navy athletic field. Upon acquisition such property shall be maintained as a naval athletic and training field, to be known as the Mississippi Memorial Athletic Field, in memory of the 48 officers and sailors who lost their lives in the U. S. S. *Mississippi* disaster in 1924."

Mr. UMSTEAD. Mr. Chairman, I reserve a point of order against the amendment.

Mr. COLDEN. Mr. Chairman, I desire to remind the Members of Congress of a very unhappy day, June 12, 1924, when one of the greatest peacetime tragedies occurred in the

United States Navy by an explosion that occurred on the battleship *Mississippi* during practice maneuvers off the shores of San Pedro, Calif. The Pacific Fleet was engaged in maneuvers and practice firing when an explosion caused the instantaneous death of 48 men, officers and seamen. The crew in a turret of the *Mississippi* had touched off an electric firing signal, which failed to explode. The crew was confined in the turret, during which time gas was generated in the gun and then ignited. In addition to the 48 men killed, a number were injured.

The naval funeral services of these 48 officers and men were conducted on the athletic field of the Pacific Fleet at San Pedro, Calif., provided by the San Pedro Chamber of Commerce. These men who lost their lives in this great tragedy came from many States of the Union. It was not only a tragedy for the Navy but it brought sorrow and tears to a number of patriotic American homes. It was one of the most unhappy tragedies that has occurred in peacetime history of the American Navy.

The *Mississippi* was known as the "happy ship" and the commander was Capt. W. D. Brougherton. The *Mississippi* was proud of its 14 star athletes and held the Navy athletic championship for 4 years. Many were the victories and many were the athletic battles fought on the famous Navy athletic field at San Pedro.

It is to be regretted that the dependents of these naval officers and men have been meagerly provided for by the United States Government. The families that sustained loss and who have suffered bereavement because of this catastrophe are scattered throughout the Nation. The obligation due the dependents of these officers and men has been limited because of the general laws prescribing the benefits allowed to the dependents.

Mr. Chairman, it seems most fitting that the rich and generous and patriotic Government of the United States should take some steps at least to preserve the memory of these heroes who died in their country's service. Those who die on the battlefield or in a naval combat are warned of the dangers that confront them. They have an opportunity to fortify themselves against the dangers which they must face. When they are in such an engagement they recognize the impending doom of death. Not so with the noble and courageous men who lost their lives in the turret of the *Mississippi*. They entertained the idea that theirs was a harmless exercise. When the day's work was done they looked forward to a return to the base at San Pedro and were happy in the anticipation of the events of tomorrow. Without a second of warning a mysterious flash and their lives were snuffed out. Trapped by walls of steel, with no hope of escape, their lives and their destinies were ended instantly. And these officers and men gave their lives in the service of their country as patriotically and as nobly as those who die in the heat and terror of battle.

Mr. Chairman, it seems most appropriate that a memorial should be dedicated to the memory of these heroes who met an untimely death while at the post of duty. It also appears that the athletic field where the final obsequies of these departed heroes were held would be a most fitting site for memorial purposes. It was upon this field that the men of the *Mississippi* had won some of their most brilliant athletic victories. It was upon this field that for a period of 15 years the men of the Pacific Fleet have enjoyed many happy recreational hours. It was upon this Navy athletic field that many athletic contests have been won and lost. It is a field that has attracted the attendance not only of the major naval officials, but also of thousands of the civil population. It is a field that is deeply steeped in the athletic traditions of the United States Navy, the arena of the living, the funeral concourse of the dead.

This athletic field has been furnished by the San Pedro Chamber of Commerce for 15 years without cost to the Navy. The San Pedro Chamber of Commerce has not only paid the rent of this land, but upon numerous occasions has made other contributions to aid and to provide proper facilities.

Unfortunately, the owners of this land now propose to subdivide and offer it for sale. The tract consists of about 23 acres. It is located about 90 feet above the water front and adjacent to the tidewater of Los Angeles Harbor. It is the most accessible point for the major part of the Pacific Fleet. It is but a few minutes away from the battleships within Los Angeles Harbor. There is no other tract so available, so well drained, so accessible to transportation as is this athletic field.

A number of the officials of the Pacific Fleet, including several admirals, who are fully acquainted with the situation, have heartily endorsed the purchase of this area for a permanent Navy athletic field. The purchase of this field would serve a double purpose. It would be a most suitable and fitting memorial for the death of the officers and men who lost their lives on June 12, 1924, but it would serve as a permanent arena for future athletic activities. It would provide a valuable contribution to the welfare and happiness of the men of our fleet.

The Pacific Fleet is based at Los Angeles Harbor—right at the door of San Pedro, Calif. Because of the easy access to open waters, because of the continual sunshine and absence of fog, the unusual visibility makes this location the natural headquarters for the Pacific Fleet. Furthermore, the geographical location, being the nearest suitable base in California to the Panama Canal, and an advantageous point relative to the Hawaiian Islands and to the northerly shores of California, Oregon, and Washington, make this the logical base for the Pacific Fleet. Already keen observers and those who are concerned about national defense believe that the construction of a Navy base at San Pedro is inevitable. The purchase of this athletic field, which I have designated as "the Mississippi Memorial Athletic Field", is timely and opportune. This purchase should be made before this land is subdivided and sold. I am informed it will cost approximately $225,000 if purchased as a unit. If subdivided into lots, it would bring a much larger amount.

I introduced a bill on July 8, 1935, designated as H. R. 8761, which provides for the establishment of the Mississippi Memorial Athletic Field as before described. I desire to not only interest the Members of Congress but to enlist their aid in the establishment of this fitting memorial athletic field in memory of the 48 officers and men of the invincible United States Navy whose tragic death shocked the entire country on that fatal day, June 12, 1924.

The following is a list of the names of the officers and enlisted men, United States Navy, who lost their lives in the explosion aboard the U. S. S. *Mississippi* on June 12, 1924, together with names and addresses of nearest relatives, furnished by the Bureau of Navigation, Navy Department:

OFFICERS

Lt. (Jr. Gr.) Thomas Edward Zellars, United States Navy. Next of kin, wife, Mrs. Mary Ann Zellars, 127 Grand Avenue, Long Beach, Calif.

Ensign Marcus Erwin, Jr., United States Navy. Next of kin, mother, Mrs. Marcus Erwin, 101 Furman Avenue, Asheville, N. C.

Ensign William George McCrea, United States Navy. Next of kin, mother, Mrs. Charles R. McCrea, 705 Ontario Avenue, Renova, Pa.

ENLISTED MEN

Anderson, Rodney Laverne, seaman (1st cl.), United States Navy. Next of kin, mother, Mrs. Elva Wooley Davey; address, 1143 Sanborne Avenue, Hollywood, Los Angeles, Calif.

Barbee, Norman Lee, coxswain, United States Navy. Next of kin, mother, Mrs. Ella E. Barbee; address, 111 Noe Street, San Francisco, Calif.

Berg, Joseph, engineman (2d cl.), United States Navy. Next of kin, mother, Mrs. Katie Berg; address, Mount Vernon, Wash.

Beto, Stephen, seaman (1st cl.), United States Navy. Next of kin, brother, Mr. John J. Beto; address, 113 Orland Street, Bridgeport, Conn.

Bourgois, Clarence Thomas, seaman (1st cl.), United States Navy. Next of kin, mother, Mrs. Louis S. Bourgeois; address, Waveland, Miss.

Bridges, Homer Sylvester, seaman (1st cl.), United States Navy. Next of kin, father, Mr. Robert H. Bridges; address, Braxton, Miss.

Brumfield, Vernon, coxswain, United States Navy. Next of kin, mother, Mrs. Cora Brumfield; address, Norfield, Miss.

Byers, George Allen, boatswain's mate (2d cl.), United States Navy. Next of kin, mother, Mrs. Rose Byers; address, 1340 Mastick Street, San Jose, Calif.

Caldwell, Carl Covington, seaman (1st cl.), United States Navy. Next of kin, sister, Miss Archie Caldwell; address Route No. 1, box 48, Dover, Ark.

Christensen, Paul Holten, seaman (1st cl.), United States Navy. Next of kin, mother, Mrs. Sarah G. Kluesner; address, 854 Twelfth Street, San Diego, Calif.

Clarke, Philip Cunningham, seaman (1st cl.), United States Navy. Next of kin, father, Mr. Henry Clarke; address 909 South St. Andrew's Place, Los Angeles, Calif.

Cook, William George, seaman (1st cl.), United States Navy. Next of kin, sister, Mrs. Elinor Struckhoff; address, 1417 Breman Avenue, St. Louis, Mo.

Darazio, Albert, seaman (2d cl.), United States Navy. Next of kin, mother, Mrs. Ana Darazio; address, 332 Boston Avenue, Egg Harbor City, N. J.

Ewer, Fred Graham, seaman (2d cl.), United States Navy. Next of kin, mother, Mrs. Percy S. Ewer; address R. F. D. No. 3, Birmingham, Mich.

Flynn, Peter Ambrose, seaman (2d cl.), United States Navy. Next of kin, mother, Mrs. Mary Flynn; address, 174 Salem Street, Northboro, Mass.

Green, Paul, chief yeoman, United States Navy. Next of kin, father, Mr. Henry Green; address, 1619 West Nineteenth Street, Little Rock, Ark.

Holliday, James Durward, seaman (1st cl.), United States Navy. Next of kin, father, Mr. James W. Holliday; address, Mena, Ark.

Hopkins, Farris Carlton, seaman (1st cl.), United States Navy. Next of kin, mother, Mrs. Minnie Hopkins; address, Adairsville, Ga.

Huffman, Edward Homer, seaman (1st cl.), United States Navy. Next of kin, mother, Mrs. Ora Denny Huffman; address, R. F. D. No. 4, Aurora, Ind.

Kerr, Cedric, seaman (2d cl.), United States Navy. Next of kin, mother, Mrs. Nettie Kerr; address, 1424 South Eleven-and-a-Half Street, Terre Haute, Ind.

Keys, Wallace Walton, coxswain, United States Navy; next of kin, mother, Mrs. Gertrude S. Davis, Madera, Calif.; also survived by father, Mr. Joseph P. Keys, 720 Geary Street, Fresno, Calif.

Kiely, Bartholomew David, seaman (1st cl.), United States Navy; next of kin, mother, Mrs. Johanna Kiely; address, 739 High Street, Holyoke, Mass.

Kimball, Floyd Burritt, seaman (1st cl.), United States Navy; next of kin, father, Mr. Louis F. Kimball; address, 1416 Twelfth Street, Greeley, Colo.

King, Frank Brandenburg, seaman (1st cl.), United States Navy; next of kin, mother, Mrs. Sarah Dale King; address, 614 East Green Street, Clinton, Mo.

Kinney, Andrew Reuben, seaman (2d cl.), United States Navy; next of kin, mother, Mrs. Mary Kinney; address, Argonia, Kans.

Klonowski, Frank Leo, seaman (1st cl.), United States Navy; next of kin, mother, Mrs. Marie Truschke; address, 487 Broadway Street, Blue Island, Ill.

Lawson, Albert Leonard, seaman (1st cl.), United States Navy; next to kin, brother, Mr. Louis T. Lawson; address, 1641 Bristol Street, Philadelphia, Pa.

Lubo, William Francisco, seaman (2d cl.), United States Navy; next of kin, uncle, Mr. Santoes Lubo; address, Cahuilla, Calif.

Magill, George Eugene, seaman (1st cl.), United States Navy; next of kin, mother, Mrs. Maud Magill; address, 714 South Sixth Street, Waco, Tex.

McCormick, John Albert, seaman (2d cl.), United States Navy; next of kin, mother, Mrs. Mary G. McCormick; address, 4271 West Two Hundred and Twentieth Street, Fairview Village, Rocky River, Ohio.

Malone, Leslie, gunner's mate (1st cl.), United States Navy; next of kin, uncle, Mr. Fredrick W. Bachmann; address, 3028 Bellefountain Avenue, Kansas City, Mo.

Ragan, Ted Carlyle, seaman (2d cl.), United States Navy; next of kin, mother, Mrs. Ida Alice Ragan; address, 1115 Sargent Street, Joplin, Mo.

Raymond, Floyd Allen, seaman (1st cl.), United States Navy; next of kin, father, Mr. Milo W. Raymond; address, Floyd, Iowa.

Sharkey, John Divine, seaman (1st cl.), United States Navy; next of kin, mother, Mrs. Mary Sharkey; address 2629 North Bouvier Street, Philadelphia, Pa.

Shaw, Doyle Nelson, seaman (1st cl.), United States Navy; next of kin, mother, Mrs. Linnie M. Bellamy; address, Clayton, Tex.

Sillivan, Claude Newton, seaman (2d cl.), United States Navy; next of kin, mother, Mrs. Louella Sillivan; address, Sargent, Nebr.

Skrynas, Stanley Joseph, chief boatswain's mate, United States Navy; next of kin, father, Mr. Peter Skrynas; address, 26 Cherry Street, Easthampton, Mass.

Sloan, Andrew Jarvis, fireman (2d cl.), United States Navy; next of kin, father, Mr. James Peter Sloan; address, 3227 Calhoun Street, Fort Wayne, Ind.

Smith, Bradford Walter, seaman (1st cl.), United States Navy; next of kin, father, Mr. Ephrain E. Smith; address, 216 West King Street, Martinsburg, W. Va.

Smith, Brigham Foster, gunner's mate (1st cl.), United States Navy; next of kin, mother, Mrs. Kate Smith; address, 4150 South State Street, Murray, Utah.

Walkup, Howard Alexander, seaman (1st cl.), United States Navy; next of kin, mother, Mrs. Birdie Walkup; address, Crawley, W. Va.

Ward, William Howard, quartermaster (3d cl.), United States Navy; next of kin, brother, Mr. Harrison Ward; address, 906 Fifth Avenue, Dodge City, Kans.

Willis, Lawrence Henry, seaman (1st cl.), United States Navy; next of kin, father, Mr. Charles Willis; address, Osgood, Ind.

Woods, John Lewis, seaman (2d cl.), United States Navy; next of kin, sister, Mrs. Abbie Woods Fulton; address, 3070 Girard Street, Los Angeles, Calif.

Zacharias, Frederick William, seaman (1st cl.), United States Navy; next of kin, mother, Mrs. Mary Zacharias; address, 5171 Kincaid Street, Pittsburgh, Pa.

Mr. Chairman, I ask unanimous consent to revise my remarks in the RECORD and to include therein the names of the 48 officers and men who lost their lives in this accident, together with their rank, next of kin, and address.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. UMSTEAD. Mr. Chairman, I make the point of order against the amendment offered by the gentleman from California [Mr. COLDEN] that it is legislation on an appropriation bill in that the project mentioned in the amendment is not authorized by existing law.

The CHAIRMAN. Does the gentleman from California desire to be heard?

Mr. COLDEN. No. I recognize the point of order. I just desired to get this information before the Members of the House.

The CHAIRMAN. The amendment on its face contains language which is legislation in contravention of the rule which provides that legislation shall not be in order on an appropriation bill, and, therefore, the point of order is sustained.

The Clerk read as follows:

Instruction: For postgraduate instruction of officers in other than civil government and literature, and for special instruction, education, and individual training of officers and enlisted men at home and abroad, including maintenance of students abroad, except aviation training and submarine training otherwise appropriated for, $187,000: *Provided*, That no part of this or any other appropriation contained in this act shall be available for or on account of any expense incident to giving special educational courses or postgraduate instruction to officers with view to qualifying them or better qualifying them for the performance of duties required to be performed by or in pursuance of law by officers of the Supply Corps, Construction Corps, or Corps of Civil Engineers, except present students and except such officers who are commissioned in such corps or who have not been commissioned in the line of the Navy more than 3 years prior to the commencement of such educational courses or postgraduate instruction.

Mr. HANCOCK of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: Page 8, line 24, strike out "three" and insert "five."

Mr. HANCOCK of New York. Mr. Chairman, I offer this amendment to correct what I believe to be a mistake and an injustice. The language I seek to correct provides that no graduate of the Naval Academy shall be eligible for admission to any of the postgraduate schools of the Navy which are maintained by the Supply Corps, the Construction Corps, and the Corps of Civil Engineers unless his course of postgraduate instruction shall actually commence within 3 years of the date of his commission.

A year ago there was similar language in the naval appropriation bill. A number of young men in the Naval Academy class of 1932 had been designated to attend these postgraduate schools. When Congress passed an appropriation act with a provision similar to this the orders to these young men had to be rescinded because the date of their commission was in June of 1932, when they graduated from the academy, while the course of instruction in the postgraduate schools did not begin until September. Therefore their orders were countermanded and these men were returned to duty and the door of opportunity in the direction of their ambitions has been permanently closed to these young men.

I do not believe it was the intention of Congress to do this and I offer the amendment to make them eligible. My amendment does not enlarge the appropriation in any way. It simply enlarges the eligible list to include the young men of the class of 1932 who were designated to postgraduate schools a year ago and were denied the opportunity of entering those schools by a provision similar to this.

Mr. UMSTEAD. Mr. Chairman, I desire to call to the attention of the members of the Committee the fact that the

amendment offered by the gentleman involves the same question which was fought out during the consideration of the appropriation bill for the present fiscal year. The 3-year limitation which now appears in this bill was placed in the appropriation bill last year.

I think most members of the Committee will recall the debate at that time between the distinguished chairman of the legislative committee and the chairman of the subcommittee, the gentleman from Kentucky [Mr. CARY]. The House decided last year it would stand by the recommendation of the subcommittee on appropriations and inserted this provision in the bill.

Mr. Chairman, this is very important. I should like very much to be able to accept the amendment offered by the gentleman, but I cannot do so and I urge the Committee to vote it down.

Before this provision was put in the bill the Navy Department could wait for 10, 12, or more years after a man had been graduated from the Naval Academy, send him to a special training school, then give him some position in keeping with the special training which he had had or take him out of the specialization for which he had been equipped and send him back into the line. Your committee felt this was not a proper procedure. The Navy itself was somewhat divided on it, but it is our present information that the Navy is now convinced that this provision is sound and from now on they will apply it as strictly as they can, and as we have requested them to do in the legislation passed by the Congress. I hope the amendment will be defeated.

Mr. HANCOCK of New York. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. Gladly.

Mr. HANCOCK of New York. I fully agree with the soundness of the position taken by the gentleman and by the committee. I do not wish to remove the limitation and make people who are 15 or 20 years out of the Naval Academy eligible for these schools. I fully agree they should be young men, and I simply wish to correct an injustice which was done to a small group of men last year who were denied entrance to the schools through what I believe was a mistake and make them eligible.

Mr. UMSTEAD. Mr. Chairman, I cannot yield any further, but I desire to ask if the purpose of the amendment is not really to provide for one man.

Mr. HANCOCK of New York. No; there are half a dozen, I understand.

Mr. UMSTEAD. The gentleman would not be willing to change the policy of the Navy in this regard just to take care of or correct an inconvenience to six men?

Mr. HANCOCK of New York. This provision would only be in effect 1 year. It is a temporary provision and would have to be reenacted each year.

[Here the gavel fell.]

The question was taken; and on a division (demanded by Mr. HANCOCK of New York) there were—ayes 19, noes 37.

So the amendment was rejected.

The Clerk read as follows:

STATE MARINE SCHOOLS, ACT OF MARCH 4, 1911

To reimburse the State of California, $25,000; the State of Massachusetts, $25,000; the State of New York, $25,000; and the State of Pennsylvania, $25,000, for expenses incurred in the maintenance and support of marine schools in such States as provided in the act authorizing the establishment of marine schools, etc., approved March 4, 1911 (U. S. C., title 34, sec. 1121), and for the maintenance and repair of the particular vessels loaned by the United States to the said States on the date of the approval of this act for use in connection with such State marine schools, $90,000, and no other vessels shall be furnished by or through the Navy Department; in all, $190,000.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word. Mr. Chairman, it is my understanding that our State nautical schools have set up qualifications for entry in such a manner that candidates for school-ship training from any State other than that in which the school ship is located are compelled to pay a higher tuition on account of their out-of-State residence.

I see no reason why such tuition penalties should be applied against any American boy who seeks to train himself for a career at sea.

Mr. UMSTEAD. That policy is determined by the State in which the school is located.

Mr. CRAWFORD. I cannot see any reason why a young man from Colorado, say, should be discriminated against if he desires to enter a California school to which the Federal Government is contributing $25,000. If Federal funds are to be appropriated for such nautical school ships, whether it be all or any part of the expense involved, then let us reestablish these schools as Federal merchant marine academies, with equal tuition for all regardless of what States of the Union any applicant may come from, and, instead of continuing under the present policy of appropriating Federal funds for a State nautical school, that these schools be reestablished as Federal merchant marine academies, so that there shall be one each, as follows: One on the Atlantic coast, one on the Gulf coast, one on the Pacific coast, and one on the Great Lakes.

Furthermore, instead of requiring the applicant to pay a tuition fee for attending such merchant marine academies. I recommend that the Federal Government assume all cost of education in such merchant marine academy. Many of our best potential merchant-marine officers who constitute our Naval Reserve officers are unable to enjoy the benefits of higher training for the merchant marine under our present system of maintaining State nautical-school ships due to the heavy financial obligations involved. Our merchant marine officers must be trained in their profession in the same manner that we train our Navy, Army, and Coast Guard officers. Give them all a thorough education before they are given officers' responsibilities, and in this manner help cut down the great loss of life at sea.

Landlocked States are discriminated against. Such States have no water outlet and boys from these States are barred from participating in low tuition rates. This is unfair.

Mr. UMSTEAD. Mr. Chairman, I want to call the attention of the gentleman to the legislative act which provides for this activity. It was passed in 1911. These are not Government schools. Any State can take advantage of this offer, and if it does it will be supplied by the Government up to $25,000 toward meeting the expense, and also with a ship for the purpose of instruction. Thereafter the State can put up any amount it pleases. They are not schools of the Federal Government.

The Federal Government will match State funds only to the extent of $25,000 per year. If the gentleman's State of Michigan wants to secure aid from the Federal Government, it has the right to do so under provisions of law.

The CHAIRMAN. The time of the gentleman from Michigan has expired. Without objection, the pro-forma amendment will be withdrawn.

There was no objection.

The Clerk read as follows:

BUREAU OF ORDNANCE

ORDNANCE AND ORDNANCE STORES, BUREAU OF ORDNANCE

For procuring, producing, preserving, and handling ordnance material, for the armament of ships; for the purchase and manufacture of torpedoes and appliances; for the purchase and manufacture of smokeless powder; for fuel, material, and labor to be used in the general work under the cognizance of the Bureau of Ordnance; for furniture at naval ammunition depots, torpedo stations, naval ordnance plants, and proving grounds; for technical books; plant appliances as now defined by the "Navy Classification of Accounts"; for machinery and machine tools; for accident prevention; for experimental work in connection with the development of ordnance material for the Navy; for maintenance of proving grounds, powder factory, torpedo stations, gun factory, ammunition depots, and naval ordnance plants, and for target practice; not to exceed $15,000 for minor improvements to buildings, grounds, and appurtenances of a character which can be performed by regular station labor; for payment of part time or intermittent employment in the District of Columbia, or elsewhere, of such scientists and technicists as may be contracted for by the Secretary of the Navy, in his discretion, at a rate of pay not exceeding $20 per diem for any person so employed; for the maintenance, repair, and operation of horse-drawn and motor-propelled freight and passenger-carrying vehicles, to be used only

for official purposes at naval ammunition depots, naval proving grounds, naval ordnance plants, and naval torpedo stations; for the pay of chemists, clerical, drafting, inspection, and messenger service in navy yards, naval stations, naval ordnance plants, and naval ammunition depots, and for care and operation of schools at ordnance stations at Indianhead, Md.; Dahlgren, Va.; and South Charleston, W. Va., $21,700,000: *Provided*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed $1,300,000.

Mr. BIERMANN. Mr. Chairman, I move to strike out the last word. The gentleman from Wisconsin [Mr. BOILEAU] has pretty well stated the issue involved in this bill as I look at it. I think everyone agrees that we ought to have national defense, but the question involved in the vote on this bill is whether or not this bill is for national defense. If we assume that we are going to be involved in a war on foreign shores, this appropriation is proper, probably it ought to be increased, but I take it that the Members of this House and the American people pretty generally want this Republic in the future to confine her war activities to the North American Continent, and if we confine our war activities to our home shores, this amount of money is too much. I asked in the beginning of this debate, and I have asked a number of times since, that somebody bring into this House a statement by any Army officer or Navy officer of any kind of plan under which the United States could be successfully invaded, and no one has offered that plan, and no one will, because it cannot be done, and the Army and the Navy people agree that it cannot be done. I asked also that some proponent of this bill name a single time in a hundred years when a belligerent from the water had successfully made a landing on a defended hostile shore. Of course, nobody can bring in such a statement, because such a thing has not happened. The idea of building $51,000,000 battleships to defend our shores is just ridiculous. It does not make sense at all, and nobody can successfully defend that sort of thing on the ground of defense. Of course, the upshot of it is that if we vote this kind of appropriation we are going to take from the taxpayers' pockets money they can ill afford to pay at this time and add to the international irritation that is the excuse for this appeal for armament. A year or so ago when we passed the stupendous authorization for shipbuilding, the newspapers within a week or two contained the information that in Japan our action had been used as an excuse for voting more appropriations in Japan, and now if Japan or some other foreign country increases her appropriations, it is an excuse for us to increase ours, and so the thing piles up. This country can afford to set an example.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. Yes.

Mr. COLDEN. Did I understand the gentleman from Iowa to state that he is not in favor of building these new battleships to protect the coasts of our country? I call attention to the fact that in southern California we have numerous oil-storage tanks, that our cities are dependent on an aqueduct 240 miles long, that we have Boulder Dam about the same distance from the city that supplies the cities and farms, and that a foreign war vessel could send airplanes over and wipe out the whole business within a few hours if we did not have battleships to forestall them and thwart them.

Mr. BIERMANN. That is a novel theory; but I think you would have a hard time getting any naval officer to say it is practicable for Japan to send a navy 5,000 miles from Yokohama to San Francisco and successfully attack the people in California.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. BIERMANN. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. Yes.

Mr. CRAWFORD. Is it not also true that Japan does not have auxiliary ships with which to support a capital ship moving from Japan to the United States?

Mr. BIERMANN. I cannot say for certain as to that.

Mr. CRAWFORD. I think the gentleman will find that they are absolutely completely nonsupplied with such auxiliary ships.

Mr. BLAND. But does not the merchant marine furnish adequate support as an auxiliary?

Mr. BIERMANN. I have no information in regard to the Japanese merchant marine.

I direct the attention of the Committee to what could be done with this money that we propose to appropriate for the Navy. There is before this House a bill to continue 3½-percent interest on the Federal land-bank mortgages for a term of 2 years, and the obstacle it has run against is the statement by the Farm Credit Administration that it would cost the Government $10,000,000 a year to do that. That may be the reason why we do not get 3½-percent interest on Federal land-bank loans in the next 2 years. With all the money appropriated in this bill we could give that relief to the farmers, not for 2 years but for 53 years. For the year 1935 the total tariff receipts collected by our Government amounted to $343,000,000. This bill appropriates for the Navy alone nearly $190,000,000 more than all our tariff receipts for last year. All the public buildings in Washington could be replaced—and some of them are said to have been extravagantly built—for half the money that it is proposed to vote for the Navy this year.

Out in Iowa we try to have hospitals in the county seats. We have one in my town. I do not think it cost $100,000, but suppose it cost so much and suppose we had an endowment of $50,000 for it; we could do the same thing for 3,000 counties in the United States for $450,000,000. We could build a paved highway 18 feet wide, such as we have in Iowa, at a cost of $25,000 a mile the entire 3,173 miles from New York to San Francisco, which would cost $79,325,000, and we would have left, after building and endowing 3,000 hospitals and after building the paved highway from New York to San Francisco, enough money to refund all the property taxes paid in four average Iowa counties, out of this one appropriation of $532,000,000 that we propose to vote for the Navy.

Now, the gentleman from Wisconsin has said that we have gone crazy on these preparedness appropriations. It is an easy matter to appeal in the name of patriotism and preparedness and ring the changes on the best sentiments in the hearts of the members of this Committee, but it will not wash out in the cold light of reason.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. BIERMANN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

Mr. UMSTEAD. Will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. UMSTEAD. I ask unanimous consent, Mr. Chairman, that all debate on this paragraph and all amendments thereto close in 2 minutes.

The CHAIRMAN. Is there objection?

Mr. MASSINGALE. Reserving the right to object, I want to ask the chairman of the subcommittee one question.

Mr. UMSTEAD. I do not have the floor. I have the floor solely for the purpose of making a unanimous-consent request.

The CHAIRMAN. Is there objection?

Mr. KELLER. Mr. Chairman, I object.

The Clerk read as follows:

BUREAU OF SUPPLIES AND ACCOUNTS

PAY, SUBSISTENCE, AND TRANSPORTATION OF NAVAL PERSONNEL

Pay of naval personnel: For pay and allowances prescribed by law of officers on sea duty and other duty, and officers on waiting orders, pay—$34,212,380, including not to exceed $1,698,034 for increased pay for making aerial flights, no part of which shall be available for increased pay for making aerial flights by more than three officers above the rank of captain and below the rank of vice admiral nor by nonflying officers or observers at a rate in excess of $1,440 per annum, which shall be the legal maximum rate as to

such nonflying officers or observers; rental allowance, $7,271,430; subsistence allowance, $4,285,103; in all, $45,768,913; officers on the retired list, $8,297,701; for hire of quarters for officers serving with troops where there are no public quarters belonging to the Government, and where there are not sufficient quarters possessed by the United States to accommodate them, and hire of quarters for officers and enlisted men on sea duty at such times as they may be deprived of their quarters on board ship due to repairs or other conditions which may render them uninhabitable, $3,000; pay of enlisted men on the retired list, $6,891,254; interest on deposits by men, $3,000; pay of petty officers (not to exceed an average of 7,720 chief petty officers, of which number those with a permanent appointment as chief petty officer shall not exceed an average of 6,744), seamen, landsmen, and apprentice seamen, including men in the engineer's force and men detailed for duty with the Bureau of Fisheries, enlisted men, men in trade schools, pay of enlisted men of the Hospital Corps, extra pay for men for diving, and cash prizes (not to exceed $100,000) for men for excellence in gunnery, target practice, communication, and engineering competitions, $82,293,763; outfits for all enlisted men and apprentice seamen of the Navy on first enlistment, civilian clothing not to exceed $15 per man to men given discharges for bad conduct or undesirability or inaptitude, reimbursement in kind of clothing to persons in the Navy for losses in cases of marine or aircraft disasters or in the operation of water- or air-borne craft, and the authorized issue of clothing and equipment to the members of the Nurse Corps, $1,801,426; pay of enlisted men undergoing sentence of court martial, $64,400, and as many machinists as the President may from time to time deem necessary to appoint; pay and allowances of the Nurse Corps, including assistant superintendents, directors, and assistant directors—pay, $550,120; rental allowance, $23,040; subsistence allowance, $21,900; pay retired list, $215,710; in all, $810,770; rent of quarters for members of the Nurse Corps; pay and allowances of transferred and assigned men of the Fleet Naval Reserve, $13,790,890; reimbursement for losses of property as provided in the act approved October 6, 1917 (U. S. C., title 34, secs. 981, 982), as amended by the act of March 3, 1927 (U. S. C., title 34, sec. 983), $10,000; payment of 6 months' death gratuity, $150,000; in all, $159,885,117; and no part of such sum shall be available to pay active-duty pay and allowances to officers in excess of nine on the retired list, except retired officers temporarily ordered to active duty as members of retiring and selection boards as authorized by law: *Provided*, That, except for the public quarters occupied by the Chief of Office of Naval Operations, the Superintendent of the Naval Academy, and the Commandant of the Marine Corps and messes temporarily set up on shore for officers attached to seagoing vessels, to aviation units based on seagoing vessel including officers' messes at the fleet air bases, and to landing forces and expeditions, and in addition not to exceed 40 in number at such places as shall be designated by the Secretary of the Navy, no appropriation contained in this act shall be available for the pay, allowances, or other expenses of any enlisted man or civil employee performing service in the residence or quarters of an officer or officers on shore as a cook, waiter, or other work of a character performed by a household servant, but nothing herein shall be construed as preventing the voluntary employment in any such capacity of a retired enlisted man or a transferred member of the Fleet Naval Reserve without additional expense to the Government, nor the sale of meals to officers by general messes on shore as regulated by detailed instructions from the Navy Department.

Mr. McLEOD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McLEOD: On page 24, line 17, strike out "$82,293,763" and insert in lieu thereof "$72,293,763, and for like purposes, in addition, the $10,000,000 appropriated in the Second Deficiency Appropriation Act, fiscal year 1935, under Bureau of Yards and Docks, Navy Yard, Pearl Harbor, Hawaii, for 'floating drydock, type B, including mooring facilities and accessories', such sum being hereby reappropriated."

Mr. McLEOD. Mr. Chairman, I offer this amendment at this time basing the need for the amendment on economy and using as authority former Assistant Secretary of the Navy, Mr. Roosevelt, and several other witnesses' testimony relative to the building of the proposed floating, movable drydock.

It has been contended that there has never been contemplated a floating drydock of this size, or even ever proposed up to this time by any nation of the world. There are some small floating drydocks, but this proposed experimental work is large enough to house the largest of the battleships, according to the testimony we have. The Navy Department did not come to the Appropriations Committee on Naval Affairs for the proposed $10,000,000; they got it from the deficiency committee.

I want to state some of the facts at this time and some of the information that our subcommittee had relative to this vast experiment. This proposed drydock is 1,016 feet long. It is 165 feet wide. It is 75 feet from top to keel. The only way in this bill we can stop construction is to reappropriate the $10,000,000. Mr. Chairman, $10,000,000 will not build this drydock. The testimony before our committee was that it would require another $5,000,000 or thereabouts.

Second. This floating drydock will have to be towed back to the United States every 3 or 4 years for renovation and repairs. According to the testimony received by our committee, it will take several vessels to tow this so-called floating drydock across the ocean. The testimony given before our committee stated that a concrete-constructed or permanent graving dock is more substantial and more lasting than steel.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. McLEOD. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. McLEOD. I yield.

Mr. COLDEN. Does not the gentleman, as a member of the committee, believe it would be much better and more economical to build a graving dock on the shore of southern California, which is the nearest point not only to Honolulu but to the Panama Canal, the most vulnerable spot in defense on the Pacific coast?

Mr. McLEOD. Unquestionably it would at least be more economical.

Now, I should like to read to the Committee some of the important questions that were asked of the Assistant Secretary of the Navy and his answers. I appreciate that this bill was approved by the legislative committee of the House.

I quote from the hearings:

Mr. CARY. * * * I was wondering if this amount of money that you contemplate spending on it in the future, in view of the fact that it is in the nature of an experiment, could not be used to better advantage in some other way in connection with naval activities.

Mr. ROOSEVELT. To be perfectly frank, I questioned that same thing myself.

A little further down this colloquy occurs:

Mr. McLEOD. Does any nation of the world have a similar drydock?

Mr. ROOSEVELT. Yes; I think so—floating docks. England, France, Germany, and I believe Italy have floating docks. They are common in those countries. I think England has a battleship floating drydock at Singapore, but these are all of the old type, more or less like the *Dewey*. No nation, so far as I know, except the United States, has a dock of this new type.

Mr. McLEOD. Admiral, it is really contemplated only to use this floating drydock at Honolulu, is it not?

Admiral TAUSSIG. Yes.

Mr. Chairman, if that is the case, then this drydock is to be used only at Pearl Harbor, Honolulu. The cost of a permanent drydock is $4,000,000, compared with approximately $15,000,000 for this experiment. The argument in favor of the so-called floating drydock, of course, is that it could be moved from place to place within certain areas in case of emergency.

A few moments ago the gentleman from California asked if it would not be preferable to build a graving dock on the west coast. Certainly it is feasible; it is equally feasible to build a permanent drydock at Pearl Harbor and save perhaps $10,000,000 required for a floating drydock. Up to the present time no plan s have been completed for the construction of this floating drydock, there has been little expense on the part of the Navy so far for this proposal.

Mr. Chairman, I trust the amendment will carry.

[Here the gavel fell.]

Mr. UMSTEAD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to make it quite clear to the members of this Committee that there is no item carried in the bill for the construction or maintenance of the drydock. It should be well understood that this item has not been investigated as such by our committee. The testimony from which the gentleman from Michigan just quoted certain questions and answers was given to our committee in response to an

inquiry on the part of the chairman with reference to some facts about the matter. There was no detailed presentation of the matter before the Subcommittee on Appropriations, and I frankly say to the members of this committee that I cannot stand here this afternoon and tell you whether this drydock ought to be constructed or not, because the subcommittee of which I am a member has not heard sufficient evidence to determine that question.

What is the situation? A bill was passed by this Congress and sent to the President which authorized the construction of a drydock. Last year, subsequent to the passage of that legislation, the Navy Department, or the proponents of that measure, appeared before the subcommittee on deficiencies of the Appropriations Committee, of which the gentleman from Texas [Mr. BUCHANAN], chairman of the whole committee, is the chairman, and submitted to the subcommittee on deficiencies the evidence about this drydock. The subcommittee on deficiencies recommended it to the Congress and the Congress appropriated $10,000,000. It now develops, Mr. Chairman, that this amount of money is not sufficient to complete this drydock, but the Navy Department did not appear before us asking for additional funds with which to construct it. I do not believe, in view of the discussion on this floor and the questions asked in our committee, that the Navy Department will undertake to proceed with the construction of this drydock until it presents the matter again before the legislative committee supported by sufficient evidence to show that the authorized cost is inadequate.

Mr. Chairman, in the name of orderly procedure, I submit that a committee that has not heard the evidence is not prepared on the evidence presented and from what we have heard to pass judgment on this project which the Navy considers important. It may or may not be that it ought to be constructed; I do not know. I think, in the name of orderly procedure, this amendment ought to be defeated, and then, if necessary, our committee can at the proper time hear sufficient testimony to enable us to act sensibly and intelligently in submitting a recommendation to the House with reference to this item.

Mr. Chairman, I ask that the amendment be defeated.

Mr. DITTER. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. Yes; gladly.

Mr. DITTER. Can the gentleman suggest what would be jeopardized by deferring this matter until the members of the subcommittee can investigate and inquire into it and bring a recommendation to the House?

Mr. UMSTEAD. I just said in my remarks, Mr. Chairman, that I was confident the Navy Department would not proceed in the absence of the presentation of further evidence as to the necessary increase in cost.

[Here the gavel fell.]

Mr. UMSTEAD. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. VINSON of Georgia. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from North Carolina has very clearly stated the correct situation with reference to the amendment offered by the gentleman from Michigan [Mr. MCLEOD]. As a matter of fact, there is no item in the appropriation bill dealing with a drydock.

Bear in mind, Mr. Chairman, the gentleman seeks to take away from the appropriation bill $10,000,000 and revert it back into the Treasury for the reason that last year the Congress appropriated $10,000,000 to carry out an authorization. On April 15, 1935, the Congress passed an authorization bill, and one of the items was:

Navy Yard, Pearl Harbor, floating drydock, type B, including mooring mast and accessories, $10,000,000.

What happened? Immediately thereafter the President of the United States wrote a letter to the chairman of the Appropriations Committee and asked that $10,000,000 be appropriated to meet certain things for the Army and certain things for the Navy. One of those items for the Navy was $10,000,000 for a drydock, to be a floating drydock, at Pearl Harbor.

Mr. Chairman, what was the reason? This was due to the fact that the fleet is in the Pacific and there are on the Pacific coast only two places at which a battleship can be docked or at which an airplane carrier can be docked. The Navy only owns one place from Seattle to San Diego where a capital ship may be docked, and that is at the Bremerton Navy Yard. Think of it! With our fleet in the Pacific we have only one place that belongs to the Government in which a capital ship, if wounded in action, could be drydocked. It is true that the Government leases and rents in San Francisco Bay a place known as the Hunters Dry Dock, which belongs to the Bethlehem Steel Co.

With 18 capital ships, with 2 airplane carriers, with an increase of 4 more airplane carriers, making approximately 22 capital ships, there is on the Pacific coast but one place belonging to the Government that a capital ship can be put in drydock. There is not a drydock large enough at Mare Island. The drydock at Mare Island, referred to in this bill, is for cruisers. Therefore it was of national importance and an urgent matter that the President should request Congress to make available $10,000,000 for the construction of a drydock.

It is true the Government has never heretofore built a floating drydock of this character and size. We have a floating drydock at Manila that is somewhat smaller. Great Britain has a large floating dock not quite as large as this one will be. When it was ascertained that we were going to build a drydock the British Government sought to sell to the United States Government the old dilapidated drydock which they have.

Mr. Chairman, I hope the amendment will be voted down, because it is in the interest of national defense that this floating drydock be built.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I feel that the statements made by the distinguished gentleman from North Carolina [Mr. UMSTEAD] is an acknowledgement on his part that we should take the action suggested by the pending amendment. The gentleman declared that the subcommittee had received no information on this matter. He acknowledged the fact he was not prepared, nor was any other member of the subcommittee prepared, to defend this item.

The gentleman from Georgia comes here and bases his plea entirely on the fact that the President requested this item. The gentleman from Georgia has made no statement with respect to the practicability of this floating drydock. He admits the fact that it is an experiment. He admits that he can produce nothing in the way of assurance to the House that this $10,000,000 venture will prove successful. He admits, however, that in addition to the $10,000,000 already requested and provided for through the deficiency bill, it will cost at least $5,000,000 more.

Mr. Chairman, I submit to the reasonable judgment of the Members of the House that if this were a matter of hazard, if this were a matter of urgency, if the gentleman from Georgia had stated that we were in a position of jeopardy by which a reasonable deferring of this item might create difficulty, we on this side might be persuaded to go along with him. But there is no need for the rush. There is certainly no need at the present time to go into this $15,000,000 experiment and have on our hands the same thing that we have had in the case of a great many of the other experimental programs which have been carried on.

I want to say on behalf of the minority that we will join in supporting the measure if after due deliberation, if after careful examination and inquiry the proof is established that this drydock is feasible, that it is practical, that it will work, and when we know what the cost will be. There is not only involved the cost of the drydock but there is also involved the cost of the necessary dredging facilities that must of necessity be brought about in order for the drydock to be effective.

Mr. Chairman, I ask the Democratic Members of the House to join with us in deferring for the time being the expenditure of this $10,000,000 plus the additional $5,000,000 which is required as a result of the authorization. Let us wait until next year, and if it is then proved that a drydock is worth while, that it is practicable, and that it will do what the gentleman says it will do, we will join with you. A graving dock can be provided at much less expense. We can go into Pearl Harbor and make extensive preparations there which will carry out the same ultimate objects as this floating drydock.

Mr. Chairman, I ask the membership of the House to support the worth-while amendment now pending before the House.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. McLEOD].

The question was taken; and on a division (demanded by Mr. McLEOD) there were—ayes 22, noes 47.

Mr. McLEOD. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

The Clerk read as follows:

In all, for pay, subsistence, and transportation of naval personnel, $183,492,981, of which sum $1,000,000 shall be immediately available, and the money herein specifically appropriated for "Pay, subsistence, and transportation of naval personnel" shall be disbursed and accounted for in accordance with existing law and shall constitute one fund: *Provided*, That additional commissioned, warranted, appointed, enlisted, and civilian personnel of the Medical Department of the Navy, required for the care of patients of the United States Veterans' Administration in naval hospitals, may be employed in addition to the numbers appropriated for in this act: *Provided further*, That no part of this appropriation shall be available for the pay of any midshipmen whose admission subsequent to January 30, 1936, would result in exceeding at any time an allowance of four midshipmen for each Senator, Representative, and Delegate in Congress; of one midshipman for Puerto Rico, a native of the island, appointed on nomination of the Governor, and of four midshipmen from Puerto Rico, appointed on nomination of the Resident Commissioner; and of four midshipmen from the District of Columbia: *Provided further*, That nothing herein shall be construed to repeal or modify in any way existing laws relative to the appointment of midshipmen at large, from the enlisted personnel of the naval service, from the Naval Reserve, from honor graduates of military schools or Naval Reserve Officers' Training Corps: *Provided further*, That no part of this appropriation shall be available for the pay of any midshipman appointed from enlisted men of the Navy for admission to the Naval Academy in the class entering in the calendar year 1937 who has not served aboard a vessel of the Navy in full commission for at least 9 months prior to such admission.

Mr. DARROW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this for the purpose of correcting what I believe to be a wrong impression created by the gentleman from Massachusetts [Mr. McCORMACK] a little while ago.

If I understood the gentleman's remarks correctly, he left the impression, at least upon me, that during the years intervening between 1921 and 1933 there was no naval construction started or authorized. Not wanting this impression to be left as a correct one, I would call the attention of the Committee to the facts as I understand them.

In 1924 Congress authorized the construction of eight cruisers of the large type, with 8-inch guns.

In 1929 Congress authorized the construction of nine cruisers of the same type, with 8-inch guns.

These have been practically completed during this period. It is true there were ten 6-inch cruisers authorized in the program of 1916, but most of them were built after the close of the war, and six additional ones were authorized in 1929.

There was one aircraft carrier, the *Langley*, authorized in 1929, which has been completed.

Eight submarines have been built during this period, and five of them, I believe, were authorized in 1923.

Eight destroyers have been built during this period of time.

While this may not have brought our Navy up to treaty strength, nevertheless it did show some increase in the strength of the Navy during this period.

I do not like to have the impression go out that nothing was done during these years to bring our Navy up to what I consider to be proper treaty strength. I am in favor of a Navy of this type and want to do my part to bring this about and I do not want any wrong impression to go out to the country. [Applause.]

Mr. UMSTEAD. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. KOPPLEMANN. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, this naval appropriation bill, insofar as the amount of $530,000,000 is concerned, is transcended by something which is even of far more importance.

It must be appreciated that there is no integrated defense policy in this country. The War Department through its officials, the Navy Department through its officers, and other departments through their various groups and bureaus attempt to settle the question insofar as they, themselves, are concerned, and all the time, as is evidenced in the debates to which I have listened here, the question uppermost with those Departments, and in the minds of most of those who have spoken here, is how can we beat the foreign nations with our program?

It seems to me before we go ahead with these tremendous expenditures—expenditures that, to my mind, are out of reason—we ought to have a national-defense program that is definite.

I remember conditions back in 1917 and 1918. I do not believe the people of America want to go to foreign lands any more than I do to engage in war. It is sufficient that we defend ourselves. It seems to me that an impartial body of men in this country could study and prepare a program that would be understood first by our own people, and by the nations of the world, and would have a tendency to cut down these continually increasing appropriations for destructive purposes.

I can see no country in the world today looking upon the United States with any intention of invading us. Only yesterday we passed a tax bill against which there was a great cry throughout the country. Every newspaper published our names because of the tremendous interest in it. We were taxing somebody, and here today we have a bill that takes back all of the money you taxed the people and appropriates it for one department of this Government. You are now adding another tax bill; yet I fail to hear the protests of the people, I fail to hear the protests of those who were against the tax bill yesterday. [Applause.]

[Here the gavel fell.]

The pro-forma amendment was withdrawn.

The Clerk read as follows:

Navy Yard, Mare Island, Calif.: For preparation of site, preliminary test pits, cofferdam, and other incidental preliminary work toward the construction of graving dock, services and auxiliary construction, $150,000.

Mr. COLDEN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 38, after line 14, insert a new paragraph, as follows:
"Navy yard, including graving drydock for capital ships, auxiliaries, and accessories, San Pedro, Los Angeles Harbor, Calif., $7,000,000."

Mr. UMSTEAD. Mr. Chairman, I make the point of order that the amendment is not in order and not authorized by law.

Mr. COLDEN. Will the gentleman reserve his point of order?

Mr. UMSTEAD. I will reserve it.

Mr. COLDEN. Mr. Chairman, I offer this amendment to the Navy appropriation bill for the purpose of calling the attention of the Members of Congress to the need of dock and yard equipment for the capital ships of the Pacific Fleet. Because of the unusual facilities and the weather conditions the Pacific Fleet, with 15 capital ships, has its headquarters

in the San Pedro and Long Beach area. Natural causes dictate this to be the most satisfactory point on the Pacific coast for headquarters for maneuvers and for practice. Climatic conditions and superior visibility play an important part in these naval operations. This area is freer from fog, and Los Angeles Harbor affords much easier ingress and egress than any other port on the Pacific. In a few moments the entire fleet can come into the harbor and pass out into the open sea. Consequently, because of these facilities, the practice of gunfiring and maneuvering seeks this area as most favorable to the fleet.

There is but one navy yard equipped to repair and recondition the capital ships on the Pacific coast. This navy yard is located at Bremerton, in the State of Washington, on Puget Sound, and is 1,160 miles distant from the headquarters of the fleet. Each time a capital ship is sent from San Pedro to Bremerton it costs the Government $8,800 for the round trip for a single item—fuel oil.

In his testimony before the Naval Affairs Committee Admiral Norman M. Smith, Chief of Civil Engineers of the Navy, and Chief of the Bureau of Yards and Docks, emphasizes the needs of further docking facilities on the Pacific coast. Admiral Smith points out that because of the congestion at the dock in Bremerton the intersections of battleships cannot be thoroughly dried before the protective painting is proceeded with. Admiral Smith further points out that the private facilities at Hunters Point, San Fransico Bay, which have sometimes been used, are also unsatisfactory for naval requirements, due to the lack of proper equipment, the owners of the private dock failing to provide the facilities needed.

It is generally conceded that to keep the capital ships of the Pacific Fleet in an efficient condition further docking facilities are imperative. Inside the breakwater at San Pedro there is an area of land owned by the city of Los Angeles of more than 100 acres that is available for a site for a navy yard and a graving dock such as is required by the capital ships. I have reason to believe that if the Federal Government provided an appropriation for an efficient navy yard that the city of Los Angeles would contribute this site or perhaps any other selected by the Navy Department on city-owned land. Los Angeles owns a total of more than 2,500 acres of tidelands at the harbor. The tract already referred to inside the breakwater is but a short distance from 40 feet of water, and but a few hundred feet beyond there is a depth of 45, making this site easy of access by the minimum amount of dredging.

This site lies under the protecting guns of Fort MacArthur, located on an elevation of about 300 feet and less than one-half mile away. Outside of the harbor and 20 miles away is Catalina Island, which stretches for 35 miles, affording sites for forts and torpedo and mining stations that would furnish a strong line of outside protection. Other islands farther out in the Pacific could also be utilized for the protection of this port.

Southern California is peculiarly vulnerable to an attack from a foreign foe. The city of Los Angeles, with its 1,250,000 people, is supplied with water by an aqueduct 250 miles long. This aqueduct and its storage basins would invite foreign attack, and if destroyed, would bring immeasurable loss of life and property and suffering in its wake. Boulder Dam is another mark that would be sought by foreign foe. The destruction of this great reservoir would not only deprive farms and cities of southern California of a water supply but would bring wrack and ruin to the population and the farms below this dam.

In southern California, in the vicinity of Los Angeles Harbor and about the city itself, are numerous oil fields and oil storage. The destruction of these tanks and storage would loosen a flood of oil that would threaten a considerable portion of the city and the harbor with a disastrous deluge of oil and fire that would sweep everything before it to death and destruction. Los Angeles and the surrounding area are so susceptible of attack that it becomes one of the most important points for national defense to be found anywhere within the boundaries of our country.

I have mentioned that the headquarters of the Pacific fleet at San Pedro are 1,160 miles removed from the only available dock for the repair and reconditioning of capital ships on the Pacific coast. No fleet of the Navy, no warship or battleship of the Navy, can be kept in a state of efficiency without proper and available repair facilities. The navy yard is as essential to the ship as the garage and the mechanic to the continued operation of the automobile and the truck.

The Pacific Fleet located at San Pedro, as I have stated, is 1,160 miles from Bremerton, and it is even farther from the western terminus of the Panama Canal, which is 2,888 nautical miles to the southeast; consequently from the Panama Canal to Bremerton is 4,048 nautical miles, not statute miles. Undoubtedly the Panama Canal, as well as Los Angeles and the southern California area, would be points of attack by foreign invaders. If the Pacific Fleet were engaged in a battle to protect the Panama Canal, wisdom would dictate that a navy yard with facilities for repair and reconditioning should be located on the southern California coast. The Panama Canal situation emphasizes the need of these facilities at San Pedro. These facilities are needed in time of peace; they would be of great necessity in time of war.

Honolulu is the outpost of Pacific defense. Honolulu is located 4,685 nautical miles from Panama. Undoubtedly the easiest point of attack on the Pacific coast is the unprotected and practically defenseless condition of southern California and the Panama Canal. By the very nature of the Pacific coast, this area would invite attack. The long distance from the Panama Canal to Bremerton, 4,048 nautical miles, makes it quite evident of the grave necessity of a navy yard as far south as feasible on the California coast. San Pedro is 2,228 miles from Pearl Harbor at Honolulu; San Francisco 2,091 miles, and Bremerton about 2,400 miles. Consequently the location of San Pedro, about the same distance from Honolulu as other Pacific coast ports, and much nearer to the Panama Canal, gives it a strategic position not obtained by any other port of the Pacific coast.

Because of the lack of national defense on the Pacific coast, and the fact that southern California and the Panama Canal are the most vulnerable points in the Pacific area, I feel impelled to offer this amendment, and to call the attention of the House to the facilities that are vitally necessary for this Pacific coast line of national defense. [Applause.]

The CHAIRMAN. The Chair will hear the gentleman from North Carolina on the point of order.

Mr. UMSTEAD. As I understand it, Mr. Chairman, the amendment proposes a project for which there is no legislative authority.

The CHAIRMAN. What does the gentleman from California say as to that?

Mr. COLDEN. Mr. Chairman, I offer my amendment not from the standpoint of parliamentary technique, but from the standpoint of a proper defense of the Pacific coast and proper facilities for the Navy.

The CHAIRMAN. Does the gentleman from California concede that there is no legislative authority for the appropriation?

Mr. COLDEN. I recognize the point of order is well taken, Mr. Chairman.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

BUREAU OF AERONAUTICS

AVIATION, NAVY

For aviation, as follows: For navigational, photographic, aerological, radio, and miscellaneous equipment, including repairs thereto, for use with aircraft built or building on June 30, 1936, $700,000; for maintenance, repair, and operation of aircraft factory, air stations, fleet air bases, fleet and all other aviation activities, accident prevention, testing laboratories, for overhauling of planes, and for the purchase for aviation purposes only of special clothing, wearing apparel, and special equipment, $14,408,270, including $221,000 for the equipment of vessels with catapults and including not to exceed $50,000 for the procurement of helium, which sum of $50,000 shall be transferred to and made available to the Bureau of Mines on July 1, 1936, in addition to which sum the Bureau of Mines may use for helium-plant operation in the fiscal year 1937 the unexpended balance of funds transferred to it for such operation in the fiscal year 1936, and the Bureau may

lease, after competition, surplus metal cylinders acquired for use as helium containers; for continuing experiments and development work on all types of aircraft, including the payment of part-time or intermittent employment in the District of Columbia or elsewhere of such scientists and technicists as may be contracted for by the Secretary of the Navy, in his discretion, at a rate of pay not exceeding $20 per diem for any person so employed, $2,500,000; for new construction and procurement of aircraft and equipment, spare parts and accessories, $20,980,000, of which amount not to exceed $6,590,000 shall be available for the payment of obligations incurred under the contract authorization carried in the Navy Appropriation Act for the fiscal year 1936; in all, $38,588,270, and the money herein specifically appropriated for "Aviation" shall be disbursed and accounted for in accordance with existing law and shall constitute one fund: *Provided*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed $1,582,340: *Provided further*, That in addition to the amount herein appropriated, the Secretary of the Navy may, prior to July 1, 1937, enter into contracts for the production and purchase of new airplanes and their equipment, spare parts and accessories, to an amount not in excess of $13,000,000: *Provided further*, That the Secretary of the Treasury is authorized and directed, upon the request of the Secretary of the Navy, to transfer not to exceed in the aggregate $24,000 from this appropriation to the appropriations "Pay, subsistence, and transportation, Navy" and "Pay, Marine Corps" to cover authorized traveling expenses of officers and enlisted men in connection with flying new airplanes from contractor's works to assigned station or ship, including travel to contractor's works and return of personnel to stations of duty, and the amount so transferred shall be in addition to any limitations contained in the appropriations "Pay, subsistence, and transportation, Navy" and "Pay, Marine Corps": *Provided further*, That no part of this appropriation shall be expended for maintenance of more than six heavier-than-air stations on the coast of the continental United States: *Provided further*, That no part of this appropriation shall be used for the construction of a factory for the manufacture of airplanes or for the construction or manufacture in a Government-owned factory or plant of airplane engines, other than experimental engines, or airplanes, other than airplanes for primary training purposes: *Provided further*, That the Secretary of the Navy is hereby authorized to consider, ascertain, adjust, determine, and pay out of this appropriation the amounts due on claims for damages which have occurred or may occur to private property growing out of the operations of naval aircraft where such claim does not exceed the sum of $500.

Mr. ROGERS of New Hampshire. Mr. Chairman, I move to strike out the figures "$500." I rise at this point to say that the Portsmouth Navy Yard is situated in my district, and while for years it had nothing whatsoever to do with the manufacture and equipment of aircraft, it is, thank God, one of the leading yards in the country, designed and equipped for the manufacture of the finest and most modern type of submarines for use in the defense of the Nation, and further as a Member of this House who has the honor to be chairman of the Subcommittee on Aviation of the Committee on Military Affairs, I congratulate the Committee on Naval Affairs and the Congress on the spirit manifested in respect to the provisions in this bill under the title of "Bureau of Aeronautics." I know that every Member of this House who has studied this matter must realize that legislation of this kind is designed not only to consider the building of great battleships, aircraft, cruisers, destroyers, and submarines, but that its primary purpose is for national defense and national defense only. To secure adequate national defense we must build up an air corps which will be second to none in the world, because that is the one method by which we may be assured, and by which generations yet unborn may be assured, that in the future they will not be called upon to give up their lives because of attacks against us by any foreign nation.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of New Hampshire. Yes.

Mr. RANDOLPH. Is it not a fact that our greatest danger now comes from the air, due to the fact that several other countries, at least three of them, have a greater air force than we have at the present time?

Mr. ROGERS of New Hampshire. Yes, indeed. As a matter of fact, four of them have far greater air forces than we have; and in order to meet that situation, we must build up a larger air force both in the Army and the Navy.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of New Hampshire. Yes.

Mr. VINSON of Georgia. If the gentleman seeks to convey the thought to the committee that other countries have a superior naval air force than we have, he is clearly in error.

Mr. ROGERS of New Hampshire. I am not confining my remarks to the Navy. I am speaking of our combined air forces. I mean by that, airplanes designed to attack, whether in the Navy or the Army. I hope and pray that the Congress will see to it that the Army will soon be in a position where it need not be ashamed of the adequacy and efficiency of its air force.

Mr. BIERMANN. Does the gentleman contend that an airplane can come across 3,500 miles of water and attack us?

Mr. ROGERS of New Hampshire. I contend, sir, that German seaplanes of existing types have alighted on the South Atlantic Ocean between Africa and South America to moor astern of a station ship—steamship *Westphalian*. This vessel is an ordinary merchant type, supplied with aviation fuel and other servicing facilities. Fuel and oil are transferred to the seaplane on the water. Meager reports mention experiments with a canvas ramp astern on which the seaplane may be hauled; also trials of canvas shelters for protection during refueling operations. The military significance of this commercial "mother ship" for seaplanes appears to have been ignored. As seaplanes become larger their ability to alight safely on the ocean increases. Acknowledging only the existing sizes of seaplanes, it is rather startling to contemplate that small inexpensive merchant ships are capable of serving as ocean supply bases for transoceanic bombing planes.

Mr. Igor Sikorsky, the eminent builder of large seaplanes, informed the Federal Aviation Commission, October 10, 1934, that seaplanes are now in course of design that can transport 10 tons for a nonstop flight of 2,000 miles. A single seaplane of that type—which is a prospect for the immediate future—then could drop 10 tons of bombs on any American coastal city simply by prearranging a rendezvous with a small servicing vessel at sea a thousand miles from the coast line.

These facts strongly emphasize that our Nation is no longer protected from air attacks because of the wide extent of the Atlantic and Pacific Oceans, and we must govern ourselves accordingly.

Mr. BIERMANN. Does the gentleman think that is a serious menace?

Mr. ROGERS of New Hampshire. It is indeed a most serious danger, and a danger which must be met in the interest of national defense for the protection of our homes, our States, and our Nation.

The Clerk read as follows:

REPLACEMENT OF NAVAL VESSELS

Construction and machinery: On account of hulls and outfits of vessels and machinery of vessels, including the re-engining and completion of submarines *170* and *171* (39 Stat. 616), heretofore authorized and appropriated for in part under "Increase of the Navy, Construction and Machinery", including (1) the expenses in connection with continuing the construction of 2 aircraft carriers, 1 heavy cruiser, 3 light cruisers, 20 destroyers, 4 submarines, and 2 gunboats which were commenced in the fiscal year 1934 under funds made available from the National Industrial Recovery Act, approved June 16, 1933, and (2) for the commencement of the following vessels authorized by the act approved March 27, 1934 (48 Stat. 503–505): (a) 12 destroyers and 6 submarines, and (b) not more than 2 capital ships as replacements of over-age capital ships, to be undertaken only in the event that capital-ship-replacement construction is commenced by any of the other signatory powers to the Treaty for the Limitation and Reduction of Naval Armament, signed at London, April 22, 1930, $115,300,000: *Provided*, That the sum to be paid out of the amount available for expenditure under the head of "Construction and Machinery" for the fiscal year 1937 for employees in the field service assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed $3,870,000: *Provided further*, That, of the appropriations made available by this act under the head of "Replacement of Naval Vessels" there shall be available such sums as the Secretary of the Navy may from time to time determine to be necessary for the engagement of technical services and the employment of personnel in the Navy Department and in the field, the purchase of plans, drafting and other supplies, and the expenses of printing and travel, in addition to those otherwise provided for, owing to the construction of vessels which have been or may hereafter be authorized.

Mr. MARCANTONIO. Mr. Chairman, I make the point of order to the language contained after the word "submarines", in line 23, page 49, down to and including the figures "$115,300,000", line 4, page 50. My point of order is based on the following: While there may be legislation authorizing an appropriation for capital ships, the language in the appropriaion bill is not only a negative limitation but it also sets up a contingency. In other words, this language states that these capital ships are to be built only in the event of a certain happening. That in and of itself is legislation. The provision to the effect that this money may be spent only in the event that something happens constitutes a transfer of the power to build these ships, when to build them, and under what conditions over to the Exeutive. The transfer of such power is not found in the authorization, and consequently in this bill it is clearly legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from North Carolina care to be heard on the point of order?

Mr. UMSTEAD. I do not, unless the Chair desires to hear from me.

The CHAIRMAN. The Chair is ready to rule.

Mr. MARCANTONIO. And may I say this in addition? It also requires additional duties upon the part of the Executive by the language:

> Only in the event that capital ship replacements construction is commenced.

That requires additional duties on the part of the Executime and is clearly legislation.

The CHAIRMAN (Mr. VINSON of Kentucky). The gentleman from New York makes the point of order that the language following the word "submarine", on line 23, page 49, down to the figures "1930" on line 4, page 50, includes legislation on an appropriation bill; and further submits that the limitation therein contained is not a proper limitation to be included in an appropriation bill.

If the Chair understood the gentleman from New York [Mr. MARCANTONIO], he concedes the legislative authorization for the construction of the two battleships involved.

Mr. MARCANTONIO. My concession is only for the sake of argument. I said that if there was any authorization or any legislation authorizing the construction of these ships under the Vinson Act; but even on that point I say it is contrary to the treaty, which is the law of the land, and that these ships, according to that treaty, cannot be built until after December 31, 1936.

The CHAIRMAN. The Chair will rule. The Chair understood the gentleman from New York conceded the legislative authority.

The Chair will read from the act of March 27, 1934 (48 Stat. 503):

> The President of the United States is hereby authorized to replace, by vessels of modern design and construction, vessels in the Navy in the categories limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, when their replacement is permitted by the said treaties.

Undoubtedly there is legislative authorization for the construction of the two capital ships involved.

In respect to the point of order to which the gentleman referred relative to the condition upon which the capital ships will be constructed, the Chair will read from chapter 227 of Cannon's Precedents, section 1579, which is directly in point:

> The House may, by limitation on a general appropriation bill, provide that an appropriation shall be available contingent on a future event.

There are any number of precedents upholding the position of the present occupant of the chair, that where appropriations are made to be spent contingent upon the happening of some event or upon the performance of some condition, that they are in order.

The Chair, therefore, overrules the point of order.

Mr. MARCANTONIO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. MARCANTONIO: On page 49, line 23, after the word "submarines", strike out all the remainder of line 23, all of line 24, and lines 1, 2, 3, and 4 on page 50 and insert "$111,300,000."

Mr. MARCANTONIO. Mr. Chairman, I believe that this amendment raises one of the most important issues found in this bill. My amendment reduces this appropriation by the sum of $4,000,000. These $4,000,000 are to be used for laying the keels or beginning the construction of two battleships. I submit to the Members of this Committee, first, that there is not a single iota of testimony in the hearings justifying the construction of these battleships. Second, we have not learned as yet who has asked, and on what ground the request has been made, for the construction of these battleships. No hearings at all were held on this point. I think it is most unusual, even if there are precedents for such procedure, to come before this House with an appropriation bill carrying such an important item of appropriation without a single word in the hearings and without a single iota of testimony to justify this particular item of appropriation.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. In just a moment, when I have concluded my statement.

Furthermore, it is not only a question of the $4,000,000 involved. Once these keels are laid, once these $4,000,000 are spent, it means that we must complete the construction of the ships or we have thrown away the $4,000,000. If we are to complete the construction of these ships, it means $100,000,000. I know the argument may be advanced that perhaps some other country which was signatory to the naval treaty is about to construct its own ships.

I say, first of all, we have no direct evidence or no conclusive evidence to the effect that any signatory to that pact is at this time entering into a naval armament race. The whole world is looking at the United States. While this may seem insignificant to us sitting here, let us bear in mind that if we adopt this appropriation of $4,000,000, and if we launch on the policy of building these two additional capital ships, it means that we are shooting off the pistol which will be a signal for a general world-wide armament race. We are telling the people of the world that we only talk peace but that we mean war. What justification is there for these two additional battleships? Promises have been made repeatedly that there would not be any additional battleships, and then on last Tuesday this committee goes on record for these two additional battleships, without a hearing, without testimony, and without justification. We are arming for an imperialistic war. That is what we are doing. We are arming to get into trouble. We are setting an example to the entire world. By appropriating money for two additional battleships we are giving the signal for a mighty armament race, the cost of which will be placed on the shoulders of the workers of this country and the workers of the entire world.

I appeal to every peace-loving citizen, to every advocate of national defense, why do you need these two ships for national defense? I challenge you to give us the answer. Furthermore, I challenge you to explain why there is not a single word in these hearings to justify these two battleships.

I now yield to the gentleman from Georgia.

Mr. UMSTEAD. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments to this paragraph close in 15 minutes.

Mr. BURDICK. Mr. Chairman, I object.

Mr. UMSTEAD. Mr. Chairman, I modify my request. I ask unanimous consent that all debate on this amendment and all amendments to this paragraph close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. VINSON of Georgia. Mr. Chairman, the gentleman from New York stated that there was no hearing before the committee to justify this item in the bill. I call the gentleman's attention to the fact that there is no particular discussion of the authorization of the 12 destroyers and 6 submarines referred to in the bill for the reason that Congress

debated that and passed a bill authorizing it on March 27, 1934. This committee is merely doing what Congress has authorized them to do—that is, to bring the Navy up to treaty strength.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield for a question only.

Mr. BOILEAU. At the time we passed that bill was it not understood that we were merely making the authorization and that the Appropriations Committee later would consider each additional request for appropriation?

Mr. VINSON of Georgia. That is exactly what the Appropriations Committee has done in this instance and what the Committee is doing today—it is considering each ship as it comes in.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. MARCANTONIO. Is it not necessary for the Committee on Appropriations to hold hearings on those very items that have been authorized?

Mr. VINSON of Georgia. Not at all; because Congress has already authorized it and it is not necessary unless the committee desires to do so.

Mr. MARCANTONIO. I think the gentleman is mistaken. The hearings speak for themselves.

Mr. VINSON of Georgia. Further, it is not mandatory on the part of the committee. The committee may refuse to appropriate any money for building up a treaty navy. The authorization merely makes it in order for any Member to offer an amendment to accomplish this purpose.

Let me say before I proceed further that no one in this House is more interested in seeing that some agreement is reached between maritime nations to limit armaments than I am, but we have been taught conclusively that disarmament by example is a complete failure. This great Nation of ours for 8 or 10 years stood quietly by and refused to build a ship, hoping other nations would follow our example. What happened? Other nations were rapidly building up their navies to the treaty strength. In the treaty of 1922 in Washington and the treaty of 1924 in London it was determined that this country required 15 battleships for its national defense, the same number allotted to Great Britain. We are merely asking Congress to live up to our treaty, to do what the treaty authorized to be done, to maintain the Navy at sufficient strength to afford adequate defense to the country; that is all, no more, and no less.

The authorization for these two ships is no addition to the naval budget. They are going to cost some $40,000,000 before they are completed, of course; but what happens if Congress today refuses to continue a replacement program? By that action we would lose the advantage we retained at the conference when we refused to accede to the desire of other nations to have a navy equal to ours. It is incumbent upon us, therefore, at all times to maintain the ratio of 5–5–3. [Applause.]

[Here the gavel fell.]

Mr. BOILEAU. Mr. Chairman, the gentleman from Georgia, the distinguished chairman of the Committee on Naval Affairs, stated that it is not customary for the Appropriations Committee to hear testimony on appropriations after the legislative committee has already authorized the particular items. If this be so, I ask the gentleman the purpose of this big book we have here. This is the hearings on the Navy Department appropriaion bill for 1937. Every word of testimony in this book relates to appropriations for items that are already authorized by the Congress of the United States. In other words, the Appropriations Committee does not consider any appropriation that has not already been authorized by the Congress; and it seems to me this big volume of hearings is conclusive evidence of the fact the gentleman from Georgia is in error.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. VINSON of Georgia. Of course, it is wholly within the prerogative of the Appropriations Committee to inquire into these things.

Mr. BOILEAU. That is true.

Mr. VINSON of Georgia. But the committee was so satisfied that the policy of the Government was sound in advocating a treaty navy that it made no inquiry.

Mr. BOILEAU. That is just the point I have been trying to make in this House for several years. The Appropriations Committee, the Military Affairs Committee, and the Naval Affairs Committee are all satisfied that we need a big army and a big navy without limit, without having any hearings whatsoever.

They are satisfied because these committees are packed, and I say they are packed with men of honor, men of integrity, but men who are sold on the idea that adequate national defense means the biggest conceivable Army and Navy we can get. They are willing to authorize these two capital ships without offering the testimony of any experts. This Congress today, Mr. Chairman, has gone wild on the question of national defense and are preparing for some imaginary enemy. We are preparing for some war in the future with some foreign power, not a war of defense.

Mr. Chairman, I submit this is just one more piece of evidence of the fact that these committees which handle appropriations and the national defense of this country are stacked. I do not make that statement with any feeling against the House or those who are members of these particular committees. I do make the statement, however, that the committees charged with the national defense, both the legislative committees and the appropriation committees, are composed of ultra 100-percent big-army and big-navy men. Those of us in the House who have views contrary to them do not have any chance whatever to express our views. We cannot have that chance because it is impossible for Members who do not believe in a big navy to get their views before such a committee. You do not find in such committees very many people fighting these big appropriations. Mr. Chairman, I do not make that statement because I want to criticize any man for his views. He is entitled to his view the same as I am. I submit, however, that the viewpoint of those who do not believe in a big army and a big navy are not adequately expressed.

[Here the gavel fell.]

Mr. LUNDEEN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York.

Mr. Chairman, I have no desire to speak at length on this question, but I want to call attention to the fact that when you appropriate $50,000,000 for a battleship you are really appropriating $100,000,000. According to the best naval authorities you have to build one cruiser that costs twenty to thirty million dollars, you have to build four more auxiliary cruisers, you must build submarines, you have to put a fleet of aircraft around this monster of the deep to protect it from being sunk, all of which will cost more than $100,000,000. You are not voting for $104,000,000 for these two ships. You are really voting for $208,000,000. That is what you are voting for.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. LUNDEEN. I yield to the gentleman from Georgia.

Mr. VINSON of Georgia. These are mere replacement ships. We already have the auxiliaries to defend these ships.

Mr. LUNDEEN. Oh, yes; I have heard all about those replacements. You build navies and call them by all sorts of fair names, replacements and what not, but you are always building. You have men here—and they are fine gentlemen, of course—who think they have to save the world. They think we must be the policeman of the earth. They think we must go out and swagger around this globe telling other nations how to govern themselves. I am tired of that sort of thing, and I know the American people are tired of it. [Applause.]

Mr. CRAWFORD. Will the gentleman yield?

Mr. LUNDEEN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Is it not true, if these two new capital ships are built, we have not the auxiliary equipment with a sufficient speed to support those ships anywhere on the ocean?

Mr. LUNDEEN. I think that is probably correct, and this means that we have to build, not only the auxiliary vessels for these two ships but a lot more auxiliary vessels. So far as I am concerned, I am in favor of the drydock for the Hawaiian Islands. I would vote for the construction of a drydock at San Diego. I would vote for the construction of a drydock at the Panama Canal. If you are going to build vessels, you have to have facilities to take care of them. What I am arguing against is building of these ships which will compel us to engage in more expenditures than are involved in the proposed appropriation. I stand for a navy for defense of our coasts and our islands and possessions. I oppose any navy which contemplates aggression—a navy which means that we are to spill good American blood to make good the investments of un-American international bankers who know no country, who have no patriotism, and whose only god is the god of gold.

I am a veteran of one war. I served in Congress throughout another war. It is time to care for our veterans' widows and orphans of these wars before we engage in another war. If you want to chart a correct course, if you want a North Star to follow, read the Farewell Address of George Washington and remember his words, "Why stand on foreign soil?" Why embroil ourselves in the quarrels and intrigues of Europe?

[Here the gavel fell.]

Mr. UMSTEAD. Mr. Chairman, I rise in opposition to the amendment, and yield to the gentleman from Georgia.

Mr. VINSON of Georgia. Mr. Chairman, this is nothing in the world but the carrying out and continuation of a definite fixed policy of the Government to maintain and have a navy which will be up to treaty strength. Under the provisions of the treaty it was impossible to replace a battleship until it reached 26 years of age. This is merely a replacement.

Mr. Chairman, are the Members of this House willing to have the sailors of this country forced to serve upon old antiquated ships that are over age? Are the Members willing to send their sons to defend this country in ships that may be classified like some of the aviation was classified during the World War, "flying coffins"?

We are simply asking that these ships be replaced that the treaty authorizes us to replace after attaining 26 years of age.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from New York.

Mr. MARCANTONIO. Are there not 40 or 50 pages of testimony on destroyers?

Mr. VINSON of Georgia. Yes; they have all the information on destroyers.

Mr. MARCANTONIO. But not a word on the battleships?

Mr. VINSON of Georgia. I want to say now this Appropriation Committee has rendered a distinct service to this country in the kind and character of bill they have brought in here. As an evidence of that, not a single amendment has been adopted nor has a single amendment been offered to the bill, except as offered by the gentleman from New York, in which he seeks to destroy the treaty navy of this country and force us to rely upon inadequate defense, upon the mercy, the pity, and love of other nations.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from New York.

Mr. MARCANTONIO. And that is just why, I suppose, the committee did not adopt this particular item until 2 days ago. They did not adopt the item until last Tuesday.

Mr. VINSON of Georgia. The committee adopted the item just as soon as the London Conference broke up. This Government went as far as any nation ever has in history to bring about a limitation of armament.

I stand here today and say that no Member on this floor is more determined to see armament reduced than I am, but I am unwilling for this country to be unprepared. I am unwilling for our treaty Navy to fall below that which this Government feels is necessary to afford adequate defense, and I certainly trust that this Committee will vote to maintain a treaty navy by authorizing these two ships, which are replacements of ships that are 26 years of age, and vote down the amendment of the gentleman from New York. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 25, noes 76.

So the amendment was rejected.

Mr. KOPPLEMANN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KOPPLEMANN: Page 49, line 23, after "(b)", strike out the balance of the page, and on page 50, strike out lines 1, 2, 3, and 4 and insert "destroyers, submarines, and airplanes divided equally in number to the amount of $115,300,000."

Mr. KOPPLEMANN. Mr. Chairman, I ask unanimous consent to proceed for 3 minutes to explain the amendment.

Mr. UMSTEAD. Mr. Chairman, I reserve the right to object, to submit a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. UMSTEAD. Is it not true that the time has previously been limited and that all debate has expired on this paragraph?

The CHAIRMAN. The gentleman from North Carolina is correct. The debate was limited and the time has expired, but the gentleman from Connecticut submits the unanimous-consent request to proceed for 3 minutes.

Mr. UMSTEAD. I shall not object, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. KOPPLEMANN. Mr. Chairman, the vote just taken emphasized the fact that the House is determined to appropriate $115,300,000 for two battleships. My amendment would strike out the two battleships and in lieu thereof insert destroyers, submarines, and airplanes which, according to my understanding of defense armament, are the instruments that will accomplish what we are all trying to bring about, namely, an adequate defense. If battleships come here from foreign lands we will have these destroyers and airplanes ready to meet them, and it will be unnecessary for us to send our ships out on the seas to meet ships that may come to attack or invade our country.

I wish to emphasize that this country has adopted the policy of a good neighbor. Battleships emphasize bad neighbors. Implements of defense, such as planes and submarines and destroyers, as provided for in the amendment, will evidence to the people of America and the people of the world that our only purpose in arming ourselves is for defense. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The amendment was rejected.

The Clerk completed the reading of the bill.

Mr. UMSTEAD. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. VINSON of Kentucky, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 12527) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other purposes, had directed him to report the same back with the recommendation that it do pass.

Mr. UMSTEAD. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MARCANTONIO. Mr. Speaker, I offer the following motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MARCANTONIO. Yes.

The Clerk read the motion to recommit, as follows:

Motion to recommit offered by Mr. MARCANTONIO: "I move that the bill be recommitted to the Committee on Appropriations with the instruction to report back forthwith with the following amendment: 'On page 49, line 23, after the word "submarine", strike out all of the language up to and including the figures "$115,300,000", on page 50, line 4, and insert in lieu thereof the figures "$111,300,000."'"

Mr. UMSTEAD. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were 28 ayes and 100 noes.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that there is no quorum present, and I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present, and the Clerk will call the roll.

The question was taken; and there were—yeas 73, nays 212, not voting 142, as follows:

[Roll No. 86]

YEAS—73

Amlie	Crosser, Ohio	Kopplemann	O'Malley
Andrews, N. Y.	Dondero	Kvale	Patterson
Ashbrook	Dunn, Pa.	Lambertson	Rankin
Biermann	Eicher	Lemke	Rich
Binderup	Engel	Lewis, Md.	Sadowski
Blackney	Fletcher	Luckey	Sauthoff
Boileau	Focht	Ludlow	Schneider, Wis.
Brewster	Fulmer	Lundeen	Scott
Buckler, Minn.	Gehrmann	McFarlane	Sisson
Burdick	Gilchrist	Maas	South
Carlson	Gingery	Mahon	Stefan
Carpenter	Guyer	Main	Thom
Cartwright	Gwynne	Marcantonio	Thomason
Chandler	Hancock, N. Y.	Martin, Mass.	Whelchel
Christianson	Hildebrandt	Massingale	Wilcox
Citron	Hope	Maverick	Withrow
Coffee	Hull	Michener	
Cole, N. Y.	Johnson, Okla.	Monaghan	
Crawford	Knutson	O'Day	

NAYS—212

Adair	Costello	Ford, Calif.	Kinzer
Allen	Cox	Ford, Miss.	Kniffin
Arends	Cravens	Frey	Kocialkowski
Bacharach	Crosby	Fuller	Kramer
Bacon	Cross, Tex.	Gassaway	Lambeth
Bankhead	Crowe	Gearhart	Lanham
Barden	Cullen	Gifford	Lewis, Colo.
Barry	Cummings	Gildea	McAndrews
Beam	Curley	Goodwin	McClellan
Beiter	Daly	Granfield	McCormack
Bell	Darden	Gray, Ind.	McGehee
Bland	Darrow	Gray, Pa.	McKeough
Blanton	Dear	Green	McLaughlin
Bloom	Deen	Gregory	McLeod
Boland	Delaney	Haines	McMillan
Boylan	Dickstein	Hart	McReynolds
Brown, Ga.	Dies	Hartley	Mapes
Buchanan	Dingell	Healey	Marshall
Buck	Dirksen	Hess	Martin, Colo.
Burnham	Ditter	Higgins, Mass.	Mason
Caldwell	Dobbins	Hill, Ala.	May
Cannon, Mo.	Dorsey	Hobbs	Mead
Carmichael	Doxey	Holmes	Meeks
Carter	Drewry	Hook	Merritt, N. Y.
Casey	Driscoll	Houston	Millard
Castellow	Driver	Imhoff	Miller
Cavicchia	Duffy, N. Y.	Johnson, Tex.	Mitchell, Tenn.
Celler	Duncan	Johnson, W. Va.	Moran
Church	Eagle	Kahn	Mott
Clark, N. C.	Eckert	Keller	Nelson
Cochran	Evans	Kelly	Norton
Colden	Faddis	Kennedy, Md.	O'Brien
Cole, Md.	Fenerty	Kennedy, N. Y.	O'Connor
Colmer	Fitzpatrick	Kenney	O'Leary
Cooper, Tenn.	Flannagan	Kerr	O'Neal
Owen	Ransley	Sirovich	Vinson, Ga.
Parsons	Rayburn	Smith, Conn.	Vinson, Ky.
Patman	Reed, Ill.	Smith, Va.	Wallgren
Patton	Reilly	Snell	Walter
Pearson	Risk	Somers, N. Y.	Wearin
Peterson, Ga.	Robsion, Ky.	Spence	Weaver
Pettengill	Rogers, Mass.	Stewart	Welch
Peyser	Rogers, N. H.	Sullivan	Werner
Pfeifer	Russell	Sumners, Tex.	West
Pierce	Sanders, Tex.	Sutphin	White
Pittenger	Sandlin	Taber	Whittington
Plumley	Schaefer	Terry	Williams
Polk	Schuetz	Thompson	Wilson, La.
Powers	Scrugham	Tolan	Wilson, Pa.
Rabaut	Secrest	Tonry	Wolcott
Ramsay	Shanley	Turner	Wolfenden
Ramspeck	Shannon	Turpin	Wolverton
Randolph	Short	Umstead	Woodruff

NOT VOTING—142

Andresen	Edmiston	Kleberg	Rogers, Okla.
Andrew, Mass.	Ekwall	Kloeb	Romjue
Ayers	Ellenbogen	Lamneck	Ryan
Berlin	Englebright	Larrabee	Sabath
Boehne	Farley	Lea, Calif.	Sanders, La.
Bolton	Ferguson	Lee, Okla.	Schulte
Boykin	Fernandez	Lehlbach	Sears
Brennan	Fiesinger	Lesinski	Seger
Brooks	Fish	Lord	Smith, Wash.
Brown, Mich.	Gambrill	Lucas	Smith, W. Va.
Buckley, N. Y.	Gasque	McGrath	Snyder, Pa.
Bulwinkle	Gavagan	McGroarty	Stack
Burch	Gillette	McLean	Starnes
Cannon, Wis.	Goldsborough	McSwain	Steagall
Cary	Greenway	Maloney	Stubbs
Chapman	Greenwood	Mansfield	Sweeney
Claiborne	Greever	Merritt, Conn.	Tarver
Clark, Idaho	Griswold	Mitchell, Ill.	Taylor, Colo.
Collins	Halleck	Montague	Taylor, S. C.
Connery	Hamline	Montet	Taylor, Tenn.
Cooley	Hancock, N. C.	Moritz	Thomas
Cooper, Ohio	Harlan	Murdock	Thurston
Corning	Harter	Nichols	Tinkham
Creal	Hennings	O'Connell	Tobey
Crowther	Higgins, Conn.	Oliver	Treadway
Culkin	Hill, Knute	Palmisano	Utterback
Dempsey	Hill, Samuel B.	Parks	Wadsworth
DeRouen	Hoeppel	Perkins	Warren
Dietrich	Hoffman	Peterson, Fla.	Wigglesworth
Disney	Hollister	Quinn	Wood
Dockweiler	Huddleston	Reece	Woodrum
Doughton	Jacobsen	Reed, N. Y.	Young
Doutrich	Jenckes, Ind.	Richards	Zimmerman
Duffey, Ohio	Jenkins, Ohio	Richardson	Zioncheck
Dunn, Miss.	Jones	Robertson	
Eaton	Kee	Robinson, Utah	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Knute Hill (for) with Mr. Wigglesworth (against).
Mr. Tobey (for) with Mr. Cary (against).

General pairs:

Mr. Doughton with Mr. Treadway.
Mr. Boehne with Mr. Cooper of Ohio.
Mr. Burch with Mr. Lord.
Mr. Greenwood with Mr. Reece.
Mr. Warren with Mr. Thurston.
Mr. Montague with Mr. Wadsworth.
Mr. Woodrum with Mr. Jenkins of Ohio.
Mr. Taylor of Colorado with Mr. Eaton.
Mr. Mansfield with Mr. Bolton.
Mr. Sears with Mr. Halleck.
Mr. Kleberg with Mr. Andrew of Massachusetts.
Mr. McSwain with Mr. Hollister.
Mr. Tarver with Mr. Tinkham.
Mr. Snyder of Pennsylvania with Mr. Perkins.
Mr. Lea of California with Mr. Andresen.
Mr. Corning with Mr. Crowther.
Mr. Fiesinger with Mr. Thomas.
Mr. Duffey of Ohio with Mr. Merritt of Connecticut.
Mr. Maloney with Mr. Taylor of Tennessee.
Mr. Steagall with Mr. Seger.
Mr. Schulte with Mr. Fish.
Mr. Robertson with Mr. McLean.
Mr. Larrabee with Mr. Reed of New York.
Mr. Lamneck with Mr. Lehlbach.
Mr. Sabath with Mr. Collins.
Mr. Samuel B. Hill with Mr. Higgins of Connecticut.
Mr. Bulwinkle with Mr. Ekwall.
Mr. Gavagan with Mr. Culkin.
Mr. Hancock of North Carolina with Mr. Doutrich.
Mr. Huddleston with Mr. Englebright.
Mr. Jones with Mr. Hoffman.
Mr. Lucas with Mr. Dempsey.
Mr. Ayers with Mr. Quinn.
Mr. O'Connell with Mr. Young.
Mr. Montet with Mr. McGrath.
Mr. Creal with Mr. Jacobsen.
Mr. Hennings with Mr. Parks.
Mr. Gambrill with Mr. Boykin.

Mr. Gillette with Mr. Richards.
Mrs. Jenckes of Indiana with Mr. Lesinski.
Mr. Stack with Mr. Connery.
Mr. Dietrich with Mr. Wood.
Mr. Murdock with Mr. Dunn of Mississippi.
Mr. Zimmerman with Mr. Farley.
Mr. Smith of Washington with Mr. Cooley.
Mr. Richardson with Mr. Brennan.
Mr. Gasque with Mr. Kee.
Mr. Peterson of Florida with Mr. Sanders of Louisiana.
Mr. Griswold with Mr. Chapman.
Mr. Claiborne with Mr. Goldsborough.
Mr. Harlan with Mr. Brown of Michigan.
Mr. Romjue with Mr. Nichols.
Mr. Ferguson with Mr. Clark of Idaho.
Mr. Harter with Mr. Kloeb.
Mr. Ryan with Mr. Smith of West Virginia.
Mr. Starnes with Mr. Disney.
Mr. Stubbs with Mr. Edmiston.
Mr. DeRouen with Mr. Buckley of New York.
Mr. Ellenbogen with Mr. Zioncheck.
Mr. Fernandez with Mr. Hamlin.
Mr. Palmisano with Mr. Robinson of Utah.
Mr. Sweeney with Mr. Taylor of South Carolina.
Mr. Berlin with Mr. Oliver.
Mrs. Greenway with Mr. Brooks.
Mr. McGroarty with Mr. Lee of Oklahoma.
Mr. Moritz with Mr. Utterback.

Mr. KELLER changed his vote from "aye" to "no."

Mr. FULMER changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question now is on the passage of the bill.

The question was taken, and the bill was passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. MARTIN of Massachusetts. Mr. Speaker, my colleagues, Mr. ANDREW and Mr. WIGGLESWORTH, are unavoidably absent on account of illness. If they were present, they would have voted "no" on the motion to recommit.

Mr. BIERMANN. Mr. Speaker, my colleague from Iowa, Mr. UTTERBACK, is unavoidably absent. If present, he would have voted "aye" on the motion to recommit.

Mr. JOHNSON of West Virginia. Mr. Speaker, my colleague, Mr. KEE, is unavoidably absent. Had he been present, he would have voted "no" on the motion to recommit.

NEW LABELS FOR OLD POISONS

Mr. FENERTY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address delivered by myself.

The SPEAKER. Is there objection?

There was no objection.

Mr. FENERTY. Mr. Speaker, under the unanimous consent accorded me to extend by remarks, I include the stenographic report of a radio address delivered by me in Washington on Wednesday, April 29, 1936, over the stations of the Columbia Broadcasting System, as follows:

Ladies and gentlemen, in his first inaugural address to the American people, George Washington issued a significant warning that may well serve as the text of the remarks I am called upon to make tonight when he said: "The preservation of the sacred fire of liberty and the destiny of the republican model of government are justly considered, perhaps, as deeply, as finally staked on the experiment entrusted to the hands of the American people." For, to his comprehensive and prophetic vision, liberty and the republican model of government were kindred virtues, whose preservation was consigned to our Nation and our people in trust for a fortunate posterity.

That freedom and republican government have been justified of their children in America is evidenced by the fact that under our system America in less than a century had grown to preeminence in world affairs, bestowing upon her people such peace, happiness, and prosperity as had theretofore been unknown among nations and men. Our commerce whitened the seas. Our pioneers marched onward across mountain and river and plain toward the setting sun, to form the skirmish line of the new and mighty American civilization. Our land was gridironed with railroads, honeycombed with mines, tasseled with harvests, humming with industry, and America, producing more human wealth than had been created by all other nations and individuals since Omnipotence laid the foundations of the world, set her feet upon the oceans and her head among the stars, the fairest daughter of democracy, the queen of the family of nations.

There are today men in our midst who declare that such progress must now end. The chapter of liberty, they tell us, is now concluded. There are those who, like Mr. Rexford Tugwell, assert that we have a century and more of development to undo, and arrogantly claim that they will remake America according to plans radically foreign to the old liberalism under which our country became the envy and the admiration of the world.

During the last 3 years we have heard rumors of ominous forebodings and been witness to strange events. For the first time in American history, there has been a unified, cohesive effort to divide and destroy American regard for our traditional liberties and opportunities by the ruthless arraying of class against class, and the imputation of motives of dishonesty and selfishness and greed to all of those who differ with either the purposes or the methods of the inexperienced young men now mismanaging your Government here at Washington. During these months, millions of our people for the first time have been taught to hate other Americans. Other millions have been systematically urged to bear false witness and to covet the possessions of their more successful neighbors. Millions more—and I refer not to the deserving needy but to the many who are well able to care for themselves—have been sedulously educated to believe that the Federal Government owes them a living and that they owe their fellow citizens and the Government nothing—not even the formal tribute of a salute to the flag.

Into the political tranquillity that, with few disturbances, has for generations characterized American life, there have been suddenly injected the restless teachings of alien-minded theorists whose ideas are so foreign to accustomed American thought that they require a strange and not yet completely familiar terminology to import them into American political speech.

In other campaign years, ladies and gentlemen, you heard the familiar names of Democrat and Republican, the tariff, the full dinner pail, 16 to 1, and the like. Today, we are urged to think in terms of the classes and the masses, of regimentation, of planned economy, of the totalitarian state, of experimental habits of mind, of what Under Secretary of Agriculture Tugwell calls the third economy (and I make no allusion to its similarity to the Third Internationale), of the farmer-labor warfare, of entrenched greed, of liberal parties, and other terms born in the chancelleries of foreign lands. And while in normal times we might ignore these words as in themselves innocent and innocuous (though many a well-turned phrase has changed the destiny of an empire), we have today in our National Government men who are temperamentally disposed toward the dramatic solely because of its drama, who are allured by what they call "bold experimentation", who admire the new simply because of its novelty, men of what Gov. Alfred E. Smith would call the "Knickerbocker" type—who hug to their hearts the flattering illusion that the Almighty has ordained them alone to supervise and to dominate the lives of all other men. You can catch a glimpse of this attitude of mind in President Roosevelt's amazing declaration that the mechanics of civilization came to a dead stop the day before he was inaugurated—only, presumably, to have started again as soon as he took the oath to defend and preserve the Constitution.

While it is not my purpose to issue a blanket indictment of the Democratic administration, realizing that we must obliterate the evil, while conserving the good, yet after 3 years of New Deal vivisection on the helpless American body politic, we find the victim dangerously worse than when the national experimenters began to juggle the wrong surgical instruments and to confuse the political test tubes. It affords little consolation to the patient to know that the operation was a "scientistic" success, if he must die to prove its scientific value.

So, under the "brain trust" policy of promoting scarcity in a hungry land, our bread lines have lengthened, our relief rolls have expanded, and the unemployed wearily walking our city streets have increased to the terrifying total of over 12,600,000.

Is it any wonder that you are today so heavily burdened with taxes, is it surprising that the prices for the necessities of life are so high, when, for instance, millions of your American dollars are spent to provide seed for farmers, and then you are taxed to provide funds to pay the farmer for not sowing all of it? Next you are taxed to pay the farmer for plowing under his planted crops, thus wasting whatever money was used for seed, and then you are compelled to pay extravagant prices for food because your money helped the farmer to create a shortage. Finally you are taxed to buy imported foodstuffs—simply because our own farmers have not been permitted to produce sufficient for our needs.

That is what is known as "brain trust" intelligence. That is planned economy substituted by the Democratic administration at Washington for the economy of nature and the plan of Nature's God. It somehow never seems to occur to the New Dealers that the attempt to alleviate hunger by the destruction of crops is tantamount to the folly of seeking to fatten a calf by reducing its food supply.

Now, add to this the morally and politically indefensible policy which, on the one hand, takes millions from you in taxes to pay for making land less fruitful, and, on the other, squanders additional millions for irrigation projects intended to make the land more productive, and you have a fairly vivid panorama of the antics of the Democratic New Dealers in their endeavor to arrogate to themselves the functions of divinity.

Under the Democratic delusion that we were producing a surplus of farm products, you American farmers were compelled to take approximately 30,000,000 acres out of production, thus producing less and increasing our food prices. The result is that you are creating a more abundant market for cheaply produced foreign farm products of a type similar to those you restricted. As a con-

sequence of this New Deal policy of sabotage, this land of ours that has been the granary of the world is, for the first time in our history, compelled to purchase food from foreign nations as a substitute for that which the administration has destroyed.

Though we can produce sufficient wool for our needs, under the New Deal last year we imported over 200,000,000 pounds of foreign wool. Though we are able to supply our own bread, the New Deal last year forced us to import over 27,000,000 bushels of wheat—an increase over 1934 of 255 percent. Though, if unmolested, our farmers can grow sufficient corn, under the New Deal we imported in 1935 over 43,000,000 bushels—an increase in 12 months of over 1,300 percent. Our dairies are now filled with butter churned in Denmark and Holland, twenty-two and one-half million pounds—an increase in a year of nearly 2,000 percent. Similar and varying increases are found in the imports of beef, cattle, rye, flax, barley, poultry, bacon, lard, eggs, and other products. While you American farmers are wondering what may happen to your farms, foreign farmers jubilantly acclaim the New Deal which is thus building up their markets here—and the moneys that are collected from the American worker are being wantonly siphoned off to enrich the farmers of Rumania and Brazil, of Egypt and Argentina, of Japan and the British Empire, and other foreign lands.

No one will blame the needy American farmer for accepting the checks which the "brain trust" professors have sent him for curtailing his crops—but our farmers are beginning to wonder who it was that received the huge benefit payments under the A. A. A. Is it not curious that Secretary Wallace is so reluctant to make public the names of those beneficiaries who have each received benefit payments of $10,000 or more in a single year? Why must these facts be hidden from the people? Is it because the Democratic theorists of Washington are fearful lest the people, who are paying 53 New Deal taxes on a loaf of bread, discover that the administration paid one farmer $219,000 for not raising 14,587 hogs—and one cotton planter $168,000 for not planting 7,000 acres of cotton? Are the Greek letter collegians afraid we may ascertain that one New York bank financially interested in a Puerto Rican sugar property received a generous check for $705,488 from the people's money, while another Puerto Rican sugar company was generously granted a million dollars of your funds for restricting its planting of sugarcane? Money from your pockets to pay for crops not planted, for improvements not needed, for projects uncontemplated even by the most visionary, for goods not made, for pigs not born, for land not cultivated, for mortgages not paid—millions for reform of our Government, millions of dollars a year for printing New Deal propaganda, news sheets, press agents, for New Deal theaters for the production of plays by Communist authors—while our hungry cry for bread and our unemployed increase to a total that is greater than that of all Europe!

Thus, with ever-quickening pace, the New Deal gleefully rushes the American people toward national bankruptcy and individual ruin at the rate of $20,000,000 a day—half of it a deficit—over $13,000 a minute, day and night.

Even during the time I am speaking to you tonight, the New Deal will spend over $400,000 of money taken from you in taxes. You will not be surprised that such an administration has refused to make restitution to the people of the billion dollars illegally collected from the processors under the unconstitutional A. A. A.—and, as if to revenge itself upon the people for enjoying somewhat lower prices because of the Supreme Court's protection of our constitutional rights in the A. A. A. decision—the administration now has a bill to authorize the Department of Agriculture to retain the employees of the defunct A. A. A. to carry out the new soil-conservation policy, and Secretary Wallace advises that the distribution of the new $440,000,000 appropriation among those who cooperate will start next September, which, by a curious coincidence, happens to be exactly 2 months before election.

It must have been such an idea as this that New Dealer Harry Hopkins had in mind when, with that contempt for the ordinary citizen that has characterized the "brain trust", he said that the American people are "too dumb" to understand what is going on. Perhaps the wish is father to the thought, for it is upon the assumption that we are too stupid to realize what is being done to us—that the Roosevelt administration builds its hopes for 4 more years of unprecedented corruption, unblushing political coercion in public works, unparalleled intellectual dishonesty, and unashamed, un-American policies.

Of course, it would be bad enough if all this experimentation were done free of charge. But the Democrats are sending you such a tidy little bill for their professorial services that, by the end of the year, the national debt shall have reached the staggering sum of thirty-five thousand millions of dollars.

It is difficult to imagine so gigantic a sum as this, but perhaps you will realize how much $35,000,000,000 are when I tell you that it is equal to almost 24 times the combined endowments of all colleges and universities in this country that so prides itself on the liberality of its expenditures for higher education. If you were to attempt to pay $35,000,000,000, each American family would be forced to pay $21 a week, almost $1,100 a year. Such a sum is equal to $35 a minute from the time of the birth of Christ. If your salary be $2,000 a year, you would need to work 17,500,000 years to earn so much. A city of 100,000 people would require five and a quarter centuries of work to amass such a total. If you were to start counting 35,000,000,000 silver dollars at the rate of 90 a minute, 10 hours a day, you would have counted your first billion in 62 years, and your thirty-fifth billion 2,100 years later.

Take from your pocket a $1 bill. It is 6 inches long. If you could weave a ribbon of dollar bills to the number of 35,000,000,000 and extend it around the earth, it would girdle our globe 140 times. Such a sum, ladies and gentlemen, is not merely money. It is the result of years of labor by millions of toiling, striving, suffering human souls.

Do you realize that if you work 6 days a week at the average American income, you are obliged to toil Monday and Tuesday for the Government before you begin to earn anything for your family? All January, February, and March of each year you work without pay—since your income for 3 months is paid out in taxes. Every baby born after June 1937 will inherit a tax of $338—not to mention the additional family tax of $1,800 to be paid as the Government bonds fall due.

It is not the wealthy who bear the burden of these taxes. The so-called "soak the thrifty" taxes yielded only enough income to pay the Government's upkeep for 10 days. If you were to take 100 percent of all incomes over $5,000 a year (leaving the wage earner nothing for himself), this levy would meet the national expenditures for only 6½ months. To finance the Government under New Deal waste for last year alone would have taken two-thirds of all the wages and all the salaries of all the citizens of the United States except those on the Government pay rolls. Indeed, if all the money now in circulation in the United States were tonight seized by the Government, it would not pay one-eighth of the public debt, which, after the demise of this administration, will rest as a mortgage upon you and your children.

No human being objects to the payment of any amount to relieve those in want or distress or hunger; but what must we think of the fact that 3,000,000 people during the last fiscal year received money from the Roosevelt administration as a reward for pledging themselves not to work?

Americans are the most generous people in the world. Sometimes (as with the war debts), we are stupidly munificent. But even the most reckless of Americans has a right to be perturbed when he sees the money wrung from him in taxes on the articles of everyday use squandered for silly projects of no abiding value.

And as an example of this policy at its best—or worst—the county of Westchester, N. Y., was recently sent several tons of chloride of lime from the Works Progress Administration "for disinfecting flood areas." It made no difference to the New Deal that Westchester has had no flood to disinfect, for last year the amiable New Dealers gave $600,000 of your money to the same county, although no one there requested it. It was to be used for "malaria-control projects." So Westchester put on its spectacles and searched all over the place for a good case of malaria, only to discover that no one had had malaria in all of Westchester's history.

While Jersey City received $1,733 of your money to build bird houses, Jamesburg, N. J., was allotted $40,000 for improving a football field and erecting a grandstand for almost 3,000 persons, although there are only 2,000 inhabitants of the town and the local school has never had a football team.

Then, New England hastens to compete with an allotment of $51,000 for three new Civilian Conservation camps, only to find after they were built that there were no recruits. And so the camps were joyfully dismantled and moved all the way to Portland for storage.

Not to be outdone, Placerville, Calif., receives $14,762 to build a lily pond. The fact that the people had no desire for a lily pond made no difference whatever. You people of Placerville are going to have a W. P. A. lily pond whether you like it or not. And while some of you California people may have difficulty in keeping your roof from leaking, President Roosevelt has seen to it that the horses at the State Fair in Kern County could experience no such trouble, for he allocates $4,200 for this purpose.

I sometimes wonder what the grateful citizen of Waltham, Mass., must have thought when the New Deal allotted him nearly $10,000 of your money to drain his piggery, when the local board of health could have made him do it for about a hundred.

It might be unkind to say to the New Dealers that there are more efficacious ways to spend the people's money than in teaching tap dancing to Chesapeake Bay lobstermen and clam diggers or counting caterpillars in thousands of towns, or even in providing a $25,000 haven for homeless dogs at Memphis, where the animals are to have shower baths and be served their food in "all-aluminum pans." Yet, following the publication at your expense of the Department of Agriculture's dissertation on the love life of the bullfrog, there has been issued, at an appreciable cost to you, a study of the love life of the cow. That, of course, will be interesting to the bovine intelligence of the 25,000,000 cows in the United States. I do not blame you for smiling, ladies and gentlemen; but it is your money that is being wasted in this ridiculous and inane fashion.

But, wait—Chicago must be heard from. Out there 100 P. W. A. workers were paid to dig an 800-foot trench for a storm sewer. It took each man 4 days to dig 8 feet, and when the trench was completed it was found that the sewer had already been installed by a previous group. So a third group was paid with your money to fill the trench, and a good time was had by all.

No doubt you shall cease to wonder when I tell you that up in Burlington, Vt., an item of $24,000 was allotted for repairing the reservoir, only to find that no repairs were needed. So the enterprising and undaunted New Dealers allotted $62,000 to repair the community center—and there is no such building.

Then in New Castle, in Pennsylvania, at a cost of $10,000 to you taxpayers, 32 able-bodied men were to spend 4½ months inspecting the spouting from all buildings to determine just where the rain and surface water go. A red fluid is placed in the surface water—and the New Dealers just follow the red line as it "goes 'round and 'round and comes right out" somewhere at your expense.

Millions of dollars of your money have been wasted upon such New Deal projects as paying men and women to teach grand opera to Ozark mountaineers, to make dolls out of old inner tubes, to write poems within a vocabulary of 900 words. Hundred of thousands have been allotted to pay men to make maps of the geographic distribution of ancient Greek dialects, to trace a genealogy of the Julian-Claudian line, to study the Roman coinage of the Alexandrian mint, to count two and one-half million words and determine the frequency of their use, to have artists fresco the walls of prisons, to count trees in city streets, to compute the variations of Russian rainfall, to measure the cubic contents of buildings, as in Allegheny County, Pa., at a cost of nearly half a million dollars; another half million to make New York bridle paths more attractive for horsemen; and other projects even less worthy, ranging from the $18,000 plan to grow mushrooms in abandoned West Virginia mines to the great $90,000,000 resettlement project of Secretary Tugwell which, with a staff that costs you one and three-quarter million dollars a month, hired 12,000 office seekers to provide work for 5,000 men. Every man has two bosses—a real embarrassment of riches, while the staff is spread over some 27 buildings and agencies.

Such, ladies and gentlemen, is the government of planned economy for which you are paying $650,000,000 a year more than for your food, clothing, and rent. With repudiation of its promises, with a 70-percent expansion of governmental expenditures, with three-quarters of a million employees on its pay roll, with its increasing taxes and unemployed, with its warfare against freedom of speech, with its ridicule of the Supreme Court and our ancient liberties, the New Deal, the only willfully subversive Government in our history, this year demands that you give it a vote of confidence.

Such is the manner of all despotisms. And the New Deal is not new in this. Indeed there is no important phase of it that is less than 300 years old. The policies of the A. A. A. were tried when the Pharaohs of Egypt seized control of the grain and cattle of the land, just as those of N. R. A. were attempted in the price fixing of the China of Confucius. Lacking a supreme court such as ours, planned economy spelled ruin for the Roman Empire when the Provinces (like our own States) became dependent on the central government, and the Emperor Domitian ordered half the vineyards "plowed under" to promote scarcity. A thousand years later Henry the Eighth, of England, and his daughter Elizabeth anticipated the New Deal in the granting of endless monopolies, and when Henry the Eighth devalued the English coinage, he became an exemplary model for the Rooseveltian debasement of our own currency. Thus down the stormy road of history the policies which the professors call new have led ancient peoples to destruction, desolation, and despair.

It was the clear-sighted founders of America who first threw down the gauntlet to the theory of government by dictatorship, by government planning. They knew better than we that the specific temptation of Government in all ages is to seek additional power or misuse that which it has. They foresaw the possible rise of glamorous personal leadership, the displacement of law by current emotion, the danger of unwise action under temporary stress, and to avert these evils they devised certain safeguards. The President, the Congress, the courts were all made subordinate to the voice of the people as annunciated in their Constitution.

These three branches of government, with officers who conscientiously swear to preserve the constitutional charter of our liberty, were rendered completely independent of one another in the patriotic belief that never would all three unite against the people or their Constitution. When one branch, such as the Executive, seeks to undermine the Constitution, or when perhaps he might, by favor or coercion, win the support of a complacent, supine Congress—there still remains another, the Supreme Court—to speak for the people and with the people's tongue to express their veto of any attempt at dictatorial power.

George Washington foresaw the danger of usurpation by an ambitious Executive when he wrote: "It is important, likewise, that the habits of thinking in a free country should inspire caution in those entrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding, in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all departments in one, and thus to create, whatever the form of government, a real despotism. * * * If in the opinion of the people the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed."

There are those who, in a spirit of timid vacillation and unreasoning emotionalism, will cry, "You cannot eat the Constitution!" Well, my friends, you cannot eat the Ten Commandments or the Bible, but in their absence, man, made only a little less than the angels, would become little more than the brute. You could not eat the 22,000 regulations of the N. R. A. or the forgotten and violated promises of the Democratic platform. You cannot eat democracy, but "man does not live by bread alone", and without your Constitution guaranteeing your right to freedom of speech, of the press, of education, of religion, of equal opportunity before the law—without such liberty, all bread would be bitter, all drink would be as gall.

Of recent months some in high places have eaten away vital portions of the Constitution by direct attack and by subtle usurpation, and if it do not trouble their digestion, we hope it may disturb their consciences. For it is the Constitution which protects our human right to life and our human right to property. At times unphilosophical men confuse these rights, forgetting that the right to property is itself a human right—for if I have a right to life, none the less have I a right to the food which will sustain it. Property itself has no rights, but human beings have rights in property and duties as to its stewardship, and it was the realization by our fathers that property rights are natural rights which impelled them to declare that no person shall "be deprived of life, liberty, or property without due process of law", just as the Ten Commandments given to Moses on Mount Sinai declared our duty to respect our neighbor's human right to life in the command, "Thou shalt not kill", and his human right to property in the injunctions, "Thou shalt not steal", "Thou shalt not covet they neighbor's goods."

So beware of the sycophants who seek to convert their ambitions into emergencies by their own self-serving declarations and beguile us into a thoughtless sacrifice of principles by insidious promises or bold misrepresentation of actual facts. Let us not as Americans subscribe to the European delusion that the need of the hour is strong government. We need not strong government, but wise government, invested with the virtues of insight, dignity, moderation, tolerance, and an acute sense of social justice to all. For, while a strong government may drive men into artificial loyalty to its slogans and catch phrases and build itself into a brief interlude of power on the clever strategies of a clique, it is only wise government that, by deserving men's faith and trust, can draw them into authentic and abiding loyalty to its purposes. The true purpose of government, as a wise old Pythagorean declared twenty-five hundred years ago, is to secure that freedom which, without unity, is a delusion, and that unity which, without freedom, is a snare. The true statesman, mindful that he has a covenant with the dead and with the unborn, unwilling to sell the future into slavery or set the stage for chaos, even though he thereby reap temporary advantage, will seek to lead rather than to follow the moods of his time; he will realize, if he be faithful to himself, that the future of America must be entrusted only to those who, knowing her history, her traditions, and her ideals, cannot choose but love her.

It is in this spirit that the party of Lincoln, of McKinley, and Theodore Roosevelt faces the future. The new Republicanism is not in the making, ladies and gentlemen; it is already here! And in clinging to the ideals of Washington and Jefferson and Lincoln, the Republican Party adheres to American principles, which, being ageless, are too old to be old-fashioned. Yes, the youngest, most liberal and vigorous force in the "new freedom" is the old Republican Americanism, for, being based upon the timeless and unchanging principles of human freedom and social values, the old ideals grow younger as the New Deal grows old. And it is because it is truly the party of the expansive, creative forces in American life that the voice of Republicanism is today raised on behalf of the really forgotten—the American taxpayer, the hungry, the increasing unemployed. It sends forth a tremendous challenge to the fallacies of the reactionary Rooseveltian collectivists, the Democratic money changers, whose crowning infamy it is that they have not hesitated to poison the well springs of democracy in order to win for themselves a purchased and fading popularity. Under the glittering pretensions of New Deal sophistry are the cruel policies of economic sterility, the Tory policies so alien to American ideals that they have won for President Roosevelt the enthusiastic support of communism, whose spokesman, George Dimitroff, advised his American comrades to work for the reelection of the President on the ground that he best represents the purposes with which they hope to subdue a free American people. Yes, my fellow citizens, these are perilous days, that call for clear thinking, comprehensive judgment, intelligent leadership, high accomplishment. Into our hands is given the future of a nation. So together we move forward to the restoration of American constitutional ideals, the rebirth of that soul-stirring, intangible, nontaxable, sacred thing called "freedom." As opportunism and self-aggrandizement winnow out the waverers, all true Americans will hasten forth to greet the dawn—in the realization that as long as American hearts shall fearlessly beat, as long as Republican tongues shall be chrismed with the love of liberty—so long shall the Constitution be the living soul of the Nation; so long shall the immortal spirits of our fathers stand on guard at the portals of the Republic, sentinel of deathless Republican devotion, custodian of America's imperishable destiny!

EXTENSION OF REMARKS

Mr. UMSTEAD. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the bill be given 5 legislative days within which to extend their remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a short letter.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, I reserve the right to object. Whom is the letter from?

Mr. SCOTT. It is from the Oakland branch of the League Against War and Fascism, from Pittsburgh, Pa.

Mr. RICH. Mr. Speaker, I object.

FREEDOM OF SPEECH—SOCIAL SECURITY—CONSERVATION—PEACE—ALL ESSENTIAL TO OUR NATIONAL PRESERVATION

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MAVERICK. Mr. Speaker, for the purposes of the RECORD, I desire to make a short résumé of subjects in which I am interested and in which I have taken an active part:

I

FREEDOM OF SPEECH

Conservative newspapers approve fight

Freedom of speech and press, liberty of conscience, religious liberty, and academic freedom are essential to a democracy, and long before I came to Congress I fought for these rights. In Congress I have continued that fight. The RECORD will show that. And reference to the editorial columns of the various newspapers of America show their approbation by practically all groups in the journalistic world, including the most conservative and reactionary newspapers.

For many years I have made a study of the consequences of the loss of freedom.

Democracy must preserve civil liberties

I believe in the democratic form of government. I do not believe that democracy should use the methods of communism or fascism, or we cease to be a democracy. If we adopt a policy of persecution and do not allow the utmost liberality in civil liberties, we may go the route of certain foreign countries.

II

SOCIAL SECURITY

Have advocated since returning from France

I advocated unemployment insurance, old-age pensions, social security in general, ever since my return from France in 1919. I received a great deal of harsh criticism when I did, even from officials of the American Federation of Labor, who then opposed unemployment insurance.

I have made an especial study of old-age pensions and advocated them in my campaign. When I was a candidate, I stated that I was against the Townsend plan and that it was impossible. Since that time research has convinced me that this viewpoint is correct.

Townsend plan impractical

At the same time I realize that many of the people over the age of 60 have been imposed upon so much and have had the idea expressed to them in such fine phrases that many of them conscientiously believe in the Townsend plan. And it is true the United States of America is far behind many other countries in social security legislation.

Present act inadequate; must build up

The present act is by no means adequate to meet the situation of old-age security. Neither are the other features. But you must know this: I have received bitter opposition by certain reactionary elements because I even favored the Social Security Act.

This group that opposes me are really bitter about having any social-security legislation at all—they do not care to understand that social-security legislation will benefit them, their business, or their banking institutions, and themselves.

Conservative middle course best

Being opposed to the "Townsend plan", but in favor of social security, I have attempted to follow a conservative middle course. In that way we can really build up social security gradually and have a plan which will not break down. To suddenly issue as the Townsend plan requires what amounts to $28,000,000,000 extra money each year, would wreck the country to such an extent that in the beginning a loaf of bread would cost such a large amount of money—as it did in Germany during the weird period of printing money in hundreds of billions—that the $200 a month would mean about $30 a month or less. This would surely be followed by national bankruptcy and in a short time it would break the country.

So I proceed upon the assumption that to build up a social security plan in a reasonable, careful, conservative way is the best method.

III

CONSERVATION OF NATURAL RESOURCES

Conservation and housing must be encouraged

I consider the conservation of natural resources quite the most important problem before the American people. This is true not only of agriculture, but of city life as well. At the outset, I favor two things exactly in line with conservation:

First. Attention to the matter of prevention of soil erosion, reforestation, flood control, and preservation of our lands and waters in this country—and this will take the time of 3,000,000 men, who can be put to work.

Second. A Nation-wide housing campaign, which would put the building trades back to work, along with dozens of other allied trades and industries, to the extent of at least another two or three million men.

In these two matters I feel sure that, intelligently conceived, there ought to put back into the real permanent economic activity of the country some five or six million American citizens.

Preservation of historic sites

Now, conservation has many aspects. I might mention that when I first came to Congress I introduced the "preservation of historic sites" bill, and the result is that an intelligent conservation of our historic sites has been begun for the United States of America. This is under the able direction of the Department of the Interior, of which Hon. Harold L. Ickes is the Secretary. This, however, is one of the minor phases of conservation.

Government programs

I have fought for the T. V. A., the building of Government dams, irrigation and reclamation, H. O. L. C., F. H. A., building, and the general development of the whole United States of America. I am convinced this is a proper course.

National Resources Board bill

Also I have introduced the National Resources Board bill which has been approved by the State planning boards of practically every State in the Union and by many engineering and technical societies and various units which have to do with planning and conservation—city, county, State, and National. This bill was approved in a letter to me by the President, who is strongly in favor of the National Resources Board being formed, and the purpose is to coordinate all information of any nature concerning resources. There already exists, by Executive order, a National Resources Committee and it is my purpose to have this made permanent.

As I said in the beginning, I consider this subject considerably more important than any of the others, because if we let our country blow and wash away we will have no use for such things as houses to live in, nor liberty, nor anything else.

IV

NEUTRALITY AND PEACE

Taking the profits out of war

In my first session in Congress I took an active part in the legislation to "take the profits out of war." This is the work which had been started by Congressman MCSWAIN, of South Carolina, in the House, and by Senators NYE, CLARK,

BONE, and others in the Senate. Several of us got the bill out of the House into the Senate. Final legislation has not been enacted.

However, I am frank to say that the thing we must do is to stay out of war, rather than take the profits out of it. When we assume that we are merely going to take the "profits" out of war we more or less assume that there is going to be one. So it is more important to stay out of war altogether, and I have cooperated to that end.

Let us attend to our own business

I hold unalterably to the view that we must maintain neutrality and stay out of any wars or conflicts. Therefore, with Senators NYE and CLARK, I introduced the Nye-Clark-Maverick neutrality bill, the main features of which I have described in other speeches, and which was to keep this country completely out of foreign entanglements. I am told by some that this is a selfish policy, that civilization is likely to be destroyed unless in some way our country intervenes. However, I feel that we should attempt to save our own civilization first.

As for the League of Nations, the World Court, and the various other international organizations, I do not favor our entrance. Unfortunately, the League of Nations has been a failure, and we who live in this country have no reason to join it at this time when the membership has many secret aims of which we know nothing.

I think that what we should do, insofar as the international situation is concerned, is to stay home and to attend to our own business, get into no more wars, have an Army and Navy for defense only, make up our minds not to send our boys off to get killed anywhere else, and try to build up our own country and get our unemployed back to work. Eventually this Nation may join some world group of nations but not now.

V

CONCLUSIONS

I have merely mentioned a few of the things in which I have taken an active part. And I repeat the four things which I have mentioned today:

First. Freedom of speech.

Second. Social security.

Third. Conservation.

Fourth. Neutrality and peace.

Mr. Speaker, these four things are essential to the preservation of our country.

P. W. A. PROVIDES AID TO HOSPITALS

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BEITER. Mr. Speaker, when 512 hospitals, costing $129,749,077, are completed as a part of the Public Works Administration's construction program, another 40,000 beds in addition to many other facilities will be made available to the general public throughout the United States and its possessions.

Of this total $15,881,149 was allotted to the Federal hospital projects. The $113,749,077 non-Federal hospital program was made possible by P. W. A. grants of $38,802,801—the communities, counties, and States furnishing the remaining $75,065,127.

For that reason it may be said that P. W. A. is enabling the medical world to keep step not only with scientific progress but with the demands of an increasingly hospital-conscious public by the total expenditure of $54,683,950. It encouraged communities which volunteered to furnish the largest portion of the project costs; it footed the entire Federal hospital construction bill.

As it does so, these communities now find it possible to modernize their surgical and obstetrical departments, to install more efficient X-ray and other necessary laboratories, and to augment their facilities for stamping out tuberculosis and other contagious diseases. Public institutions, such as schools, have found it possible to set up complete clinics. Old hospitals, their working capital limited by the pinch of the depression, have taken advantage of the opportunities P. W. A. offered by displacing their ancient furniture and instruments with new equipment.

Such building and replacement has created widespread work not only at the sites, but in the mines, forests, and mills where materials originate, and in the factories and laboratories which fabricate the raw materials into building products, furniture, and medical equipment.

There is something of a paradox in the P. W. A.'s hospital program. It started at a time when the number of institutions had been steadily dwindling. Since 1923 the total number of private, city, State, and Federal hospitals has fallen from 6,009 to 5,404 in 1935. This steady decrease, according to the American Medical Association's Journal, has resulted largely from intracity consolidations.

P. W. A., however, refused assistance to any overhospitalized city, county, or State. Projects were approved only where it could be proven that additional facilities or new hospitals were of vital necessity.

Although the number of hospitals has been decreasing since 1923, the number of beds available in the "surviving" units increased at a fairly steady rate until 1928. From that year on the number of beds, while continuing to increase, did so at a much slower rate. Only 12,692 beds had been added to American hospitals in 1932, a distinct drop from the 40,239 added during the preceding year. With the inception of the Public Works Administration, however, 21,055 beds were added between 1933 and 1934, and 28,249 between 1934 and 1935. P. W. A. officials have expressed the belief that by the time the construction program has been completed the normal rate of increase will have been resumed. During the last 26 years this "normal" rate has been 25,203 beds per year.

Medical authorities have expressed great interest in the P. W. A. program. There has always been considerable need for better obstetrical facilities. Expectant mothers are now arranging far in advance for hospitalization. The annual hospital census for 1935 shows that the total number of patients admitted was 7,709,942, a gain of 562,526 over the preceding year.

To date 109 hospitals are being either repaired or constructed under P. W. A.'s Federal program, involving the expenditures of $15,881,149, and adding about 8,000 beds to Federal hospitals. These are situated in practically every State and possession of the United States.

The Eskimos of Alaska have benefited from the Federal program as well as those stricken with leprosy at the Virgin Islands. Many hospitals are being constructed on Indian reservations in Arizona, California, Iowa, Minnesota, Montana, Nevada, New Mexico, North Dakota, Oklahoma, South Dakota, Oregon, Washington, Wyoming, and Utah.

The War and Navy Departments are constructing hospitals and dispensaries in connection with their various military posts. The largest of these are the Marine Hospital at New York City, costing $2,347,051, and the Naval Hospital at Philadelphia, costing $2,350,000.

Of the non-Federal P. W. A. program there are 332 projects covering work upon approximately 400 hospitals. Dividing the non-Federal list into two classifications, those involving institutions which will add beds for hospital use and those which do not include beds, P. W. A. granted the $38,802,801 to make possible this construction. P. W. A. loaned $29,121,940 to applicants, while the applicants themselves furnished the balance of $45,080,492, making the total of $113,005,233.

Of this number, 202 projects made room for 32,178 beds. These institutions called for grants totaling $28,386,695 for construction estimated to cost $82,867,928.

Those projects not involving the additional beds numbered 130, and for them was allotted the total of $10,416,106, making possible institutions estimated to cost $30,137,205. Some of these projects involve repairs on several hospitals in the same city.

The Inspection Division informed the Administrator that hospitals actually completed and now occupied total 72 with

construction of an additional 246 hospitals under way. Only 39 are yet to be started.

Under the classifications of hospitals also come institutions which specialize in mental diseases or similar afflictions, of which 14 have been completed, 30 started, and only 2 yet to get under way.

An example of the manner in which P. W. A. came to the assistance of communities is that of the Allegheny General Hospital at Pittsburgh. When first planned this institution was to cost $8,000,000. Work was started in 1929. In 1931 the funds were exhausted and it was necessary to suspend work until P. W. A. came to its assistance shortly after its inception in 1933. This building is now nearing completion. The nurses' home is already occupied.

FEDERAL LAND BANKS BECOME REAL-ESTATE SHARKS

Mr. LEMKE. Mr. Speaker, I ask unanimous consent to extend my own remarks, and include therein an advertisement showing the foreclosure of lands by the joint-stock bank in the State of Ohio.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, reserving the right to object, is this a newspaper advertisement?

Mr. LEMKE. No. It is an auction advertisement showing the number of sales in one day.

Mr. RICH. Who made this auction notice?

Mr. LEMKE. The joint-stock land bank. It is a sale. I am trying to show the number of sales made in connection with foreclosures of farm mortgages.

Mr. RICH. It is made by some authentic Government agency?

Mr. LEMKE. I do not know whether that is a Government agency or not. I think it is.

Mr. RICH. If it is a Government agency I will not object.

The SPEAKER. The Chair cannot say whether it is a Government agency or not.

Mr. RICH. Well, Mr. Speaker, the gentleman says it is a Government agency, and therefore I shall not object.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota [Mr. LEMKE]?

There was no objection.

Mr. LEMKE. Mr. Speaker, in the first place, I wish to thank each and every one of the 218 signers on petition no 7, which petition discharges the Rules Committee and brings the Frazier-Lemke refinance bill up for a vote and disposition on its merits on the floor. I can assure these 218 signers that the farmers of this Nation feel grateful to them for signing the petition and for their cooperation.

May I also say to those who have not signed that now that the bill is coming up on its merits, to lay aside all prejudice and meet the issue squarely and keep an open mind on the bill until the last argument is heard and the final vote recorded. If this is done, we feel confident of an overwhelming victory for the 2,000,000 farm families, consisting of 10,000,000 men, women, and children, whose homes are endangered by mortgage foreclosures. The Frazier-Lemke refinance bill is their only relief. Let us not be misled, the Federal land banks are not helping these farmers.

We have been led to believe by those defending the Farm Credit Administration and those defending the Home Owners' Loan Corporation that the mortgage foreclosure situation had been materially changed. Such are not the facts. According to figures prepared by the Division of Research and Statistics, Federal Home Loan Board, of Washington, D. C., the following facts are given:

In 1934 there were approximately 370,772 real-estate foreclosures. This includes both agricultural and urban foreclosures. In 1935 there were 366,802 such foreclosures, making a decrease of only 3,900 foreclosures in the year 1935 as compared with the year 1934.

If the total number and amount of mortgages on farms and homes had been taken into consideration, the percentage of foreclosures in 1935 would be considerably larger than in 1934. The reason for this is that the mortgaged indebtedness was considerably reduced by the foreclosures in 1934.

The Federal land bank is averaging more than 2,000 foreclosures per month, a picture quite in contrast with the one given here on the floor telling of the wonderful help the bank is giving to farmers. If to relieve them of their homes at the rate of over 2,000 per month is helping the farmers, the Federal land banks are succeeding wonderfully.

In addition to these foreclosures of the Federal land bank we have the foreclosures of the joint-stock land banks, an insolvent twin brother of the Federal land bank that is now in the process of liquidation.

I submit below an advertisement selling 82 farms in the State of Ohio by one of these twin brothers of the Federal land bank, the Virginian Joint Stock Land Bank. You will note that this real-estate shark, the despoiler of homes, gives free lunches and a free automobile so that it may get bidders to buy the homes taken away from the unfortunate.

In addition to these 82 farms sold by that institution, there are 9 city homes and 1 greenhouse, all, I presume, part of the property of the farmers who were foolish enough to believe that the joint-stock land bank would protect them in the hour of need at the time that they gave it the mortgage. The advertisement is as follows:

MAMMOTH AUCTION SALE—VALUABLE FARMS AND CITY PROPERTIES

Farms located in northern Ohio—Ashtabula, Geauga, Lake, Trumbull, Lorain, Mahoning, Medina, Portage, Stark, and Summit Counties. Farms located in Crawford County, Pa. City properties in Ashtabula, Ohio.

Properties to be sold Wednesday, April 22; Thursday, April 23; Friday, April 24, and Saturday, April 25.

Property descriptions and time of sales inside. You are cordially invited to inspect any or all of these properties on or before the day of sale.

For further information write or call S. Franklyn Woodcock, Inc., temporary office, Nettleton Building, 4718 Maine Avenue. Home office, Salisbury, Md. Temporary office, Ashtabula, Ohio. Telephone Ashtabula 1551.

Auction is a good and fair way to buy real estate.

DESCRIPTION AND SCHEDULE OF PROPERTIES TO BE SOLD

On Wednesday, April 22, as follows: 9 a. m., the Orr farm; 9:30 a. m., the Crosby farm; 9:30 a. m., the Browder farm; 9:30 a. m., the Beers farm; 9:30 a. m., the Obert farm; 9:30 a. m., the Allen farm; 10:30 a. m., the Cronin farm; 10:45 a. m., Trout farm; 11:30 a. m., Johnson farm; 12 m., the Magone farm (luncheon will be served at this time on the Magone farm; band will be in attendance); 1 p. m., the Wilson farm; 1:45 p. m., the Bigusiak farm.

Each of above-described properties will be sold from the property with the exception of the Browder, Beers, Obert, and Allen farms, which will be sold from the Crosby farm.

The following properties will be sold in and around Ashtabula, Ohio, Wednesday evening, April 22: 7 p. m., house and lot; 7:15 p. m., house and lot; 7:30 p. m., double house; 7:45 p. m., house and lot; 8 p. m., two building lots; 8:30 p. m., greenhouse and land; 8:30 p. m., 10 acres land; 8:30 p. m., property known as Hubbard, North Kingsville; 9:15 p. m., house and lot; 9:30 p. m., double house; 9:45 p. m., house and lot.

On Thursday, April 23, as follows: 9 a. m., Mary Brundage farm; 9:15 a. m., Bollinger-Oliver farm; 9:15 a. m., C. J. Lucas farm; 10 a. m., B. F. Traxler farm; 10 a. m., George A. Hoskins farm; 10:30 a. m., Joseph Wangard farm; 10:45 a. m., W. E. Good farm; 11:15 a. m., Frank Fishbaugh farm; 12 m., A. J. Clement farm (luncheon will be served on the Clement farm; band will be in attendance); 12 m., Alex Palko farm; 1:15 p. m., Alex Teresko farm; 1:45 p. m., Mike Szabo farm; 2:15 p. m., Andrew Subotnik farm; 2:45 p. m., Mary Drzadynski farm; 3:30 p. m., Albert Gajda farm; 4 p. m., Milton Crabtree farm; 4:20 p. m., Fred Bailey farm; 4:50 p. m., L. R. Brigman farm; 5:15 p. m., L. E. Shore farm; 5:45 p. m., Hedwig Leikas farm; 6 p. m., M. J. Boccia farm.

On Friday, April 24, as follows: 9 a. m., F. R. Garver farm; 9:15 a. m., John Gatzko farm; 9:45 a. m., Jan Domanski farm; 10:15 a. m., Martin Parrish farm; 10:30 a. m., W. S. Reasner farm; 11 a. m., Stone Parrish farm; 11 a. m., Clarence Rockhill farm; 11:30 a. m., Joe Barnhardt farm; 11:30 a. m., Frank Kunert farm; 11:45 a. m., Roady Champion farm; 12 noon, Herman Paulsey farm; 12:30 p. m., Frank Klasen farm (luncheon will be served on the Klasen farm; band in attendance); 1:30 p. m., Martin Kurtzhals farm; 2 p. m., Clark Ferguson farm; 2:15 p. m., Korkowski farm; 2:15 p. m., Kotaska farm; 2:30 p. m., A. C. Hattendorf farm; 2:30 p. m., Peter Diamond farm; 2:45 p. m., Glen Elen farm; 2:55 p. m., George Craine farm; 3:15 p. m., Pavny farm; 3:45 p. m., John Kralik farm; 4:15 p. m., Abram farm; 4:30 p. m., T. D. Morley farm; 4:30 p. m., Sanborn farm; 5:15 p. m., John Murray farm; 5:45 p. m., Hausmann farm; 6 p. m., Harry Summers farm.

On Saturday, April 25, as follows: 9 a. m., Steve Kitko farm; 9:30 a. m., Elmer Barber farm; 9:45 a. m., Gino Rondino farm; 10:15 a. m., Franklin Swander farm; 10:30 a. m., Paul Neubert farm; 11:15 a. m., Wilbur Haueisen farm; 11:45 a. m., Porter-Wells farm; 12:20 p. m., M. F. Brett farm; 12:20 p. m., B. J. Baker farm (luncheon will be served on the Loomis farm; band will be in

attendance); 1:30 p. m., the Harold Loomis farm; 1:30 p. m., Nick Solomon farm; 1:30 p. m., the Lester Mounts farm; 2:15 p. m., F. M. Wise farm; 3:15 p. m., the Jennie Smodich farm; 3:45 p. m., Joseph Romananoskos farm; 4:25 p. m., Marvin Ingraham farm; 4:45 p. m., L. C. Crile farm; 5 p. m., Elsworth Ray farm; 5:15 p. m., Mary L. Roice farm; 6:10 p. m., A. M. Johnston farm.

Own your farm—own your home—at your own price.

Our orders are to sell. Each property offered will positively be sold to the highest legitimate bidder, regardless of price. Your bids will make the price. This fact is assured by the following certified extract from our contract:

"The party of the first part (the Virginian Joint Stock Land Bank) does hereby authorize and empower said party of the second part (S. Franklyn Woodcock, Inc.) actually and in good faith to sell said properties to the highest bidders therefor at said sale, and does further covenant and agree not to bid upon said property or to authorize anyone else to bid for it or in its behalf for the purpose of increasing any other bid or bids on said properties or for establishing a minimum price at which said properties shall be sold."

This is to certify that the above is a true copy of the original agreement, and that I have compared the same.

THEODORE E. WARREN,
Notary Public, Ashtabula County, State of Ohio.

Remember the dates—April—Wednesday, 22d; Thursday, 23d; Friday, 24th; and Saturday, 25th, 1936.

Free! Free! Free! Plymouth sedan will be given away during this sale. Whether buyer or spectator, you have an equal chance to win this car. The winner must be on the property when the car is given away in order to participate.

For further particulars write or call S. Franklyn Woodcock, Inc., temporary office, Nettleton Building, 4718 Main Avenue. Home office, Salisbury, Md. Temporary office, Ashtabula, Ohio. Telephone, Ashtabula 1551.

Property descriptions and time of sale inside.

PRESENT-DAY PROBLEMS

Mr. ALLEN. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a radio address I delivered this afternoon.

The SPEAKER. Is there objection?

There was no objection.

Mr. ALLEN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my address over National Broadcasting Co., May 1, 1936, as follows:

Much has happened the past 3 years in Washington that is repulsive to every sense of honesty and decency. We have been told by many high officials that everything that has happened in this country the past 150 years is all wrong. That we cannot go back to the "horse and buggy" days. That those things that have made us the greatest Nation on earth, those things that have given our farmers, our laboring men, our businessmen, our people in general, the highest standard of living of any nation must be cast aside, and in place of those things we must substitute certain experimentations, we must socialize our entire economic system. We are advised that the opinions of such distinguished Democrats as John W. Davis, ex-Governor Ritchie, of Maryland, of Alfred E. Smith, ex-Senator Reed, of Missouri, and many other prominent Democrats are all wrong. That in order to have a more abundant life we must be regimented under the plans and theories of Mordecai Ezekiel, Rexford G. Tugwell, Felix Frankfurter, and others. The American people will be called upon to decide within a few months whether they want to continue with the present program of alien tendencies or whether they want to be led by the soundness of a Lowden, a Knox, a Landon, a Dickinson, a Vandenberg. With the Federal Treasury as a campaign fund, with over 20,000,000 people receiving direct or indirect subsidies from a Tammanyized government, we are confronted with the proposition: Can a government, through vote-buying manipulation, buy an election and indefinitely remain in power? If it can be done in 1936, it can and will be done in 1940 and 1944.

With a supine and supercilious Congress under the domination of the Executive, with the realization that during the years 1936 to 1940 the Chief Executive will be called upon in all probability to appoint several members of the Supreme Court, we as Americans should pause and consider the consequences of returning the present administration to power. Of course, we know in advance of the Republican convention, whoever the Republicans nominate the Democratic leaders in a demagogic manner will immediately pull that old stuff, "He is a Wall Street man." But I don't believe the American people will be disillusioned.

We have seen under the guise of keeping people from starving the squandering of billions of dollars by this administration. Today we have a national debt of over $33,000,000,000, and we have obligated ourselves for an additional five billions that will have to be paid. Mr. Morgenthau, Secretary of the Treasury, stated yesterday before the Senate Finance Committee that there would be a Treasury deficit of $6,000,000,000 for the current fiscal year. According to him it will be an all-time high. How far can we go with this sort of thing?

Not paid by the rich, as the administration would lead us to believe, but by you and me, your children and my children. No one wants to see anyone starve; but the fact remains, as evidenced in all our communities, that while the unfortunate are receiving a meager allowance, the Democratic spoilsmen who are administering the relief are obtaining by far the lion's share. Perhaps the fullest demagoguery is practiced by the administration when they use such terms as "soaking the rich" and "driving the money changers from the temple." It is interesting to know that if the Government had confiscated all the wealth of all the millionaires in this country they would not have had enough money to run the Government the past 3 years. You and I are paying for the squandering—we are going to continue to pay. Every time a tax bill is passed putting additional burdens on companies, corporations, they naturally pass it on to the consumers. They add it to the cost of the manufactured article we buy.

We all readily admit that rich industries should pay—and pay well. Liberal taxes are necessary. But when we burden them with taxes that keep them from employing labor, building additions to their factories, or opening up new enterprises, we can't possibly return to a normal condition. The present 12,000,000 men and women out of work will continue to walk the streets. We had better turn an unhearing ear to all the poppycock of "soaking the thrifty." It would be well for us to insist that all these long-haired professors leave industry alone. Labor and so-called capitalism would soon get together, as they have done and are doing in England. While we have as many unemployed as there were in 1933, the depression in England is practically over.

As a result of not interfering with business in England, the industries in England have absorbed the unemployed; it has balanced its budget. Under the present reciprocal agreements millions of dollars' worth of goods from Japan and other countries are flooding our markets while our own factories remain closed, while the United States has been fiddling her time away with experimentations that have stifled trade. Without confidence capital cannot be invested. Without capital industry cannot go ahead. Without industry there cannot be jobs. Some members of the Democratic Party seem to be terribly put out that anyone should dare to find fault with the administration now in power. They fly into rage if anyone dares to question the soundness of any of Mr. Roosevelt's schemes. Have they forgotten that for more than 2 years the Republicans in Congress and out have been good soldiers? They gave the President his way, giving him every opportunity to put his views in operation. They were not obstructionists. While the Republicans remembered the "smear Hoover" tactics of the opposition party, they returned good for evil and for an unbelievably long time, even though they were not convinced of the soundness of many of the ideas, they allowed the President to pursue the course chosen by him with the voicing of scarcely any criticism. But the time has come when silent acquiescence in every proposal of Mr. Roosevelt and his "brain trust" has ceased to be a virtue. He is running past every danger signal and warning sign. It is time to call a spade a spade and to put the blame for halting recovery where it belongs. The first aggressive and violent attacks on the New Deal have come from the best brains of the Democratic Party.

If their last three candidates for President, two of their recent national chairmen, Governors and ex-Governors, Senators and ex-Senators, see fit to break from the New Deal and attack its principles and policies, is there any valid reason why we should longer remain silent when we are convinced that the New Deal is delaying economic recovery instead of promoting it? What about these prominent and outstanding Democrats? Surely their conviction as to the correctness of their views must be overwhelming when they desert their administration leaders and speak out openly against them. Suffice it to say that they are Americans first and Democrats second. Their party allegiance is not sufficient to lead them to follow the present socialistic administration. Mr. Roosevelt should remember that the millions of Democrats that have left him have done so because in 1932 they voted for Roosevelt because they believed him. They felt sure that when he accepted the Democratic platform he meant to follow it. They did not believe that it would be discarded for the Socialist platform.

New Dealers continually ask, What would you do? What is your program? What are your plans? I would say, "My program is covered by the very platform on which Mr. Roosevelt was elected." In taking care of the poor, the unemployed, "cut out the frills", as Governor Landon has aptly stated. Do away with the hundreds of thousands Farleyized and Tammanyized spoilsmen. Then there could be a reduction in expenses as promised by Mr. Roosevelt. Reduce all these alphabetical agencies and let the people run their own affairs as was promised. Help the "real forgotten man"—the small businessman—the man in the small store. While our daily newspapers record that large stores are paying large dividends, the small businessman, the storekeepers, are not receiving wages for their work. There are no profits for them.

Ask the small businessman what he thinks of the New Deal and the chances for his future. Ask the millions of young men and women that have worked their way through college what they think of the New Deal. What has this administration done for them? What is in future store for them? For 3 years these young graduates have walked the streets or worked with a pick and shovel. They have had about enough of that. This administration has failed them. They know that their individual initiative has been taken from them. They haven't much to look forward to, except to pay the huge debt that has been saddled upon them. They laugh when they hear about the $20,000 dog pound that has been built in Memphis. They smile when they read about aristocrats being taught to play checkers at governmental expense, the teaching of tap dancing by governmental employees. They look with

scorn on the present spoils system, false expressions about planned economy, more abundant life, driving the money changers from the temple, and soaking the thrifty.

In conclusion let me say that if our institutions are to be preserved we must accept as our doctrines thrift, individualism, initiative; we must give employers that long-waited-for breathing spell. We must insist that there be no class hatred; there is room enough in this country for capital as well as labor. If we do this, we will not have anything to worry about. Our Nation will continue, not as would Stalin, Hitler, Mussolini have it, but as planned by Washington, Jefferson, Franklin, and others over 150 years ago.

EXPLANATION OF VOTE

Mr. TOLAN. Mr. Speaker, my colleague the gentleman from Missouri, Mr. HENNINGS, is unavoidably detained. If present, he would have voted "no" on the motion to recommit the Navy appropriation bill.

Mr. COLMER. Mr. Speaker, my colleague the gentleman from Mississippi, Mr. DUNN, is unavoidably detained on account of the illness of his son. Had he been present, he would have voted "no" on the motion to recommit the Navy appropriation bill.

PROPOSED AMENDMENTS TO SECTION 315 OF THE COMMUNICATIONS ACT OF 1934

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and leave out the letter. [Laughter.]

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SCOTT. Mr. Speaker, in the closing days of the last session I introduced H. R. 9229, H. R. 9230, and H. R. 9231, bills which were designed to amend section 315 of the Communications Act of 1934 and to bring about justice to speakers, civic organizations, and so forth, in the discussion of political, social, and economic problems. The bills were designed to eliminate such practices as one that has just been called to my attention by the Utility Consumers League, 686 Lexington Avenue, New York City.

Mr. John A. Trinchere, chairman of the Utility Consumers League, had been scheduled by station WNEW, of Newark, N. J., to deliver an address on the subject, Abusing Telephone Subscribers. On March 9, 1936, by telephone, and again on March 9, 1936, by letter, the station confirmed the address for Thursday, March 19, 1936, from 8:15 to 8:30 p. m. The speaker sent five copies of his address to the station 3 days in advance. These five copies were required by the station for press and Commission purposes. The copies were delivered in person on Saturday, March 14.

On March 18 Mr. Trinchere was notified by the special feature department of the station that the scheduled talk for March 19 had been postponed for a few days because the Federal Communications Commission was conducting a wide investigation of the American Telephone & Telegraph system.

On March 19 and 26 the league wrote demanding a showdown, and were informed that the postponed radio talk had been postponed for 3 weeks or longer pending the termination and outcome of the F. C. C.'s probe of the A. T. & T. The league failed to obtain from the station a written and official explanation for sudden postponement and subsequent cancelation. It was discovered on March 24 that the radio talk had been canceled and not postponed.

The purpose of the radio address was to expose the New York Telephone Co.'s gross abuses, evil practices, and so forth, found by the league's free complaint bureau and investigations carried on for a number of years. The radio talk was also designed to announce a State-wide drive for lower telephone rates, rental, and service charges, and appealing to the public to back Assemblyman Meyer Alterman's two telephone bills, nos. 661 and 662.

This is one specific case. Many others could be mentioned showing censorship by the stations at the instigation of large and powerful organizations. It is easy to see why A. T. & T. did not want a speech of this kind broadcast. The three bills I introduced would make such censorship impossible.

The Utility Consumers League charges—

First. That radio station WNEW is not operating in the public interest.

Second. That the station is violating the Federal Communications Commission's and the Federal Trade Commission's rulings as laid down on commercial continuities.

Third. That the station is misleading the public by announcing a series of news broadcasts as originating at the editorial offices of the New York Evening Journal, as in reality they took place at the station's studios.

Fourth. That after a radio address, topic, Abusing Telephone Subscribers, by John A. Trinchere, chairman of the Utility Consumers' League, had been scheduled by the station, the talk was suddenly canceled after all arrangements had been made; copies of speech passed and approved by the station.

Fifth. That the station, after two requests were made in letters of March 19 and 26, it persistently refused to furnish us with a written and official statement for canceling scheduled radio talk by John A. Trinchere.

Sixth. That the station deliberately deceived the Utility Consumers' League in making oral statements that the scheduled talk was postponed twice for reason of the American Telephone & Telegraph Co. system investigation by the Federal Communications Commission at Washington, D. C., when the radio talk had been canceled all the while, and prior to March 19, night of radio address.

Undoubtedly other Members have received like protests or have been treated in the same manner. I therefore ask the Members of the House to get copies of H. R. 9229, H. R. 9230, and H. R. 9231, study them, and then if still interested to ask the Committee on Interstate and Foreign Commerce for a hearing on these bills.

ADJOURNMENT OVER

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that when the House adjourns tonight it adjourn to meet on Monday next at 12 o'clock noon.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. RICH. Reserving the right to object, I would like to call the attention of the majority leader to the fact that these appropriation bills are all coming in here from the Senate for more than they were a year ago. I warn you as a Democratic Party that you must cut these appropriations down. [Laughter and applause.]

The SPEAKER. Is there objection?

There was no objection.

THE BOOK AND THE PAGE—PROOF REFUTING MENDACIOUS MISINFORMATION AND MISREPRESENTATION REGARDING LAW PREVENTING COMMUNISM FROM BEING INDOCTRINATED IN PUBLIC SCHOOLS

[From RECORD, Mar. 3, 1936]

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to incorporate some excerpts and data.

The CHAIRMAN. If there is no objection, it is so ordered.

There was no objection.

[From RECORD, Mar. 16, 1936]

Mr. BLANTON. Mr. Speaker, on March 3 I received permission to extend my remarks and to incorporate some excerpts and data. I am waiting on some data from the Department, and I will not have it until Friday. I ask unanimous consent that instead of dating it on the 3d it may be dated next Friday the 20th.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

[From RECORD, Mar. 23, 1936]

Mr. BLANTON. Mr. Speaker, on the 16th I secured permission to date my remarks on March 20, which on March 3, I got permission to extend my remarks in the RECORD and to include some excerpts from hearings and data which I am securing from the departments here in Washington. I find I will not be able to get all this data before Friday, and I therefore ask unanimous consent to extend the time for the extension of my remarks until next Friday.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

[From RECORD, Apr. 28, 1936]

Mr. BLANTON. Mr. Speaker, the permission I had to extend my remarks on the District of Columbia appropriation bill expires today. On March 23, 1936, I obtained permission of the House to

date such remarks on Friday, March 27, 1936. I have been delayed in getting some necessary data from different bureaus of the District government which I wanted to use, and it will be next Friday before I get some of it. I therefore ask unanimous consent that the permission granted me be renewed so that my extension of remarks may be dated next Friday, May 1, 1936.

The SPEAKER. Is there objection to the gentleman from Texas extending his remarks on the District bill as indicated?

There was no objection.

Mr. BLANTON. Mr. Speaker, the time has come when it is due the people of the United States that there shall be corrected the wholesale misinformation and wanton misrepresentation which has been broadcasted over the Nation about the law, which on June 6, 1935, Congress passed, by the unanimous vote of both House and Senate, to stop communism from being indoctrinated in the public schools of the District of Columbia.

THE "REDS" CALL IT THE "RED RIDER"

This law was not misnamed, Mr. Speaker, because it does ride the "reds." It was not passed for them; it was passed against them. It was not to help the "reds"; it was to unhorse them. It was not to further their schemes; it was to stop them.

FALSEHOODS GALORE BROADCASTED

More deliberate, spiteful, malicious falsehoods have been broadcasted over the United States about this "red rider" than about any other law ever passed by Congress. It has been falsely asserted:

First. That it "was slipped into a conference report", when it was never in a conference report at all.

Second. That it "was slipped through the House without Members on the floor having a chance to know about it", when such was not the fact, and both the House Journal and the daily CONGRESSIONAL RECORD prove just the contrary.

Third. That "BLANTON slipped it through", when the RECORDS show and the incontrovertible facts are that it was an amendment offered in the House by Mr. CANNON of Missouri, the Cannon amendment being read to the House by the Clerk from the Speaker's desk and voted upon by Members and passed the House by a unanimous vote; and that this "red rider" amendment was offered from the floor of the Senate by Senator THOMAS of Oklahoma, was read by the Senate clerk from the Vice President's desk to the Senate, and was voted upon by the Senate and the Senate passed same by a unanimous vote.

Fourth. That "there was no occasion for its passage", when proof that is indisputable shows the contrary.

Fifth. That "it prevents proper factual instruction", when just the contrary is true, the facts being that Corporation Counsel Prettyman rendered to the Board of Education a decisive, clear-cut opinion holding just the opposite, advising the Board of Education that this law does not prevent proper factual instruction and does not prevent any teacher in any way from teaching the truth about communism, but all it does is that it prevents teachers from indoctrinating communism in the public schools.

Sixth. That "Comptroller General McCarl has interfered with the 'academic freedom' of teachers and required affidavits from them that prevents expounding proper 'factual instructions' to their pupils", when McCarl has made no such ruling whatsoever.

Seventh. That "teachers are insulted by having to make affidavit they have not taught communism", when the facts are that such affidavit was required only after Superintendent Ballou stubbornly contended that his teachers had the right to teach what they pleased, and that Congress could not restrict them, and refused to instruct his teachers that they must follow the ruling of Corporation Counsel Prettyman and not attempt to indoctrinate communism, and it was proposed to Superintendent Ballou that if he would instruct his teachers to follow said Prettyman opinion, then Comptroller General McCarl would no longer require the affidavits, but Ballou stated emphatically that "he did not care to so advise his teachers."

Eighth. That "the House subcommittee of the Committee on Appropriations handling the District appropriation bill had no authority to allow witnesses to testify about communism in schools at their hearings", when said subcommittee did have full authority, and in no way exceeded its authority, Superintendent Ballou having requested said subcommittee to grant him $78,660 for him to spend on his so-called "character education", concerning which the question of indoctrinating communism in the public schools was vitally and inseparably connected, and after hearing convincing evidence the subcommittee voted unanimously not to allow the $78,660, and did not allow it, and thus saved $78,660 from being subversively misapplied and wasted.

Ninth. That the said "House subcommittee of the Committee on Appropirations conducted an inquisition, abused witnesses, did not give them time needed, and conducted an improper star-chamber proceeding", when all of such accusations were maliciously and mendaciously false in their entirety.

Tenth. That "the people of the District of Columbia want the 'Sissy bill' enacted and the 'red rider' repealed", when just the opposite is true.

Eleventh. That "the House of Representatives is practically unanimous in wanting the 'Sissy bill' enacted and the 'red rider' repealed", when both statements are untrue.

Twelfth. That "the hearings before the Subcommittee on Education of the Committee on the District of Columbia accorded all witnesses fair treatment and warranted the passage of the 'sissy bill' and the repeal of the 'red rider' by the House", when none of such assertions are true and the falsity of same will be clearly shown hereafter by quotations from said hearings.

IGNORANCE PLUS MENDACITY

It is bad enough, Mr. Speaker, for anyone to be ignorant of the real facts, to be wholly unfamiliar with the rules and precedents of Congress, to be wholly unacquainted with what goes on in the House of Representatives, and not know how its leaders transact business, and not know what it is all about, but where such ignorance is coupled with an absolute indifference to and disregard of the truth, and a spiteful, malicious mendacity, it eventuates in an intolerable situation, for people and newspapers all over the country thus get a perverted view, and repeat ad infinitum such misrepresentations.

THE BOOK AND THE PAGE

I intend now, Mr. Speaker, to take up one by one, and disprove by incontrovertible evidence, each and every one of the spiteful, malicious, and mendacious misrepresentations made about the "red rider." I will give the book and page on every one of them, so that no one ever again will dare repeat them or deny the probative force and effect of my proof.

MALICIOUS FALSEHOOD NUMBER ONE

That the "red rider" was slipped into a conference report.

Not one word of the "red rider" was ever in the conference report, which is signed by ELMER THOMAS, CARTER GLASS, ROYAL S. COPELAND, WILLIAM H. KING, GERALD P. NYE, and HENRY W. KEYES, as managers on the part of the Senate, and by CLARENCE CANNON, THOMAS L. BLANTON, and J. W. DITTER, as managers on the part of the House, and is printed in full on page 8796 and also on page 8802 of the permanent CONGRESSIONAL RECORD for June 6, 1935.

Anyone knowing the rules of the House would know that if the "red rider" had been placed in the conference report it would have vitiated the entire report, and made it subject to a point of order, for the reason that Senate amendment no. 48, being legislation, could not be agreed to by the House conferees, but they were compelled to bring said Senate amendment no. 48 back to the House and allow the House to vote on same, and the "red rider" likewise being legislation which was added as a proviso to said Senate amendment no. 48 by vote of both House and Senate, it could not be put in a conference report, but had to be presented to the House for vote thereon. In the conference the House managers verbally agreed with the Senate managers that said Senate amendment no. 48 would be returned to both Houses, for both House and Senate to take action thereon, and that if the Senate managers, through Senator THOMAS, would pro-

pose to the Senate that it would add the "red rider" as a proviso to Senate amendment 48, the House managers, through Chairman CANNON, would propose to the House that it concur in said Senate amendment no. 48 with an amendment, adding said "red rider" as a proviso to said Senate amendment 48, both House and Senate conferees having a copy of said "red rider" in writing, and the above action was taken in the Senate by Senator THOMAS, and was taken in the House by Chairman CANNON, and "BLANTON" did not have one thing to do with said proceedings in either the House or Senate, as same were handled by Chairman CANNON and Senator THOMAS, they being the ones in charge of it, and who proposed to the House and Senate that Senate amendment no. 48 be amended by adding the "red rider" as a proviso to it. Hence, it is mendaciously false, and wholly without basis, to state that the "red rider" was "slipped into the conference report", when not one word of the "red rider" was ever in the conference report.

MALICIOUS FALSEHOOD NO. 2

That the red rider was slipped through the House without Members on the floor having a chance to know about it.

The above assertion is absolutely false. There is not one word of truth in it. The following House proceedings are quoted verbatim from page 8808 of the CONGRESSIONAL RECORD, permanent, of June 6, 1935:

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment, which I send to the desk.

The Clerk read as follows:

"That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows: Before the period at the end of the matter inserted by said amendment insert the following: ': *Provided*, That hereafter no part of any appropriation for the public schools shall be available for the payments of the salary of any person teaching or advocating communism.' "

The SPEAKER. The question is on the motion of the gentleman from Missouri.

The motion was agreed to.

A motion to reconsider the votes by which the foregoing amendments were agreed to was laid on the table.

You will note that the "red rider", or the law that prevents communism in the public schools, is the proviso to said Senate amendment no. 48, following the word *"Provided."* You will note that it was read by the Clerk in the House. You will note that the motion to adopt it was made by Mr. CANNON of Missouri. You will note that the motion was agreed to.

ANY MEMBER PRESENT COULD HAVE OPPOSED IT

All Members of the House who watch its proceedings and know what is going on knew that said conference report was before the House for final action. They knew that the Senate had inserted 114 amendments in said bill. They knew that some of these amendments were legislation, and had to be voted upon by the House. They knew, when they heard the Clerk read this proviso, which Mr. CANNON of Missouri offered as an amendment to Senate amendment no. 48, that it would prevent communism from being indoctrinated in the public schools. Any Member present could have opposed the motion made by Mr. CANNON of Missouri. Any Member present, who desired to do so, could have gotten time and spoken against Mr. CANNON's motion. They could have offered a preferential motion to concur in Senate amendment no. 48, which would have taken precedence over Mr. CANNON's motion to concur with the red-rider amendment. No one objected to Mr. CANNON's motion. No one asked to speak against it. No one offered any preferential motion. No one tried to stop it. No one voted against it. No one asked for a division on the vote. No one asked for the yeas and nays. It passed unanimously. No one objected when Mr. CANNON moved to reconsider and to lay that motion on the table, which made the said action of the House final. Anyone could have objected if they had desired.

WOULD PLEAD GUILTY TO NEGLECT OF DUTY

Where is the Member who will say he was asleep when Mr. CANNON made his motion to adopt the "red rider"? Where is the Member who will say that he was not attending to his duties on the floor and was absent from the House? Where is the Member who will say that he did not know what was going on in the House? Where is the Member who will say that he did not avail himself of his privileges to stop a measure he did not like, when he did not object to it, when he did not ask for time to speak against it, when he did not raise his voice against it, when he did not vote against it, and when he did not demand a roll call against it? It would simply be a plea of guilty to neglect of duty.

MALICIOUS FALSEHOOD NO. 3

That BLANTON slipped it through.

It was not "slipped" through by anybody. The assertion that it was "slipped" through is false. The malicious assertion that "BLANTON slipped it through" is mendaciously false. When the House managers in conference were trying to adjust the 114 Senate amendments with the Senate managers, in June 1935, and the Senate managers asserted there would be no bill unless the House agreed to the Senate amendment making the appropriation for so-called character education, I proposed that if the Senate managers would recommend to the Senate the adoption of a proviso preventing communism from being taught and advocated in the schools we would recommend to the House that it adopt the Senate proposal thus amended, and then in said conference I dictated said proviso to our clerk, Mr. Duvall, to wit:

That hereafter no part of any appropriation for the public schools shall be available for the payment of the salary of any person teaching or advocating communism.

And said proviso was drawn up in writing by Mr. Duvall, and copies of same were furnished to the House and Senate managers, and all agreed that recommendation would be made both to the House and Senate that said proviso be adopted as an amendment to said Senate amendment no. 48, but said conferees could make no agreement about same other than they would submit the matter to the House and Senate for adoption or rejection, as both the Senate amendment no. 48 and said amendment thereto were legislation, and the conferees could not put any legislation in the conference report, as agreeing to legislation in a conference report would under the rules vitiate the entire report.

CHAIRMAN CANNON MADE THE MOTION

I have already quoted the proceedings in the House, page 8002, on June 6, 1935, showing the motion made by Chairman CANNON of Missouri, to concur in the Senate amendment no. 48, as amended by adding the "red rider" as a proviso, and that said "red rider" was read to the House by the Clerk from the Speaker's desk, and the House adopted the motion made by Mr. CANNON of Missouri, and by an unanimous vote adopted said "red rider." The unfounded report "that BLANTON slipped it through" was made by irresponsibles, based upon an assertion made by the gentleman from Washington [Mr. ZIONCHECK], who is against the "red rider" and wants it repealed, in a colloquy on the floor which from page 1814 of the RECORD for February 11, 1936, I now quote:

Mr. ZIONCHECK. I was on the floor of this House all the time. About 40 or 50 Members were here, and never before did I hear TOM BLANTON speak in a muffled tone so that no one could know what it was. The Clerk was not understood, because I was here and I would have objected. I know what a point of order is. I know what legislation in an appropriation bill is; that it is improper and subject to a point of order.

Mr. BLANTON. Oh, Mr. Speaker, that is all nonsense. TOM BLANTON was not even speaking. The gentleman from Missouri [Mr. CANNON] made the motion to adopt the rider, and it was read by the Clerk from the desk in front of the Speaker.

Mr. ZIONCHECK. Yes. You and Mr. CANNON were right there [pointing].

Mr. BLANTON. Mr. Speaker, is there any way to stop this obstreperousness? [Laughter.] Mr. Speaker, that motion to adopt the rider I had the conferees to agree to, stopping communism in the Washington schools, was made by the gentleman from Missouri [Mr. CANNON], who moved to recede from the amendment of the Senate and concur with this anticommunism amendment, which amendment he had the Clerk read aloud to the House. That was Mr. CANNON talking and our Clerk reading. It was Mr. CANNON's motion, not mine.

Mr. ZIONCHECK. When I made the statement, I did not say the gentleman from Texas made the motion, but the gentleman from Texas and the gentleman from Missouri [Mr. CANNON] were there [pointing] and you stood right alongside him, and in muffled tones told him what to do. Mr. CANNON made that motion. [Laughter.]

Mr. BLANTON. If the gentleman knows all that, he must have known about the motion to adopt the rider to stop communism.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. BLANTON. Mr. Speaker, does anybody think for a minute he is going to tell the gentleman from Missouri [Mr. CANNON] what to do or how to do it? He is the greatest parliamentarian in the United States. He is the author of one of the greatest works on parliamentary precedents that has ever been produced, about a dozen large volumes of which are on the press now.

Mr. ZIONCHECK. We know about that.

Mr. BLANTON. Of course; the statement is ridiculous.

And, Mr. Speaker, I repeat again, that on page 8808 of the CONGRESSIONAL RECORD, and on page 796 of the daily Journal, of the House of Representatives for June 6, 1935, it is shown clearly and distinctly that Mr. CANNON of Missouri made the motion that the House recede and concur in Senate amendment no. 48 with an amendment, which was the "red rider", which he, Mr. CANNON, sent to the Clerk's desk and which the Clerk read as follows, to wit:

Provided, That hereafter no part of any appropriation for the public schools shall be available for the payment of the salary of any person teaching or advocating communism.

And that the Speaker then put the motion of Mr. CANNON of Missouri before the House, and the House agreed to it; and the motion was adopted with not a vote against it; and that then Mr. CANNON of Missouri then moved to reconsider and lay that on the table, which motion carried; and that made the action of the House final on the matter.

THE HOUSE JOURNAL ALSO SHOWS WHAT HAPPENED

The daily Journal of the House of Representatives for June 6, 1935, on page 796, shows the following:

Mr. CANNON of Missouri moved that the House recede from its disagreement to Senate amendment no. 48 and concur therein with the following amendment:

Before the period at the end of the matter inserted by said amendment insert: "*Provided*, That hereafter no part of any appropriation for the public schools shall be available for the payment of the salary of any person teaching or advocating communism."

The motion was agreed to.

A motion by Mr. CANNON of Missouri to reconsider the vote whereby the foregoing motion was agreed to was, on his motion, and by unanimous consent, laid on the table.

Ordered, That the Clerk notify the Senate.

Thus, Mr. Speaker, it is shown by the Journal of the House that BLANTON did not have anything whatever to do with said motion in the House to adopt said "red rider", as the whole matter was handled in the House by Chairman CANNON of Missouri, and his conclusion of the matter was done by the unanimous consent of the House without the voice of a single Member being raised against it.

It is too late now for any disgruntled to squeal. If some Member was not on the floor attending to his official duties while the House was transacting important business it was his own fault, and he has nobody but himself to blame; and he ought not to cry now about spilt milk. He will learn sometime, if he does not know it now, that the leaders of the House who transact the business do not have to go around looking up any indifferent Member to tell him that they are going to transact business in the House. If anyone expects that he never will know what is going on in the House of Representatives.

PRACTICALLY THE IDENTICAL ACTION TAKEN BY SENATE

It will be noted, Mr. Speaker, from what I quoted from page 8002 of the CONGRESSIONAL RECORD, and from page 796 of the House Journal, that after the House had adopted the motion of Mr. CANNON of Missouri, and had passed the red rider, preventing the indoctrination of communism in the public schools, the House ordered "that the Clerk notify the Senate" of such action.

Pages 8796 and 8797 of the CONGRESSIONAL RECORD, permanent, shows the following:

The Presiding Officer laid before the Senate the action of the House of Representatives, which was read, as follows:

"That the House recede from its disagreement to the amendment of the Senate numbered 48 to said bill and concur therein with the following amendment:

"Before the period at the end of the matter inserted by said amendment insert ': *Provided*, That hereafter no part of any appropriation for the public schools shall be available for the payment of the salary of any person teaching or advocating communism.'"

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate no. 48.

The motion was agreed to.

Then, Mr. Speaker, and not until then, was the red rider made a part of said bill. It had been voted unanimously into the Senate amendment no. 48 by the House. It was then approved, and became a part of the bill, when the Senate voted for it unanimously. And it will be noted that it is stated in the Senate proceedings that the so-called red rider was read to the Senate before the Senate passed it. It was not "BLANTON" handling it in the Senate. It was Senator THOMAS of Oklahoma who moved that the red rider be adopted. "BLANTON" was not even there. "BLANTON" had nothing whatever to do with the action taken in the Senate when it passed it.

Hence, Mr. Speaker, it was maliciously and mendaciously false to assert that "BLANTON slipped it through", when after the House Clerk had read it to the House, the House passed it on the motion of Chairman CANNON of Missouri, and after the Vice President laid it before the Senate, and the Senate clerk read it to the Senate, it was passed by the Senate on the motion of Senator THOMAS of Oklahoma. Then the President signed it. And it became the law of the land on July 1, 1935. It has been the law ever since. And it is the law now. And it was a long time before anybody got a notion into their head to repeal it.

MALICIOUS FALSEHOOD NO. 4

That there was no occasion for its passage.

There was ample occasion. Complaints have been growing and multiplying ever since the Soviet regime took over Russia. These complaints come from substantial, credible fathers and mothers of Washington, from the representatives of citizens' organizations, from the American Legion, from the District of Columbia Public School Association, from the Daughters of the American Revolution, from the ladies of the Grand Army of the Republic, from teachers in the schools, and leading officials.

First. The official minutes of the Board of Education show that a teacher in the Western High School, Miss West, was suspended for 1 week for teaching bolshevism while discussing current events in her English class, and that she is still teaching in the schools.

Second. Four years after Dr. Frank W. Ballou became the $10,000-per-year superintendent of the Washington schools it became necessary for Congress to pass a law to stop communism from being taught by his corps of teachers. I quote the following from page 7796, CONGRESSIONAL RECORD of May 3, 1924, being volume 65, part 8, Sixty-eighth Congress:

Mr. SUMMERS of Washington. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Washington offers an amendment, which the Clerk will report.

The Clerk read as follows:

"Amendment offered by Mr. Summers of Washington: Page 33, at the end of line 22, insert: '*Provided*, That no part of this sum shall be available for the payment of the salaries of any superintendent, assistant superintendent, director of intermediate instruction, or supervising principal who permits the teaching of partisan politics, disrespect to the Holy Bible, or that ours is an inferior form of government.

Mr. BLANTON. Mr. Chairman, I shall not make a point of order to that.

Mr. SUMMERS of Washington. Mr. Chairman, this is a limitation, and, of course, it is in order.

I think everyone will agree with me that no teaching of this kind should be permitted in the schools of this District nor in the public school of any city or town in any State in the Union.

I have spoken to a number of Members, and it is an exception to find one who does not say that his children have come to him with complaints in regard to one or the other of the points mentioned in this amendment.

In the interest of the highest possible standard of education in this city, and because I believe that the schools here should be as nearly as possible a model for those throughout the country, I think this thing ought to be stopped, and this amendment will have that effect.

Mr. CONNALLY of Texas. Has the gentleman information that such things are going on in the schools which his amendment is intended to reach?

Mr. SUMMERS of Washington. I have.

Mr. CONNALLY of Texas. Who will pass upon the question as to whether this is happening or not? Who will be the arbiter?

Mr. SUMMERS of Washington. The school board.

Mr. CONNALLY of Texas. Will not the man who issues or pays these warrants be the one? This being a limitation on this appropriation, will they not pass this question up to the accounting officers of the Government?

Mr. SUMMERS of Washington. All right.

Mr. CONNALLY of Texas. In a practical way, I would like to know how that is going to work.

Mr. SUMMERS of Washington. It might be up to the accounting officers. Anyhow, there would be a way then by which one might file a complaint and stop the payment of salaries to anyone who has been permitting this pernicious teaching. It has unquestionably been going on for years and is going on in this present year.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Washington.

Mr. LOWREY. Mr. Chairman, may we have it again reported?

The CHAIRMAN. Without objection, the amendment will again be reported.

(The amendment was again read.)

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

That was the first "red rider." The House of Representatives unanimously passed it on May 3, 1924. That was 12 years ago. It prevented teachers in the Washington schools from "teaching partisan politics", from teaching "disrespect to the Holy Bible", and from teaching that "ours is an inferior form of government", all communistic doctrines of Soviet Russia.

Note that Congressman Summers from the House floor then said, on May 3, 1924:

Mr. SUMMERS of Washington. I have spoken to a number of Members, and it is an exception to find one who does not say that his children have come to him with complaints in regard to one or the other points mentioned in this amendment.

Not a Member denied his statement. He then said it was an exception to find a Member whose children had not complained about such subversive teaching. It is Soviet Russia that is propagating the communistic doctrine of "disrespect to the Holy Bible" and that "ours is an inferior form of government." That is just the kind of doctrine that is embraced in the book Made in Russia, which Superintendent Ballou and his Board of Education now have in the schools of Washington.

FIRST "RED RIDER" PASSED IN 1924 BY HOUSE AND SENATE

After passing the first "red rider" in the House on May 3, 1924, Dr. Summers then had to battle Dr. Ballou, who tried to get the Senate to knock it out of the bill. Even at that early date Dr. Ballou raised his pet slogan of "academic freedom", but the Senate passed it, and the President signed the bill, and the first "red rider" became law, but was effective only until July 1, 1925, when it would expire.

SECOND "RED RIDER" PASSED SECOND TIME IN 1925

Again in 1925 Dr. Summers' "red rider" to prevent communism from being taught in the public schools of Washington was placed in the District appropriation bill, and passed both the House and Senate and was signed by the President, and became law in force and effect until July 1, 1926.

DR. BALLOU AND COMMUNISTIC HENCHMEN KEPT IT OUT OF NEXT BILL

The hue and cry of "factual instruction" and "academic freedom" was then started by Dr. Ballou and the Washington newspapers. They belittled and ridiculed the law. They belittled and ridiculed every Congressman or Senator who espoused it. They succeeded in keeping it out of the next appropriation bill, and the law expired on July 1, 1926. That is the reason that when the last "red rider" was passed by Congress on June 6, 1935, it was not drawn as a limitation that would expire with the fiscal year, but was drawn as permanent law by using the word "hereafter", so that Congress would not have to pass it again every year.

Third. The Board of Education cannot escape its responsibility, for it knew of its act when it suspended the Western High School teacher for 1 week for teaching communism. It knew of Congressman Summers' charge in 1924, when he passed the first "red rider." It knew of his charges in 1925, when he passed the second "red rider." Instead of cooperating with Congress in its attempt to stamp out communism from the schools, it joined Superintendent Ballou in 1925 and 1926 in trying to repeal the Summers "red rider", and did help Superintendent Ballou to repeal same, and the law expired July 1, 1926.

BOARD OF EDUCATION WHITEWASHED COMMUNISM IN 1928

The Washington Post on April 3, 1938, under its main headline, "Reds Renew Drive as School Board Launches Inquiry", and the subheadline, "Boy of 12 Testifies of Effort to Bring Him Into Fold of Communism", printed the following:

Communistic elements, whose activities in the schools was the subject of inquiry by the Board of Education yesterday, responded to the Board's thrust by renewal of proselytizing campaigns in the schools.

One 12-year-old youngster, who testified before the hearing yesterday, told the Board that yesterday he had been approached in the Central High School by another youth who sought to enlist his interest in communism.

Talk of communism pervaded the whole meeting. There are in the District schools, according to the testimony, two organizations affiliated with the Communist Party. One is the Young Communist League and the other the Young Pioneers. Columbia High School, Macfarland High School, Central High School, and Business High School were mentioned by the witnesses as having been points of Communist activity.

Mr. Henry Gilligan's statement that the Appropriations Committee has not the right "to tell us how to run our schools" was applauded.

It will be noted, Mr. Speaker, that on April 3, 1928, the Washington Post, which is now friendly to communism, and is friendly to Superintendent Ballou, and friendly to the Board of Education, and is against the "red rider", and in favor of the "Sissy bill", which would allow communism to be indoctrinated in the schools, then broadcasted to its readers the fact that the testimony before the Board of Education in 1928 showed that there are in the District schools two organizations affiliated with the Communist Party. Yet, instead of cooperating with Congress in trying to remove communism from the Washington schools, the Board of Education is cooperating with Superintendent Ballou in trying to repeal the "red rider", so that all teachers would then have a free hand to teach communism or any other subversive doctrine they may see fit to teach.

Fourth. The Federation of Citizens' Associations is a combined confederation of 63 different citizens' associations organized and existing in the District of Columbia. They represent, are prepared to, and do speak for the citizenship generally of Washington, D. C. They had the right to demand of Congress the passage of a law to stop communism from being indoctrinated in the schools to their children.

FEDERATION OF CITIZENS' ASSOCIATIONS REQUESTED "RED RIDER"

It was the people of Washington who asked for the "red rider." Will anyone say that 63 different citizens' associations through their Federation of Citizens' Associations did not have the inherent right to request the "red rider" to prevent communism? On March 16, 1935, the said Federation of Citizens' Associations passed a resolution advocating a rider upon the then pending District of Columbia appropriation bill to disallow an appropriation for so-called character education and to stop communism in the schools. The "red rider" to stop communism and the appropriation bill disallowing any appropriation for so-called character education were passed by both the House and Senate on June 6, 1936. It was in direct response to and in accord with the request of the fathers and mothers of Washington, whose children were being contaminated by the attempt to indoctrinate communism in the schools.

Fifth. The Federation of Citizens' Associations appointed a special committee consisting of Hon. George E. Sullivan, as chairman, he being one of the leading lawyers of Washington; Hon. Harry N. Stull, a vice president of said federation; Mrs. George Corbin and Mrs. Horace J. Phelps, two prominent, high-standing ladies of Washington, to act for said Federation of Citizens' Associations on the elimination of communism from the District of Columbia public schools. The following are resolutions passed by said federation and said special committee relating thereto:

1. Resolution adopted by the federation March 16, 1935, advocating a rider upon the then pending District of Columbia appropriation bill, in view of the disclosure that Dr. Charters (shown to be

on the advisory board of communistic Moscow University summer school) was being employed for character education in the District of Columbia public schools.

2. Resolution adopted by the executive committee November 12, 1935, providing for the creation of this special committee and the taking of steps to eliminate textbooks in the District of Columbia public schools containing communistic propaganda and secure for the pupils instead "a clear and informative definition of communism and its evil and atrocious aims and purposes."

3. Further resolution adopted by the executive committee December 3, 1935, directing this special committee to extend its work to cover periodicals as well as textbooks.

4. Resolution adopted by the federation December 7, 1935, approving and endorsing the aforesaid actions by the executive committee.

5. Resolutions adopted by the federation January 4, 1936, advocating an immediate appeal to Congress to provide "an effective remedy, and one which will be so thorough that there can be no danger of a recurrence of existing conditions."

Sixth. The said special committee appointed by said Federation of Citizens' Associations to eliminate communism from the Washington schools was nonpartisan in every respect and embraced one Catholic and three of other religious faiths, and they worked together zealously and harmoniously. I quote the following from their report to the federation:

COMMITTEE REPORT APPROVED AND ADOPTED MARCH 28, 1936, BY FEDERATION OF CITIZENS' ASSOCIATIONS OF THE DISTRICT OF COLUMBIA, IMMEDIATELY FOLLOWING THE VOTING DOWN BY IT OF A PROPOSED SUBSTITUTE MOTION TO ENDORSE THE SISSON REPEAL BILL, H. R. 13375

MARCH 28, 1936.

To the Federation of Citizens' Associations, District of Columbia:

The last report of this special committee, dated January 4, 1936, was approved by the federation, and resolutions were adopted on that date describing "existing conditions" in the public schools of this District as "favorable to subversive, antipatriotic, and communistic propaganda", and expressly declaring that "the recent action of the Board of Education makes it imperative that the Congress of the United States shall be appealed to without delay to provide an effectual remedy and one which will be so thorough that there can be no danger of a recurrence of existing conditions." This special committee has made appeal to the Congress as so directed by the federation, the subject matter being presented to the Senate and House District Committees and also to the House Appropriations Committee.

The Subcommittee on the District of Columbia of the House Appropriations Committee conducted a thorough investigation into this subject matter. The entire subcommittee of five members participated actively in the investigation, and went to original sources for their data. Books and magazines, etc., in use with pupils in the public schools were carefully studied by said subcommittee, with such books, magazines, etc., actually before them for weeks; and the printed hearings show that the subcommittee found an abundance of antipatriotic and procommunistic matter, and also matter tending to seriously affect and undermine fundamental morals of the pupils in the matter of sexual relations. The destruction of sexual morality is well known, of course, to be one of the aims and purposes of communism. The Superintendent of Schools, the head of the history department in the high schools, and the editor of Scholastic magazine were heard before said subcommittee and disclosed no possible excuse or justification for the conditions against which this federation has complained, and which are now admitted to have been going on for a number of years.

Your special committee has carefully considered all of the foregoing and recommends that the federation deal specifically with the following issues which have been raised.

1. So-called academic freedom: We recommend that the federation reject as fundamentally unsound the proposition advanced by Congressman SISSON and by the Board of Education that it is an invasion of the rights of the school authorities for Congress to direct, regulate, or control any features of the curriculum in the public schools. No one has been able to suggest wherein this proposition has any foundation in American institutions; exclusive legislation for the District of Columbia is vested by the Constitution in the Congress, and the school authorities are public servants obligated to respect and obey such legislation. It should be noted in this connection that as early as 1886 (act of May 20, 1886 (24 Stat. L. 69)), Congress upheld its jurisdiction, not only in the public schools of the District of Columbia but in schools everywhere else subject to the jurisdiction of the Federal Government, by expressly requiring "the nature of alcoholic drinks and narcotics, and special instruction as to their effects upon the human system" to be taught, and to require removal from office of anyone failing or neglecting to comply with such requirement.

2. Legislation requiring pupils to be acquainted with evil aims and effects of communism and other un-American doctrines: Since Congress has the undoubted power to require pupils to be acquainted with the harmful effects of alcohol and narcotics, which affect the individual only directly, and the Nation indirectly, how can anyone seriously question the power of Congress to require that pupils in the public schools of the District of Columbia shall be made acquainted with the evil aims and effects of communism and other un-American doctrines, which affect both the Nation and the individual directly? This special committee recommends that the federation advocate the immediate passage of legislation to this effect, with means for enforcement similar to what is provided for in the aforesaid act of 1886, and with specific requirement that all such subversive doctrines be expressly denounced to the pupils in all textbooks or other data or explanation used with the pupils referring to such doctrines. This is in accord with the uniform position taken by this federation at all times. Not only has the federation at no time objected to pupils in the public schools being made so acquainted but it has insisted at all times upon the pupils being made so acquainted for their own protection; in other words, that the truth, and not half truths, shall be told the pupils about and against communism and that it is inherently impossible to tell them the truth about communism without teaching against communism and denouncing it as a world revolution conspiracy seeking destruction by force and violence of all nations and practically every vestige of civilization.

As a matter of fact, the clause against communism in the aforesaid District of Columbia appropriation bill of June 14, 1935, does not require any monthly or other affidavits; and it was not until December 1, 1935, that the Comptroller General decided to make such requirement, and then only because it became apparent that the school authorities would not accede to the reasonable demand of Congress (inherently necessary) that no teaching about communism could take place which did not actually teach against and denounce it.

GEO. E. SULLIVAN, *Chairman,*
HARRY N. STULL,
MRS. GEORGE CORBIN,
MRS. HORACE J. PHELPS,
Special Committee on Elimination of Communistic Matter from District of Columbia Public Schools.

HOW CAN ANY HONEST, TRUTHFUL PERSON SAY THAT THERE WAS NO OCCASION FOR PASSING THE "RED RIDER"?

When the Federation of Citizens Associations adopted the foregoing report of its special committee to eliminate communism, it was the people of Washington speaking. It was the fathers and mothers whose children were involved. It was the taxpayers who pay the expenses of the public schools here. They had a right to be heard. They had a right to protect their children. They had the right on March 16, 1935, to request Congress to pass the "red rider." They had the right to stand behind their "red rider" after it was passed. They had the right to denounce the "sissy bill" that would allow communism in their schools.

Seventh. The District of Columbia Public School Association is a federation of 97 different organizations and embraces 28 different citizens' associations in the District of Columbia. Maj. Gen. Amos A. Fries is its president. General Fries did valiant service in France during the World War, and was in charge of our Chemical Warfare Service there. He has been at the head of the American Legion here in Washington for a number of years. His association, without a dissenting vote, passed the following:

Resolution adopted unanimously by the District of Columbia Public School Association April 1, 1936

Be it resolved by the District of Columbia Public School Association, That they are opposed to the appropriation for any further money for the so-called character-education experiment in the public schools of the District of Columbia, and they urge that any funds that might be available for such character-education experiment be used to employ additional teachers in the various grades where they are seriously needed.

AMOS A. FRIES,
President of the District of Columbia Public School Association.

Eighth. I quote the following from the evidence of Gen. Amos A. Fries before the Senate subcommittee:

STATEMENT OF MAJ. GEN. AMOS A. FRIES

Mr. Chairman, I am submitting this statement as president of the Public School Association of the District of Columbia, and in the name and on behalf of that association, an association of groups of civic, fraternal, business, and citizens already existing under other titles, but who are particularly interested in the public schools of the District. There are over 90 of these citizens' groups in the association. The various groups are taxpayers, citizens of the District of Columbia, and some of the teachers themselves. The great majority of them have now, or have had, children in the public schools, and are most concerned with the proper teaching and training of their children.

They pay the taxes that provides the money to build the schoolhouses, maintain the grounds and buildings, pay the teachers, and then feed, clothe, and care for the children. These parents feel that they are the ones to say what shall be taught their children and what shall not be taught them, and not the teachers. They feel that the teacher who is unwilling to take this view of the position of the parents is not fitted to teach and should get out of the public schools.

These parents strenuously object to ill-considered and wholesale experiments being practiced on their children, just because some professors or superintendents want to try out their particular ideas of methods of teaching, or social philosophies, economic theories, or even trying to teach a form of government foreign to that of the United States.

The District of Columbia Public School Association is vigorously opposed to the teaching of communism in the schools, or to the repeal of the law against teaching or advocating communism in the schools, unless and until a law is passed which will make mandatory the denunciation of the ideas, philosophy, and actual working of Communist governments, whenever the subject of communism is touched upon by any teacher in the public schools of the District.

The association is equally opposed to the appropriation of any more money for the so-called character-education experiment. It believes that the experiment is an absolute waste of the taxpayers' money and that certain of the schemes being carried out are actually detrimental to the children's future. It is to prepare our children for citizenship in the "new social order", but what that is Dr. Ballou says he does not know himself.

Ninth. The following is quoted from the testimony of Hon. George E. Sullivan, given before our subcommittee of the Committee on Appropriations:

STATEMENT OF GEORGE E. SULLIVAN, CHAIRMAN, SPECIAL COMMITTEE OF FEDERATION OF CITIZENS' ASSOCIATIONS ON ELIMINATING ANTI-PATRIOTIC AND SUBVERSIVE MATTER FROM PUBLIC SCHOOLS

Mr. BLANTON. Mr. Sullivan, do you appear in a representative capacity.

Mr. SULLIVAN. I do. I appear for the Federation of Citizens' Associations as chairman of their special committee on eliminating antipatriotic and other subversive matter from the District of Columbia public schools.

Mr. BLANTON. You are the duly authorized representative of the Federated Citizens' Associations of the District of Columbia?

Mr. SULLIVAN. I am.

Mr. BLANTON. How many associations are federated in your organization?

Mr. SULLIVAN. There are between 60 and 65 different organizations, each of which has two delegates to the assembly of the federation, which is our deliberative body.

Mr. BLANTON. They have delegated to you, these sixty-odd associations, the authority to act for them at this meeting?

Mr. SULLIVAN. That is correct.

Mr. BLANTON. And you appear for them?

Mr. SULLIVAN. I do.

Mr. BLANTON. And you speak for them?

Mr. SULLIVAN. I do.

Mr. BLANTON. And with authority from them?

Mr. SULLIVAN. Yes.

Mr. BLANTON. Are you a member of the bar association here?

Mr. SULLIVAN. I have been a member of the board of directors, and have been a member of the bar association since 1902.

Mr. BLANTON. What is your age?

Mr. SULLIVAN. I will be 55 this year.

Mr. BLANTON. You may proceed.

Mr. SULLIVAN. In order to save the time of the committee, as most of the matter I have to present is authentic documentary matter, I have prepared a memorandum here and, if it is agreeable to the committee, in order to save time, and in the interest of accuracy, I will read it, as follows, to wit:

As chairman of the special committee of the Federation of Citizens' Associations, District of Columbia, on eliminating antipatriotic and subversive matter from the public schools, I am authorized and directed to acquaint the Congress with conditions of long duration, which have been recently uncovered, and for the creation and continuance of which the superintendent of schools and the Board of Education are directly responsible. The seriousness of the matter cannot be gainsaid, as will appear from resolutions adopted by this federation January 4, 1936, declaring that—

"The recent action of the Board of Education makes it imperative that the Congress of the United States shall be appealed to without delay to provide an effectual remedy and one which will be so thorough that there can be no danger of a recurrence of existing conditions."

The public-school system has never had a more alert or faithful supporter than this federation, which always advocates and urges entirely adequate provision for the best school facilities. This federation believes the public-school system was devised and intended as the most important bulwark of patriotism and good citizenship, and that the public-school system should ever be preserved and maintained as such, and not be permitted to be used for contrary purposes, to impair or destroy patriotism and good citizenship.

This federation has always been most friendly to the Board of Education, and the superintendent of schools, Dr. Frank W. Ballou, and has extended its aid and cooperation to them on innumerable occasions. This federation believes in the patriotism and loyalty of the rank and file of the teachers generally in the District of Columbia public schools. Consequently, it was inconceivable to this federation, until most startling recent developments, that the District of Columbia public schools could possibly have become perverted into a means for subtly undermining patriotism and love of country, so as to create a fertile field for sowing the seeds of communism, and then proceeding to actually sow such seeds in the public schools. But we have been shocked to find what was considered inconceivable is an awful reality. Moreover, the methods used to accomplish it have been so clever as to practically defy analysis and detection by persons outside the schools, and to also carry the teachers along in a maelstrom, leaving the teachers helpless to resist or expose what is imposed upon them, without endangering the loss of their positions.

COMMUNISM, SOMETIMES CALLED "MARXIAN COMMUNISM", IS NOT A LEGITIMATE SOCIAL SCIENCE BUT A HYPOCRITICAL CONSPIRACY TO DESTROY ALL CIVILIZATION AND TO ESTABLISH IN ITS STEAD A WORLD-WIDE AUTOCRATIC BARBARISM

Since many intelligent persons, even in high official positions, do not appear to have acquainted themselves with the real nature and seriousness of communism, it is, perhaps, appropriate, by way of introduction to what is to follow, to give briefly, some really informative and authentic data concerning it.

Communism and Russia are by no means synonymous. Russia merely occupies the unfortunate position of being communism's first victim. Communism is synonymous with world revolution, and seeks the destruction of all nations, including abolition of patriotism, religion, marriage, the family, private property, and all political and civil liberties, and the establishment of a world-wide dictatorship of the so-called proletariat, which is an autocratic self-constituted dictatorship by a small group of self-perpetuating revolutionists. (See Rept. No. 2290, House of Representatives, 71st Cong., 3d sess.) Said report quotes admissions under oath by William Z. Foster, twice candidate of the Communist Party for President of the United States, as follows:

"Our party considers religion to be the opium of the people, as Karl Marx has stated, and we carry on propaganda for the liquidation of these prejudices amongst the workers (p. 10).

"As I stated before, workers who would be so imbued with religious superstitions that they would be married in a church would be of no value to the Communist Party.

"Q. And the same thing would happen to them in this country that happens to them in Russia?

"A. Of course (p. 10).

"Q. Do the Communists in this country advocate world revolution?

"A. Yes; the Communists in this country realize that America is connected up with the whole world system, and the capitalist system displays the same characteristics everywhere—everywhere it makes for the misery and exploitation of the workers—and it must be abolished, not only on an American scale but on a world scale (p. 11).

"Q. Just what is the Third International?

"A. The Communist International is the world party of the Communist movement.

"Q. Is the Communist Party of the United States connected with it?

"A. It is.

"Q. In what way?

"A. It is the American section (p. 11).

"The workers of this country and the workers of every country have only one flag, and that is the red flag. That is the flag of the proletarian revolution (p. 12)."

More recently the Communists have become so bold that they are publicly proclaiming some of their outrageous aims and purposes, previously concealed and disavowed. As late as April 15, 1932, George S. Counts (who is carried in printed literature of communistic Moscow University for the summer session of 1935 as a member of said university's national advisory council) published a book, Dare the School Build a New Social Order? There was a fifth printing of said book in October 1935. In said book he lays down the following as texts for teachers:

"That the teachers should deliberately reach for power and then make the most of their conquest, is my firm conviction. To the extent that they are permitted to fashion the curriculum and the procedures of the school, they will definitely and positively influence the social attitudes, ideals, and behavior of the coming generation (pp. 28–29).

"The conscious and deliberate achievement of democracy under novel circumstances is the task of our generation.

"Democracy, of course, should not be identified with political forms and functions—with the Federal Constitution, the popular election of officials, or the practice of universal suffrage (p. 40).

"Finally, be prepared as a last resort, in either the defense or the realization of this purpose, to follow the method of revolution (pp. 41–42)."

It will be observed that this communistically connected gentleman, Counts, is so clever with the use of language that these outrageously subversive texts, addressed to teachers, do not so much as mention the word "communism" or make direct reference to Soviet Russia in such quoted texts. Yet is is very plain from the language used—even aside from his connection with communistic Moscow University—that he is advocating resort to revolution as a final means for overthrowing our Nation, but recommending that the teachers be first used to make the coming generation believe that our Republic should be discarded and something accepted in its stead (obviously, the dictatorship of the proletariat) not identified with the Federal Constitution nor with the popular election of officials nor with the practice of universal suffrage.

The evil aims and purposes of communism, namely, the destruction of our Republic, and also of civilized society, and the rearing in its stead of a ruthless autocracy, with liberty, morality, and decency discarded, cannot be ignored by honest-minded persons.

SUPPOSED "ACADEMIC FREEDOM" IN PUBLIC SCHOOLS

The Communists maintain more than 300 schools in the United States, where revolution, strike tactics, and hatred to our Government and its institutions are taught. A list of such Communist schools is given on page 25 of Extracts from Public Hearings Before the Special Committee on Un-American Activities, House of Representatives, Seventy-third Congress, second session, December 29, 1934. The Communists in this country say they owe no allegiance to our Nation, its Constitution, or its flag, yet they claim the right to conduct such Communist schools as a part of supposed "academic freedom." Plainly, they do not have the right to any such "academic freedom", to deceive and mislead our youth. They are enjoying something to which they have no right and which the public authorities are derelict in not suppressing.

Since communism is primarily an antireligious and anticivilization creed, it is difficult to understand why, under the guise of "academic freedom", it is entitled to receive any attention in the public schools as a subject for study, even if communism's inherent subversiveness and hypocrisy be disregarded. It would, manifestly, be most unfair to have the pupils study matter misrepresenting and denouncing all religions, as communism does, when on refutation of such misrepresentation and denouncement of all religions would be possible, since discussion of any religious creed in the public schools is absolutely precluded.

Every loyal American citizen recognizes that patriotism is inseparable from national consciousness. Consequently, any attempt in the public schools to glorify, or even dignify, subversive internationalism, or to minimize the importance of national existence, national honor, or patriotism, or to induce or cultivate in the pupils skepticism regarding any of the last-named, in the interest of so-called scientific history, or for any other reason, is plainly pernicious and reprehensible.

THE EMPLOYMENT AND RETENTION OF DR. W. W. CHARTERS IN CONNECTION WITH CHARACTER EDUCATION IN DISTRICT OF COLUMBIA PUBLIC SCHOOLS, NOTWITHSTANDING DR. CHARTERS' COMMUNISTIC MOSCOW UNIVERSITY, SINCE DECEMBER 1933

This federation became genuinely alarmed at such startling condition of affairs, and consequently on March 16, 1935, adopted a resolution urging the insertion in the then pending District of Columbia appropriation bill of a special provision prohibiting payment of any money appropriated for the public schools [reading]: "Any advocate of communism or other un-American doctrine or to any organization or agency advocating such doctrine."

The District of Columbia appropriation bill, as finally passed June 14, 1935, contained a special provision or prohibition as follows [reading]: "*Provided*, That hereafter no part of any appropriation for the public schools shall be available for the payment of the salary of any person teaching or advocating communism."

CONDITIONS IN DISTRICT OF COLUMBIA PUBLIC SCHOOLS ON JUNE 14, 1935, WHEN THE RIDER AGAINST COMMUNISM WAS ADOPTED

The federation's alarm in March 1935, due to the employment and retention of Dr. Charters, whose connection with communistic Moscow University had been shown, suggested to it the necessity for alertness and caution as to what might occur in the public schools; but the federation was not led to even suspect that actual wrongdoing of any kind was then going on in the District of Columbia public schools.

It was not until November 1935 that this federation first learned of any actual wrongdoing going on in the public schools detrimental to the pupils, the citizenship generally, and our Nation. Such conditions, discovered commencing in and since November 1935, are shown to have existed for some years past, and to have been introduced on the recommendation of the superintendent of schools with the approval of the Board of Education. Earlier discovery would likely have been made, had it not been for assurances by Dr. Ballou and Dr. Charters that pupils were merely being taught how to think—not what to think.

TEXTBOOK MODERN HISTORY, BY CARL BECKER, IN USE IN WASHINGTON HIGH SCHOOLS SINCE FEBRUARY 1, 1933

The following brief quotations, with page references to enable consideration thereof in their exact setting, will make plain the presence of inexcusable objectionable matter in said textbook:

"The essence of Marx's scientific socialism is this: The workers are at present enslaved to the capitalists; but the stars in their courses, rather than the feeble wills of men, are bringing about their liberation. What Marx gave the workers was a new philosophy—religion—a religion to console them in their present distress, a philosophy pointing out the good time coming (pp. 535–536).

"Soviet Russia: How Nicolai Lenin made good the prophecies of Karl Marx by establishing the 'Dictatorship of the Proletariat' (p. 790, 1933 ed.; p. 779, 1935 ed.).

"Many great leaders in the crusade for human freedom have been like that. They have united a passionate sympathy for the poor and oppressed with a passionate hatred for those whom they held responsible for poverty and oppression.

"Lenin was a disciple of Karl Marx (p. 791, 1933 ed.; p. 780, 1935 ed.).

"The 'gentle and smiling' Lenin was the Lenin who felt a profound sympathy with the poverty and oppression under which the Russian people lived and had lived for centuries. The 'hard and criminal' Lenin was the Lenin who never doubted that the tsars and landed aristocrats and idle rich were responsible for this poverty and oppression, or that the most ferocious methods were necessary and justified in order to establish the rights of the people. This passionate faith in a doctrine is the secret of Lenin (p. 791, 1933 ed.; p. 781, 1935 ed.).

"By 1930 the output of Russian industries was on the whole as great as, and in some of the government-owned industries greater than, before the war.

"With the return of economic prosperity the Soviet Government became every year more popular, and in 1928 it felt strong enough to take another step forward toward the nationalization of the land (p. 799, 1933 ed.; p. 788, 1935 ed.).

"The Russian revolution aims to effect a complete transformation of society—the establishment of a Communist economic regime and the acceptance of a Communist philosophy of life. This is why it is, of all the events of our time, the most interesting and perhaps the most important (p. 805, 1933 ed.; p. 794, 1935 ed.)."

Professor Becker's record as favoring communism was well known before his book Modern History was adopted as a textbook for the District of Columbia schools. In 1920 he had published a book, The United States, an Experiment in Democracy, stating that immigrants—"describe America as they have found it—a country dominated by capitalists, a sordid bourgeois society, without ideals, a land of 'dollar chasers' where wealth controls the Government and exploits the people" (p. 234).

And as late as 1932 Professor Becker had published another book, The Heavenly City of the Eighteenth Century Philosophers, lauding Marxian communism as "a new religion" (p. 161), asserting it to be "the duty of common men" to "adjust themselves" to it (p. 162), and then paying the following tribute to communism in Russia:

"And now, in our day, the first act in the social revolution, accompanied and sustained by the Communist faith, has just been staged in Russia (p. 163)."

TEXTBOOK, CHANGING CIVILIZATIONS IN THE MODERN WORLD, BY HAROLD RUGG, APPROVED IN WASHINGTON PUBLIC SCHOOL DOCUMENT NO. 2, 1933, FOR "SLOW-GOING PUPILS" IN JUNIOR AND SENIOR HIGH SCHOOLS

This book contains praise of communism for its supposed accomplishments in Russia, as a few quotations therefrom will make manifest:

"Russia since her revolution: In general the standard of living today is about the same as in 1913. In this respect the recovery of Russia since the World War has about equaled that of Germany, France, and Great Britain (p. 399).

"Though wages are low, the Russian people have many advantages that they lacked before the revolution: * * * There are other important things besides wages and costs to be considered in judging the standard of living of a people; schools, medical help, and amusements are among these. In Russia all these things are free to factory workers and peasants. * * *

"We must remember all these things when we think of the standard of living of the Russians (p. 409)."

WEEKLY MAGAZINE SCHOLASTIC, SOMETIMES STYLED "THE AMERICAN HIGH SCHOOL WEEKLY", AND AT OTHER TIMES "THE NATIONAL HIGH SCHOOL WEEKLY", USED AS A STUDY MAGAZINE IN WASHINGTON HIGH SCHOOLS SINCE AS EARLY AS DECEMBER 1932, AND EXPRESSLY APPROVED ON PAGE 4 OF WASHINGTON PUBLIC SCHOOL DOCUMENT NO. 2, 1933

The social studies editor of this study magazine is the same Harold Rugg heretofore mentioned. Some quotations from a number of issues of said magazine will show its character and purpose.

"He (Santa Claus) was only a pretty fairy tale that our elders, for some unaccountable reason, had palmed off on us. They thought it made us happier.

"The shock of that disappointment is so long ago now that we can hardly remember. But since we got into high school, some other Santa Clauses have been bowled over. One gets punctured every day or two.

"The national flower, says one headline writer, has become the razzberry.

"The mood of disillusionment has indeed settled over the present generation.

"A journalist who traveled the country over and talked with hundreds of ordinary obscure men and women in all walks of life came back with a profound impression that the American people have no national faith." (From editorial on p. 1 of Scholastic magazine of Dec. 17, 1932.)

"You want to know what is the best kind of government, the best economic system, the best type of school. You want to know how to stop war and racial intolerance.

"If you will help us, you shall know these things, and the truth shall make you free." (From editorial on p. 1 of Scholastic magazine of Sept. 23, 1933.)

"Scholastic does not and will not attempt to indoctrinate its readers with specific, unalterable beliefs. Nevertheless, its editors have certain considered convictions as to society which they have no apologies for presenting to students as powerfully as they can." (From editorial on p. 1 of Scholastic magazine of Dec. 9, 1933.)

"Today 6,000,000 young Russians in the Communist Youth Association are helping to build a new social order. Here is the war psychology of dramatic action which is so dear to youth, set to the great building tasks of business. Stalin speaks of 'science as a fortress which must be carried by youth', etc." (p. 16 of Scholastic magazine of Dec. 16, 1933).

"For 100 years the productivity of the civilized world increased about 3 percent each year, perhaps a little, though not much, faster in the United States. Russia proposed to increase hers 20 times as fast.

"But Russian planners do not stop short with material things. They promise to increase the number of students in their country about 50 percent and reduce illiteracy by requiring every child to attend school at least 7 years.

"Can they do it? On the basis of past accomplishments, the answer is 'yes'." (P. 21 of Scholastic magazine of Jan. 20, 1934.)

"The older transients, it is true, resist communism. They have a mental hold-over of war psychology, the anti-red drives of Palmer, and a belief in the American success story. For boys and girls communism offers school, hope, and adventure." (P. 12 of Scholastic magazine of Oct. 6, 1934, quoting chapter stated to be taken from new book, Boy and Girl Tramps of America.

"Here, in rigid logic, he examines such popular beliefs as 'national honor', 'patriotism', 'security'—and exposes their childishness and hypocrisy." (Editorial comment in heavy type, p. 7 of Scholastic magazine of Nov. 10, 1934, extolling the author of a recent book featured in said issue.)

"Men fight for the glory and honor of the fatherland, the motherland, for right against might, for the king and the flag, for the women and children. Not the most iron discipline, not the most urgent necessity for new markets or coal fields can keep armies from crumbling away once the romantic appeal is discovered to be a tricky lie, once the last glimmer of chivalry has vanished." (P. 12 of article appearing in Scholastic magazine of Nov. 9, 1935.)

These precise dates of issues and page references are given in order that the quoted matter may be readily examined in its exact setting, so as to preclude any serious claim that anything has been "lifted" out of its context. Moreover, the quoted matter is so plainly "poisonous" as affecting students of impressionable and inquisitive age, that it cannot possibly be defended under a claim that Scholastic is merely attempting to give the pros and cons on controversial questions.

National existence, national honor, patriotism, and 100-percent Americanism (to the utter exclusion of that subversive and pernicious thing called communism) cannot be recognized as constituting controversial or two-sided questions in the public schools of this Republic, whatever may be the situation in Moscow. Consequently, the aforesaid "poisonous" matter cannot be justified or condoned by any amount of nonpoisonous matter supplied either before, after, or at the same time with such "poisonous" matter; any more than a nurse could justify administering poison to a patient by showing that she also gave the patient some nonpoisonous and wholesome food, or even showing that she gave the patient an antidote before, after, or along with the poison. The sterling loyalty and patriotism of our youth must be given no dose of poison, however small, nor can anyone justify creating or inducing skepticism or doubt in our youth about such matters.

The efforts of Scholastic to create at least a condition of skepticism or doubt in the minds of high-school students regarding patriotism and our Republic, as compared with communism and Soviet Russia, are further manifested by the manner in which the editors of Scholastic treat communications from students with respect thereto. In issue of February 16, 1933, page 30, Scholastic carried, in the Student Forum column, a letter from a student which asserted:

"(1) The average high-school student has intelligence to deduct the difference between opinions that he thinks are for the good of the Nation and terrorism.

"(2) Communism does not seek to destroy, but to uphold the rights of the people."

Judge Sullivan spent much time gathering this data, and I ask my colleagues to consider it carefully. I quote him further:

No editorial comment was added by Scholastic to direct attention to the true facts, namely, that communism seeks the overthrow of all nations, and of practically every element of civilization. However, when Scholastic carried, in its issue of November 18, 1933, page 30, a letter from another student, who stated:

"The only thing I dislike is your attitude concerning socialism and communism. You mention pamphlets written by Socialists and Communists and oftentimes hint for these evils in your columns. What can be your reason? Are you trying to make the students form the opinion that socialism and communism will work after its undoubted failure in Russia?"

The insertion of such student's letter was followed by editorial comment, saying:

"Scholastic suggests only that students investigate these and other ideas before they make up their minds whether or not to condemn them. For instance, investigation would show that communism in Russia, while it has not been a wholesale success, is hardly an 'undoubted failure.'"

Again, when Scholastic published, in its issue of January 13, 1934, page 26, a complaint received from Don Andrus, then a student in Western High School, Washington, D. C. (and who was colonel of the Washington High School Cadets), the publication of his letter was made under the sarcastic label "The Red Menace Again." Said complaint by Don Andrus asserted:

"Scholastic is a dangerous magazine. It is dangerous because of its communistic ideas and notions. Although the magazine is supposed to be unbiased, little things here and there reveal its communistic nature."

TEXTBOOK, HISTORY OF EUROPE: OUR OWN TIMES, BY JAMES HARVEY ROBINSON AND CHARLES A. BEARD, USED IN WASHINGTON HIGH SCHOOLS FOR SEVERAL YEARS

The following quotations from said book reveal the inexcusably objectionable matter contained in it:

"447. Karl Marx: The great teacher of this modern doctrine of socialism was Karl Marx, a German writer, who lived most of his life in London. He was a learned man, trained in philosophy and political economy, and he came to the conclusion, from a study of history, that just as the middle class or capitalists had replaced feudal nobles, so the working class would replace the capitalists in the future. By the working class he meant those who depend upon their work for a living. The introduction of the factory system had reduced the vast majority of artisans to a position in which the capitalist was able to dictate the condition upon which this work should be done. Marx, in an eloquent appeal to them in 1847, called upon the members of this 'proletariat' 'who have nothing to lose but their chains', to rise and seize the means of production themselves. This appeal had almost no effect at the time, but it has been an inspiration to later generations of Socialists and is frequently quoted by them. Modern, or 'Marxian', socialism is therefore a movement of the working class (p. 245).

"448. Socialism an international movement: There is one other important element in socialism. It is international. It regards the cause of workers in different countries as a common cause against a common oppressor—the capitalists (p. 245)."

There is also a chapter in said book commencing on page 611 entitled "Russian Communism", which gives it an air of respectability by failing to set forth its evil aims, purposes, and consequences.

TEXTBOOK, MODERN WORLD SETTING FOR AMERICAN HISTORY, BY GEORGE J. JONES AND EMILY F. SLEMAN, IN USE IN WASHINGTON HIGH SCHOOLS FOR SEVERAL YEARS

This book devotes a special and separate chapter to Karl Marx (pp. 102–106). It is thus plainly indicated or suggested to the pupils that Marxian communism is a part of the modern world setting for American history, instead of the pupils being acquainted with the fact that Marxian communism is a subversive and hypocritical conspiracy to destroy all civilization.

TEXTBOOK, EUROPEAN CIVILIZATION AND POLITICS SINCE 1815, BY ERIK ACHON, ADOPTED JANUARY *16, 1935,* FOR THE TEACHERS' COLLEGES, WASHINGTON, D. C.

This book contains an extensive chapter, commencing on page 483, chapter XVII, Bolshevik Russia, several quotations from which will show its character and purposes. On page 532, Soviet Russia is described as having been built with Lenin's "own hands", adding:

"On that supreme achievement, in the last analysis, his immortality depends; and so long as it endures, Lenin can never die.

"Whom shall the students of world history find to compare with him? Alexander and Caesar, by contrast, are puny figures, Louis XIV likewise."

On page 539 it is stated:

"So far as the new social order is concerned, the exploitation of man by man has been eliminated."

The chapter on Bolshevik Russia concludes on page 540 with this final sentence:

"If Russia becomes the greatest power in the world—and there is better than an even chance that she will—what then? Lenin declared that capitalism and bolshevism cannot exist side by side. Can he, who was so often right, have been entirely mistaken in this respect?

METHOD BOOK FOR TEACHERS, A CHARTER FOR THE SOCIAL STUDIES, BY CHARLES A. BEARD

Bulletins of instructions to teachers in history and the social sciences, issued by George J. Jones, head of the department of history in the Washington high schools, have commended this book as giving a scholarly presentation of general objectives. (See p. 2, lines 14–17, of teachers' instruction bulletin, Purposeful Teaching; also p. 2 of teachers' instruction bulletin, Teacher Training in Service.) A reading of said book discloses it to be indefensible and pernicious, insofar as its use in the public schools is concerned. It plainly suggests to the teachers that communism is a legitimate subject of social science for teaching in the public schools, and also that communism ought not to be denounced in the course of such teaching (pp. 44–45), the following ironical statement appearing on page 45:

"In some communities supposed to be enlightened teachers are forbidden to discuss Russia without denouncing her form of government and system of economy."

Said method book adds, on pages 55–56:

"If it be urged that the teacher of social studies should have nothing to do with ideas so controversial in nature, but must stick to facts, an invincible answer is forthcoming. Since all the facts cannot be assembled and presented in any scheme of instruction, a selection must be made, and in the arrangement, since some numerical order is necessary, emphasis cannot be avoided. Every statesman, every judge, every informed citizen who acts on something more than prejudice has in mind a more or less logical picture of an ideal social order to be preserved or realized; and in concrete cases of controversy throws his weight on the one side or the other in accordance with his mental picture. The teacher of social science can only escape presenting the necessity

of choice in social affairs by fleeing from the world of reality to a land of abstraction. If this is the alternative, then civic instruction might as well be taken out of the schools."

The proposition thus advanced clearly demonstrates the impropriety and indefensibility of the employment and retention of the communistically connected gentleman, Dr. W. W. Charters, to guide or direct the character-education experiment in the District of Columbia schools. This impropriety is aggravated when it is learned, as it now is, from page 5 of teachers' instruction bulletin, Character Education Through History, issued by the head of the history department of Washington high schools, that character education in the District of Columbia schools is not intended to teach morals as generally understood but rather to make the teaching of the social sciences the central feature of character education. In lines 4–6 of page 5 of said bulletin it is asserted:

"Character building, it would seem, should be a vital aim of all teachers in the social studies. The social sciences have the center of the field for this kind of work."

It is noteworthy in this same connection that the other communistically connected gentleman, George S. Counts, heretofore mentioned, who wrote the aforesaid pernicious book Dare the School Build a New Social Order? is the editor of the magazine The Social Frontier, and on the executive board of another magazine, The Social Studies, both of which magazines have been used in the District of Columbia public schools for a number of years. If character building in the public schools is to be molded a la Moscow, let us eliminate it altogether. Nothing short of 100 percent Americanism, without confusion or deviation of any kind, can be tolerated in the teaching curriculum of the public school.

METHOD BOOK FOR TEACHERS' CONCLUSIONS AND RECOMMENDATIONS OF COMMISSION ON THE SOCIAL STUDIES, AMERICAN HISTORICAL ASSOCIATION

This book was endorsed for use by teachers in Washington high schools on page 3 of teachers' instruction, bulletin Teacher Training in Service, issued by George J. Jones, head of department of history, Washington high schools, and was more recently, namely, on June 5, 1935, expressly approved for such use by the Board of Education upon the recommendation of the superintendent of schools. This book expressly refers to, adopts, and supplements the previously named book, A Charter for the Social Studies, which is described as part I of the report of the commission on the social studies. The two outstanding members of said commission were the same George S. Counts and Charles A. Beard, already mentioned. As a matter of fact, said report of said commission expressly included as part IX, teachers' method book, The Social Foundations of Education, by said George S. Counts, in which it was asserted on page 27 that "the Federal Constitution with its system of checks and balances represents a deep distrust of popular rule."

Dr. W. W. Charters, who has also been heretofore mentioned, is commended on page 150 of this last-named method book for assistance in the preliminary stages of the commission's work. Dr. Frank W. Ballou is stated on page 152 of said book to have served as a member of said commission and been its secretary throughout the 5-year period of its work (from January 1929 to December 1933). Dr. Ballou refrained from affixing his formal signature to said book and was careful to have the book say he declined to sign, though he did nothing to keep it from being endorsed for use by teachers in the Washington high schools. In fact, Dr. Ballou himself recommended the action which the Board of Education took on June 5, 1935, approving the entire report of said commission on the social sciences for methods for teachers. (See Minutes of Board of Education of June 5, 1935.) Moreover, the document which Dr. Ballou then recommended and which said board approved expressly listed (on p. 10) Karl Marx as a subject for study by seventh-grade pupils under the general heading The Industrial Revolution, with express suggestion as to—

"(1) His (Marx's) sympathy for the poor.

"(2) His originality in thinking out a plan."

It is interesting, in this connection, to note, from article carried in the Evening Star of January 3, 1936, that an enthusiastic supporter of communistic teaching as a subject of social science in colleges, namely, Dr. Warren Reed West, professor of political science and assistant dean of George Washington School of Government, was careful to point out, in his public address on this subject, which was then being reported, "that the teaching of political theory to high-school boys and girls is perhaps a waste of time, because it is not adapted to the immature mind."

A fortiori, the teaching of political theory is not adapted to seventh-grade pupils, as is now being attempted in the District of Columbia public schools, with the special featuring of Karl Marx to such immature pupils.

While the Federal Constitution provides for its amendment, it does not vest such power, directly or indirectly, in graded or high-school pupils, nor in teachers, superintendents of schools, or boards of education in the public-school system, all of which officials are required to take an oath to support the Federal Constitution as it now is, and until it has been amended through regular recourse to the people in the manner provided for in the Constitution. Consequently, the public schools cannot be legitimately used to sow discontent or dissatisfaction, or to cultivate skepticism, on the part of pupils as to any part of the Federal Constitution.

The aforesaid teachers' method book, Conclusions and Recommendations, constituting the last volume of said report of said commission on the social studies, is so ingeniously written that a very careful study of it is required in order to grasp the full extent of its perniciousness when applied to public schools. A few extracts therefrom, however, may be enlightening:

"Within the limits of an economy marked by integration and interdependence, many possibilities, many roads stand open before education. The making of choices, by either evasion or positive action, also cannot be avoided in the development of an educational program (p. 37).

"The teacher seldom dares to introduce his pupils to the truth about American society and the forces that drive it onward (pp. 75–6).

"In comparison with the social-science teacher in the more advanced European countries, the American teacher is poorly trained (p. 76)."

At page 133 of said book, it is asserted that teachers in the public schools should be protected against ignorant majorities, thus pointedly suggesting that teachers should assume the role of public masters, rather than public servants.

LITERATURE TO UNDERMINE THE MORALS AND CHARACTER OF PUPILS

Every informed person is aware that the first step in Communist technique is the undermining of the morals of the youth, and thereby making their subjugation easy. This is the real reason why the Communists wish to destroy all thought of God, religion, and morals, under the pretense of giving greater freedom to youth.

Although Dr. Ballou has made public only a few of the complaints received by him from parents of pupils, it now appears from those few which have been made public that the public schools have been actually utilized to undermine morals of the pupils. On December 20, 1932, Mr. Thomas W. Brahany complained to Dr. Ballou about his 15-year old daughter being required by her teacher to write a summary of a sordid Negro sex story, A Proud Fellow, which had appeared in the December 17, 1932, issue of the aforesaid objectionable magazine Scholastic. In his reply of February 7, 1933, Dr. Ballou admitted the story itself to be one which high-school pupils should not be called upon to read, but ignored the fact that the teacher had singled out the objectionable story for summary by the pupils, and undertook to pay a compliment to Scholastic magazine as being carefully edited. On January 15, 1933, Dr. E. M. Ellison, complained about a history teacher having assigned to his 15-year old daughter for reading a sexually enticing fiction story of prostitution in Asia entitled "Good Earth", written by Mrs. Pearl S. Buck.

In his reply of February 7, 1933, Dr. Ballou admitted that this book had been approved for reading assignment to pupils of that age, but said that the teacher did not recall assigning it in this instance, and added that all assignments are subject to approval by individual parents. In other words, according to Dr. Ballou, parents should not expect the public school to refrain from assigning such morally debasing literature to pupils, but parents must protect their children by directing noncompliance as to particular assignments. This book Good Earth was listed on page 9 of Washington School Document No. 5, 1933, entitled "A Reading List in History for Senior High Schools", and the continuing use of said list is specifically reendorsed by Dr. Ballou and the Board of Education on page 104 of Revised Course in History, and so forth, adopted June 5, 1935. Moreover, as recently as January 18, 1936, the aforementioned study magazine Scholastic reinvited the attention of high-school pupils to said book Good Earth, on page 14 of Scholastic issue of said date, under heading "China as Viewed Through the Eyes of Pearl Buck", saying:

"The author, in her novel, the Good Earth, writes of old China with its fetters of superstition and misunderstanding. She gives us a vivid description."

And so forth. It further appears that commencing on page 11 of Scholastic magazine of October 6, 1934, a chapter from the new book, Boy and Girl Tramps of America, by Thomas Minehan, was carried, with a commendatory introduction thereto as "both a vivid picture of nomad life and a challenge to a nation." During December 1935 and January 1936 my efforts to examine said book at the Library of Congress were fruitless, and I was finally told on January 16, 1936, by a special searcher in the reading room of said Library that the book was very popular with young persons and, on that account, he did not know how long it might be before I could examine it. I thereupon ordered a copy of the book from the publishers, and found it to be most debasing in every way. Not only does it refer slightingly to patriotism, and laud communism, but it abounds in low and vile language and features promiscuous sensual relations and even stoops to blasphemous ditties.

Within the past month I have accidentally learned that in addition to his position of superintendent of schools, Dr. Ballou is on the board of trustees of the Public Library of the District of Columbia, which Public Library is declared by law to be "a supplement of the public educational system of said District" (sec. 1421, Rev. Ed. D. C. Code). I thereupon made a personal investigation to learn whether the aforesaid two objectionable books—Good Earth and Boy and Girl Tramps of America—had actually invaded said Public Library. I was amazed to find both of said books carried in said Public Library, and also in the 11 branches of said library scattered in various portions of this District. The main Public Library, located at Seventh and K Streets, is right now carrying and featuring said book, Good Earth, in a special display rack labeled "Books too good to miss." The branch libraries also carry said book, Good Earth, nine copies standing in a row on the shelves of the Mount Pleasant branch ready for instant reading. As to said other book, Boy and Girl Tramps of America, it has been car-

ried in the Public Library since as early as September 1934, four copies being now carried in said main Public Library, and each of the branch libraries also carry said book. The Mount Pleasant branch carries two copies of it. My efforts to see this last-named book, Boy and Girl Tramps of America, at the Mount Pleasant branch have not been successful, the clerk there explaining to me that it is a right popular book, and the southeast branch advised me that the book is now in the bindery on account of its condition from use. Thus, the main department of our public educational system—the public school—is misused to induce or require pupils to read particular books of a morally debasing character, and another department—the Public Library—is cooperatively misused, and public funds wasted, in making such particular debasing books readily available to pupils intended to be thus victimized. Youth in the tenth grade and up are given adult cards in the Public Library. Surely, no time should be lost in fixing the exact and precise responsibility for such intolerable conditions, indicative of very serious malfeasance in office, and in dealing sternly and effectively with all persons found to be responsible. If the public educational system cannot be relied upon to safeguard morals and develop character, but may be used to destroy morals and character under the guise of liberality, academic freedom, or any other pretense, no decent self-respecting parent can be expected to subject his child to such jeopardy and danger.

PRESERVATION OF CONGRESSIONAL RIDER OF JUNE 14, 1935, AND ITS VIGOROUS ENFORCEMENT IMPERATIVE

What has thus been shown plainly demonstrates that the invasion of the public schools here by antipatriotic and other subversive matter has been upon a large scale and has been carefully planned, and, further, that these conditions have been going on for at least 3 years, and have, consequently, done inestimable harm and injury already to many thousands of our youth. These disclosures make it impossible for any informed, honest-minded person to doubt the wisdom of the original adoption of the congressional rider of June 14, 1935, or to question the necessity for its preservation and vigorous enforcement. Those who advocate its repeal are either ignorant of the undeniable conditions aforesaid or actually desirous of having such conditions continue. Those in the latter class should not stay in this country and enjoy the liberties which here prevail, but ought to go to Russia and accept there the yoke to which they would subject our children. Those in the former class have no possible excuse for remaining in a state of ignorance upon this important subject.

On December 18, 1935, the Board of Education approved the elimination of the aforementioned Achorn textbook, it being so moved by Dr. Ballou, who then stated he was advised it might be construed as "too favorable toward communism." This amounted to the suggestion that a textbook might properly be favorable toward communism, provided it was not considered as "too favorable." It is further significant that said Achorn book was originally adopted by the Board of Education in January 1935, in apparent disregard of admonitions then being given by this committee of the Congress. It is further significant that said Achorn book was continued in use in defiance of the congressional rider, and its discontinuance on December 18, 1935, occurred only when this federation was persistently demanding a special list which would reveal said book—

I want it noted, Mr. Speaker, that this Federation of Citizens Associations want the "red rider" kept intact and not repealed—

The Rugg textbook heretofore mentioned, in use in District of Columbia public schools for about 3 years, namely, since before January 1, 1933 (school document no. 2: 1933), was expressly declared by the Board of Education in said official school document to be for "slow-going pupils" in the junior and senior high schools. It is now claimed by said Board (through its approval of Maurer committee report of Dec. 18, 1935, p. 3) that the use of said Rugg textbook, which said Board concedes "might possibly be interpreted as favorable to communism" (p. 8 of Maurer report), was adopted "for experimental purposes only in the field of industrial history." Just why such a textbook embracing such subject matter should be used upon "slow-going pupils" at all, much less to experiment upon them, or why such an experiment should be carried on for about 3 years, is not explained. The Board of Education admits (p. 8 of Maurer report) that said Rugg textbook has been used since the schools reopened in September 1935, notwithstanding the congressional rider, but claims that the section on Russia was not taught in classrooms since such reopening, and that the presence of objectionable matter in a textbook is unobjectionable if it be not specifically dealt with in the classroom. The minutes of the Board of June 12, 1935, show that Dr. Ballou gave the Board advice at that time that, if the rider became law, such course could be followed, and textbooks containing objectionable matter need not be eliminated. The Board of Education has recently stated that the Rugg book is not to be further used, claiming that the school plans of June 1935 contemplated discontinuance of this book after the latter part of 1935 (p. 3 of Maurer report). In other words, it is suggested, after about 3 years of its use, that this particular book is not to be further used in such claimed experiment upon "slow-going pupils." This suggestion came for the first time nearly a month after the book had been protested, no such suggestion being made by the Board at the hearing when the protest was presented. The public is, moreover, entitled to know whether the purpose of such incomprehensible experiment upon "slow-going pupils" was to ascertain how many of them were converted to communism, or just what the purpose was.

The Board of Education refused to take action eliminating Scholastic as a study magazine, but approved instead its Maurer committee report styling this federation's unanswerable showing as "some strictures" and merely referred the matter to the superintendent of schools, who has continued said magazine in use among high-school pupils as a study magazine. Said Board has also failed to remedy any of the other intolerable conditions hereinbefore pointed out. Said Board has further refrained from conducting any thorough investigation of its own into textbooks generally to see that they do not violate the congressional rider. What has been presented by this federation embraces, of course, only such subject matter as has happened to come to the federation's attention. The federation lacks funds and facilities to fully investigate all textbooks, study magazines, etc., in use in the public schools.

It thus appears that the superintendent of schools and the Board of Education, the persons primarily responsible for the conditions in the public schools requiring correction, are evading prompt and full compliance with the congressional rider, and while so doing, are seeking to give the rider a ridiculous interpretation, namely, that textbooks containing communistic or other objectionable matter, may be retained in the public schools, provided such matter be not required to be studied by pupils. An admonition to pupils to skip such matter, thereby causing the pupils to take a special interest therein by reason of the air of mystery created, would, of course, be a necessary incident to such absurd proposition. This is a plain attempt by violators to utilize their own evasiveness to bring the law which they are violating into disrepute and thereby bring about its repeal. All textbooks, study magazines, etc., containing objectionable matter must be entirely eliminated unless absurdity and evasion be sanctioned as this federation clearly pointed out to the Board of Education on November 20, 1935. This composite condition of affairs, constituting a plain affront to Congress and to all practical fair-mindedness, caused this federation to adopt its resolution of January 4, 1936, declaring that—

"The recent action of the Board of Education makes it imperative that the Congress of the United States shall be appealed to without delay to provide an effectual remedy and one which will be so thorough that there can be no danger of a recurrence of existing conditions."

In conclusion, I should call the committee's attention to the fact that the American Historical Association, under whose auspices the afore-mentioned pernicious method book for teachers were prepared and published, was incorporated by act of Congress of January 4, 1889, and by such act was expressly limited to purposes "in the interest of American history and of history in America"; yet the said method books show that the association has been diverted from such authorized purposes to the radically contrary purpose of promoting the tenets or pretenses of Marxian communism, aided by a special aggregation of educators having such views, including some recently shown to be directly connected with communistic Moscow University, namely, George S. Counts and W. W. Charters. Moreover, Dr. Ballou's recommendations of textbooks and study magazines for history and social sciences in the District of Columbia public schools during the past 3 years are shown to have specially favored those connected with said American Historical Association, including Carl Becker (who was president of said association in 1931), Charles A. Beard, George S. Counts, Harold Rugg, and a number of others.

Mr. BLANTON. Mr. Sullivan, is your Federated Citizens Association, embracing some sixty-odd associations, in any way objecting to this rider that Congress passed last year?

Mr. SULLIVAN. Not at all. The federation strongly favors it, although there is a small minority element in the federation on that matter.

Mr. BLANTON. I mean, does your Federated Citizens Association oppose it?

Mr. SULLIVAN. Absolutely not.

Mr. BLANTON. Have they taken any action against it?

Mr. SULLIVAN. The attitude of the Federated Citizens Association is that that proposal ought to be strengthened.

Mr. BLANTON. They feel that, instead of repealing it, we ought to strengthen it?

Mr. SULLIVAN. Yes, sir; it ought to be made even stronger than it is.

Mr. BLANTON. Your attitude is that we ought not to allow anything about communism to be taught in the schools?

Mr. SULLIVAN. It ought not to be taught in the public schools as a subject for social-science study. It should be explained as to its evil aims and consequences and denounced.

Mr. BLANTON. It should be denounced?

Mr. SULLIVAN. Yes, sir. It should be expounded objectively as to its pernicious character and denounced.

Mr. BLANTON. This book Conclusions and Recommendations shows that Dr. Ballou was secretary of that commission for 5 years. Dr. Ballou admitted that the book was written by Counts and Beard; did you know that?

Mr. SULLIVAN. I did not know that.

Mr. BLANTON. This book Boy and Girl Tramps of America, by Thomas Minnihan, is too vile to even quote from.

Mr. SULLIVAN. I quite agree. It is entirely.

Mr. BLANTON. Did you know that Dr. Ballou had admitted that it is one of the most vulgar, one of the vilest pieces of literature, that he had ever heard of being published?

Mr. SULLIVAN. I did not know that. I do not know why it is in the public-school libraries.

FROM TESTIMONY OF MAJ. GEN. AMOS A. FRIES

Tenth. Since the uninformed, the irresponsibles, the sympathetic pinks, and the reds are contending that there was no occasion for Congress passing the "red rider", I am going to take enough space in the RECORD to prove beyond doubt that Congress acted wisely and did so at the request of the substantial mothers and fathers of Washington when it passed the "red rider" to prevent communism from being indoctrinated in the schools. I quote the following from the testimony of Maj. Gen. Amos A. Fries before our subcommittee of the Committee on Appropriations:

STATEMENT OF MAJ. GEN. AMOS A. FRIES, UNITED STATES ARMY, RETIRED, PRESIDENT OF DISTRICT OF COLUMBIA PUBLIC SCHOOL ASSOCIATION AND PAST DEPARTMENT COMMANDER OF THE AMERICAN LEGION

Mr. BLANTON. We have Gen. Amos A. Fries, who asks to be heard on the requested appropriation for character education and upon communism in the public schools. General Fries, you are a retired major general of the United States Army?

General FRIES. Yes, sir.

Mr. BLANTON. You have had how many years service in the United States Army, General?

General FRIES. I had more than 31 years commissioned service when I was retired.

Mr. BLANTON. Did you have service abroad?

General FRIES. Yes.

Mr. BLANTON. What service did you have during the war, General?

General FRIES. I was there throughout the World War, having sailed from New York on July 23, 1917, and returned December 18, 1918. I was Chief of what is now the Chemical Warfare Service throughout the war in France, having organized it and carried it through from start to finish.

Mr. BLANTON. How long have you lived in Washington?

General FRIES. I have lived in Washington since March 1, 1920, and I had been in Washington nearly 5 years before the war.

Mr. BLANTON. Is your permanent home now in Washington, General?

General FRIES. It is.

Mr. BLANTON. You have a home here?

General FRIES. I do.

Mr. BLANTON. You are what we call a resident of Washington?

General FRIES. I am.

Mr. BLANTON. And you are interested, as a citizen, in what goes on here?

General FRIES. Yes, sir.

Mr. BLANTON. General Fries, you may proceed. If you care to make a statement about any matters, you may proceed, General. I know it interferes with your thought somewhat to be interrupted, and we won't interrupt you until you make your statement; but we do reserve the right to ask you questions when we see fit. Proceed in your own way, General, and later we will ask you questions.

General FRIES. I will say, first, that I have been interested in public schools all my life.

I graduated from high school and went to West Point, having taught fully 3 years in the public schools during the last couple of years I was in high school and for a year before I went to West Point. I make this statement to show that I have had considerable experience in teaching, having been for 3½ years an instructor and director in post-graduate military and civil engineering in the United States Engineering School.

We have had four children go through the public schools of the District of Columbia. For a period of 15 years we had from one to four children in those schools, and both Mrs. Fries and myself have taken an active interest in the schools. I have taken an interest with the American Legion and other patriotic organizations.

I began to see radicalism creeping into our schools, I thought, as early as 1922. I brought up, when I was department commander of the American Legion of the District of Columbia, in 1926, a matter that was referred to me by a citizen of the District and a patron, complaining of a certain teacher in one of the high schools.

A year ago I was appointed chairman of a committee by the American Legion to investigate and report on the character education program. We opposed that appropriation then, and while the Legion has taken no very recent action, I am sure its position still stands. I want to submit later our final report of two pages. I am not going to read all of it at this time. However, I do want to read two short paragraphs because I think they sum up, in many ways, my attitude on this question, with particular reference to Dr. Charters [reading]:

"When challenged, Dr. Charters protests his enthusiasm for American forms and doctrines. However, he admits his membership on the advisory council of the Soviet's Moscow University, an appointment accepted at the suggestion of Stephen Duggan, who, in his turn, admits that the advisory council, in cooperation with the Soviet educational authorities, initiated the requirement that Americans and others attending the university take a fundamental course in the principles of the collective society. In our opinion, Dr. Charters' connection with the Soviet educational system, however remote it may be, unfits him for any connection with the public schools of Washington.

"It is not sufficient that those in charge of the education of our children refrain from indoctrinating them with communism. Our school authorities and teachers should and must be persons thoroughly imbued with an understanding of, and enthusiasm for American ideals and methods. Anything short of that wholly unfits them for the task of teaching children of graded-school and high-school age."

I would say, further, I am here as president of the District of Columbia Public School Association. Last October when it was made known that communism would be taught in the schools, regardless of the rider, the public school association held a protest meeting and vigorously protested that they were against any weakening of that rider. We made it very clear in presenting the case at that time to the Board of Education that the statements that are frequently made to the effect that we are trying to stifle information are absolutely absurd and incorrect, and we insisted that the truth of communism was not made known whatever to our children; that what was covered in the school textbooks and in the papers circulated were sugar-coated platitudes, which could only deceive the children into thinking that communism as it exists in Russia is a fine thing.

Within a few days after the public school association held a protest meeting, October 28, 1935, against the teaching of communism in the District of Columbia schools, in spite of the law forbidding such teaching, the American Civil Liberties Union announced (according to an article in the Washington Daily News) that they had a committee working up a program to support Dr. Frank W. Ballou and the local school board. At least two lawyers who do work for the A. C. L. U. appeared at the school board meeting, November 6, 1935, when protests were made against teaching communism in the schools by many civic associations besides the public school association.

Since several college professors, besides John Dewey, are on the national committee of the American Civil Liberties Union, I desire to submit the following extract from page 56 of House Report 2290, Seventy-first Congress, third session, where Roger Baldwin, a "director" and spokesman for the American Civil Liberties Union, told what his organization stands for—

I want my colleagues, Mr. Speaker, to note carefully what Roger Baldwin stands for—

"The CHAIRMAN. Does your organization uphold the right of a citizen or alien—it does not make any difference which—to advocate murder?

"Mr. BALDWIN. Yes.

"The CHAIRMAN. Or assassination?

"Mr. BALDWIN. Yes.

"The CHAIRMAN. Does your organization uphold the right of an American citizen to advocate force and violence for the overthrow of the Government?

"Mr. BALDWIN. Certainly; insofar as as mere advocacy is concerned.

"The CHAIRMAN. Does it uphold the right of an alien in this country to urge the overthrow and advocate the overthrow of the Government by force and violence?

"Mr. BALDWIN. Precisely on the same basis as any citizen.

"The CHAIRMAN. You do uphold the right of an alien to advocate the overthrow of the Government by force and violence?

"Mr. BALDWIN. Sure; certainly. It is the healthiest kind of a thing for a country, of course, to have free speech, unlimited."

Now, the congressional committee's definition of communism is this:

"The following is a definition of communism, a world-wide political organization advocating:

"1. Hatred of God and all forms of religion.

"2. Destruction of private property, and inheritance.

"3. Absolute social and racial equality; promotion of class hatred.

"4. Revolutionary propaganda through the Communist International, stirring up Communist activities in foreign countries in order to cause strikes, riots, sabotage, bloodshed, and civil war.

"5. Destruction of all forms of representative or democratic governments, including civil liberties, such as freedom of speech, of the press, of assembly, and trial by jury.

"6. The ultimate and final objective is by means of world revolution to establish the dictatorship of the so-called proletariat into one world union of soviet socialist republics with the capital at Moscow."

In my opinion, that is an absolutely fair and accurate definition.

Mr. BLANTON. Of communism?

General FRIES. Yes, sir.

NUMBER KILLED OR EXECUTED IN RUSSIA

"Henri Bero, a French Socialist, has gathered figures showing that the number of people who have been killed or executed since the Soviet regime came into power in Russia is almost unbelievable. His figures of the known dead are as follows:

" 'Twenty-eight bishops and higher clergy, 6,778 priests, 6,585 school teachers, 8,000 doctors, 51,850 army officers, 200,850 policemen and other officials, and 11,488,520 peasants and artisans. These make the staggering total of 11,726,746. Nearly 2,000,000 more dead than the total killed in the World War.' "

Mr. BLANTON. You mean 2,000,000 more were executed in Russia than were killed in the World War?

General FRIES. That has nothing to do with the 20,000,000 that died of starvation.

PROTEST OF AMERICAN LEGION AGAINST APPROPRIATIONS FOR CHARACTER EDUCATION

Now, I want to take up the so-called character education in the District of Columbia schools. As I stated, the American Legion, a year ago, protested against any appropriations for that on the grounds that it was not teaching character.

Mr. BLANTON. Do you have a copy of that protest?

General FRIES. Yes, sir; I read a quotation from that previously. I am going to put that report in the record.

Mr. JOHNSON. I wish you would.

General FRIES. Yes. The report is as follows:

"Report to the executive committee, Department of the District of Columbia, American Legion, of special committee to investigate 'character' education in the Washington public schools

"Your special committee appointed to investigate the scheme of 'character' education in the Washington public schools, having investigated the subject, reports back the following findings and conclusions, with a recommendation:

"The 'character' education experiment was introduced in the local public schools in September 1934. Little is known about the details of the system except that its proponents hold out the idea that it is intended to 'develop fine characters in boys and girls of Washington.' Similar claims are made for most of the fads that are sought to be introduced at the expense of taxpayers.

"The very suggestion of the establishment of a special system or course of 'character' education in the public schools carries with it an implication that the public-school system is a failure. Character is something which is developed within one's self. It is not supplied from the outside. True, the development of character is affected by education, but only to the extent that cultural advancement through general education tends to enhance intelligence and enable one to understand and endeavor to eliminate in one's self faults that detract from character. The province of the schools in this respect is, through the teaching of sound curricula, to advance the intelligence of our children, and, further, the maintenance of a high standard of character among the teaching personnel whose precept and example have much to do with the development of the characters of the pupils under their direction. When public-school authorities suggest establishment of a special and distinct course or system of 'character education', it is obvious that they have lost sight of the proper function of the schools, or have failed to set up adequate curricula, or to maintain a high ethical standard for the teaching personnel. The cure will be found in a correction of these defects and not in the establishment of any new system, misnamed 'character education.'

"The expense of the course, estimated at about $87,000 annually, would constitute an unjust and unnecessary burden on the taxpayers, wholly out of proportion to any beneficial results that might be expected.

"Home environment and family influences, as well as religious training, are the chief and most important elements in the development of character. Parents have a tremendous and appropriate responsibility in this regard. One of the worst effects of the establishment of a so-called 'character education' system in the public schools would be its tendency to undermine the parents' sense of responsibility. The scheme is another move toward the undermining of the integrity of the American family—another step toward encouraging parents to foist their responsibilities onto public agencies—another advance in the direction of substituting governmental agencies in the execution of proper family functions; it smacks of the communistic doctrine that families are nonexistent, religion is passé, and children are the chattels of the State. Is it any wonder, then, that we find that the person selected to direct such activities in the Washington public schools has been touched by the influence of Moscow? Why, in establishing the 'character education' system, did our school authorities have to search so far beyond our borders to find a competent advisor and finally pick up in Ohio Dr. W. W. Charters, a member of the advisory committee of Moscow University?

"It is not sufficient that those in charge of the education of our children refrain from indoctrinating them with communism. Our school authorities and teachers should and must be persons thoroughly imbued with an understanding of, and enthusiasm for, American ideals and methods. Anything short of that wholly unfits them for the task of teaching children of graded-school and high-school age.

"Those under whose care our children are placed for educational purposes should have no connection, remote or otherwise, with the Union of Soviet Socialist Republics. After all, this is America, and we want our children raised and educated as Americans. They can derive nothing of benefit to themselves or their country from teachings tainted by any of the doctrines evolved by a benighted nation whose people of the present generation are just beginning to emerge from the Stygian darkness of serfdom, whose people have never yet known the blessings of liberty. When the Russian people have passed through their present ordeal of communism and hate-bred enmity of others, when they have had time to become educated and to appraise and correct their present political and economic schemes born of ignorance, when they have groped their way to the status of an enlightened nation, when, in short, the Russian people have grown to adult status intellectually, then perhaps they may contribute something worthwhile to the culture and advancement of the world. In the meantime, we do not want any part of their methods introduced here or any of their influences present in the education of our children.

"We recommend that the Department of the District of Columbia, the American Legion, register its opposition to any continuation of the so-called character-education system in the public schools of Washington.

"AMOS A. FRIES, *Chairman.*
"HOWARD E. SNYDER.
"H. W. LINEBURG.
"RAYMOND J. QUEENIN.
"FRANK L. PECKHAM."

I have here an address by Dr. Ballou, delivered in New York City, November 1, 1934. Dr. Ballou sent me this under date of January 30, 1935, knowing that myself and the others in the Legion, as well as other organizations, were opposed to the so-called character education.

Mr. BLANTON. Have you ever been an officer in the Legion?

General FRIES. I am a past department commander of the American Legion, District of Columbia. On page 2 this statement is made by Dr. Ballou:

"The character-education experiment, which was systematically inaugurated in the public schools of Washington in September 1934, grew out of the investigation of crime and racketeering conducted by a committee of the United States Senate of which Senator ROYAL S. COPELAND, of New York, is chairman."

On page 4 he stated:

"In preparation for the beginning of the experiment an institute or conference was held for a period of 3 weeks, beginning June 25."

I want to say right here that I called up Mr. COPELAND's secretary and verified the fact that the first hearings were held August 14, 1933, and the last hearings were held on January 31, 1934. In an article entitled "The Copeland Experiment in the District of Columbia", by Dr. Charters——

Mr. BLANTON. Do you mean Dr. W. W. Charters?

General FRIES. Yes, sir; Dr. W. W. Charters. He says: "Washington was selected for this study", which means this character-education experiment, "partly because it was a convenient location, partly because Superintendent Ballou and the Board of Education are enthusiastic about the project, and partly because the teaching corps of the city has been working upon the problem for the last 5 years."

Mr. BLANTON. What is the date of that speech he made?

General FRIES. This was published in October 1934.

Mr. BLANTON. Then it would mean that before October 1934 Dr. Ballou and the teaching corps had been working on that 5 years.

General FRIES. Yes; and yet Dr. Ballou and Charters both say it was based on the crime investigations which did not start until the middle of August 1933 and did not end until January 31, 1934.

Now, to show that Charters did not make an error, we find this statement of his on page 12:

"Our program has through the years increased this range, as indicated in our School Document No. 9, 1931" (Preliminary Report on Character Education in the District of Columbia).

In other words, in 1931 a preliminary report on character education in the District of Columbia was submitted, about 3 years before Dr. Charters made his speech and 2 years before he says character education was introduced in the schools of the District because of the crime investigation.

Mr. BLANTON. And 2 years before the Senate crime investigation?

General FRIES. Yes, sir.

Now, Dr. Charters, as shown on page 15 of this report of the Commission on the Social Studies, was one of those working with that committee of 17 originally, of which Dr. Ballou was secretary throughout 5 years, January 1, 1929, to January 1, 1934, and chairman of at least one subcommittee, and a member of two other subcommittees, there being five subcommittees. Dr. Charters was one of those working on problems.

Mr. BLANTON. Dr. Ballou admitted that that book was written by George S. Counts and Dr. Charles A. Beard. You knew that, didn't you?

General FRIES. I have heard that statement made. In other words, as we have shown here, Mr. Chairman, from the statements of Dr. Charters, there was a group in the District of Columbia schools working on this character education approximately the same 5 years that Dr. Ballou was working with this commission, of which he was secretary throughout 5 years, and in which he was chairman of one subcommittee and a member of two others.

Mr. BLANTON. In that connection, General, does that coincide in time with the 5-year program of Soviet Russia?

General FRIES. Well, Russia is the one who has popularized 5-year programs.

Mr. JOHNSON. Do you know who those teachers were here working in connection with it?

General FRIES. One of them was Mr. Jones, because he is mentioned as one working with them, and also Paul Lutz, of Teachers College.

An 11-page mimeograph marked in the lower left-hand corner of the last page, "LF 1/12/31", and distributed to certain teachers,

has the title "Character Education in History." (Statement prepared by Mr. Jones in 1929.)

The above dates correspond with the date (Jan. 1, 1929) when the committee on the social sciences with Dr. Ballou as secretary began its work, and the date, January 12, 1931, agrees with the date Dr. Charters mentions as the date of Preliminary Report on Character Education in the District of Columbia, quoted earlier.

The Mr. Jones referred to is Prof. George J. Jones, head of the history department in Dr. Ballou's Washington schools. I quote further:

Mr. BLANTON. General, it may be interesting to you to know that, as shown by our printed hearings a year ago, Dr. Ballou testified that he had selected Dr. W. W. Charters to guide this character education in the District of Columbia and was paying him $50 a lecture for coming here regularly to deliver lectures to guide it here in the District of Columbia.

General FRIES. I want to go back for just one moment to Dr. Ballou's address, in which the says, "In these daily conferences", quoting, "the program for inaugurating the experiment was developed."

Mr. JOHNSON. These daily conferences for what?

General FRIES. Character education.

Mr. JOHNSON. When?

General FRIES. They started June 25, 1934. [Reading]:

"In these daily conferences the program for inaugurating the experiment was developed. The conferences were presided over by Dr. W. W. Charters, of Ohio State University, who was assisted by Dr. Ben D. Wood, of Columbia University; Dr. Ralph W. Tyler, of Ohio State University; and Dr. Charles R. Mann, director emeritus of the American Council on Education."

I just want to call your attention to this—that Dr. Charters and Dr. Ben Wood both are mentioned in this book, Report of the Commission on the Social Studies, and both took part in them. Dr. Charters and Dr. Mann were both members of the Moscow Advisory Council.

FROM DR. BALLOU'S ADDRESS, ATLANTIC CITY, FEBRUARY 26, 1935

"As a superintendent of schools I am heartily in accord with the general idea that schools must play an important part in social change. When the consensus of the American people shall have decided the kind of a social order they want I think the schools are prepared to give instruction in that social order."

Mr. JOHNSON. In other words, prepare them in advance?

General FRIES. Yes.

Mr. BLANTON. For a change in our system.

General FRIES. Yes, our civilization.

Mr. JOHNSON. That is what he means.

General FRIES. Dr. Ballou said in a newspaper statement quoted earlier "Don't try to tell our children what they should do or what kind of a philosophy they should have, in the future" and here he is saying practically the same thing.

Mr. BLANTON. Right there, turning to page 477 of the previous hearings, Dr. Ballou said:

"What we are trying to do is set up a new philosophy of education"—

Mr. Clerk, read what Dr. Ballou then said he had to do about the teachers.

The CLERK (reading):

"whose philosophy has got to be changed fundamentally."

Mr. JOHNSON. That is on page 477?

Mr. BLANTON. Yes.

Mr. JOHNSON. What hearing?

Mr. BLANTON. For the fiscal year 1936. Then, read the statement appearing on page 482 of the 1936 hearings.

The CLERK (reading):

"Mr. CANNON. It seems to me rather a startling statement that the philosophy of all teachers engaged must be changed in order to introduce correct training in the schools. I had supposed that the philosophy of every good teacher includes correct training."

On page 106 it states:

"But the State can be expected to move in this direction only in response to pressure arising from some group or groups of citizens."

That is practically what Dr. Counts has said in his book, Dare the School Build a New Social Order? In other words, the teachers should seize power, and, therefore, it is stated above that "the State can only be expected to move" by pressure, from some group or groups of citizens.

I consider this one of the most vicious things I have ever read.

On page 119 it states:

"The program for the teaching of the social sciences which the commission has outlined in its report is designed for a system of public schools functioning in and serving immediately American society."

In other words, this is for the public schools, not for any college.

On page 133, paragraph 12, it states:

"In order that the individual teacher, out of loyalty to this supreme ideal of social-science instruction, may be protected against the assaults of ignorant majorities, heresy-hunting minorities, and all self-constituted guardians of public morals and thought, the profession as a whole must make provision for the review of controversies, thus arising, by trained specialists, competent to pass judgment upon the scholarship, subject matter, and manner of presentation in question."

Then, paragraph 13, following:

"In the case of unfair or unwise dismissal the profession must be prepared to conduct energetic and appropriate inquiries and, by resort to the courts if necessary, see that justice is done, damages asked, and reinstatement achieved."

That is just practically an open statement that they propose to bludgeon the people into taking the school system as well as the teachers they approve of.

Among those most active on the Commission on the Social Studies, which has been quoted from at length, we find the names of Prof. George S. Counts, of Teachers College, Columbia University, New York, and Dr. Charles A. Beard, historian and formerly of Columbia University.

OLD DOG TRAY IN BAD COMPANY

I will now quote from Mrs. Elizabeth Dilling's The Red Network, a Who's Who of Radicalism, giving the close associates of Dr. Ballou, for whom he served as their secretary during the 5 years they were planning their book, Conclusions and Recommendations, which Dr. Ballou now admits was so very radical that he refused to sign it—to wit:

DR. CHARLES A. BEARD, "RADICAL"

The Red Network, in its Who's Who in Radicalism, embraces Dr. Charles A. Beard, "a college professor", and states that—

He is a supporter of the radical Rand School.

DR. CHARLES S. COUNTS, "RADICAL"

The Red Network, in its Who's Who in Radicalism, embraces Dr. George S. Counts, described as—

Professor, Teachers' College, Columbia University, showing membership in, and relationship to, and author of, various communistic organizations and communistic books.

DR. BALLOU ADMITS THAT BEARD AND COUNTS ARE "RADICALS"

After serving with them for 5 years on a commission, he being its secretary, Dr. Frank W. Ballou says that both Dr. Charles A. Beard and Dr. George S. Counts are "radicals", and they are the ones whom Dr. Ballou says wrote Conclusions and Recommendations, which was the main product of the 5 years' work of his Commission on the Social Studies:

Mr. DITTER. You understand what I mean by the term "radical"?

Dr. BALLOU. Yes.

Mr. DITTER. Interpreting my use of the term, would you say, sir, that there were any in this group who would fall into that category, such as I have described by the term "radical"?

Dr. BALLOU. I am clearly of the opinion that the discussion shows that is so.

Mr. DITTER. Would you care to give us your opinion as to where one Charles A. Beard would fall in such a classification?

Dr. BALLOU. I think he is an extreme left-end man.

Mr. DITTER. By left-end man, do you mean by that "radical"?

Dr. BALLOU. A liberal or radical.

Mr. DITTER. Very liberal or radical?

Dr. BALLOU. Yes, sir.

Mr. DITTER. Would you say that George S. Counts would fall in that same category?

Dr. BALLOU. I think he stands very close to Mr. Beard.

Yet Dr. Ballou acted as the secretary for Dr. Beard and Dr. Counts for 5 years in getting up said communistic book, Conclusions and Recommendations.

DR. BALLOU PREFERRED NOT TO DISSENT

AMERICAN HISTORICAL ASSOCIATION,
Washington, D. C., February 15, 1936.

Mr. WILLIAM A. DUVALL,
Clerk, Subcommittee on Appropriations for the District of Columbia, House of Representatives, Washington, D. C.

DEAR SIR: I refer to your letter of February 13 about the volume, Conclusions and Recommendations, which forms a part of the report of the Commission on the Social Studies of the American Historical Association. You ask me to furnish you with any communication which Dr. Frank Ballou may have sent indicating his reasons for refusing to sign these conclusions and recommendations of the commission. Dr. Ballou was invited to state his reasons for dissent, and facilities were offered to him for printing his dissenting opinion as an appendix to the book in question. He preferred not to do so.

Yours very truly,

CONYERS READ, *Secretary.*

Mr. BLANTON: You are acquainted, are you not, with the assertion on page 133 of said book, Conclusions and Recommendations, published by your commission, that the individual teacher of social science instruction should be protected against the assaults of "ignorant majorities"?

Dr. BALLOU. Yes; I think they should be protected against the assault of anybody. I do not know what that statement means.

Mr. BLANTON. Does it mean that if the majority of the people of Washington wanted their children to be safe from communism here in the Washington schools that you ought to have protection from them?

Dr. BALLOU. Not at all.

Mr. BLANTON. What is meant by "the assault of ignorant majorities"?

Dr. BALLOU. I do not know. You will have to ask the writer.

Mr. BLANTON. Doctor, you are acquainted, are you not, with the following statement on page 142 of said book of your commission, Conclusions and Recommendations [reading]:

"In the steadily integrating social order of the present and future, if education is to be given competent and relevant direction, the emphasis in the professional education of the administrator must be laid again on social science, social philosophy, and statecraft."

Dr. BALLOU. Who is the author of that statement?

Mr. BLANTON. That appears in Conclusions and Recommendations, at page 142.

Dr. BALLOU. Of course, I will admit I am familiar with every paragraph in the book. I have read it many times.

Mr. BLANTON. But that is a statement that you do not agree with? You can read it over. There is the paragraph.

Dr. BALLOU. No; I could not accept that.

Mr. BLANTON. You do not accept that, do you?

Dr. BALLOU. No, sir.

Mr. BLANTON. Is it not also true, Doctor, that on June 5, 1935, on the recommendation of yourself, the Board of Education approved a revised course in history and other social studies, and that on the last page of such approved document, School Document No. 1, 1936, the following appears as one of the approved reading courses under heading [reading]:

"General Reference Readings on Methods for Teachers; Report of the Commission on the Social Studies; American Historical Association."

Dr. BALLOU. Yes, sir; I expect it is there.

Mr. JOHNSON. Then you did put this in as one of your approved books?

Dr. BALLOU. We put that in the list of books that would be of benefit to the teachers.

Mr. DITTER. Is it still there?

Dr. BALLOU. Yes; I expect it is still there.

Mr. BLANTON. Doctor, you recall, do you not, writing Mrs. E. N. Dingley on February 11, 1935, that [reading]:

"The commission on the social studies of the American Historical Association, of which I was a member and which devoted 5 years to the study of this subject, was unanimously of the opinion that our study of history should increasingly have to do with the history of modern times as compared with the former emphasis on history of ancient times and should deal impartially and dispassionately with some of the current problems of economics and sociology. The commission recognized that in undertaking to do this it might be criticized for the way in which it dealt with the problems of capitalism, labor, and many patriotic subjects."

Dr. BALLOU. I recognize that.

Mr. BLANTON. You did write that?

Dr. BALLOU. Yes.

12. STATEMENT OF HARRY N. STULL, CHAIRMAN OF THE COMMITTEE ON EDUCATION OF THE FEDERATION OF CITIZENS' ASSOCIATIONS, WASHINGTON, D. C.

Mr. STULL. I represent the Federation of Citizens' Associations, chairman of the committee on education.

Mr. BLANTON. Chairman of the committee on education for the Federation of Citizens' Associations?

Mr. STULL. Yes, sir.

Mr. BLANTON. You are the duly authorized spokesman for the committee on education of the Federation of Citizens' Associations?

Mr. STULL. That is correct; yes, sir.

Mr. BLANTON. There are some sixty-odd associations in your federation?

Mr. STULL. Sixty-three; that is right.

Mr. BLANTON. There is a rider on last year's appropriation bill, to eliminate communism from our public schools. Are you for or against that rider? Are you with us in our attempt to stop communism?

Mr. STULL. Yes; I am in favor of that rider.

Mr. BLANTON. You want us to stop communism in the schools?

Mr. STULL. Yes, sir; I do; and my idea about that is that the ruling of the Corporation Counsel, Mr. Prettyman, was a proper one.

Mr. Speaker, I believe I have quoted enough excerpts from the voluminous mass of evidence before our subcommittee to show that the contention that there was no reason for passing the "red rider" is not true, but false.

MALICIOUS FALSEHOOD NO. 5

That the "red rider" prevents factual instruction.

From Corporation Counsel Prettyman's opinion, I quote the following:

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
OFFICE OF THE CORPORATION COUNSEL,
September 5, 1935.

To the Commissioners:

We think that the word "communism" refers to the governmental forms and theories of the present-day Communist parties composing the Internationale. Chief among their economic and political tenets are (1) the abolition of private ownership of property and the substitution therefor of a system of common ownership, (2) control of the government by the proletariat (wage earners without property), that is, a dictatorship by the proletariat, (3) the destruction of present systems of government and the substitution therefor of other systems adapted to the theory of proletarian dictatorship. These tenets are, of course, directly opposed to the established American system, which includes among its principal bases private ownership of property, governmental control by a majority of all classes, periodically expressed, and a governmental system, legislative, executive, and judicial, designed to function in accordance with these concepts. The congressional intent in the present statute was obviously directed to the protection of this system against internal attack.

The word "advocate" is easy of definition in this context. It means to plead for or to urge the adoption of.

Much more difficult is the exact definition of the limits of the word "teach" as it appears here. In ordinary parlance it may mean to enlighten, or to indoctrinate, or to nurture, or to train. Clearly, any teaching of communism which has for its purpose or its intended effect the nurture, the training, or the indoctrination of the pupils in communistic thought is forbidden by this statute.

But I am of opinion that the mere informing of pupils concerning the history, existence, or theories of the communistic governments or parties is not prohibited. Obviously Congress did not mean to prohibit comment or instruction which is adverse to communism, that is, teaching against it. Neither does it seem to me that the congressional intent reaches to the recital, without any shadow of favor or support, of factual data, whether historical, economic, or political. There is a vital difference here between teaching and teaching about. To state that communism exists is not to teach it. To state what Communists believe is not to teach communism within the meaning of this statute, provided that the method or manner of statement does not imply approval.

Thus I am of opinion that the mere recitation or study of factual data is not the teaching prohibited by this statute. But I am also of the view that any shadow of favor or support of communism shown by or reasonably to be drawn from such recitation or study is prohibited.

E. BARRETT PRETTYMAN,
Corporation Counsel, District of Columbia.

The corporation counsel is the legal authority for the District. He holds that the "red rider" does not prevent proper factual instruction. He says that all it does is to prevent indoctrination.

MALICIOUS FALSEHOOD NO. 6

That Comptroller General McCarl has interfered with the academic freedom of teachers.

No person can show one line from McCarl interfering with academic freedom. When Dr. Ballou refused to instruct his teachers to obey the law as construed by Prettyman, and contended that Congress had no right to restrict his teachers as to what they shall not teach, McCarl required them to make an affidavit that they had not violated the law.

MALICIOUS FALSEHOOD NO. 7

That teachers are insulted by having to make affidavits.

Why are teachers insulted? The President makes an affidavit. Cabinet officers make affidavits. Generals and admirals make affidavits. Senators and Congressmen make affidavits. Teachers can blame no one but Superintendent Ballou. He could easily eliminate affidavits.

"DID NOT SEE FIT TO DO IT"

To show that by instructing his teachers that they must obey the law passed by Congress as construed by the corporation counsel, Dr. Ballou could have stopped all affidavits, I quote the folowing from our printed hearings:

Mr. BLANTON. Doctor, is it not a fact that I proposed to you that if you would advise the teachers of Washington that Congress had passed a law that they should neither teach nor advocate communism, that the Comptroller General would withdraw that requirement, and that the teachers would not be required to make any further affidavits? Didn't I propose that to you?

Dr. BALLOU. You proposed that to me.

Mr. BLANTON. You could have submitted that suggestion to the Board of Education yourself, could you not?

Dr. BALLOU. Well, I have not.

Mr. BLANTON. You could have done it, couldn't you, Doctor?

Dr. BALLOU. I could have done anything, as far as that is concerned.

Mr. BLANTON. You did not see fit to do it, Doctor?

Mr. BALLOU. No, sir.

Mr. BLANTON. Is it not a fact that you replied to me that you would never agree that the right of the teachers to teach according to their method of teaching should be taken away from them?

Dr. BALLOU. No, sir.

Mr. BLANTON. I will say this to you now, Doctor, that if you will instruct your teachers tomorrow that Congress has passed a law that prevents them from teaching or advocating communism in the public schools, and this law must be obeyed, I know that this committee can have Comptroller General McCarl withdraw the requirement of those affidavits immediately. Now, if the affidavits are inconvenient, aren't you willing to issue that instruction to them?

Dr. BALLOU. I am not authorized to issue that instruction until the Board takes action.

Mr. BLANTON. You were not sufficiently interested in the matter to have proposed it to the Board of Education.

MALICIOUS FALSEHOOD NO. 8

That there was no authority to allow witnesses to testify about communism.

Our subcommittee was holding hearings on requests for appropriations. We had to decide whether we would allow or disallow them. Dr. Ballou requested $78,660 for his so-called character education. As testified by Judge Sullivan, Major General Fries, and many other witnesses, said character education was just a smoke screen for indoctrinating communism, and was inseparably connected with communism. Our subcommittee, after hearing all witnesses, voted unanimously not to allow the $78,660, and the full Committee on Appropriations, consisting of 39 members, approved our action, and the House of Representatives passed our 83-page bill without amendment, with only 26 Members voting against it on roll call.

MALICIOUS FALSEHOOD NO. 9

That our subcommittee abused witnesses, did not give them time needed, and conducted star-chamber proceedings.

The above is false in its entirety. The following is what the members of our subcommittee say about it:

SUBCOMMITTEE ON DISTRICT OF COLUMBIA APPROPRIATIONS

As members of the subcommittee handling appropriations for the District of Columbia, we certify that our hearings presided over by our chairman, Mr. BLANTON, on the $78,660 appropriation requested for so-called character education, which incidently involved the question of indoctrinating communism in our schools, were conducted in a way that was fair and just to everyone. We heard at length Superintendent Frank W. Ballou, Prof. George J. Jones, head of the history and social studies department, and members of the Board of Education they brought with them. Chairman BLANTON was courteous to everyone and patiently heard every witness they wanted heard, and we devoted 4 hours continuous hearing to Editor Robinson, of Scholastic, and we allowed Congressman ELLENBOGEN to accompany Robinson and remain throughout his entire testimony. We heard every witness who wanted to be heard and gave them such time as they requested. After concluding the hearings, our subcommittee voted unanimously not to allow the $78,600, as we believed it was being wasted and used for subversive purposes, and we refused to put this $78,600 in the appropriation bill.

CLARENCE CANNON,
B. M. JACOBSEN,
GEORGE W. JOHNSON,
J. W. DITTER,
Members of Subcommittee,
Committee on Appropriations.

Attest:

As clerk, I was present during entire hearings and know above is correct.

WILLIAM A. DUVALL, *Clerk.*

MALICIOUS FALSEHOOD NO. 10

That Washington people want the "sissy bill" enacted and the "red rider" repealed.

That contention is absurd. Without a referendum, the only way to get the sentiment of the Washington people is through their organizations. The Federation of Citizens' Associations, embracing 63 different organizations of citizens, through their chosen committee, George E. Sullivan, Harry N. Stull, Mrs. George Corbin, and Mrs. Horace Phelps, say that Washington people want the "red rider", and do not want the "sissy bill" that would repeal it. The American Legion, through its representatives, says it wants the "red rider" and does not want the "sissy bill." The ladies of the Grand Army of the Republic say they want the "red rider" and do not want the "sissy bill." The District of Columbia Public School Association, embracing over 90 different organizations of citizens, says that it wants the "red rider" and does not want the "sissy bill."

MALICIOUS FALSEHOOD NO. 11

That the House of Representatives is practically unanimous against the "red rider."

How does anyone know that? Such assertion is foolish. That will be decided by a vote. I offered to join the proponent of the "sissy bill" to ask the Speaker to allow him to call it up under suspension of rules that day, but he would not risk it. It is my firm belief that by an overwhelming vote the House will refuse to repeal the "red rider" and kill the "sissy bill"; but, until we vote, no one can speak with authority.

MALICIOUS FALSEHOOD NO. 12

That the District subcommittee hearings accorded all witnesses fair treatment and warranted the passage of the "sissy bill" and repeal of the "red rider."

The hearings show this subcommittee met on February 25, at 10:30 a. m., and adjourned at noon; that it next met on March 2, at 10:30 a. m., recessed at 12:30 to 2, and adjourned at 5:06; next met on March 9, at 10:30, recessed at 12:30 to 2:30, and adjourned at 4:45, hence altogether it devoted only 10 hours and 21 minutes to its entire hearings, while our Subcommittee of the Committee on Appropriations devoted 4 full hours to hearing Editor Robinson of the Scholastic, alone.

Chairman KENNEDY prefaced the hearings by saying:

Unless there is objection on the part of the subcommittee, we will hear from the proponents of the bill, but not from the opponents (p. 2).

Page 1 notes the presence of Congressmen KENNEDY, SCHULTE, and BREWSTER, members; and Mrs. CAROLINE O'DAY, and Messrs. SISSON and MAVERICK. The proponent stated he preferred not to make any statement at that time, though he (not on committee) was allowed to interrogate witnesses.

On the second day, besides committeemen, there was noted the presence of Congressmen SISSON, ELLENBOGEN, SCOTT, and MAVERICK. Both Mr. SISSON and Mr. ELLENBOGEN, not committeemen, were allowed to interrogate witnesses. Thus 58 printed pages were consumed in hearings before any opponent was heard, and I quote the following from the statement of Mrs. JENCKES, a Representative in Congress from Indiana:

Mrs. JENCKES of Indiana. * * * I charge as a Member of Congress that the Board of Education in the District of Columbia is unfit to administer the great responsibility of public trust which rests upon them.

I charge the Board of Education with deliberate neglect and inefficiency.

I charge the Board of Education of the District of Columbia with assuming a responsibility the parents of children attending the District's schools never intended them to assume nor will permit them to assume.

I charge the Board of Education with neglect in line of duty.

I charge the Board of Education with inefficency in the administration of the finances of the school system in our Nation's Capital.

I make these charges as a Member of Congress and as a member of the Subcommittee on Education of the District of Columbia Committee of the House of Representatives.

I ask my colleagues on this Subcommittee on Education not to be rushed or stampeded by the Board of Education into reporting this bill out of committee until I can place before you an official brief over my signature as a Member of Congress and as a member of this committee which will give you in detail specific references and proofs of the charges I make. There is no need for the "railroading" of this legislation.

Now, I desire to make a charge against the Board of Education of the District of Columbia as an American mother. I appeal to every mother in the District of Columbia and throughout the Nation to open your eyes, become informed concerning the indoctrination of communism in the public schools of our Nation's Capital as well as the schools throughout America.

As an American mother, I charge the Board of Education with deliberately betraying a public trust. I ask mothers to resent this with all the fury at their command. I ask mothers to investigate this horrible thing which the Board of Education has knowingly permitted to touch children in the schools in our Nation's Capital. I warn you, your children are in danger. I appeal to you mothers to arouse yourselves. The unpatriotic agencies who would make America a godless nation, the insidious agencies who would break down our American form of Government, who would nationalize women and children, who would tear down our churches and our cherished American institutions, are asking the Congress to make it easy to place in the hands of children of immature

judgment information about communism. There is no need for this. Children of immature years are not capable of rejecting the vile philosophies of communism. In Washington, almost at the very doors of the Board of Education Building, exists a school, operated and maintained by the Communist Party, which takes up the instruction of communism where the Board of Education of the District of Columbia leaves off. This is a part of a Nation-wide movement to plant schools of communism operated by the Communists in close proximity to public schools. The existence of the School for Communism operated by the Communists is known to the Crime Prevention Bureau of the Washington Metropolitan Police Department.

The instruction course on communism which the Board of Education of the District of Columbia authorized as a preparatory course for the instruction course on communism given by the School of Communism operated by the Communists.

Although they were not members of the subcommittee, and Mrs. JENCKES was a member, both Mr. SISSON and Mr. ELLENBOGEN insisted on cross-examining the lady from Indiana, and I quote from page 61:

Mr. ELLENBOGEN. If the lady will permit me for a moment, the lady does not propose to file a brief and conclude the hearing with the filing of that brief because if the lady is given that privilege that surely would be a most unfair thing.

Mrs. JENCKES. They shall have every opportunity to answer that.

Mr. ELLENBOGEN. When will you have that?

Mrs. JENCKES. I will have it by Wednesday. I would have had it with me if I had not been in bed all last week, and I was not prepared to come here this morning.

Mr. ELLENBOGEN. I would like to say to the lady that I for one shall object to any extension of remarks in this hearing because the members of the subcommittee should have an opportunity to interrogate the lady on the subject. I would like to ask the lady a few questions.

Mrs. JENCKES. Please refrain until you have had my statement.

Mr. ELLENBOGEN. In regard to this statement, does the lady object to the members of the school board being appointed by the judiciary; why doesn't the lady charge the judiciary——

Mrs. JENCKES. The judiciary appointed the school board.

Mr. ELLENBOGEN. Does the lady intend to charge that the judges in the District of Columbia are secretly fostering communism?

Mrs. JENCKES. I am not making any charges in regard to the judges whatever.

Mr. ELLENBOGEN. I want to say to the lady that in my district in the State of Pennsylvania the members of the school board are appointed by the judges and the judges are elected by the people, whereas in the District of Columbia the judges are appointed by the President of the United States and confirmed by the Senate, which is elected by the people. The method of the election of the school board by the judges was resorted to because it was thought that was the best method to keep politics out of our Board of Education, and if the lady desires to propose a different system in the District of Columbia, of course, that could be considered, but that is an indirect charge against the judges of the District of Columbia, and I think in her brief the lady should cover that question.

Now, I would like to ask the lady if she knows that that school of communism is attended by children or adults in the District of Columbia. Who is attending it?

Mrs. JENCKES. I do not know, Mr. ELLENBOGEN. This morning I am not strong enough to answer your question. I will have all that information in the brief, and I shall send you a copy at the same time I send it to the committee.

Mr. SISSON. Mr. Chairman, before the lady leaves——

Mr. KENNEDY. I think she is not disposed to answer the question.

Mr. SISSON. I do not know whether I have any standing in this matter, but I will inquire of the chairman and will accept the ruling of the committee if I do have any right to ask the lady from Indiana any questions in regard to the wholesale charges she has just made here.

Then there was not another opponent heard until you get to page 104 of the printed hearings, when George E. Sullivan appeared for the Federation of Citizens' Associations. At the outstart here is the way he was circumscribed:

Mr. KENNEDY. Let me ask you a question, Mr. Sullivan. How long will it take you to conclude your statement?

Mr. SULLIVAN. I think it will take somewhere between 1 hour and 1 hour and a half. I will make it as concise as possible.

Mr. KENNEDY. We do not have that much time.

Mr. SULLIVAN. I am merely giving what is essential.

Mr. KENNEDY. I suggest that you make a briefer statement and file any statement which will take that amount of time in writing.

Mr. SHORT. We have very important matters to consider in the House. One matter is the impeachment of a United States Federal judge, and we will have to vote on that.

Mr. KENNEDY. See if you cannot conclude in 15 minutes.

Mr. SULLIVAN. I cannot possibly do so in 15 minutes.

Mr. KENNEDY. Go ahead and get started.

Judge Sullivan was cross-examined not only by the committeemen but by Mr. ELLENBOGEN and Mr. SISSON, and the following will show a fair sample:

Mr. ELLENBOGEN. You are trying to tell us that the school board is not doing its job, but the passage of this law will not correct that situation, because you want to revamp the school board. You cannot expect Congress to check on the school board; that is not its function. Don't forget this is a National Legislature.

Mr. SULLIVAN. We don't forget it.

Mr. ELLENBOGEN. As a matter of fact, we do not have any business as a matter of local procedure to interfere with the school board. If the school board is not properly constituted, you ought to oppose it.

Mr. SULLIVAN. We have facts to show that that rider was both necessary and warranted.

Mr. ELLENBOGEN. I understand you believe that.

Mr. KENNEDY. This book is used by the authority of whom?

Mr. SULLIVAN. On the recommendation of the superintendent with the authority of the Board of Education, who originally selected it.

Mr. KENNEDY. And subsequently it was prohibited; is that correct?

Mr. SULLIVAN. It was thrown out after 11 months.

Mr. KENNEDY. By whom?

Mr. SULLIVAN. By the Board of Education upon the recommendation of the Superintendent of Schools.

Mr. KENNEDY. Assuming that you did not or you did have this rider to the appropriation bill, that action should have been taken regardless of that.

Mr. SULLIVAN. It should have been; but the point was that it would not have been.

Mr. KENNEDY. How do you know that?

Mr. SULLIVAN. We are showing you the facts upon which you can draw your own conclusion.

Mr. KENNEDY. Do you mean to contend that they prohibited this book after the so-called rider was placed on the appropriation bill?

Mr. SULLIVAN. Without the rider I think every person who studied this would be satisfied that that book would still be in, and it took Congress, the rider, plus the Comptroller General's action, plus the action and persistence of this federation, to get it out; and it only went out on the very day when we were demanding a hearing as to why we could not get a list of the textbooks used in the teachers' colleges.

I say those are the facts. We don't want to draw the conclusion, but we want to give you the facts so that each of you can draw your own conclusion.

Mr. SHORT. Can you tell us the number of teachers in Washington who are graduates or who attended the teachers' college at Columbia?

Mr. SULLIVAN. I could not give you the statistics.

Mr. SHORT. You do not know how many there are?

Mr. SULLIVAN. No.

Mr. ELLENBOGEN. Do you know whether this book is also in the other teachers' training colleges throughout the States?

Mr. SULLIVAN. I have no means of knowing that. We have no funds or facilities. All we have is given you, what we have dug out at great trouble here.

Now, in connection with that, the fact is that they have done that, and the responsibility has not been fixed for the selection.

Mr. ELLENBOGEN. How can the teachers tell the truth unless they discuss Russia?

Mr. SULLIVAN. We have not objected to the mention of Russia or communism; we have not objected to the telling of the facts, but we object to their telling them falsehoods and deceiving them as to what are the facts there.

Mr. SCHULTE. Where do you base your views on that?

Mr. SULLIVAN. In these books [indicating].

Mr. SCHULTE. Do you know of any particular instance where a teacher was advocating communism in the public schools of the District of Columbia?

Mr. SULLIVAN. As I have said before, I am not touching the teachers, I have not been in the classrooms and watching them.

Mr. SCHULTE. You have heard of teachers teaching communism in the schools of Washington, have you not?

Mr. SULLIVAN. Yes; Senator KING has a letter from a Mrs. Dingley, who advised him that she had to withdraw her grandchild, and she is the daughter-in-law of Congressman Dingley. She advised Senator KING that she was compelled to withdraw her grandchild from the public schools and put her in the private schools because of the way other governments were being praised to the detriment of this country.

Mr. SCHULTE. How recent was that?

Mr. SULLIVAN. That letter was within the last 30 or 40 days.

Mr. SISSON. If I were in a court of law, I would object to that as a matter of pure hearsay.

Mr. SHORT. If you will permit me to state that Mr. Counts says in his book, Dare the School Build a New Social Order? on page 19 [reading]:

"My thesis is that complete impartiality is utterly impossible, that the school must shape attitudes, develop tastes, and even impose ideas."

Mr. SISSON. Mr. Sullivan, are not these teachers already as employees of the Federal Government required to take an oath to support the Constitution of the United States?

Mr. SULLIVAN. Yes.

Mr. SISSON. Before this "red rider"?

Mr. SULLIVAN. Yes.

Mr. SISSON. Well, how does the "red rider" place upon them any higher allegiance than the oath to support the Constitution of the United States?

Mr. SULLIVAN. I can answer that very readily; that oath of allegiance is a general oath to support and defend the Constitution. You cannot prosecute a person under that for some of the specific things here, such as the featuring of communism, describing it inaccurately and falsely to the pupils. You have got to make a showing which goes specifically to an attempt to overthrow our Government or our Constitution.

Mr. SISSON. It is not any more a general oath than my oath as a Member of Congress. That is specific. I am sworn.

Mr. SULLIVAN. Exactly.

Mr. SISSON. I am sworn to support the Constitution of the United States.

Mr. SULLIVAN. So am I as a lawyer.

Mr. SISSON. What more do you want? Do you want them hanged and quartered? [Laughter.]

Mr. SULLIVAN. They are obeying the instructions of the Board of Education and the Superintendent of Schools to follow the teachers' method books and the textbooks and the study magazines with the pupils, and if they do it they do not tell the pupils the truth about communism; they tell them falsehoods about communism, and they are winning them to communism all the time.

Mr. SCHULTE. You are making a blanket indictment there. You say they are telling? They are not telling them the truth?

Mr. SULLIVAN. I say these do not give the truth.

Mr. ELLENBOGEN. Mr. Sullivan, you know the members of the school board?

Mr. SULLIVAN. I know some of them by sight.

Mr. ELLENBOGEN. They are ladies and gentlemen of the highest reputation, aren't they?

Mr. SULLIVAN. I cannot undertake to pass on them one way or the other. I am not reflecting upon their standing.

No wonder, Mr. Speaker, that I received the following complaint:

FEDERATION OF CITIZENS' ASSOCIATIONS,
OF THE DISTRICT OF COLUMBIA.

Re H. R. 11375—Sisson bill.
Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

DEAR JUDGE BLANTON: While the proponents of the repeal bill were given the fullest opportunity, the proponents of the present law were limited, restricted, interrupted, and subjected to repeated harrassments and discourtesies such as I have never before witnessed. These harrassments and discourtesies were not only committed by members of the subcommittee, but also by others not on said subcommittee, notably Congressmen SISSON and ELLENBOGEN, who appeared to practically take charge of the hearing a large part of the time, and who seemed to consider it to be their function to insult those appearing in opposition to the repeal bill. The audience, which was composed largely of officers and teachers in the public schools, was encouraged by such harrassments and discourtesies so emanating from the committee table to supplement the same by noisy demonstrations in the hearing room against those opposing said repeal bill, and such demonstrations were openly led by the principal of a junior high school without any attempt by the subcommittee or the Superintendent of Schools to deal with such offenders.

It requires a rather wide stretch of the imagination to say that the opponents of the repeal bill were really given any hearing. I went to the trouble, on behalf of said federation, of carrying before said subcommittee textbooks, study magazines, etc., in order that said subcommittee might see for itself, in the precise setting and context, the antipatriotic, procommunistic, etc., matter which had been injected into the public schools here. I was not, however, permitted to make such presentation, the subcommittee stating that its time was too limited and then restricting me to the supplying of a written statement for the record covering the principal part of my subject matter. This was followed by the subcommittee, and also the main committee, reporting said repeal bill favorably in advance of the printing of the hearings, and, consequently, without any adequate opportunity for consideration of the matter submitted by me which the subcommittee refused to hear in its open session.

By reference to page 221 of said printed hearing you will see that Congressman SISSON expressly treated the Communist Party as on a par with the Democratic and Republican Parties, to which exception was taken by a Mr. AYERS, who said:

"I don't think the analogy is a good one. No good Democrat and no good Republican ever advocated the overthrow of this Government."

Those who are so solicitous about fairness to the Communist Party ought certainly to show a reasonable amount of fairness to this federation in this very matter in the public interest, if not justice to the federation itself.

Very truly yours, GEO. E. SULLIVAN,
Chairman, Special Committee of Federation of Citizens' Associations of the District of Columbia on Elimination of Antipatriotic, etc., Matter from Public Schools of the District of Columbia.

I have a letter, Mr. Speaker, from Maj. Gen. Amos A. Fries stating that he was cross-examined, interrupted, heckled, and insulted until he was unable to make a connected statement. The following are a few of the questions:

Mr. SCHULTE. Do you believe in our form of government, General?

General FRIES. Yes, sir.

Mr. ELLENBOGEN. General, how many Communists are there?

General FRIES. Well, I never tried to count them.

Mr. SCHULTE. Do you believe any of the teachers in the public schools are Communists?

General FRIES. Well, I have reason to think so.

Mr. SCHULTE. Either answer "yes" or "no." Either the fellow is or he is not.

General FRIES. In my opinion, he is.

Mr. SCHULTE. Now, will you give the school board the name of that particular individual, so that he may be investigated?

General FRIES. Yes.

Mr. SCHULTE. And if you find that that is not true, you will certainly avail yourself of the opportunity to defend this particular individual?

General FRIES. Yes.

Mr. SCHULTE. It is just hearsay on your part?

General FRIES. No.

Mr. SCHULTE. Then as an American citizen you have not availed yourself of the opportunity, as an outstanding leader of the District of Columbia, to find out whether that fellow is teaching communism.

General FRIES. I took the matter up with the Superintendent of Schools in 1926 and asked about it.

Mr. SCHULTE. Nine years ago?

General FRIES. I believe that the School Board and the School Superintendent are responsible for the way the teachers are not furnished with the other side of the information on communism; that they are furnished with the "good side" of communism, if there be such.

Mr. SCHULTE. What do you mean by "if there be such"? Both sides of the story?

General FRIES. No; I say "if there be such"—any good side to communism.

Mr. SCHULTE. How many Communists are there in the District of Columbia?

General FRIES. I think perhaps the police department might give you some estimate of that number.

Mr. SCHULTE. Have you availed yourself of the opportunity to observe to see how many there are in the District?

General FRIES. No; I am not interested in the exact number in the District of Columbia.

Mr. SCHULTE. How do you feel about child labor?

General FRIES. I do not think it should be permitted.

Mr. SCHULTE. You believe in child labor?

General FRIES. No, sir; I am just as much opposed to hardships on children as any man living.

Mr. ELLENBOGEN. Have you read the books written by Karl Marx?

General FRIES. I have read a book entitled "The Manifesto."

Mr. ELLENBOGEN. Have you read his books?

General FRIES. I have read parts of them.

Mr. ELLEBOGEN. Have you seen any part in his book where he talks about the nationalization of women?

General FRIES. Yes.

Mr. ELLENBOGEN. Which part?

General FRIES. You will find that, I think, probably on pages 28 and 29 of the particular copy that I have; and I will read you what I took from there on pages 18, 19, 28, 29, 30, and 31.

Mr. KENNEDY. Let me ask you, do you think Dr. Ballou is a proper man to head the public-schools system in the District of Columbia?

General FRIES. I think we could get a much better one.

Mr. KENNEDY. Do you think he is the right man for the position?

General FRIES. In my opinion, no.

Mr. SCHULTE. Do you believe in communism?

General FRIES. No, sir; I do not believe in giving autocratic power to any man.

Mr. SCHULTE. You are sure you do not lean toward the Communist idea?

General FRIES. If I ever thought so, I would bend myself back the other way.

Mr. SISSON. General, going back to the correspondence between Secretary of War Weeks and yourself with regard to child labor. You were at that time an acting commanding officer in the United States Army, were you not?

General FRIES. Yes, sir. That had nothing——

Mr. SISSON (interposing). Just a moment. Answer my question, please. And, as such, you lent yourself to the opposition to the abolition of child labor in this country, did you not?

General FRIES. I did not in connection with that chart at all.

Mr. SISSON. That is not what I am asking you about, the chart. You were opposed to the abolition of child labor, and you made statements to the effect that you were opposed to the abolition of child labor by the Federal Government?

CONCLUSION

Mr. Speaker, in conclusion, I hope and pray that whenever the "sissy bill", which seeks to repeal the law against communism, is taken up in the House that it will be snowed under by an overwhelming vote, in protection to the 99,000 school children in this Nation's Capital.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BOEHNE, for 1 week, on account of official business.

To Mr. GRAY of Indiana, for 10 days, on account of important business.

To Mr. HANCOCK of North Carolina, for several days, on account of illness in his family.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2286. An act providing for the allocation of net revenues of the Shoshone power plant of the Shoshone reclamation project in Wyoming; to the Committee on Irrigation and Reclamation.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 9244. An act providing for the establishment of a term of the District Court of the United States for the Northern District of Florida at Panama City, Fla.; and

H. R. 10193. An act to amend the act to fix the hours of duty of postal employees.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 2 minutes p. m.), in accordance with its order heretofore entered, the House adjourned until Monday, May 4, 1936, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KELLER: Committee on the Library. S. 2737. An act authorizing the erection in the District of Columbia of a suitable terminal marker for the Jefferson Davis National Highway; without amendment (Rept. No. 2575). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 12240. A bill to authorize a preliminary examination and survey of the tributaries, sources, and headwaters of the Allegheny and Susquehanna Rivers in the State of Pennsylvania where no examination and survey has heretofore been made, with a view to the adoption of a comprehensive and systematic plan for regulating the flow of water, conserving the soil and water for beneficial uses, and controlling and preventing floods, and for other purposes; with amendment (Rept. No. 2576). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. S. 4228. An act to authorize a preliminary examination of the Salmon River in the State of Oregon with a view to the control of its floods; without amendment (Rept. No. 2577). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. S. 4355. An act to authorize a preliminary examination of the Delaware River with a view to the control of its floods; without amendment (Rept. No. 2578). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 12525) granting a pension to R. G. Bunton, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CULKIN: A bill (H. R. 12554) authorizing an examination and survey of the Black and Moose Rivers and their tributaries in Herkimer, Lewis, Jefferson, Oneida, and Hamilton Counties, N. Y.; to the Committee on Flood Control.

By Mr. DIRKSEN: A bill (H. R. 12555) to repeal the prohibition on insurance by the Federal Housing Administration of improvement loans ($2,000-limit class) involving the purchase and installation of equipment and machinery; to the Committee on Banking and Currency.

By Mr. DOUGHTON: A bill (H. R. 12556) to create the Treasury Agency Service, to provide for the more adequate protection of the revenue and a more effective enforcement of the revenue and other laws administered by the Treasury Department, and for other purposes; to the Committee on Ways and Means.

By Mr. KELLER: A bill (H. R. 12557) to provide for a term of court at Benton, Ill.; to the Committee on the Judiciary.

By Mr. DARDEN: A bill (H. R. 12558) authorizing the Secretary of Commerce to convey the Norfolk Army base terminal to the city of Norfolk, Va.; to the Committee on Merchant Marine and Fisheries.

By Mr. POWERS: A bill (H. R. 12559) to create a commission to enter into negotiations with respect to the refunding of certain obligations of foreign governments held by the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. DUNN of Pennsylvania: A bill (H. R. 12560) to provide full compensation to workers, farmers, and businessmen for losses suffered in the flood occurring in western Pennsylvania in March 1936; to the Committee on Ways and Means.

By Mr. COLMER: A bill (H. R. 12561) for the erection of a public building at Picayune, Pearl River County, Miss.; to the Committee on Public Buildings and Grounds.

By Mr. VINSON of Georgia: Resolution (H. Res. 502) for the consideration of H. R. 11369; to the Committee on Rules.

Also, a resolution (H. Res. 503) for the consideration of S. 4020; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of Puerto Rico; to the Committee on Immigration and Naturalization.

Also, memorial of the Legislature of the Commonwealth of Massachusetts supporting House bill 12164; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCHANAN: A bill (H. R. 12562) granting a pension to Margaret K. Pierce; to the Committee on Pensions.

Also, a bill (H. R. 12563) for the relief of the legal representatives of O. M. Roberts; to the Committee on Claims.

Also, a bill (H. R. 12564) granting a pension to Mildred A. Moore; to the Committee on Pensions.

By Mr. BUCKLER of Minnesota: A bill (H. R. 12565) authorizing the Secretary of Commerce to establish a fish-cultural station in Minnesota; to the Committee on Merchant Marine and Fisheries.

By Mr. BLOOM: A bill (H. R. 12566) for the relief of Michael Joseph Greeley; to the Committee on Naval Affairs.

By Mr. CARLSON: A bill (H. R. 12567) for the relief of Percy C. Wright; to the Committee on Military Affairs.

By Mr. FLANNAGAN: A bill (H. R. 12568) for the relief of William Scott; to the Committee on Military Affairs.

Also, a bill (H. R. 12569) for the relief of W. C. Stringer; to the Committee on Claims.

Also, a bill (H. R. 12570) authorizing the Secretary of the Navy to reappoint Arthur E. Koch as a chaplain in the Navy; to the Committee on Naval Affairs.

Also, a bill (H. R. 12571) granting a pension to Caleb J. Ledford; to the Committee on Invalid Pensions.

By Mr. GINGERY: A bill (H. R. 12572) for the relief of Albert W. Chase; to the Committee on Military Affairs.

By Mr. LAMNECK: A bill (H. R. 12573) for the relief of Dr. E. T. Kirkendall; to the Committee on Claims.

By Mr. McLEOD: A bill (H. R. 12574) for the relief of the Michigan Valve & Foundry Co.; to the Committee on Claims.

By Mr. MERRITT of New York: A bill (H. R. 12575) to confer jurisdiction on the Court of Claims of the United States to hear and determine the claims of George Cabot et al., and for other purposes; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10816. By Mr. McCORMACK: Resolution of the Army and Navy Union, United States of America, John J. Crim, national legislative chairman, 1314 Vermont Avenue NW., Washington, D. C., unanimously endorsing the Kramer and McCormack bills on un-American activities; to the Committee on Rules.

10817. By Mr. MERRITT of New York: Resolution of the New York City Housing Authority, endorsing the bill to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the development of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes, introduced in the Senate by the Honorable ROBERT F. WAGNER, United States Senator from New York, and in the House of Representatives by the Honorable HENRY ELLENBOGEN, Congressman from Pennsylvania; to the Committee on Banking and Currency.

10818. By Mr. MOTT: Petition signed by Mary F. Needham and 36 other citizens of Eugene, Oreg., urging the enactment of House bill 8739; to the Committee on the District of Columbia.

10819. By the SPEAKER: Petition of the Rotary Club of Somerset, Ky.; to the Committee on Rivers and Harbors.

10820. Also, petition of the Housing Authorities of the State of New York; to the Committee on Banking and Currency.

SENATE

MONDAY, MAY 4, 1936

(Legislative day of Friday, Apr. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, April 30, 1936, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the bill (S. 1432) to amend section 5 of the act of March 2, 1919, generally known as the War Minerals Relief Statutes.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 10193) to amend the act to fix the hours of duty of postal employees.

The message further announced that the House had passed the joint resolution (S. J. Res. 231) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the landing of the Swedes in Delaware, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8599) to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board, and increase efficiency in administration of the steamboat inspection laws, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BLAND, Mr. SIROVICH, Mr. RAMSPECK, Mr. LEHLBACH, and Mr. WELCH were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 10267) to provide for adjusting the compensation of division superintendents, assistant division superintendents, assistant superintendents at large, assistant superintendents in charge of car construction, chief clerks, assistant chief clerks, and clerks in charge of sections in offices of division superintendents in the Railway Mail Service, to correspond to the rates established by the Classification Act of 1923, as amended, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BURCH, Mr. HILDEBRANDT, Mr. ROBERTSON, Mr. DOUTRICH, and Mr. GOODWIN were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 11688. An act providing for a change in the design of the 50-cent pieces authorized to be coined in commemoration of the one hundredth anniversary of the admission of the State of Arkansas into the Union; and

H. R. 12527. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 9244. An act providing for the establishment of a term of the District Court of the United States for the Northern District of Florida at Panama City, Fla.; and

H. R. 10193. An act to amend the act to fix the hours of duty of postal employees.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	La Follette	Overton
Ashurst	Couzens	Lewis	Pittman
Austin	Davis	Logan	Pope
Bachman	Dieterich	Lonergan	Reynolds
Barbour	Donahey	Long	Robinson
Barkley	Duffy	McAdoo	Russell
Black	Frazier	McGill	Schwellenbach
Bone	George	McKellar	Sheppard
Bulkley	Gerry	McNary	Shipstead
Bulow	Gibson	Maloney	Steiwer
Burke	Glass	Metcalf	Thomas, Okla.
Byrd	Guffey	Minton	Thomas, Utah
Byrnes	Hale	Moore	Townsend
Capper	Harrison	Murphy	Vandenberg
Caraway	Hatch	Murray	Van Nuys
Carey	Hayden	Neely	Wagner
Chavez	Johnson	Norris	Walsh
Connally	Keyes	Nye	Wheeler
Coolidge	King	O'Mahoney	White

Mr. LEWIS. I announce for the RECORD, and ask that the announcement stand for the day, the absence of the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Nevada [Mr. MCCARRAN], and the junior Senator from Florida [Mr. TRAMMELL], caused by illness.

I further announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Minnesota [Mr. BENSON], the Senator from Mississippi [Mr. BILBO], the Senator from New Hampshire [Mr. BROWN], the senior Senator from Missouri [Mr. CLARK], the senior Senator from Florida [Mr. FLETCHER], the Senator from Oklahoma [Mr. GORE], the Senator from West Virginia [Mr. HOLT], the Senator from Connecticut [Mr. MALONEY], the Senator from Maryland [Mr. RADCLIFFE], the junior Senator from Missouri [Mr. TRUMAN], and the Senator from South Carolina [Mr. SMITH] are necessarily detained from the Senate.

The Senator from Maryland [Mr. TYDINGS] is absent because of a death in his family.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] and the Senator from Delaware [Mr. HASTINGS] are necessarily absent.

The VICE PRESIDENT. Seventy-six Senators have answered to their names. A quorum is present.

OPINION OF SENATOR JOHNSON IN RITTER IMPEACHMENT CASE

Pursuant to the order entered on the calendar day of Thursday, April 16, 1936, allowing each Senator 4 days after final vote on the articles of impeachment against Halsted L. Ritter, United States district judge for the southern district of Florida, within which to file his individual opinion, the order having been modified subsequently to extent the time limit, the following opinion, signed by Mr. JOHNSON, was filed and ordered to be printed in the RECORD:

MEMORANDUM OPINION OF HON. HIRAM W. JOHNSON IN THE MATTER OF THE IMPEACHMENT OF HALSTED L. RITTER

It is quite true that impeachment proceedings are cumbersome and archaic. The method of conducting them could readily be simplified, and without difficulty the procedure could be modernized. To create additional courts or to put within the jurisdiction of those now existing the impeachment of judicial officials or others would be of doubtful value, and the ills which we would suffer from such a change would likely be worse than those from which we would flee. A very cursory study of the provisions of the Constitution, in the light of the debates of our formative period, will demonstrate that there is scarcely a suggestion now made which wasn't presented when the Constitution was first written. We can read the hallowed words of the men who prepared the Constitution about the danger of a judicial oligarchy, we can observe the care with which finally they provided for the removal of recalcitrant officials, and in the light of the discussions then indulged, we may well conclude that the system prescribed and which now obtains is perhaps the best that could be devised. What faults exist in the mode we now have are not because of that mode but because those who are called upon to render judgment violate its spirit and with too little knowledge and study permit inadvertently the purpose of the Constitution to be submerged in their anxiety to construe as their unrestrained wills dictate. To me it is a dreadful thing, and one scarcely to be condoned, that men sit upon an impeachment court and subsequently vote guilty or not guilty, as the case may be, when they have heard little or none of the testimony and have seen few or any of the witnesses. And if Senators are unable to listen to the testimony and observe the demeanor of the witnesses, some rule should be devised under which, if they themselves would not voluntarily step aside they could be challenged upon the ultimate vote and be made to retire. Of course, to temporary and brief absences no such rule should apply, but how the iron must enter the soul of one upon whom Senators are passing judgment when he suddenly sees strangers to him whom he has not observed during the long impeachment trial, strangers, too, to the testimony that has been given, and who cannot possibly have observed the demeanor of witnesses, depriving him of what is more precious than life itself. If reforms of impeachment trials are to be discussed, I respectfully submit that instead of entrusting impeachment of a judge to judicial officers or newly created courts we reform the impeachers themselves and require substantially what is required in any jury trial—the attendance of those in whose hands the fate of a fellow human being is placed. Moreover, the mode of trial, including rules of evidence, should be definitely established, so that the trial may be judicial in character. This could be and should be determined in advance. These are but suggestions, of little consequence perhaps, but more important than establishing new tribunals.

There were seven counts in the articles of impeachment in the recent Ritter trial. Six of these counts were of definite and specific character, and the seventh a sort of résumé or catch-all of the six. Upon the first six counts Ritter was acquitted. Upon the seventh he was convicted by exactly the necessary two-thirds vote—56 to 28. Under ordinary circumstances such a decision would be wholly paradoxical, and in an ordinary proceeding, if appellate jurisdiction rested anywhere, it would be instantly set aside. It is very forcefully argued that a Federal judge who, under the Constitution, holds office during good behavior, may be impeached for misbehavior even though misbehavior is without definition and may rest entirely upon the mental whim or caprice of individual Senators. Perhaps this may be so, and it may be that the framers of the Constitution intended to leave the scope of the unknown offense of "misbehavior", although never mentioning it, as broad and illimitable as the minds of individual Senators. This might be doubted in so high an offense with a penalty which carries ignominy, shame, and disgrace and inflicts the severest mental anguish. But for argument's sake, conceding this hazy construction, it would seem to be stretching even the rule for which some distinguished Senators contend to unwarrantable lengths, when solemnly the Court has acquitted upon all the specific charges and then those same specific charges are utilized to justify conviction upon the loose generality of "misbehavior."

CONFUSION OF THOUGHT

The confusion of thought prevailing among Senators is evidenced by their varying expressions. One group eloquently argued any gift to a judge, under any circumstances, constituted misbehavior, for which he should be removed from office, and moreover that neither corrupt motive nor evil intent need be shown in the acceptance of a gift or in any so-called misbehavior. Another prefaced his opinion with the statement: "I do not take the view that an impeachment proceeding of a judge of the inferior Federal courts under the Constitution of the United States is a criminal proceeding. The Constitution itself has expressly denuded impeachment proceedings of every aspect or characteristic of a criminal proceeding."

And yet another flatly takes a contrary view, and states although finding the defendant guilty on the seventh count: "The procedure is criminal in its nature, for, upon conviction, requires the removal of a judge, which is the highest punishment that could be administered such an officer. The Senate, sitting as a Court, is required to conduct its proceedings and reach its decisions in accordance with the customs of our law. In all criminal cases the defendant comes into court enjoying the presumption of innocence, which presumption continues until he is proven guilty beyond a reasonable doubt."

And again we find this: "Impeachment, though, must be considered as a criminal proceeding."

The foregoing quotations are made not in criticism of the makers, or even of their expressions, but to indicate the contrariety of opinion that existed among the members of the Court as to the character of the proceeding and the quantum of proof required. Indeed, the very able chief manager on the part of the House, Mr. SUMNERS, in his argument made perfectly plain his theory. He said: "When a judge on the bench, by his own conduct, arouses a substantial doubt as to his judicial integrity he commits the highest crime that a judge can commit under the Constitution. It is not essential to prove such conduct beyond a reasonable doubt. The doubt is the other way. Do I make that clear? There is nothing in the Constitution and nothing in the philosophy of a free government that holds that a man shall continue to occupy office until it can be established beyond a reasonable doubt that he is not fit for the office. It is the other way."

With such loose procedure, with a court, whose members are insisting upon wholly different views of the character of the proceeding and the measure of proof required, with absolutely divergent opinions of the meaning of a word not written in the Constitution, but interpolated for the purposes of the trial, it is not surprising the decision was reached in confusion and perplexity by utterly irreconciliable processes.

What a novel proposition if impeachment is a criminal proceeding, and if the presumption of innocence attaches to the respondent, and the proof against him must convince the Court beyond a reasonable doubt that neither evil intent, nor illegality, nor corruption need be either alleged or proved. And how much more novel and, indeed, startling that a respondent may be not guilty of every substantive charge brought against him and yet should be impeached.

A BRIEF RÉSUMÉ OF THE AUTHORITIES

Of course, it would be presumptuous for any humble member of the Impeachment Court to disagree with the few profound constitutional expounders of the Senate who hold the course pursued by the Senate to have been both logical and justified; but that the record may be preserved we may be pardoned a very brief examination of one or two of the few existing judicial constructions of impeachment proceedings.

The three provisions of the Constitution relating to impeachment are as follows:

Section 4, article II: "The President, Vice President, and all civil officers of the United States shall be removed from office on impeachment for and conviction of treason, bribery, or other high crimes and misdemeanors."

Section 3, article I: "Judgment in cases of impeachment shall not extend further than to removal from office and disqualification to hold and enjoy any office of honor, trust, or profit under the United States; but the party convicted shall, nevertheless, be liable

and subject to indictment, trial, judgment, and punishment according to law."

Section 1, article III: "The judges, both of the Supreme and inferior courts, shall hold their offices during good behavior, * * *."

It will be observed from these sections that there can be no impeachment save for treason, bribery, or other high crimes and misdemeanors.

Endless has been the discussion as to what are "high crimes and misdemeanors." It will serve no useful purpose here to quote the various authorities and precedents holding the one way or the other. The respondent in this case upon the first six counts was tried for "high crimes and misdemeanors", criminal and penal in their character. Of these he was acquitted, but it is asserted, because the tenure of office of a judge is during good behavior, the causes of impeachment may be not only what the Constitution says, "Treason, bribery, or other high crimes and misdemeanors", but also the antithesis of good behavior—misbehavior. Of course, if the judge were guilty of any of the specifications against him, which constituted "treason, bribery, or other high crimes and misdemeanors", his punishment should have been the severest that could have been inflicted upon him; and yet, the Senate, after its paradoxical determination of his guilt for misbehavior when he had been acquitted of the very offenses constituting this misbehavior, unanimously voted to eliminate from the judgment the second portion of the penalty provided by the Constitution: "Disqualification to hold and enjoy any office of honor, trust, or profit in the United States." We have, therefore, the singular picture here of the impeaching court solemnly acquitting the judge of all the substantive charges, then writing into the Constitution "misbehavior", or making that term synonomous with "misdemeanor", and just as solemnly holding him guilty under the generic and mystic term of "misbehavior" of the very matters upon which they had just said he was not guilty.

I would not be so bold as dogmatically to insist that the great constitutional expounders of the Senate wholly erred in their construction of the Constitution; but the proposition that the discretion vested in the Senate in impeachment proceedings is absolute and unrestrained I cannot for an instant subscribe to. It would be a sad travesty, a reflection upon the founders of the Constitution, and a denial, in some instances, of justice itself, if in a case of transcendant importance, caprice, prejudice, or the untrammeled will of the judges held sway and our usual boasted safeguards of the law were denied. I challenge the production of any case of impeachment, either of judge or inferior official, where an acquittal of all the charges separately was transmuted into a shotgun decision of guilty upon some of them collectively. In this case presumably those voting guilty on the seventh count held the reasonable and probable consequences of the actions of Ritter specified in the charges on which they acquitted him, brought his court into scandal and disrepute "to the prejudice of said court and public confidence in the administration of justice therein and to the prejudice of public respect for and confidence in the Federal judiciary and to render him unfit to continue to serve as such judge." There was not one word of testimony upon scandal or disrepute, lack of public confidence, or the prejudice of public respect for and confidence in the Federal judiciary in all the days of the trial, and not a single witness testified to a single thing of that kind or character. All of the evidence was, indeed, to the contrary; and while a division existed as to the specific acts, the conduct of Ritter's court as high, decorous, and efficient was nowhere denied; and the years through which he served, save for these specific instances, no human being questions.

The very lapse of time since the occurrence of the acts asserted against him negatives the allegations of the seventh count, and during the period subsequent to the alleged misconduct the record shows affirmatively not only that he had the confidence of his fellow member of the Federal judiciary but that he had before him some thousands of cases and proceedings of which there is not even the suggestion of a complaint by litigant or lawyer. When we recall that the specific charges related to a time many years before the impeachment proceedings, and the period and character of his services upon the bench, that no witness questions, his acquittal by the Senate of the long-ago specified acts, it almost passes comprehension that the verdict recorded in this case should have been rendered.

Who accurately can describe misbehavior? Supposititious cases, revolting in character, may perhaps be conjured up by a vivid imagination, but it is sufficient answer to say there are no such instances in the Ritter case.

To the differing minds of 96 senatorial judges what might be held as misbehavior by some would seem wholly unsubstantial and trivial to others. Less than 5 years ago, if it could have been proven in an impeachment proceeding that a judge served wine upon his table, or committed the egregious sin of sipping a cocktail before his dinner, a large number of our people, perhaps a majority, would have thought him guilty of the grossest misbehavior, which should have condemned him to the most condign punishment. Some in this case boldly and emphatically proclaim, as has been stated, that a judge who received a gift of any kind, under any circumstances, should immediately be impeached. It requires neither fertility of imagination nor facility of expression to suggest innumerable acts which, to some of us, would seem wholly innocent but concerning which others would shake their heads in sorrowful negation and darkly say, in their self-righteous intensity to protect the morals of all the rest of us, that there had been misbehavior which should instantly remove from office the guilty one.

Misbehavior may be akin to maladministration, and some light is shed upon the constitutional provision by the proceedings and debates during the adoption of that great instrument. We have in his work upon the Constitution by Mr. Foster, beginning at page 508, the following of the Constitutional Convention proceedings upon impeachment:

"8. 'The clause referring to the Senate the trial of impeachments against the President for treason and bribery was taken up.

" 'Colonel MASON. Why is the provision restrained to treason and bribery only? Treason, as defined by the Constitution, will not reach many great and dangerous offenses. Hastings is not guilty of treason. Attempts to subvert the Constitution may not be treason, as above defined. As bills of attainder, which have saved the British Constitution, are forbidden, it is the more necessary to extend the power of impeachments. He moved to add after " bribery", "or maladministration." Mr. Gerry seconded him.

" 'Mr. MADISON. So vague a term will be equivalent to a tenure during the pleasure of the Senate.

" 'Mr. GOUVERNEUR MORRIS. It will not be put in force and can do no harm. An election of every 4 years will prevent maladministration.

" 'Colonel Mason withdrew "maladministration" and substituted "other high crimes and misdemeanors against the state." ' "

The objection of Mr. Madison to Colonel Mason's word "maladministration" is singularly apt here because of the arguments that are made about the tenure of office of a Federal judge. Maladministration was designated by Mr. Madison as vague, and its use, he said, would be equivalent to a tenure of office during the pleasure of the Senate. What could be more vague than "misbehavior"? In the text of Foster, page 510, we find related the discussion concerning the constitutional provision:

"A short discussion took place as to what should constitute an impeachable offense. The first definition was malpractice or neglect of duty.' The report of the committee on detail said that the President might be removed on impeachment and conviction 'of treason, bribery, or corruption.' When the report was discussed. Colonel Mason first moved to insert, after 'bribery', 'or maladministration'; then substituted 'other high crimes and misdemeanors against the state'; and finally 'United States' for 'state', in which form his amendment was adopted. A similar provision as to the impeachment of other officers was added. The committee on style dropped the words 'against the United States.' Their report in this respect passed without criticism."

There will be found quoted, section 89, page 512, of Foster, the reasons for trial of impeachment by the Senate in the language of Hamilton, Story, and Rawle. This may be interesting to the gentlemen who want to change the method. But the quotation is made from the proceedings of the Convention to indicate that the very vague and indefinite term so beloved by impeachers was apparently in the minds of the framers of the Constitution when that document was written, and the idea of the tenure of judges at the pleasure of the Senate, so ably argued by some today, was rejected by our forefathers.

Judge Story, in his monumental work on the Constitution, thus states:

"It would be a most extraordinary anomaly that while every citizen of every State originally composing the Union would be entitled to the common law as his birthright, and at once his protector and guide, as a citizen of the Union, or an officer of the Union, he would be subjected to no law, to no principles, to no rules of evidence. It is the boast of English jurisprudence, and without it the power of impeachment would be an intolerable grievance, that in trials by impeachment the law differs not in essentials from criminal prosecutions before inferior courts. The same rules of evidence, the same legal notions of crimes and punishments prevail" (Story on the Constitution, fifth edition, p. 582).

Whatever may be said of the attitude or the views of those who laid such stress upon misbehavior, it is clear from the record that upon the seventh count, which it was claimed came within that category, Ritter was "subjected to no law, to no principles, to no rules of evidence." He was judged, not by the essentials of the law but by the varying contradictory and irreconcilable theories of the individuals, each a law unto himself.

Senator Davis, in Johnson's impeachment, scathingly answered the suggestion that the Senate was absolute and restrained by no judicial rules thus:

"But the position that the Senate, when trying an impeachment, is a law to itself, is bound by no law, may decide the case as it wills, is illimitable and absolute in the performance of certain restricted judicial fuctions, in a limited government, is revoltingly absurd."

In *State* v. *Hastings* (55 N. W., p. 780) is a very able discussion of the words of the Constitution, "high crimes and misdemeanors." The conclusion of the Court was as follows:

"It may be safely asserted that where the act of official delinquency consists in the violation of some provision of the Constitution or statute which, if denounced as a crime or misdemeanor, or where it is a mere neglect of duty, willfully done, with a corrupt intention, or where the negligence is so gross, and the disregard of duty so flagrant, as to warrant the inference that it was willful and corrupt, it is within the definition of a misdemeanor in office. But where it consists of a mere error of judgment, or omission of duty, without the element of fraud, and where the negligence is attributable to a misconception of duty, rather than a willful disregard thereof, it is not impeachable,

although it may be highly prejudicial to the interests of the State."

It is obvious from this and other authorities that an act, even of misbehavior, to constitute an impeachable offense must be willfully done with a corrupt intention. To hold otherwise would mean that every decision of a court must meet with universal favor, that judicial discretion would be destroyed, and that it would be quite sufficient ground of impeachment that any decision which roused the passion of any litigant, who could gather to himself adherents, would at once subject the judge to the horror and the ignominy of trial; and if enough of the Senate agreed with the disappointed litigant concerning the decision, conviction and ouster from office. As the Nebraska court well says, a mere error of judgment or omission of duty without the element of fraud is not impeachable, "although it may be highly prejudicial to the interests of the State."

In a well-considered Alabama case, after the quotation of authorities, it is said: "The authorities above hold that removal from office and disqualification to hold office are criminal punishment, but the doctrine has been carried much further"; and then, after other quotations, says: "We feel constrained to hold that impeachment under our Constitution is a criminal prosecution."

I cannot refrain from quoting, upon the character of the proceeding and the quantum of proof required to warrant conviction, the case already referred to, *State* v. *Hastings* (55 N. W. Reporter, p. 781). I commend this to the consciences of those who claim for the Senate in impeachment unlimited discretion and a freedom from all law and judicial concepts. The learned court in the Hastings case said:

"Another question which is suggested in this connection is the character of this proceeding, viz, whether it is to be regarded as a civic action or as a criminal prosecution for the purpose of the production and the quantum of proof to warrant a conviction. It may be safely asserted that the decided weight of authority in this country and England—if, indeed, there exists a diversity of opinion on the subject—is that impeachment in that respect must be classed as a criminal prosecution, in which the state is required to establish the essential elements of the charge beyond a reasonable doubt. Blackstone (4 Comm. 259) thus defines the proceeding: 'But an impeachment before the Lords by the Commons of Great Britain in Parliament is a prosecution of the already known and established law, and has been frequently put in practice, being a presentment to the most high and supreme court of criminal jurisdiction by the most solemn grand interest of the whole kingdom.' In the impeachment of Belknap, Senator Wright used the following language: 'Because it does not satisfy me upon this point beyond a reasonable doubt, and because it is quite wanting in everything like directness and force, * * * I feel bound to vote "Not guilty."' Language of similar import was used by Senators Christiancy, Booth, Oglesby, and others. But we are fortunately not without judicial authority on the subject. In the impeachment of Barnard (1872) the judges of the court of appeals of New York sat with the senators, and appear to have been consulted upon all doubtful questions. Chief Justice Church (p. 2070), speaking upon the subject under consideration, said: 'If I felt warranted in balancing the evidence and in determining that question in a civil action, I might come to the conclusion that the evidence of payment was not reliable; but we are here in a criminal case, where the respondent is entitled to the benefit of every reasonable doubt, both upon the facts and the law, and I cannot say that the evidence which has been produced is not sufficient to create some doubt.' Judge Andrew (p. 2071) said: 'I shall vote "Not guilty" upon this article, upon the principle that this defendant is entitled to every reasonable doubt, and that that doubt as to his guilt, according to the charge, exists in my mind upon the evidence in the case.' Like views were expressed by other judges, but there was no dissent from the opinions above quoted. And, in *State* v. *Buckley* (54 Ala. 599), impeachment is defined as a criminal proceeding without the right of trial by jury. It is not alone in form, but also in substance, a criminal prosecution. As said by Senator Sargent in Belknap's case (p. 87): 'A sentence of disqualification is a humiliating badge affixed to high crimes and misdemeanors in office.' While we have in this country no technical attainder working a corruption of blood, the sentence of disqualification to hold or enjoy any office of honor, profit, or trust which is provided by our Constitution in case of conviction by impeachment is within the primary definition of the term. It is the extinction of civil rghts and capacities; a mark of infamy by means of which the offender becomes attinctus or blackened (Rap. & L. Dict., tit. 'Attainder'; 1 Bish. Crim. Law, 966, 970, and notes). The allegation that the respondents acted willfully and corruptly being without support, it follows that there is a failure of proof with respect to specification no. 3."

The case of Barnard referred to was the impeachment of a judge under the procedure of the State of New York.

There are many authorities other than what have been cited; but those herein referred to, with the later Nebraska cases following *State* v. *Hasings*, the Alabama cases, the cases in Kansas, Utah, and Texas, which are fet forth in the brief of Senator AUSTIN, sufficiently state what should be the procedure and the rule in impeachment proceedings. In *Andrews* v. *King* (77 Maine, 235) a question somewhat akin to that in the instant case arose, and the reasoning of the Maine court would seem to be apt upon the six acquittals by the Senate and the subsequent vote of guilty upon those acquittals. It is but fair that the case of Judge Archbald, who was impeached by the Senate, and in which there was a blanket count somewhat similar to that in the case of Judge Ritter, should be cited here in order that the student of impeachment and the procedure thereon may be fully informed. A very able article by Mr. Wrisley Brown, who was special assistant to the Attorney General and conducted the original investigation, may be found in Twenty-sixth Harvard Law Review, page 684. The position taken by Mr. Brown is not different from that which some members of the impeachment court took in relation to the seventh count in the case of Judge Ritter. Archbald was convicted upon the blanket count, but it may be remarked that he was convicted by an overwhelming vote on the first, third, fourth, and fifth articles of impeachment. The difference in the two cases, therefore, will be obvious; and while it may be asserted that there is no difference in principle, the fact that on numerous counts Archbald was convicted, then upon the final count, which restated his offenses, was likewise convicted, presents a very different picture from the Ritter case, where there was acquittal upon all counts where there were substantive charges.

CONCLUSION

I have refrained from a detailed discussion of the evidence because upon the charges that were factual, as set forth in the first six counts, Judge Ritter was found "not guilty", and, of course, logically it follows from his acquittal that the number of Senators required to impeach were not convinced they were proven. A word or two, however, may not be amiss concerning some incidents which were stressed during the trial. The gravamen of the charge against the judge, stripped of all incidental matters, was that he had deliberately conspired to allow an extravagant and exorbitant fee to his former partner and had been given by that partner of that fee $5,000. He insisted that when he and his partner separated after his appointment to the bench he sold his interest in the firm for that sum, and that an honest debt existed, which had been liquidated by its payment to him. To an ordinary man weighing the testimony it would seem infinitely more probable that the judge's interest in the partnership had been sold for that sum rather than the judge had sold his soul and jeopardized his entire career by the acceptance of that paltry amount out of fees aggregating $90,000. The facts in the case as to the fees demonstrate that when first an allowance was to be made, the judge, with meticulous care, addressed a letter to a fellow Federal judge asking him to preside and award what sum was deemed appropriate.

Certainly his conduct at that time has the approval of all. Subsequently, another allowance for attorneys' fees was presented in the pending proceeding. The judge declined to act upon the decree then presented to him in the litigation or the allowance of attorneys' fees, until every interest involved, however conflicting, and every attorney, and there were many in the case, in writing, agreed, both to the decree and to the allowance of attorneys' fees, and it was then that Judge Ritter signed the decree and made the allowance of $75,000 to his former partner, out of which, it was understood, all the attorneys in the case were to be compensated. A consent decree under the circumstances that we detail is by no means unusual in our court procedure, and with the litigants and all the attorneys consenting, and consenting in writing, a corrupt act on the part of the judge can scarcely be predicated. With the conspiracy and corruption charges disposed of there is little that remains to warrant any verdict of impeachment.

If we are to be guided by the law and to decide judicially, the acquittal of the charges of conspiracy and corruption should be sufficient to warrant upon the whole bill of impeachment a verdict of not guilty. And let it ever be remembered the wrongdoing, the illegality, and the corruption were alleged to have occurred in 1929 and 1930 in reality. Judge Ritter sat upon his bench until 1936. In that time the evidence shows 7,000 proceedings and cases were before him, and during that period the evidence does not show complaint of any character nor a single attempt to disqualify him, nor even dissatisfaction of any kind regarding his character nor of him personally. It passes belief how it could be held that a court against which there was neither complaint nor accusation for many years in past, concerning which no witness suggested scandal or disrepute, where none claimed public confidence in the administration of justice or public respect for the judiciary had been prejudiced, and where there was not an atom of evidence in respect to any of these allegations could be found by a verdict of impeachment afflicted with all.

It must not be overlooked, even by the most suspicious, that after all, the high Court of Impeachment is a court bound by rules of evidence and judicial decision. It is not a haphazard tribunal to be swayed by suspicion or moved by vengeance. While not, of course, criticizing my brethren for the decision, which, undoubtedly, they conscientiously rendered, I could not go their way. I would not have branded the most inconspicuous citizen nor the most contemptible or detestable individual upon the evidence as I saw it. I voted, therefore, "not guilty", and the brief lapse of time since the verdict has confirmed me in the justice of my decision.

HIRAM W. JOHNSON.

MAY 1, 1936.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Board of Commissioners of the town of West New York, N. Y., requesting a full and complete investigation of the administration of the W. P. A. as it affects West New York, N. Y., which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the city commission of the city of Phoenix, Ariz., favoring the enactment of the so-called Wagner-Ellenbogen low-cost housing bill, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the State Bar of Nevada, favoring the enactment of the joint resolution (H. J. Res. 237) for the establishment of a trust fund to be known as the Oliver Wendell Holmes Memorial Fund, which was referred to the Committee on the Library.

Mr. WAGNER presented a resolution of the New York (N. Y.) Adult Blind Aid Association, Inc., praying for the enactment of House bill 7122, providing for pensions to blind persons who are 21 years of age and upward, which was referred to the Committee on Pensions.

Mr. COPELAND presented resolutions adopted by the Syracuse Housing Authority, of Syracuse; the Municipal Housing Authorities of the State of New York; the Consolidated Tenants' League of New York City; and the congregation of the Good Shepherd Presbyterian Church, of New York City, all in the State of New York, favoring the enactment of Senate bill 4424, the so-called Wagner low-cost housing bill, which were referred to the Committee on Education and Labor.

He also presented a resolution of the New York Commandery, Naval and Military Order of the Spanish War, favoring the enactment of Senate bill 4011, relating to the deportation of undesirable aliens, which was referred to the Committee on Immigration.

He also presented a letter in the nature of a petition from the National Commandery, Naval and Military Order of the Spanish-American War, praying for the enactment of Senate bill 4011, relating to the deportation of undesirable aliens, which was referred to the Committee on Immigration.

He also presented the memorial of R. S. Beatty Lodge, No. 910, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, of Buffalo, N. Y., remonstrating against the alleged usurpation by the United States Supreme Court of powers granted to Congress, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by Riverdale Branch (N. Y.) American League Against War and Fascism, protesting against the passage of legislation to suppress attempts to incite disobedience of orders by the enlisted forces of the Army and Navy, which was referred to the Committee on Military Affairs.

He also presented a resolution adopted by students of James Madison High School, of Brooklyn, N. Y., favoring reduction in armaments, the principle of arbitration, and international economic agreements, and protesting against war, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by John Reed Branch 514, I. W. O., of Brooklyn, N. Y., favoring the passage of the so-called workers' social-insurance bill, which was referred to the Committee on Finance.

He also presented a resolution adopted by Local No. 44, United Upholsterers' Union, of New York, N. Y., favoring the enactment of legislation to create a court of appeals for civil-service employees, which was referred to the Committee on Civil Service.

He also presented the petition of the Larchmont (N. Y.) League of Women Voters, praying for the enactment of legislation to place all first-, second-, and third-class postal officials under the classified civil service, which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by the National Executive Board of the American Newspaper Guild, of New York City, favoring the continuation of Federal art projects under the Works Progress Administration, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the Student Council of the Adult Educational Courses, of New York City, favoring the continuation of adult education under the Works Progress Administration on a permanent basis, which was referred to the Committee on Appropriations.

He also presented petitions of sundry citizens of the State of New York, praying for the enactment of House bill 7122, providing pensions to blind persons who are 21 years of age and upward, which were referred to the Committee on Pensions.

IMPROVEMENT OF HOUSING CONDITIONS

Mr. WAGNER. Mr. President, I present and ask to have printed in the RECORD and appropriately referred, two resolutions, one adopted by the Housing Authority of the city of Syracuse, N. Y., and the other by the Board of Public Land Commissioners of the City of Milwaukee, Wis., favoring the enactment of housing legislation, being Senate bill 4424, introduced by me.

There being no objection, the resolutions were ordered to lie on the table and to be printed in the RECORD, as follows:

Whereas there are now before the Congress of the United States a bill introduced by Senator ROBERT F. WAGNER, of New York (Senate bill No. 4424), and an identical bill introduced by Congressman HENRY ELLENBOGEN, of Pennsylvania (H. R. 12124); and

Whereas the Syracuse Housing Authority considers that the above bills constitute a constructive step toward the realization of a program of improvement of housing conditions in the United States: Be it

Resolved, That Senator ROYAL S. COPELAND, of New York, Congressman CLARENCE E. HANCOCK, of the Thirty-fifth Congressional District, as Representatives of the territory served by the Syracuse Housing Authority in the Congress of the United States, are requested to give the above-mentioned bills their favorable consideration and support; and be it further

Resolved, That copies of this resolution be forwarded to Hon. Senator WAGNER and to Congressman HENRY ELLENBOGEN.

CITY OF MILWAUKEE,
BOARD OF PUBLIC LAND COMMISSIONERS,
April 30, 1936.

Senator ROBERT F. WAGNER,
United States Senate, Washington, D. C.

DEAR SENATOR WAGNER: At a regular meeting of the Board of Public Land Commissioners, which board functions as the Milwaukee Housing Authority, held April 29, 1936, the following resolution was adopted:

"Whereas housing conditions in slum and blighted areas of urban centers are a recognized economic and social detriment to community life; and

"Whereas the tenants in such housing districts are forced to live in these intolerable conditions because private enterprise cannot and will not provide low-rent housing facilities; and

"Whereas it is necessary for the Government to bear a certain portion of the burden of financing the clearance of slums and the construction of low-rent housing if these conditions are to be eliminated: Therefore be it

"*Resolved*, That the Board of Public Land Commissioners (Milwaukee Housing Authority) endorses a bill introduced in the Senate by the Honorable ROBERT F. WAGNER, United States Senator from New York, and in the House of Representatives by the Honorable HENRY ELLENBOGEN, Congressman from Pennsylvania, which reads as follows:

" 'A bill to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the development of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes.'

"Be it further

"*Resolved*, That a copy of this resolution be forwarded to President Franklin D. Roosevelt, Senator Robert M. La Follette, Jr., Senator F. Ryan Duffy, Senator Robert F. Wagner, Congressman Raymond J. Cannon, Congressman Thomas O'Malley, and Congressman Henry Ellenbogen."

Respectfully,

BOARD OF PUBLIC LAND COMMISSIONERS,
C. B. WHITNALL, *Secretary.*

REFUND OF CERTAIN PROCESSING TAXES

Mr. OVERTON presented a resolution adopted by the New Orleans (La.) Flour Club, which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Whereas the Agricultural Adjustment Act of the United States was declared unconstitutional by the Supreme Court of the United States on January 6, 1936; and

Whereas by a further order of the Supreme Court of the United States the millers were refunded all impounded process taxes accumulated from about June 1, 1935, until January 6, 1936; and

Whereas the bakers and macaroni manufacturers in the State of Louisiana and vicinity absorbed the process tax and did not pass it on to the consumer, which fact can be easily proved; and

Whereas the bakers of the State of Louisiana have suffered in a business way more than any other class of business, and are ur-

gently in need of the process taxes which they paid and absorbed from June 1, 1935, until January 6, 1936, and which they are rightfully and legally entitled to; and

Whereas the flour millers operating in the United States have failed and/or refused to refund to bakers the process taxes collected by said millers from June 1, 1935, until January 6, 1936, and they further refuse to commit themselves in any manner with regard to refunding these taxes to the bakers and macaroni manufacturers: Be it

Resolved, That the Congress of the United States be petitioned and urged to enact some legislation which will force and compel the flour millers of the United States to return and refund to the bakers and macaroni manufacturers of the State of Louisiana, and of other States, the process taxes which they received and collected and now have in hand and which accumulated during the period commencing about June 1, 1935, and ending January 6, 1936, to the end that the bakers and macaroni manufacturers, who absorbed said tax, shall be reimbursed the millions of dollars which they have paid, and which funds are now in the hands of the flour millers of the United States.

Whereas the Congress of the United States is now in the process of enacting a revenue bill, including a "windfall" tax, in an effort to recapture process taxes on flour and other commodities, which were impounded through injunctions by the various flour millers and returned to them by reason of the decision of the Supreme Court of the United States declaring the Agricultural Adjustment Act to be unconstitutional; and

Whereas the revenue act as now proposed fails to protect brokers, jobbers, wholesalers, bakers, and macaroni manufacturers with respect to floor taxes on merchandise in the possession of these merchants at the time said act was declared unconstitutional; that said protection is ineffective without a proper appropriation to cover refund of floor taxes to said merchants: Be it

Resolved, That the Congress of the United States is hereby petitioned to amend its present revenue act containing the "windfall" taxes in order that proper provision be made to return to the brokers, jobbers, wholesalers, bakers, and macaroni manufacturers the floor tax on flour in their possession on January 6, 1936, and that a proper appropriation be stipulated in said revenue bill to properly refund the floor tax to said merchants.

NEW ORLEANS FLOUR CLUB,
A. J. PALERMO, *Secretary-Treasurer*.

INVESTIGATION OF COSTS OF CANVAS RUBBER-SOLED AND WATERPROOF FOOTWEAR

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred copy of a letter, together with a memorandum, addressed to the chairman of the Senate Finance Committee by the chairman of the United States Tariff Commission, in response to Senate Resolution 283, which I submitted and which directs the Tariff Commission to investigate, under sections 332 and 336 of the Tariff Act of 1930, differences in costs of production in the United States and in the Philippine Islands of all types of "canvas rubber-soled footwear and waterproof footwear."

There being no objection, the letter and memorandum were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

UNITED STATES TARIFF COMMISSION,
Washington, April 27, 1936.

Hon. PAT HARRISON,
United States Senate, Washington, D. C.

MY DEAR SENATOR HARRISON: I have your letter of April 18, enclosing a copy of Senate Resolution 283, which directs the Tariff Commission to investigate, under sections 332 and 336 of the Tariff Act of 1930, difference in costs of production in the United States and in the Philippine Islands of all types of "canvas rubber-soled footwear and waterproof footwear."

In response to your request, I have had incorporated in a memorandum, which I am enclosing, pertinent information with respect to the footwear covered by the resolution.

It has been held, for the purposes of section 336, that production costs in the Philippine Islands cannot be taken into consideration in adjusting rates of duty. Furthermore, all footwear and other articles wholly produced in the Philippine Islands and all products of those islands which do not contain foreign materials to the value of more than 20 percent of their total value are entitled to free entry when coming therefrom to the United States. Dutiable canvas rubber-soled and waterproof footwear was the subject of an investigation under section 336, as a result of which the duties were increased the maximum amount permissible under the law. Another investigation under that section with respect to these products could result only in confirming or reducing the present duties on them.

There have been no shipments into the United States from the Philippine Islands of the types of footwear covered in the resolution. Therefore, an investigation under section 332 does not appear warranted upon the basis of present conditions, nor is it believed that an investigation could be justified on the basis of probable future developments. Furthermore, any action at this time would involve possible conflict with the obligations implied in the Philippine Independence Act.

It therefore appears that an investigation under section 336 looking toward an increase in the rate of duty on this footwear would not be possible and that an investigation under section 332 at this time could serve no useful purpose.

Very sincerely yours,

ROBERT L. O'BRIEN, *Chairman*.

MEMORANDUM REGARDING SENATE RESOLUTION 283, SEVENTY-FOURTH CONGRESS, SECOND SESSION

UNITED STATES TARIFF COMMISSION,
Washington, April 23, 1936.

Senate Resolution 283, now pending before the Finance Committee, provides for investigation by the Tariff Commission, under sections 332 and 336 of the Tariff Act of 1930, of the differences in costs of production of "all types of canvas rubber-soled footwear and waterproof footwear" in the United States and in the Philippines.

The basis of assessing duties on footwear of this type was changed from foreign value to American selling price by Presidential proclamation (effective Mar. 3, 1933) following an investigation by the Tariff Commission under section 336 of the Tariff Act of 1930. The effect of the proclamation was to increase, by the maximum allowed by law, the duties on imported canvas rubber-soled footwear and all kinds of waterproof footwear in chief value of rubber.

Official statistics show that the Philippines shipped no footwear of the types covered by the resolution to the United States in 1932, 1933, 1934, 1935, and the first two months of 1936, and that exports of these products from the islands to other countries are negligible.

On the other hand, the attached table shows that shipments of rubber footwear from the United States to the Philippines amounted to 1,503,000 pairs, valued at $1,171,000 in 1929, to 14,000 pairs, valued at $10,000 in 1932, and to 278,000 pairs, valued at $121,000 in 1935. The great bulk of these exports consisted of canvas rubber-soled footwear.

According to data obtained from the Department of Commerce there is a small production of canvas rubber-soled footwear in the Philippines, which probably amounted to around 1,500,000 pairs in 1935. There is also some all-rubber footwear produced in the islands, but the output of this type amounts to considerably less than the output of canvas rubber-soled footwear. Since the Philippines receive substantial quantities of rubber footwear from the United States and other countries and exports only negligible quantities, it is apparent that the production in the islands falls considerably short of supplying the local consumption.

Production of canvas rubber-soled footwear in the United States in 1933, the last year for which statistics are available, amounted to over 26,000,000 pairs and the production of other rubber footwear amounted to 34,000,000 pairs.

Information obtained from the Department of Commerce indicates that there are four small companies in the Philippines manufacturing rubber footwear (both canvas rubber-soled and all rubber). Almost all the rubber used by three of the companies is produced in the Philippines; the fourth company uses some Philippine rubber but also uses ready-made rubber soles imported from Japan. The canvas used for uppers by all the companies comes chiefly from Japan, most of it cut and some of it sewn, ready to be attached to the soles. The flannel comes from Japan and the laces from Japan and China, while small findings come mainly from the United States.

As already stated, the bill as now drawn directs the Tariff Commission to make investigations of differences in costs of production of "canvas rubber-soled footwear and waterproof footwear" under sections 332 and 336 of the Tariff Act of 1930. It should be pointed out, however, that the Tariff Commission would have no authority (aside from the legal status of the islands as part of the United States) to investigate these products with the object of increasing the duty under section 336 for the following reasons: (1) Footwear made in the Philippines, containing not less than 80 percent (by value) of materials, the growth or product of the Philippine Islands or of the United States, is accorded free entry under the provisions of section 301 of the Tariff Act of 1930, and section 336 does not apply to products now on the free list; and (2) the duty on rubber footwear from the Philippines not meeting the 80-percent requirements would be dutiable, if entered, on the same basis as imports from foreign countries and, as indicated above, the duty has been increased by the maximum allowed by law as the result of a previous investigation under section 336; therefore, further action under this section could only result in confirming or decreasing the present duties.

In an investigation of costs of production in the United States and in the Philippines under section 332, the lack of receipts from those islands would prevent the Commission from following the procedure, otherwise open to it, of using invoice prices or values as evidence of foreign costs. It would be necessary, therefore, for the Commission to send experts to the Philippines for the purpose of such an investigation which would involve considerable time and expense. It should also be pointed out that owing to the much lower quality of the Philippine product, as compared with the footwear produced in the United States, it is doubtful whether satisfactory cost comparisons could be made.

No opinion is herein expressed regarding possible conflict between Senate Resolution 283 and obligations which may be implied from the Philippine Independence Act.

Rubber footwear: Shipments from the United States to the Philippine Islands

[Source: Commerce and Navigation of the United States]

	1929	1930	1931	1932	1933	1934	1935[1]
	Quantity (pairs)						
Rubber boots	6,813	4,824	5,160	2,720	1,090	676	3,110
Rubber shoes	57,563	7,640	10,834	2,745	993	1,132	1,552
Canvas shoes with rubber soles	1,438,544	278,109	198,325	8,212	95,047	71,329	273,441
Total	1,502,920	290,573	214,319	13,677	97,130	73,137	278,103
	Value						
Rubber boots	$12,280	$9,310	$9,756	$3,657	$1,214	$1,099	$5,491
Rubber shoes	52,180	7,081	7,311	1,737	416	509	2,136
Canvas shoes with rubber soles	1,106,433	229,659	124,693	4,809	34,286	35,883	113,323
Total	1,170,893	246,050	141,760	10,203	35,916	37,491	120,950
	Unit value						
Rubber boots	$1.80	$1.93	$1.89	$1.34	$1.11	$1.63	$1.77
Rubber shoes	.91	.93	.67	.63	.42	.45	1.38
Canvas shoes with rubber soles	.77	.83	.63	.59	.36	.50	.41
Average	.78	.85	.66	.75	.37	.51	.43

[1] Preliminary.

NATIONAL INDUSTRIAL POLICIES

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a letter addressed to me jointly by John G. Paine, chairman, management group, and William Green, chairman, labor group, the Council for Industrial Progress, embodying the specific recommendations made to the Senate Committee on Education and Labor by the Committee on National Industrial Policy.

The recommendations relate to production control, hours and wages, trade practices, and permanent advisory council.

Seven interesting and valuable reports submitted by seven different committees were made to the council, namely:

Report of the committee on national industrial policy;

Report of the committee on maximum work week, general wage, and child labor;

Report of the minority management group of the council for industrial progress dissenting from the adopted report of the committee of the council regarding maximum work week, child labor, and wages;

Report of the committee on fair trade practices;

Progress report of the committee on internal and external competition (Pt. I: Internal Competition);

Report of the committee on internal and external competition (Pt. II: External Competition);

Report of the committee on antitrust laws (including the Federal Trade Commission Act);

Report of the committee on financial aid to small enterprise; and

Report of the committee on Government competition with private enterprise.

These reports, together with council resolutions, resolution of the United Mine Workers of America, letter from the American Federation of Labor, resolution of the National Association of Tobacco Distributors, Inc., were adopted by the council in session on March 12, 1936, and were submitted to the President.

In connection with the specific recommendations referred to, I request that there be printed also in the RECORD report of the committee on maximum workweek, general wage, and child labor, report of the minority management group of the council for industrial progress dissenting from the adopted report of the committee of the council regarding maximum workweek, child labor, and wages.

There being no objection, the letter and the reports were referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

COORDINATOR FOR INDUSTRIAL COOPERATION,
Washington, D. C., April 8, 1936.

Hon. DAVID I. WALSH,
Chairman, Committee on Education and Labor,
United States Senate, Washington, D. C.

DEAR SENATOR WALSH: The Council for Industrial Progress, at its meeting on March 12, 1936, unanimously approved the report of its committee on national industrial policy. It is felt desirable to invite the attention of the members of the Committee on Education and Labor to the specific recommendations because of the possibility that legislation upon some of these matters might be proposed. The recommendations are as follows:

"Production control: The committee declares its belief in an economy of abundance and therefore considers unwise and ineffective any attempt to solve unemployment by the limitation of production, whether imposed by Government or accomplished through voluntary agreements in industry. The committee recognizes the need, under emergency conditions, of instituting production control when that may be necessary to prevent the destruction of socially useful values.

"Hours and wages: While recognizing the need to maintain the respective fields of State and Federal authority, the committee advocates the policy of a minimum wage in industry and the payment of substantial overtime rates for hours worked in excess of a reasonable workweek, believing this to be an advisable national policy tending to increase the purchasing power of wage earners, and make for reemployment in an age of continuous technological improvement.

"Trade practices: The committee believes that our national industrial policy should give proper recognition to the need for curbing those unfair competitive practices which are destructive of the public interest in the maintenance of a free and open market for the sale and distribution of goods.

"Permanent advisory council: The committee believes there should be instituted by the National Government a continuing study of the national income, the source from which it springs, the channels through which it flows, the uses to which it is put, and the forces which cause it to periodically form and freeze into vast pools of disuse, causing the stagnation and paralysis of industry and bringing unemployment and suffering to the people."

Very truly yours,

JOHN G. PAINE,
Chairman, Management Group.
WILLIAM GREEN,
Chairman, Labor Group.

REPORT OF THE COMMITTEE ON MAXIMUM WORKWEEK, GENERAL WAGE, AND CHILD LABOR, AS ADOPTED BY THE COUNCIL FOR INDUSTRIAL PROGRESS MARCH 12, 1936

To the Council for Industrial Progress:

Your committee was directed to make a study of—

1. The effect upon the free flow of commerce of free competition in the three major subjects of productive processes in industry, namely, wages, hours, and child labor, by those engaged in and who compete in interstate commerce.

2. The effect upon the economic stability and purchasing power of the Nation of free competition within and between the several States in the three major productive processes in industry, namely, wages, hours, and child labor.

3. The effect upon the free flow of commerce from the free competition within and between the several States created by a minority of industry, (a) where labor is paid wages below the concept of American living standards, (b) where the hours worked in a factory are much in excess of the hours prevailing in a given industry, (c) where a minority in an industry operate to the disadvantage of the rest of the industry because of local low age child-labor requirements.

4. The effect of substitution of noncompetition from free competition in the three major productive processes, to wit, wages, hours, and child labor, in order to create competitive equality between manufacturers who compete within and between the several States, by establishing a minimum wage, a maximum-hour week, and by regulating child labor.

Your committee, dealing with the general subject of wages, maximum workweek, and child labor submits for the consideration of the council our recommendations and conclusions based on findings after due consideration.

The flow of raw materials, supplies, and products of industry within and between the several States of the United States constitutes a continuous stream of commerce.

Employment and wages of labor are vital factors contributing to the economic stability and purchasing power of our Nation.

While your committee in its recommendations deals specifically with minimum wages, it feels called upon to state that general wages should have a sound foundation above which employees should, through initiative, ability, training, and organization, be able to individually or collectively obtain wages commensurate with their worth.

Accordingly, it is the opinion of the committee that findings and considerations of the problems assigned to this committee justify the following conclusions:

That wages of labor constitute a vital factor of the national income.

That wages are a major factor, in the productive processes, contributing to fair competition.

That hours of employment are a major factor in the productive process, contributing to fair competition.

That approximately 25 percent of the employable persons are unemployed at the present time. This constitutes a most serious obstacle to the economic stability and industrial tranquillity within these United States.

That in view of the present tendency toward lengthening the working hours and reducing wages, your committee believes that these conditions create unfair competition, unemployment, and low consuming power.

That unregulated employment of children in industry is conducive of unfair competition and harmful to the general welfare of the Nation.

That recent records showing that, following the abolition of Nation-wide prohibition of child labor under the National Recovery Administration, child labor has increased by a considerable percentage, indicating a trend definitely toward employment of children, which denies to adults the opportunity for employment: Now therefore

The committee finds that long working hours, inadequate wages, and employment of children in industry create unfair competition in the flow of commerce in and between the several States of the United States and is detrimental to the general welfare of industry and the Nation, and that Congress should create commissions empowered to regulate such unfair and detrimental practices; it is

Resolved, That Congress be requested to enact legislation creating a commission which shall, after findings, have authority to determine a minimum wage rate to be paid by each of the several industries, the commission to determine the field covered by each industry; it is further

Resolved, That Congress be requested to enact legislation creating a commission which shall, after findings, have authority to determine the maximum number of hours per week to be worked in each of the several industries, the commission to determine the field to be covered. That in any instance where the hour-week shall have been greater than the hour-week established by the commission for that industry an adjustment in the wage rates shall be made, so that there shall be no reduction in the earnings of the worker; it is also further

Resolved, That Congress be requested to enact legislation creating a commission which shall, after findings, regulate the minimum ages at which children may be employed in commerce, manufacturing, mines, or agriculture; it is also further

Resolved, That in the appointment of a commission Congress shall provide for a personnel giving equal representation of management and labor.

REPORT OF THE MINORITY MANAGEMENT GROUP OF THE COUNCIL FOR INDUSTRIAL PROGRESS DISSENTING FROM THE ADOPTED REPORT OF THE COMMITTEE OF THE COUNCIL REGARDING MAXIMUM WORK WEEK, CHILD LABOR, AND WAGES

Dissenting minority report

We believe that the report should, but does not, give due consideration to the constitutional limitations on Federal and State legislative power.

(Signed) TOM GLASGOW.
F. A. JENKINS.
A. E. SAWYER.
D. G. SHERWIN.
S. F. VOORHEES.

Further dissenting minority report

While concurring in the dissenting report set forth above I feel that the report is inadequate. Although I sincerely regret that portion of the decision of the Supreme Court in the recent N. R. A. case having to do with interstate commerce, the fact remains that, in plain and unequivocal terms, the Court, by unanimous action, declared that the Congress could not legislate on matters indirectly affecting interstate commerce such as (page 16 of the decision) "building, * * *, mining, manufacturing, or growing crops."

I definitely endorse action by the several States creating a reasonable minimum wage and the prohibition of abusive hours of labor and child labor.

I feel, however, the council, in approving the committee's report requesting congressional action at this time, specifically recommended that the Congress enact legislation definitely and obviously unconstitutional in the light of the clear and unusually specific language of the Court in this case and the former child-labor cases.

Such action by the council is reasonably calculated to seriously discount its usefulness, discredit the worthy aims for which the council was formed and embarrass both the Congress and the administration.

Respectfully submitted.

TOM GLASGOW.

HOME OWNERS' LOAN CORPORATION

Mr. WHEELER. I ask unanimous consent to have printed in the RECORD and referred to the Committee on Banking and Currency an editorial from the Great Falls (Mont.) Tribune of April 21, 1936, the leading newspaper of the State of Montana, entitled "The Job Completed."

There being no objection, the editorial was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

[From the Great Falls (Mont.) Tribune, Apr. 21, 1936]

THE JOB COMPLETED

Within a few days now the Home Owners' Loan Corporation will finish its big job. On May 7 making of loans to home owners to refinance old indebtedness on their property will cease entirely. The agency will then have only the work of collecting the installments and interest on the outstanding loans.

The Montana agency of the H. O. L. C. has only 10 or less applications pending for disposal before that time. In the period of 2½ years it has loaned $7,450,000 to Montana home owners and has brought relief to several thousand home owners.

This emergency effort of the Federal Government is generally praised, even by opponents of the administration that established it. It was created to do a very important job and has creditably performed that task. One of the most serious situations on March 4, 1933, was that of the home owner with a burdensome debt. Private institutions making loans on residence properties were also in distress quite generally. They were unable to make new loans and in many cases to carry further those already made. Borrowers were everywhere unable to make payments on their indebtedness, and wholesale foreclosures of home properties seemed inevitable.

This agency furnished funds to refinance those debts, lowered the annual interest charge materially, made compromises possible in many cases between debtor and creditor as to the principal of the debt. The home owner was enabled to make needed repairs on his place, to clear up delinquent taxes, and to look ahead with new hope because he could save his home.

Those who criticized the policy on the start are much less inclined to do so now. Apparently the Corporation will secure the repayment of the capital put into the loans and the necessary step of restoring the morale of the home owners was a most important factor in starting the processes of recovery.

The Home Owners' Loan System is distinct from the Federal housing program, and has been under a different agency at Washington. The housing problem is one that has not been adequately met as yet and it is of pressing importance. There has been considerable sentiment to the effect that the Federal housing activities should have been placed in the H. O. L. C. administration, in view of the results obtained by the latter.

But that is a debated question which does not affect the general statement that the Home Owners' Loan Corporation has completed a very important job in a very creditable manner.

REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bill and joint resolution, reported them each without amendment and submitted reports thereon:

H. R. 11302. A bill to authorize the Secretary of War to lend to the reunion committee of the United Confederate Veterans 3,000 blankets, olive drab, no. 4, 1,500 convas cots, to be used at their annual encampment to be held at Shreveport, La., in June 1936 (Rept. No. 1977); and

S. J. Res. 257. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Acadamy at West Point Maximo Mariano Pruna y Hernandez, a citizen of Cuba (Rept. No. 1978).

Mr. SCHWELLENBACH, from the Committee on Military Affairs, to which was referred the bill (S. 3220) to authorize the Secretary of War or the Secretary of the Navy to withhold the pay of officers, warrant officers, enlisted men, and nurses of the Army, Navy, or Marine Corps to cover indebtedness to the United States under certain conditions, reported it with amendments and submitted a report (No. 1979) thereon.

He also, from the same committee, to which was referred the bill (S. 3736) authorizing and directing the appointment of Joseph W. Harrison as a captain in the Chaplain Reserve Corps, reported it without amendment and submitted a report (No. 1980) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the joint resolution (S. J. Res. 115) designating the last Sunday in September as Gold Star Mother's Day, and for other purposes, reported it without amendment and submitted a report (No. 1981) thereon.

Mr. O'MAHONEY, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 5058) to

convey certain lands to Clackamas County, Oreg., for public-park purposes, reported it without amendment and submitted a report (No. 1982) thereon.

He also, from the same committee, to which was referred the bill (H. R. 8431) to provide for the establishment of the Fort Frederica National Monument, at St. Simon Island, Ga., and for other purposes, reported it with an amendment and submitted a report (No. 1983) thereon.

Mr. VAN NUYS, from the Committee on the Judiciary, to which was referred the bill (S. 3841) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, reported it without amendment, and submitted a report (No. 1985) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 4297. A bill to amend section 80 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended (Rept. No. 1986); and

H. R. 8940. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto (Rept. No. 1984).

COTTON COOPERATIVES—MINORITY VIEWS OF SENATOR BANKHEAD

Mr. McKELLAR. Mr. President, some time ago I filed a report, under the authority of Senate Resolution 185, regarding the investigation of cotton cooperatives. One of the members of the committee, the Senator from Alabama [Mr. BANKHEAD], who was ill at the time the report was filed, desires to file a dissenting report, and I ask unanimous consent in his absence that his report be filed, printed, and printed in the RECORD.

There being no objection, the report (No. 1819, pt. 2) was received, ordered to be printed, and to be printed in the RECORD, as follows:

My approval is withheld from the report submitted by Senator McKELLAR pursuant to the authority of Senate Resolution No. 185, authorizing an investigation into the expenditures by the Federal Government for cotton cooperatives.

The testimony taken comprises 654 printed pages. Therefore a detailed analysis of this testimony would unnecessarily prolong this report, but the following conclusions seem to me to be warranted:

1. The American Cotton Cooperative Association and its affiliates are farmer owned and farmer controlled, and that they are organized and operated in accordance with the letter and spirit of cooperative marketing laws.

2. The Government twice attempted efforts in the nature of stabilization operations, once in the 1929–30 cotton season, when an advance of 16 cents per pound was made on cotton delivered through the cooperatives, and again in the 1930–31 cotton season, when 90 percent of the market value of cotton was advanced to growers through the cooperatives. The Government has assumed and paid some of the losses incident to these stabilization operations, but has not paid all losses.

3. The record shows that in performing the ordinary functions of cooperative marketing associations, exclusive of stabilization operations, American Cotton Cooperative Association and its affiliates on the whole have rendered satisfactory service. Out of over a quarter of a million producer members less than 20 appeared to protest any grievance or criticism.

The evidence does show that the cotton cooperatives lost certain reserves and were put in debt to the Federal Government as a direct result of stabilization efforts conducted at the instance and under the direction of the Federal Government acting through the Federal Farm Board. The record further shows that since the cessation of these stabilization activities by the Government, the operation of the cotton cooperatives as a whole have been conducted in accordance with sound business and cooperative principles. As illustrative of this the evidence conclusively shows the following facts: American Cotton Cooperative Association was organized in 1930 by 13 State and regional cotton cooperative associations with a paid-up capital of only $76,950. This association has accumulated a substantial capital and surplus reserve through earnings. At the close of the 1933–34 season the capital and surplus amounted to $2,355,658.59, and all of this, except the original $76,950, was a result of earnings. These earnings are held for the benefit of the producers whose patronage has contributed to it. At the close of the 1933–34 season $480,058.20 was distributed by this association as patronage dividends. These results have been accomplished in spite of some testimony by the cotton trade to the effect that the American Cotton Cooperative Association and its affiliates were paying more to producers than the trade could afford to pay and were selling cotton to the mills at lower prices than the trade could afford to take.

I am impelled to the conclusion that during these years the operations of the cooperatives have reduced the spread between the producer and the consumer to the benefit of both.

4. The record does not justify the assumption that capital loans to the cooperatives are worthless, or that the Government will ultimately lose thereby. I find no basis for reflecting upon the officials of Farm Credit Administration appointed by the President pursuant to the law passed by Congress. None of these officials were called by the subcommittee; and certainly there is no evidence indicating that these capital loans were recklessly, improvidently, or illegally made. I see no reason to believe that the Government's loans are likely to be lost in whole or in part.

5. As to membership relations, the element of coercion is absent. The membership contracts introduced in the record give the members the right to withdraw from membership and cancel the contract. Hence I am unable to join in the view that the cooperatives retain their membership by coercion or duress.

6. The record shows that the cooperatives have rendered a noteworthy service. Through means of local offices and receiving agents, classing service is widely provided to the end that farmers who do not know the grade or staple of their cotton, and may not understand its value, are advised in these respects.

A basis sheet is made available throughout the Cotton Belt and every producer of cotton in the South can ascertain what the cooperatives will pay for his cotton on any date.

Various sales options are provided, including the seasonal pool, the daily fixation pool, and other pools. In the seasonal pool, cotton is sought to be sold in an orderly manner at the average seasonal price received from sales rendered to growers. In the daily fixation pool the current day's price is given to the farmer. Under the marketing contracts he has exclusive option control in determining whether to sell through a daily pool or seasonal pool. There is no evidence that the judgment of the association's officials is substituted for his judgment in these particulars.

7. The immediate fixation or daily pool is a natural development of cooperative marketing. If only seasonal pool were offered, financed on a basis of advancing 60 percent of the market value at time of delivery, with subsequent distribution as sales are made from this pool, the effect would be to deny the advantages of cooperative marketing associations and their facilities to the weakest and neediest of the producers. With more than one-half of the American cotton crop produced under landlord's lien, crop mortgage, or furnishers' lien, the immediate fixation or daily pool is a necessity.

8. The evidence warrants the conclusion that the cooperatives have rendered noteworthy services in the marketing of cotton. To mention only a few, they have eliminated in large areas the purchase of cotton without taking into consideration in price fixing the grade and staple of cotton. The old method is commonly referred to as hog-round buying; they have narrowed the differentials between interior country points and central marketing points; they have contributed to cutting down the spread between the price paid to the producer and the price paid by the mills; and they seek to make the marketing of cotton as direct as can be economically done. The record supports the conclusion that the cooperatives aim to pay to the producers the highest price possible, not to buy his cotton at the lowest price and sell it for the highest price.

9. The record shows that in the operation of the cotton cooperatives there have been mistakes made. Handling never less than 1,000,000 bales per year since the organization of American Cotton Cooperative Association, it would be well-nigh impossible to market so large a volume of cotton without errors and perhaps injustice. But occasional errors should not call for a sweeping condemnation of the entire cooperative marketing system in cotton.

The public policy of the United States is committed to cooperative marketing. It was endorsed in the platform of both political parties in the last Presidential campaign. The cooperatives are seeking, to their credit, out of their own reserves, to build a solid financial structure. To expect the cotton producers immediately to contribute all of the capital needed to finance their operations is vain; and, therefore, both major political parties pledged financial aid of the Government to the cooperatives.

It does not appear, as stated, that capital loans to American Cotton Cooperative Association and its affiliates have been recklessly or wantonly made, or that those whom the President has entrusted with responsibility for the affairs of the Farm Credit Administration have been recreant to their trust.

It is a fair deduction, as heretofore pointed out, that the cooperatives lost reserves, which they held for their farmer members, as a direct result of stabilization operations initiated by the Federal Government. The former chairman of the Federal Farm Board, who was responsible, in part, for the policy initiated and the conduct of the operations, testified that the cooperatives and their members were penalized as a result of these operations. He frankly stated that the Federal Farm Board, at the close of the operation, was compelled to make a harsh and unfair settlement with the cooperatives based upon a legal interpretation of existing statutes. I am forced to the conclusion that the Congress, who alone can right the wrong, should by appropriate legislation, restore to the cotton cooperatives and to their producer members the reserves which were thus appropriated.

J. H. BANKHEAD.

ENROLLED JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on April 30, 1936, that committee presented to the President of the United States the enrolled joint resolution (S. J. Res. 247) authorizing the recognition of the three hundredth anniversary of the founding of Harvard College and the beginning of higher education in the United States and providing for the representation of the Government and people of the United States in the observance of the anniversary.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WAGNER:

A bill (S. 4581) authorizing the payment of certain salaries and expenses of employees of the General Land Office; to the Committee on Public Lands and Surveys.

By Mr. McNARY:

A bill (S. 4582) for the relief of M. Seller & Co.; to the Committee on Claims.

By Mr. BACHMAN:

A bill (S. 4583) granting a pension to Thomas A. Yadon; to the Committee on Pensions.

By Mr. PITTMAN:

A bill (S. 4584) to amend the Migratory Bird Treaty Act of July 3, 1918 (40 Stat. 755), to extend and adapt its provisions to the convention between the United States and the United Mexican States for the protection of migratory birds and game mammals concluded at the city of Mexico, February 7, 1936, and for other purposes; to the Committee on Foreign Relations.

By Mr. BULKLEY:

A bill (S. 4585) extending the benefits of the Emergency Officers' Retirement Act to Walter Conner; to the Committee on Military Affairs.

By Mr. KING:

A joint resolution (S. J. Res. 259) to amend the joint resolution of July 18, 1935, relating to the Seventieth National Encampment of the Grand Army of the Republic, to be held in the District of Columbia in September 1936; to the Committee on the District of Columbia.

CHANGES OF REFERENCE

On motion of Mr. KING, the Committee on Banking and Currency was discharged from the further consideration of the following bills, and they were referred to the Committee on the District of Columbia:

S. 4511. A bill to amend the act entitled "An act to provide for the incorporation of credit unions within the District of Columbia", approved June 23, 1932; and

S. 4512. A bill to amend the act entitled "An act to establish a code of laws for the District of Columbia", approved March 3, 1901.

AMENDMENT TO NAVAL APPROPRIATION BILL

Mr. McNARY submitted an amendment intended to be proposed by him to House bill 12527, the Navy Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place in the bill insert the following:

"There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,500,000, to be used for the further development of the naval base at Tongue Point, Oreg.

"The Secretary of the Navy is authorized and directed to expend the appropriation of $1,500,000, made pursuant to this act, for the following purposes:

"For constructing hangars, ramps, barracks, shops, storehouses, and any other facilities required for the use and maintenance of naval aviation squadrons and their personnel.

"For dredging.

"For maintaining existing piers and shore facilities heretofore constructed.

"For enlarging existing piers and shore facilities heretofore constructed if found necessary and desirable by the Secretary of the Navy."

THE MERCHANT MARINE—AMENDMENTS

Mr. GUFFEY. Mr. President, I submit amendments which I intend to offer to the bill (H. R. 8555) to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes. I wish to call attention to the one difference between the committee print which was made available Saturday and the amendments which I send to the desk. The change appears in section 53.

I ask that the amendments be printed and lie on the table.

The VICE PRESIDENT. Without objection, the amendments will be received, printed, and lie on the table.

AMENDMENT OF INTERSTATE COMMERCE ACT

Mr. WHEELER. Mr. President, some days ago the Committee on Interstate Commerce reported the bill (S. 1636) to amend the Interstate Commerce Act, which had been recommended by the Interstate Commerce Commission. The first part of the bill as introduced would have given the Interstate Commerce Commission the right to fix minimum joint rail and water rates. The second part of the bill referred to the power of the Commission to establish and maintain joint routes and rates.

When hearings were had on the bill it was agreed that the committee should not take action on the provision giving the Commission power to fix minimum rail and water rates, but by reason of clerical oversight this provision was not taken out of the bill as reported. I desire to introduce now an amendment in the nature of a substitute for the bill previously reported, and ask that it lie on the table, be printed, and be printed in the RECORD.

There being no objection, the amendment in the nature of a substitute was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

Strike out all after the enacting clause and insert the following:

"Paragraph (3) of section 15 of the Interstate Commerce Act, as amended, is further amended by adding the following: 'The elimination of any existing through route or joint rate, fare, charge, or classification without the consent of all carriers, parties thereto or authorization by the Commission shall be deemed prima facie unreasonable and contrary to the public interest.'

"SEC. 2. Paragraph (4) of section 15 of the Interstate Commerce Act is hereby amended to read as follows: 'In time of shortage of equipment, congestion of traffic, or other emergency declared by the Commission it may (either upon complaint or upon its own initiative without complaint, at once, if it so orders without answer or other formal pleadings by the interested carrier or carriers, and with or without notice, hearing, or the making or filing of a report, according as the Commission may determine) establish temporarily such through routes as in its opinion are necessary or desirable in the public interest.'"

AMENDMENT OF RIVER AND HARBOR BILL

Mr. CAPPER submitted an amendment intended to be proposed by him to the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, which was ordered to lie on the table and to be printed.

INTERNAL-REVENUE TAXATION—AMENDMENT

Mr. WAGNER submitted an amendment intended to be proposed by him to the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes, which was referred to the Committee on Finance, ordered to be printed, and to be printed in the RECORD, as follows:

On page 3, in the table of contents, strike out the following: "Sec. 120. Unlimited deduction for charitable and other contributions"; and strike out "Sec. 121" and in lieu thereof insert "Sec. 120."

On page 40, line 16, strike out "animals;" and insert "animals."; and in lines 17 to 19, strike out the following: "to an amount which in all the above cases combined does not exceed 15 percent of the taxpayer's net income as computed without the benefit of this subsection"; and in lines 22 to 24, strike out the following: "(For unlimited deduction if contributions and gifts exceed 90 percent of the net income, see section 120.)"

On page 42, lines 13 to 15, strike out the following: "; to an amount which does not exceed 5 percent of the taxpayer's net income as computed without the benefit of this subsection."

On page 42, line 20, strike out "section 121" and in lieu thereof insert "section 120."

On page 127, beginning with line 16, strike out down to and including line 2, on page 128.

On page 128, line 3, strike out "Sec. 121" and in lieu thereof insert "Sec. 120."

HOUSE BILL REFERRED

The bill (H. R. 12527) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

ALLEGED UNDERCOVER OPERATIONS BY GOVERNMENT AGENTS

Mr. BONE. Mr. President, my attention has been directed to an article recently appearing in one of the local papers which condemns certain alleged practices of so-called undercover men employed by some Government departments and who are charged with a low form of spying and general all-around espionage.

I have been advised of at least one such instance, which seemed an utterly indefensible case of this very thing. I am concerned over the fact that such practices may exist. If they are not checked by the salutary force of public opinion, they might readily lend themselves to the most odious form of oppression and coercion and easily become the basis of what might amount to political blackmail.

What is to prevent such practices from being used to coerce Members of Congress into attitudes favorable to the ends sought by the people who control these undercover operators? If the activities of these men are not brought to light, what is to prevent them from becoming instruments of tyranny in the hands of ambitious men?

In the near future I shall have something to say about this matter, and probably offer a resolution looking to an investigation by the Senate to determine the extent to which its own Members may have been the object of attention at the hands of this nascent and budding O. G. P. U. If there be nothing to this now so frequently repeated charge, it might be well to lay this ghost of gossip by the heels and have an end to the undercurrent of charges and cross-charges now so freely indulged in when Members of Congress meet for frank, private discussion of what is going on. I think that an official investigation would be a healthy thing, and it would give an opportunity to the supersleuths to come before the committee where the bright light of publicity could and would be turned on their work.

EXPENSES OF COMMITTEES OF HOUSE OF REPRESENTATIVES

Mr. GLASS. Mr. President, I ask unanimous consent for the present consideration of House Joint Resolution 567, Calendar No. 1992, being a joint resolution to provide an additional appropriation for expenses of special and select committees of the House of Representatives for the fiscal year 1936.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which was ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That for expenses of special and select committees authorized by the House of Representatitves there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $75,000 for the fiscal year 1936: *Provided*, That no person shall be employed under this appropriation at a rate of compensation in excess of $3,600 per annum.

EVERYBODY'S RELIEF—ADDRESS BY SENATOR BARBOUR

Mr. AUSTIN. Mr. President, I ask unanimous consent to have inserted in the RECORD a radio address entitled "Everybody's Relief", delivered by the senior Senator from New Jersey [Mr. BARBOUR] on the Columbia chain Sunday, May 3.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It seems to me everyone needs relief. The unemployed need relief until they can secure regular jobs. The taxpayer needs relief from the growing burden of taxation. The American people in general need relief from an overdose of costly governmental experiments.

I am convinced that we can give relief to everybody right now. I think we could take adequate care of the unemployed during the coming year by using money already authorized. This would help the unemployed, and it would help the taxpayer too.

It means, in figures, that we would not need that extra $1,500,000,000 authorization which the New Deal wants to take from our pockets now. It also means that the Budget would be nearer a balance.

The New Deal relief administrators have simply got into a revolving door. They keep going round and round, hopefully trying this and that, and always coming out where they went in. There are just as many unemployed in this country as when they started. There is the same old waste and inefficiency in relief administration, and every turn of the door takes a few more billions out of the American pocketbook.

Unemployment relief is necessary so long as people are out of work. But it ought to be conducted with as little expense as possible. It is just as bad for the United States Government to squander part of the relief money intended for the unemployed as it is for a man to gamble away part of his weekly pay when his wife and children need the money for food and clothing. That is just what is happening now, however, and that is the reason why our unemployment-relief program is so expensive.

The money that finally reaches the unemployed is only a portion of the relief funds which the President has at his disposal. Part of it goes toward maintaining huge offices and large armies of bureaucrats in Washington. Part of it goes for bales of blanks and forms that have to be filled out and shuttled back and forth between Washington and the local relief projects. Part of it goes for land, materials, transportation, and all the other things that go into Federal work relief. Finally, and most unfortunately, part of it gets into the hands of purely partisan politicians.

You probably remember the C. W. A. of 2 years ago, which spent, roughly, $834,000,000 in 5 months to provide boondoggling projects for an average of less than 3,000,000 unemployed. C. W. A. so reeked with inefficiency and incompetence that even its Administrator, Harry L. Hopkins, could not stand the smell of it. C. W. A. was disbanded as soon as possible and Mr. Hopkins said at the time:

"I am perfectly frank to say that when this enterprise was started it did not occur to me that people would do this kind of petty chiseling."

C. W. A. took an average of about $167,000,000 per month of the taxpayers' money, of which the unemployed finally got a portion after the commissions, bureaus, patronage, and politics had abstracted their share.

Right now the Government is trying to provide unemployment relief by means of a set-up called W. P. A. Personally I can see little difference between the old C. W. A. and this new W. P. A. except in one particular. W. P. A. costs more. It is spending an average of $275,000,000 per month, or 65 percent more than the old C. W. A.

Although costing more, W. P. A. is providing less relief than C. W. A. When the first half of the current fiscal year was over, W. P. A. had given relief to an average of 1,800,000 unemployed persons, which is a little more than half the number that C. W. A. took care of.

They fired C. W. A. without a reference because it was too expensive and open to chiseling and political manipulation. Yet W. P. A. is allowed to meander on its even more costly way.

There is one thing that I wish to make clear before I go further. I do not know of a single person who even suggests that we stop giving relief to the unemployed. Nobody wants the unemployed to go hungry or to be without proper clothing and shelter or medical care. I am only pointing out that much of the relief money is being wasted—needlessly wasted.

This year the Government is spending about $3,000,000,000 for relief.

What is a billion dollars? It is a pretty hard sum to imagine. No one person on earth has ever had that much money.

Yes; a billion dollars is a breath-taking sum; but the Government was given $4,880,000,000 last year for unemployment relief, and $3,300,000,000 the year before for the same purpose. These sums are to past Government appropriations what the Pacific Ocean is to the old swimming hole.

During the year prior to the appropriation of these sums the Government had provided for all kinds of relief cases. It had cared for those whose physical or mental disabilities prevented their being able to work. It had cared for the transients who took to the road to find work, but who had no longer any fixed home anywhere. It had cared for those able and eager to work, but who could not find jobs because of the depression.

Now with more money in the till than ever before, the New Deal changes its relief policy. It washes its hands of the unfortunate who cannot work. They are told that the individual States or the counties or the cities or towns must take care of them. The New Deal also has left the transients to shift for themselves. As these unemployed could not claim any particular State as home, they are denied State or local relief. It is not that the States and communities are hard-hearted; their laws prevent their giving any relief to transients. So many transients are faced with the choice of starving or else getting a precarious living by the humiliating process of panhandling.

The unemployed who are able in body and mind are to be given jobs under W. P. A. It took quite a little while for W. P. A. to get organized. Although the last $4,000,000,000 were available

last July 1, it was not until late in the fall that any appreciable number of unemployed were given jobs.

Of course, everyone is glad when the unemployed are given work and wages. Many of us feel that the only kind of work which will preserve the respect of the worker is work which is useful and of enduring value. How much use or permanent value is there in the Government putting the unemployed to such work as raking leaves, bringing jack rabbits under control, tanning hides by hand, canning sauerkraut, giving pageants and festivals, collecting testimony of ex-slaves, or constructing portable theaters?

For relief, some of it in the form of such trivial projects of little value, the New Deal spent $1,600,000,000 during the first half of the current fiscal year. Only about two-thirds of the money on work-relief projects went to the unemployed. The rest of it went to materials, supplies, and equipment.

According to various estimates, the Government will have spent $3,000,000,000 or a little more for relief when the current fiscal year ends on June 30. That means that there will be $1,500,000,000 left for the unemployed for next year. And there may be more.

The trouble with figures of this kind is that they are only guesses. It is very difficult to get a clear picture of what is going on in New Deal relief because its workings are obscure and definite information is withheld. Here are some of the New Deal agencies connected with unemployment relief: Works Progress Administration, Public Works Administration, Emergency Conservation Work, Resettlement Administration, Bureau of Public Roads, National Youth Administration, Department of Agriculture, Department of Commerce, Department of Labor, Alley Dwelling Authority, Rural Electrification Administration, and lots of others.

In fact, there are so many cooks dishing up relief that it is little wonder it gets spoiled in the dishing.

I have introduced in the United States Senate a resolution calling on the Relief Administrator to advise Congress the sum of money remaining for relief purposes. I think we all ought to have that information. I know I am going to have a difficult time getting that resolution passed over the protests of New Deal Members of Congress, but I am going to keep trying.

The reason I want to know how much money is still left from the nearly five billion given the Relief Administrator last year is because I suspect there is still a lot available. By the same token, I also suspect that we may not need to ask the taxpayers to furnish any more money for next year's relief. We may be able to go along on what we have. Certainly we should find out if we can do so.

Of course, that means cutting down relief costs, too. That does not mean, however, cutting down on payments to the unemployed. It means cutting out the waste and inefficiency of the present system with its Washington bureaucrats and its petty chiselers all along the line.

Why should an unemployed man in your community be hungrily waiting and waiting for word that relief is on its way when all that is holding it up is the decision of some pee-wee potentate in Washington that line 18 of form 86 is improperly filled out? All this shuttling of requisitions, allocations, vouchers, and whatnot back and forth through General Farley's mails keeps the many-headed monster of bureaucracy in Washington well fed, but it doesn't put one penny in the pockets of the unemployed.

Ask yourself this question: How would you administer relief to the unemployed? You know your own community. You know where the people are who are out of work. You know or you can soon find out which are the chiselers and which the deserving. You wouldn't let anyone starve, but you wouldn't go around throwing dollar bills in the air like the "Spirit of Spring" tossing blossoms in a pageant.

That is the answer to the question, "Why is Federal relief so expensive?" It is impossible for persons in Washington, however well meaning, to know local conditions in every urban and rural community in the country. And when Washington sends agents to find out, that only adds to the costs of administering relief and delays it.

Relief should be administered by the States. They understand their own local problems. They will not have to clog the mails with questionnaires. They will not have to employ armies of clerks whose only jobs are to receive papers from the one on the left and pass them on to the one on the right. They will administer relief with a minimum of expense and a maximum of efficiency.

Under such a State-administered relief system, with money supplied by the Federal Government on a grant-in-aid basis, it is estimated that the national relief cost can be cut just about in half.

Instead of a possible $3,000,000,000 a year, it can be done for perhaps $1,500,000,000. Since we shall probably have just about that much left from last year's $4,800,000,000 appropriation, our next year's relief will be in a sense "on the house."

As I said before, these estimates are difficult to arrive at because the relief structure is so complicated. That is why I am asking in my Senate resolution that the Relief Administrator make a report of his past stewardship and furnish estimates from his experience for the future.

I am hoping that this resolution will pass. I hope we shall secure information that will show us the way to relief for everybody—the unemployed, the taxpayer, and Mr. and Mrs. America and their family wherever they are.

AMERICAN FOREIGN-TRADE POLICIES—ADDRESS BY SECRETARY HULL

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered last Thursday, April 30, by Hon. Cordell Hull, Secretary of State, before the general session of the Twenty-fourth Annual Meeting of the Chamber of Commerce of the United States, in Washington.

This is a very able address on our foreign-trade relations, and goes very fully into the whole matter of recovery of our foreign trade. I believe Senators and the public will be greatly interested in reading it. This is the speech of a Cabinet officer, and, under the law, is not required to have an estimate of cost.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, ladies, and gentlemen: One year ago, when I had the pleasure of addressing the general session of your twenty-third annual meeting, I took occasion to lay before you the basic idea which underlies the foreign commercial policy pursued by the Government of the United States during the gravest economic emergency within our peacetime experience. I described to you the pressing needs of this country and of the world in the domain of international commercial relations; the difficulties that stand in the way of meeting these needs; and the dangers which are inherent in failure to solve the vital problems involved. The 12 months that have elapsed have brought these needs and problems into still sharper relief and, in speaking before you today, I welcome the opportunity to discuss with you once more, especially in the light of the developments and experience of the past eventful year, the purposes and objectives sought by our Government in the field of foreign trade.

As time goes on it becomes increasingly clear that no nation can achieve a full measure of stable economic recovery so long as international trade remains in the state of collapse into which it had been plunged during the years of the depression. The whole postwar period has been characterized by an ever increasing drift toward economic nationalism, which has expressed itself in a constant growth of barriers to international trade. This drift has become enormously intensified during the past 6 years, though responsible statesmen in many countries have never ceased to deplore it. Under its impact, the international economic structure of the world has been all but shattered, and individual nations have sought economic improvement more and more by means of purely domestic measures, on the basis of a greater degree of self-containment than was ever before consciously attempted.

Such a movement toward national economic self-containment is incompatible with the reestablishment of satisfactory prosperity. The basic raw materials needed for modern ways of living and for the development of a higher civilization in the future are not evenly distributed throughout the globe. Similarly, the application of technical skill and the accumulation of financial wealth are more highly developed in some nations than in others. No nation, forced to live in isolation within its own borders, can have everything that it needs. Overabundance of some resources cannot possibly compensate for lack or insufficiency of others. Only through international trade and financial intercourse can locally concentrated natural and man-made resources be utilized in such a way as to afford all nations the indispensable foundations of modern economic well-being.

For generations, humanity has built its life upon a recognition of the primary fact that trade is the lifeblood of economic activity. This is equally true whether within or among nations. Each nation has accordingly developed far beyond domestic requirements those branches of production in which it has special endowment or aptitude. Each nation has come to regard foreign markets as the natural outlets for its surplus output, and the surplus production of other nations as the sources from which to supply its own deficiencies.

A rapid and drastic contraction of international trade of the kind that the world has witnessed during the past few years constitutes a double attack upon the economic well-being of each nation's population. The necessary materials habitually obtained in other parts of the globe become more difficult to secure. The surplus national production habitually shipped to other countries becomes more difficult to sell. Output in the surplus-creating branches of production must be curtailed, or else accumulating surpluses force prices below the level of remunerative return to the producers. In either case, the whole economic structure becomes disrupted. Vast unemployment ensues, not only in the field of production, but also in such lines of activity as transportation, banking, merchandising, and the various avocations and professions. Financial investment and other forms of savings become impaired or are wholly destroyed. Distress spreads throughout the Nation in ever-widening circles.

Economic distress quickly translates itself into social instability and political unrest. It opens the way for the demagogue and the agitator, foments internal strife, and frequently leads to the supplanting of orderly democratic government by tyrannical dictatorships. It breeds international friction, fear, envy, and resentment, and destroys the very foundations of world peace. Nations are tempted to seek escape from distress at home in military adventures beyond their frontiers. And as fear of armed conflict spreads, even peace-loving nations are forced to divert their national effort from the creation of wealth and from peaceful well-being to the construction of armaments. Each step in the armament race bristles with new menace of economic disorganization

and destruction, multiplies fear for the future, dislocates normal constructive processes of economic life, and leads to greater and greater impoverishment of the world's population.

In the past few months we have witnessed a swift increase in international political tension; a recrudescence of the military spirit, which sees no goal in life except triumph by force; an expansion of standing armies; a sharp increase of military budgets; and actual warfare in some portions of the globe. Human and material resources are being shifted, on a truly alarming scale, in a military direction rather than one of peace and peace pursuits.

There is no need for me to dwell long upon the appalling implications of this tragic picture. Overwhelming evidence of it is startlingly apparent on every side. I shall rather devote the time which you have so kindly placed at my disposal to a consideration of the possibilities of turning back this rising danger of a new world catastrophe. For myself, I am firmly convinced that such possibilities exist, and that the world has at its disposal adequate remedies for overcoming the virulent disease which is now so widespread.

Only as the world's economic health is restored will individuals and nations develop again adequate resistance to the psychological madness that makes possible internal and external strife. Only as constructive economic effort once more fully engages the energies of mankind, as the machinery of production and distribution regains and expands its scale and speed of operation, as sterile unemployment is replaced by fertile toil, will the nations of the world restore and develop their economic prosperity in full and sound measure and turn their thoughts away from war and toward lasting peace.

The disease is so widespread and so all-pervasive that the attack upon it must be on a wide front. In addition to the break-down of international trade, the economic life of each nation is subjected today to the strain of many maladjustments, both internal and external. Each of the major maladjustments must be corrected, for there is little hope of adequate and stable recovery if any of the more important ones are ignored or neglected.

Many of these maladjustments can yield only to constructive domestic measures, and such measures, looking especially toward the fullest practicable development of the domestic economy, are therefore indispensable to recovery. They are being taken today in many countries. But they cannot be really and permanently effective unless they go hand in hand with appropriate action in the international field. The prospect of full and durable recovery will be bright and hopeful only as each important nation determines to go forward both on a domestic and an international program, in order that an expanding world prosperity may develop to sustain and promote the expansion of domestic recovery.

We in the United States are engaged today upon such a combined economic program. Under the influence of constructive internal measures, we have achieved a substantial recovery in production, employment, and prices. But we are also buttressing this developing economic improvement by a determined effort to reestablish international trade upon a basis that will permit it to regain its volume of a few years ago and to go forward as a process mutually beneficial to all nations.

At the time I addressed you a year ago, our foreign-trade program was still in its beginnings. Since then it has developed into what we, who are daily engaged upon the task of its execution, believe to be an accomplishment of importance and increasing promise. We have now concluded 12 trade agreements, which have opened to larger American exports such markets as those of Canada, Cuba, Brazil, the Netherlands, Belgium, Sweden, and Switzerland.

In the process of preparing and negotiating these agreements, we have been confronted with the need of deciding many questions of method and of policy. If you will bear with me for a few minutes, I should like to describe to you briefly the methods we are employing for the attainment of our objectives, the decisions we have had to make in formulating our policy, and the reasons for choosing the particular methods and decisions.

The foreign-trade program of this Government is based fundamentally upon what to us is an indisputable assumption—namely, that our domestic recovery can be neither complete nor durable unless our surplus-creating branches of production succeed in regaining at least a substantial portion of their lost foreign markets. Our production of cotton, lard, tobacco, fruits, copper, petroleum products, automobiles, machinery, electrical and office appliances, and a host of other specialties is geared to a scale of operation the output of which exceeds domestic consumption by 10 to 50 percent. In his message to Congress recommending the passage of the Trade Agreements Act, the President urged the need of restoring foreign markets in order that our surplus-producing industries may be "spared in part at least, the heartbreaking readjustments that must be necessary if the shrinkage of American foreign commerce remains permanent."

Our exports have shrunk for many reasons, among which two stand out prominently, both because of their effectiveness in reducing the volume of trade and because their removal or mitigation lies within the realm of possible action on our part. These are, first, the increase of trade barriers in those countries which constitute the normal markets for our exports, and second, the development of discriminatory practices on the part of such countries, which place our exporters at a disadvantage with respect to their foreign competitors.

Our needs are clear: We must induce foreign countries to mitigate the obstructions which they place in the way of our shipments to their markets, and we must free our export trade from disruptive discrimination directed against it. In what ways and by what means can we provide for these needs?

As regards the problem of trade barriers, it is not necessary for me to recite how, in recent years, customs duties have been raised to unprecedented heights in nearly all the countries of the world, nor how the use of new, powerfully restrictive devices has become widespread. You, as businessmen, are fully as familiar as I am with the operation of these measures and with their stifling effect upon the exchange of goods among the nations of the world. Nor is it necessary for me to emphasize the fact that our own country has contributed greatly to the rise of these barriers of trade.

Since the end of the World War, we have revised our general tariff structure upward on three different occasions. The third and most drastic of these revisions, embodied in the Smoot-Hawley Tariff Act, occurred at the very outset of the depression, from the devastating effects of which the world is just beginning to recover. Through that ill-starred action, we helped to set into motion a vicious spiral of retaliation and counter-retaliation, and to start a race for a forcible contraction of international trade on a stupendous scale. In this race, some nations have far outstripped us in the scope and effectiveness of restriction action. Our export trade has become the victim of the formidable array of economic armaments created by other nations, just as the export trade of other nations has likewise become the victim of our thrust into the heights of superprotectionism.

If international trade is to function again on an adequate scale, and if we are to regain our fair share of that trade, the nations of the world must retrace their steps from this supreme folly. As I said at the London Economic Conference in 1933, the nations, in the matter of tariffs, must embark upon a sound middle course between extreme economic internationalism and extreme economic nationalism. All excesses in the matter of trade barriers should be removed and all unfair trade methods and practices should be abandoned.

When we were formulating our basic policy there were two ways open to us to make our vital contribution to the process of economic demobilization. We could undertake a downward revision of our tariff by unilateral and autonomous action, in the hope that other nations would as a result also begin to move away from their present suicidal policies in the field of foreign trade. Or else we could, by the negotiation of bilateral trade agreements, attempt a mitigation of trade barriers on a reciprocal basis.

We chose the second course as offering by far the better promise of trade improvement. An autonomous reduction of our tariff would provide no assurance that our example would be followed by other nations or, if it would be followed, that the resulting mitigation of trade barriers would, in fact, apply to those commodities which are of the greatest interest to us. On the other hand, the bilateral method, combined with the principle of equality of treatment, which I shall presently discuss, contemplates simultaneous action by many countries and in its effects operates to drive down excessive trade barriers throughout the world. Moreover, it affords us an opportunity to secure in each country the relaxation of restrictions with respect to those of our export commodities, the sale of which in that country's markets is either of special importance to us or else has been particularly hard hit by recently established restrictions. It was in order to make possible the securing of such concessions for our export trade by negotiation with other countries that Congress empowered the President for a 3-year period to conclude reciprocal-trade agreements and, in connection with such agreements, to modify, within strictly defined limits, customs duties and other import restrictions operative in the United States.

The process of negotiating foreign-trade agreements of this type involves a task of enormous difficulty and complexity. In carrying it out, all appropriate divisions of the Government participate in a series of interdepartmental committees, and thus bring to bear upon the problem their specialized knowledge and judgment.

In addition, the Government seeks the fullest cooperation of the business community and the general public. Any interested person is given full opportunity to present his views to the interdepartmental committee for reciprocity information. In the case of the countries with whom negotiations have been announced, approximately 2,500 briefs and statements have been submitted by interested firms and trade associations. These statements, as well as transcripts of the oral testimony presented to the committee for reciprocity information, are placed in the hands of all the officials of the Government concerned with the preparation and negotiation of trade agreements. They are given careful study and constitute an important part of the material upon which decisions with respect to the requesting or granting of concessions are based.

In entering upon preparatory work with respect to any particular country the experts of the interdepartmental organization of which I spoke a moment ago endeavor to obtain, first of all, a picture, as comprehensive as possible, of the trade relations existing between the United States and the other country. As regards our exports to the country with which negotiations are in progress, the experts make a thorough study of each commodity from the point of view of the customs treatment which it is accorded in that country.

All this and a great deal of other information is embodied in reports dealing with the commodities under review. Together with the representations made through the committee for reciprocity information, the reports constitute the foundation upon which the

decision is made as to what sort of concessions we should seek from the other country as regards duties, quotas, exchange controls, and other trade-obstructing devices. A schedule is then made up comprising our requests and is presented to the government of the other country for its consideration.

At the same time the representatives of the other country transmit to our Government a schedule of concessions which they would like to receive from us. These requests are immediately subjected to a close scrutiny by the experts of our Government, comprising the interdepartmental organization. Previously to that, these experts had already made a thorough investigation of the principal commodities imported into the United States from the other country, and they are, therefore, prepared to give early and thorough consideration to the requests made by the other country.

In connection with each request, an examination is made of our recent tariff treatment of that commodity; of the status and development of the domestic production of that or similar commodities; of the competitive factors operating as between our domestic production and the production, not only in the country with which we are negotiating but in all other countries which are actual or potential suppliers of the same commodity; of the effects—so far as they can be determined—of the present customs treatment upon trade in the particular commodity; of the probable effects of any change in the existing tariff rates; and of many other factors. The influence of possible tariff changes upon both producers and consumers in the United States is given careful consideration.

After all these studies are completed by our Government and the government of the other country, the negotiators come together, and the process of adjusting differences begins. It is inevitable, of course, that some differences of view are bound to exist and that many features of the schedule originally exchanged should become modified and adjusted.

The general aim of our negotiators is to secure concessions for those American exports the marketing of which in the other country offers the best opportunity of development and, at the same time, promises the greatest degree of revival in our export industries; and to grant the other country concessions with respect to commodities the possible increased importation of which would be beneficial to our country. The representatives of the other country are, naturally, actuated by very much the same motives. In the actual experience of negotiation it has been found possible to reconcile the desires of both sides in sufficient measure for the final agreements to embody worth-while mutual concessions and thus open the way for an increase of mutually profitable trade.

Our officials, who are concerned with carrying out this complicated process of preparation and negotiation, are actuated by only one purpose: To administer the Trade Agreements Act cautiously, conservatively, and practically, with the best interests of the country as a whole as their sole guide, and thus to carry out, scrupulously and accurately, the instructions and policy of Congress within the limits prescribed in the act. They are free, so far as is humanly possible, from partisan considerations. I do not know the politics of most of the persons engaged in this important task. I only know that some of them have had a long experience in practical business affairs; that some of them have devoted their lives to the study of industry, or agriculture, or trade, or tariffs, or economics in general. I know that each agreement, forged by their combined effort, represents an effective instrument for reopening the channels of international trade on an economic and constructive basis.

Unlike a general revision of the tariff, when Members of Congress are expected to read and digest, usually within a few weeks, many volumes of testimony and to determine how to vote on thousands of rates and classifications, each trade agreement requires the adjustment of a relatively small number of rates. These adjustments are made on the basis of tireless and earnest investigation, of constant checking and rechecking of all essential considerations, by the ablest and most practical and disinterested experts in trade and tariff matters that the State, Treasury, and Agriculture, and Commerce Departments and the Tariff Commission can secure.

These men must, of necessity, work some of the time in executive session, just as committees of Congress do when the task of tariff revision is undertaken. Congresional tariff acts are usually drafted in all their essentials in such executive sessions behind closed doors. Both political parties in Congress have almost invariably pursued this practice for the purpose of necessary deliberation as well as a matter of self-defense from day and night importunities of outsiders. Who would today attempt to label this a star-chamber procedure? Yet there are those who would carelessly apply this epithet to this identical method when practiced in connection with the negotiation of trade agreements. It must be clear to such critics that we have adopted our method on the basis of the long experience of Congress in dealing with questions of this type. It is with Congress, therefore, rather than with us, that necessity of the executive-session practice should be debated.

I come now to our second primary need in the field of foreign commerce—the freezing and safeguarding of our export trade from adverse discrimination on the part of foreign nations. It is clear that the mere mitigation of the tariff, quota, and other burdensome obstructions to our trade is not sufficient to enable us to regain our foreign markets; it is also necessary that the customs treatment accorded to our goods in each such market be at least as favorable as that accorded to the goods of our foreign competitors. In recent years our trade has suffered greatly because some of our competitors have secured in many of our most important markets exclusive advantages which have resulted in serious discrimination against us.

We could have embarked upon a similar line of policy. We, too, could have attempted to negotiate arrangements embodying exclusive advantages for our export trade. But it was clear to us from the outset that such a policy would have provided but a precarious safeguard for our trade. It would merely have served as an incentive for each of our competitors to seek further exclusive advantages, which would have immediately set up new discriminations against our trade—to be overcome by us in turn by means of new negotiations.

Generations of experience with various forms of international commercial relations have demonstrated fully that only the policy of equal treatment can secure for a nation stability of its international trade and freedom from disruptive discrimination, and that such a policy can operate only on the basis of the unconditional most-favored-nation principle. Only if the foreign country with which we enter into a trade agreement assures us the benefit of that principle can we be certain that our exports to that country's market will be able to compete with similar goods coming from other foreign countries on an equal footing, since under the most-favored-nation principle each advantage or concession granted to any other country would immediately and automatically be extended to us.

But if we were to ask of other countries a condition of complete equality for our trade—and, in justice to ourselves, we could accept nothing less—we could clearly offer other nations only a similar kind of treatment. Each exclusive concession granted by us to a foreign country would have constituted an immediate discrimination against 50 or more other countries. It would have involved us in constant negotiation and renegotiation, and would have given rise to retaliation abroad and continuing uncertainty for our business interests engaged in foreign trade. Hence, a provision was written into the Trade Agreements Act directing the President to generalize the duty adjustments effected through any trade agreement to goods coming from other countries, except those which discriminate against our trade or pursue other policies likely to defeat the aims which we seek to accomplish through the act.

Our trade-agreements program is thus a standing offer to all the nations of the world to deal with each of them in commercial matters on a basis of equal treatment. In carrying out the mandate of Congress in this respect, we have, save only in the case of a few well-recognized exceptions, steadfastly refrained from securing or granting preferential or discriminatory treatment. In generalizing the duty reductions negotiated in the individual trade agreements, we have sought to place on an equal footing those nations which, in turn, extend equality of treatment to our commerce, and to refuse such equality to those nations which refuse equality to us. Thus, all phases of our policy are on a reciprocal basis.

Here again, as in the adjustment of duties, we strive to carry out our policy cautiously, conservatively, and practically. Our rule is that the duty reductions granted to each individual country are restricted to those commodities of which the particular country is the chief supplier to the United States. If it should happen, however, that under existing abnormal conditions, some other country at any later stage profits unduly from the benefit of the concession, we retain the right, when such contingency arises, to modify the original grant.

Our interpretation of the most-favored-nation principle is sufficiently flexible to permit the negotiation of multilateral trade arrangements. We welcome such arrangements, provided they have for their object the liberalization and promotion of international trade in general rather than seek to create closed areas of special preference. At the seventh international conference of American States at Montevideo, I proposed an agreement designed to pave the way for such arrangements. This agreement, which is open to adhesion by all countries, has been ratified by our Government.

These and other practical exceptions and safeguards, which existing abnormal conditions render necessary, in no way detract from the force and importance of the unconditional most-favored-nation principle as the foundation of the rule of equality of treatment in international commercial relations. Discrimination and preference can only result in a diversion of trade from channels of economic benefit to channels of political influence and can provide but a weak and unsatisfactory basis for a restricted trade that is constantly at the mercy of political chance and change. Equality of treatment broadens and hastens the process of reduction of trade barriers. It offers the best general basis for restoring and expanding trade as an economically sound and universally beneficial process.

The firm determination on the part of the Government of the United States to reassert the rule of equality of treatment has already gone far to slow down the world's recent drift toward the chaos of discrimination and special advantage. We are doing everything in our power, through the trade-agreements program and through other channels of influence open to us, to induce the other great trading nations of the world to adopt a similar attitude toward the problem of a rehabilitation of world trade. In such rehabilitation lies the greatest single hope that the world may still be spared the tragedy of another destructive upheaval.

In brief, through our present foreign-trade program, we are attempting to increase trade by a mitigation of existing trade barriers and to restore trade to its accustomed economic channels by

the reestablishment of the rule of equality of treatment in commercial relations. This twofold endeavor is directed first and foremost toward overcoming the emergency conditions which have resulted in drastic contraction and diversion of trade. The Trade Agreements Act is a temporary measure which was enacted primarily for the purpose of enabling us to deal effectively with this acute emergency.

Although experience has already demonstrated that, under existing circumstances, the negotiation of reciprocal-trade agreements represents the only constructive approach, in the field of commerce, to the problem of broad and sound economic recovery, there are some in this country who, without waiting for the economic emergency to be brought under control, demand the immediate repeal of the act and the abandonment of the trade agreements negotiated under its authority. Let us face squarely what that would mean. We would automatically go back to the Smoot-Hawley tariff and face once more the vicious discrimination against our trade which it caused and the virtually suicidal effort at economic self-containment which it represented. This futile and fatal course backward would involve a steadily increasing aggravation of regulation and regimentation in our economic life. Yet some of those who voice loudest their opposition to regimentation in general demand, at the same time, a commercial policy that would inevitably lead to such regimentation, and to a permanently increasing dole as well.

This is the real alternative to our present course of action. It would represent an inglorious surrender to the emergency that has overwhelmed us. Far from overcoming that emergency, it would deepen and widen the ravages of the maladjustments that constitute the very foundation of our present economic difficulties and of the existing threat to world peace. Our program, on the other hand, holds increasing promise of success in dealing with the grave exigency that confronts us at this time.

Through its trade-agreements program this country is furnishing its fair share of leadership in the world movement toward a restoration of mutually profitable international trade and, as a consequence, toward an improvement in the employment of labor, a fuller measure of stable domestic prosperity, and the only sound foundation for world peace. And we who are concerned with the execution of the program find special gratification in the fact that our effort in this direction has widespread support in the Nation as a whole. The press of this country, in its vast majority, has been clear-sighted enough to recognize the vital importance of the program. Great business organizations, like yours, have given us invaluable encouragement. With such inspiration to guide us, we shall go forward in our effort to bring peace and prosperity out of political tension and economic distress.

GOVERNOR LANDON—ADDRESS BY HON. GASPAR G. BACON

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD an able and timely address on political subjects, delivered by former Lt. Gov. Gaspar G. Bacon, of Massachusetts, on April 26, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Why is it that Gov. Alfred M. Landon, of Kansas, is the outstanding choice in all parts of the country for the Republican nomination for President? Here are some of the reasons which have impressed me:

(1) Born in a small town in Pennsylvania, Landon went West with his family to seek greater opportunity. They settled in Kansas. There the boy grew up, and under the influence of sturdy environment, made his way in life unaided by anything except his own character. He has made himself what he is. A graduate of the University of Kansas, schooled in law, business, and the experience of life, he represents a fine example of what America can produce.

(2) There is a growing feeling that a man of his direct, straightforward, dependable type, holding fast to the fundamental principles of the American system of government, is the best bet, by way of contrast, to beat Roosevelt.

(3) Landon's friendly personality, genuineness, sound philosophy of government, and unusually successful record, have attracted the attention of a public bewildered and disillusioned by futile and damaging experimentation, and broken promises.

(4) He has captured the imagination of the rank and file. People instinctively trust him. He is not the candidate of any group of politicians. He has no political entanglements. He has no affiliations with any so-called vested interests.

(5) He is a typical product of the Middle West—the battleground of the coming campaign. He is familiar with the problems of the great agricultural section of the country. Almost unsolicited and without making any campaign, he has received the endorsement of the delegations of at least six of his neighboring States. His neighbors have thus manifested their confidence in him.

(6) He is liberal, independent, tolerant, and fair. He does not hesitate to give credit for whatever is good in the New Deal program. He is equally eager to root out the bad. He believes neither in blind partisanship nor in vindictive personalites.

(7) He appeals to youth. He is under 49 years of age himself. He represents new blood in the party, a fresh and invigorating point of view. He is progressive in thought. Young voters like him because he calls a spade a spade, hits straight from the shoulder, says what he means and does not say what he does not mean. He will not promise the millennium. His word is good.

(8) He appeals to the women voters. The women of Kansas flocked to him in his last campaign for Governor. His genuine personality, his charming wife and children and wholesome family life, are powerful political assets.

(9) His public record is unique. Elected Governor in 1932 by a 6,000 plurality, in a year when Roosevelt carried Kansas by 70,000, he was reelected in 1934 by 62,000, after an administration in which he did not hesitate to demand drastic measures of retrenchment. Under his leadership, Kansas has become a model State for sound, nonpolitical, financial management.

(10) For the accomplishments of his businesslike program, Landon has generously apportioned the credit. With the happiness of the people at stake, he has not indulged in partisanship. Politics, he has repeatedly said, have no place in the matter of relief. He has graciously referred to the devoted service rendered by the 8,000 public officials of the various Kansas cities, counties, towns, and school boards, who, under his leadership, and at a time when every unit of government in the country was struggling with increased expenditures, have succeeded in reducing the burdens imposed upon the taxpayers of Kansas.

(11) He is a firm believer in American institutions and American doctrines. He would not substitute them for any European form of centralized state. He has grown up in the school of rugged, self-reliant Americanism. Like Calvin Coolidge, he has learned his politics from the ground up. He has the innate and indispensable capacity not only of dealing with but of getting the best out of his associates and opponents.

(12) He has denounced the wrecking of the civil service under the present national administration. He would rebuild it and strengthen it so that trained and trustworthy and capable employees will feel secure in their jobs and young people offered a public career based upon merit and service.

(13) "The major task ahead", said Governor Landon, "is not more laws, or more programs, or more experimentation, but sound common-sense administration." The laws recently enacted by Congress must be digested and made to work, or amended, or repealed. The bad features must be eliminated, the good preserved. Above all, we must get rid of favoritism, fraud, and Farleyism.

(14) Landon is not a trained speaker. He has never taken lessons in the art of platform artifice. He has had no practice in the game of hyperbole. He believes in analysis rather than abuse; in sincerity rather than subterfuge. His words carry conviction.

(15) He does not pose as an intellectual giant. But, at this critical juncture in our national life, is not practical capacity more needed than intellectual superiority? The American people are looking for a leader of demonstrated ability to cope with the problems of government, and equipped with the character and judgment to choose as his associates and advisers the best talent available.

(16) Landon believes in the common people. Their combined wisdom, so he has stated, often exceeds that of their so-called intellectual superiors.

(17) Political judgment in a President is not different in kind in whatever field it is applied. The art of associating with human beings is fundamentally the same whether in domestic or foreign affairs. Landon has proven himself facile in this art. There is every reason to expect that he would use the same common sense in dealing with international as with home problems.

(18) In this campaign, which far transcends outworn party lines, those who believe in the American system of government as opposed to autocracy, in whatever form the latter may be disguised, are looking for a standard bearer who is broad-minded enough to lead new forces. Men and women of all shades of former political attachment have become impressed by Landon's qualifications.

(19) If we still have faith in a democratic form of government, we must oust those who would put in its place government by swollen bureaucrats. Landon, like Calvin Coolidge, is a champion of local self-government. He has faith in the capacity of the American people to stand on their own feet, to solve their own problems, free from compulsion from above.

(20) Landon has an inborn personal appeal. He has proved his campaigning ability. If given the opportunity, he will relentlessly drive home the truth. Without the tricks of oratory, or the blandishments of the demagogue, he will shoot straight at the target.

(21) To preserve the heritage of fair opportunity for all, and with this objective, to curb the deadening hand of government, we offer a virile leader in Alfred M. Landon, of Kansas.

BUSINESS AND TAXES—ADDRESS BY CLYDE L. KING

Mr. DAVIS. Mr. President, I ask unanimous consent to have inserted in the RECORD an address on the subject Business and Taxes, delivered by Dr. Clyde L. King, professor of political science, University of Pennsylvania, under the auspices of the Pennsylvania Economy League, on April 24, 1936, before the Society for the Advancement of Management.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Those who make money from business enterprises also pay Federal personal-income taxes. The present rate of surtaxes is,

therefore, of general interest to all and of real concern to many. The rates run from 4 percent on that share of net income running from $4,000 to $6,000 per year, and runs up to 59 percent on net income over $1,000,000. The man with a net income of $1,000,000 per year pays, in addition to his normal 4 percent, a surtax each year of $553,000, or at the rate of 55.3 percent. He who has a net income of $2,000,000 per year pays $1,123,000 in Federal income surtaxes in addition to the normal tax rate of 4 percent. This is an average rate of 56½ percent on surtaxes only, or about an actual 60-percent tax, counting the normal tax, or an average of 63 percent on all income over $1,000,000. All net incomes of $90,000 or over bear a Federal personal income-tax rate of over 50 percent. These higher rates reflect more of the desire to distribute wealth through tax rates than a desire to levy rates that bring in the best net return.

In addition to these Federal rates the individual must pay personal income taxes levied by the States. The personal income-tax rates of 25 States now average 5.2 percent. Thus to a maximum Federal rate of 63 percent, including the normal 4-percent tax, one must now add 5.2 percent to get the total income tax paid as an average to the Federal Government and to the State governments. This is a total of 68.2 percent on the higher incomes. With certain States the total income tax will run much higher than this. Thus North Dakota levies a rate of 15 percent on all net incomes above $1,500. Hence, in North Dakota the total of State and Federal income taxes would take an average of 78 percent of any incomes over $1,000,000. Montana levies a rate of 25 percent on all incomes over $100,000. In Montana, therefore, the maximum rate for both Federal and State income taxes combined would run to 88 percent on the larger incomes.

The Federal rates are now so high as to make it difficult for the States to levy highly graduated personal-income taxes. The States, therefore, as a rule make lower exemptions than does the Federal Government in order to get some personal-income taxes without duplications. The Federal Government has already so preempted the income-tax field as to drive the States out of real rates on personal-income taxes. Moreover, the Federal surtax rates on the higher income brackets are so high now that future efforts must be at reducing them in order to get maximum tax returns. In any case, tax rates on the larger returns cannot be increased and be collected. Tax rates can be increased on the lower Federal returns, and Federal exemptions can be lowered. This change should have been made in 1934 as one means of advising more people how Federal expenditures were multiplying. But this change will not add over about $300,000,000 yearly to the total Federal returns. Granting higher incomes in the years just ahead, not over $500,000,000 can be secured by taxing lower incomes at higher rates and with lower exemptions. And this increase will in nowise be sufficient to take care of present Federal needs.

Businessmen who make money must also in time pay the Federal estate taxes. The Federal estate law now exempts $40,000 from the net estate subject to tax. The rates then run from 1 percent on estates having net values not in excess of $10,000 up to 60 percent on that share of any estate in excess of $10,000,000. The Federal tax on an estate worth $25,000,000 net is now $13,386,600. The British tax on a $25,000,000 estate is now $12,500,000. The British tax collects $10, or 1 percent, on an estate of $1,000. Moreover, in addition to the Federal tax rate, one must now pay the death taxes levied by the States, which is not the case in Great Britain. Our estate-tax rates total well above those in other countries.

Forty-two of the States now levy death taxes. The rates in most of the States run from 2 percent to 12 percent. The rates for collateral heirs in West Virginia and Wisconsin, however, reach 30 percent; in Arkansas, 40 percent; and in Nebraska, 50 percent. The Federal rates plus the rates in some of the States now take all the estate to pay death taxes. A more complete example of redistributing wealth through the taxing device could not be found. The rates are now confiscatory for the larger estates.

As to future trends, rates in the higher brackets cannot be increased without losing tax moneys. The pressure must be to lower exemptions and increase the rates in the lower values. This increase should have been made in 1934, but was perforce withheld for political reasons until after the next Presidential election. Such a trend in Federal taxes will again make it all the more difficult for the States to get additional income from their death taxes. The Federal Government has now preempted this field, long occupied by the States. Thus Pennsylvania has had an inheritance tax for 100 years. In 1929 one-third of this State's total revenues came from its inheritance taxes.

Many businessmen have carried heavy insurance to provide death taxes without the complete break down of their business estates.

In 1926 the Federal Government permitted any Federal estate-tax payer to deduct from Federal estate taxes due up to but not in excess of 80 percent of the Federal estate tax if so much had been paid to one or more States as death taxes. The States, most of them, at once changed their laws to take advantage of this clause. But this 80-percent clause does not apply to the heavy Federal estate rates passed in 1934. The heavier Federal and State rates now, therefore constitute double taxation.

The Congress in 1934 increased the rates on gifts in excess of $5,000 up to 52½ percent on all gifts in excess of $50,000,000. The actual net tax on a gift of $50,000,000 is now $24,271,950, or about 50 percent. To be exempt from this gift tax the gift must go for educational, charitable, or religious purposes. But to leave a gift to his son or to his widow or to his daughter, a man must now pay a gift tax that will usually run to about three-fourths of the tax on his estate of the same value.

Something could be said for these exorbitant rates as tax rates if Congress at the same time prohibited folks in the same family from dying oftener than 25 years apart. But Congress has not yet assumed jurisdiction over deaths. So a father may die 3 months after his grandfather leaves his estate to him, and his son may die 3 months after the father dies. Settling an estate three times in 6 months under present tax rates is better than a fire. Insurance can alleviate some of the business trouble if taken in time, but insurance cannot underwrite all the risks. Certain businesses must look well to the estate accounts of their major owners if they would maintain solvency.

Businessmen engaged in buying and selling intangibles, such as stocks and bonds; and businessmen engaged in the business of buying and selling tangible properties, such as real estate, before 1934 could have limited the rate on their personal income tax to 12½ percent on capital gains. Now not over $2,000 in losses can be deducted from profit and the personal gains pay the regular normal and the regular surtax rates. I was never for this change myself.

As set up in the Federal income-tax laws, the tax on capital net gains was a sort of an average tax to be levied for one or more of the following five purposes:

1. Tax on unearned increment.
2. Tax on changes in the purchasing power of the dollar.
3. Tax on speculation.
4. Tax on the business of buying or selling securities.
5. Tax on excess profits.

To be sure it was never a fair nor an accurate tax on any one of these five purposes. But it was a fairer tax by far than the piling up of the tax rates to the surtax basis as is now the case. Anyhow, these rates cannot be increased and get more net returns. They are at the maximum. The Federal Government has taken such heavy rates for itself that States have real difficulty now in adding their own rates to these exorbitant Federal rates.

Every corporate business now pays a direct Federal corporation tax on its net income ranging from 12 to 15 percent without any exemptions. Previous to 1934 the rate was a flat rate of 13¾ percent. Moreover, previous to 1932 a net income of $3,000 was exempt for those corporations having a gross income of not over $25,000. This exemption is now denied much to my personal regret, for I believe it better to exempt marginal businesses from such taxes. In addition to the rates of from 12 to 15 percent, depending upon the ratio of net income, corporations in 1934 were required to pay an excess-profits tax of 5 percent on the net income in excess of 12½ percent of the adjusted declared value of their stock.

The Congress is now also considering a proposal to tax heavily the undistributed profits of corporations in excess of stated amounts in order to force corporations to pay heavier dividends, and thus destroy their surplus funds. These dividends in many cases will fall upon individuals required to pay the higher and exorbitant surtax rates on their personal-income taxes. This policy is consistent with the general policies of those now controlling Government to pile ever heavier taxes on business units. A great deal can be said for a graduated corporate income tax in which the high rates of profit pay higher taxes. But in effect to tax out of existence the undivided profits of corporations is a sorry business, hard both on the Government on the one hand, and those who receive wages or dividends on the other. Uncle Sam himself now has on the Federal statute books security legislation which may bring security trust funds up to a total of forty-five to fifty-five billion dollars. The theory back of this Federal security fund is that laborers will put up moneys in advance of great depressions to save higher tax levies on taxpayers at depression times. If it is wise for Uncle Same to raise fifty billions for a reserve fund, to be spent in hard times, why is it wrong for corporations to hold reserve funds to keep up dividends and to maintain higher unit wages than would otherwise be possible in hard times?

Thus the Ford Motor Co. is one of a dozen corporations with a surplus at present of around a half billion dollars. Yet Henry Ford is noted for his efforts at maintaining high average earning rates among his employees. It cost Henry Ford over $200,000,000 to change his plants over from the machines, designs, and practices suitable to his old Model T to those machines, designs, and routing plans suitable to a more modern car. Is it wrong to permit Henry Ford to self-insure against such competitive risks by surplus funds? To my mind, reserve funds in private hands constitute a helpful service in hard times—a service that will make unnecessary the full use of the reserve funds Uncle Sam hopes to hold under the Federal security legislation passed a year ago.

In addition to paying existing Federal taxes on corporate incomes, corporations must now also pay the State corporate taxes. These State corporate taxes now run all the way from 2 percent or 3 percent up to 6 or 8 percent. This makes the total Federal and State corporate income tax amount to, say, 20 to 23 percent. Nearly three-fourths of the States now have such corporate income taxes. As the Federal rates grow higher, increasing of rates by the States grows evermore difficult, if not impossible. Moreover, the higher the tax the smaller amount the corporations can have for maintaining higher wage rates and the greater the pressure to lower wage rates. For under competitive conditions each corporation will not pass on to consumers all its taxes.

Another form of direct tax now levied on corporations is the tax on total pay rolls to provide the Federal funds for guaranteeing State security measures such as unemployment insurance

and old-age pensions. The rate of tax for unemployment insurance is 1 percent on total annual pay rolls (when there are over eight on the pay rolls) for 1936; 2 percent for 1937; and 3 percent for 1938. The base for this tax, it must be remembered, is the total annual pay roll. The ratio of these pay rolls to gross sales differs among different kinds of businesses. Moreover, the only test of the tax is the total amount of pay rolls. Total pay rolls do not measure ability to pay taxes. They measure only the amount of wages paid. The share of total wages paid will be five times as much in the printing-publishing business as in the tobacco business. Moreover, within the same industry the amount of mechanization varies so that one competitor will have to pay a much heavier tax than others of his competitors will pay. And those with the heavier tax will usually be those with the least net income if any.

I have talked with a few folks who feel that this tax will be added to prices and be shifted to consumers. For the life of me I cannot see how that can be. For the burden of the tax is not the same on all competitors in the same industry. I think the tax in most instances will in part at least be absorbed by reducing the number of employees to a point where the total thus saved will about equal the tax. I feel confident others will pass the tax back to all wage earners by reducing wages or by not increasing wages in proportion as prices rise. In either case the burden is shifted to labor, and will be kept on labor.

Two reasons force me to this conclusion. The first reason is that not all competitors pay the same burden with reference to net income. In the corporate net income tax there is no burden unless there is net income. But this is not the case with a tax on pay rolls. If some can pass on all their burdens on pay-roll taxes, others can then pass on to consumers more than they pay out in taxes. That is not the way competition works. Competition gives to the competitor with lowest costs the chance to put his prices down so that his net profit will go up. Thus I know of folks now, and you folks know of many others, who will not reduce wages, cannot increase prices, cannot afford to pay the pay-roll tax but have the ability to borrow money to install more labor-saving machinery. This new labor-saving machinery will permit these businesses to fire enough employees to save the taxes on their pay rolls. The tax, therefore, becomes a means of insuring more unemployment and not primarily a means to provide insurance against unemployment.

My second reason for believing a pay-roll tax cannot be shifted to consumers lies in the fact that we are creditor country. A creditor country is one that loans abroad much more money than it borrows abroad. This flows from the fact that, as now in this country, most industries have plenty of capital already invested to supply domestic needs fully and, also, a surplus to use for supplying goods and services to other countries. Just because a creditor country has plenty of capital to make goods for the citizens of other countries we have a surplus of labor for domestic needs. As a rule, in the years to come labor will, therefore, perforce be on the weaker side of the bargain counter. Taxes not falling equally on the ability of competitors in identical industries to pay will, therefore, rather easily be shifted back to wage earners. What business cannot pay because of the way the tax is levied, labor must itself pay. Hence the plan forces a bitter struggle toward lower wage-earning levels.

The creation of these huge reserve funds will also raise questions of far more serious character in our next major crisis. I have no doubt that seasonal unemployment can be ironed out by reserve funds. But the larger the funds, the greater the disaster when the next big crisis comes. Things will be easier for the first months of the next crisis, possibly for the first 2 or 3 years. But the time may come when not even Federal bonds can be sold in such quantities in hard times to keep up insurance payments. Federal bankruptcy will then again be postponed only, if at all, by ever heavier taxes. But taxes, too, have their limits, though only after great hardships. Then comes the crisis. It comes quickly. It comes hard, just because the great old Federal Government itself can neither sell the bonds nor raise the taxes needed to keep up State payments. The intervening days will be easier, but the ultimate day spells grave hardship on wage earners and the gravest kind of hardship to everyone else. Those who think they have something will wake up to find some morning that they have nothing. Hence the numbers on relief will increase in great bounds, as it has already in other countries in similar crises.

Such are the only Federal taxes time permits me to discuss at this luncheon. Thus far Federal taxes have brought in in cash about half of the total expenditures made by this administration. The Federal taxes are heavy but they must get heavier. They must get heavier in the future just because the surplus of Federal expenditures over Federal income has been made up by borrowing. The total direct Federal debt by June 30 next will be about $35,000,000,000. Before we begin another Federal administration, the direct Federal debt will, under present commitments, be at least $40,000,000,000. But this is only the direct Federal debt.

It does not include other obligations, such as the Federal security reserves that may reach $50,000,000,000. It does not include the funds needed in time of crisis to insure Federal guarantee of 98 percent of all deposits as is now guaranteed by Federal law. The only way to guarantee deposits is to guarantee the income of those businesses in which the banks invest money or from which they buy stocks or bonds. The present direct Federal debt assumes no share of the obligations in underwriting rival and urban mortgages in large sums. Our Federal obligations now vastly exceed our direct Federal debt. And it is the total of obligations of all kinds that will be considered when the next showdown comes.

Some of my friends have said to me that we ought at least to be able to stand a per-capita Federal debt equal to that now being supported in England, and that is about $785 per capita. To our forty billions of direct debt, we must add twenty billions now of State and local debts. When to this $60,000,000,000 of direct debt we now add the indirect obligations already assumed not shared in other countries, we will find that we now have debts and obligations per capita quite the equal of the unprecedented per-capita debt in England.

The usual answer to the rising American debt is that our debt is not as great as that of other countries still solvent. France, we are told, is still on a gold basis. France, however, repudiated 80 percent of both her public and private bonds and stocks but a decade ago. Today she is fighting hard to maintain on a gold basis even that 20 percent. She cannot now, therefore, fight Germany, as everybody knows, without repudiating most, if not all, of both her present public and private debts of all kinds. Great Britain has repudiated, in fact, about 40 percent of her public and private obligations by depreciating the pound by that ratio. She depreciated her pound to save the formal repudiation of her public debts in part.

The United States has taken 41 cents out of the gold dollar, thereby repudiating already in fact 41 percent of the purchasing power of every bond or stock in the United States. And the President still has power to take 9 cents more out of every gold dollar without additional legislation from Congress. Germany repudiated all her public debts and all her private debts a dozen years ago, and now again today has public debts beyond her ability to put into long-term bonds. For one-third of the new Germany debt made under Hitler is still in 3 months' notes. Germany cannot make war now without repudiating in whole or in part all those debts, all her local debts, all her debts abroad, and all her private intangibles, for private debts are payable only in the same legal tender as are public debts. Japan has so inflated her currency that she can now make no substantial war except by repudiation in whole or in part of all her public debts and all her private debts payable in the present currency. Italy has set the limits as to her present war debts by her existing public debts.

Is this country to look forward to the same situation where a new crisis presents claims that cannot be met even by borrowing? Are we to go into the next crisis with public debts so heavy that more moneys can be borrowed if at all only by repudiating the old in part, if not entirely? Are we to stay in a hysteria for public spending so far beyond income that unanchored inflation must follow? Who can now tell how long it will be before faith in the American dollar starts to go down so fast that prices will rise at a rate far beyond the purchasing power of wages or of salaries or of interest or other kinds of fixed income? That is the danger we are now playing with.

The present Congress shows not the faintest evidence of understanding the present dangers. With budgets already long in excess of income, this Congress goes ahead energetically to pass appropriations far beyond any ever heretofore made in a peace year. But 20 short years ago the American people were objecting to what they then called a "billion-dollar Congress." Total Federal expenditures for 10 years before 1914 ran around three-fourths of a billion dollars per year. We now have a Congress that for 3 years has spent $10 in 1 year for every dollar that the whole Federal Government cost before the World War. Then they raise half of that enormous amount by direct long-term public debts! Certainly no one need be told that that cannot be continued forever.

On December 31, 1935, the assets of all member banks of the Federal Reserve System totaled $44,122,000,000. Of this sum 30 billion dollars ($29,984,874,000) were in loans and investments. Over one-third ($10,500,527,000) of these investments were in Federal bonds; that is, in direct Federal obligations only. On December 31, 1930, 5 years before, when the assets of these member banks totaled 47 billion dollars ($47,057,891,000) and when their loans and investments totaled 35 billion dollars ($34,859,500,000) these banks owned $4,124,776,000 in direct Federal obligations, or a little less than 12 percent of their total intangible investments. This is an increase of nearly 300 percent in 5 years in the ratio of Federal bonds held by Reserve banks to their totals in loans and investments. It is obvious that this increase cannot keep up indefinitely without making it inevitable that even a 20-percent decline in the market value of Federal bonds will throw many banks into insolvency. Indeed, it can be said now that the very solvency of the national banks already depends on the solvency of the national credit. As the present ratio of Federal bonds held by banks increases, the banks will shortly be largely dependent for good safety on the market for Federal bonds. Even now Federal bonds are not being marketed to individual owners fast enough to meet current Federal needs. The time must come, therefore, when the market for Federal bonds will be maintained only by increasing taxes or by printing more and more paper money.

The amount of taxes that can be raised will be limited to the political necessity of getting reelected and will not be based on proper principles of public finance. Under such facts inflation soon gets started. Since the real question is the question in the Congressman's mind as to how best to assure election or reelection, the date when inflation starts cannot be definitely fixed by me. But certain it is that that date cannot be indefinitely post-

poned under present practices. Since there is a limit to the amount of taxes a Congressman can vote for and be reelected, public expenditures ought at once to be reduced to known public income. Not to do so is to court complete destruction of all intangibles, both public and private, in the United States. Another Congress like the present one, profligate in expenditures, careless in income, must bring us very close to national bankruptcy.

Germany entered into the first phase of her inflation with moderation and with a determination not to allow inflation. She had many obligations growing out of the World War that required more money annually than the German people could or would pay out in taxes. In 1920 new marks in circulation increased by 50 percent over the marks outstanding at the beginning of the year. In 1921 new marks issued increased the amount outstanding by 50 percent. And so again in 1922. German domestic prices rose slowly during these 3 years, but yet at a rate quite as rapid as this increase in paper currency. Prices started to break away during the last 3 months of 1922. During 1922 they rose almost perpendicularly. During 1923 prices rose so fast that the mark could buy little or nothing. In December of 1923 prices were 1,262,000,000,000 times their 1913 level. By December of 1923 the number of marks issued was 81,810,000,000 times the number outstanding in 1913. In December of 1923 the currency circulation in Germany was 230,000,000 times the amount outstanding in the previous January of that same year. People had plenty of marks, but the marks bought nothing. Once inflation started it went like an old-fashioned prairie fire. To chart the rise in prices in 1923 over previous years would have required a chart 289,000 miles high.

We have as yet had no signs of such unanchored inflation in this country, save in the fact that Federal expenditures for 3 years have vastly exceeded income. Such a trend cannot continue without reaching a point where people doubt that enough taxes will be raised (not can be raised) to pay the interest, retire the bonds and meet expected public expenditures in the future. When that lack of confidence will come I do not know. But that it must come all must agree just so long as total expenditures exceed total public tax income at present rates. And when that day comes prices will rise incredibly fast, as they rose in Germany.

The taxpayer is now the forgotten man, so let me say a few technical words about his payments. Government does not and cannot "create" credit. Expenditures by Government can come only from reducing the income of private individuals. Private individuals give up their power to spend their own income to the extent they pay taxes or loan moneys to the Government by buying public bonds. When a business pays a tax—any tax, corporate or other—it provides the money to pay its taxes by reducing the amount of money it can pay individuals, whether in wages, in dividends, in interest, or in profits. A business does not make more money by paying more taxes. It makes less money by paying part of its income for public services. Those public services may not be worth more even as a public service than the same amount of income devoted to one's own private business might bring. The individual pays taxes by cutting down on his own expenditures by fully the amount of the tax. Taxes always reduce private expenditures to make public expenditures possible. Most folks feel that such collective expenditures as for schools and roads are worth the reduction in their private income made necessary by taxes. But few feel that all of present expenditures are worth more than their own personal expenditures would be to the well-being of their country.

In wartime public expenditures can be used to turn private expenditures into war purposes. Private income must then be reduced either by taxes or by purchasing war bonds so that the national income can more largely be directed toward one given end: victory through war. But such is not the case with borrowing in times of depression to regain prosperity. Private expenditures are just as essential to secure prosperity as are public expenditures, nay, more so. Public expenditures can and should provide a minimum income for those without the means of self-support. But prosperity cannot come, and never did come, from such minimum incomes. This income thus given to those unable or unwilling to work will buy food and necessities. But it cannot provide prosperity. At the very best, public expenditures form a small portion of the total national income, now, say, 15 percent. Prosperity can be best assured, therefore, by keeping down taxes so that individuals can and will spend more.

Neither is it true that present public expenditures add to total income nor will in the future. Neither is it true that present public expenditures have aided prosperity. Most of them, on the contrary, have retarded long-term prosperity. Certain business and private expenditures create the funds to reproduce themselves. Public expenditures, as a rule, do not reproduce themselves. We have the flash of the first expenditure. All following expenditures come only by reducing by an equal amount the income of individuals.

Nor does borrowing in the long run save the taxpayer money. On the contrary, public borrowing at the least costs twice as much as cash payments. For the taxpayer must pay both the interest and the principal. The interest at 4 percent will amount to the principal in 25 years, or at 3 percent will amount to the principal in 33⅓ years.

Interest cannot be less than 3 percent and assure either savings or prosperity. For people will not save at less than 3 percent. And there can be no real prosperity so long as money is worth but 3 percent. Moreover, our present Federal debt alone is already so large that it cannot be repaid in 25 or 30 or even 50 years. The Federal debt by June 1 will amount to $35,000,000,000, and shortly after that to $40,000,000,000. Three-percent interest on $40,000,000,000 is $1,200,000,000. To pay off a debt of $40,000,000,000 in 40 years will mean an average of $1,000,000,000 each year in payment on principal. The Federal debt in interest and in payments on principal will, therefore, take over $2,000,000,000 per year, or 55 percent of our present Federal-tax income of $3,700,000,000. To that we are already committed. We now must raise much heavier taxes at the very time when Congress refuses to increase taxes that may have bad political effect in most of the States at the coming election. We will be fortunate indeed if we get by without taking 60 percent of our present Federal-tax income to pay for Federal debts. The longer we keep on borrowing the greater the share of future Federal taxes that must be devoted to interest and repayments on the public debt. Present borrowing is not saving the taxpayer money. It doubles, trebles, and quadruples the money he must ultimately pay and pay by cutting down on his own purchases. And cutting down on his own purchases reduces correspondingly his own ability to buy and thus delays and decreases the possibility of real and continuing prosperity. It is unfair and inhuman for one generation to burden so heavily the youth of the next.

Two ways have been practiced for assuring communism. One is the method used in Russia. By this method you shoot all owners of property and all with large incomes. Then, through a huge spy system, you find all those who may remotely believe in incomes and those who are even remotely against the Government and kill or exile them. You then set up a despotism that continues every one of the worst methods used in the old czar system.

By the second method you get political power through granting huge sums of taxpayers' money to different groups and then tax away all real semblance of income to pay for the debts thus created. The second method is the inevitable consequence of our present policy of continuing a heavily unbalanced Budget. One does not have to pass upon the present motives of any of those now responsible for such Budgets. But no one who cares for the public interest can fail to realize the economic consequence of present debt-piling methods on the economic well-being of individuals and of public service in this country.

I wish I had time to discuss present expenditures in detail. But I must say that I believe the needs of those hungry and without work or other source of income should be met by Government. I believe that those able and willing to work should have real work in creating needed public works not beyond the future ability of taxpayers to maintain. But such expenditures should take a small part of the present total Budget. There is not a man here who cannot reduce present public expenditures and improve the public welfare by so doing.

This country has had a slower return to normal business than has any other country. The reason for this slothful delay lies in the character of public expenditures we are making. Wanton expenditures for "work" which means no effort only causes those who receive such moneys to think that Uncle Sam can be Santa Claus. Personal responsibility in those folks must be killed for years to come. Expenditures now are made in folly to compete with private business and thus again delay the return of prosperity.

Because of these expenditures and the borrowing to meet them, taxes must mount higher and higher. But higher taxes do not mean economic security; they mean economic insecurity. The only answer is to stop now useless and harmful expenditures. And that should be the first job of all who look to the future well-being of their country.

VAN A. BITTNER

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD a self-explanatory letter which I have received from Hon. Van E. Bittner, president of District No. 17, United Mine Workers of America.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED MINE WORKERS OF AMERICA,
Charleston, W. Va., April 28, 1936.

Hon. M. M. NEELY,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I have read with keen interest and a feeling of humiliation the remarks of Senator RUSH D. HOLT, of West Virginia, beginning on page 5771, of the CONGRESSIONAL RECORD, Tuesday, April 21, 1936. Humiliation, because I gave every ounce of energy and influence that I possessed to nominate and elect Mr. HOLT to the United States Senate. I realize that it is a delicate position for me to answer these charges made by a United States Senator, who has taken advantage of his official position to attack me on the floor of that great legislative body—the Senate. However, I trust that the Senate will parden me in keeping the records clear, and no man can condemn me for defending my loyalty to my union, which is dearer to me than life itself.

I answer these remarks of Senator HOLT as follows:

First. When he states that he met me on five different occasions, and each time I asked him not to fight Walter Thurmond—that statement is absolutely untrue. I talked to Senator HOLT twice on this matter, both times having witnesses to our conversations, and my only request was that he keep his pledge to me and the citizens of West Virginia, that he would support the man

who had appointed Mr. Thurmond, Senator M. M. NEELY, for reelection in 1936. I hold no brief for the activities of Mr. Walter Thurmond during the mine troubles in southern West Virginia, but all I was interested in, when I talked to Senator HOLT, and all I am interested in now, is the reelection of one of the greatest friends our union has ever had in the United States Senate, Hon. M. M. NEELY. Senator HOLT knew that Walter Thurmond was collector of internal revenue during his nomination and election as United States Senator, and he knows that Walter Thurmond donated $500 to defray his campaign expenses. Therefore, it seems to me that it is poor taste for Senator HOLT to attack me over Walter Thurmond, as collector of internal revenue, when he gladly accepted from this same gentleman $500. Senator HOLT or no other man living can ever say that I accepted any money from any coal operator or any coal operator's agent, or any other man living, except that which I receive from my union, the United Mine Workers of America.

Second. Senator HOLT charges me with betraying the interests of the miners when the so-called scrip bill was pending before the last session of the Legislature of West Virginia. This bill did not abolish the issuance of scrip by coal operators, but simply made scrip legal tender. I was against this bill because all my life I have fought for the miners to be paid for their labors in United States currency. Senator HOLT knows this is true, as I explained my position to him when this bill was pending in the Legislature of West Virginia, and he fully agreed with my position.

Third. Senator HOLT attempts to interfere with the internal affairs of my union when he talks about the so-called autonomy of the district organization. The United Mine Workers of America is the most democratic labor union on the face of the earth; delegates are elected by the members of each local union to attend our great international conventions. This congress of the United Mine Workers of America assembled in the city of Washington, D. C., settled all the policies that guide the officers of the organization. The question of autonomy was thoroughly discussed and definitely settled and we resent the intrusion of Senator HOLT, for political reasons, into the affairs of our union after its policies have been settled in our international convention, as prescribed by the laws of our organization. Furthermore, let me say that Senator HOLT made no attacks on me when I was giving my money, my time, and my influence in supporting him as a candidate for the United States Senate, and while I do not want to say it boastingly, Senator HOLT knows that no one man living was more responsible for his nomination and election than I was.

Fourth. Senator HOLT says we supported Mr. C. E. Smith, of Fairmont, W. Va., for a position as member of the National Bituminous Coal Commission. Mr. C. E. Smith also gave of his time and money for the election of RUSH D. HOLT to the United States Senate, and Senator HOLT considered Mr. C. E. Smith one of his most influential supporters and confidential advisers on political matters until Mr. C. E. Smith was proposed as a member of the National Bituminous Coal Commission by Senator M. M. NEELY. Furthermore, the International Convention of the United Mine Workers of American, held in Washington, D. C., at a time when Senator HOLT was opposing the confirmation of Mr. C. E. Smith, by unanimous vote asked the United States Senate to confirm the appointment of Mr. C. E. Smith and all other members of the National Bituminous Coal Commission in order that the great coal stabilization program of our Federal Government could be made effective. If we are charged with betraying the interests of our people by conforming with the unanimous action of the delegates to our international conventions, then all we can say is that as a loyal member and officer of the United Mine Workers of America it shall ever be our purpose to carry out the policies of our international conventions.

Fifth. Senator HOLT also charges that I am trying to sacrifice labor to build up my own selfish and personal career. It seems to me that this is a complete exemplification of man's inhumanity to man. The day Senator HOLT announced his candidacy for the United States Senate I gave him every penny I had, $1,500, to help him in his campaign. If endorsing and working with all the vigor and intelligence I have for the reelection of our great humanitarian President, Franklin D. Roosevelt, is trying to sacrifice labor and build up my own selfish and personal career, then I plead guilty to the charge. If my support of Hon. M. M. NEELY, who has been endorsed by every legitimate labor organization in America for reelection, including the American Federation of Labor, the United Mine Workers of America, the 21 standard railway labor organizations, and the West Virginia State Federation of Labor, is trying to sacrifice labor and build up my own selfish and personal career, then I plead guilty to the charge.

Sixth. On August 26, 1935, just prior to the time that Senator RUSH D. HOLT entered his campaign against Senator M. M. NEELY, I received the following letter, which is self-explanatory and should prove to every Member of the United States Senate and every well-thinking American, that Senator HOLT's tirade against me is nothing but selfish political propaganda, made up of the whole cloth without foundation in fact.

The letter follows:

"UNITED STATES SENATE,
"COMMITTEE ON POST OFFICES AND POST ROADS,
"August 26, 1935.

"Hon. VAN A. BITTNER,
"United Mine Workers of America, Charleston, W. Va.

"DEAR MR. BITTNER: Please express to the United Mine Workers of America meeting on Labor Day my sincere best wishes. It is through organized labor that working conditions have been improved, wages have been increased, and everyone has profited.

"You are indeed fortunate to have with you as your speaker John L. Lewis. He is an outstanding labor leader and his message will be worth hearing. It is with regret that I cannot be with you on this day, but I have already accepted an invitation to speak to the Labor Day celebration held by the trade crafts of Detroit.

"I wish also to say that in Frank Miley and yourself the labor movement has two officials who have fought vigorously and valiantly for their welfare. You are to be congratulated.

"If I can be of service to the organized labor movement, do not hesitate to call upon me.

"Sincerely,
"RUSH D. HOLT."

This is my answer to the charges of Senator RUSH D. HOLT.

Very respectfully yours,

VAN A. BITTNER.

PREVENTION OF UNFAIR PRACTICES AND MISLEADING ADVERTISING

The Senate resumed the consideration of the bill (S. 3744) to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee, which the clerk will state.

The Chief Clerk stated the amendment, which was in section 3, on page 12, after line 6, to strike out—

(i) The Congress hereby confers upon the Commission so much of the auxiliary power of Congress to obtain information in aid of legislation as may be necessary to enable the Commission to carry out the provisions of section 6.

So as to make the section read:

SEC. 3. That section 6 of said act be, and the same is hereby, amended to read as follows:

"SEC. 6. That the Commission shall have power—

"(a) Upon the direction of the President or either House of Congress, or upon its own initiative, to gather and compile information concerning, and to investigate from time to time the organization, business conduct, business practices, and business management of any person, partnership, or corporation engaged in commerce, excepting banks, and common carriers subject to the act to regulate commerce, and the relation of such person, partnership, or corporation to other individuals, partnerships, and corporations.

"(b) To require, by general or special orders, persons, partnerships, or corporations engaged in commerce, excepting banks, and common carriers subject to the act to regulate commerce, or any class of them, or any of them, respectively, to file with the Commission in such form as the Commission may prescribe annual or special, or both annual and special, reports or answers in writing to specific questions, furnishing to the Commission such information as it may require as to the organization, business, conduct, practices, management, and relation to other corporations, partnerships, and individuals of the respective persons, partnerships, and corporations filing such reports or answers in writing. Such reports and answers shall be made under oath, or otherwise, as the Commission may prescribe, and shall be filed with the Commission within such reasonable period as the Commission may prescribe, unless additional time be granted in any case by the Commission.

"(c) To investigate, from time to time, trade conditions in and with foreign countries where associations, combinations, or practices of manufacturers, merchants, or traders, or other conditions, may affect the foreign trade of the United States, and to report to Congress thereon, with such recommendations as it deems advisable.

"(d) Upon the direction of the President or either House of Congress, to investigate and report the facts relating to any alleged violations of the antitrust acts by any person, partnership, or corporation.

"(e) Upon the application of the Attorney General, to investigate and make recommendations for the readjustment of the business of any person, partnership, or corporation alleged to be violating the antitrust acts, in order that the corporation may thereafter maintain his or its organization, management, and conduct of business in accordance with law.

"(f) Whenever a final decree has been entered against any defendant person, partnership, or corporation in any suit brought by the United States to prevent and restrain any violation of the antitrust acts, to make investigations, upon its own initiative, of the manner in which the decree has been or is being carried out, and upon the application of the Attorney General it shall be its duty to make such investigation. It shall transmit to the Attorney General a report embodying its findings and recommendations as a result of any such investigation, and the report shall be made public, in the discretion of the Commission.

"(g) To make public from time to time such portions of the information obtained by it hereunder, except trade secrets and names of customers, as it shall deem expedient in the public interest; and to make annual and special reports to the Congress and to submit therewith recommendations for additional legislation; and to provide for the publication of its reports and decisions

in such form and manner as may be best adapted for public information and use.

"(h) From time to time to classify persons, partnerships, or corporations, and to make rules and regulations for the purpose of carrying out the provisions of this act."

The VICE PRESIDENT. Without objection, the amendment is agreed to; and, without objection, the bill will be ordered to be engrossed for a third reading, read the third time, and passed.

Mr. WHEELER. Mr. President, I do not understand what bill it was that was just passed.

The VICE PRESIDENT. The Senate just adopted the committee amendment to Senate bill 3744.

Mr. ROBINSON. Mr. President, I think there should be an explanation of the bill. The Senator from Montana, I believe, is prepared to make a statement regarding it. I know that there are a number of Senators who would like to have the bill considered. So I suggest to the Senator from Montana that he proceed with the discussion.

Mr. JOHNSON. Mr. President, I rise for the purpose of making a parliamentary inquiry. I am fairly rapid on my feet, but I confess as I followed what has happened this morning I was very dilatory. The bill has been passed, I think.

The VICE PRESIDENT. It has not. The committee amendment was agreed to by the Senate.

Mr. JOHNSON. I thought I heard the Chair say that the bill was passed.

The VICE PRESIDENT. The Chair said, without objection, the bill would be ordered engrossed for a third reading, read the third time, and passed; but a number of Senators were on their feet, and, therefore, the bill is now before the Senate.

Mr. JOHNSON. I wanted to make that clear.

The VICE PRESIDENT. The Senator from Montana [Mr. WHEELER] has the floor.

Mr. WHEELER. Mr. President, in view of some statements which have been made in certain newspaper articles and propaganda which has been sent out, I wish to call attention to an article appearing in the Washington Herald of May 1 containing, among others, the following statement:

Virtually making the Commission an arm of Congress, the Wheeler bill provides that "Congress hereby confers upon the Commission so much of the auxiliary power of Congress to obtain information in aid of legislation as may be necessary to enable the Commission to carry out the provisions of section 6."

That provision was stricken from the bill in the committee and is no longer in the bill. That was one of the things to which serious objection was offered, and accordingly the committee took it out of the bill.

The present bill is a reenactment of the present law upon the statute books with comparatively few amendments which the Federal Trade Commission has recommended, not for the purpose of adding to their powers but for the purpose of aiding them in carrying out their present powers.

It should be recalled that when the Federal Trade Commission was established the Federal Government entered an entirely new field of activity and undertook a form of regulation with which it had no previous experience. The legislation which was finally approved was largely a measure of compromises, emerging from a particularly long and bitter legislative controversy. This was over 20 years ago. In those 20 years the courts have examined very carefully all the provisions of the act and have interpreted it in a variety of ways.

In the early years of its existence the Commission fared rather badly in the courts and its work was hampered by many reversals and judicial restrictions. However, in recent years, with improvements in personnel and with accumulating experience, the Commission has been sustained in the circuit courts and the Supreme Court, I believe, in 31 out of 32 cases. This record has been made in spite of the language of the act which has been interpreted to invite complete judicial review not only of the legal questions but of the facts.

In the course of 20 years there are certain to crop up ambiguities and technical difficulties in the administration of such a statute. It is amazing to me that there are not more when I recall the pulling and hauling that attended its enactment. The bill under consideration is solely for the purpose of removing some of these ambiguities and technicalities which made administration difficult and costly. It does not change the fundamentals of the act in the slightest, and with the possible exception of one amendment to section 5, is addressed only to the procedural rights and duties of the Commission.

This is the first time the act has been amended since its enactment, and the bill merely attempts to smooth out a few of the kinks which must inevitably creep into 22 years of administration in a hitherto unfamiliar field.

May I invite the attention of the Senate to an editorial appearing in the Wall Street Journal, with reference to the bill. The Wall Street Journal of Wednesday, April 22, 1936, said:

[From the Wall Street Journal of Apr. 22, 1936]

CUTTING OFF A DIRTY FRINGE

Perhaps the mills of the Federal Trade Commission gods grind slowly, but they grind not only fine but steadily. Not many a sun sets without the Commission having taken action against one to a dozen individuals, partnerships, or corporations accused by their competitors of practicing "unfair methods of competition."

Such complaints come from sources which are palpably interested, but the proportion of them which are followed by the accused's consent to a cease-and-desist order is impressive, to put it mildly. One cannot observe the daily record of this division of the Commission's work without concluding that here the Commission is performing an extremely valuable service in cleaning up some of the alleys and side streets of American business much in need of moral sanitation.

Most of those against whom the Commission is called upon to proceed, though not all, are comparatively small fry. Even so, one cannot see without a feeling of shame how many there are who are willing to profit, if they can, by stealing another's laboriously erected commercial repute, making baseless pretences of large-scale production or distribution and fictitious claims to extraordinarily low selling prices, or deliberately misrepresenting the specific qualities of things offered for sale.

This record is one of individually small-scale but multitudinous attempts at gross and conscious fraud. It is vastly regrettable that American business should have this dirty fringe. Since it has, it is well that the Commission is there to cut off the soiled ravelings as they are disclosed.

That, as a matter of fact, states the situation in connection with the powers of the Commission both under the present law and as proposed under the pending bill. The bill seeks to reach only those instances of misrepresentation and fraud on the part of some business interests which seek to tear down legitimate enterprises and make it necessary oftentimes for legitimate enterprises to turn to tactics to which they would not otherwise resort.

Mr. COPELAND. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from New York?

Mr. WHEELER. I yield.

Mr. COPELAND. Does the bill confer new powers on the Federal Trade Commission, so that no longer it will be confined in its operations to unfair competitive methods; or does it go beyond that to permit the Commission to deal with any problem where the question of gross deceit is involved?

Mr. WHEELER. I do not know just the extent to which the proponents of the original legislation intended the act to apply. I do know, however, that they anticipated no restrictions as rigid as those the courts have applied to it.

In interpreting the phrase "unfair methods of competition", the Supreme Court held that notwithstanding the fact that the advertisement of some particular thing might result in injury to the general public, nevertheless the Commission was powerless to stop the advertisement or practice unless it could show that some competitor was injured in dollars and cents. Judge Davis, of the Commission, who was formerly a Member of the House of Representatives, stated before the committee that while in many cases an advertisement would be palpably unfair, fraudulent, and bad, and a competitor of the manufacturer would say to the Commission, "The man who is advertising this particular piece of goods is deceiving the public by it; he is lying about his product; as a matter of fact, the product is harmful", yet when the Commission would turn to him and say, "Can

you show that you have lost money in dollars and cents as a result?" he would stand back and say, "Well, that is a pretty difficult thing for me to show. I think I have lost money by it, but to put my finger on it and to say that I have actually lost particular business is a difficult thing."

For instance, in the case of *Federal Trade Commission* v. *Raladam Co.* (283 U. S. 643), the Supreme Court says:

> Findings, supported by evidence, warrant the conclusion that the preparation is one which cannot be used generally with safety to physical health except under medical direction and advice. If the necessity of protecting the public against dangerously misleading advertisements of a remedy sold in interstate commerce were all that is necessary to give the Commission jurisdiction, the order could not successfully be assailed. But this is not all.
>
> By the plain words of the act the power of the Commission to take steps looking to the issue of an order to desist depends upon the existence of three distinct prerequisites: (1) That the methods complained of are unfair; (2) that they are methods of competition in commerce; and (3) that a proceeding by the Commission to prevent the use of the methods appears to be in the interest of the public. We assume the existence of the first and third requisites and pass at once to the consideration of the second.

So the Supreme Court held in that case that notwithstanding it was shown that the use of the product was detrimental and injurious to the health of the general public unless it was used under the orders of a doctor, the Commission was powerless to do anything because it had not been shown that any competitor had actually lost dollars and cents as a result of the sale of the product; and so far as that is concerned, there might not be any competitor. The only change made by this bill is to remedy that condition.

Mr. COPELAND. Then, as a matter of fact, the bill does make it possible for the Commission, on its own initiative, to go further than simply to deal with the question of an unfair competitive practice?

Mr. WHEELER. Yes.

Mr. COPELAND. For example, suppose some concern put out a line of spices. We will say that they were pure, unadulterated spices, but that the package in which a given spice was packed was slack-filled, only half-filled. Suppose the concern put out a great big package, so as to give the housewife the impression that she was getting a whole lot of cinnamon or whatever the spice might be. Under the present law, as I understand, the Federal Trade Commission would be powerless to proceed against the manufacturer or merchandiser of slack-filled packages of that sort, unless some competing concern considered itself damaged by the unfair practices of the concern putting out the slack-filled packages. Under the pending bill could the Federal Trade Commission, on its own initiative, go to the concern putting out slack-filled packages of spices and order it to cease and desist a practice which was contrary to the public welfare?

Mr. WHEELER. Yes; the Commission could do exactly that. They could do it at the present time providing they could show that some competitor had been injured.

Mr. COPELAND. Yes; I understand.

Mr. WHEELER. They could undoubtedly show that some company had been injured in the case the Senator specifies; but the complaint is that they have to spend more time and incur more expense in showing that somebody has been actually injured than in showing that the use of the product is detrimental to the public.

Mr. COPELAND. Will the Senator, at his convenience, point out in the bill where that particular new power is conferred upon the Commission?

Mr. WHEELER. Yes; I am coming to that specifically in the bill.

Mr. COPELAND. Very well.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WHEELER. Yes.

Mr. CONNALLY. Does not the important modification lie in the fact that the original act treated the Federal Commission more as a court between private individuals, whereas the amendment recognizes the interest of the public, and recognizes the public as a party to the proceeding?

Mr. WHEELER. That is correct.

Mr. CONNALLY. Therefore, there need not be shown any private injury in a particular case; but if the use of the product is calculated to injure the public, the Commission may intervene?

Mr. WHEELER. That is correct. Let me say to the Senator that a reading of the earlier debates of Congress shows that Congress, as a matter of fact, thought it was doing the very thing the Senator has just mentioned; but after the fight that was waged over the bill this particular construction was put upon the phrase "unfair methods of competition."

Mr. COPELAND. Mr. President, will the Senator yield for a moment?

Mr. WHEELER. Yes.

Mr. COPELAND. The Senator from Texas [Mr. CONNALLY] has raised exactly the point I have in my mind; and I will frame the question in a different way:

Can the Commission on its own initiative, in the public interest, proceed against a concern because its methods are grossly deceptive?

Mr. WHEELER. It can.

Mr. COPELAND. That is the provision I should like to have the Senator point to in the bill so that we may know where it is found.

Mr. WHEELER. It is section 2 of the present bill. If the Senator will look on page 3, he will see that section 2 reads as follows:

> That section 5 of said act—
>
> The act of September 26, 1914—
>
> be, and the same is hereby, amended to read as follows:
>
> The present law reads as follows:
>
> That unfair methods of competition in commerce are hereby declared unlawful.
>
> The amendment that we put in makes it read:
>
> That unfair methods of competition in commerce, and unfair or deceptive acts and practices in commerce, are hereby declared unlawful.

Mr. ROBINSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JOHNSON in the chair). Does the Senator from Montana yield to the Senator from Arkansas?

Mr. WHEELER. Yes.

Mr. ROBINSON. The new part is "and unfair or deceptive acts and practices in commerce"?

Mr. WHEELER. That is correct.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Michigan?

Mr. WHEELER. I do.

Mr. VANDENBERG. In connection with the example given by the Senator from New York in his interrogatory, it seemed to me he was dealing with a subject to which we gave great attention in the new Food and Drug Act. May I inquire whether this bill integrates with the Food and Drug Act?

Mr. WHEELER. Exactly. I am glad the Senator called my attention to that, for this reason: In the Food and Drug Act, as I understand, it is provided that if the advertisement on the package contains a misrepresentation or a deceitful and fraudulent statement the offender may be prosecuted criminally. I think I am correct about that. The Food and Drug Act, as I recall, reached only what was on the package or what was included in the package; but the members of the Federal Trade Commission tell me that frequently they find that there is no deceptive advertisement or misrepresentation on the package, but that in some newspaper advertisement—not advertisements in the best newspapers, but in various cheap newspapers in the country—they find all kinds of misrepresentations with reference to that particular product. What happens when that occurs?

Mr. GERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Rhode Island?

Mr. WHEELER. Yes.

Mr. GERRY. Would not the manufacturers be liable if they did that?

Mr. WHEELER. Not under the Food and Drug Act.

Mr. GERRY. But would they not be liable under the common law?

Mr. WHEELER. I doubt it.

Mr. GERRY. Why not?

Mr. WHEELER. Because of the fact that there is no common-law criminal statute under which they could be prosecuted. It is necessary to have a Federal statute in order to reach them. The only basis for a common-law fraud action is a "passing off."

Mr. GERRY. Suppose a person suffered injury as a result.

Mr. WHEELER. If he suffered injury, he probably could sue them for damages; but it is a pretty difficult thing for an individual to sue. He may not have any money. He may be located in Rhode Island, and the company which puts out the product may be located in Chicago, and the Senator's constituent in Rhode Island would have to go to Chicago to bring suit against the company. He would have to go to tremendous expense, and he never could recover. He would be tied up in court and could not reach the company.

Mr. GERRY. Would he have to go to Chicago?

Mr. WHEELER. Of course he would, because the only place where he could get service on the company would be in Chicago, where the product was manufactured.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from New York?

Mr. WHEELER. Yes.

Mr. COPELAND. I do not think the Senator from Montana has been quite responsive either to the Senator from Michigan or to the Senator from Rhode Island. The distinction between the Food and Drug Act and this measure lies in the fact that the Food and Drug Act as it was passed through the Senate has to do wholly with the matter of health. If a concern is putting out a harmful product, or making fraudulent claims for it, and that product is sold in interstate commerce, the false advertiser may be proceeded against because of the fraudulent claims. This bill goes further than the Food and Drug Act, however, as I understand, because this bill deals with the economic problems involved in the distribution, we will say, of medicines and foods. The reason why the Senate smote the original food and drug bill hip and thigh—when it was called the "Tugwell bill"—was because the bill attempted to deal with economic problems as well as health problems.

Anything that was grossly deceptive carried on the wrapper of the package, or in the making of the bottle, to make it appear that it contained two ounces of an extract instead of one ounce—all those problems were dealt with in the original Food and Drugs Act. But as we passed it, we confined it strictly to those things having to do with public health, and we hardly touched the economic problems.

Mr. GERRY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. GERRY. We have been talking about the Food and Drugs Act, and it has been said that it is not workable in relation to some of these unfair practices. It seems to me that if that be the fact, the thing to do is to amend that act, and not amend the Federal Trade Commission Act. That is the way it appears to me from my first reading of the bill.

Mr. WHEELER. Mr. President, the Food and Drugs Act, as the Senator from New York [Mr. COPELAND] has pointed out, merely applies to food and drugs. This bill may apply not only to food and drugs but it may apply, as the Federal Trade Commission law always has applied, to various other things besides food and drugs.

Mr. COPELAND. Textiles, for instance.

Mr. WHEELER. Yes; to textiles and to other things—to most phases of business and industrial life.

Mr. GERRY. I understand that. The Senator is using the Food and Drugs Act as an example?

Mr. WHEELER. Exactly.

Mr. GERRY. What I had in mind, and what I should like to ask, is this: Under the pending bill it would not be necessary to prove damages. Is not that the difference between this amendment and the law, that the Commission would not have to prove there was any damage to anyone in order to start an investigation?

Mr. WHEELER. That is true; except damage to the general public.

Mr. GERRY. I am merely seeking information in my questions. Does not that have this effect: When it is not necessary to prove any damage, the field is left very wide open to any official in the Federal Trade Commission who has charge of a certain section to start an investigation, possibly without very much warrant, because he does not have to prove any damages, and we would be enlarging the field tremendously, would we not?

Mr. WHEELER. I do not think so.

Mr. GERRY. What I have stated might lead to abuses, might it not?

Mr. WHEELER. I do not think there is the slightest ground for fear of that at all. We are supposed to legislate in the public interest and, after all, the courts are the final arbiters. If the Commission issues a cease-and-desist order, they do not fix any penalty, they do not put one in jail, they do not fine a man, they simply say to him, "Stop this particular practice", or "Stop this kind of advertising of these goods." If the party does not think the Federal Trade Commission has done the right thing, he may appeal to the Federal court in his particular district, and the Federal court can pass on the validity of the order, both as to questions of fact and as to questions of law.

Mr. GERRY. Mr. President, may I ask a further question?

Mr. WHEELER. I yield.

Mr. GERRY. Would the Federal courts have to take the findings of fact of the Federal Trade Commission?

Mr. WHEELER. No; they do not have to take the findings of fact of the Federal Trade Commission if they feel that they are not substantially supported by evidence. The bill specifically leaves it up to the court to make findings as to the law. As a matter of fact, I have felt that when the Commission finds facts, the courts should not have the right to overturn the Commission's findings, but shall pass upon the law only. However, as the bill is now drawn, it provides that the court shall pass both upon the law and also shall determine whether the evidence supporting the findings of the Commission is "substantial."

Where the Commission makes findings of fact, the findings must be supported by substantial evidence or they will not be sustained by the courts.

Let me point out the difference between what is done in this country and what is done in England. We hear so many people claim that Great Britain deals much more fairly with the subjects of Great Britain than we deal with our citizens. A case was recently brought to my attention involving unfair and deceptive practices in England. They did not slap the accused on the wrist and say, "Cease and desist from this practice." They sent the accused to jail for a couple of years.

Some of the newspapermen have been afraid this measure might injuriously affect them. Not a single change is proposed in the present law affecting newspapers. If an advertisement appears in a paper which leads to complaint, the Federal Trade Commission calls in the officials of the paper and says to them, "Will you sign a stipulation that in the event the Federal Trade Commission finds this practice to be an unfair practice, or finds the advertisement complained of a misleading advertisement, you will stop it?"

I think in every instance the newspapers of the country have cooperated with the Federal Trade Commission, have signed stipulations, and have agreed to abide by the official decisions of the Federal Trade Commission.

Mr. Elisha Hanson appeared before the committee protesting against the bill, but most of his protests were not against the proposed amendment of the law. What he complained about was in the original law. The Senator from Delaware [Mr. HASTINGS] asked him if he would draw an amendment embodying his views. He said he would, but he has not brought the amendment in, for the reason, I believe, that he must have discovered that he was complaining about something in the present law and that he had been mistaken.

Likewise, one of the leading journalists of the country sent out broadcast a statement, which was published all over the country, condemning the bill. I called him on the telephone and said to him, "What you are complaining about is in the law at the present time, and not what is in the proposed amendment of the law." He did not distinguish between what was in the present law and what was in the proposed amendment. As a result of the article sent out broadcast all over this country, a lot of people got the idea that this bill was proposing something new.

I hold in my hand a letter which is typical of many letters which have been received. It is from the National Association of Retail Meat Dealers, dated at Chicago, Ill. The writer says:

DEAR SENATOR WHEELER: I would appreciate very much receiving a copy of S. B. 3744.

He wrote this letter because he had received the propaganda to which I have referred. He represents the National Association of Retail Meat Dealers, and he thought the bill would have an effect which it really would not have. He said:

Permit me to congratulate you in behalf of this organization in your efforts to strengthen the power of the Federal Trade Commission to investigate unfair and deceptive practices as they relate to the consumer. Unfortunately heretofore the unfairness related to competitors, but you know as well as I do that it is the consumer who pays the bills and should receive first consideration, and any legislation which does not take into consideration the consumer or general public is of little value to the future posterity of our Nation.

With cordial greetings.

Yours very truly, JOHN A. KOTAL, *Secretary*.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. COPELAND. I remember that years ago, when I was a medical student doing graduate work in Germany, I used to see the sign, "Das beste in der Welt", "The best in the world." Suppose a manufacturer of rayon in Cleveland, Ohio, should advertise, "My rayon is the best in the world. It is superior to any other rayon." What could the Federal Trade Commission do about that?

Mr. WHEELER. It could do nothing about it.

Mr. COPELAND. Why not?

Mr. WHEELER. If he said in his advertisement that it was the best in the world, and he was honestly of the opinion that it was the best in the world, the Federal Trade Commission could ordinarily not do anything about it, because it would be difficult for the Commission to convince the Supreme Court that "seller's puff" was an unfair practice. The object of the proposed legislation is not to stop the issuing of exaggerated opinions with reference to one's own articles.

Mr. COPELAND. The Senator means "trade puffing"?

Mr. WHEELER. Yes; trade puffing. What the Commission has tried to do is to stop the issuing of a definite statement with reference to a fact which was not true. There is a vast difference between a statement of a concrete fact with reference to some article and the mere puffing of one's own goods.

Mr. COPELAND. There may be, but I fail to see it.

Mr. WHEELER. The law recognizes a vast difference. In my experience in dealing with prosecutions of the use of the mails to defraud, I have found that a man will, for instance, say, "I have the best automobile in the world," or "I have the best something else in the world, and I expect it will do this and that." We could not prosecute him for using the mail to defraud for such a statement as that. But if one went out and misrepresented, made an actual misstatement as to a definite, positive fact, knowing that the statement was incorrect, then we could prosecute him for fraud.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. ROBINSON. As I understand the Senator, he suggests there is quite a distinction between the assertion of an alleged fact where differences of opinion may arise and a misrepresentation of facts that are calculated to mislead the uninformed.

Mr. WHEELER. Yes, Mr. President. I thank the Senator for that statement.

Mr. ROBINSON. For instance, if an automobile manufacturer said, "This car is capable of being operated at 225 miles per hour", that would be a statement of fact which could be demonstrated as to its truthfulness or untruthfulness.

Mr. WHEELER. That is true.

Mr. ROBINSON. However, if the automobile manufacturer said, "This is the best automobile at the price for which it is sold", there would be undoubtedly many differences of opinion about it, but it would hardly be calculated to impose upon the public and would perhaps not be such an instance as one in which the Federal Trade Commission would proceed.

Mr. WHEELER. That is correct.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Montana yield to the Senator from New York?

Mr. WHEELER. I yield.

Mr. COPELAND. I should think that if the advertiser of the automobile said, "This is the best automobile sold at the price", he would come directly under the bill, because all his competitors who dealt in automobiles selling at a similar price could say, "That is unfair competition."

Mr. WHEELER. Let me say to the Senator that the courts have recognized the difference between simply puffing one's own product in a general statement by saying, for example, "It is the best car manufactured", and misrepresenting a definite fact with reference to the product. If an automobile manufacturer said, "This automobile has a self-starter on it", when as a matter of fact the automobile did not have a self-starter on it, that statement would be a definite, positive misrepresentation of a provable fact. However, if the manufacturer said, "My car is the best car on the market for the money", there would be a vast difference of opinion in the general public's mind as to whether it was or not, and a great many persons might say it was the best, whereas a great many persons might say it was not. It would be a very difficult thing to prove that the car was not just what the manufacturer said it was. Those are things which are generally recognized by the courts as not capable of being reached by any law.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. COPELAND. It would seem to me that the burden of proof is on the Senator in charge of the bill to show why and how the proposed change in the law is going to be of benefit to the public. I am interested in it if it is going to do away with fraudulent and deceptive practices. However, every time we have used an illustration here, the Senator from Montana has said, "No; that case would not come under the bill, because that is 'trade puffing', or it is this, or it is that." Let us now hear exactly how the public would benefit under the proposed law.

Mr. NORRIS. Mr. President, before the Senator answers that question, will he yield?

Mr. WHEELER. I yield.

Mr. NORRIS. I am greatly interested in the questions which have been propounded by the Senator from New York. At first blush they seem to have merit.

Let us take the illustration the Senator has used, of an advertiser saying, "My automobile is the best automobile in the world." The Senator from New York thinks such a statement would clearly bring the automobile manufacturer under

the provisions of the bill. From the viewpoint which the Senator from Montana has been trying to give us, which is a legal viewpoint, it is clear that while such a statement, if it could be disproved, might be a technical violation of the law, yet as a lawyer the Senator from Montana knows that if he were called upon to prosecute a case of that kind he would not commence the action, because of his knowledge of the practical difficulty which would confront him in convicting the defendant and proving that his statement was not true. As a lawyer he knows that one manufacturer could get an unlimited number of witnesses to testify that in their opinion the automobile was not the best car, and probably an unlimited number of witnesses could be obtained who would testify that it was the best car in the world. The result would be that the lawyer never would be able to obtain a conviction under the law.

So I think the statement of the Senator from Montana should be somewhat modified, and it should be agreed that technically the proposition laid down by the Senator from New York may be right. As a practical proposition, however, it is of no consequence, because any man of experience knows that he never could obtain the enforcement of a cease-and-desist order, nor the imposition of a penalty for the making of such a statement as we have been discussing.

Mr. WHEELER. I thank the Senator.

Mr. COPELAND. That is exactly why I am asking these questions, Mr. President. It was my duty for a great many years as commissioner of health in New York to enforce the food and drug law, and I know how extremely difficult it is to sustain such charges of violation in court. I have always believed in the Federal Trade Commission's activity, because there are so many trade practices which are wrong. Many honest concerns have been hurt by unfair competition. However, the new thought in the bill that worries me is just how far the Federal Trade Commission can go on its own initiative in the public interest in dealing with problems which have to do with methods of deception. That is the thing which worries me.

Mr. WHEELER. Mr. President, Judge Davis, whom the Senator knows very well——

Mr. COPELAND. And admires.

Mr. WHEELER. And admires and respects, I am sure—testified before the committee. I introduced the bill at the request of the Federal Trade Commission. Commissioners Davis and Freer appeared before the committee and testified in respect to it, and Commissioner Ferguson wrote a letter concerning it. They said that in most cases which came before the Federal Trade Commission, if they spent enough money and did enough research work, they probably could show that someone had actually been injured.

They said, however, the difficulty was that the Commission spent most of its time and most of the money allotted to it by the Congress, in running down the question of whether or not one man has lost some money by reason of unfair trade practices on the part of another. After all, Congress is not interested in whether John Smith lost some money as the result of the advertising complained of, but the question is whether or not the general public has been deceived or injured by reason of it. We are here to legislate with respect to that question.

The main thing the bill seeks to do is to remedy that situation. I do not believe it should be necessary for the Federal Trade Commission to spend thousands of the few dollars which are appropriated to them in running down a case in order to show that because of certain trade practices on the part of one person, a competitor has lost a few cents. The amount involved does not need to be large in order to establish a case. However, the object of the bill is to obviate the necessity of spending thousands of dollars of Government money in running down a case to see whether or not injury has been done.

I wish to read from the case of *Federal Trade Commission* v. *Raladam Co.* (283 U. S. 645):

> Among the ingredients is "desiccated thyroid", which, it is alleged, cannot be prescribed to act with reasonable uniformity on the bodies of all users, or without impairing the health of a substantial portion of them, etc., or with safety, without previous consultation with, and continuing observation and advice of, a competent medical adviser. The complaint further avers that many persons are seeking obesity remedies, and respondent's advertisements are calculated to mislead and deceive the purchasing public into the belief that the preparation is safe, effective, dependable, and without danger of harmful results.

In that case, the court held that notwithstanding the fact that the product was injurious to the general public, and notwithstanding the fact that the advertisements were misleading, the Federal Trade Commission's order was wrong, because it did not show that someone else engaged in selling that particular kind of thing was injured in dollars and cents.

A few years ago, as the Senator from New York well knows, advertisements appeared all over the country with respect to a preparation called "ginger jake", and thousands of people were affected as the result of its use.

If the Federal Trade Commission had taken action to stop the advertisement and sale of this preparation, the Commission would have had to show not only that the preparation which was advertised in newspapers was dangerous to health, but that somebody else who was engaged in a similar business was injured by reason of the advertisement and sale of the preparation in question. There might not be anyone else who was actually engaged in that business. The Commission then would have to show that the sales of someone selling some other kind of preparation, such as Coca-Cola, had been diminished by reason of the fact that "ginger jake" was sold.

I am at a loss to understand how anyone can seriously object to the bill. Its purpose is merely to remedy a situation which the Federal Trade Commission, over a long period of years, has found to have resulted in great expense to the Government, and which is really against the public interest.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. COPELAND. So far as "ginger jake" and other products which fall under the heading of foods and drugs are concerned, if we shall finally pass a food and drug bill such products will be taken care of. However, in the economic world and in the industrial world, outside of foods and drugs, there are many deceptive practices. I have no question about that. But for myself, I want to be sure that this bill really gives the power to the Federal Trade Commission to deal on its own initiative with these deceptions, these fraudulent claims.

As the law is now, it is the damaged competitor who calls the attention of the Federal Trade Commission to the practice complained of by him. There are, however, a great many acts which are so universal in their effect that they do not strike directly at a competitor, and, therefore, there is not any stimulation of a possible competitor to ask the Federal Trade Commission to proceed. So I should like to be assured—and I presume I am stupid or I would have been assured ere this in the debate—that there is power on the part of the Commission to go out into the field of fraud and deception and bring to book the scoundrels who are seeking to deceive and rob the American people.

In the next place, one of the great faults of the Federal Trade Commission law, as I have seen it in operation, has been the possibility of delay in securing effective action. The procedure has been something like this: A competitor says, "I am being damaged by the advertising of the claims of a certain corporation", and then the Federal Trade Commission serves notice on the offending company, and says, "You must show cause why you should not be proceeded against." By one method or another, by resort to legal measures and technicalities in one case that I know of, there was a delay from 1922—I think that was the year; I will not be exact as to the dates, although I used this illustration last year in connection with the food and drugs bill—until 1934, when the final order to cease and desist was issued.

Has the legal procedure been simplified? Is there going to be some more definite method of taking the one charged

with fraud or deception by the back of the neck and saying, "You cannot do this any more"?

Mr. WHEELER. I was going to say to the Senator that I agree with him thoroughly; in many instances in the proceedings under the Federal Trade Commission the delay has been very great, and one of the reasons for it has been just the condition that I have been talking about. The delay will be removed if the Commission may, when it is shown that a certain practice is against the public interest, thereupon issue a cease-and-desist order; but the Commission has said, Judge Davis has said, the reason why delay and expense have been caused has been that the Commission has had to go out and work for long periods in an effort to secure evidence to show that some competitor was injured. This bill seeks to render that unnecessary.

Again let me say to the Senator from New York—and I am very thankful to him for his suggestion—that another thing the bill seeks to do is to apply the law both to persons and partnerships the same as it applies to corporations. It was generally agreed by the United States Chamber of Commerce and everybody else that that ought to be done.

Furthermore, heretofore when the Commission has issued a cease-and-desist order, the organization against whom it was issued would go along perhaps for 5 or 10 years, and the respondent might cease and desist for a while, and then might start up and resort to the same practice again, and for an indefinite period of time it was not necessary to take the matter to court to get a final determination. This bill seeks to make it necessary for him, if he is dissatisfied with the ruling of the Commission, to appeal to the court within a period of 60 days' time. Previously he has had unlimited time. He could let the matter run along for years and years, and finally, if he wanted to do so, he could take it to the circuit court of appeals. This bill definitely limits the time. Under the stockyards act it was limited to 60 days' time, I think, and under the Interstate Commerce Commission if parties are dissatisfied they have to take the case to the courts within a limited time. We put a provision into the pending bill limiting the time within which the case may be reviewed by the court to 60 days.

Mr. NORRIS. Mr. President, will the Senator yield there?

Mr. WHEELER. I yield.

Mr. NORRIS. I should like to suggest to the Senator from New York, in answer to his question as to a delay, that I think there will be delay under the amended bill, if it shall be enacted. I do not know how we can avoid some, perhaps, unreasonable delays in some cases. One of the reasons is the nature of the procedure in our courts, but that there will be less delay than heretofore it seems to me is perfectly apparent, because, if this bill shall be enacted into law, the Commission will not be required to go out and hunt evidence of damages that have been sustained by some individual, which as is apparent, is sometimes a very difficult thing to do and something which takes much time. Under the pending bill such procedure will be unnecessary, and, of course, it will lessen the time taken by the Commission by elimination of that necessity.

Mr. COPELAND. Mr. President, I thank the Senator from Nebraska. He always does much to illuminate my dull brain. But I want the Senator in charge of the bill to know that I am not asking these questions with a view to delaying action upon it. I am heartily in favor of giving to the Federal Trade Commission all the power we properly can give them, power which, I am sure, they will not abuse. If they should abuse it, that would be frightful; but I am in favor of giving them the power to deal with these matters; and I think it is very wise that the Federal Trade Commission is going to be permitted to go outside the question of whether or not a given competitor is damaged, because, after all, the person we are thinking most about is not the owner of some commercial concern, but we are thinking about the American citizen. There is no doubt that the American housewife and the American house husband, if that is the correlative word, are being imposed upon by having forced into their possession flimsy, shoddy, unworthy stuff. If there is some way by law to prevent that sort of thing, I am for it.

I do not want to invade the factory or the business of an honest concern. As a matter of fact, in all these questions of regulation the honest concern is not the one whom we are seeking to reach; it is the hole-in-the-wall chap, the hidden manufacturer, who is placing upon the market articles that are not at all what they are represented to be.

So far as I am concerned, I am perfectly willing to vote for this bill, and I hope that it will improve conditions.

Mr. WHEELER. I thank the Senator.

Mr. COPELAND. Perhaps this is only the first bite of the cherry; in practice it may be found necessary to come here for further amendments; but I do want to say, in closing, just an additional word.

I have great respect for the Federal Trade Commission. Judge Davis has done a fine work there—and I only name him as representative of all the men making up the Commission. They have been striving for years to improve conditions, to protect the public against fraud, against imposition, to protect the pocketbooks of the American people against the encroachments and robbery of many who have sought to foist upon the public, commodities which ought not to be sold anywhere; certainly not unless they are sold for exactly what they are and not for the fine products which they are pretending to be.

So it is in that spirit that I have spoken about this bill, and I hope it may do all that its erstwhile author hopes that it may do.

Mr. WHEELER. Mr. President, let me say to the Senator that I do not think by any manner of means the bill goes as far as perhaps some of us would like to have it go, but I think it is a step in the right direction, to save the Government money, on the one hand, and to speed up the actions of the Federal Trade Commission, on the other.

One other thing that causes delay is that sometimes a company, after years of fighting the Federal Trade Commission, then goes into the Federal courts and further ties up the case. We have provided in this bill that the Federal court may require obedience to the order while appeal is pending, and thus prevent the delay the Senator has rightly condemned, protecting the public through protracted legal proceedings.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. WHEELER. Yes, sir.

Mr. BYRNES. On an entirely different question, I wish to ask the Senator for some information. Recently I was advised that, while unfair practices were alleged to exist in the insurance business, the matter was taken up with the Federal Trade Commission. In a letter signed by Mr. Horton, the chief examiner, the writer was advised that:

> Inasmuch as it would appear from the facts presented that the situation affects only the selling of insurance, the matter would not come within the jurisdiction of this Commission, as the courts have repeatedly held that the selling of insurance does not constitute commerce. The corrective power of the Commission extends only to the prevention of unfair methods of competition in commerce.

Does the Senator know the reasoning upon which that is based?

Mr. WHEELER. No; I do not. I am not familiar with that particular phase of it.

Mr. BYRNES. I can see no reason, from the thought I have always held as to the corrective powers of the Federal Trade Commission, why it should have been excluded. I have read the act within the last few minutes. I can find no language making an exception.

Would the Senator object to an amendment in order that he might take it to conference and give us time to investigate the matter? The amendment I would offer would simply extend the powers of section 5 as it is proposed to be amended in the pending bill, so it shall be deemed to include such unfair methods and practices by companies or associations, incorporated or unincorporated, engaged in the business of selling insurance.

Mr. WHEELER. I would have no objection to it. I am not at all familiar with that ruling of the Commission.

Mr. BYRNES. Nor am I familiar with it. The information contained in the letter was surprising to me. I can see no reason why insurance should be exempted from the act.

Mr. President, what is the parliamentary situation? Is there an amendment pending at this time?

The PRESIDING OFFICER. The bill is open to amendment.

Mr. BYRNES. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 9, after line 12, it is proposed to add a new paragraph, as follows:

> The powers vested in the Commission by this section shall be deemed to include such unfair methods and practices by companies or associations, incorporated or unincorporated, engaged in the business of selling insurance.

Mr. NORRIS. Mr. President, before the amendment is acted on I think we ought to have a little light thrown on it. I am speaking entirely without knowledge of the matter because I had never before thought of insurance in connection with the Federal Trade Commission. Is there not a question involved as to the constitutionality of our authorizing the Federal Trade Commission to investigate something which is not connected with commerce and which has been held not to be interstate commerce?

Mr. BYRNES. Under the definition of interstate commerce, certainly if it were held that under no circumstances could a contract of insurance be a matter of interstate commerce, it could not come within the jurisdiction of the Federal Trade Commission.

I have suggested to the Senator from Montana the reason for the introduction of the amendment and submitted my request that he take it to conference in order that we may have opportunity to investigate it. The information upon which it is offered was the statement I have just made that where facts were presented, which upon their face, if true, would seem to constitute unfair methods of competition in the filing of contracts of insurance, the Commission stated it could not make an investigation of such matters because under the act it did not have the power to do so.

Mr. WHEELER. I think the reason why they so held is that it was not interstate commerce and for that reason they could not make the investigation. The amendment would not bring it within the definition of interstate commerce if the parties involved are not dealing in interstate commerce.

Mr. BYRNES. If that is the thought upon which it is based, that under no circumstances could a contract between a citizen of Montana and a citizen of New York be considered interstate commerce, then it would not come within the definition of the interstate commerce section, which is the first section of the bill. That is the reason why I ask that it be taken to conference, because if that be the theory upon which the decision was based, the amendment can be eliminated.

Mr. WHEELER. Would not the Senator be willing to let the amendment be pending for a short time in order that I may get in touch with the Federal Trade Commission and find out concerning it?

Mr. BYRNES. May I say to the Senator from Montana that I tried to find out, and because I had not heard from the Commission I offered the amendment?

Mr. KING. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Utah?

Mr. BYRNES. Certainly.

Mr. KING. Is it not aimed at agents rather than at corporations, upon the theory that an agent puffing the wares of an insurance company which he represents says that the policy of his company has advantages which the policies of other insurance companies had not? It seems to me it is aimed at punishment of the agents.

Mr. BYRNES. Quite the contrary.

Mr. KING. It seems to me it would lead to controversy.

Mr. BYRNES. No; the purpose is quite the contrary. The statement of facts submitted to the Commission in the letter called to my attention was that credit companies are now taking the position that as to automobile insurance, for instance, contracts are entered into under which no credit can be extended to the owner of an automobile unless the owner of the automobile will agree to insure his automobile with a certain company. The effect of that combination on the part of a few companies is to put out of business all the other insurance agents.

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Kentucky?

Mr. BYRNES. Certainly.

Mr. LOGAN. The point that bothers me about the amendment offered by the Senator from South Carolina is that insurance companies are already covered by the act as it is written. If we can give power to the Federal Trade Commission over such companies, I ask the Senator if this language does not go as far as it can:

> The Commission is hereby empowered and directed to prevent persons, partnerships, or corporations, except banks, and common carriers subject to the acts to regulate commerce, from using unfair methods of competition in commerce and unfair or deceptive acts and practices in commerce.

There are only two exceptions: The first is banks, and the other is corporations regulated by the Interstate Commerce Commission. If it does not include insurance companies as written, I do not see how the amendment proposed by the Senator from South Carolina could be made to include them, because the language I have quoted includes everything except the two classes which are mentioned in the act.

Mr. BYRNES. It was always my thought that it would cover any case where there was unfair competition. The letter of the Commission was, therefore, a surprise to me. I inquired a few moments ago of a member of the Commission to ascertain the reason why the Commission took the position that under no circumstances could they have jurisdiction to make an investigation of any unfair practices and unfair methods of competition involving insurance contracts. I have not yet been advised. The member of the Commission could not tell me offhand about it and was going to inquire and advise me.

I offer the amendment merely because I do not want the bill to be passed without it. The Senator from Montana has asked that the amendment be permitted to lie on the table temporarily, which is entirely satisfactory to me. I expect momentarily to be advised upon what theory the statement of the Commission is based. I want to know that, just as the Senator from Kentucky does.

Mr. LOGAN. I have very high regard for the Federal Trade Commission and all its members, but it seems to me the letter from which the Senator read extracts is simply a mistake as to the power of the Commission. They have acted upon a wrong basis somewhere because insurance companies are covered.

Mr. BYRNES. The letter was signed by the chief examiner and not by a Commissioner.

Mr. WHEELER. My judgment is that it is probably because of the fact, since it was called to their attention, that they did not deem that it came within the purview of the act.

Mr. BYRNES. That would have been entirely understandable, but the statement was made in the letter that under some decision of the court the Commission had absolutely no jurisdiction over any matter affecting the selling of insurance.

Mr. WHEELER. I am having my secretary get in touch with the Federal Trade Commission at this moment, and hope to have the report from them very promptly.

Mr. WALSH. Mr. President, as I understand the amendment, it would introduce a new field of investigation for the

Federal Trade Commission. That being so, it is of the utmost importance that the Federal Trade Commission and the insurance companies be consulted. Certainly the subject matter does not pertain to the provisions of the pending bill or the previous power conferred upon the Federal Trade Commission. It is a new field, and I hope opportunity will be given both the Federal Trade Commission and the insurance companies to express their views.

Mr. WHEELER. Mr. President, may I say to the Senator from Massachusetts that my secretary has just informed me that in an old case of Paul against Virginia the Supreme Court of the United States held that insurance is not interstate commerce, and the letter was based upon that decision. Consequently, if that is so, then the amendment would not be effective at all and would have no weight. I should dislike very much to incorporate it in the bill at this time without very serious investigation of the matter.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. WHEELER. Yes.

Mr. WAGNER. Is there not also the added reason that I think in every State of the Union now insurance companies are under State regulation, so that their practices are under the supervision of some State agency?

Mr. WHEELER. That is my understanding. In my State they are very strictly regulated.

Mr. BYRNES. Mr. President, if the Senator says his opposition to the amendment is based upon the decision of the Supreme Court to which he has referred, I will withdraw the amendment. I have no desire to embarrass the Senator. I know he is particularly interested in the bill, and I myself have not had time to investigate the matter. I will do so, however.

Mr. WHEELER. I thank the Senator.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. WALSH. Has this measure the unanimous support of the Interstate Commerce Committee?

Mr. WHEELER. As reported out, there was no objection at all to the bill in the committee. One provision which was in the original print of the bill was eliminated from it by an amendment.

Mr. WALSH. I observe that there is one committee amendment striking out a provision which probably would be objectionable to a good many persons. As I understand the measure, it simply relates to difficulties and limitations and misunderstandings which the Commission has experienced during the years since the passage of the original act.

Mr. WHEELER. That is correct.

Mr. WALSH. The bill seeks to clarify the Commission's powers, and perhaps to make more effective its decisions, and to promote the administration of the law in a way which the Commission believes to be more in the public interest?

Mr. WHEELER. That is correct. In one instance the original act is amended in a particular as to which two courts have rendered conflicting decisions. One of the courts of the District of Columbia has rendered a decision one way, and one of the circuit courts of appeals has rendered a decision the other way. The bill simply tries to clear up that situation so that there may not be any question on that point. Then it deals with several other technical matters, largely matters of procedure.

Mr. WALSH. I suppose the bill was introduced at the request of the Commission?

Mr. WHEELER. It was introduced at the request of the Commission, and was presented to me as chairman of the Interstate Commerce Committee for introduction.

Mr. WALSH. It seems to me to be desirable legislation, from the study I have been able to make of the bill.

Mr. WHEELER. I thank the Senator.

Mr. WHITE. Mr. President, it has been suggested to me that as a member of the minority of the Committee on Interstate Commerce I ought to say a brief word about the bill. I do so, not in opposition to the proposed legislation but out of a desire to bring to the attention of the Senate some changes in the present law which I think give to the proposed legislation vastly greater importance than has been suggested by the Senator from Montana [Mr. WHEELER].

I have for the personnel of the Federal Trade Commission very profound respect. For Mr. Davis, to whom reference has heretofore been made, I have great admiration. I served with him in the House of Representatives for, I think, 12 years; and never have I known a public servant of greater industry and with higher ideals than Mr. Davis. I think, too, that the work of the Federal Trade Commission throughout the years has been salutary.

I suppose if I were to make a confession of political faith I should say that I am a rebel against government. I instinctively resist all of the purposes—and there are many of them in these days—to impress government more and more upon the individual and the business life of the Nation; but that seems to be the tendency of the times, and an individual is almost impotent before it.

I said I wished to call attention, and I shall do so in a rambling sort of way, to some of the amendments of the present law which give to the proposed legislation very real importance. I call attention to an amendment which is of some special concern, perhaps, to Massachusetts. That is the amendment appearing on page 2, in line 9, which enlarges the definition of a corporation so as to include within it what are known as Massachusetts trusts. I do not know just what is the legal set-up of these trusts, or what are their functions; but the pending bill in terms makes reference to them and includes them in the definition of a corporation.

Mr. WHEELER. Mr. President, let me call the Senator's attention to the fact that a Massachusetts trust is in the nature of a corporation. It is a device which is neither a corporation nor a person, but comes in between. Most certainly it should be included in the bill, because it is a device by which there are performed practically the same functions as those of a corporation; and there was no objection to that particular provision from the United States Chamber of Commerce.

Mr. WHITE. I have no objection to the provision, either. As a matter of fact, whatever its precise nature is, I agree that the Massachusetts trust ought to be brought within the terms of the bill. I mentioned the matter only because I thought it would have some special interest for the Massachusetts Members.

Mr. O'MAHONEY. Mr. President, I desire to say that the term "Massachusetts trust" has no geographical signification at all. Such trusts are created throughout the country to operate without the restrictions of the ordinary corporation law.

Mr. WHITE. Another amendment, appearing on page 2, enlarges the definition of documentary evidence so as to include books of account and financial and corporate records. Under section 9 of the Federal Trade Commission Act, as proposed to be amended, all these documents and papers and correspondence and books of account may be examined for the purposes of the act. The purposes of the act include the investigation of persons as well as corporations. So I think, following the matter through, this amendment carries with it something of real importance, because I think it really gives, as section 9, of the original act does not now give, authority to examine the papers of an individual as well as those of a corporation. I do not complain as to this, but I do not think it is of enough consequence to note as we pass along.

Mr. WHEELER. Mr. President, let me interrupt the Senator long enough to say that the reason why that amendment appears in the bill is because the matter has never gone to the courts to determine whether or not the term "documentary evidence" includes books of account. The Interstate Commerce Act contains this specific language, and there has never been any particular controversy about it; but some lawyers have made the claim that books of account are not included in the words "documentary evidence." I think they are wrong about it, but the amendment is just to clear up any question about the matter.

With reference to persons being included here as well as corporations, as a matter of fact, if I correctly recall the testimony of the president of the United States Chamber of Commerce, I asked him whether he did not believe persons should be included, and he stated that he did; and quite clearly they should be included, because if a person is doing the things complained of in the bill, he should be subjected to the same laws as corporations.

Mr. WHITE. I repeat that I do not have any objection to the provision. I call attention to it only because I think it is a matter of some importance, and the chairman of the committee in his statement—I know in the interest of time—did not call it to the attention of the Senate.

The third matter to which I call the attention of the Senate is the amendment found on page 3, including the words "unfair or deceptive acts and practices in commerce."

Mr. President, that provision very much extends the scope of our present law. Under existing law, the Commission has no jurisdiction if the offender has no competitor, but enjoys a monopoly, or if all competitors are equally guilty.

This amendment creates an offense, even though no competitor is involved. The Federal Trade Commission, under the amendment, is no longer to be primarily concerned with insuring to all persons fair methods of competition under which they must conduct their business, but it is to have a general responsibility to all persons, an obligation, to see that no person is the victim of an unfair or deceptive act or practice in commerce.

I think one must voice his disapproval of unfair and deceptive practices and acts precisely as he would voice his disapproval of sin, for instance, but I should be very much more comfortable if I knew just what acts or practices we are making unlawful and I rather believe the citizen of the country would feel more comfortable in his mind if he knew for what acts and for what practices he might be haled before the Commission.

Something of this infirmity—and I regard this indefiniteness as an infirmity—could be cured if we deleted from the bill the reference to a deceptive act, and made unlawful only deceptive methods. A single act, not defined by the statute as unfair or deceptive, but deemed so by the Commission, is an unlawful act, however innocently committed. I would not object to making unlawful a course of conduct which might amount to a method of deception, but I shrink from a statutory provision which leaves to a commission the right to find unlawful that which in the statute is not defined as unlawful, and for the determination of which there is no real guide in the statute itself.

Another significant change appears in line 9 on page 5 of the bill. Under the existing law the Commission may apply to a court for the enforcement of its orders when there has been failure or neglect to obey an order. By this amendment the Commission may bring a person into court because of an anticipated disregard of an order. That is something entirely new, so far as I know. Certainly it is new so far as the Federal Trade Commission Act goes.

Mr. WHEELER. Mr. President, let me call the attention of the Senator to the fact that when one goes into a Federal or State court to get an injunction, he takes that action if a person is threatening to do something. This amendment would merely give the Commission the power to go into court after it has issued an order and say to the court, "These people are threatening to do this, or we believe they are." Then the court passes upon the question. This merely gives the Commission the right to go to court. I do not see that there can be very much objection to it.

Mr. WHITE. It does not say anything about threatening to do something. It says that the Commission may go into court when a person intends or is about to do something. In other words, it shifts the present practice around completely. Under the present practice a person can be haled into court when an order of the Commission has been disobeyed, or when there is a failure to obey an order of the Commission. There must be an existing and known default on the part of someone before the Commission may bring that person into court. But under this provision a person may be brought into court because, as I have said, the Commission anticipates that something is to happen in the future. Of course, I know something about the injunctive theory and the injunctive process, but I am not persuaded that this change is either necessary or desirable.

Mr. WHEELER. Let me explain just why this provision is offered. As I said to the Senator awhile ago, the courts of the District of Columbia have held that under the present law the Federal Trade Commission would have to establish, first, a violation of its order, and, second, the fact that the order was valid. This measure proposes to allow them to go into court and have the court first determine that the Commission's order is valid, and then that there is a violation.

The Federal courts in New York have held just the opposite of what has been held in this District. The only purpose of this provision is to make the law uniform, and the Commission feels that the ruling of the Federal court in New York is much fairer and much better than the ruling of the court in this District, and this provision merely adopts the procedure of the courts of New York.

Mr. WHITE. I understand what the situation is, but, unfortunately for me, perhaps, I like the present practice better than I do the proposed practice.

Mr. WHEELER. The present practice in one court is one thing and in another court it is another thing. This is simply an attempt to make it uniform, so that when the Commission goes into court, it will ask that its order be upheld as valid, in the event it believes there is about to be a violation of the order.

Mr. SCHWELLENBACH. Mr. President, will the Senator from Maine yield to me on a question of personal privilege?

Mr. WHITE. Mr. President, I do not wish to be discourteous to the Senator, but from my observation, when questions of personal privilege are raised, they sometimes lead to discussion. I will conclude in 10 minutes, perhaps sooner than that.

Mr. SCHWELLENBACH. Very well.

Mr. WHITE. On page 6 of the bill there is a change from the present law which has attracted my attention. The language I have in mind is as follows:

> The findings of the Commission as to the facts, if supported by evidence, shall be conclusive.

The only change from present law in that is that in the present law the word "testimony" appears, and the word "evidence" is substituted in the pending bill. I think that is done because usually testimony refers to oral evidence, and the word "evidence" is a much more comprehensive term. It is not very important, but the purpose and effect is to make it even more certain than under the present law that the facts found by the Commission upon any sort of evidence shall bind the courts.

This is one of the practices under which I am getting somewhat restive, undertaking to give to these various bodies which are set up by the Congress a power which is really in derogation of what I think is the proper authority and function of the courts. We are giving to these various commissions the right to determine absolutely all matters of fact, and there is an effort to keep away from the courts of the land the opportunity either to hear evidence or to pass upon or to review matters of facts. I simply desire to voice my general dissent to that tendency.

On page 9 there is an amendment which would seem to be trivial, and yet to me it is a further encroachment upon the dignity and of the rights of the citizen. Provision is made on page 9 in line 6 that service may be made by mail at the residence of a person or a corporation. That, to me, simply injects further uncertainty as to whether or not a person has had proper notice of a proceeding against him. It simply minimizes a bit more, as I have said, the right of the citizen, and makes him a little more subject all the time to the power of government and the power of the agencies of government which we are constantly setting up.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. WHEELER. I expressly asked the Chairman of the Federal Trade Commission why the Commission wanted that provision in the bill. The chairman said that at the present time they serve their notices by mail, and he said that, as a matter of fact, it is much more effective to serve notices by mail than to make personal service. In many instances the persons served have no pleace of business such as defined by the courts. The provision to which the Senator refers really is not an important amendment in any way, shape, or form. If there is serious objection to it, I do not object to eliminating it.

Mr. WHITE. I agree with the Senator that it is not tremendously important. It is just one of those provisions which makes it a little easier for the Government and a little harder for the citizen, against which I am protesting rather generally.

Mr. WHEELER. Mr. President, as a matter of fact, the provision in question makes it easier for the citizen. At least, that is the interpretation put upon it by the Federal Trade Commission. It makes it easier for the citizen, and gives him more protection.

Mr. WHITE. I cannot agree with that statement.

I desire to comment on the change made on page 9, line 16.

Mr. WHEELER. Let me call to the Senator's attention another fact with reference to what he has just mentioned. At the present time the Commission feels that it would be very helpful to the Commission to make provision for service at the residence of the person, because then the Commission could serve him at his place of residence rather than at his place of business. He may have a place of business outside his home State; and if he has he would have to be served at his place of business and would have to go to another State for hearing of the case, whereas is he were served at his residence he could have the proceeding in the court in the district where he lives, which, as a matter of fact, is more beneficial to the person involved than otherwise.

Mr. WHITE. Mr. President, on page 9, line 16, I call attention to the fact that there we find an amendment to the present law. Under the present law the Commission itself has the power to initiate investigations. Under the proposed amendment we are providing that the Commission may do it or shall do it. I am not sure whether it is "may" or "shall." I think there is much doubt about it. However, assuming that it is "shall", then we are placing on the Commission the burden of investigating either upon the direction of the President or upon request or direction of either House of the Congress. If I could have my way about it I should leave the responsibility for investigations solely upon the Federal Trade Commission, and I would not make the Federal Trade Commission the instrumentality of investigations at the direction of either the President or of either House of Congress. I would have the Federal Trade Commission act from its own sense of responsibility and from its own knowledge of facts and conditions as they exist in any line of commerce. I do not like to see either House of Congress nor do I not like to see the President, through enlarged powers, given the opportunity to initiate harassments of individuals. I personally should like to see the law remain precisely as it is in that regard.

Mr. KING. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. KING. I invite attention to page 10, beginning in line 1, the following language:

> (b) To require, by general or special orders, persons, partnerships, or corporations engaged in commerce, excepting banks, and common carriers subject to the act to regulate commerce, or any class of them, or any of them, respectively, to file with the Commission in such form as the Commission may prescribe annual or special, or both annual and special, reports or answers in writing to specific questions—

And so forth. I should like to ask the Senator whether he subscribes to the wisdom of enacting legislation of that kind, and also whether or not the present law is as comprehensive as the section to which I have just called attention.

Mr. WHITE. I think the language which the Senator has quoted makes no change in the present law except—and I was about to refer to the change. Under the provision with respect to investigations there has been another change of significance. Under the existing law the power to investigate is limited to the power to investigate corporations. In the pending bill it is proposed to enlarge that power, giving the Federal Trade Commission the right, either upon its own initiative, or upon the direction of the President, or at the request of either House of Congress, to investigate not only corporations but persons as well.

Mr. WHEELER. I desire to call the Senator's attention, however, to the fact that it is business conduct, not individual conduct, which is involved. Every member of the committee and every person who came before the committee said, "We are talking not about the individual's private life but about his business conduct.

The Senator will notice that there was written into the bill authority—

> To investigate from time to time the organization, business conduct, business practices, and business management of any person, partnership, or corporation. * * *

Everyone who testified before the committee stated that if the Federal Trade Commission had the power to make investigation with reference to a corporation, it should, of course, have the same power with reference to private persons who were doing the sort of thing which the bill seeks to prevent. It was contended that the Commission should have the same right with respect to persons as with respect to corporations.

Mr. WHITE. Mr. President, I desire to call attention to only one other matter. On page 12 of the bill, in section 9, we find what I think is a very substantial enlargement of present authority. The redraft of section 9 gives vastly greater rights of access to books and papers than the present law does. By the provisions of the pending bill records of the individual citizen as well as of the corporation may be examined almost at will. Heretofore this power of access to or of examination has been limited to the purposes of section 5 of the Federal Trade Commission Act, which made unlawful unfair methods of competition.

The Commission, by section 9 of the present law, could have access to the records of the corporation for the purpose of determining whether that corporation was engaged in unfair methods of competition, and I think that was the limit. I think we are now opening the doors very much wider.

Mr. President, I am not going to vote against this bill. I cannot quite bring myself to do that, but I desire to make it clear that I think in some of the particulars to which I have called attention we are going beyond the necessities of the case—going beyond what we probably should do.

BUREAU OF NAVIGATION AND STEAMBOAT INSPECTION

The PRESIDING OFFICER (Mr. MINTON in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 8599) to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board and increase efficiency in administration of the steamboat-inspection laws, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. COPELAND. I move that the Senate insist on its amendments, agree to the conference asked by the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. COPELAND, Mr. FLETCHER, Mr. SHEPPARD, Mr. JOHNSON, and Mr. WHITE conferees on the part of the Senate.

COMPENSATION OF CERTAIN RAILWAY-MAIL EMPLOYEES

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 10267) to provide for adjusting the compensation of division superintendents, assistant division superintendents, assistant superintendents at large, assistant superintendent in charge of car construction, chief clerks, assistant chief clerks, and clerks

in charge of sections in offices of division superintendents in the Railway Mail Service, to correspond to the rates established by the Classification Act of 1923, as amended, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McKELLAR. I move that the Senate insist on its amendment, agree to the conference asked by the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McKELLAR, Mr. HAYDEN, and Mr. FRAZIER conferees on the part of the Senate.

MR. AND MRS. BRUCE LEE

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 3952) for the relief of Mr. and Mrs. Bruce Lee and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. TOWNSEND. I move that the Senate insist on its amendment, agree to the conference asked by the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BAILEY, Mr. BURKE, and Mr. TOWNSEND conferees on the part of the Senate.

PERSONAL EXPLANATION

Mr. SCHWELLENBACH. Mr. President, I desire to say that in this morning's edition of the Washington Herald, which, as the Members of the Senate know, is the Hearst newspaper in this city, there appeared a rather lengthy article in which some very lurid charges were made against me personally by that newspaper, setting forth the claim that I had maintained myself in the past as a juggler of stocks.

I wish to say, Mr. President, I fully realized a month ago when I addressed the Senate upon the question of Mr. William Randolph Hearst that I was subjecting myself to reprisals such as the article which appeared in this morning's paper. Knowing Mr. Hearst and his methods and his tactics, I fully anticipated that the reprisals would be of the nature of the article appearing in this morning's newspaper.

Mr. Hearst's reputation and the reputation of his newspapers as having no regard for the truth certainly was known to me, and I anticipated that in the attack that would be made upon me no effort would be made to stick to the truth. I further was not surprised at the article, because of the fact that I have known for the last 3 weeks that there have been sent into the State of Washington from California three investigators who have been detailed to the task of attempting to get information about me from which newspaper articles could be printed, and that the star political reporter of the Seattle Post-Intelligencer has been assigned to the one task of writing articles by way of an attack upon me.

If this article was the only one that was to be printed, I would not take the time of the Senate to discuss it. It happens, however, that it is only the opening article of a series, and I wish to assure the Members of the Senate that they will, from day to day, read articles in the Hearst newspapers—they are being printed in various parts of the country, in all Hearst newspapers throughout the country—attacking me and making charges against me. Probably, if it were not for the fact that I am a new Member of this body, and that I want the membership of the body to have a little better acquaintance with the facts, I would not take the trouble to discuss the article. I wish to assure Members of the Senate that the things that are contained in this article and the charges that will be contained in the other articles have all been matters of discussion in the city of Seattle and the State of Washington; and because of that fact, I first want, very briefly, to discuss the article appearing this morning.

It refers to a certain corporation with which I was connected. The corporation was organized in 1926. The name of the corporation was the Superior Service Laundries, Inc. I was the president of that company between 1926 and 1931, in which latter year I severed all connection with the company. The company was involved between 1927 and 1930 in a very considerable amount of litigation, and as a result of that litigation a man by the name of Vaughn Tanner, a former attorney general of the State of Washington, and a very reputable member of the bar of the State of Washington, was engaged by a group of security holders of that corporation to represent them.

Mr. Vaughn Tanner was and is the Pacific-Northwest representative of Mr. William Randolph Hearst. Mr. Vaughn Tanner is today and for many years has been the publisher of the Seattle Post-Intelligencer, which is the Seattle Hearst newspaper.

Mr. Tanner in 1932 was more familiar with the affairs of this corporation than was any other individual outside of the officers of the corporation. He was representing a group of security holders. He made a complete and full investigation of the affairs of that corporation, and during a period of time since that date had a man from his own office, an employee of his law office, as a member of the board of directors of that corporation. So Mr. Tanner in September 1932 knew more about the Superior Service Laundries, Inc., and its affairs than did any other man outside the corporation itself. At that time Mr. Tanner was the publisher and in active charge of the Seattle Post-Intelligencer.

In September 1932 I was a candidate for the office of Governor of the State of Washington in the Democratic primary. Mr. Tanner, as publisher of the Seattle Post-Intelligencer, printed in the Post-Intelligencer three editorials concerning me, which I now ask unanimous consent to have printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER (Mr. ADAMS in the chair). Without objection, the articles will be printed in the RECORD.

The editorials referred to are as follows:

[From the Seattle (Wash.) Post-Intelligencer, of Sept. 10, 1932]

SCHWELLENBACH HAS BEEN TRAINED IN LEADERSHIP

The greatest need of America in these critical times is leadership.

An erratic and petulant man cannot be a leader, because he cannot establish a direction for social and economic movements.

A reactionary man cannot be a leader, because he has to be dragged along by the people who are searching a way out of difficult situations.

Washington needs a Governor who is a natural leader, who has proved by his record that he possesses the qualities of leadership, and who knows and is courageous enough to tell in unequivocal terms where he wants to go.

LEWIS B. SCHWELLENBACH is such a man.

As soon as the World War released him to civil life he started a record of leadership which is not often equaled by a man his age.

He was chosen as one of the early commanders of Rainier-Noble Post of the American Legion, largest in the State. From this position he advanced to that of department commander of the Legion. During his incumbency his diplomacy, his common sense, his grasp of social problems and broad humanities enabled him to accomplish the seemingly impossible in closing and healing the breach between organized labor and organized veterans.

The full meaning of this will never be known, simply because the things which might have happened had the breach continued to widen were not permitted to happen, thanks to Commander SCHWELLENBACH'S leadership.

About this time Mr. SCHWELLENBACH allied himself with another broad civic movement when he worked with the municipal league in a program of governmental betterment.

Somewhat later, as president of the alumni association of the University of Washington, he again demonstrated his ability to direct important activities, this time in the interest of public education.

When the so-called McNear plan for refinancing Seattle's streetcar system was advanced, finally reaching the legislature, Mr. SCHWELLENBACH, sensing it as a piece of high-pressure legerdemain for further milking the city and the streetcar riders, led a fight against it with resource and determination, which accomplished its defeat.

He called the first State-wide power conference.

And so his busy life goes—busy in leading or working in the ranks of worth-while movements charged with a public nature; busier still, studying, delving, weighing facts, before setting his course.

In his fine record of disinterested public service he has never held a position carrying pay, and he has never before been a candidate for public office.

Mr. SCHWELLENBACH'S life has been a struggle upward, well calculated to develop those qualities which are invaluable in government. The progress of his career has been marked by working

and fighting. He has never side-stepped a job because it was tough. He has never remained on the side lines when a fight for the public good was being waged, even though the position of noncombatant might have left him with more friends.

This is the type of man those acquainted with LEWIS B. SCHWELLENBACH'S life and his public activities know him to be. It is the kind of man this State needs in the Governor's chair.

He is a candidate for that high position in the Democratic primary.

The Post-Intelligencer believes that a vote for him is a vote for enlightened, progressive, economical government at Olympia.

[From the Seattle (Wash.) Post-Intelligencer, Sept. 8, 1932]

SCHWELLENBACH WOULD MAKE A GOOD GOVERNOR

Strictly within the sphere of State politics, the most important job for the voters this year is choice of a Governor.

They should choose a new Governor.

For the last 8 years the present occupant of the office has demonstrated to them in every way the kind of Governor they do not want.

But an unusually large field of candidates in both major parties leaves them somewhat bewildered and in a state of indecision as to just who among the several contestants would most nearly measure up to the demands and responsibilities of the high office.

The Post-Intelligencer believes that LEWIS B. SCHWELLENBACH, candidate in the Democratic primary, is best fitted to succeed to the governorship of Washington.

He is young, able, courageous, dignified, well grounded in the science of government, and has made a deep study of this State's particular needs in the way of a better and more enlightened administration of public affairs.

He tells what he plans to do about reducing taxes, not in generalities, but in one, two, three, four, five order.

His personal platform is neither indecisive nor vague in a single particular.

His plans for attacking unemployment are as definite and understandable as his tax program.

He is a veteran of the World War, he recognizes the importance of veteran problems, made more acute by unemployment, and can be depended upon to work intelligently for immediate relief and ultimate constructive solution.

He also believes the State has power and the obligation to aid thousands of shareholders and depositors whose funds are frozen in closed financial institutions.

He is sympathetic to the principle of public power, and believes the State should use its utmost authority not only to husband the water-power resources of the State but to keep firmly under control all privately owned utilities serving the public.

Voters of Seattle who have not had the opportunity to hear Mr. SCHWELLENBACH discuss these issues and propose his plans to meet them will be given the opportunity at the Eagles' Auditorium tonight.

If elected, Mr. SCHWELLENBACH would restore dignity and intelligence to the office of Governor. He would break up the political machine which has fastened itself upon the State and which seeks to tighten its hold by returning its head to power.

The only hope for economical State government lies in setting up a new administration at Olympia.

The Post-Intelligencer believes that of all candidates LEWIS B. SCHWELLENBACH is best fitted to head such an administration. This newspaper also believes a careful study of his record and program will convince citizens of Washington that they should enter the Democratic primary next Tuesday, nominate him, and in November send him to the Governor's chair.

[From the Seattle (Wash.) Post-Intelligencer of Sept. 13, 1932]

SCHWELLENBACH CAN WIN IN NOVEMBER ELECTION

An unusually large vote is expected in the Democratic primaries today. This means that thousands of voters normally Republican are taking a hand in selection of candidates in a party to which they have habitually supplied the opposition.

Some of these are actuated by the strategy of picking the easiest Democrats for Republicans to beat in the finals.

Most of them, however, dissatisfied with Republican rule, will vote in the Democratic primaries for candidates whom they hope to nominate and expect to support in November.

They should, therefore, vote today for men who by their abilities and their records are most likely to be able to win in November.

This is particularly true in the race for Governor of Washington.

Among voters of both parties there is quite general agreement that the Republican incumbent has mismanaged State affairs; that he is erratic, ruled by whim, and has few qualities to recommend him even if his obvious weaknesses were left out of the unattractive picture he presents.

If, as seems likely to happen, he is nominated for reelection by the Republicans, what Democrat can beat him?

If he is defeated in his party's primary by the other principal Republican contender—who has little more in his favor than the present Governor—what Democrat could be relied upon with greatest expectation to defeat this contender?

In either case the answer is LEWIS B. SCHWELLENBACH.

Mr. SCHWELLENBACH is the best—probably the sole—hope for Democratic victory in the gubernatorial race. He has a record of leadership unsurpassed by any man in either party in the State.

He has definite plans for reorganizing the State government in the interest of greater efficiency, economy, and honesty.

He has advanced understandable and workable proposals for revising our taxation system, not only to reduce the over-all tax load but to establish the principles of equity in tax incidence.

He has announced a specific plan for ameliorating the hardships and vast economic loss of unemployment.

He has made public an equally specific legislative program for thawing out and making productive the frozen deposits of shareholders in closed financial institutions of the State.

Mr. SCHWELLENBACH is young, vigorous, forward looking—a thinking executive of established abilities and accomplishments.

He is a veteran of the World War, and as soon as service of his country in its armed forces was ended he entered the people's service in the battles of peace.

The list of causes in which he has been an outstanding leader includes every popular, progressive movement in which the State's people have had an interest in recent years—public power, public education, liberal legislation, labor, veterans' protection, and other activities.

Mr. SCHWELLENBACH has the personal force and character, the professional and educational qualifications, entitling him to first consideration among all candidates for the chief executive's chair in this State.

He should be nominated in the Democratic primaries today and elected in November.

Mr. SCHWELLENBACH. Mr. President, I think that the reading of these editorials very definitely will show the attitude of Mr. Hearst's representatives, who, as I say, knew more about the facts of this particular case than did anybody else.

All the questions raised in the present series of articles—there have been three of them in the Post-Intelligencer that I have seen so far—involve matters which were very definitely in issue in my campaign in 1934. My Republican opponent took advantage of the opportunity afforded him and made a series of charges against me. Those charges were submitted to me in the form of a questionnaire which was printed in 11 of the leading newspapers of the State in the form of an advertisement. The questionnaire asked me to answer the questions submitted. In order that the Members of the Senate may know that the charges which Mr. Hearst is making and will make during the next few weeks against me were matters which have been threshed out in the State of Washington, I desire to have printed in the RECORD an answer to the questionnaire which was printed not by me but by the editors of the 11 newspapers that printed the advertisements asking me the questions. Eleven different newspapers in the State of Washington apologized for having submitted the questions, and I ask unanimous consent to have printed in the RECORD the statement of the Tacoma Sunday Ledger for November 4, 1934.

The PRESIDING OFFICER. Without objection, the matter will be printed in the RECORD.

The matter referred to is as follows:

[From the Tacoma (Wash.) Ledger of Nov. 4, 1934]

ABOUT THAT QUESTIONNAIRE

This newspaper in its issue of Friday, November 2, accepted an advertisement submitting a series of questions to LEWIS B. SCHWELLENBACH, Democratic nominee for the United States Senate, involving his relations with certain corporations, namely, the Superior Service Laundries, Inc., Brotherhood Bank & Trust Co., and the Pilsener Brewing Co.

This advertisement purported to have been signed by stockholders' committees of the Superior Service Laundries, Inc., and the Pilsener Brewing Co.

We are advised by officers of Superior Service Laundries, Inc., that the company is in no way responsible for the advertisement or the questions therein contained, and that Mr. SCHWELLENBACH'S connection with the company was purely that of attorney, and that he was not responsible for the policies or the business affairs of the company. We are also advised by them that they know of no stockholders' committees among the stockholders of their company.

The paid advertisement was a political advertisement, and the Ledger has nothing to do with either the questions or the answers which might be made thereto.

Our readers must understand that with respect to the affairs of the companies, no inferences are to be drawn from the questions by reason of such paid advertisement.

The Superior Service Laundries, Inc., is actively engaged in business in Seattle, and while its stock may have suffered depreciation in value during the last few years in common with other securities, its stock is still of value and is actively traded through security channels. The company has always paid the interest on its bonds when due and has never operated at a loss.

With respect to the Pilsener Brewing Co., we are advised that this company has been reorganized with the approval of more than two-thirds of its stockholders and creditors and the judge of the Federal court. We are advised that it will be doing business in the near future and that 94 percent of the stock agreed to the reorganization plans. They also advise that they know of no stockholders' committee.

THE TACOMA LEDGER.

Mr. SCHWELLENBACH. I wish to say to the Members of the Senate that after these various charges had been submitted to the people of the State of Washington, in November 1934, the people of the State, by the largest percentage of total votes that any Democratic candidate for the United States Senate has ever received in the State of Washington, elected me to the United States Senate, and the various charges which Mr. Hearst is making today have all been presented to the people of the State of Washington and were the issue in my campaign in 1934.

PREVENTION OF UNFAIR PRACTICES AND MISLEADING ADVERTISING

The Senate resumed the consideration of the bill (S. 3744) to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes.

Mr. AUSTIN. Mr. President, referring to the enforcement clause of section 5 of Senate bill 3744, we find on page 6, lines 4, 5, and 6, the following:

The findings of the Commission as to the facts, if supported by evidence, shall be conclusive.

That phrase is repeated several times afterward in the bill. It presents a question with respect to a claim made by a person against whom the Federal Trade Commission seeks to enforce a cease-and-desist order in advance of any overt act, in advance of and without any damage to any competitor and solely upon the Commission's having reason to believe that such person "has failed or neglected to obey or intends or is about to disobey" the order.

The question that occurs to me is this: Assuming that the person against whom this enforcement through the court considers that obedience by him would mean the destruction of his property or his liberty; in other words, assuming that his claim is that by the order of the Commission his property has been confiscated, or that by the order the security of his house and his papers against unreasonable searches and seizures is being violated, or assuming that his reason for not obeying is, as he claims, that the order has been obtained without due process of law; in other words, assuming that there is a constitutional right of liberty or of property involved in the order of the Commission, the question is, Are the findings of the Federal Trade Commission final, or can the respondent or the defendant go into the courts and obtain that remedy which the Constitution vouchsafes to him by testing the acts of the Federal Trade Commission against these guaranties to the people and against these guaranties to persons by thoroughly investigating de novo the facts in spite of the findings of the Commission? I address that question to the sponsor of the bill.

Mr. WHEELER. Mr. President, I shall be glad to answer the question. Of course, we cannot by this proposed legislation provide that the findings of fact shall be conclusive upon the court so as to take away any constitutional right which any individual may have, either as to the law or as to the facts; it will be impossible for us to do it; I would not attempt to advocate that the constitutional rights of any citizen should be taken away in that respect; and there is not any attempt to do it by this bill, let me say to the Senator from Vermont.

Mr. AUSTIN. That does not quite answer directly the question whether——

Mr. WHEELER. Then, perhaps, I did not understand the question.

Mr. AUSTIN. That does not quite answer the question whether the sponsor of the bill regards the words "the findings of the Commission as to the facts, if supported by evidence, shall be conclusive", as binding the court in considering a constitutional question.

Mr. WHEELER. Of course not. They could not possibly do so.

Mr. AUSTIN. That is a direct answer, and one I am very happy to have in the RECORD.

Mr. WHEELER. In one case, let me say to the Senator, that has been called to my attention, the case of the Federal Trade Commission against Curtis Publishing Co., the Court, under similar language, looked into additional facts and circumstances in that particular case, and held that it had a right to do so.

Mr. AUSTIN. Without taking too much time I wish to make a brief reference to the treatment of that question by the Supreme Court in the stockyards case. The Stockyards Act of 1921 was not identical in language. With respect to evidence—and I am reading from section 202 (b) of the Stockyards Act, which can be found in Forty-second Statutes at page 161—it provided as follows:

(b) If, after such hearing, the Secretary finds that the packer has violated or is violating any provisions of this title covered by the charges, he shall make a report in writing in which he shall state his findings as to the facts, and shall issue and cause to be served on the packer an order requiring such packer to cease and desist from continuing such violation. The testimony taken at the hearing shall be reduced to writing and filed in the records of the Department of Agriculture.

Turning to subsection (d) of section 202 we find this language:

The evidence so taken or admitted, duly certified and filed as aforesaid as a part of the record, shall be considered by the court as the evidence in the case. The proceedings in such cases in the circuit court of appeals shall be made a preferred cause and shall be expedited in every way.

Although that is not the identical phraseology used in the pending bill, nevertheless the district court, on considering the matter, believed that it was bound thereby to accept that evidence exactly as it was, and to accept the findings of fact of the Secretary of Agriculture and not to review them even on the constitutional question. The Supreme Court denied this right, saying, among other things:

The district court thought that the action was still an open one under the Packers and Stockyards Act and expressed the view that, even though the issue is one of confiscation, the court is bound to accept the findings of the Secretary if they are supported by substantial evidence and that it is not within the judicial province to weigh the evidence and pass upon the issues of fact.

After discussing the matter the Court said that the court below having taken that view of the matter, the Supreme Court felt bound to pass upon it, to consider it, and declare the principle, which it did, as follows:

When the legislature appoints an agent to act within that sphere of legislative authority it may endow the agent with the power to make findings of fact which are conclusive, provided the requirements of due process which are specially applicable to such agency are met, as in according a fair hearing and acting upon evidence and not arbitrarily.

Again, the Court said later:

Under our system there is no warrant for the view that the judicial power of a competent court can be circumscribed by any legislative arrangement designed to give effect to administrative action going beyond the limits of constitutional authority. This is the purport of the decisions above cited with respect to the exercise of an independent judicial judgment upon the facts where confiscation is alleged. The question under the Packers and Stockyards Act is not different from that arising under any other act, and we see no reason why those decisions should be overruled.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point that part of the decision of the Supreme Court of the United States which begins on page 4, paragraph 3, ending on page 8.

There being no objection, the excerpt from the opinion was ordered to be printed in the RECORD, as follows:

Third. The scope of judicial review upon the issue of confiscation: The question is not one of fixing a reasonable charge for a mere personal service subject to regulation under the commerce power, as in the case of market agencies employing but little capital. (See *Tagg Bros. & Moorhead* v. *United States, supra*, pp. 438, 439.) Here, a large capital investment is involved, and the main issue is as to the alleged confiscation of that investment.

A preliminary question is presented by the contention that the district court, in the presence of this issue, failed to exercise its independent judgment upon the facts (11 F. Supp., pp. 326–328). (See *Ohio Valley Water Co.* v. *Ben Avon Borough*, 253 U. S. 287, 289; *Prendergast* v. *New York Telephone Co.*, 262 U. S. 43, 50; *Bluefield Company* v. *Public Service Commission*, 262 U. S. 679, 689;

United Railways v. *West*, 280 U. S. 234, 251; *Tagg Bros. & Moorhead* v. *United States*, *supra*, pp. 443, 444; *Phillips* v. *Commissioner*, 283 U. S. 589, 600; *Crowell* v. *Benson*, 285 U. S. 22 60; *State Commission* v. *Wichita Gas Co.*, 290 U. S. 561, 569.) The district court thought that the question was still an open one under the Packers and Stockyards Act, and expressed the view that, even though the issue is one of confiscation, the court is bound to accept the findings of the Secretary if they are supported by substantial evidence and that it is not within the judicial province to weigh the evidence and pass upon the issues of fact. The Government points out that, notwithstanding what was said by the court upon this point, the court carefully analyzed the evidence, made many specific findings of its own, and in addition adopted, with certain exceptions, the findings of the Secretary. The Government insists that appellant thus had an adequate judicial review and, further, that the case is in equity and comes before the court on appeal, and that from every point of view the clear preponderance of the evidence shows that the prescribed rates were in fact just and reasonable. Hence, the Government says that the decree should be affirmed irrespective of possible error in the reasoning of the district court. (See *West* v. *Chesapeake & Potomac Telephone Co.*, 295 U. S. 662, 680.)

In view, however, of the discussion in the Court's opinion,[1] the preliminary question should be considered. The fixing of rates is a legislative act. In determining the scope of judicial review of that act there is a distinction between action within the sphere of legislative authority and action which transcends the limits of legislative power. Exercising its rate-making authority, the legislature has a broad discretion. It may exercise that authority directly or through the agency it creates or appoints to act for that purpose in accordance with appropriate standards. The Court does not sit as a board of revision to substitute its judgment for that of the legislature or its agents as to matters within the province of eiher (*San Diego Land & Town Co.* v. *Jasper*, 189 U. S. 439, 446; *Minnesota Rate Cases*, 230 U. S. 352, 433; *Los Angeles Gas Co.* v. *Railroad Commission*, 289 U. S. 287, 304). When the legislature itself acts within the broad field of legislative discretion its determinations are conclusive. When the legislature appoints an agent to act within that sphere of legislative authority it may endow the agent with power to make findings of fact which are conclusive, provided the requirements of due process which are specially applicable to such an agency are met, as in according a fair hearing and acting upon evidence and not arbitrarily (*Interstate Commerce Commission* v. *Louisville & Nashville R. R. Co.*, 227 U. S. 88, 91; *Virginian Railway Co.* v. *United States*, 272 U. S. 658, 663; *Tagg Bros. & Moorehead* v. *United States*, supra, p. 444; *Florida* v. *United States*, 292 U. S. 1, 12). In such cases the judicial inquiry into the facts goes no further than to ascertain whether there is evidence to support the findings, and the question of the weight of the evidence in determining issues of fact lies with the legislative agency acting within its statutory authority.

But the Constitution fixes limits to the rate-making power by prohibiting the deprivation of property without due process of law or the taking of private property for public use without just compensation. When the legislature acts directly, its action is subject to judicial scrutiny and determination in order to prevent the transgression of these limits of power. The legislature cannot preclude that scrutiny or determination by any declaration or legislative finding. Legislative declaration or finding is necessarily subject to independent judicial review upon the facts and the law by courts of competent jurisdiction, to the end that the Constitution as the supreme law of the land may be maintained. Nor can the legislature escape the constitutional limitation by authorizing its agent to make findings that the agent has kept within that limitation. Legislative agencies, with varying qualifications, work in a field peculiarly exposed to political demands. Some may be expert and impartial, others subservient. It is not difficult for them to observe the requirements of law in giving a hearing and receiving evidence. But to say that their findings of fact may be made conclusive where constitutional rights of liberty and property are involved, although the evidence clearly establishes that the findings are wrong and constitutional rights have been invaded, is to place those rights at the mercy of administrative officials and seriously to impair the security inherent in our judicial safeguards. That prospect, with our multiplication of administrative agencies, is not one to be lightly regarded. It is said that we can retain judicial authority to examine the weight of evidence when the question concerns the right of personal liberty. But if this be so, it is not because we are privileged to perform our judicial duty in that case and for reasons of convenience to disregard it in others. The principle applies when rights either of person or of property are protected by constitutional restrictions. Under our system there is no warrant for the view that the judicial power of a competent court can be circumscribed by any legislative arrangement designed to give effect to administrative action going beyond the limits of constitutional authority. This is the purport of the decisions above cited with respect to the exercise of an independent judicial judgment upon the facts where confiscation is alleged. The question under the Packers and Stockyards Act is not different from that arising under any other act, and we see no reason why those decisions should be overruled.

But this judicial duty to exercise an independent judgment does not require or justify disregard of the weight which may properly attach to findings upon hearing and evidence. On the contrary, the judicial duty is performed in the light of the proceedings already had and may be greatly facilitated by the assembling and analysis of the facts in the course of the legislative determination. Judicial judgment may be none the less appropriately independent because informed and aided by the sifting procedure of an expert legislative agency. Moreover, as the question is whether the legislative action has passed beyond the lowest limit of the permitted zone of reasonableness into the forbidden reaches of confiscation, judicial scrutiny must of necessity take into account the entire legislative process including the reasoning and findings upon which the legislative action rests. We have said that "in a question of rate making there is a strong presumption in favor of the conclusions reached by an experienced administrative body after a full hearing" (*Darnell* v. *Edwards*, 244 U. S. 564, 569). The established principle which guides the court in the exercise of its judgment on the entire case is that the complaining party carries the burden of making a convincing showing and that the court will not interfere with the exercise of the rate-making power unless confiscation is clearly established (*Los Angeles Gas Co.* v. *Railroad Commission*, 289 U. S. 287, 305; *Lindheimer* v. *Illinois Telephone Co.*, 292 U. S. 151, 169; *Dayton Power & Light Co.* v. *Public Utilities Commission*, 292 U. S. 290, 298).

A cognate question was considered in *Manufacturers Railway Co.* v. *United States* (246 U. S. 457, 470, 488–490). There appellees insisted that the finding of the Interstate Commerce Commission upon the subject of confiscation was conclusive, or at least that it was not subject to be attacked upon evidence not presented to the Commission. We did not sustain that contention. Nevertheless, we pointed out that correct practice required that "in ordinary cases and where the opportunity is open" all the pertinent evidence should be submitted in the first instance to the Commission. The Court did not approve the course that was pursued in that case "of withholding from the Commission essential portions of the evidence that is alleged to show the rate in question to be confiscatory." And it was regarded as beyond debate that where the Commisison after full hearing had set aside a given rate as unreasonably high, it would require a "clear case" to justify a court, "upon evidence newly adduced, but not in a proper sense newly discovered", in annulling the action of the Commission upon the ground that the same rate was so unreasonably low as to deprive the carrier of its constitutional right of compensation. With that statement the Court turned to an examinaion of the evidence. The principle thus recognized, with respect to the weight to be accorded to action by the Commission after full hearing, applies a fortiori, when the case is heard upon the record made before the Commission or, as in this case, upon the record made before the Secretary of Agriculture. It follows, in the application of this principle, that as the ultimate determination, whether or not rates are confiscatory, ordinarily rests upon a variety of subordinate or primary findings of fact as to particular elements, such findings made by a legislative agency after hearing will not be disturbed save as in particular instances they are plainly shown to be overborne.

As the district court, despite its observations as to the scope of review, apparently did pass upon the evidence, making findings of its own and adopting findings of the Secretary, we do not think it necessary to remand the cause for further consideration and we turn to the other questions presented by the appeal.

[1] See also *Denver Union Stock Yards Co.* v. *United States*, 57 F. (2d) 735, 739; *St. Joseph Stock Yards Co.* v. *United States*, 58 F. (2d) 290, 295; *Union Stock Yards Co.* v. *United States*, 9 F. Supp. 864, 875; *American Commission Co.* v. *United States*, 11 F. Supp. 965, 969.

Mr. AUSTIN. Mr. President, I ask leave also to have inserted in the RECORD at this point an article published in the Washington Star of May 1, 1936, with headlines "Vigil on Rights Shown by Court—Supreme Tribunal Guards Against Usurpation by 'Fact' Probers", written by David Lawrence. It touches upon the very principle in issue here, although it does not mention the pending bill.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star of May 1, 1936]

VIGIL ON RIGHTS SHOWN BY COURT—SUPREME TRIBUNAL GUARDS AGAINST USURPATION BY "FACT" PROBERS

By David Lawrence

The most important event of this week in national affairs was the handing down of an opinion by the Supreme Court of the United States that sets up a guide of constructive value in aiding the citizen and the Government to steer a safe course through the mazes of new law that have been set up in recent years.

The average man probably does not realize that as government has become more and more complicated and overburdened with tasks that the legislative bodies have turned over to Executive agencies or commissions, the rights of the citizen have to be determined in a judicial fashion, especially if some question arises whether he is or is not complying with a given regulation.

The tendency on the part of Congress, and, for that matter, State legislatures, too, has been to write a law in general terms and leave it to a commission or board to proclaim regulations as to details. More than this, the right has been given to commissions to take testimony at hearings, some public and some private, and

then it has been stipulated that as to "questions of fact" the decision of the commission shall be final and conclusive.

FINDINGS CAN BE COLORED

This merely means that while court review is not taken away, the opportunity for a court to look into a case to see whether a citizen's constitutional rights have been forfeited might seem to be limited. In other words, the reviewing court, if it had to accept the findings of fact by a commission or Executive department, would never be able to tell whether constitutional rights have been lost. For the so-called "findings" amount usually to an interpretation of the evidence, and hence a reviewing court would get a colored view of that evidence if the Executive agency happened to be politically minded or prejudiced with the viewpoint of a particular class in the economic struggles of today.

How, then, can a citizen be assured of court review? Congress has shown an inclination to write into the law itself some limitation on the right of appeal. The Supreme Court of the United States alone, however, can determine what is the supreme law of the land. It becomes important now to see whether Congress can limit the right of court review. Chief Justice Hughes speaking for the Supreme Court upheld the right of review where constitutional rights were jeopardized.

The case in point arose with reference to the enforcement of the Stockyards Act by the Secretary of Agriculture. It so happens that the "findings" of the Secretary were affirmed as correct by all the members of the Court. A question developed as to how far weight should be given to evidence taken by the Secretary and whether the facts themselves should be examined by the revising courts. Justice Brandeis seemed to think the decisions of these fact-finding commissions should be final. Justices Cardozo and Stone thought his reasoning was right, but conceded that the weight of precedent supported the contentions of Chief Justice Hughes, who delivered the opinion of the Court. In that opinion Mr. Hughes said:

"Legislative declaration or finding is necessarily subject to independent judicial review upon the facts and the law by courts of competent jurisdiction to the end that the Constitution, as the supreme law of the land, may be maintained. Nor can the legislature escape the constitutional limitation by authorizing its agent to make findings that the agent has kept within that limitation.

"Legislative agencies, with varying qualifications, work in a field peculiarly exposed to political demands. Some may be expert and impartial, others subservient. It is not difficult for them to observe the requirements of law in giving a hearing and receiving evidence. But to say that their findings of fact may be conclusive except where constitutional rights of liberty and property are involved, although the evidence clearly establishes that the findings are wrong and constitutional rights have been invaded, is to place those rights at the mercy of administrative officials and seriously to impair the security inherent in our judicial safeguards. That prospect, with our multiplication of administrative agencies, is not one to be lightly regarded."

The foregoing quotation will surely be of historical importance as a restatement of a doctrine or fundamental principle of constitutional law. It may take on new meaning because many New Deal laws have contained what are called legislative declarations that now become mere "declarations" and are not binding on the courts. For instance, the Securities Act of 1933 says:

"The findings of the Commission as to the facts, if supported by evidence, shall be conclusive."

The Securities and Exchange Act of 1934 contained a duplication of the same provision.

OTHERS CONTAIN PROVISION

The National Labor Relations Act, after prescribing methods of filing petitions in United States Circuit Courts for enforcement of the Board's orders, says:

"The findings of the Board as to the facts, if supported by evidence, shall be conclusive."

The Public Utility Act of 1935 and the Guffey Coal Act contain identical provisions stating that the findings of the Commission which enforces each act "shall be conclusive."

Many cases are pending in the lower courts touching on what are or are not the "facts" in labor disputes. If a labor board which consists of prolabor members or proemployer members should have the power to declare what are the "facts", and this declaration were to be binding, the constitutional rights of the citizen could be swept away virtually by fiat or decree of Congress, through the simple method of creating an agency or commission to hold hearings and issue findings on the alleged "facts." The Supreme Court of the United States, ever vigilant to protect the rights of the citizen, has by its pronouncement reiterated a warning to citizens as well as to Government agencies that constitutional rights cannot be thus taken away. Undoubtedly executive commissions will be more careful in the future, and when a few principles have been set up in a number of test cases the chances are the Supreme Court will not be burdened with many cases of reviewing the "facts."

Mr. AUSTIN. Mr. President, I have heard some criticism of that feature of the bill which provides that in no case shall it be necessary to establish a violation of an order of the Commission as a condition precedent to the affirmance, modification, or setting aside of the order or entering another order enforcing it. My view of this new provision is that it will be very beneficial.

On the whole I am inclined to favor the proposed legislation. Its purpose is preventive in character. I know from observation that the Federal Trade Commission Act has needed some amendments of this character. I am glad to observe that there has not been any effort in drafting the bill to amend the Constitution of the United States with reference to what is interstate commerce and what is intrastate commerce.

Mr. WHEELER. Mr. President, I have one amendment which I should like to offer which was not taken up in the committee. It is simply a provision that upon the expiration of his term of office a commissioner shall continue to serve until his successor shall have been appointed and shall have been qualified. That is merely to provide that in the event of the expiration of the term of a Commissioner there will not be a vacancy, but that the occupant will hold until such time as his successor is appointed and qualified.

Mr. McNARY. Mr. President, I think that is the legislative practice as expressed in most statutes.

Mr. WHEELER. That is correct. I offer the amendment which I send to the desk.

The PRESIDING OFFICER (Mr. BACHMAN in the chair). The amendment will be stated.

The CHIEF CLERK. On page 15, after line 12, it is proposed to insert the following new section:

SEC. 5. That section 1 of said act be, and the same is hereby, amended by inserting, immediately after the words "unexpired term of the Commissioner whom he shall succeed", the following: *"Provided, however,* That upon the expiration of his term of office a Commissioner shall continue to serve until his successor shall have been appointed and shall have qualified."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is still before the Senate and open to amendment. If there be no further amendment, the question is, Shall the bill be engrossed and read a third time?

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBINSON. Mr. President, I understand the Senator from Utah [Mr. KING] desires to bring before the Senate a bill relating to an organic act for the Virgin Islands. While he is getting his papers together, I suggest the absence of a quorum in order that Senators may know that the bill is being brought before the Senate.

The PRESIDING OFFICER. The absence of a quorum being suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	La Follette	Overton
Ashurst	Couzens	Lewis	Pittman
Austin	Davis	Logan	Pope
Bachman	Dieterich	Lonergan	Reynolds
Barbour	Donahey	Long	Robinson
Barkley	Duffy	McAdoo	Russell
Black	Frazier	McGill	Schwellenbach
Bone	George	McKellar	Sheppard
Bulkley	Gerry	McNary	Shipstead
Bulow	Gibson	Maloney	Steiwer
Burke	Glass	Metcalf	Thomas, Okla.
Byrd	Guffey	Minton	Thomas, Utah
Byrnes	Hale	Moore	Townsend
Capper	Harrison	Murphy	Vandenberg
Caraway	Hatch	Murray	Van Nuys
Carey	Hayden	Neely	Wagner
Chavez	Johnson	Norris	Walsh
Connally	Keyes	Nye	Wheeler
Coolidge	King	O'Mahoney	White

The PRESIDING OFFICER. Seventy-six Senators having answered to their names, a quorum is present.

PERMANENT GOVERNMENT FOR VIRGIN ISLANDS

Mr. KING. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate bill 4524, Calendar No. 2070, to provide a permanent government for the Virgin Islands of the United States, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah?

Mr. McNARY. Mr. President, I observe that the sponsor of the bill is the Senator from Vermont [Mr. GIBSON], who

has advised me that the bill in every way conforms to his best judgment, which is always good. I am not sure the other members of the committee were all in attendance. As one member, I have been too much occupied elsewhere to be present at the meetings of the committee. Were other Senators present at the hearings when the bill was considered?

Mr. KING. Mr. President, most of the Senators upon the committee were present when legislation relating to the Virgin Islands, including the question of an organic act, was under consideration. The Senator from Rhode Island [Mr. METCALF] was present on two occasions, as I recall. At the first meeting the Senate Committee on Territories and Insular Affairs considered in a general way the question of enacting an organic act for the government of the Virgin Islands. Two tentative drafts were before the committee—one submitted by the Interior Department and the other by representatives of the residents of the Virgin Islands. The draft submitted by the latter contained some of the provisions found in the bill proposed by the representatives of the Interior Department. However, there were striking differences, some of which appeared to be irreconcilable. At the meeting of the committee referred to nearly every member was present, and a general discussion ensued, followed by a rather careful examination of the proposed drafts.

I had prepared and submitted to the committee before it met a statement showing, in parallel columns, the provisions of each bill, including, of course, the agreements and disagreements between the same. Subsequently, I was asked by the chairman of the committee to examine the drafts which had been submitted and to confer with representatives of the Interior Department and representatives who had come from the Virgin Islands to represent the people residing there, with the view of preparing a measure to report to the Senate. I might add that various groups of the residents of the Virgin Islands had met and selected representatives to come to Washington and present their views, and also to submit a proposed draft for an organic act for the islands.

I had numerous conferences with Dr. E. H. Gruening, Director of the Division of Territories and Island Possessions, Department of the Interior; Governor Cramer, the present Governor of the Virgin Islands; Mr. Hastings, attorney for the Department of the Interior; and the representatives who had come from the Virgin Islands to present the views of the residents of the islands, including their attorney, Mr. Jacobsen. I received information from various sources, and utilized all data that were made available. At these various conferences the differences of the respective groups were canvassed, and the information at hand utilized with a view to the formulation of an organic act that would meet all reasonable demands. As stated, there were conflicting views and I attempted to reconcile them and to secure the approval of the various groups and their representatives to a measure that would be just to the Virgin Islands and their inhabitants and, at the same time, that would recognize and protect the interests of the United States. During these negotiations and conferences, a measure was prepared which embodied some of the provisions in each of the tentative drafts first submitted, as well as others, and which represented a partial agreement upon the part of those participating in the conferences.

Some of the provisions recommended by the contending parties I rejected, but I kept in mind always the primary object sought, viz, a measure that would be just and fair to all parties concerned. As a result of the conferences, a tentative draft was suggested and it was introduced by the Senator from Vermont [Mr. GIBSON]. This became the basis of further conferences and discussions. Finally the measure was so perfected that I believed it should be brought back to the committee for its approval. There were two or three questions not yet fully determined, and when I submitted the bill to the committee these undetermined questions were settled. The committee then approved the bill, and I was directed to report it to the Senate and secure favorable action at the earliest possible date. The bill which I have reported substantially meets the views of the representatives of the Interior Department and the views of the representatives of the Virgin Islands.

Mr. McNARY. Has the bill met with the unanimous approval of the committee?

Mr. KING. It has been approved by all members of the committee who were present during its consideration by the committee, and, so far as I know, by the very few who were prevented from attending the committee meetings when the questions involved were under consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 4524) to provide a permanent government for the Virgin Islands of the United States, and for other purposes, which had been reported from the Committee on Territories and Insular Affairs with an amendment to strike out all after the enacting clause and to insert:

That the provisions of this act, and the name "the Virgin Islands" as used in this act, shall apply to and include the territorial domain, lands and waters acquired by the United States through cession of the Danish West Indian Islands by the convention between the United States of America and His Majesty the King of Denmark, entered into August 4, 1916, and ratified by the Senate on September 7, 1916 (39 Stat. L. 1706).

SEC. 2. The insular possession which is the Virgin Islands shall be divided into two municipalities, namely, (1) the municipality of St. Croix, and (2) the municipality of St. Thomas and St. John. The boundaries of said municipalities shall be the same as at present established in accordance with laws in force on the date of enactment of this act, and the capital and seat of the central government shall be St. Thomas. In this act the phrase "the Government of the Virgin Islands" shall include, in addition to the governing authority of the insular possession, the governing authority of the two municipalities, unless the context shall indicate a different intention.

SEC. 3. The inhabitants of the municipality of St. Croix and of the municipality of St. Thomas and St. John are hereby constituted into bodies politic and juridic, under the present name of each such municipality, and as such bodies they shall have perpetual succession and power (a) to adopt and use an official seal; (b) to sue and in cases arising out of contract to be sued; (c) to demand the fulfillment of obligations under the law and to defend and prosecute all actions at law; (d) to acquire property by purchase, exchange, donation or bequest, by virtue of proceedings for the collection of taxes, by eminent-domain proceedings, or by any other means provided by law, and to possess, administer, and govern such property; and (e) to alienate or encumber any of their property, subject to the provisions of this act.

SEC. 4. All property which may have been acquired by the United States from Denmark in the Virgin Islands under the convention entered into August 4, 1916, not heretofore or within 1 year hereafter reserved by the United States for public purposes, is hereby placed under the control of the Government of the Virgin Islands: *Provided*, That, except as otherwise expressly provided, all laws of the United States for the protection and improvement of the navigable waters of the United States and the preservation of the interest of navigation and commerce shall apply to the Virgin Islands: *Provided further*, That nothing in this act shall be construed to affect or impair in any manner the terms and conditions of any authorizations, permits, or other powers heretofore lawfully granted or exercised in or in respect of the Virgin Islands by any authorized officer or agent of the United States: *Provided further*, That the Secretary of the Interior shall be authorized to lease or to sell upon such terms as he may deem advantageous to the Government of the United States any property of the United States under his administrative supervision in the Virgin Islands not needed for public purposes.

LEGISLATIVE BRANCH

SEC. 5. All local legislative powers in the municipality of St. Croix, except as herein otherwise provided, shall be vested in a local legislative assembly, which shall be designated the "Municipal Council of St. Croix." Said council shall consist of nine members elected by the qualified electors of the municipality for a term of 2 years beginning the 1st day of January next succeeding the date of election. The members shall be elected in four representative districts, two of which shall be the town of Christiansted and the country district thereof, and two of which shall be the town of Frederiksted and the country district thereof, as defined by law in force on the date of enactment of this act: *Provided*, That two members shall be elected for each of said districts and one member at large.

SEC. 6. All local legislative powers in the municipality of St. Thomas and St. John, except as herein otherwise provided, shall be vested in a local legislative assembly which shall be designated the "Municipal Council of St. Thomas and St. John." Said council shall consist of seven members elected by the qualified electors of the municipality for a term of 2 years beginning the 1st of January next succeeding the date of election. The members shall be elected in three representative districts, one of which shall be the town district and one the country district of St.

Thomas, and one the district of St. John, as defined by law in force on the date of enactment of this act: *Provided*, That two members shall be elected for each of the districts of St. Thomas, one member for the district of St. John, and two members at large.

SEC. 7. After January 1, 1937, joint sessions of said municipal councils shall constitute and shall be designated the "Legislative Assembly of the Virgin Islands." The legislative assembly shall convene in St. Thomas upon call by the Governor, and also whenever both municipal councils shall determine by resolutions passed by each of them: *Provided*, That the Governor shall call the legislative assembly at least once during each calendar year. The legislative assembly may enact legislation applicable to the Virgin Islands as a whole, but no legislation shall be considered other than that specified in the message by the Governor calling such a session, or in both of said resolutions: *Provided further*, That so long as the membership of the legislative assembly does not exceed 16 members, a quorum of the legislative assembly shall consist of not less than 10 members, and no bill shall be enacted until it shall be passed by a two-thirds majority vote of the members present: *Provided further*, That the legislative assembly shall have and exercise all powers and immunities within the jurisdiction of the Virgin Islands which are granted under this act to the municipal councils within their respective jurisdictions, and shall be subject to the same limitations as those imposed on the municipal councils. The municipal councils shall not enact laws or ordinances in conflict with the enactments of the legislative assembly.

SEC. 8. The present colonial councils shall continue to function until January 1, 1937. The next general election in the Virgin Islands shall be held on November 3, 1936. At such election there shall be chosen the entire membership of each municipal council as herein provided. Thereafter the elections shall be held on the first Tuesday after the first Monday in November, beginning with the year 1938, and every 2 years thereafter. The terms of office of members of the respective colonial councils of the municipalities of St. Thomas and St. John and of St. Croix, whose terms of office under existing law would expire prior to January 1, 1937, are hereby extended to that date.

SEC. 9. No person shall be eligible to be a member of either municipal council unless he is a citizen of the United States, over 25 years of age, is a qualified voter of the municipality in which elected, has resided in the Virgin Islands for a period of not less than 3 years next preceding the date of election, and has not been convicted of a felony or of a crime involving moral turpitude. Each municipal council may exclude from membership therein persons receiving compensation from the Government of the United States or from either of the municipal governments of the Virgin Islands.

SEC. 10. The members of each municipal council shall receive allowance for actual travel expenses and such reasonable subsistence as may be prescribed by the council.

SEC. 11. The respective municipal councils shall be the sole judges of the elections, returns, and qualifications of their members, shall be vested with the authority and attributes inherent in legislative bodies, and shall jointly or separately have the power to institute and conduct investigations, issue subpenas to witnesses and other parties concerned, and administer oaths. Existing rules of the colonial councils shall continue in force and effect, except as inconsistent with this act, until altered, amended, or repealed by the respective municipal councils. No member shall be held to answer before any tribunal other than the respective municipal councils themselves for any speech or debate in the municipal councils and the members shall in all cases, except treason, felony, or breach of the peace, be privileged from arrest during their attendance at the sessions of the municipal councils and in going to and returning from the same.

SEC. 12. Each municipal council shall annually appoint from among its members, for a term of 1 year, three members to serve as a standing committee, which, under the name of the "Municipal Committee", shall advise the Governor concerning the management of the fiscal affairs of the municipality, and concerning matters relating to the municipality, in accordance with bylaws adopted by the municipal council and approved by the Governor. The municipal committee shall have power when granted by local law to recommend to the Governor transfers between items in the annual budgets, and loans from municipal funds, but no such transfers or loans shall be made by the Governor except upon the recommendation of the municipal committee.

SEC. 13. Each municipal council shall assemble for ordinary meetings on a certain day of every second month, which day shall be previously fixed by the Governor for the whole year, and for extraordinary meetings at the call of the Governor or the chairman of the council. The Governor may postpone the meetings of the municipal councils, but not for a longer period than 14 days. The Municipal Council of St. Thomas and St. John shall convene at St. Thomas, and the Municipal Council of St. Croix shall convene at Christiansted.

SEC. 14. The Governor may introduce bills in the respective municipal councils. The Governor shall submit to the respective municipal councils, at least 90 days before the close of each fiscal year, a budget of estimated receipts and expenditures for the respective municipalities, which shall be the basis for the annual local appropriation bills for such municipalities. He shall from time to time submit to the respective municipal councils such reports concerning the fiscal affairs of the municipalities as may be requested by resolution of either municipal council.

SEC. 15. The quorum of each municipal council shall consist of an absolute majority of all its members. No bill shall become a law until it shall be passed by a majority (yea-and-nay) vote of the members present and voting of the municipal council having jurisdiction, entered upon the journal, and approved by the Governor, except as otherwise herein provided. Each municipal council shall keep a journal of its proceedings and publish the same during the year, and the yeas and nays of the members voting on any question shall be entered on the journal.

SEC. 16. New legislation, and repeals, alterations, and amendments of local laws of the Virgin Islands by the municipal council having jurisdiction, and by the legislative assembly, shall be effective and enforced when, and to the extent, such new legislation, repeals, alterations, and amendments are approved by the Governor, and the Governor shall state specifically in each case whether his approval or disapproval is in whole or in part, and if in part only, what part is approved and what part not approved. The Governor may veto any specific item or items in any bill which appropriates money for specific purposes, but shall veto other bills, if at all, only as a whole. If any bill passed by the municipal council having jurisdiction or by the legislative assembly be disapproved in whole or in part by the Governor, the Governor shall within 30 calendar days return such bill to the said municipal council or to the legislative assembly, whether in actual session or not, setting forth his objections. If after reconsideration by the legislative body having jurisdiction two-thirds of all the members of the said body pass such bill or part of bill, it shall be sent to the Governor who, in case he shall not then approve it, shall transmit the same to the President. If the President approves such bill or part of bill, he shall sign it and it shall become law; if he does not approve such bill or part of bill, he shall return it to the Governor, so stating, and it shall not become law. If any bill shall not be returned by the Governor as herein provided within 30 calendar days after it shall have been presented to him the same shall become a law in like manner as if he had signed it. The President shall approve or disapprove an act submitted to him under the provisions of this section within 3 months from and after its presentation for his approval; and if not acted upon within such time, it shall become a law the same as if it had been specifically approved. All laws enacted by the Municipal Council of St. Croix, by the Municipal Council of St. Thomas and St. John, or by the legislative assembly, shall be reported by the Governor to the Secretary of the Interior, and by him to the Congress, which hereby reserves the power and the authority to annul the same. The laws not annulled shall be published annually as a public document. If at the termination of any fiscal year the appropriation necessary for the support of the municipal government for the ensuing fiscal year shall not have been made, then the several sums appropriated in the last appropriation bills for the objects and purposes therein specified, so far as the same may be applicable, shall be deemed to be reappropriated, item by item; and until the municipal council of the municipality having jurisdiction shall act in such behalf, the Governor may make the payments and collections necessary for the purpose aforesaid.

SEC. 17. Beginning on January 1, 1938, or on such earlier date subsequent to January 1, 1937, as may be fixed by local law or ordinance for either municipality, and thereafter, the franchise shall be vested in residents of the Virgin Islands who are citizens of the United States, 21 years of age or over, and able to read and write the English language. Additional qualifications may be prescribed by the legislative assembly: *Provided, however*, That no property or income qualification shall ever be imposed upon or required of any voter, nor shall any discrimination in qualification be made or based upon difference in race, color, sex, or religious belief.

SEC. 18. The laws of the United States applicable to the Virgin Islands on the date of enactment of this act, and all local laws and ordinances in force on such date in the Virgin Islands, not inconsistent with this act, shall continue in force and effect: *Provided*, That the Municipal Council of St. Croix and the Municipal Council of St. Thomas and St. John, and the legislative assembly, shall have power, when not inconsistent with this act and within their respective jurisdictions, to amend, alter, modify, or repeal any law of the United States of local application only, or any ordinance, public or private, civil or criminal, continued in force and effect by this act, except as herein otherwise provided, and to enact new laws and ordinances not inconsistent with this act and not inconsistent with the laws of the United States hereafter made applicable to the Virgin Islands or any part thereof, subject to the power of the Congress to annul the same. The laws of the United States relating to patents, trademarks, and copyrights, and to the enforcement of rights arising thereunder, shall have the same force and effect in the Virgin Islands as in the continental United States, and the District Court of the Virgin Islands shall have the same jurisdiction in causes arising under such laws as is exercised by United States district courts.

SEC. 19. The legislative power of the Virgin Islands shall extend to all subjects of local application not inconsistent with this act or the laws of the United States made applicable to said islands, but no law shall be enacted which would impair rights existing or arising by virtue of any treaty entered into by the United States, nor shall the lands or other property of nonresidents be taxed higher than the lands or other property of residents.

EXECUTIVE BRANCH

SEC. 20. The executive power of the Virgin Islands and of the municipalities thereof shall be vested in an executive officer whose title shall be "the Governor of the Virgin Islands" and shall be

exercised under supervision of the Secretary of the Interior. The Governor shall be appointed by the President, by and with the advice and consent of the Senate, and shall hold office at the pleasure of the President and until his successor is chosen and qualified. The Governor shall reside in the Virgin Islands during his official incumbency. He shall have general supervision and control of all executive and administrative departments, bureaus, and offices of the government of the Virgin Islands. He shall faithfully execute the laws of the United States applicable to the Virgin Islands, and the laws and ordinances of the Virgin Islands. He may grant pardons and reprieves and remit fines and forfeitures for offenses against the local laws, and may grant respites for all offenses against the applicable laws of the United States until the decision of the President can be ascertained. He may veto any legislation as provided in this act. He shall commission all officers that he may be authorized to appoint. He may call upon the commanders of the military and naval forces of the United States in the islands, or summon the posse comitatus, or call out the militia, to prevent or suppress violence, invasion, insurrection, or rebellion; and he may, in case of rebellion or invasion, or imminent danger thereof, when the public safety requires it, suspend the privilege of the writ of habeas corpus, or place the islands, or any part thereof, under martial law, until communication can be had with the President and the President's decision thereon made known. He shall annually, and at such other times as the President or the Congress may require, make official report of the transactions of the government of the Virgin Islands to the Secretary of the Interior, and his said annual report shall be transmitted to the Congress. He shall perform such additional duties and functions as may, in pursuance of law, be delegated to him by the President, or by the Secretary of the Interior. He shall have the power to issue executive regulations not in conflict with any applicable law or ordinance. He shall attend or may depute another person to represent him at the meetings of the legislative authorities herein established, and may give expression to his views on any matter before such bodies.

SEC. 21. The President shall appoint a Government Secretary for the Virgin Islands, who shall have all the powers of the Governor in the case of a vacancy or temporary removal, resignation, or disability of the Governor, or in case of his temporary absence. He shall have custody of the seal of the Virgin Islands and shall countersign and affix such seal to all executive proclamations and all other executive documents. He shall, when practicable, attend all meetings of the Municipal Council of St. Thomas and St. John, before which body he shall give expression to the advice of the Governor. He shall record and preserve the laws enacted by the legislative authorities herein established. He shall promulgate all proclamations and orders of the Governor and all laws enacted by said legislative authorities. He shall have all such executive powers and perform such other duties as may be prescribed by law or assigned to him by the Governor.

SEC. 22. The Secretary of the Interior shall appoint an administrator for St. Croix, who shall act for the Governor in the administration of the affairs of the municipality of St. Croix. He shall, when practicable, attend all meetings of the municipal council of St. Croix, before which body he shall give expression to the advice of the Governor. He shall exercise supervision over all administrative departments in the municipality of St. Croix, subject to the direction of the Governor.

SEC. 23. The Secretary of the Interior shall appoint such other executive and administrative officers as may, in his discretion, be required. Such officers shall have such powers and duties as may be conferred or imposed upon them by law or ordinance, or by order of the Secretary of the Interior or executive regulation of the Governor not inconsistent with any such law or ordinance. The salary of all officers and employees appointed by the President or by the Secretary of the Interior shall be paid from funds appropriated for the Government of the Virgin Islands by the Congress in annual appropriation bills, or as may be otherwise provided by law. The officers appointed by the Secretary of the Interior shall hold office during his pleasure, and in making such appointments the Secretary shall give due consideration to natives of the Virgin Islands.

SEC. 24. The Governor shall appoint, by and with the advice and consent of the municipal council having jurisdiction, all salaried officers and employees of the municipal governments whose salaries are provided for in the budgets of the municipal governments. In the event of a vacancy in any office under the Government of the Virgin Islands, or the absence, illness, or temporary disqualification of any officer, the Governor shall designate an officer or employee of the Government of the Virgin Islands to discharge the functions of such officer during such vacancy, absence, illness, or temporary disqualification.

JUDICIAL BRANCH

SEC. 25. The judicial power of the Virgin Islands shall be vested in a court to be designated "the District Court of the Virgin Islands" and in such court or courts of inferior jurisdiction as may have been or may hereafter be established by local law: *Provided,* That the legislative assembly may provide for the organization and conduct of a Superior Court of the Virgin Islands and may transfer from the district court to such superior court jurisdiction over any or all causes other than those arising under the laws of the United States. Appeals from the superior court shall be as provided by law in the case of appeals from the district court.

SEC. 26. The President shall, by and with the advice and consent of the Senate, appoint a judge and a district attorney for the District Court of the Virgin Islands, who shall hold office for the term of 4 years and until their successors are chosen and qualified unless sooner removed by the President for cause.

The Attorney General shall appoint and fix the compensation of all other officers necessary for the transaction of the business of the district court, and the compensation of such officers and the judge of the district court and the administrative expenses of such court shall be paid from appropriations made for the Department of Justice. The duties of such officers shall be prescribed by law or ordinance and by order of the Attorney General not inconsistent therewith: *Provided,* That the Governor may call upon the district attorney to advise him upon any legal questions concerning the administration of the Government of the Virgin Islands.

SEC. 27. The District Court of the Virgin Islands shall consist of two divisions, one constituted by the municipality of St. Croix and one constituted by the municipality of St. Thomas and St. John, as defined by local law in force on the date of enactment of this act. The judge of the district court shall hold court in each division at such time as he may designate by order, at least once in 2 months in each division. The rules of practice and procedure in such district court shall be prescribed by law or ordinance or by rules and regulations of the district judge not inconsistent with law or ordinance. The process of the district court shall run throughout the Virgin Islands.

SEC. 28. The district court shall have jurisdiction of—

(1) All criminal cases under the laws of the respective municipalities or under the laws of the United States applicable to the Virgin Islands;

(2) All cases in equity;

(3) All cases in admiralty;

(4) All cases of divorce and annulment of marriage;

(5) All cases at law involving principal sums exceeding $200;

(6) All cases involving title to real estate;

(7) All appeals from judgments rendered in the inferior courts;

(8) All matters and proceedings not otherwise hereinabove provided for which, on the date of enactment of this act, were within the jurisdiction of the District Court of the Virgin Islands, or of the judge thereof, or which may hereafter be placed within the jurisdiction of the District Court of the Virgin Islands, or of the judge thereof, by local law.

The district court shall also have concurrent jurisdiction with the inferior courts as provided in section 32.

SEC. 29. The district court shall also have jurisdiction of offenses under the criminal laws of the United States when such offenses are committed on the high seas beyond the territorial limits of the Virgin Islands on vessels belonging in whole or in part to the United States, to any citizen thereof, or to any corporation created by or under the laws of the United States or of any State or Territory thereof, and the offenders are found in the Virgin Islands or are brought into the Virgin Islands after the commission of the offense.

SEC. 30. Appeals from the District Court of the Virgin Islands shall be as provided by law in force on the date of enactment of this act: *Provided,* That no appeal shall be predicated upon the existence of a right of appeal under the law of Denmark.

SEC. 31. In any case, civil or criminal, originating in said district court, no person shall be denied the right to trial by jury on the demand of either party: *Provided,* That if no jury is demanded the case shall be tried by the court without a jury: *Provided further,* That the judge of the district court may, on his own motion, order a jury for the trial of any criminal action: *Provided further,* That the respective Municipal Councils of St. Croix and of St. Thomas and St. John may provide for trial in misdemeanor cases by a jury of six qualified persons.

SEC. 32. The inferior courts shall have jurisdiction concurrent with the district court in all civil cases in which the principal sum claimed does not exceed $200, and of all criminal cases wherein the punishment that may be imposed shall not exceed a fine of $100 or imprisonment not exceeding 6 months, all violations of police regulations and executive regulations, and any cause or offense wherein jurisdiction hereafter shall have been conferred by local law. Such inferior courts shall hold preliminary investigations in charges of felony and charges of misdemeanor in which the punishment that may be imposed is beyond the jurisdiction granted to the inferior courts by this section, and shall commit offenders to the district court and grant bail in bailable cases. The rules governing said courts and prescribing the duties of inferior judges and inferior court officers, oaths, and bonds, the times and places of holding such courts, the disposition of fines, costs, forfeitures, enforcement of judgments, providing for appeals therefrom to the district court, and the disposition and treatment of prisoners shall be as established by law or ordinance in force on the date of enactment of this act or as may hereafter be established by law or ordinance by the municipal council having jurisdiction.

SEC. 33. Appeals in civil and criminal cases from the judgments and rulings of the inferior courts shall be to the district court and shall be taken in accordance with the laws and ordinances of the respective municipalities: *Provided,* That the right of appeal in all cases, civil and criminal, shall be as established by law or ordinance in force on the date of enactment of this act, or as may hereafter be established by law or ordinance by the municipal council having jurisdiction.

MISCELLANEOUS PROVISIONS

SEC. 34. No law shall be enacted in the Virgin Islands which shall deprive any person of life, liberty, or property without due process of law or deny to any person therein equal protection of the laws.

In all criminal prosecutions the accused shall enjoy the right to be represented by counsel for his defense, to be informed of the nature and cause of the accusation, to have a copy thereof, to have a speedy and public trial, to be confronted with the witnesses against him, and to have compulsory process for obtaining witnesses in his favor.

No person shall be held to answer for a criminal offense without due process of law, and no person for the same offense shall be twice put in jeopardy of punishment, nor shall be compelled in any criminal cause to give evidence against himself; nor shall any person sit as judge or magistrate in any case in which he has been engaged as attorney or prosecutor.

All persons shall, before conviction, be bailable by sufficient sureties, except for first-degree murder or any capital offense, when the proof is evident or the presumption great.

No law impairing the obligation of contracts shall be enacted.

No person shall be imprisoned or shall suffer forced labor for debt.

All persons shall have the privilege of the writ of habeas corpus and the same shall not be suspended except as herein expressly provided.

No ex-post-facto law or bill of attainder shall be enacted.

Private property shall not be taken for public use except upon payment of just compensation ascertained in the manner provided by law.

Nothing contained in this act shall be construed to limit the power of the municipal councils herein provided to enact laws for the protection of life, the public health, or the public safety.

Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishment inflicted.

The right to be secure against unreasonable searches and seizures shall not be violated.

No warrant for arrest or search shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized.

Slavery shall not exist in the Virgin Islands.

Involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall not exist in the Virgin Islands.

No law shall be passed abridging the freedom of speech or of the press or the right of the people peaceably to assemble and petition the Government for the redress of grievances.

No law shall be made respecting an establishment of religion or prohibiting the free exercise thereof, and the free exercise and enjoyment of religious profession and worship without discrimination or preference shall forever be allowed, and no political or religious test other than an oath to support the Constitution and the laws of the United States applicable to the Virgin Islands, and the laws of the Virgin Islands, shall be required as a qualification to any office or public trust under the Government of the Virgin Islands.

The contracting of polygamous or plural marriages is prohibited.

No money shall be paid out of the treasury except in accordance with an act of Congress or money bill of the local legislative authority having jurisdiction and on warrant drawn by the proper officer.

The employment of children under the age of 14 years in any occupation injurious to health or morals or hazardous to life or limb is hereby prohibited.

SEC. 35. All taxes, duties, fees, and public revenues collected in the municipality of St. Croix shall be covered into the treasury of the Virgin Islands and held in account for said municipality and all taxes, duties, fees, and public revenues collected in the municipality of St. Thomas and St. John shall be covered into said treasury of the Virgin Islands and held in account for said municipality: *Provided*, That the proceeds of customs duties, less the cost of collection, and the proceeds of the United States income tax, and the proceeds of any taxes levied by the Congress on the inhabitants of the Virgin Islands, and all quarantine, passport, immigration, and naturalization fees collected in the Virgin Islands shall be covered into the treasury of the Virgin Island and held in account for the respective municipalities, and shall be expended for the benefit and government of said municipalities in accordance with the annual municipal budgets. The Municipal Council of St. Croix may make appropriations for the purposes of said municipality from, and to be paid out of, the funds credited to its account in the treasury of the Virgin Islands; and the Municipal Council of St. Thomas and St. John may make appropriations for the purposes of said municipality from, and to be paid out of, the funds credited to its account in said treasury.

SEC. 36. Taxes and assessments on property and incomes, internal-revenue taxes, license fees, and service fees may be imposed and collected, and royalties for franchises, privileges, and concessions may be collected for the purposes of the government of the Virgin Islands as may be provided and defined by the municipal councils herein established: *Provided*, That all money hereafter derived from any tax levied or assessed for a special purpose shall be treated as a special fund in the treasury of the Virgin Islands and paid out for such purpose only, except when otherwise authorized by the legislative authority having jurisdiction after the purpose for which such fund was created has been accomplished. Until Congress shall otherwise provide, all laws concerning import duties and customs in the municipality of St. Thomas and St. John now in effect shall be in force and effect in and for the Virgin Islands: *Provided further*, That the President may, by Executive order, establish or alter rules and regulations for the administration of customs laws. The export duties in effect on the date of enactment of this act may be from time to time reduced, repealed, or restored by ordinance of the municipal council having jurisdiction: *Provided further*, That no new export duties shall be levied in the Virgin Islands except by the Congress.

SEC. 37. All judicial process shall run in the name of "United States of America, scilicet, the President of the United States", and all penal or criminal prosecutions in the local courts shall be conducted in the name of and by authority of "the Peoples of the Virgin Islands of the United States."

SEC. 38. All officials of the government of the Virgin Islands shall be citizens of the United States, and before entering upon the duties of their respective offices shall take an oath to support the Constitution and laws of the United States applicable to the Virgin Islands and the laws of the Virgin Islands.

SEC. 39. All reports required by law to be made by the Governor to any official of the United States shall hereafter be made to the Secretary of the Interior, and the President is hereby authorized to place all matters pertaining to the government of the Virgin Islands under the jurisdiction of the Secretary of the Interior.

SEC. 40. This act shall take effect upon its enactment, but until its provisions shall severally become operative as herein provided, the corresponding legislative, executive, and judicial functions of the existing government shall continue to be exercised as now provided by law or ordinance, and the present incumbents of all offices under the government of the Virgin islands shall continue in office until their successors are appointed and have qualified unless sooner removed by competent authority.

SEC. 41. This act may be cited as the Organic Act of the Virgin Islands of the United States.

Mr. ROBINSON. Mr. President, I suggest that the Senator from Utah make a general explanation of the purposes of the bill, and the way in which those purposes are met.

Mr. KING. I shall be glad to do so. Perhaps I may save time by reading the report which I submitted when I offered the bill in the Senate.

Nearly 20 years have elapsed since the purchase of the Virgin Islands from Denmark. However, this possession is still governed under the act of March 3, 1917 (39 Stat. 1132)—

Which I have here before me—

establishing "a temporary government" for the then newly acquired Territory. The act of March 3, 1917, embodies no orderly or organized plan of government. It is essentially a makeshift designed to serve until an adequate body of fundamental law should be incorporated in an organic act for the Virgin Islands.

Senators will recall that for a time the islands were governed by the Navy Department. That is to say, they were under the control of the Navy Department, and a naval officer was the chief administrative and executive officer of the islands.

The experience of the past 20 years has revealed the basic governmental needs of this insular possession. A proposed organic act, similar to the present bill in many particulars, was the subject of committee hearings during the Seventy-third Congress. From time to time the local municipal councils—

And I may say that there are two—

have drafted proposals for an organic act and have conducted public hearings for the discussion of such proposals in the Virgin Islands. Very soon after the government of the Virgin Islands was placed under supervision of the Department of the Interior—

And that is within the past few years—

that Department addressed itself to the problem of a permanent local government with a view to making such recommendations to Congress as would provide for a responsible and adequate government, consistent with American democratic ideals and satisfactory to the people of the Virgin Islands.

Thus, when the Committee on Territories and Insular Affairs held hearings upon the present bill (S. 4524) the Governor of the Virgin Islands, representatives of the Interior Department, an official delegation from the local councils, and other informed persons were able to present pertinent data and to acquaint the committee with the views of the present governing authorities and of the people to be governed.

Detailed discussion of the bill should be prefaced further by a statement that the inhabitants of the Virgin Islands are literate and loyal citizens of the United States. It is the view of the committee that they are capable of managing their local affairs. Unfortunately, the islands are not yet economically self-supporting. Hence it has been necessary to provide for an amount of Federal control over local affairs commensurate with continuing expenditures of Federal funds to subsidize the local government.

PROVISIONS OF THE BILL

The first four sections of the substitute bill reported by the committee define the territorial limits of the Virgin Islands and provide for the subdivision of the insular possession into two inferior political units, namely, the municipality of St. Croix, and the municipality of St. Thomas and St. John. Provision is also made for

the division of public property between the Federal Government and the municipalities.

The three inhabited islands are St. Croix, an agricultural community, and St. Thomas and St. John, two islands near to each other but some 40 miles from St. Croix, with an economy organized around the business of the harbor of St. Thomas. In accordance with the wishes of the people of the Virgin Islands and the divergent interests of the islands themselves, it has been deemed desirable to preserve the present political identity of each community as a political subdivision of the insular possession.

I digress long enough to state that it is the view of the committee, and my view, that, so far as possible and consistent with the best interests of all concerned, the desires of the islanders should be respected. Conceding that they were entitled to a larger measure of local self-government, it followed as a necessary corollary that their opportunities for participation of the government of the islands should be multiplied. Accordingly this bill gives them the franchise regardless of race, creed, or color. Those who have attained the age of 21 years may vote, but not at the election on November 1936, but at all elections which may be held thereafter.

I should add that under the Danish Government the two political or municipal subdivisions existed and the people were satisfied with the boundaries of the same. The bill presented perpetuates those two political subdivisions with the same boundaries and geographic limits.

FRANCHISE AND LEGISLATIVE BRANCH

Sections 5 to 19, inclusive, concern the franchise and the organization of the legislative branch of the local government. The only elected officers of the local government are the members of the local legislative bodies. Provision is made for 3 such bodies, a municipal council of 9 members for St. Croix, a municipal council of 7 members for St. Thomas and St. John, and a territorial legislative assembly composed of the 16 persons who are members of the municipal councils. Matters of purely local concern are placed within local legislative power. The levying of local taxes and the expenditure of local revenue are authorized. It has not been deemed wise to give the local government power to incur bonded indebtedness so long as local revenue is insufficient to pay the entire cost of local government.

Locally enacted bills may be vetoed by the Governor. A bill may be passed over the Governor's veto by a two-thirds majority of the enacting legislative body. However, in such case the measure does not become law until referred to the President whose disapproval will prevent it from becoming law.

Provision is made for universal suffrage in the islands beginning January 1, 1938, or after January 1, 1937, if the local legislative authorities shall so provide. This is a departure from present law under which property qualifications and other inequitable restrictions relating to suffrage prevent all but about one-twentieth of the population from qualifying as voters.

I might add that in the Virgin Islands there are between eight and nine hundred qualified voters, under existing law, and, as I have indicated, an important step forward is being taken in giving universal suffrage to the people of the Virgin Islands.

EXECUTIVE BRANCH

Sections 20 to 24, inclusive, provide for an executive branch of the local government of which the Governor of the Virgin Islands is the head. The Governor is to be appointed by the President, by and with the advice and consent of the Senate. The government secretary, who is the second ranking executive officer, is also to be appointed by the President.

Obviously, provision should be made for an executive officer authorized to act for and in the place of the Governor when he is absent from the Territory or suffers a temporary disability.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. VANDENBERG. I think perhaps it would answer the general question in my mind if the Senator would indicate to me to what extent under the new act the Governor would be reduced in the extent of his power and authority and responsibility.

Mr. KING. His authority is limited by the terms of the bill.

Mr. VANDENBERG. How does that differ from the existing situation, speaking generally?

Mr. KING. He exercises only such authority, executive in character, as is conferred upon him by the bill. He may veto municipal acts in measures passed by the legislative assembly.

Mr. VANDENBERG. He would still have the veto power?

Mr. KING. He would have the veto power; but the vetoed measures may then go to the President of the United States, who may overrule the Governor. In my opinion the Governor's authority is not as great as that now possessed by that official. The bill before us divorces the United States court from the Interior Department and provides for the appointment of the district judge and the district attorney, by the Attorney General of the United States.

Mr. ROBINSON. Mr. President, as I recall, the legislative authority could pass a measure over the Governor's veto by a two-thirds vote, but then in effect it would be subject to veto by the President.

Mr. KING. Yes; and Congress might have the final say. In the matter of legislation Congress could nullify any act of the local legislature and, of course, could withdraw any power or authority exercised by the Governor.

I have in mind, of course, as doubtless other Senators have, testimony which came before our committee a year ago, and I think the members of the committee were not quite satisfied with the existing situation and with the authority which had been exercised by officials in the islands.

Mr. McKELLAR. Mr. President, will the Senator look at page 49, section 26? I believe he has just gotten to that section. It provides:

The President shall, by and with the advice and consent of the Senate, appoint a judge and a district attorney.

No provision is made in that section for the appointment of a clerk and marshal. Are they provided for elsewhere in the bill?

Mr. KING. Yes. Let me read the provision:

The Attorney General shall appoint and fix the compensation of all other officers necessary for the transaction of the business of the district court, and the compensation of the judge of the district court and of the district attorney, and the administrative expenses of such court, shall be paid from appropriations made for the Department of Justice.

Mr. McKELLAR. Would that include marshals and clerks without their being provided for as such?

Mr. KING. The Attorney General would have the authority to appoint them.

Mr. ROBINSON. Mr. President, may I ask the Senator another question?

Mr. KING. I am glad to yield.

Mr. ROBINSON. Under the Constitution, power to appoint officers is vested in the President of the United States. I do not know what prompted our committee to vest the appointment of officers in the Attorney General. I have no objection to the Attorney General selecting officers who are to work under him, but I question the validity of an arrangement which takes the appointing power away from the President and vests it in the Attorney General.

Mr. KING. Mr. President, the bill differentiates between what might be called executive officers and purely ministerial officers. For instance, there will be bailiffs, perhaps a court reporter, and some other minor officials needed in the proceedings of the court. Persons whose authority is purely administrative or relates to the activities of the court, are to be appointed by the Attorney General.

Mr. ROBINSON. Mr. President, will the Senator yield again?

Mr. KING. I yield.

Mr. ROBINSON. I do not think the Senator caught the full significance of my suggestion. I have no objection to the Attorney General exercising power conferred on him by the bill; I think he would perform his function admirably. My point is that the Constitution makes no distinction between administrative officers, executive officers, and judicial officers. All of them, under that instrument, must be appointed by the President, and it is not competent for the legislative department to provide that officers shall be appointed by someone else than the President. I hope I have

made my point clear, and I know that the Senator, as a lawyer of great ability, will recognize it.

Mr. KING. Mr. President, let me read from the Constitution of the United States, and I think this will clarify the situation. I read from section 2 of article 2 of the Constitution:

> The President shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur; and he shall nominate, and by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law; but the Congress may by law vest the appointment of such inferior officers, as they think proper, in the President alone, in the courts of law, or in the heads of departments.

Mr. ROBINSON. The Senator takes the view, then, that these officers come within the last clause he has read, that they are inferior officers, and may by express provision be appointed by the heads of the departments?

Mr. KING. Absolutely.

Mr. ROBINSON. Very well; I think perhaps that is correct.

Mr. KING. I may say that the judges of the United States district courts, or the United States marshals appoint baliffs and inferior court officers. However, the Attorney General possesses the ultimate authority in the matter. The judges are authorized to appoint probation officers, and those probation officers perform a very important function. I have taken the view that under the provision of the Constitution to which I have referred all bailiffs of the court in the Virgin Islands, and all necessary inferior officers required in the proper conduct of the courts should be appointed by or under the direction of the Attorney General.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. McKELLAR. The reason why I interrupted the Senator was that under our system we have designated clerks of courts and marshals in our own country and in the Territories as a class of officers whom the President himself appoints, and he does so in all cases. Bailiffs and other similar officers, as the Senator just said, are appointed either by the judges or by the heads of the departments; and that might well be done. However, it seems to me that if the court in the Virgin Islands is to have a marshal and a clerk, those officers should be put in the same category with all other officers whom we designate in this country.

Mr. KING. I may say to the Senator that the judges of the United States district courts now appoint their own clerks. They are not appointed by the President of the United States.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. ROBINSON. The act itself requires that the judge and the district attorney shall be appointed by the President. The plan of the bill is to permit them or the attorney general to appoint the subordinate officers. There is no question, of course, that that can be done.

Mr. KING. There is no question about that, Mr. President. I may say that I discussed the matter of creating additional positions; but that would involve much expense, and the Virgin Islands have a limited revenue. The committee was influenced by economic reasons and by a situation which does not exist in the States in the consideration of persons that would involve expenses to be paid by the local government.

Mr. McKELLAR. Mr. President, will the Senator further yield?

Mr. KING. I yield.

Mr. McKELLAR. Of course, if a marshal were appointed, he would be paid by the Federal Government.

Mr. KING. Yes.

Mr. McKELLAR. Is it the purpose of the provision of the bill under discussion that the subordinate officers shall be paid by the local government?

Mr. KING. All officers appointed by the President of the United States or by the Attorney General shall be paid by the Federal Government.

Mr. McKELLAR. I understand that. I am a little inclined to believe that it would have been better to follow the same system we follow in this country, and to allow the marshals to be appointed by the President just as the marshals are appointed in the United States, and to permit the other officers to be appointed either by the judge or by the head of the department.

Mr. KING. We did not think it was necessary to create any other officers in the Virgin Islands, because of the lack of revenue there to meet expenses. Under the present system the expenses are paid by the local government. In the hearings we had a year ago a situation was disclosed which showed the wisdom of having the Federal court officers under the control of the Department of Justice.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. VANDENBERG. I wish the Senator would turn to page 58 of the bill, line 11, the fifth word in the line. First, I should like to have him pronounce it, and then I should like to have him tell me what it means.

Mr. KING. "Scilicet." It is a Latin word used in connection with the processes issued by the court.

Mr. VANDENBERG. I thank the Senator. I asked all the lawyers I could see around me, and none of them seemed to know what it was.

Mr. KING. "Shall run in the name of the United States."

Mr. VANDENBERG. The Senator validates the word, does he?

Mr. KING. I validate it.

Mr. VANDENBERG. I thought it was a typographical error.

Mr. KING. No; Mr. President.

Mr. COPELAND. Would it not be well to consult the Library concerning that word?

Mr. KING. No, Mr. President; we will consult the Senator from New York, who is a doctor of medicine and of law.

Mr. President, when interrupted, I had nearly concluded the statement I intended to make.

Section 34 contains familiar provisions found in various organic acts and in State constitutions in relation to the Bill of Rights, providing for trial by jury, freedom of speech, and freedom of the press, that there shall be no unreasonable bail, and so forth.

Section 35 confers upon each municipality control over the collection and expenditure of public revenue within its borders. That is a system which prevails under the existing law, which is the fundamental law of the Territory, and also is found in the Danish law under which the Virgin Islands were governed anterior to their acquisition by the United States.

Section 36 continues present import duties and customs, but authorizes the local legislative authorities to reduce present export duties.

Section 37 relates to the running of judicial process and the conduct of penal and criminal prosecutions in the local courts.

Section 38 provides that all officials of the government of the Virgin Islands shall be citizens of the United States.

Section 39 provides for reports by the Governor to the Secretary of the Interior, whose jurisdiction is to extend to all matters pertaining to the government of the Virgin Islands.

Section 40 empowers all present officers and agencies to continue to function until new officers shall be appointed and new agencies organized under the new organic act.

Mr. President, if there are no further questions, I shall ask for action on the bill.

Mr. ROBINSON. Mr. President, I should like to ask the Senator from Utah, recalling the discussions which we had in the committee on the subject, what are the restrictions or

limitations, if any, on the right of suffrage as provided in the bill.

Mr. KING. Those who may vote at all elections must be 25 years of age, and citizens of the Virgin Islands and of the United States.

Mr. ROBINSON. Why is the limitation of 25 years imposed? Usually, the limitation is 21 years.

Mr. KING. Mr. President, I was in error in my previous statement. The limitation of 21 years was imposed. In the original bill the age was placed at 25 years, and I had forgotten for the moment that in my consideration of the measure I amended it to read 21 years. Those who may vote, as I said, must have been bona-fide residents of the Virgin Islands for at least 3 years prior to voting. There is no property qualification.

Mr. ROBINSON. There is no property qualification or sex qualification?

Mr. KING. No, Mr. President; nor any religious qualification.

Mr. ROBINSON. Nor is there any literacy qualification?

Mr. KING. The people of the islands are all literate. I wish to say, to the credit of the people of the islands, that they are all literate.

Mr. ROBINSON. Does the act impose a literacy test?

Mr. KING. They must be able to read and write.

Mr. ROBINSON. When does the provision relative to voting become effective?

Mr. KING. As to that there was some controversy between representatives of the islands and representatives of the Department of the Interior. The latter felt that the people of the islands should be enfranchised, so to speak, immediately, and be permitted to vote in the coming November election. The representatives of the islands did not approve of that. The poll list or registration list for the coming election has already been made up, and it contains approximately 900 names. There is a property qualification now; and, of course, those who are eligible to vote at the next election are those who measure up to the present qualifications. The compromise was that those who are entitled to vote now should be the only ones eligible to vote at the next election, but that after January 1 of next year the local legislature could put into effect provisions of the organic act, and provide universal suffrage for the inhabitants of the islands. So that, if there should be a local election next February or March or April, if, in the meantime, the legislative assembly of the island had made proper provision, all the inhabitants of the islands, if it were for the election of members of the legislature, would be permitted to vote, but if the local legislature should not make provision for universal suffrage sooner than that, automatically at the next biennial election, which will be two years from November, all would be entitled to vote.

Mr. ROBINSON. Mr. President——

Mr. KING. I yield to the Senator from Arkansas.

Mr. ROBINSON. One more question. The Senator will recall that in the committee a controversy or a discussion arose regarding the authority of the local organizations or municipal councils relative to fiscal affairs. What action was taken regarding that question?

Mr. KING. I may say to the able Senator that it was rather an irritating question that was presented for consideration. The representatives of the islands urged that the local municipal councils should have greater authority and power in handling their fiscal affairs and in determining the purposes for which the expenditures should be made than they had enjoyed in the past; and they discussed a provision inserted in the organic act that they should have what amounted to managerial—they used that word—authority and power. It seemed to me, and I think to the other members of the committee, that, in view of the fact that the United States was compelled to pay perhaps $200,000 a year to aid the islands in the maintenance of their government, and, in view of the fact that the Governor was the chief executive and administrative officer, that it would be an impingement upon his authority if we placed in the legislative branch of the government the managerial power in carrying out the legislative declarations of the local councils or the legislative declarations of the assembly. So we adopted a provision in section 12, as I recall——

Mr. ROBINSON. Yes; which gives the municipal committee the power, when granted such power by local law, to recommend to the Governor transfers between items in the annual budget and loans from municipal funds; but it denies to the Governor the power to make such transfers and loans, except upon the recommendation of the municipal committee.

Mr. KING. Exactly. It seemed to me that it was a happy compromise. It gives to the local councils legislative authority. They formulate the legislation; they determine whether the money shall be expended for schools, for sanitation, or for other municipal or territorial purposes, and the Governor then is charged with the enforcement of the legislation. If he wants to transfer from one fund to another fund he can do so only by the consent of the council.

I may say that the representatives of the islands, the islanders who were here, were satisfied with that provision, and the Interior Department officials likewise were satisfied.

I desire to express my appreciation of the cooperation which your committee received, both from representatives of the island and of the Interior Department in the formulation of this proposed legislation. There was a spirit of cordiality, of compromise, and good will which was pervasive in all the meetings and in the discussions—and there were many of them covering several days—that preceded the preparation of the bill as it is now before the Senate. Especially I want to express my appreciation of the services rendered by Governor Cramer, Dr. Gruening, and Mr. Jacobson, the attorney representing the Virgin Islands, who was very helpful in the formulation of the bill.

Mr. LEWIS. Mr. President——

Mr. KING. I yield to the Senator from Illinois.

Mr. LEWIS. May I ask the Senator from Utah what body in the islands under the law prescribes the qualifications of jurors, grand and petit, for service in the islands?

Mr. KING. Does the Senator mean in the past or under the pending bill?

Mr. LEWIS. I mean for the future.

Mr. KING. The territorial legislature, the name of which is the legislative assembly. It performs practically the same functions as those performed by the Legislature of the Territory of Alaska, or the legislatures of the other territories which were finally merged into States. But there are conditions in the Virgin Islands, as the Senator knows, that perhaps require a little more restriction than prevails in other territories. For instance, there are only about 22,000 inhabitants in the three islands, and only a limited number of the inhabitants possess any property. So considering the situation, the background of the people, living under the Danish regime for many years and then coming under the flag of the United States, nearly all of them without property, having been denied the advantages which other people have had, have to face a condition there quite different—it is sui generis—from that which we find elsewhere. We had to deal with it as we found it, but keeping in mind always the welfare and the happiness and the best interests of the 22,000 colored people who live in the Virgin Islands, doing everything we could to advance their interest, promote their welfare, and insure for them economic rehabilitation, or at least development and those advantages which will result, I feel sure, under the flag of the United States and under the jurisdiction of this Republic.

Mr. LEWIS. I am much obliged to the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. KING. Mr. President, I have a few amendments to offer which are not very important. I send them to the desk and ask action upon them.

The PRESIDING OFFICER. The amendments presented by the Senator from Utah will be stated in order.

The LEGISLATIVE CLERK. In the committee amendment, on page 37, line 7, after the word "assembly", it is proposed

to strike out "may" and insert "shall have power to", so as to read:

The legislative assembly shall have power to enact legislation applicable to the Virgin Islands as a whole, but no legislation shall be considered other than that specified in the message by the Governor calling such a session, or in both of said resolutions.

Mr. KING. That is a perfecting amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment submitted by the Senator from Utah.

The LEGISLATIVE CLERK. In the amendment of the committee, on page 37, line 16, it is proposed to strike out:

Provided further, That the legislative assembly shall have and exercise all powers and immunities within the jurisdiction of the Virgin Islands which are granted under this act to the municipal councils within their respective jurisdictions, and shall be subject to the same limitations as those imposed on the municipal councils.

Mr. KING. That is to correct a typographical error.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment.

The amendment to the amendment was agreed to.

The LEGISLATIVE CLERK. On page 39, line 22, it is proposed to strike out the comma and insert a period before the word "in", and in the same line to insert the words "The procedure of the Municipal Committee shall be".

The amendment to the amendment was agreed to.

The LEGISLATIVE CLERK. On page 41, line 26, it is proposed to strike out the words "of bill" and insert in lieu thereof the word "thereof."

The amendment to the amendment was agreed to.

The LEGISLATIVE CLERK. On page 47, line 25, before the word "officers", it is proposed to insert the word "executive."

The amendment to the amendment was agreed to.

The LEGISLATIVE CLERK. On page 48, line 14, before the word "office", it is proposed to insert the word "appointive."

The amendment to the amendment was agreed to.

The LEGISLATIVE CLERK. On the same page, line 15, before the word "officer", it is proposed to insert the word "appointive."

The amendment to the amendment was agreed to.

The LEGISLATIVE CLERK. On page 49, lines 17 and 18, it is proposed to strike out the words "of such officers and the judge of the district court and the administrative expenses of such court" and insert in lieu thereof the words "of the judge of the district court, and of the district attorney, and the administrative expenses of such court,".

The amendment to the amendment was agreed to.

The LEGISLATIVE CLERK. On page 54 it is proposed to strike out lines 8 to 11, inclusive, as follows:

All persons shall, before conviction, be bailable by sufficient sureties, except for first-degree murder or any capital offense, when the proof is evident or the presumption great.

And to insert in lieu thereof the following:

All persons shall be bailable by sufficient sureties in the case of criminal offenses, except for first-degree murder or any capital offense when the proof is evident or the presumption great.

The amendment to the amendment was agreed to.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. McKELLAR. I was very much struck by the statement made by the Senator a while ago, that practically all of the 22,000 inhabitants of the Virgin Islands can read and write; that they are all literate. What is the nature of their educational facilities and will they be interfered with in any way by the passage of this bill or will they be aided? I think if they are now able to read and write that it is a very fine thing and that nothing ought to be put in the way of continuing that very desirable situation.

Mr. KING. Mr. President, I agree with my able friend from Tennessee and I compliment the people of the Virgin Islands for the progress they have made. They have had good schools and under the administration of the United States the schools have been improved; a large amount has been expended for education; and under the organic act I feel sure, and I can so assure my friend, that educational opportunities larger and greater than those in the past will be afforded to the people of the Virgin Islands.

Mr. McKELLAR. Do they have a public-school system such as ours?

Mr. KING. Yes.

Mr. McKELLAR. And what portion of their revenues are devoted to education?

Mr. KING. I am unable to state the figure. I do not recall that they were presented before the committee, but sufficient evidence was before us to show that a large portion of the revenue was devoted to education.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as amended.

The amendment as amended was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide a civil government for the Virgin Islands of the United States."

ONE HUNDREDTH ANNIVERSARY OF INCORPORATION OF BRIDGEPORT, CONN.

The PRESIDING OFFICER (Mr. RUSSELL in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 4229) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the incorporation of Bridgeport, Conn., as a city, which were, on page 1, line 6, to strike out "to exceed ten" and insert "less than twenty-five", and on page 2, line 9, to strike out all after "coins" down to and including "act" in line 12.

Mr. ADAMS. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

ONE HUNDREDTH ANNIVERSARY OF TERRITORIAL GOVERNMENT OF WISCONSIN

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 3842) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the establishment of the Territorial government of Wisconsin, and to assist in the celebration of the Wisconsin Centennial during the year of 1936, which were, on page 1, line 8, to strike out "to exceed twenty" and insert "less than twenty-five", and on page 2, line 13, to strike out "five" and insert "twenty-five."

Mr. ADAMS. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

THREE HUNDREDTH ANNIVERSARY OF THE LANDING OF SWEDES IN DELAWARE

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 231) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the landing of the Swedes in Delaware, which were, on page 1, line 6, to strike out "to exceed twenty" and insert "less than twenty-five"; on page 2, line 8, after "Delaware", insert "Swedish"; and on page 2, line 10, to strike out "five" and insert "twenty-five."

Mr. ADAMS. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

REAL-PROPERTY TAX IN VIRGIN ISLANDS

Mr. KING. Mr. President, with the understanding that the bill will not be considered today but that its consideration will be postponed until the next session of the Senate, I move that the Senate proceed to the consideration of House bill 8287, having to do with the establishment of a real-property tax in the Virgin Islands.

The PRESIDING OFFICER. The question is on the motion of the Senator from Utah.

The motion was agreed to, and the Senate proceeded to the consideration of the bill (H. R. 8287) to establish an assessed valuation of real-property tax in the Virgin Islands of the United States, and for other purposes, which had been reported from the Committee on Territories and Insular Affairs with amendments.

Mr. KING. I now ask that the bill be temporarily laid aside.

The PRESIDING OFFICER. Without objection, the bill will be laid aside temporarily.

BATHING POOLS IN THE DISTRICT

Mr. KING. Mr. President, I ask unanimous consent for the present consideration of Senate bill 4540. It is a District measure and its passage is very important because, with the warm weather coming on, it is desirable to provide bathing-pool facilities.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 4540) to provide for the operation of bathing pools in the District of Columbia under the jurisdiction of the Secretary of the Interior, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior, in his discretion, is authorized to provide for the operation of bathing pools under his jurisdiction in the District of Columbia by contract or contracts to be entered into by him with the most satisfactory bidder: *Provided*, That nothing contained herein shall be construed to repeal the authority for the operation of said bathing pools contained in the acts of Congress approved February 28, 1929 (45 Stat. 1411), and July 3, 1930 (46 Stat. 1007): *And provided further*, That in the event a bathing pool is located in the area of the East Potomac Park Golf Course, the said Secretary may, in his discretion, authorize its operation by the contract operator of said golf course for the balance of the period of the present contract under such terms and conditions as he may deem to be in the interest of the United States.

PERMISSION TO APPROPRIATIONS COMMITTEE TO FILE REPORTS

Mr. ROBINSON. Mr. President, I ask unanimous consent that during the recess of the Senate the Committee on Appropriations shall have leave to submit and have printed a report or reports to the Secretary of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

OPERATION OF COMMODITY EXCHANGE BILL

Mr. POPE. Mr. President, since discussing before the Senate about a week ago the commodity exchange bill, being House bill 6772, I have received a number of inquiries concerning certain provisions of the bill.

It is my purpose today, for a very few minutes, to refer to these inquiries and to suggest answers to them.

In the first place, a question has been raised as to the effect of the amendment proposed by the Secretary of Agriculture permitting warehouses licensed under the Federal Warehouse Act to be used for storage of grain for delivery under futures contracts.

Objection has come from those interested in the operation of State licensed warehouses that the result of the proposed amendment would be a general break-down of State warehouse laws. In effect, the objection is to competition of Federal warehouses with State warehouses.

The sole purpose of the proposed amendment is to eliminate arbitrary and unfair discrimination against warehousemen licensed under the Federal Warehouse Act who desire their receipts to be made tenderable on future contracts and to give the advantages of additional warehouse facilities to traders in the market.

It is believed the proposed amendment will not in fact interfere with the business of State-licensed warehouses and that the advantages of putting Federal and State houses on the same basis without discrimination as to either would be fair and in the public interest. It should be made clear, also, that grain loaded out of an elevator, either against futures contracts or for interstate shipment, must be inspected by inspectors licensed under the United States Grain Standard Act. This requirement is exactly the same whether the grain is loaded out of a State licensed warehouse or a Federal licensed warehouse.

A second question has been raised as to the necessity for annual registration by commission firms and floor brokers. On page 12 of the bill, lines 16 to 18, is the following language:

All registrations shall expire on the 31st day of December of the year for which issued.

The suggestion is made that such registration be continuous until revoked for cause.

It is the judgment of most of the proponents of this bill and of the Grain Futures Administration that annual registration is essential to protect the trading public against the possible misuse of certificates by persons and firms which may have actually lost their registration rights. A great deal of difficulty is bound to be experienced by depending upon the commission firms and brokers to report their discontinuance of business on the exchange. Annual licenses are very common throughout the country. Their renewal is a matter of form so long as they have not been suspended or revoked for cause.

It seems to be assumed by opponents of the bill that the Secretary will act capriciously in granting or withholding registration certificates. They seem to fear that the Secretary will deny registration because a man's hair is red or his eyes blue. In the bill as now drawn, providing for annual registration, the Secretary of Agriculture has no discretion but to issue certificates upon application. He would have no right to withhold such certificate arbitrarily or for any reason except that set out in subsection 2 of section 8 (a) on page 25 of the bill. It is there provided that the Secretary may refuse to register any person if he has violated any of the provisions of the act for which his registration has been suspended or revoked. Such previous suspension or revocation would have been made in an orderly way after complaint had been made, hearing had been held, and conclusion had been reached for violation of the act. This conclusion is subject to judicial review as provided in section 4 (g), page 13, of the bill.

It can thus be seen that the only purpose of an annual registration is to keep the list up to date with no dead registration certificates outstanding.

Annual registration would appear to be especially desirable in the case of floor brokers. As was shown in the committee hearings, floor brokers trade and speculate for their own account while executing orders for others. In these circumstances it is absolutely necessary for the Grain Futures Administration to know at all times what persons are actively engaged as floor brokers. These floor brokers have unusual opportunities for taking advantage of their customers by reason of the practices which I pointed out last week.

A third question has been raised as to the proviso in subsection 2 of section 4 (d), appearing on page 11 of the bill, which refers to moneys deposited with commission merchants for margins. It is provided in the bill that these moneys must be deposited by the commission merchant with a bank or trust company or clearinghouse organization. It is pointed out that such commission merchants ought to have the right to invest this money in good securities. This seems a valid criticism of the bill.

The Grain Futures Administration believes that such investments may properly be made, but should be limited to investment securities of national banks as defined in and under authority of section 5136 of the Revised Statutes of the United States, as amended. The term "investment securities" as defined in the Federal statute is limited to high-grade securities and has the merit of providing uniformity, and would be applicable in all States. It would rule out

questionable paper, in which many State banks are now permitted to invest their capital. The State statutes vary widely as to such securities.

An amendment to the present bill authorizing investment in such securities as are now authorized by the Federal statute for national banks would be plain, simple, workable, and would fairly protect margin deposits.

As I said a moment ago, the reason why I desired to make this statement today is that I am having numerous inquiries on the particular points raised; and in order to make a record of answers to them, I am setting them out this afternoon in this way in reply to those inquiries.

Mr. President, I desire to have printed as a part of my remarks articles from the Chicago Daily Tribune of April 29, 1936, and from the Chicago Daily News of April 28, 1936, under the following headlines: "Cutten indicted on new charge of tax evasion" and "Cutten accused of tax plot in two indictments by United States."

It will be recalled that a week ago I discussed the violation or supposed violation of the Grain Futures Act by Mr. Cutten's manipulation of the board of trade. It is in that connection that I ask that these articles be made part of my remarks today.

The PRESIDING OFFICER. Without objection, it is so ordered.

The articles are as follows:

[From the Chicago Daily Tribune of Apr. 29, 1936]

CUTTEN INDICTED ON NEW CHARGE OF TAX EVASION—UNITED STATES CLAIMS $644,000 TOTAL OVERDUE

A second indictment charging Arthur W. Cutten, wealthy grain speculator, with evading payment of income taxes was returned yesterday in Federal court before Judge James H. Wilkerson.

On March 10 Cutten was indicted on a charge of failure to pay $414,525 in income taxes for 1929. Government officials explained this indictment was rushed through just before the deadline for prosecution under the statute of limitations.

In the indictment returned yesterday the Government charges the trader with attempting to evade income-tax payments totaling $229,944 on his income for the years 1930 and 1933. Cutten, who was stricken with a heart ailment after Christmas, is convalescing in his apartment in the Drake Hotel.

TAX CONSULTANT NAMED

Named with Cutten in both indictments is William E. Gatewood, tax consultant, with offices at 141 West Jackson Boulevard, a former revenue agent. He is charged with having aided Cutten in the alleged tax evasion.

Yesterday's indictment contains two counts. One count charges evasion of income-tax payments of $171,364.91 for the year 1933 and the second count with evasion of $58,579.75 for the year 1930.

Cutten's income for 1930 was divided as follows, according to the Government computations:

Dividends	$638,108.09
Profit on sales of real estate, stocks, bonds, etc	121,753.58
Income from trust	5,463.85
Rents and royalties	3,346.47
Interest received	101,560.12
Director's fees	200.00
Chicago Perforating Co	6,000.00

Losses were allowed of $114,031.16 from syndicates, $43,601.11 from a joint venture, and $15,949.53 from the operation of Cutten's farm.

By the Government's computations, Cutten's gross income for 1930 was $702,850.31 and the net income subject to tax was $334,598.76.

THE SECOND COUNT

In the second count of the indictment his income for 1933 is computed as follows:

Director's fees	$475.00
Interest received	4,791.76
Rents and royalties	2,723.11
Profit on sales of real estate, stocks, bonds, etc	518,542.19
Dividends received	56,561.91
Income from trust	2,700.00

After subtracting $16,902.84 loss from the operation of his farm, the Government charges that Cutten's gross income for 1933 was $568,891.13 and the net income subject to tax was $529,990.23.

Cutten posted a $35,000 surety bond under the first indictment after deputy marshals went to his bedside with the warrant for his arrest. Evidence before the grand jury was presented by United States District Attorney Michael L. Igoe and his assistants, Austin Hall and E. Riley Campbell, after efforts at a compromise settlement failed.

Another indictment charging Edgar C. Terhune, president of the Terre Paper Box Co., 1824 South Albert Avenue, and Louis E. Squire, bookkeeper for the company, with attempting to evade payment of $2,327 in income taxes for the company for 1933 was also returned before Judge Wilkerson.

[From the Chicago Daily News of Apr. 28, 1936]

CUTTEN ACCUSED OF TAX PLOT IN TWO INDICTMENTS BY UNITED STATES—ATTEMPTS TO EVADE PAYING $229,949 FOR 2 YEARS CHARGED—CONSULTANT INVOLVED

Two true bills charging Arthur W. Cutten, millionaire grain speculator, with willful attempts to evade income-tax payments of $58,579.75 and $171,364.91, respectively, for 1930 and 1933, were returned by the Federal grand jury today before Federal Judge James H. Wilkerson.

Named with Mr. Cutten was William A. Gatewood, tax consultant and former employee of the Department of Internal Revenue, who is accused of aiding and abetting Cutten.

ALREADY INDICTED FOR 1929

Cutten was indicted on March 10 on a similar charge for the year 1929. The Government alleged the amount due for that year was $414,525. The total amount alleged due for the 3 years is $644,469.66.

The true bills set up that Cutten's gross income for 1930 was $702,850.31, and his net taxable income $334,598.67. The gross income was classified as follows: From Chicago Perforating Co., $6,000; directors' fees, $200; farm income, $15,949.53 (loss); "a joint venture," $43,601.11 (loss); rents and royalties, $3,346.47; profits on sales of real estate, stocks, and bonds, $121,753.58; income from syndicates, $114,031.14 (loss); dividends, $638,108.09; income from trust fund, $5,463.85.

$568,891 INCOME IN 1933

In 1933, the indictment alleges, Cutten's gross income was $568,891.13, and the net taxable income $529,990.90. The gross income was classified as follows: Directors' fees, $475; farm income, $16,902.84 (loss); interest received, $4,791.76; rents and royalties, $2,723.11; profits on sales of real estate, stocks, and bonds, $518,542.10; dividends, $56,561.91; income from trust fund, $2,700.

Mr. ROBINSON. Mr. President, in connection with the statement just made by the Senator from Idaho [Mr. POPE], I desire to say that the commodities exchange bill has been pending on the calendar for a long time. Hearings with respect to the bill have recently been conducted by the Committee on Agriculture and Forestry, although the bill was not recommitted to the committee. It is my understanding that the bill is ready for the consideration of the Senate. The chairman of the committee, the Senator from South Carolina [Mr. SMITH], is absent from the city. I do not find myself in sympathy with some of the amendments relating to cotton that have been reported by the Committee on Agriculture and Forestry. It seems that the measure may be reached for consideration within a few days.

WHAT SHOULD BE THE POSITION OF THE UNITED STATES?—ADDRESS BY FRANCIS B. SAYRE

Mr. HARRISON. Mr. President, I ask unanimous consent to have printed in the RECORD, an address delivered on Saturday, April 25, 1936, at Philadelphia, Pa., by Hon. Francis B. Sayre, Assistant Secretary of State, at the Fortieth Annual Meeting of the American Academy of Political and Social Science, on the subject What Should Be the Position of the United States?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The theme for our discussion tonight is the question of what commercial policy the United States should follow for the protection of American interests, "What should be the position of the United States?"

In broad terms, we have two choices open to us. On the one hand, America can adopt a program of economic isolation. We can try to produce ourselves everything we need. We can promote a vigorous "buy American" movement and shut out all foreign goods which we are able to produce. We can seek to become economically self-sufficient.

The alternative is to retain and to increase our foreign markets through international trade.

The proponents of economic isolation argue that such a program would give the benefit of American markets exclusively to American business and to American labor. It would free America from dependence upon production in foreign nations over which we have no control. It would make America independent in case normal trade channels should be disrupted by war. Any one of these arguments has a ring of persuasiveness. Furthermore, "America for the Americans" fires the imagination and stirs the emotions. What could be of stronger political appeal than a program of economic independence?

Yet in an issue as this we cannot afford to act on hasty or superficial conclusions. Wise decisions can be reached only by considering as objectively as possible the fundamental facts and

underlying issues. My thought this evening is to lay before you as succinctly as I can five underlying problems upon which, it seems to me, the main issue of the evening fundamentally depends and which cannot therefore be fairly disregarded or ignored. I should like to lay these naked problems before you with the hope that the two speakers who follow will elaborate upon them and discuss them.

I

At the heart of the difficulties which we are facing is the problem of unsalable surpluses. Here is the first of our underlying problems. Because of America's high productive capacity, upon which our standard of living in large part depends, this country normally produces more of certain types of goods, both agricultural and industrial, than can be profitably sold in the domestic market. These surplus products, from the very first days of the Nation, have been marketed abroad. For instance, we are normally dependent upon foreign markets for the sale of more than half of our cotton crop. Similarly, in 1929 we were selling abroad about a fifth of our wheat, two-fifths of our leaf tobacco, almost half of our Federally inspected lard, a third of our rice, almost half of our dried fruits. These are merely some of the outstanding agricultural crops whose profitable production has been geared to foreign markets. And so it is in the case of many of our most important industries. In 1929 industries producing office appliances sold abroad over 30 percent of their total production to a value of some $53,700,000; the agricultural implements and machinery producers exported 25 percent of their production at a value of $141,000,000; and the automobile industry sold abroad nearly 18 percent of its production to the amount of $345,700,000. These are but a few random illustrations of the importance of our foreign sales, which in 1929 totaled $5,157,000,000. In 1934 our income from exports had fallen to $2,101,000,000.

Unless we can export and sell abroad our surplus production, we must face a violent dislocation of our whole domestic economy.

International trade is an essential part of our national economy. The value of our cotton, our wheat, our lard, our automobiles, and the like, depends directly upon whether or not we can find markets for them. National wealth today depends upon trade. Cripple a nation's trade and you strike directly at its wealth.

It is often said that our export trade is unimportant because it comprises less than 10 percent of our total production. But general averages in a case like this are seriously misleading. It is not merely that in many of our most important industries and occupations the surpluses which we must sell abroad greatly exceed 10 percent. What is of far more vital consequence is the effect of unsalable surpluses on domestic enterprises. Unsold surpluses, by glutting home markets, demoralize the prices received for that part of the output or crop sold at home, and thereby spread havoc and cause dislocation throughout the industry or occupation. The resulting repercussions are Nation-wide and affect producers who themselves do not sell abroad. Unquestionably one of the substantial causes for the widespread suffering and unemployment which we have been experiencing since 1929 has been the loss of foreign markets.

But it is manifestly impossible for us to sell abroad if we will not buy from abroad. Trade is a two-way street. We cannot escape the broad fact that a nation's purchases are inescapably limited by its sales. Unless the people of a nation can sell, they have neither purchasing power nor foreign exchange to pay for the goods they would like to buy. In other words, there is no escape from the fact that a program of economic self-sufficiency means necessarily the sacrifice of our foreign markets and therefore disastrous economic dislocation at home. It means a body blow dealt against the very occupations and industries in which American labor can produce most effectively and secure its largest return. It means the shift at incalculable sacrifice and suffering of millions of American workers from the most rewarding occupations and industries to less rewarding ones or to the public relief rolls.

In the field of agriculture, if we should eliminate our foreign markets, speaking in round numbers we would have to retire about 8,900,000 acres of wheat land, about 22,800,000 acres of cotton land, about 665,000 acres of tobacco land, about 9,150,000 acres of corn land needed for raising hogs, and over 7,000,000 acres of land needed for feeding horses to work these lands. In other words, we would have to retire over 40,000,000 acres of average farm land and let it go back to weeds or pasture land. This land today supports a farm population of some 3,200,000 people. What would be done with these human beings? Are they to become human weeds?

In the industrial field, save for the fact that the population is somewhat more mobile, an even larger problem presents itself. Estimates indicate that the industrial population directly dependent upon export sales is more than twice as large as that engaged in agricultural work. Conservative calculations place it at about 7,500,000.

In all, a population of considerably over 10,000,000 people are dependent for their subsistence upon exports of the products of farm and factory.

If we choose to commit America to a program of economic self-sufficiency, how are we going to meet the violent economic and social dislocations which the program necessarily entails? How are we going to solve the resulting problems of staggering unemployment, of sharply reduced national income, of perilously impaired standards of living?

Take, for instance, the case of cotton. What, practically, would become of the 2,700,000 farmers in the United States who are raising cotton and who know no other employment, and of the hundreds of thousands of individuals engaged in picking, ginning, transporting, compressing, warehousing, and merchandising it?

Manifestly, they could not be supported on idle cotton land. No one has been able to advance any practicable solution for the profound social problems which would result from the loss of our foreign cotton markets. Furthermore, injury would not be confined to the South alone. If foreign cotton markets are lost, every industry which sells its products in the South will be affected.

How can this multitude of people be shifted into other occupations without starting an endless chain of dislocating repercussions?

A program of strict economic self-sufficiency, therefore, when translated into actualities, loses much of its superficial attractiveness. It would involve profound social readjustment. It would mean intense human suffering.

II

In choosing between the two alternative programs, there is a second underlying problem not to be overlooked—the problem of comparative material costs. Economic self-sufficiency can be had only at a shocking price.

In the first place there is the initial cost incurred by the loss of foreign markets. If we could not sell our surpluses abroad we would have to retire some $3,000,000,000 worth of agricultural land and render worthless some $9,000,000,000 worth of industrial "fixed assets" in the form of machinery and plant equipment whose capacity is too great for profitable employment in the home market alone.

In the second place the additional cost to consumers of products produced in "hothouse" industries protected by an embargo against foreign goods and the increased cost of substitute materials would run into appalling figures. We can best see the picture with an example taken from a foreign country.

Germany's program of self-containment has recently driven her to enlarge her own production of lard. The retail price of lard in Germany was fixed recently at 35 cents a pound, which is probably at least 10 cents higher than lard imported from the United States could be sold at retail. Since Germany in 1934 imported, roughly, 100,000,000 pounds of lard for which German consumers had to pay 10 cents a pound more than they would were trade unhampered, it is evident that the direct additional cost of lard imports to the German people amounted to some $10,000,000. This, of course, does not include the far larger excess of cost to German consumers of domestically produced hogs—a sum estimated at some $60,000,000.

In our own country we have been in the habit of dispensing high tariff protection with a liberality that assumed it cost the Nation nothing. Yet every raise of tariff which effectually bars out cheaper foreign imports must be paid for by the consumers of the Nation in higher prices for the commodity. This increased cost due to more expensive home production far exceeds the increased profits of the domestic producing interests, since the actual cost of home production may be many times greater than that of foreign production. One could cite numerous instances of existing American tariff rates procured by industries whose entire incomes are less than half of the increased cost which consumers are forced to pay by reason of the tariff.

We could grow all the olives we need in the United States, and thereby give increased employment to American workmen, if we are willing to foot the bills of heating sufficient hothouses to do so. We could perhaps produce all the manganese we need at double and triple and quadruple the prices we are now paying for it. We could make synthetic rubber, which sells today for 75 cents per pound, as compared with 16 cents which we pay for natural rubber.

All these things can be done. But the cost would run into hundreds of millions of dollars. To a moderate extent we can afford self-sufficiency. No responsible government is advocating free trade today. Suddenly, to eliminate the protection under which businesses have grown up, money has been invested, and commercial activities organized would be fantastic and unthinkable. But to go far beyond the point already reached—certainly, to go to the extent advocated by the proponents of thoroughgoing self-sufficiency—would entail so staggering a cut in our national income through increased costs of production and in consequence so sharp a reduction in the national standard of living that no government should commit itself to such a program without the gravest consideration.

To the pure theorist an economic self-sufficiency which would free America from dependence upon every foreign country is of very strong appeal. But in cold and hard reality, if one objectively figures out the prohibitive actual costs, can such a program be defended as feasible or practicable?

III

A third problem of serious magnitude directly involved in the issue before us is that of securing payment on the debts owed us by the nations and peoples of the world. Quite apart from the war debts, the world owes us huge sums. Last year we received from abroad $410,000,000 by way of interest and dividends. The fact is that other nations do not possess sufficient gold with which to pay their debts to us, nor do the circumstances permit paying more than a moderate amount in services. If our debts are to be paid we must accept goods and stimulate trade. As has been well said: "There is no alchemy of economics by which the bricks

of debt payments can be made without the straw of commerce." Yet a program of economic self-sufficiency makes payments in goods impossible. Are we prepared to sacrifice American holders of foreign investments to the amount of some $12,350,000,000 on the altar of self-sufficiency? Are we ready to give up all thought of obtaining future payment, not only of those foreign investments due us which have been already defaulted but also of those which are financially sound?

IV

A fourth underlying issue is the very grave one of whether our present forms of democratic Government can survive if America gives herself completely over to a program of economic self-sufficiency. I am thinking not only of the intense strain caused by revolutionary social adjustments necessitated by the program and of the menacing financial strain caused by a sharply decreased national income and a serious impaired standard of living. I am thinking more particularly of the direct issue which the alternative programs raise between a degree of regimentation such as America has never known on the one hand and a comparative freedom of business initiative and enterprise on the other. Under a system of self-sufficiency the only alternative for unsalable surpluses is an arbitrary restriction of production; and the only practicable way to enforce restriction is thorough-going Government control.

Furthermore, the embargoing of all but a small list of imports is possible only upon the basis of arbitrary governmental selection and regulation. This means sooner or later a selective system of imports and exports, and leads to a growing governmental regimentation of all commercial enterprise throughout the Nation. Since the program also entails the shift of substantial portions of the population from industries and occupations in which they are now engaged to others presumably organized by the Government, the program leaves no escape from a gradual strait jacketing of business and a corresponding assumption of dictatorial power by the Government which would go far in revolutionizing the part played by Government in our individual lives.

If we are to choose the pathway of economic self-sufficiency we must frankly accept a system of governmental control over private business enterprise such as at present seems utterly inconsistent with American traditions and beliefs.

V

A program of economic isolation, therefore, raises well-nigh insuperable difficulties from the viewpoint of our domestic prosperity and our social and political traditions. A fifth problem—probably the gravest of all—arises out of world conditions. To what avail should we achieve economic self-sufficiency—assuming that this were possible for us—if in doing so we, along with others attempting such a program, condemn this universe to the ravages of perpetual armed conflict? The problem of peace in this respect is not one which can be resolved by mere theories. The problem arises from unescapable fact, i. e., that the nations of the world are by geography endowed with such different natural resources and by history so developed that no nation on earth can, without incalculable cost and sacrifice, make itself economically self-sufficient. It is self-evident that some 50 nations cannot attain even a tolerable degree of self-sufficiency. The peril in the present world situation is that the fortunes of all are inseparably linked together and if some great trading nations follow a policy of economic self-sufficiency other nations will be forced even against their will to attempt to do the same. Unhappily the vast majority of nations are so lacking in natural resources that self-sufficiency is physically impossible. For them there is then no alternative but to attempt to appropriate by force other portions of the earth's surface. Economic nationalism thus reaches its culmination in imperialism.

If orderly processes of trade break down as a means for securing the ready exchange of goods and the distribution of the necessary raw materials of the world, conquest and the march to imperialism is the only road left open. Yet this road leads to a dead end. Economic nationalism and its corollary, imperialistic expansion, alike lead to perpetual conflict. Nations are not so abundantly endowed with natural resources and technical skill that each can be economically sufficient unto itself and remain prosperous; neither are there enough colonial areas in the world to satisfy the needs of every nation.

The sum of the whole matter is that trade constitutes the very lifeblood of nations. If goods cannot cross frontiers, armies will.

My purpose this evening was to confine myself to a bald statement of facts and issues, and not to indicate what should be America's choice. But I must confess failure. For my own part it seems impossible to state the true underlying issues without indicating quite clearly what America's course must be if American interests are to be safeguarded, American traditions to be preserved, American people to be protected from suffering and disaster.

A policy which in its ultimate stages militates against peace cannot be American. Our country must stand ready in cooperation with other countries of the world to struggle against the throttling forces of economic nationalism in a united and determined movement for the liberalization of the trade of the world.

EXECUTIVE SESSION

Mr. ROBINSON. Mr. President, there are a number of committees which are very busy, particularly the Committee on Finance and the Committee on Naval Affairs. In order that those and other committees may have the opportunity of meeting and performing their labors it is my purpose, after a brief executive session, to ask the Senate to take a recess until Thursday noon.

I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations (and withdrawing a nomination), which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nomination of Rear Admiral Gilbert J. Rowcliff to be Judge Advocate General of the Navy, with the rank of rear admiral, from the 1st day of June 1936, for a term of 4 years.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Maj. James Truman Menzie, Cavalry, to Adjutant General's Department, for appointment, by transfer, in the Regular Army, with rank from August 1, 1935, and also the nomination of Capt. Harry William Miller, Ordnance Department, with rank from August 1, 1935, effective June 20, 1936.

He also, from the same committee, reported favorably the nominations of several officers for promotion in the Regular Army, in the Medical Corps.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the calendar.

RECESS TO THURSDAY

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon on Thursday next.

The motion was agreed to; and (at 3 o'clock and 25 minutes p. m.) the Senate took a recess until Thursday, May 7, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 4 (legislative day of Apr. 24), 1936

PUBLIC WORKS ADMINISTRATION

I nominate Irl D. Brent, of Michigan, to be State director of the Public Works Administration in Michigan.

Claude C. Hockley, of Oregon, to be State director of the Public Works Administration in Oregon.

APPOINTMENTS IN THE REGULAR ARMY

To be major general

Herbert Jay Brees, United States Army, from May 2, 1936, vice Maj. Gen. Paul B. Malone, United States Army, to be retired April 30, 1936.

CHAPLAINS

To be chaplains with the rank of first lieutenant to rank from date of appointment

First Lt. Martin Carl Poch, Chaplains' Reserve.
First Lt. Wallace Irving Wolverton, Chaplains' Reserve.
First Lt. Paul Judson Maddox, Chaplains' Reserve.
Capt. William Lewis Cooper, Chaplains' Reserve.
First Lt. James Corey Bean, Chaplains' Reserve.
Rev. Charles Irving Carpenter, of Maryland.
Rev. James Thomas Wilson, of Illinois.
Rev. Silas Edward Decker, of Indiana.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

First Lt. Joseph Edward Gill, Field Artillery, with rank from August 1, 1935.

TO CORPS OF ENGINEERS

Second Lt. Howard Elwyn Webster, Cavalry, with rank from June 13, 1933.

TO FIELD ARTILLERY

Second Lt. Edwin Gantt Hickman, Infantry, with rank from June 12, 1934, effective June 12, 1936.

Second Lt. Oliver Prescott Robinson, Jr., Infantry, with rank from June 12, 1934, effective June 12, 1936.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Lt. Col. Condon Carlton McCornack, Medical Corps, from April 23, 1936.

Lt. Col. Glenn Irving Jones, Medical Corps, from April 25, 1936, subject to examination required by law.

Lt. Col. Charles Carroll Demmer, Medical Corps, from April 27, 1936.

TO BE CHAPLAIN WITH THE RANK OF COLONEL

Chaplain (Lt. Col.) Louis Augustus Carter, United States Army, from April 29, 1936.

TO BE CAPTAINS

First Lt. William Albert Todd, Jr., Medical Corps, from April 26, 1936.

First Lt. James Bowdoin Stapleton, Medical Corps, from April 26, 1936.

First Lt. Floyd Lawrence Wergeland, Medical Corps, from April 28, 1936.

First Lt. Robert Stultz Brua, Medical Corps, from April 28, 1936.

TO BE CAPTAINS WITH RANK FROM JUNE 12, 1936

First Lt. William Clyde Baker, Jr., Corps of Engineers.
First Lt. William Livingston Bayer, Signal Corps.
First Lt. Herbert William Ehrgott, Corps of Engineers.
First Lt. Turner Ashby Sims, Jr., Air Corps.
First Lt. Francis LeRoy Ankenbrandt, Signal Corps.
First Lt. William Hunt Mills, Corps of Engineers.
First Lt. Keith Richard Barney, Corps of Engineers.
First Lt. Elvin Ragnvald Heiberg, Corps of Engineers.
First Lt. Francis Xavier Purcell, Jr., Corps of Engineers.
First Lt. Harold Anthony Brusher, Coast Artillery Corps.
First Lt. Raymond Coleman Maude, Signal Corps.
First Lt. Samuel Wallace Van Meter, Air Corps.
First Lt. Richard Wyman Pearson, Corps of Engineers.
First Lt. Irving Arthur Duffy, Field Artillery.
First Lt. William Preston Corderman, Signal Corps.
First Lt. Clerin Rodney Smith, Corps of Engineers.
First Lt. Fiorre John Stagliano, Finance Department.
First Lt. Parker Montrose Reeve, Corps of Engineers.
First Lt. Harry Warren Johnson, Cavalry.
First Lt. Rufus Leonidas Land, Cavalry.
First Lt. James Norvell Krueger, Corps of Engineers.
First Lt. Robert Kinzie McDonough, Corps of Engineers.
First Lt. Donald Prentice Booth, Corps of Engineers.
First Lt. Arthur August Gerhart Kirchhoff, Corps of Engineers.
First Lt. William Murlin Creasy, Jr., Chemical Warfare Service.
First Lt. Alfred Henry Johnson, Air Corps.
First Lt. Ralph Morris Osborne, Field Artillery.
First Lt. Norman Arthur Matthias, Corps of Engineers.
First Lt. Lincoln Jones, Jr., Infantry.
First Lt. Malcolm Raymond Kammerer, Infantry.
First Lt. Robert Eugene Mousseau Des Islets, Corps of Engineers.
First Lt. William Edward House, Ordnance Department.
First Lt. James Roy Andersen, Ordnance Department.
First Lt. Benjamin Easton Thurston, Infantry.
First Lt. Harold McClure Forde, Cavalry.
First Lt. William Alexander Walker, Field Artillery.
First Lt. John Colt Beaumont Elliott, Corps of Engineers.
First Lt. Samuel Russ Harris, Jr., Air Corps.
First Lt. Lewis Sherrill Griffing, Field Artillery.
First Lt. Waldo Eugene Laidlaw, Ordnance Department.
First Lt. Hamer Pace Ford, Infantry.
First Lt. John Ensor Perman, Field Artillery.
First Lt. George William Hickman, Jr., Infantry.
First Lt. Earl Jerome Murphy, Field Artillery.
First Lt. Holger Nelson Toftoy, Coast Artillery Corps.
First Lt. Harold Doud, Infantry.
First Lt. David Louis Van Syckle, Ordnance Department.
First Lt. Wallace Hayden Barnes, Cavalry.
First Lt. Shelton Ezra Prudhomme, Air Corps.
First Lt. John Paul Doyle, Jr., Air Corps.
First Lt. Leon William Johnson, Air Corps.
First Lt. Richard Walden Mayo, Field Artillery.
First Lt. Earl Lewis Ringler, Infantry.
First Lt. George Voegele Ehrhardt, Cavalry.
First Lt. Walter Clement Stanton, Field Artillery.
First Lt. Frank Sayles Bowen, Jr., Infantry.
First Lt. Malcolm Dudley Jones, Jr., Cavalry.
First Lt. William Peirce Ennis, Jr., Field Artillery.
First Lt. Guy Beasley Henderson, Air Corps.
First Lt. Richard Keith McMaster, Field Artillery.
First Lt. Charles Dutton McNerney, Infantry.
First Lt. Clair McKinley Conzelman, Coast Artillery Corps.
First Lt. Samuel Pickens Collins, Field Artillery.
First Lt. John Cline Strickler, Field Artillery.
First Lt. Edwin Howard Feather, Infantry.
First Lt. Theodore Charles Wenzlaff, Cavalry.
First Lt. William Jesse Deyo, Jr., Infantry.
First Lt. Benjamin Peter Heiser, Field Artillery.
First Lt. John Lawrence Ryan, Jr., Cavalry.
First Lt. Egon Rowland Tausch, Cavalry.
First Lt. Alexander Randolph Sewall, Field Artillery.
First Lt. Prentice Edward Yeomans, Cavalry.
First Lt. Paul Hamilton, Infantry.
First Lt. Charles Clifford Sloane, Jr., Infantry.
First Lt. Charles Winchell McGeehan, Coast Artillery Corps.
First Lt. James Russell Wheaton, Field Artillery.
First Lt. Basil Littleton Riggs, Cavalry.
First Lt. Malcolm Hobson Harwell, Coast Artillery Corps.
First Lt. Henry Raymond Baxter, Air Corps.
First Lt. Roy Silverman, Infantry.
First Lt. Tyler Calhoun, Jr., Field Artillery.
First Lt. Richard Hanson Grinder, Coast Artillery Corps.
First Lt. Edwin James Van Horne, Infantry.
First Lt. Robert Charles Ross, Field Artillery.
First Lt. Harry Purnell Storke, Field Artillery.
First Lt. Thomas Edward Pickett Barbour, Infantry, subject to examination required by law.
First Lt. Joseph Halversen, Infantry.
First Lt. Marvin Westlake Peck, Infantry.
First Lt. George Albert Smith, Jr., Infantry.
First Lt. Eugene Charles Smallwood, Coast Artillery Corps.
First Lt. James Robert Davidson, Infantry.
First Lt. Frank Freeman Miter, Coast Artillery Corps.
First Lt. John Prichard Woodbridge, Field Artillery.
First Lt. Thomas Edward de Shazo, Field Artillery.
First Lt. Kenneth Frease March, Infantry.
First Lt. Frederick Francis Scheiffler, Coast Artillery Corps.
First Lt. Robert Sylvester Nourse, Infantry.
First Lt. Richard Edward O'Connor, Field Artillery.

First Lt. John Sieba Roosma, Infantry.
First Lt. John Anthony McFarland, Field Artillery.
First Lt. Morris Robert Nelson, Air Corps.
First Lt. Kenneth Perry McNaughton, Air Corps.
First Lt. John Harvey Kane, Infantry.
First Lt. Russell Potter Reeder, Jr., Infantry.
First Lt. Merson Leon Skinner, Coast Artillery Corps.
First Lt. Charles Draper William Canham, Infantry.
First Lt. Edward Harold McDaniel, Infantry.
First Lt. Willet John Baird, Infantry.
First Lt. Paul John Black, Infantry.
First Lt. Clifton Coleman Carter, Coast Artillery Corps.
First Lt. Paul Leroy Carroll, Infantry.
First Lt. Edward Lyman Munson, Jr., Infantry.
First Lt. James Bell Burwell, Air Corps.
First Lt. Frederick Prall Munson, Field Artillery, subject to examination required by law.
First Lt. Thomas Howard James, Infantry.
First Lt. Wilson Turner Douglas, Infantry.
First Lt. John Robert Burns, Chemical Warfare Service.
First Lt. Marvin John McKinney, Coast Artillery Corps.
First Lt. Thomas Benjamin White, Coast Artillery Corps.
First Lt. William Benjamin Hawthorne, Coast Artillery Corps.
First Lt. Thomas Randall Horton, Infantry.
First Lt. Roy Jacob Herte, Infantry.
First Lt. James Oka Wade, Infantry.
First Lt. Brookner West Brady, Infantry.
First Lt. Harry McNeill Grizzard, Infantry.

TO BE CAPTAINS WITH RANK FROM JUNE 13, 1936

First Lt. Charles Herman Deerwester, Air Corps.
First Lt. Charles Winslow O'Connor, Air Corps.
First Lt. Bernard Alexander Bridget, Air Corps.
First Lt. Charles Arthur Bassett, Air Corps.
First Lt. Grant Albert Williams, Cavalry.
First Lt. Norman Mahlon Winn, Cavalry.
First Lt. Narcisse Lionel Cote, Air Corps.
First Lt. George Hall Sparhawk, Air Corps.
First Lt. John Felix Guillett, Air Corps.
First Lt. Dixon McCarty Allison, Air Corps.
First Lt. Joel G. O'Neal, Air Corps.
First Lt. Alva Lee Harvey, Air Corps.

TO BE CAPTAINS WITH RANK FROM JUNE 30, 1936

First Lt. Robert Lee Miller, Coast Artillery Corps.
First Lt. John Osman Taylor, Field Artillery.
First Lt. Frank Neuman Leakey, Field Artillery.
First Lt. George Olaf Norman Lodoen, Infantry.
First Lt. Lindsey Roscoe Wingfield, Field Artillery.
First Lt. Philip James Henderson, Infantry.
First Lt. Edgar Richard Curtis Ward, Coast Artillery Corps.
First Lt. Oliver Wolcott van den Berg, Field Artillery.
First Lt. Ralph Eugene Rumbold, Infantry.
First Lt. Noble Theodore Haakensen, Coast Artillery Corps.
First Lt. Paul Arthur Ridge, Cavalry.
First Lt. James William Andrew, Air Corps.
First Lt. Charles Arthur Ross, Air Corps.
First Lt. George J. Eppright, Air Corps.
First Lt. Frank Dunne Klein, Air Corps.
First Lt. William Vance Davis, Coast Artillery Corps.
First Lt. William Crawford D. Bridges, Corps of Engineers.
First Lt. Harry Joseph Wheaton, Infantry.
First Lt. George John Zimmerman, Corps of Engineers.
First Lt. John Albert Dabney, Infantry.
First Lt. John Emmett Walker, Infantry.
First Lt. Rothwell Hutton Brown, Infantry.
First Lt. Irvin Schindler, Field Artillery.
First Lt. Charles Owen Wiselogel, Field Artillery.
First Lt. Albert Jerome Thackston, Jr., Infantry.
First Lt. Joseph Roy Dougherty, Infantry.
First Lt. Arthur Hodgkins Bender, Coast Artillery Corps.
First Lt. Clarence Daniel Wheeler, Air Corps.
First Lt. Walter Sylvester Lee, Air Corps.
First Lt. Manning Eugene Tillery, Air Corps.
First Lt. Cleo Zachariah Shugart, Infantry.
First Lt. William Preston Grace, Jr., Infantry.
First Lt. Claude Augustus Billingsley, Field Artillery.
First Lt. Gerald Geoffrey Johnston, Air Corps.
First Lt. Elmer Joseph Rogers, Jr., Air Corps.
First Lt. John Francis Fiske, Field Artillery.
First Lt. Malcolm Faulhaber, Field Artillery.
First Lt. Ross Drum Lustenberger, Corps of Engineers.
First Lt. John Caswell Crosthwaite, Air Corps.
First Lt. Jonathan Dean Hawkins, Infantry.
First Lt. Clarence Shortridge Irvine, Air Corps.
First Lt. Mason Harley Lucas, Field Artillery.
First Lt. Ralph Emerson Holmes, Air Corps.
First Lt. Darr Hayes Alkire, Air Corps.
First Lt. Francis Albert Rudolph, Infantry.
First Lt. Thurston H. Baxter, Air Corps.
First Lt. Albert Gallatin Franklin, Jr., Coast Artillery Corps.
First Lt. Chester Erwin Margrave, Field Artillery.
First Lt. John Albert Tarro, Air Corps.
First Lt. John Titcomb Sprague, Air Corps.
First Lt. Frederick August Bacher, Jr., Air Corps.
First Lt. Walter Byron Larew, Signal Corps.
First Lt. Edward James Doyle, Cavalry.
First Lt. William Orsen Van Giesen, Corps of Engineers.
First Lt. Ward Jackson Davies, Air Corps.
First Lt. Frank Coffin Holbrook, Field Artillery.
First Lt. Yantis Halbert Taylor, Air Corps.
First Lt. Newell Edward Watts, Infantry.
First Lt. George Leroy Murray, Air Corps.
First Lt. Claire Stroh, Air Corps.
First Lt. Charles William Stratton, Field Artillery.
First Lt. Charles Albert Sheldon, Cavalry.
First Lt. Francis Edgar Cheatle, Air Corps.
First Lt. Stewart Yeo, Field Artillery.
First Lt. Robert Jones Moulton, Coast Artillery Corps.
First Lt. James Trimble Brown, Infantry.
First Lt. Charles Weller McCarthy, Infantry.
First Lt. Benjamin Branche Talley, Corps of Engineers.
First Lt. John Gibson Van Houten, Infantry.
First Lt. Kenneth Holmes Kinsler, Infantry.
First Lt. Edgar Albert Gans, Infantry.
First Lt. Howard Ravenscroft Johnson, Infantry.
First Lt. Albert Samuel Baron, Coast Artillery Corps.
First Lt. George Edwin Steinmeyer, Jr., Infantry.
First Lt. Arthur Joseph Lehman, Air Corps.
First Lt. Oscar Frederick Carlson, Air Corps.
First Lt. George Edley Henry, Air Corps.
First Lt. Richard Dodge Reeve, Air Corps.
First Lt. Henry Louis Luongo, Infantry.
First Lt. Herbert Butler Powell, Infantry.
First Lt. Signa Allen Gilkey, Air Corps.
First Lt. Edward Francis Merchant, Infantry.
First Lt. Layton Allen Zimmer, Coast Artillery Corps.
First Lt. Jay B. Lovless, Infantry.
First Lt. Clinton William Davies, Air Corps.
First Lt. James Byron Colson, Infantry.
First Lt. William Hans Brunke, Infantry.
First Lt. Thomas Beverley Harper, Infantry.
First Lt. Paul August Jaccard, Coast Artillery Corps.
First Lt. James David O'Brien, Infantry.
First Lt. Reuben Kyle, Jr., Air Corps.
First Lt. Paul Burnham Nelson, Coast Artillery Corps.
First Lt. Harvey Flynn Dyer, Air Corps.
First Lt. Robert Bartlett McCleave, Infantry.
First Lt. John Edwin Mortimer, Coast Artillery Corps.

TO BE FIRST LIEUTENANTS WITH RANK FROM JUNE 13, 1936

Second Lt. Kenneth E. Fields, Corps of Engineers.
Second Lt. George Wood Beeler, Corps of Engineers.
Second Lt. John Joseph Danis, Corps of Engineers.
Second Lt. Duncan Hallock, Corps of Engineers.
Second Lt. Alfred Dodd Starbird, Corps of Engineers.
Second Lt. John Douglas Matheson, Corps of Engineers.
Second Lt. Richard Davis Meyer, Corps of Engineers.
Second Lt. Alden Kingsland Sibley, Corps of Engineers, subject to examination required by law.

Second Lt. Paul R. Gowen, Air Corps.
Second Lt. Marshall Bonner, Air Corps.
Second Lt. Lawrence Joseph Lincoln, Corps of Engineers.
Second Lt. Clayton Samuel Gates, Corps of Engineers.
Second Lt. James Vance Hagan, Corps of Engineers.
Second Lt. Robert Campbell Tripp, Corps of Engineers.
Second Lt. Edward George Herb, Corps of Engineers.
Second Lt. William Jonas Ely, Corps of Engineers.
Second Lt. John Thomas Honeycutt, Field Artillery.
Second Lt. William Allen Harris, Field Artillery.
Second Lt. Charles Russell Broshous, Corps of Engineers.
Second Lt. Percival Ernest Gabel, Air Corps.
Second Lt. John Gardner Shinkle, Field Artillery.
Second Lt. Bernard Card, Corps of Engineers.
Second Lt. Hoy D. Davis, Jr., Corps of Engineers.
Second Lt. Alvin Charles Welling, Corps of Engineers.
Second Lt. William Harris Ball, Coast Artillery Corps.
Second Lt. Douglas Charles Davis, Corps of Engineers.
Second Lt. Ellsworth Barricklow Downing, Corps of Engineers.
Second Lt. Robert Amrine Turner, Coast Artillery Corps.
Second Lt. David Warren Gray, Infantry.
Second Lt. Frank Sherman Henry, Cavalry.
Second Lt. William Orin Blandford, Infantry.
Second Lt. Walter Adonis Downing, Jr., Field Artillery.
Second Lt. Guy Cecil Lothrop, Field Artillery.
Second Lt. Robert Crain Leslie, Coast Artillery Corps.
Second Lt. John Edward Watters, Signal Corps.
Second Lt. Francis Joseph McMorrow, Coast Artillery Corps.
Second Lt. Charles Golding Dunn, Coast Artillery Corps.
Second Lt. Thomas Allen Glass, Coast Artillery Corps.
Second Lt. Thomas Samuel Moorman, Jr., Air Corps.
Second Lt. Harry Julian, Coast Artillery Corps.
Second Lt. Dabney Ray Corum, Coast Artillery Corps.
Second Lt. Lauren Whitford Merriam, Infantry.
Second Lt. Herbert George Sparrow, Field Artillery.
Second Lt. Howard Elwyn Webster, Corps of Engineers.
Second Lt. Robert Wolcott Meals, Field Artillery.
Second Lt. Walter August Jensen, Infantry.
Second Lt. Edward Bodeau, Coast Artillery Corps.
Second Lt. William Livingston Travis, Air Corps.
Second Lt. Thomas Burns Hall, Air Corps.
Second Lt. Chalmer Kirk McClelland, Jr., Field Artillery.
Second Lt. Ferdinand Marion Humphries, Coast Artillery Corps.
Second Lt. David Nicholas Crickette, Air Corps.
Second Lt. John Denton Armitage, Field Artillery.
Second Lt. Theodore John Conway, Infantry.
Second Lt. Clayton Earl Mullins, Corps of Engineers.
Second Lt. Paul Elton LaDue, Corps of Engineers.
Second Lt. Edward Joseph Hale, Air Corps.
Second Lt. William Joseph Daniel, Field Artillery.
Second Lt. Chester Arthur Dahlen, Infantry.
Second Lt. John Joseph Lane, Coast Artillery Corps.
Second Lt. Travis Monroe Hetherington, Air Corps.
Second Lt. Tayloe Stephen Pollock, Field Artillery.
Second Lt. Edgar Ozzo Taylor, Coast Artillery Corps.
Second Lt. Ira Whitehead Cory, Coast Artillery Corps.
Second Lt. William York Frentzel, Field Artillery.
Second Lt. Thomas Kocher MacNair, Coast Artillery Corps.
Second Lt. James Hilliard Polk, Cavalry.
Second Lt. John Glenn Armstrong, Air Corps.
Second Lt. Samuel Edward Otto, Field Artillery.
Second Lt. Harry Winfield Schenck, Coast Artillery Corps.
Second Lt. Lamar Cecil Ratcliffe, Coast Artillery Corps.
Second Lt. Gerald Chapman, Field Artillery.
Second Lt. Robert John Lawlor, Coast Artillery Corps.
Second Lt. Arthur Alfred McCrary, Coast Artillery Corps.
Second Lt. Daniel Parker, Jr., Field Artillery.
Second Lt. Edgar Haskell Kibler, Jr., Coast Artillery Corps.
Second Lt. Harold Cooper Donnelly, Coast Artillery Corps.
Second Lt. Morris Oswald Edwards, Infantry.
Second Lt. William Oscar Senter, Air Corps.
Second Lt. Frank Joseph Zeller, Coast Artillery Corps.
Second Lt. Richard Louis Matteson, Coast Artillery Corps.
Second Lt. Sidney Francis Giffin, Coast Artillery Corps.
Second Lt. Robert Beall Franklin, Field Artillery.
Second Lt. William Gordon Bartlett, Cavalry.
Second Lt. Paul Nelson Gillon, Coast Artillery Corps.
Second Lt. Paul Rudolf Walters, Field Artillery.
Second Lt. Vernon Cleveland Smith, Air Corps.
Second Lt. Edward Thorndike Ashworth, Coast Artillery Corps.
Second Lt. William Bruce Logan, Coast Artillery Corps.
Second Lt. Lafar Lipscomb, Jr., Coast Artillery Corps.
Second Lt. Harry Stephen Bishop, Air Corps.
Second Lt. Harry Sheldon Tubbs, Coast Artillery Corps.
Second Lt. Herman Henry Kaesser, Jr., Infantry.
Second Lt. Francis Hill, Field Artillery.
Second Lt. Herbert Charles Plapp, Field Artillery.
Second Lt. Lassiter Albert Mason, Field Artillery.
Second Lt. Joseph Henry O'Malley, Cavalry.
Second Lt. Frederic Henry Fairchild, Coast Artillery Corps.
Second Lt. Emory Edwin Hackman, Coast Artillery Corps.
Second Lt. George Hobart Chapman, Jr., Infantry.
Second Lt. Patrick William Guiney, Jr., Coast Artillery Corps.
Second Lt. John Frederick Thorlin, Coast Artillery Corps.
Second Lt. Frank Harris Shepardson, Coast Artillery Corps.
Second Lt. William George Fritz, Coast Artillery Corps.
Second Lt. Jack Wellington Turner, Cavalry.
Second Lt. Robert Worman Hain, Coast Artillery Corps.
Second Lt. Charles Goyer Patterson, Coast Artillery Corps.
Second Lt. Clyde Lucken Jones, Infantry.
Second Lt. Victor Edward Maston, Infantry.
Second Lt. Ethan Allen Chapman, Coast Artillery Corps.
Second Lt. Oren Eugene Hurlbut, Infantry.
Second Lt. Harrison King, Field Artillery.
Second Lt. George Warren White, Infantry.
Second Lt. Richard Park, Jr., Field Artillery.
Second Lt. Beverly DeWitt Jones, Field Artillery.
Second Lt. William Hadley Richardson, Jr., Field Artillery.
Second Lt. Frank Patterson Hunter, Jr., Air Corps.
Second Lt. George Harold Crawford, Coast Artillery Corps.
Second Lt. Harold Roth Maddux, Air Corps.
Second Lt. John Roosevelt Brindley, Field Artillery.
Second Lt. Dwight Divine, 2d, Air Corps.
Second Lt. Samuel McFarland McReynolds, Jr., Coast Artillery Corps.
Second Lt. Marcus Tague, Field Artillery.
Second Lt. Joseph Leonard Cowhey, Field Artillery.
Second Lt. Edward Deane Marshall, Air Corps.
Second Lt. George Leon Van Way, Infantry.
Second Lt. Newell Charles James, Field Artillery.
Second Lt. Charles Henry Chase, Infantry.
Second Lt. David Virgil Adamson, Cavalry.
Second Lt. John William Ferris, Field Artillery.
Second Lt. Robert Penn Thompson, Field Artillery.
Second Lt. Russell Roland Klanderman, Infantry.
Second Lt. James Leo Dalton, 2d, Cavalry.
Second Lt. Neil Merton Wallace, Field Artillery.
Second Lt. William Paul Whelihan, Field Artillery.
Second Lt. Marshall Woodruff Frame, Cavalry.
Second Lt. Robin George Speiser, Field Artillery.
Second Lt. William James Given, Jr., Field Artillery.
Second Lt. Harry Nelson Burkhalter, Jr., Air Corps.
Second Lt. Avery John Cooper, Jr., Coast Artillery Corps.
Second Lt. Lawrence Browning Kelley, Air Corps.
Second Lt. Stephen Ogden Fuqua, Jr., Infantry.
Second Lt. Hardin Leonard Olson, Infantry.
Second Lt. Benedict Ray, Infantry.
Second Lt. Cam Longley, Jr., Field Artillery.
Second Lt. Carlyle Walton Phillips, Air Corps.
Second Lt. Robert Benton Neely, Field Artillery.
Second Lt. Phillip Henshaw Pope, Field Artillery.
Second Lt. William John Ledward, Coast Artillery Corps.
Second Lt. Joseph Warren Stilwell, Jr., Infantry.
Second Lt. Peter Paul Bernd, Infantry.
Second Lt. Arthur Robert Cyr, Infantry.

Second Lt. Arthur Wilson Tyson, Infantry.
Second Lt. Joseph Menzie Pittman, Infantry.
Second Lt. George Allen Carver, Field Artillery.
Second Lt. Gordon Pendleton Larson, Infantry.
Second Lt. Thomas Joseph O'Connor, Infantry.
Second Lt. George Rushmore Gretser, Infantry.
Second Lt. Robert Totten, Field Artillery.
Second Lt. Douglas Moore Cairns, Air Corps.
Second Lt. Sherburne Whipple, Jr., Cavalry.
Second Lt. Edgar Collins Doleman, Infantry.
Second Lt. Cyril Joseph Letzelter, Infantry.
Second Lt. William Orlando Darby, Field Artillery.
Second Lt. Daniel Light Hine, Field Artillery.
Second Lt. Jack Wallace Rudolph, Infantry.
Second Lt. John Abell Cleveland, Jr., Infantry.
Second Lt. George Thomas Powers, 3d, Field Artillery.
Second Lt. Joshua Robert Messersmith, Field Artillery.
Second Lt. Roy Tripp Evans, Jr., Infantry.
Second Lt. Edwin Martin Cahill, Cavalry.
Second Lt. William Francis Ryan, Field Artillery.
Second Lt. Raymond Emerson Kendall, Infantry.
Second Lt. James Henry Skinner, Field Artillery.
Second Lt. Anthony Frank Kleitz, Jr., Cavalry.
Second Lt. Paul Thomas Carroll, Infantry.
Second Lt. Richard John Meyer, Air Corps.
Second Lt. Randolph Whiting Fletter, Field Artillery.
Second Lt. Charles Harlow Miles, Jr., Infantry.
Second Lt. Humbert Joseph Versace, Field Artillery.
Second Lt. Milton Fredrick Summerfelt, Air Corps.
Second Lt. Franklin Guest Smith, Field Artillery.
Second Lt. William Henry Baumer, Jr., Infantry.
Second Lt. Gabriel Poillon Disosway, Air Corps.
Second Lt. James Pugh Pearson, Jr., Field Artillery.
Second Lt. Earl Jacob Macherey, Infantry.
Second Lt. Ralph Alspaugh, Infantry.
Second Lt. Emile Jeantet Greco, Field Artillery.
Second Lt. Gerald Lorenzo Roberson, Field Artillery.
Second Lt. Joseph Edward Bastion, Jr., Cavalry.
Second Lt. Jewell Burch Shields, Air Corps.
Second Lt. Thomas Herbert Beck, Infantry.
Second Lt. Maurice Evans Kaiser, Infantry.
Second Lt. Benjamin Thomas Harris, Infantry.
Second Lt. Gardner Wellington Porter, Infantry.
Second Lt. Harry William Sweeting, Jr., Infantry.
Second Lt. Franklin Stone Henley, Air Corps.
Second Lt. Cyrus Abda Dolph, 3d, Infantry.
Second Lt. John Martin Breit, Infantry.
Second Lt. Harold Lindsay Richey, Cavalry.
Second Lt. Charles Fauntleroy Harrison, Cavalry.
Second Lt. Thomas Bowes Evans, Infantry.
Second Lt. Walter Andrew Valerious Fleckenstein, Infantry.
Second Lt. Franklin Gibney Rothwell, Infantry.
Second Lt. Leo Harold Heintz, Infantry.
Second Lt. William Howard Thompson, Cavalry.
Second Lt. William Fant Damon, Jr., Cavalry.
Second Lt. William Gray Sills, Infantry.
Second Lt. Robert Evans Arnette, Jr., Cavalry.
Second Lt. Francis Clay Bridgewater, Cavalry.
Second Lt. Ernest Mikell Clarke, Infantry.
Second Lt. Victor Haller King, Coast Artillery Corps.
Second Lt. Daniel W. Smith, Infantry.
Second Lt. Thomas de Nyse Flynn, Coast Artillery Corps.
Second Lt. Harold Keith Johnson, Infantry.
Second Lt. James Orr Boswell, Infantry.
Second Lt. David Parker Gibbs, Signal Corps.
Second Lt. William Howard Garrett Fuller, Infantry.
Second Lt. Gordon Milo Eyler, Infantry.
Second Lt. Cordes Fredrich Tiemann, Air Corps.
Second Lt. Maddrey Allen Solomon, Infantry.
Second Lt. Lyle William Bernard, Infantry.
Second Lt. Shelby Francis Williams, Infantry.
Second Lt. Jean Evans Engler, Infantry.
Second Lt. Corwin Paul Vansant, Jr., Infantry.
Second Lt. Walter Abner Huntsberry, Infantry.
Second Lt. Andrew Donald Stephenson, Infantry.
Second Lt. Douglas Graver Gilbert, Infantry.
Second Lt. Frank Laurence Elder, Infantry.
Second Lt. Donald Cameron Cubbison, Jr., Cavalry.
Second Lt. Amaury Manuel Gandia, Infantry.
Second Lt. Samuel Abner Mundell, Air Corps.
Second Lt. Robert Harrold Bayne, Cavalry.
Second Lt. Bruce von Gerichten Scott, Air Corps.
Second Lt. Felix Louis Vidal, Air Corps.
Second Lt. Gwinn Ulm Porter, Infantry.
Second Lt. Frederick Robert Zierath, Infantry.
Second Lt. Robert Hulburt Douglas, Infantry.
Second Lt. Carl Darnell, Jr., Field Artillery.
Second Lt. Joseph Brice Crawford, Infantry.
Second Lt. Frederick William Coleman, 3d, Infantry.
Second Lt. Raymond Wiltse Sellers, Infantry.
Second Lt. Matthew William Kane, Cavalry.
Second Lt. Alton Alexander Denton, Infantry.
Second Lt. Jules Verne Richardson, Cavalry.
Second Lt. Frederick William Gibb, Infantry.
Second Lt. Norman Kemp Markle, Jr., Cavalry.
Second Lt. Jesse Martin Hawkins, Jr., Cavalry.
Second Lt. Ralph Talbot, 3d, Infantry.
Second Lt. Charles Ellsworth Leydecker, Cavalry.
Second Lt. Austin Andrew Miller, Infantry.
Second Lt. Henry Walter Herlong, Infantry.
Second Lt. Morris King Henderson, Infantry.
Second Lt. Earl Francis Signer, Air Corps.
Second Lt. Richard Thomas King, Jr., Air Corps.
Second Lt. John Daniel O'Reilly, Infantry.
Second Lt. Roland Arthur Elliott, Jr., Infantry.
Second Lt. Lloyd Ralston Fredendall, Jr., Infantry.
Second Lt. Edson Schull, Infantry.
Second Lt. Joel Lyen Mathews, Infantry.
Second Lt. Royal Reynolds, Jr., Infantry.
Second Lt. George Hollie Bishop, Jr., Infantry.
Second Lt. Stephen B. Mack, Air Corps.
Second Lt. Lawrence Kermit White, Infantry.
Second Lt. Graydon Casper Essman, Infantry.
Second Lt. Russell Franklin Akers, Jr., Infantry.
Second Lt. Claude Leslie Bowen, Jr., Infantry.
Second Lt. Duff Walker Sudduth, Infantry.
Second Lt. David Wagstaff, Jr., Cavalry.
Second Lt. Clyde Jarecki Hibler, Infantry.
Second Lt. James Rhoden Pritchard, Field Artillery.
Second Lt. James Dennis Underhill, Air Corps.
Second Lt. Robert Emmett Gallagher, Coast Artillery Corps.
Second Lt. Samuel Edward Gee, Infantry.
Second Lt. Alston Grimes, Infantry.
Second Lt. Nelson Parkyn Jackson, Air Corps.
Second Lt. Frederick Otto Hartel, Infantry.
Second Lt. Ivan Walter Parr, Jr., Infantry.
Second Lt. William Roberts Calhoun, Field Artillery.
Second Lt. Roy Dunscomb Gregory, Infantry.
Second Lt. Karl Truesdell, Jr., Air Corps.
Second Lt. Glenn Howbert Garrison, Infantry.
Second Lt. Edson Duncan Raff, Infantry.
Second Lt. Chester Braddock Degavre, Infantry.
Second Lt. Erdmann Jellison Lowell, Infantry.
Second Lt. William Agin Bailey, Infantry.
Second Lt. Seymour Eldred Madison, Infantry.
Second Lt. Robin Bruce Epler, Air Corps.
Second Lt. John Newman Scoville, Infantry.
Second Lt. William Field Due, Infantry.
Second Lt. Peter Demosthenes Clainos, Infantry.
Second Lt. John Frederick Schmelzer, Infantry.
Second Lt. Sydney Dwight Grubbs, Jr., Air Corps.
Second Lt. David Thomas Jellett, Infantry.
Second Lt. Millard Loren Haskin, Air Corps.
Second Lt. Joseph Anthony Remus, Infantry.
Second Lt. Ben Harrell, Infantry.
Second Lt. Richard Churchfield Blatt, Infantry.
Second Lt. Richard Allen Risden, Infantry.
Second Lt. Joseph Ermine Williams, Infantry.

Second Lt. Miller Payne Warren, Jr., Infantry.
Second Lt. Stanley Nelson Lonning, Infantry.
Second Lt. Robert Moore Blanchard, Jr., Infantry.
Second Lt. William Wilson Quinn, Infantry.
Second Lt. Charner Weaver Powell, Coast Artillery Corps.
Second Lt. Charles Pearce Bellican, Infantry.
Second Lt. Edward Spalding Ehlen, Infantry.
Second Lt. Thomas Tallant Kilday, Infantry.
Second Lt. Richard Mattern Montgomery, Air Corps.
Second Lt. Charles Hoffman Pottenger, Air Corps.
Second Lt. John Roberts Kimmell, Jr., Infantry.
Second Lt. William Vernard Thompson, Infantry.
Second Lt. Gerald Carrington Simpson, Infantry.
Second Lt. Robert Wilkinson Rayburn, Cavalry.
Second Lt. John Baird Shinberger, Cavalry.

TO BE FIRST LIEUTENANT WITH RANK FROM JULY 15, 1936

Second Lt. Adrian Leonard Hoebeke, Infantry.

PROMOTION IN THE PHILIPPINE SCOUTS

TO BE FIRST LIEUTENANT WITH RANK FROM JUNE 13, 1936

Second Lt. Emmanuel Salvador Cepeda, Philippine Scouts.

APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES

GENERAL OFFICER

To be brigadier general, National Guard of the United States

Brig. Gen. Samuel Tilden Lawton, Illinois National Guard.

APPOINTMENTS AND PROMOTIONS IN THE NAVY

Capt. Arthur B. Cook to be Chief of the Bureau of Aeronautics in the Department of the Navy, with the rank of real admiral, for a term of 4 years, effective upon the relinquishment of the duties of that office by Rear Admiral Ernest J. King.

Comdr. Harry A. Badt to be a captain in the Navy from the 1st day of May 1936.

Lt. Comdr. Otto Nimitz to be a commander in the Navy from the 3d day of January 1936.

Lt. Myron A. Baber to be a lieutenant commander in the Navy from the 4th day of October 1935.

Lt. Stanley J. Michael to be a lieutenant commander in the Navy from the 3d day of January 1936.

Lt. Clayton S. Isgrig to be a lieutenant commander in the Navy from the 1st day of March 1936.

Lt. Philip R. Kinney to be a lieutenant commander in the Navy from the 24th day of March 1936.

Lt. James A. Crocker to be a lieutenant commander in the Navy from the 25th day of March 1936.

Lt. (junior grade) Alexander C. Thorington to be a lieutenant in the Navy from the 1st day of August 1935.

Lt. (junior grade) William S. Veeder to be a lieutenant in the Navy from the 6th day of September 1935.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of October 1935:

Thompson F. Fowler
Robert N. McFarlane

Lt. (Jr. Gr.) John F. Delaney, Jr., to be a lieutenant in the Navy from the 4th day of October 1935.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of November 1935:

Paul B. Tuzo, Jr.
Marvin J. West

Lt. (Jr. Gr.) William E. Hank to be a lieutenant in the Navy from the 20th day of November 1935.

Lt. (Jr. Gr.) Norman W. Sears to be a lieutenant in the Navy from the 1st day of December 1935:

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of January 1936:

Benjamin May, 2d
Bennett S. Copping

Lt. (Jr. Gr.) Isaac S. K. Reeves, Jr., to be a lieutenant in the Navy from the 25th day of March 1936.

Ensign Harold Payson, Jr., to be a lieutenant (junior grade) in the Navy from the 4th day of June 1934.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 2d of June 1935:

John R. Spiers
Robert C. Leonard

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 1st day of June 1936:

Allan M. Chambliss	Leland P. Kimball, Jr.
David Lambert	Joseph C. McGoughran
Merle F. Bowman	Harold F. Christ
Gilbert N. Richards, Jr.	Richard B. Derickson, Jr.
Frederick W. Purdy	Everett J. Foster
Carter L. Bennett	Francis J. Blouin
Frederick W. Bruning	Albert C. Ingels
Walter L. Blatchford	Joseph P. Costello
Edward E. Shelby	Samuel Bertolet
Kenneth S. Shook	

Machinist Fred L. Kent to be a chief machinist in the Navy, to rank with but after ensign, from the 1st day of October 1935.

Pay Clerk Earl W. Layton to be a chief pay clerk in the Navy, to rank with but after ensign, from the 5th day of September 1935.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 4 (legislative day of Apr. 24), 1936

POSTMASTERS

ARKANSAS

Kay D. McNeely, Dermott.
John T. Lamb, Jr., Harrisburg.
Neil F. Brown, Junction City.
Lemma C. O'Keefe, Rosston.
Wendell H. Gorman, Strong.
Charles Roy Wise, Thornton.

KENTUCKY

Joe Keefe, Nicholasville.
Watson S. Thomas, Owingsville.

LOUISIANA

Ella A. McDowell, Hodge.
Sam H. Campbell, Oak Grove.

MICHIGAN

Arnold C. Misteli, Baldwin.
John E. Morris, Comstock Park.
Roy A. McLellan, Coopersville.
Walter D. McCaughey, Croswell.
George W. Penglase, Grosse Ile.
Mabel L. McCallum, Hesperia.
Frederick J. Hosley, Lowell.
George Rundle, Olivet.
August C. Eberlein, Sebewaing.

NEVADA

Arthur L. Gottschalk, Lovelock.
Effie M. Perry, Yerington.

NEW YORK

Joseph G. Mattes, Avon.

NORTH DAKOTA

Volrath H. Carlson, Drayton.
Ole H. A. Larson, Killdeer.
Richard T. Burke, Langdon.
Ethel L. Powers, Lawton.
Florence R. Makee, Noonan.
Leah R. Huffman, Rugby.
Chase E. Mulinex, Tolley.
Albert H. Baumann, Westhope.

PENNSYLVANIA

James M. Donahue, Coaldale.
Ferdinand O. Niebauer, Fairview.
Allen R. Brumbaugh, Greencastle.
William M. Cramer, Mifflin.
James H. Stewart, Tarentum.

TENNESSEE

George P. Brummitt, Gleason.
Hundley Broyles Welch, Pickwick Dam.
Charles Atkins Boone, Trenton.

TEXAS

James Harley Dallas, Brownfield.
Robert O. Rockwood, Wharton.

WITHDRAWAL

Executive nomination withdrawn from the Senate May 4 (legislative day of Apr. 24), 1936

POSTMASTER

TENNESSEE

John E. Moffatt to be postmaster at Troy, in the State of Tennessee.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 4, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father and our God, Thou who dost bathe in noontide splendor and gladden with infinite glory the wide world, bestow upon us the treasures of knowledge and wisdom. We pray that we may be untroubled and unclouded by irregular desire and know things that are true in the daylight. Do Thou open our eyes to visions of Try truth, goodness, and promise; inspire us all to a deeper life of service and faith, until all disquietudes lose their power. We most fervently pray Thee that the laws of the land may be faithfully executed and that the affairs of state may be wisely administered; let the ties of peace and contentment be strengthened throughout our borders. And Thine shall be the praise, through Christ. Amen.

The Journal of the proceedings of Friday, May 1, 1936, was read and approved.

PERMISSION TO ADDRESS THE HOUSE

Mr. SNELL. Mr. Speaker, I ask unanimous consent that on Wednesday, after the reading of the Journal and the disposition of business on the Speaker's table, the gentleman from Kentucky [Mr. ROBSION] may have 20 minutes in which to address the House.

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, I assume this will be an absolutely nonpartisan address.

Mr. SNELL. I hope it will be; and judging from the gentleman who is going to make it, I think it will be. He may, however, discuss the state of the Union a little in passing.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

THE ROBINSON-PATMAN BILL—PREVENTS PRICE DISCRIMINATION—INSURES EQUAL OPPORTUNITY AND FAIR PLAY IN TRADE AND COMMERCE—IT WILL LOWER PRICES TO THE CONSUMER MASSES WHO BUY FROM INDEPENDENT MERCHANTS AND SMALLER MASS DISTRIBUTORS

Mr. MILLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MILLER. Mr. Speaker, I do not often extend my remarks in the RECORD, but the above bill as reported to the House by the Committee on the Judiciary has been the subject of such misunderstanding that I feel I may be of service by presenting my views on it. The abuses which the bill seeks to correct are impossible of defense upon their merits, and if the false impressions and misunderstandings can be clarified, I feel that a bill can be passed that will be of great value to the consuming public of the Nation.

IDEALS UNDERLYING THE BILL

The bill is based upon the simple American ideals of equal opportunity and fair play. Equal opportunity expresses the right of every man to devote his own ability and efforts to his own advantage in the service of his fellow men according to the efficiency and skill with which those services are rendered and the value of their products. Fair play expresses his willingness to recognize the same rights in others. Equal treatment is merely the method by which we recognize and attempt to preserve these values among others when we have it in our power to effect in a substantial way their relative fortunes and destinies.

ITS HISTORICAL BACKGROUND

Our Government was founded upon ideals of equality. The growth of its political institutions has been one of progress toward their broader affirmation and fuller realization. Dedicated to freedom, its restrictions of law upon private conduct have been imposed, when necessary, only in the interest of a broader freedom and of the enjoyment of equality in those inalienable rights of life, liberty, and the pursuit of happiness which the founder of American democracy wrote into the Declaration of Independence. When we have found it necessary to impose governmental restraints upon the conduct of private business, it has been in response to the same ideal. If laissez faire was once our prevailing political economic philosophy, it was in the days when we were still engaged in the conquest of a continent and when we felt there was enough for all, let each take how much he might.

That day has passed, and a series of Federal laws for the regulation of business have marked the history of the last half century in recognition of the growing responsibility of business itself to this fundamental ideal of equal opportunity. Thus, the Interstate Commerce Act of 1887 required our railroads to accord equal treatment to their patrons and to refrain from discrimination between them in rates charged and service afforded. Actual fixation of railroad rates stands on a different footing, and did not come till 20 years later. It bears no relation to this bill. The Sherman Act of 1890 freed individual enterprise from the burden of oppressive agreements among competitors. The Clayton and Federal Trade Commission Acts of 1914 went still further, and set out certain varieties of private business conduct which, even in the absence of agreement, it condemned as oppressive to competitors and authorized their suppression.

Among these is price discrimination. Section 2 of the Clayton Act condemned in principle the practice of price discrimination in private competitive business just as the Interstate Commerce Act had done so a quarter century before in the business of public carriers.

The present bill merely carries this principle another step forward toward its more perfect and thorough application as found necessary in the light of our experience through the intervening years.

SECRECY ADMITS GUILT

So there is nothing new in the principle on which this bill is based; nothing new either to the law or to habits of popular thought and feeling. The one-price system, the practice of equal treatment of customers, is so well recognized in American business that for any merchant to announce a contrary policy would be to write in advance his business obituary. There is none of us who would not feel righteously indignant to find the occupant of the next barber chair, the diner at the next table, the customer at our elbow in the hat shop being charged 10 percent less than ourselves for the same article and service. So indelibly is this principle written in the public mind that even in the wholesale field departures from it are shrouded in secrecy. When the American Can Co. gave the Van Camp Packing Co. a price 18 percent lower than its competitors on tin cans, it kept the contract secret, even from its own sales force, and kept insisting to all its other customers that it was making the same price to all. When the Goodyear Tire & Rubber Co. sold tires to Sears,

Roebuck & Co. at prices 16 to 22 percent lower than to its own Goodyear dealers, after allowing for all differences in cost, it bound Sears-Roebuck by that contract not to mention it, orally or in writing, guarded it in its confidential files, permitted access to it only by a few officials of the company, concealed it from its own sales force; and when its own Goodyear dealers complained that they could not possibly compete against such an arbitrary price advantage, it denied first that it was even selling tires to Sears-Roebuck; and later, it had to admit this, it still denied that it was giving Sears-Roebuck any better prices than anyone else. To deny the moral villainy of such practices and their universal recognition as such by those who grant and receive them, as well as by those who suffer from them, is as absurb as the claim that a man does not know right from wrong when he still knows enough to dodge an officer of the law.

Now, as to the particular evil at which the bill is aimed.

THE MANUFACTURER'S TEMPTATION

The one-price policy of equal treatment is automatically self-enforcing in the retail trade. The possible advantage from granting unwarranted favors to particular customers is so slight in comparison with the loss of trade inevitable when other customers discover it that the policy maintains itself automatically without the support of law. Not so in the wholesale trade. Not so in sales by manufacturers to wholesale and retail distributors. The difference is due principally to the manufacturer's large burden of overhead cost and the peculiar influence of that overhead cost upon his business behavior. Overhead costs, comprising such items as interest on investment, rent, taxes, insurance, fall due regularly and must be met regardless of the volume of production—whether a factory runs at all or not, whether it produces little or much.

The manufacturer's anxiety to meet those costs is the vital spot of his vulnerability to the methods of large mass buyers. A manufacturer running under capacity can afford to take on a large block of new business at a price below his net cost so long as it will still yield him something additional against that troublesome overhead. Even the manufacturer running at full capacity can afford to renew a large block of business at a price below his net cost rather than lose it entirely, where he will also lose with it entirely whatever it does yield against that burden of overhead; and he knows he is likely to lose it entirely unless he accepts the sacrificial price demands of the large buyer so long as there is another competitor in the field running below capacity and therefore anxious to take that business away from him for the reasons I have just described.

WHO SUFFERS?

Now what is the harm of all this? The harm is that by whatever margin that manufacturer fails to make his total net cost and a reasonable profit on that order he must make it up somehow, some way from his other customers, thus widening still further the price disadvantage between them and the customer favored with the discrimination. For every manufacturer depends upon his sales to all his customers to meet his total of business costs and yield him his required minimum of reasonable profit. He must either charge each customer a price sufficient to cover his proportionate share of that cost and profit, or if he charges some less than that, he must charge others more than that. He cannot do otherwise or he will end up with a deficit. The price favors that he grants to a few large buyers, thus mean inevitably corresponding burdens upon all the rest, and upon the consuming public who depend upon them for the supply of its needs.

SIZE THROTTLES EFFICIENCY

All this has nothing to do with questions of relative efficiency. I am dealing only with those discriminations which lie beyond differences in efficiency. No one wants a system of equality that will require selling to every customer at the same price regardless of differing costs involved in the quantities purchased or the methods of service required. When I speak of a price to all representing his proportionate share of the manufacturer's cost and profit, I mean to make allowance for any differing costs of service that may arise, as the bill says, from the differing methods or quantities in which the goods concerned are sold or delivered to such customers; and I mean to make allowance for such differences of cost, whether in the realm of manufacture, or of sale, or of delivery of the goods concerned. I am dealing only with the excessive discriminations and price favors that exceed those differences in cost. It is those discriminations which represent an insuperable advantage to the large customer to whom they are granted, and an impossible burden to the rest who must make up the deficit, and it is only those discriminations which the bill prohibits.

DISCRIMINATIONS NOURISH MONOPOLY

Such practices naturally favor the larger buyer and seller against his smaller competitor. The larger the buyer and the larger the order he controls, the less the seller can afford to lose his business, the harder it will be to find other customers to replace it, and the further he will go in making price cuts to keep it. The larger the seller, the larger his distribution of business among smaller competing customers, the easier it is for him to recover among them any losses he sustains in sacrificial prices to the favored mass distributor. Price discriminations of the character I am discussing are thus in their very nature instruments for the promotion of monopoly. They tend to make those who use them larger and larger at the expense of their competitors, and the larger and larger they grow, the more and more effectively they can use them. It is no answer to count the number of competitors now existing and scoff at the danger of monopoly because none is yet at hand. A fine field of cotton today is no answer to the danger of the boll weevil tomorrow. A standing forest is no answer to a lighted match in the dry underbrush. We are not without bitter experience in this matter, no more than the cotton planter nor the forest ranger. We know from our past antitrust experience the vicious role price discrimination has played in the promotion of monopolies and restraints of trade. Many of them have grown to full flower to be stopped only by the remedies of the Sherman Act, but leaving behind them unredressed the financial and human losses of a host of ruined competitors. The Clayton Act was a step forward in the suppression of practices by which monopolies and restraints are promoted rather than waiting to attack them in their maturity. The present bill is merely another step in the same direction.

HALFWAY MEASURES

Section 2 of the Clayton Act prohibited price discrimination, but carved so many exceptions from it, and stated them in such loose language, that it has fallen short of its purpose; and those who profit from the abuses at which it was aimed have been able to evade it. It permitted the continuance of price differences on account of differences in quantities purchased, without placing any limiting measure upon them. It permitted local price cuts to meet competition without any limitation other than the vague and elastic requirement of good faith. It dealt not at all with discriminations outside the realm of price discriminations between customers, through the perversion of the brokerage function and the myth of advertising and service allowances. Naturally it could not deal with them, for they have developed since.

THE REMEDY

The bill is designed to remedy these omissions in three principal directions. It is aimed at the three principal forms in which price discriminations and preferences are now prevalently practiced in the channels of trade. These are the excessive quantity discount, the corrupted brokerage payment or allowance, and allowances in the pretended payment of advertising and promotional services.

QUANTITY DISCOUNTS—GOOD AND BAD

First as to quantity discounts. Quantity discounts that allow only for real savings and economies, whether in the manufacture, sale, or delivery of the goods purchased, made possible by the different quantities purchased, are not disturbed. They are economically sound. They stimulate effi-

ciency in trade and industry, and make possible lower prices to the ultimate consumer, and higher prices to the farmer and other producers of raw materials. With them this bill does not interfere. On the contrary it expressly excludes them from the prohibitions of the bill, whether they arise in the manufacturing process, in the selling process, or in the delivery process, anywhere, in fact, in the chain of manufacture and distribution that links together the producer of the raw materials and the buyer of the finished product. It excludes them and leaves them equally unhampered whether they arise from the differing quantities in which different customers purchase, or from the differing methods of sale or delivery which they require. Short of the quantity-limit proviso which I shall presently describe, I can see no field of economy in production or distribution that the wit of man could invent, the savings from which could not be expressed in price differentials between the various customers who do and do not take advantage of it. The bill only prohibits price discrimination in excess of such differences in cost, for it is there and only there, so far as we are here concerned, that the mass buyer evades his just and proportionate share of the manufacturer's burden of cost and unloads it upon the shoulders of his smaller competitor.

QUANTITY LIMITS ON POWER AND SIZE

I spoke a moment ago of the quantity-limit proviso. Sometimes a manufacturer may offer special discounts applicable only to such a large quantity order that none but one or two of the largest buyers in the whole field are able to take advantage of it. Even when supported by differences in cost, such a discount may well become in the hands of such an overshadowing purchaser a vehicle on the highway to monopoly, and the public can well afford to forego it as the price of their security from all the dangers of monopoly. Armour & Co., for example, who alone out of nearly a thousand meat packers now produces one-fourth of the Nation's meat products moving in interstate commerce, offers a special discount on fresh meats applicable only to customers who take in excess of $10,000,000 per year. At the time it was offered, no one buyer in the United States took that much fresh meat from anyone. No one buyer exceeded 75 percent of it. None except that one buyer exceeded 20 percent of it. None but two meat packers exceeded 75 percent of it to any one customer, and that was the same customer. None except those two packers sell as much as one-fourth to any one customer. It was a discount, in short, offered by an overshadowing manufacturer to an overshadowing buyer to induce him to switch business away from competitors, so as to make that manufacturer still more overshadowing, and offering in return a price advantage on which that buyer could also grow to ever greater size. To put a safe limit on this sort of thing, the bill authorizes the Federal Trade Commission to fix quantity limits, beyond which further quantity discounts shall not be allowed. But it can only fix those limits as to quantity, it cannot fix them upon the discounts themselves; and it can only fix those quantity limits with reference to entire commodity lines or industries. It cannot fix them differently for one buyer or seller from another. It cannot use this power to violate the principle of equal opportunity upon which the bill as a whole is founded.

NO BROKERS—NO BROKERAGE

Another prevalent form of discrimination now in use lies in the exaction of brokerage commissions or allowances where true brokerage services have not been rendered. As the Committee on the Judiciary said in its report—

> The true broker serves as the representative of the seller to find him market outlets or as the representative of the buyer to find him sources of supply.
>
> If the broker is not used, the buyer or seller must perform those functions himself and sustain a corresponding cost in his own buying or selling department. Large mass buyers, however, have corrupted this function by setting up their own employees or subsidiary corporations and calling them brokers, refusing to buy except through them, compelling the manufacturer to pay them brokerage on those purchases as though they were the manufacturer's representatives, and pocketing the proceeds as another form of price advantage. In other words, the manufacturer instead of paying the broker to find a buyer, is compelled in effect to pay the buyer to find the broker. Obviously the broker renders no service in such case to the person who pays him, and his compensation merely constitutes an added burden of cost which the manufacturer must spread over his other customers. The bill prohibits the payment of brokerage direct to the buyer, or to anyone acting in fact for the buyer or under his control. In so doing, it will cleanse the streams of commerce of such violations of an important fiduciary function and prevent its prostitution to purposes of discriminatory abuse.

SHOULD THE MASS DISTRIBUTOR BE PAID FOR MAKING A PROFIT?

The third prevalent evil at which the bill is aimed lies in the grant of special allowances for so-called advertising or promotional services. Mass buyers have constructed an amazing myth around this type of allowance and are using it in an attempt to justify in the public eye another form of discrimination. Remember, please, that the business of mass distributors, like that of any other merchant, is selling to the public the goods which they have purchased at wholesale from the manufacturer or other source of supply. They make their profit on the resale of those goods. They buy them only for that purpose; and if they do not sell them, once they have them in stock, they become a dead loss. They buy those goods in large orders from the manufacturer at sacrificially low prices, as I have already described. But this is not enough. They now claim that the resale of those goods, which they must in any case resell for their own advantage and profit, is a special favor to that manufacturer, and that anything that they do to promote that resale is a special service for which they can demand an additional payment. No one but a large mass buyer—large enough to confront his manufacturer with the financial distress resulting from the loss of a large block of his business—could get away with such a chimerical claim; and the larger the buyer, the more of it they are able to get away with. For example, it was shown in the committee's hearings that the A. & P. chain, with 15,000 stores and $800,000,000 of annual sales, obtains from Standard Brands an advertising allowance of $144,000 a year on Fleischmann's yeast alone.

The Kroger chain, with more than one-fourth as many stores and one-fourth the volume of sales, gets an allowance from the same people on the same article of only $6,000 a year, or one twenty-fourth as much. Mass buyers expand this story with all sorts of grotesque embellishments. They say, for instance, "X manufacturer is paying us extra for displaying his product near the cash register, or near the door, where our customers are more likely to see it and buy it as they pay their checks and pass out"; yet our committee hearings showed so many such allowances given to different manufacturers of the same competing commodities that if this service were performed for all, the cash register would be completely buried and the door obstructed to entry or exit. They have even collected these allowances for displaying their own goods on their own shelves, and in their own show windows, something that even the country crossroads' grocer has done since time immemorial without ever getting paid for it except in the profit he makes on the sale of the goods themselves. The bill puts an end to this chicanery, and to the competitive discriminations which it makes possible by forbidding the granting of such allowances unless they are made similarly available to all competing customers who are able to furnish the same services, proportionally to those services and to their purchases of the goods concerned.

These are the important provisions of the bill. There are other minor provisions designed principally for the added protection of legitimate spheres of business, but they do not affect these underlying principles nor the importance of its immediate consideration.

MISUNDERSTANDINGS ANSWERED

But I do want to give a moment's attention to some of the gross misapprehensions that have been spread about with regard to this bill.

NO PRICE FIXING

Its opponents keep calling it at every turn a "price fixing" bill. It has nothing to do with price fixing. It leaves the seller absolutely free to fix his own level of prices in response to the usual market influences and to his costs of production. It lays him under not the slightest obligation to maintain any sort of relationship between his prices and those of his competitor. It merely requires him to maintain an equitable relation between the prices which he charges to his various customers, the measure of that equity to be based upon differences of cost in serving them.

NO LIMIT ON COMPETITION OR EFFICIENCY

It does not limit competition, except that vicious sort of competition which sells below cost in order to destroy competition. It has nothing to do with methods of production or distribution. It lays no obstacle across the path of anyone to prevent him from selecting and using the most efficient and economical methods of production, sale, or distribution that human genius can invent. There is nothing in it to prevent the translation of any economies so accomplished in the service of particular customers into corresponding price discounts, nor to prevent the consumer from reaping their ultimate benefits. It merely says to the large mass buyer and to the manufacturer who sells to him: "Superior efficiency is your only title to preference; you cannot resort to mere size and to the mere power which that size places in your hands to crush the advantage which real efficiency gives to your competitor."

WILL DECREASE LIVING COSTS

Opponents of the bill have insisted at every turn that it will result in huge increases in living costs to the consumer, with the usual emphasis upon special injuries to the housewife, the laborer, and the farmer. It can have no such effect. Living costs depend upon the actual physical costs of production and distribution. As I have already said, the bill has nothing to do with them. It does not affect production costs. It merely prevents the seller from loading an unfair portion of that cost onto part of his customers and absolving a select few from their share of it. It will, on the contrary, therefore, lower prices to those millions of people who purchase from the independent merchant and from cooperatives and smaller chains, for it will relieve them of that unjust burden of cost, which they now have to carry for the large mass buyer.

NOT AGAINST CHAIN STORES AS SUCH

I say to cooperatives and smaller chains, because it is a mistake to regard this bill as an antichain-store bill. I have shown you already that the smaller chain suffers from these abuses at the hands of their larger chain competitors just as does the independent. I have shown you that, even between the two largest chains now in existence, the smaller is discriminated against in favor of the larger. Out of some 900 or a thousand chains in the grocery field alone, I should estimate that not more than half a dozen receive the sort of excessive discounts and allowances at which this bill is aimed. It is for the protection of the other 994, and of the public who buys from them, as much as it is for the protection of their 300,000 or more independent competitors and of the millions of the public who buy from them.

EMPTY THREATS

All sorts of business disturbances have been predicted from this bill. They are fabricated by its opponents to play upon the fears of the people. They say if the bill is passed the chains will go into manufacturing themselves. They cannot do this economically for they cannot manufacture the hundreds of commodities which they sell in the limited quantities needed for their own business as cheaply as they can be manufactured in the greater quantities demanded by the whole trade; and they cannot manufacture them for the whole trade, because they cannot expect to sell them to their retail competitors. Then, it is said, if this bill is passed the chains will turn to the patronage of manufacturers who sell exclusively to them. But if they do they cannot get the price advantages at which this bill is aimed, for those are advantages which can only be granted to favored customers at the expense of the rest. If there are no others there is no one to favor and no one to absorb the corresponding burden. Such a manufacturer would have to charge that chain with his whole requirement of cost and profit, and that is precisely the end at which the bill is aimed. It is designed to bring production and distribution up to a basis of economic efficiency on the part of the favored few, and down to that basis on the part of all the rest.

NOT CLASS LEGISLATION

This bill is not class legislation. It is not limited to particular commodities, trades, or industries. It is just as broad as the present Clayton Act, which it proposes to amend. On the contrary, its opponents have attempted to have it limited to particular commodities, or to exclude particular industries from it in the hope, no doubt, that if it cannot be defeated in Congress it might then be defeated in the courts.

ITS ECONOMIC IMPORTANCE

Now, in conclusion, I want to emphasize briefly its great importance. It is important, not only to the independent businessman, commonly so called; it is important to every businessman who has competitors considerably larger than himself. For that added size enables such a competitor, under the present law, to bid for unfair price advantages of the kind at which this bill is aimed. But it is important not alone to the millions of businessmen who fall in that class; it is equally important to the still greater millions of the consuming public who depend upon them for the supply of their needs. It is important to the equally many millions of the producing public, including the farmer and the laborer who produce the raw materials and furnish the labor that go into the supply of those needs. For the more equal the competitive opportunity which we can secure to those now oppressed by the abuses against which this bill is directed, the more they will have with which to pay that laborer for his work and those farmers for their products.

ITS HUMAN IMPORTANCE

But all this has only to do with its economic importance. Human values are greater than property values. The backbone of our Nation live in smaller cities and communities and in rural districts which depend upon independent enterprise as represented in their local merchants and manufacturers for the support of their educational, social, and spiritual institutions, those institutions upon which our Nation must depend for the translation of its material welfare into the real satisfactions of life and into the moral and spiritual forces upon which the continuous growth of our civilization necessarily depends.

PERMISSION TO ADDRESS HOUSE

The SPEAKER. Under the special order the gentleman from New York [Mr. SISSON] is recognized for 15 minutes.

Mr. SISSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a list of organizations which have indicated their support of the repeal of the so-called "red rider" and certain other important material directly affecting the issues involved therein.

The SPEAKER. The gentleman from New York asks unanimous consent to revise and extend his remarks in the RECORD and to include therein a list of certain organizations that are interested in the so-called Sisson bill, and to insert certain other data. Is there objection?

There was no objection.

Mr. SISSON. Mr. Speaker, I ask leave to extend my remarks in the RECORD and to include therein a list of organizations which have passed resolutions and otherwise gone on record as urging the repeal of the rider in the appropriation bill of last year for the District of Columbia with reference to the teaching of communism in the schools of the District of Columbia, and also certain important material directly bearing upon this legislation.

Ladies and gentlemen of the House, it is my purpose to place in the RECORD for the information of the Members of

the House a brief account of the history of this legislation and its effects upon the teachers and the students in the public schools of the District of Columbia, and its bearing upon our American institutions, including freedom of speech, freedom of the press, and academic freedom.

I shall be obliged, in the course of my remarks, to refer a few times to the gentleman from Texas [Mr. BLANTON]. I trust, however, that the House, as well as the gentleman, will understand that I do this with the greatest reluctance, and only because even a brief historical record could not be given without mentioning the gentleman a time or two.

In one of his several speeches in this House on this subject, under extension of remarks on March 30, 1936, the gentleman closed his remarks with this peroration:

> The time has come when we Democrats must weed all pinks and reds out of our Government. I have lowered my visor; I have unsheathed my sword; I have entered the lists; I am at war to the finish against all Communists and subversive enemies of good government.

I should like to have it recorded of me also and handed down to my descendants that I am now and always have been opposed to communism and to any other kind of ism or thing which is subversive of our institutions and our form of government. I cannot hope, however, to compete in the public view with the gentleman from Texas in his spectacular method of warfare. I have no visor; I carry no sword; I do not know how to conduct myself wearing helmet or armor or brandishing a sword. If I may be forgiven for a personal allusion to the reason why I am not so accoutered, as the gentleman from Texas describes himself, and, adopting the grandiose style of the gentleman, I was born of poor but honest parents, and—I trust this will not be misunderstood—I was born "a poor barefoot boy." Naturally, I have not learned to fight with any of the weapons used by the gentleman from Texas.

Neither have I learned to argue or debate by hurling epithets.

The gentleman from Texas, on numerous occasions, and with increasing frequency, in his remarks on this floor and in the many pages of matter which he has had printed in the RECORD, has sought to dispose of those who disagreed with him by calling them" Communists." Now, I would not retort in kind by calling the gentleman from Texas anything. I note, however, that the Committee on Appropriations of the other body the other day disposed of some legislation sponsored by the gentleman from Texas by striking it out on the ground that it was "communistic." However, that is their language, not mine.

The gentleman from Texas has gone to great lengths in an effort to create the impression that there is communism in the schools of the District of Columbia and thereby to justify and show the necessity of the so-called "red rider."

In the CONGRESSIONAL RECORD of April 2, after having spoken on this same subject on several previous occasions in the House, the gentleman inserted in the RECORD 29 printed pages. Most of the matter in these 29 printed pages does not even remotely relate to the schools of the District of Columbia. Much of the matter is an attempt to prove that Dr. Frank W. Ballou, Superintendent of Schools, is a Communist. None of the matter could be considered, except by the most inverted and fantastic kind of reasoning, to be relevant to this legislation. Much of the matter in the 29 printed pages was printed—and, of course, at the public expense—for the third time at the instance of the gentleman from Texas. I am informed that the cost to the taxpayers of the printing of the matter contained in the 29 pages was over $1,600.

The Committee on Appropriations for the District of Columbia, of which the gentleman is chairman, held extensive hearings on appropriations for the District. Those hearings were printed and comprised 787 printed pages. It was, of course, entirely proper for the Committee on Appropriations to hold hearings on the subject of appropriations, and I am not implying any criticism of this; but several days of this subcommittee of five were devoted to hearings alleged to be held on the subject of character education, but actually devoted to an inquisition into the subject of communism in the schools in the District of Columbia, and an attempt to prove that communism was advocated in the schools and that Dr. Ballou is a Communist. The part of the hearings in this inquisition on the subject of communism in the schools occupied 268 printed pages. These 268 pages were then reprinted in a separate volume at the instance of the gentleman from Texas and at the public expense, and distributed to all of the Members of Congress. These hearings were held in executive session, and Dr. Ballou, Superintendent of Schools, Mrs. Doyle, the president of the Board of Education, and Professor Jones, head of the department of social studies, including history, were summoned before the subcommittee and ordered to answer such questions, mainly as the gentleman from Texas dictated. I join with the gentleman from Texas in the hope that the Members of this House will read these hearings. Frequently a question would be asked by the gentleman from Texas of such a witness as Mrs. Doyle or Dr. Ballou or Professor Jones which would be anywhere from one-half page to a page long in the RECORD, and then the witness was directed to answer the question categorically. Frequently the witness was not allowed to explain, qualify, or give his statement in his own words. In other words, it was like one of those star-chamber performances made infamous in other countries before freedom of speech and fair trial prevailed. It was a one-sided trial, where only the prosecution was represented.

I would not have the hardihood or gall to inflict upon this House or put in the RECORD answers in refutation to all of the insinuations, misleading inferences, and unwarranted conclusions contained either in these hearings or in the matter which the gentleman from Texas has put into the RECORD on other occasions. I would not dare to do it unless I had a suit of armor such as the gentleman has described himself as wearing. The witnesses were browbeaten and bulldosed in a manner that is certainly not creditable to the House of Representatives, and I wonder how any man with a sense of fairness and justice could have sat through it without a protest. I certainly hope that the Members of this House will examine the record made by the gentleman from Texas and permitted by the other three members of the subcommittee, who apparently sat mostly in silence and permitted it to go on. It was not a hearing; it was an inquisition such as might have been conducted by Philip of Spain or the bloody Jeffries, infamous as the hanging judge in English history in the time of James II.

And, despite all this, not one single instance was produced by any of the witnesses where they dared or ventured to name any teacher who, they claimed, had advocated communism in the schools of the District of Columbia.

Hearings were held on the Sisson repeal bill for 2½ days before the Subcommittee on Education of the District Committee, composed of the gentleman from Maryland [Mr. KENNEDY] as chairman, the gentleman from Indiana [Mr. SCHULTE], the gentleman from Missouri [Mr. SHORT], the gentleman from Maine [Mr. BREWSTER], and the gentlewoman from Indiana [Mrs. JENCKES]. These hearings were held in open, not secret, session, where the public had access, as is the custom in America. The witnesses had full opportunity to present testimony, both pro and con. Mr. Sullivan and General Fries, who were among the star witnesses in the star-chamber proceedings held by the gentleman from Texas before his committee, appeared before this Committee on Education also, and their testimony occupied many pages of that record. Again, not one scintilla of evidence was produced where any teacher had advocated communism or had done anything contrary to his or her constitutional oath.

In his 29 pages in the RECORD which appeared on April 2 the gentleman from Texas made a great effort to prove that Dr. Ballou is a Communist. Time and space will not permit me to answer in detail all of the statements, misleading inferences, and unfounded conclusions in these 29 pages. But let me show you the gentleman's method of reasoning and of attack upon Dr. Ballou. He starts out with the assumption that certain men are well-known Communists; among these being Dr. Charles A. Beard, Prof. George S. Counts, and Dr.

W. W. Charters. His authority for the statement that Dr. Beard—probably generally recognized as our greatest living American historian—and these other gentlemen are Communists is a book called "The Red Network", written by Mrs. Elizabeth Dilling. The author of this book, Mrs. Dilling, who is cited by the gentleman from Texas as his authority as to who are Communists, attempted to get this book accepted by the D. A. R. some years ago, but when the matter was brought to the attention of the present president general of that organization it was refused. The D. A. R. organization is generally considered to be at least sufficiently conservative, rather than liberal. Mrs. Dilling lists several hundred persons in that book as Communists or dangerous radicals. Among these, besides those mentioned by the gentleman from Texas, are such well-known and dangerous characters as Jane Addams, Newton D. Baker, United States Senator William E. Borah, Mr. Justice Louis D. Brandeis and Mrs. Brandeis, Mrs. Franklin D. Roosevelt, our late beloved colleague, Hon. Anthony J. Griffin, one of the most useful and respected Members who ever sat in this House, a large proportion of the presidents of our American colleges and universities, and a considerable number of the present Members of the other body of this Congress. Dr. Ballou, unfortunately for the gentleman's contention, is not so listed, but the gentleman, by his inverted process of reason, makes Dr. Ballou a Communist. Why? Forsooth, because Dr. Ballou at sometime or other had been associated in the survey of some educational question with Dr. Beard, Dr. Counts, and Dr. Charters, and about 20 other educators.

It might at this point be profitable to inquire if it can be discovered from the gentleman's very extensive speeches and remarks in the RECORD upon this subject as the result, of course, of his very intelligent and extensive investigation, how he would define a Communist; and I am sure that the only answer that anyone could give to that question who has followed the gentleman's method of argument would be that a Communist is someone who disagrees with or disapproves of the gentleman from Texas; and based upon that definition and to the extent that the gentleman is known, that would probably include the overwhelming majority. I am sure if it were necessary for the gentleman's contention he could very easily go back to a much earlier period than his investigation has covered and prove, for example, that most of the characters who have appeared in either profane or sacred history were Communists or tainted with communism, as adjudged by Ku Klux Klan standards. Certainly neither the Master of Men nor His Twelve Apostles could escape that scathing condemnation—and least of all, Solomon, who proposed once to settle a dispute between the two women, each of whom claimed to be the mother of a child which was brought before him, by cutting the child in two and giving each one half. The gentleman spends so much time upon this floor and uses up so much space in the CONGRESSIONAL RECORD and costs the taxpayers incidentally so much to print what he has to say in recommending his own superior wisdom, virtue, and courage that I wonder sometimes if he could not as a result of his 20 years' service in Congress find anyone else than himself to testify for himself. It would certainly be a saving to the taxpayers if he would bear in mind the injunction of the same Solomon, "Let another man praise thee"; or, if he would paraphrase the language of Shakespeare, "not to protest his own virtue over much."

Now, I have a very great respect for the dignity of this House. I am very proud to be a Member of it. I want no action or words of mine to lower that dignity or stain or pollute the pages of its RECORD with obscenity or filth. It is only such a knight as the gentleman is who does this. I have, though, sometimes thought that what seems to be a prevalent custom here of expressing one's admiration and respect for another when one's feelings are somewhat the opposite is not entirely to be commended, and I trust that it is not unparliamentary for me to say that I cannot share the gentleman's estimation of his own wisdom, virtue, and courage.

Now, what is the record about this "red rider"? Was there any necessity or excuse for slipping it into an appropriation bill last year?

This question, in my opinion—and there is evidently a large number of people all over the country who agree with me about it—has become one of Nation-wide importance. If, therefore, you have the slightest doubt in your mind that the "red rider" ought to be repealed, I ask you to examine the record—and by the record I mean the following:

First. The manner in which the "red rider" was passed.

Second. The hearings held by the subcommittee on education of the District of Columbia Committee on February 25, March 2 and 9 on the Sisson repeal bill, H. R. 11375.

Third. The facts and data which I shall put into the record under extension of remarks on this occasion.

Fourth. And here, for once, I agree with the gentleman from Texas [Mr. BLANTON], the hearings held in executive session before the subcommittee of the Committee on Appropriations on the District of Columbia appropriation bill for 1937, and also the 29 pages which the gentleman from Texas put into the RECORD on April 2.

It is a great deal to ask of you, but if you will examine all of the facts you can come to but one conclusion; and that is that it is of great importance to our American teachers and the boys and girls in our schools, and to the dignity and good name of Congress, that the repeal bill should be passed.

This matter is of no personal concern to me, any more than it is of personal concern to any other Member of Congress. It will not affect my political fortunes one way or the other, whether the repeal bill reaches the floor of this House, is discussed on the merits and is passed, or not. The only thing about it that is of personal concern to me is that I discharge my own duty and fulfill my own responsibility.

An examination of the record will show, among other things, the following facts:

First. There is not, nor has there been, any indoctrination of communism by either the Board of Education, Superintendent Ballou, or the teachers in the schools of the District of Columbia; nor has there been any effort made before or since the passage of this "red rider" to advocate or secure sympathy for communism in the District of Columbia schools.

Second. There was not the slightest necessity or excuse for the slipping of this rider into an appropriation bill, or for its passage in any other manner.

Third. The "red rider" does not represent the wish or will of Congress, and not over a dozen Members of both of the bodies of Congress combined knew that it was slipped into the appropriation bill or was proposed as permanent law until after it had been done. An agreement was made last year in a conference between the gentleman from Texas and one or two of the Senate conferees on the appropriation bill to the effect that the item in the appropriation bill for so-called character education, which had been stricken out in the House, should be restored, provided that the gentleman from Texas might write into the bill a clause that—

> No part of this item of appropriation for character education should be available to pay the salary of any person in the schools of the District of Columbia who advocated communism.

No one involved in that argument except the gentleman from Texas believed that it was necessary, but it was thought at that time to be harmless. The agreement was not kept, but instead, after leaving the conference the gentleman from Texas caused to be inserted the present provision, which, by the inclusion of the word "hereafter", was made permanent law, and it was made to apply to the whole appropriation for the District of Columbia schools instead of to this single item, and which, by the inclusion also of the word "teaching", was made ambiguous as to whether even the facts in a proper factual manner about the political, social, and economic system in Russia and elsewhere could be presented to students of history and social studies. The senior Member from my own State in the other body will verify my statement as to what the real agreement was and that it was not kept by the gentleman from Texas.

Fourth. No such law as this "red rider" is in existence in any of the several States. No such law compelling teachers

or anyone else to take an oath each time before drawing their pay that they have not taught or advocated any doctrine subversive to their Government has, so far as quite an extensive research discloses, ever been passed before in this country, and there is no instance in recorded history where it has ever been done in any other country, even if you go back thousands of years. Its existence in a Federal statute is making Congress ridiculous in the eyes of the country.

Fifth. This law is injuring the spirit and morale of the teachers and is making them ridiculous in the eyes of their pupils. It is destroying the relation of confidence between teachers and pupils, without which the most important purposes of education cannot be secured. * * * The teachers and even the janitors and all of the other employees in the District of Columbia schools have to take an oath each pay day in the form prescribed by the Comptroller General, in substance, that they have not advocated or taught communism in the schools or elsewhere.

Sixth. This law is gaining Communists and communism free advertising and exploitation that they could not have gotten otherwise for millions of dollars. It invests Communists and communism with an appearance of strength and importance that they do not possess. That here, in the Nation's Capital, Congress should find it necessary to put such a law upon the statute books lends more strength and encouragement to communism than anything else I can imagine.

Seventh. It prevents the boys and girls in the high schools in their study of history, civics, and other social studies from learning the facts as to the system prevailing in Russia, and instead of equipping these boys and girls to think for themselves and to see the strength and fairness of our institutions and our Government by comparing our Government and its institutions with others, it attempts to put their minds in a strait jacket and to tell them what to think and not how to think. We do not expect to teach our boys and girls how to avoid contracting tuberculosis, typhoid, or other contagious, infectious, or communicable diseases, including the social diseases, by seeking to prevent them from learning that such diseases exist and how to avoid them. No teacher should be retained in our schools who would seek to advocate communism for us in this country, and no teacher in the District of Columbia schools would be retained if it were found that he or she had done that. Every teacher in the District of Columbia schools was obliged, under the law before the passage of this red rider, to take the same oath to support the Constitution of this country that we, as Members of Congress take, and if a teacher were found who had attempted to indoctrinate his or her pupils with communism or any other ism subversive of our Government and its institutions, that teacher could be and would be removed by the Board of Education.

Eighth. This "red rider" is entirely contrary to and subversive of the traditional American system of running our public schools.

What is the traditional American system of running the public schools? The traditional American way of running our public schools has been for years to have a board of education, selected from the representative citizens of the school district or city. They are not educational experts, but they determine the general policies of the schools. They employ a superintendent, principals, supervisors of teaching, who are experts to map out the courses of study and prescribe the methods of instruction. That is the American way and that is the way that has succeeded. We do not have in our States or in the various communities within our States a Congress or a legislative body to stick their noses into the courses of study. Nothing could be more vicious than for any political body or sect acting through a legislature to be able to prescribe courses of study. [Applause.] For example, I am a Democrat. I should object if the teachers in the schools attempted to make either Republicans or even Democrats of the boys and girls who are under their charge.

The members of the Board of Education in the District Columbia are not elected by the voters and taxpayers of the District, because there are no voters. They are appointed by the Supreme Court of the District of Columbia. There are nine members of the Board of Education. The president of the Board, Mrs. Henry Grattan Doyle, is an educated woman of fine character and exceptional ability; the mother of three fine young American citizens, who themselves are in the District schools. The other members of the Board are all educated, public-spirited, patriotic men and women, splendid, useful, American citizens, every one of them, serving without compensation, faithfully, efficiently, without praising themselves, without complaining about persecution—even such persecution as they have had, both from the Hearst newspapers and, I am sorry to say, from a Member of this House. They are serving in the cause of public education, without which this country, its Government, and institutions as we love them could not long endure.

I served 10 years on a board of education before coming to Congress. I know something of what such boards have to endure in the way of petty complaints and unjust criticism. I never met or knew nine better citizens than the members of this Board of Education here. Among their members, for example, is a lawyer, generally considered to be one of the two or three leaders of the local bar. There are, I believe, two other lawyers, both of them eminent and respected in their profession. There is a physician, respected in his profession. There is a well-known teacher of law with a national reputation as an authority on constitutional law. The others are of the same standard of character and of the highest standing in this city. Most, if not all, of the members of the Board are parents.

Is it fair to leave the imputation resting upon them that they have attempted to indoctrinate the pupils with communism and make Communists of them? That they have attempted to instill immorality and indecent ideas in the pupils of the schools here, as has been charged and put into the records of committee hearings by the gentleman from Texas and the gentlewoman from Indiana? [Applause.]

[Here the gavel fell.]

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BANKHEAD. Will the gentleman yield?

Mr. SISSON. I yield to the gentleman from Alabama.

Mr. BANKHEAD. I have not kept up with the details of this controversy. Will the gentleman state for my information and the information of the Members of the House exactly the terms of this so-called "red rider" and what limitation and prohibition it puts upon the teachers?

Mr. SISSON. I shall be glad to do so for the distinguished majority leader and the Members of the House.

The so-called "red rider" which is attached to the appropriation bill in substance provides, so far as the public schools of the District of Columbia are concerned, that for the fiscal year ending in June and thereafter no part of the appropriation shall be available to pay the salary of any person advocating or teaching communism in the schools of the District of Columbia.

Mr. BOILEAU. Will the gentleman yield?

Mr. SISSON. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. Is not the gentleman in error? Does not that refer to the whole appropriation bill?

Mr. SISSON. It refers to the whole appropriation for all of the public schools, although it was intended, as a matter of agreement between the gentleman from Texas and the senior Member of the other body from my own State of New York, that it should only apply to the item of appropriation for character education.

Mr. BOILEAU. The gentleman said that "hereafter no part of the above appropriation shall be used." Does it not refer to the whole bill?

Mr. SISSON. It means the whole appropriation for all the public schools.

Mr. BOILEAU. And for all types of teaching?

Mr. SISSON. Yes.

Mr. Speaker, there are over 2,900 teachers in the public schools of the District. It would not be surprising if one, two, or three might be found who had been infected with some "ism" and had been guilty of airing his or her views in the District schools; but in spite of the diligence of the gentleman from Texas and the gentlewoman from Indiana and a few busybodies in the District, no such instance has been found.

Mr. MAVERICK. Will the gentleman yield?

Mr. SISSON. I yield to the gentleman from Texas.

Mr. MAVERICK. Is there not a certain implication in this communism business? For instance, one of my colleagues told me that communism consisted of the nationalization of women and the overthrow of the Government; in other words, immorality and treason. In other words, according to this concept, the effect of this is psychological, and each 2 weeks or month the teachers must swear under oath that they have not taught or advocated immorality, obscenity, or treason?

Mr. SISSON. The gentleman in effect is correct, according to my understanding.

Mr. Speaker, I want to point out one thing which I think all Members know, and the teachers make no objection to this; neither does anybody else. Under the law today and under the old law before the passage of this "red rider" each teacher took the same constitutional oath that we Members of Congress take, and there is no objection to that. If they violated this oath and advocated communism or any other "ism" subversive of our Government, or even advocated that their pupils should be Democrats, Republicans, or anything else, they could be and would be removed by the Board of Education.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. SISSON. I yield to the gentleman from New York.

Mr. FITZPATRICK. Assuming that the teachers in the District of Columbia may explain communism or any other form of government, how much further would the gentleman care to have them go?

Mr. SISSON. How much further?

Mr. FITZPATRICK. If they may explain communism or any other form of government, how much further would the gentleman ask them to go?

Mr. SISSON. I would not ask them to go any further. The point is there is a great dispute, and neither the gentleman from Texas nor any of the proponents of the red rider agree that communism in a factual way should be taught, or that the social, political, or economic system in Russia may be taught—not even in a factual way. They say it should be mentioned, if at all, by denouncing it.

Mr. FITZPATRICK. Has not the corporation counsel stated that they may explain communism under the "red rider"?

Mr. SISSON. Who knows what another corporation counsel may rule? The Comptroller General has ruled otherwise and has prescribed an oath that they shall not advocate or teach communism.

[Here the gavel fell.]

Mr. SISSON. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none.

Mr. GASSAWAY. Mr. Speaker, I object, if the gentleman is going to discuss communism.

The SPEAKER. Is there objection to the gentleman from New York proceeding?

Mr. BOILEAU. Mr. Speaker, I make the point of order the gentleman's objection comes too late.

The SPEAKER. The Chair will not rule that it came too late because if the gentleman was on his feet to object he has that right.

Is there objection to the gentleman from New York [Mr. SISSON] proceeding for 2 minutes?

There was no objection.

Mr. MAVERICK. Will the gentleman yield?

Mr. SISSON. I yield to the gentleman from Texas.

Mr. MAVERICK. I just wanted to say that the gentleman from New York [Mr. SISSON] is a true friend of education and American citizenship. It takes nerve, courage, and intelligence to make this fight, and the gentleman has those qualities. The gentleman knows that our party stands for civil liberty, religious and academic freedom, and you are one of the leaders in the country in that fight.

Mr. SISSON. There are over 2,900 teachers in the public schools of the District. It would not be surprising if, in this number, a few were found—1 or 2 or 3—who were infected with a belief in some "ism" subversive of our Government and our institutions, which they might have attempted to air. I think it is remarkable that no such instance has been found, despite the diligent efforts of the gentleman from Texas, the gentlewoman from Indiana, and a few professional busybodies in the city of Washington. Yet not one instance was found of a single teacher who had attempted to do so, or who had violated his or her constitutional oath. It was a remarkable showing and speaks well for the administration of the superintendent of schools, Dr. Frank Ballou, and of this Board of Education, and it speaks well for these teachers. I suppose most of these teachers are Republicans; I hope that some of them are Democrats. Undoubtedly some are independent in their political affiliations, but no instance was shown where any teacher had even tried to make Democrats, Republicans, or Socialists, to say nothing of Communists, of their pupils.

When I was president of a board of education of nine members I took the stand that the superintendent should not be permitted to make any inquiry of prospective teachers before he hired them as to either their political affiliations or their religious affiliation. I believed that that was the American way. We have a right to find out that teachers are of good character and that they would not advocate anything which would destroy our form of government and its institutions. I think also that a teacher should believe in the rights guaranteed by the first 10 amendments to the Constitution, including freedom of speech and of the press and religious liberty. But we have no right to pry into their minds or souls and select them in accordance with political or religious affiliation. I have a great admiration and respect for our American public-school teachers. They are the salt of the earth. Upon them rests the sacred duty to awaken and inspire and strengthen the intelligence, the minds, the souls of their charges—the boys and girls. They ought not to be heckled and harassed and bullied. They ought not to be insulted by such a law as this "red rider."

Of Dr. Ballou I have already spoken. He stands among the leaders of his profession. Incidentally, I happen to know that he does not agree with me politically. Instead of being a radical, he is known in his own profession and among his associates as a conservative. I do not happen to agree with him in all of his conservatism; but if I were on a board of education, I would not hesitate for a *moment* to hire him as the head of a school system. He is a safe man in that kind of place. He is a scholar, a tireless worker, a sound educator, an honest Christian gentleman.

I hope you will read in the RECORD what the Association of School Superintendents of this country think of him. It is a monstrous thing for him to be unjustly charged with being a Communist, of seeking to inculcate immorality in the schools, as he has been by the gentleman from Texas and by one of the gentleman's star witnesses—this Russian Serkowich, a man of doubtful reputation; a man warned by the Better Business Bureau of this city to desist from various stock promotions. This Serkowich, the clerk of the gentlewoman from Indiana, one of the star witnesses of the gentleman from Texas in his star-chamber inquisition into the schools of this District. This Serkowich, who hid when he learned that I had asked the Subcommittee on Education to have him summoned before that committee in

order that he might be questioned about his testimony and his charges in the star-chamber proceedings before the Subcommittee on Appropriations.

The chairman of the Subcommittee on Education, the gentleman from Maryland [Mr. KENNEDY], very promptly ruled and ordered that Serkowich should be produced before that committee. The gentlewoman from Indiana, in whose employ he was, promised that he would be produced. He could never be found thereafter until the Subcommittee on Education had closed its hearings. He would not have had the gentleman from Texas there to protect him. In this respect Serkowich, of course, followed the example of his employer, the gentlewoman from Indiana, who came in before the committee of which she was supposed to be a member, refused to listen to any of the evidence, made her monstrous charges against the Board, in the course of which she even charged them with attempting to carry out the system prevailing in Russia of immorality, of the nationalization of women, and then refused to answer a single question, although she had put herself in the category, not of one of a tribunal to hear the testimony, but of an ordinary witness. She made her charge and ran away. And then, again following the tactics of the gentleman from Texas, she attempted to prevent a consideration of this question upon its merits. She attempted to suppress the facts and the truth by locking up her own statement in her desk and running back to Indiana so as to prevent and delay the printing of the hearings.

Now, who wants this infamous "red rider" kept on the statute books? The Hearst newspapers; General Fries, who attempted to blacken Dr. Ballou's professional reputation by withholding the truth and by willfully bearing false witness against Dr. Ballou. Read General Fries' testimony at pages 154–171 of the hearings of the Subcommittee on Education, and particularly notice where he was questioned by the chairman of the Subcommittee on Education, the gentleman from Maryland [Mr. KENNEDY], who very effectively brought out the fact that General Fries was willfully bearing false witness and was suppressing the truth.

Who wants this "red rider" on the statute books? The Ku Klux Klan. One of its local organizations is listed as a member of General Fries' so-called federation of citizens and as having endorsed the "red rider." The gentleman from Texas, who alternately praises and denounces Hearst, depending upon whether Hearst is at that particular time with the gentleman from Texas or against him; a few busybodies who have always been for repression and suppression.

Who are demanding the repeal of the "red rider"? Look at the record, the hearings of the Subcommittee on Education. See some of the editorials from the Republican, Democrat, and Independent press of the country. Look at the list of organizations on pages 273–275 of those hearings. The whole press of the country, with practically the sole exception of the Hearst newspapers; the National Education Association, representing the hundreds of thousands of American public-school teachers; nearly every parent-teachers' organization in the city of Washington; every real civic organization in the city of Washington.

In the 29 pages which the gentleman from Texas inserted into the RECORD under date of April 2 he makes a long argument in which he assumes, as an assumption which does not need proof, that Columbia University and Teachers College, as a part of Columbia University, are both communistic. He assumes that practically everyone connected with the faculty of Teachers College and of Columbia University are Communists. I do not think he mentions Dr. Nicholas Murray Butler, and he apparently did not know all of the professors by name or have a list of them, but he certainly listed a large number of writers and educators. Again he cited as his authority the Red Network, by Mrs. Dilling, of which I have already spoken. He has pestered the Board of Education, particularly since the passage of this "red rider", by demanding all kinds of information and statistics, which it has taken a great deal of time of the superintendent and his secretarial staff, as well as of the Board of Education, to supply. Sometime ago he sent a questionnaire to the Superintendent, Dr. Ballou, commanding the Superintendent to furnish complete information as to the educational training of each and every of the more than 2,900 teachers of the schools of the District of Columbia and also the number of them who were graduates of or who had taken courses at Teachers College of Columbia University. He also wanted to know if Dr. Ballou was not an associate of Dr. George F. Counts when he, Dr. Ballou, was at Teachers College in Columbia. He also wanted to know what compensation, if any, Dr. Ballou had received in the shape of expenses or honorariums for making addresses in other parts of the country on educational subjects. Dr. Ballou furnished him with all of this information, including the information as to the educational training of the more than 2,900 teachers, with the exception of about 15 of them who were away on leaves of absence for sickness and who could not be reached. The Superintendent furnished this, although he might very properly have told the gentleman from Texas that it was none of his business. The gentleman from Texas has all of this information. Down to the present time he has not made it public, although he had permission to do so. He has suppressed it. I think it is proper for me—and I intended to include it in my request—to make this correspondence between the gentleman from Texas and the Superintendent, Dr. Ballou, a part of this RECORD, and I hope also that in one way or another Members of the House will examine it. The Teachers College in Columbia is a place where teachers from all over the country not only attend for the purpose of taking the regular courses but also attend during their summer vacations. It is something that most school systems encourage teachers to do. Teachers College in Columbia University is, of course, by reason of its location, more readily available to the teachers from the Northeastern States and from the District of Columbia than most other similar teachers' professional schools.

The number of the teachers in the District of Columbia schools who have at one time or another attended or taken summer courses in Teachers College, as furnished to the gentleman from Texas by Superintendent Ballou, is 713. Of this 713, 565 took summer courses only. The total number of teachers in the schools of the District of Columbia is 2,968, so that the number of teachers in the schools of the District of Columbia who have never attended the Teachers College at Columbia University is 2,255. I do not know what the average would be, if it is a matter of any importance, of teachers from other cities in Pennsylvania, New York, Maryland, New Jersey, the New England States, who have attended Teachers College. Obviously it would be, of course, much higher in New York. I do know, however, that in my own city of Utica—a city of about 100,000 population—there are more teachers who secured some part or all of their training in Teachers College than any other similar institution. There are not quite as many teachers from Columbia University in the gentleman's own State of Texas in proportion to the total number of teachers as there are in the District of Columbia schools or as there are in New York; this by reason of location and distance. But there are a large number, and for the information of the Members of the House we have prepared a little graphic map showing where there are teachers in the State of Texas, including the gentleman's own congressional district, who have taken some part or all of their training in Teachers College at Columbia. I commend it to the attention of the gentleman from Texas in order that after he gets through with his other battles he may go to work on his own State and his own district.

So after the gentleman goes up into New Jersey in the coming election and defeats the gentlewoman from New Jersey for reelection, as he has promised to do, and then after he goes up into my district in central New York and defeats me for reelection, and then after he goes out to Indiana and saves the gentlewoman from that State from being defeated—and, of course, I do not know that he has promised to do that—but inasmuch as he unquestionably had something to

do with getting her into this communistic trouble, surely such a gallant knight would not refuse the lady assistance, then, after he explains to the voters down in his own district how he can spend so much of his time away from his duty of looking after his own district and so little of his time in looking after his own constituents, why, then he can go to work on Texas. Of course, after polishing his armor and grinding his sword and pulling down his visor, this Don Quixote can enter the lists against the teachers down there who have committed the crime of attending Teachers College at Columbia University.

In the gentleman's remarks which are in the RECORD under date of April 2, he called Dr. Charters, who had been called in here to advise about character education, a "pimp" for Moscow University. Dr. Charters was never in Moscow University; in fact he was never in Russia. He was listed as an exchange professor between Moscow University and the American University, with which he is connected, as every educated man knows is customary between American and European universities. Then he called another distinguished educator a "pimp" for something else. Offhand, it would seem to me that his statement with respect to those two gentlemen came pretty close to being libelous per se. Maybe so and maybe not, I never bother to examine the laws of libel; I do not have occasion to do so, so far as I am concerned, personally. Neither do I use a sword. But of course, this chivalrous knight with his visor and his sword, this Don Quixote, is protected by the constitutional immunity of a Member of Congress, not to be called to answer in any other place for what he says here; or at least he is protected so far as a suit at law is concerned.

Now, I am sorry to have been obliged to refer to the gentleman from Texas, or the gentlewoman from Indiana. I have done so most reluctantly, and only because it was necessary to do so in directing your attention to the record.

On the merits of the issue, the infamous "red rider" should be removed from the Federal statute books.

I have appended hereto, for your information, some factual data with references to the RECORD, in answer to the 29 pages which the gentleman from Texas inserted in the RECORD under date of April 2.

I have also appended hereto certain facts in answer to the hearings held before the Subcommittee on Appropriations, of which the gentleman from Texas [Mr. BLANTON] was chairman.

I have also included a letter to me from Mr. S. D. Shankland, executive secretary of the department of superintendence, giving facts regarding the career of Dr. Frank W. Ballou, and the estimation in which he is held by the members of his own profession.

All of these things are directly in answer and directly in point to the issues raised by the gentleman from Texas, in his various remarks in the CONGRESSIONAL RECORD, and in his examination of witnesses in the hearings held before the subcommittee of which he was chairman.

I have also included correspondence between the gentleman from Texas [Mr. BLANTON], and Superintendent Ballou, regarding the number of teachers in the schools of the District of Columbia who attended Teachers College at Columbia University.

The matter referred to is as follows:

DEPARTMENT OF SUPERINTENDENCE,
NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES,
Washington, D. C., April 17, 1936.

Hon. FRED J. SISSON,
United States House of Representatives, Washington, D. C.

DEAR SIR: I have noted the recent public discussion concerning the administration of the Washington, D. C., public schools by Superintendent Frank W. Ballou. For your information I take the liberty of placing before you some facts relating thereto, particularly in connection with Dr. Ballou's national standing as an educator.

The department of superintendence of the National Education Association of the United States is the national organization of superintendents of schools. Dr. Ballou was president of the department in 1925–26. This is the highest honor which the superintendents of schools of the country have it in their power to confer on a fellow superintendent.

During Dr. Ballou's administration of the department, the annual convention was held in the city of Washington. This meeting, in February 1926, brought to this city some 10,000 visitors. Again in 1932 the department met in Washington at the invitation of Dr. Ballou. Twice at the invitation of Dr. Ballou and his staff the annual summer conventions of the National Education Association have been held in Washington, first in 1924 and again in 1934. These meetings brought to the Nation's Capital the leading educators of the country.

Some 10 years ago it became evident that the courses of study in public schools needed extensive revision. Increased enrollments, especially in the intermediate and secondary schools, made prompt action imperative. Accordingly, at a convention of the department of superintendence, it was voted to organize a commission on the curriculum, with a view to pooling the best thinking of educators and laymen on the problem. Dr. Ballou was one of 12 distinguished educators invited to undertake this task, with Supt. Edwin C. Broome, of Philadelphia, as chairman. The commission on the curriculum made exhaustive studies over a period of years, publishing their finding in four yearbooks which went far toward improving public-school courses of study. A number of outstanding contributions to this undertaking should be credited to Dr. Ballou. For example, there was prepared under the direction of Dr. Ballou and with the cooperation of the members of the staff of the Washington public schools and of scientists in the vicinity of Washington a report on elementary science and nature study which has been generally recognized as an authoritative guide to local school systems in dealing with this subject. Prompted by the success of the commission on the curriculum, the department of superintendence voted to organize a similar commission to study the entire problem of school supervision. A commission of eight members was appointed for this purpose under the chairmanship of Albert S. Cook, State superintendent of schools in Maryland. Dr. Ballou was again chosen to membership. The yearbook on Supervision, published under the direction of this commission, is still the standard authority in this field.

Again, in 1933, Dr. Ballou was chosen as one of the nine members of a commission to study the relationship of education to changing social and economic conditions. This commission, which was headed by John W. Studebaker, United States Commissioner of Education, prepared the 1935 yearbook of our organization.

So far as I can recall, no other superintendent of schools has served on as many of the yearbook commissions of the department of superintendence as Dr. Ballou. In addition to his service as an officer of the department and as a member of these important commissions, Dr. Ballou has met other calls made upon him by the department in recognition of his qualities of leadership. He was chairman of our committee on resolutions in 1930; member of the committee on school costs in 1932; chairman of the committee on financing educational research, 1933 to 1935. For several years Dr. Ballou has been one of the three delegates representing the department of superintendence on the governing organization of the American Council on Education.

Dr. Ballou has been a frequent speaker on the programs at our annual conventions. To illustrate his philosophy of education, may I quote from his remarks at the convention 2 years ago, in connection with a statement of our fundamental faith in education:

"Members of the educational profession will continue to consider themselves the spokesmen for the children now in our schools. Officers and teachers will continue to recognize and discharge their civic obligation, their professional responsibility, and their personal privilege to develop public opinion to a realization of the fact that education is 'the debt eternal' which this generation of adults owes the next generation now in our schools. It is our professional and patriotic duty to do everything within our power to see to it that the children of today shall be provided with an adequate education in order that they may meet and solve effectively the problems that will face them as citizens of the future. The Nation, the State, and the community count on the educational profession to prepare the boys and girls for the school of life, possessed of that knowledge, that power to think straight, and those ideals of citizenship that are essential to the preservation of the democracy itself. * * *

"Let us never permit ourselves to forget that what we want the citizens of the next generation to know or to be able to do or to be must be provided for in the current educational program. A system of public education founded on the principle of equal educational opportunity for all the children of all the people represents the spirit of America. It is responsible, in no small measure, for the achievements of American life. It will continue to be increasingly responsible in the future as the Nation moves out of economic demoralization and forward to new challenges and new victories. To reduce the amount and quality of our educational program is to reduce the standard of enlightenment among our people and to break down social morale."

It seems to me that all of us can stand with Dr. Ballou on such a platform. Later in the same address, in reference to "the spirit of America", Dr. Ballou spoke as follows:

"The economic depression is now challenging and threatening the established educational program by means of which this Nation has risen in a comparatively short period of years in the life of a nation, from a few struggling colonies on the Atlantic seaboard in 1776 to a place of outstanding leadership among the nations of the world at the present time. The basis of this out-

standing achievement in American democracy is to be found in the unique program of American education and in the spirit of America which has stimulated and guided the American people to higher and higher success. The present crisis in education will be met in the spirit of America.

"What is the spirit of America? It is difficult to define, but we all know it when we see it.

"It is the spirit of the colonists, of the circuit riders and the missionary priests, of the colonial schoolmen, of noble women, of great judges and jurists, of the builders of our railroads, of the Empire State Building, of our subways, our airways, our steamship lines, and of our telephone and telegraph systems. It is the spirit of unselfish service for the common good. It is the spirit and glory of America that 20,000,000 people can be unemployed, and face starvation, and still hope for the arrival of the better day through the instrumentalities of organized government and not through revolt and revolution. * * *

"There are possibilities for almost unlimited hope notwithstanding the fog of today's confusion. How are those possibilities of hope to be realized? Primarily in putting first things first in our thinking and in our lives. If this be done, schools will not be allowed to close. Rather, the doors of the schools will be opened wider and truth and inspiration will be exalted. If first things are put first, love of home and family, love of country, respect and tolerance for all mankind, and unselfishness will take on a new meaning and value and permanence, and will again become the compelling ideals in the thoughts and actions of men. * * *

"The school, the home, and the church will find their places as the cornerstones of the intellectual, social, and spiritual temple which we must create in the minds and hearts of the youth of America. Then shall we exalt the spiritual over the material, truth and beauty over profit, and goodness above gold."

The devotion to American ideals, and the advancement of those ideals through public education which is expressed in the statement just quoted are typical of Dr. Ballou's entire career as a leader in the educational profession.

Very sincerely yours,

S. D. SHANKLAND,
Executive Secretary.

APRIL 30, 1936.

REPLY TO STATEMENTS MADE BY REPRESENTATIVE BLANTON AS PUBLISHED IN CONGRESSIONAL RECORD, APRIL 2, 1936, VOLUME 80, NO. 77

THE BOOK CONCLUSIONS AND RECOMMENDATIONS

Mr. BLANTON assumes that the book Conclusions and Recommendations, the final and sixteenth volume of the report of the commission on the social studies, American Historical Association, is communistic. He suggests, and nothing could be more untrue, that its purpose is to communize the teachers and through them the school children of this country. He attempts to make it appear that Dr. F. W. Ballou refused to sign the report of the commission because Conclusions and Recommendations is "too communistic" (CONGRESSIONAL RECORD, p. 4851). Mr. BLANTON repeats this statement (CONGRESSIONAL RECORD, p. 4858), "because it was communistic he (Dr. Ballou) refused to sign it." Dr. Ballou never made the statement that Conclusions and Recommendations is communistic.

What group other than the "red rider" group led by Congressman BLANTON ever made the charge that Conclusions and Recommendations is communistic? This small book is only one of the 16 volumes in the report of the commission of the American Historical Association. The members of this commission were able and outstanding educators representing a highly respected and time-honored association. There are statements in this book relative to collectivism, but to any fair-minded reader it is perfectly clear that the writers merely suggest a collectivistic society under our democratic institutions. Fair reading of this book and also the other 15 volumes of this report reveal the patriotism and loyalty of the authors to our democracy. The authors do not even suggest communism as a form of government for this country.

Dr. F. W. Ballou never made the statement that Conclusions and Recommendations is communistic, as he is charged by Representative BLANTON. He said that he did not sign the book because he could not agree with the authors in their view of a "collectivistic society" (hearings, p. 563). Dr. Ballou made it very clear to the Subcommittee on Appropriations that he is an "individualist." He gave other reasons for not signing the report (hearings, p. 565), "the commission would not formulate some definite recommendations in that volume which I could put into the hands of the teachers and say were to be the guiding principles for the teaching of the social studies." The volume "criticizes testing and teachers' training", I disagree entirely on that point of view. Dr. Ballou's entire background and instincts are conservative, and this is known not only by his associates but also throughout the country. He showed his conservatism by declining to sign the report; he was with the conservative group on the commission. The liberal group on this commission went no further than to suggest a collectivistic society under our democratic institutions. Communism is as repugnant to them as it is to Mr. BLANTON.

Mr. BLANTON fails to show in the CONGRESSIONAL RECORD (CONGRESSIONAL RECORD, p. 4858) that Dr. Ballou in his testimony before the Appropriations Committee addressed the teachers in the school system here before Conclusions and Recommendations was even published and at that time gave his views relative to the forthcoming book (hearings, p. 562). In this meeting "I gave a description of some of the things that the report covered, and some of the things I disagreed with, so that the teachers of Washington were entirely familiar with the fact that while I was secretary of the commission I did not sign the report, and they knew the reasons why I did not sign it."

Mr. BLANTON states (CONGRESSIONAL RECORD, p. 4858) that Dr. Ballou has placed this book, Conclusions and Recommendations, "in his Washington schools as a textbook" (CONGRESSIONAL RECORD, p. 4858). This is a false statement, as Mr. BLANTON was given full information by both Mr. Jones and Dr. Ballou. This book is not now and never was used as a textbook. This book was suggested to social-studies teachers by Mr. Jones, head of department, for their personal libraries (hearings, p. 527). Mr. BLANTON failed to reveal in the CONGRESSIONAL RECORD that Mr. Jones told him (hearings, p. 524), in speaking of Conclusions and Recommendations: "The teachers know my attitude and my views. They get these views in meetings and through bulletins." "This book was discussed in a meeting called for the particular purpose of discussing the book."

Mr. BLANTON fails to give accurate statement of facts; to illustrate (CONGRESSIONAL RECORD, p. 4855): "When Professor Jones denounces Dr. Counts' book as 'terrible' and 'damnable.'" Professor Jones, in fact, denounced certain statements taken and read from the book by Mr. BLANTON. These statements were brief and read out of the context. If preceding and following statements were read and studied, the meaning might have been entirely different (hearings, p. 530).

CHARACTER EDUCATION

Mr. BLANTON again quotes only in part:

(CONGRESSIONAL RECORD, p. 4838.) Mr. BLANTON in quoting Dr. Ballou says, "What we are trying to do is to set up a new philosophy of education." And then in reference to teachers, "Whose philosophy has got to be changed fundamentally."

The Subcommittee on Appropriations of the District of Columbia has made much with respect to quoting the partial statement of Dr. Ballou at the hearings on the 1936 appropriation, in which they left out of his context the phrase, "We are trying to set up a new philosophy of education", the inference of this being that this new philosophy is to be a philosophy of a new social order. However, the phrase, when taken in its original context, gives a real lead toward what this philosophy might be. Dr. Ballou's original statement, in answer to a question by Mr. CANNON, was as follows: "What we are trying to do is to set up a new philosophy of education which includes character development as one of the outcomes of education."

The true implication of this statement is that education needs to give greater attention to character development. It may be well to examine the background of the evolution of this statement. This we can best do by quoting a number of excerpts from a speech by the Honorable ROYAL S. COPELAND, Senator from New York, in a speech delivered before the National Education Association, department of superintendence, Cleveland, Ohio, February 28, 1934. At this time it will be noted from the excerpts that Senator COPELAND calls upon the educators of the country to examine their present philosophy, to reorganize and reinterpret that philosophy in terms of certain basic thoughts which we have a right to assume Dr. COPELAND embraced as a result of his experience as chairman of the Senate's Subcommittee on Crime.

The following are the excerpts which give the bases for Dr. Ballou's statement that we are trying to set up a new philosophy of education:

"Most of us regard character building as the primary responsibility of the home. But, if I may jump to my conclusion on this point, I am forced to recognize that there is no immediate hope of greatly improving the home conditions of those who may later follow criminal careers. To accomplish this end is a long-range process.

"What would happen to a proposal that the public schools assume the responsibility for a basic crime prevention program?

"Have not educators tended to define the job of the schools in terms of developing tool skills, and of mastering narrowly defined content? Have they not placed unduly exclusive emphasis upon 'sharpening the minds' of those who are to be the lawyers and the executives of the future, as well as the minds of the average run of us who pass through the school system?

"Has not our attention been too sharply focused on the universal mastery of scientific method to the exclusion of the personal and social needs of the masses of our children?

"Have not teachers and teachers' colleges, in their zeal for a predetermined curriculum and for a universal intellectual discipline, forgotten that their objective is good citizens rather than subject matter conformity? In all candor, I believe they are shooting over the target.

"Far be from me to criticize, but in humility of spirit I contend that there is something in education more vital than sharpening the mind.

"My purpose is to stimulate your interest and to cause you to focus your attention upon what I personally regard as important—a restudy of the objectives of education from the viewpoint of the individual child who must live in a complex and changing society.

"What I here suggest is that our pursuit of intellectual discipline shall not be so exclusive as to leave character building to chance, nor so undiscriminating with regard to individual limitations and needs as to provoke or perpetuate negative reactions and antisocial attitudes in some of our children. Let us not forget that while appropriate intellectual training may go far toward correcting antisocial attitudes, it is also true that inappropriate or wrongly motivated learning efforts may produce opposite results.

"The testimony of several leading educators at the subcommittee hearings indicates that unconstructive attitudes and the formation of antisocial groups among school children frequently originate in or are perpetuated and aggravated by academic maladjustments. Hence the importance of maintaining continuous records, both of growth in academic and intellectual achievements and extracurricular experiences, personal and social adjustments, and character development.

"Are these failures inevitable or are they due largely to the fact that our curriculum is still so rigid that many of our pupils are confronted with academic tasks which are beyond their abilities, irrelevant to their interests and needs, and which foredoom them to what our inflexible academic standards call 'failure'?

"As a first movement in a major attack let us secure from the public a new mandate. Let us have new specifications of the results expected from public education or a restatement of objectives. I believe that in drawing these specifications there must be written in large letters certain primary conditions. We expect results in character and in everything that is essential to good citizenship rather than results measured chiefly in terms of facts learned or in terms of pure intellectual activity or sharpened minds."

These excerpts give the true basis and background of the statement that a new philosophy is needed and is being evolved in public education. For the conclusion of his speech Senator COPELAND makes the following statement, which would indicate that the schools of the District of Columbia had been selected primarily by the Congress of the United States in an attempt to put this new philosophy into practice. We quote again from that address:

"To make a clinical test, to use the words of my profession, and to demonstrate the type of development proposed, Dr. Ballou, superintendent of the Washington schools, is arranging to initiate the proposed plan in the District of Columbia. This will involve evolution in many areas. You can see that he must face problems in administration, records, individual instruction, materials of instruction, training teachers in service, adult classes, and evening classes. In community contacts there will be a new relationship to the movies, the press, the facilities for recreation, the church, the juvenile courts, children organizations, and many more."

During the past 2 years the public schools have attempted to put into practice the hopes expressed by Senator COPELAND at Cleveland. An examination of the projects carried on during this time will give evidence of the sincerity of this effort, and the practices to be found are based on the philosophy of Senator COPELAND.

AMERICAN HISTORICAL ASSOCIATION—INVESTIGATION OF THE SOCIAL STUDIES IN THE SCHOOLS

Commission on Direction

Frank W. Ballou, Superintendent of Schools, Washington, D. C.

Charles A. Beard, formerly professor of politics, Columbia University; author of many books in the fields of history and politics.

Isaiah Bowman, director, American Geographical Society of New York; president of the International Geographical Union.

Ada Comstock, president of Radcliffe College.

George S. Counts, professor of education, Teachers College, Columbia University.

Avery O. Craven, professor of history, University of Chicago.

Edmund E. Day, formerly dean of School of Business Administration, University of Michigan; now director of social sciences, Rockefeller Foundation.

Guy Stanton Ford, professor of history, dean of the Graduate School, University of Minnesota.

Carlton J. H. Hayes, professor of history, Columbia University.

Ernest Horn, professor of education, University of Iowa.

Henry Johnson, professor of history, Teachers College, Columbia University.

A. C. Krey, professor of history, University of Minnesota.

Leon C. Marshall, Institute for the Study of Law, Johns Hopkins University.

Charles E. Merriam, professor of political science, University of Chicago.

Jesse H. Newlon, professor of education, Teachers College, Columbia University; director of Lincoln Experimental School.

Jesse F. Steiner, professor of sociology, University of Washington.

FRANK W. BALLOU,
SUPERINTENDENT OF SCHOOLS,
Washington, D. C., April 17, 1936.

Hon. FRED J. SISSON,
United States House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN SISSON: I hand you herewith correspondence which I have recently had with Congressman BLANTON. I do not consider this correspondence personal, but rather official. The first letters were made public because it was necessary to secure the approval of the Board of Education for circularizing the teachers. The subsequent letters from Mr. BLANTON and my answers were issued to the press by me in view of the obvious public interest in the superintendent's answers to Congressman BLANTON'S questions.

I am giving you copies of this correspondence because under the circumstances I thought you would like to have the information which I have furnished Congressman BLANTON.

Yours very sincerely,

F. W. BALLOU,
Superintendent of Schools.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 25, 1936.

Dr. FRANK W. BALLOU,
Superintendent of Schools,
Franklin School, Thirteenth and K Streets NW.,
Washington, D. C.

MY DEAR DR. BALLOU: As the chairman of the subcommittee handling the District appropriation bill and on behalf of our committee, I will ask you to please furnish me with the following information, and, if possible, I would like to have it tomorrow, to wit:

(1) What was the total amount that you received from the American Historical Association or the Commission on Social Studies, or from anyone connected with the above, covering expenses, honorariums, or fees during the 5-year period that you acted as the secretary for said Commission on Social Studies?

(2) Please advise whether or not you are a graduate of the Columbia University and how long you attended the Teachers College of Columbia University.

(3) Please advise whether or not during any period of time that you attended the Teachers College of Columbia University you were in any way associated with either Dr. George S. Counts or Dr. Charles A. Beard, and, if so, then in what relation.

(4) Do you know whether Dr. W. W. Charters ever attended Columbia University or the Teachers College of Columbia University?

(5) Please have a check-up made of the record you have on scholastic attainment of every teacher in the Washington schools and advise how many of them have at any time attended the Teachers College of Columbia University.

(6) Please advise how many of the teachers in the Washington schools are graduates of the Teachers College of Columbia University.

(7) What expense and/or honorariums did you receive in 1934 and 1935?

Thanking you in advance for furnishing the above data at the very earliest moment possible, I am,

Very sincerely yours,

(Signed) THOMAS L. BLANTON.

FRANK W. BALLOU,
SUPERINTENDENT OF SCHOOLS,
FRANKLIN ADMINISTRATION BUILDING,
Washington, D. C., March 25, 1936.

Hon. THOMAS L. BLANTON,
Chairman, Subcommittee on the District of Columbia Appropriation Bill, United States House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN BLANTON: I have before me your letter of March 25, 1936, sent to me by special delivery, asking me to submit to you, as chairman of the Subcommittee on the District of Columbia Appropriations Bill, and on behalf of your committee, certain information, "and if possible I would like to have it tomorrow." I am giving you such information as is available within the time limit which you have set. I shall repeat your question and reply thereto.

"(1) What was the total amount that you received from the American Historical Association or the Commission of Social Studies or from anyone connected with the above, covering expenses, honorariums, or fees during the 5-year period that you acted as the secretary for said Commission on Social Studies."

I received no honorariums or fees either from the American Historical Association or the Commission on Social Studies. During the period that I was a member of said Commission on the Social Studies I did receive the amount of money represented by the expenses incurred by me in traveling to and from the place of meeting and while in attendance during the meetings.

The amount of such expenses is not readily available, and I doubt if I can give definite information on that subject because I do not keep a record of such expenses.

"(2) Please advise whether or not you are a graduate of the Columbia University and how long you attended the Teachers College of Columbia University."

I received a bachelor of science degree from Teachers College, Columbia University, in 1904. I attended Columbia University between 1902 and 1904 and the summer session of 1903.

"(3) Please advise whether or not during any period of time that you attended the Teachers College of Columbia University you were in any way associated with either Dr. George S. Counts or Dr. Charles A. Beard; and if so, then in what relation."

At the time when I was in attendance at Teachers College, Columbia University, between 1902 and 1904, I had never heard of Dr. Counts or Dr. Beard. I find on consulting Who's Who in America

that Dr. Counts was born on December 9, 1889, and, therefore, he would have been 13 years of age when I entered Teachers College in 1902.

Also, I find on consulting Who's Who that Dr. Beard was a graduate student at Columbia University (not Teachers College) between 1902 and 1904, having received his master of arts degree in 1903 and his doctor of philisophy degree in 1904. I never saw Dr. Beard during that period, and did not meet him for many years thereafter.

"(4) Do you know whether Dr. W. W. Charters ever attended Columbia University or the Teachers College of Columbia University."

I do not have personal knowledge as to whether Dr. W. W. Charters ever attended Columbia University or the Teachers College of Columbia University. The statement relative to Dr. Charters in Who's Who does not show that Dr. Charters was ever connected in any way with Columbia University or any department making up that institution.

"(5) Please have a check-up made of the record you have on scholastic attainment of every teacher in the Washington schools and advise how many of them have at any time attended the Teachers College of Columbia University."

Obviously, with a personnel of more than 2,900 teachers, it is impossible to supply you by tomorrow morning with the information requested concerning teachers who have at any time attended Teachers College of Columbia University. It is a fact that many of our teachers, in common with the teachers of the Eastern States, have attended the Teachers College of Columbia either during the regular school term or especially during the summer session. This institution is usually considered one of the outstanding schools for the preparation of teachers who take leave of absence to pursue work during the regular session or spend their summer vacation period in attendance at the summer session of that institution.

"(6) Please advise how many of the teachers in the Washington schools are graduates of the Teachers College of Columbia University."

Again, the limited time which you have indicated and the large number of teachers concerned make it impossible to furnish you with accurate information as to the number of teachers now employed in the Washington public schools who are graduates of Teachers College of Columbia University. In view of the fact that we employ between 2,900 and 3,000 teachers, it is altogether probable that a considerable number of those teachers have attended Teachers College of Columbia University in preparation for their teaching career.

"(7) What expense and/or honorariums did you receive in 1934 and 1935?"

This information is not readily available and cannot be prepared in time to reach you tomorrow morning. To prepare this information it will be necessary for me to go back over my own personal records, and the question has to do with some matters concerning which I do not keep a systematic record.

In this letter I have undertaken to furnish you as promptly as possible with the information which is available with which to answer your questions.

Yours very sincerely,

FRANK W. BALLOU,
Superintendent of Schools.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 26, 1936.

Dr. FRANK W. BALLOU,
Superintendent of Schools,
Franklin Building, Thirteenth and K Streets NW.,
Washington, D. C.

DEAR DR. BALLOU: I am just in receipt of your letter of March 25 in answer to my letter of that date. I will ask you to please furnish me at the earliest date possible complete answers to questions 1, 5, 6, and 7 contained in my letter of March 25 and which in your letter you failed to answer.

Regarding question 1, while you state that you received no honorariums or fees you do admit that you received certain money representing expenses, and I will ask you to please check up and advise me the approximate total amount that you received covering expenses, or for any other purpose, during the 5 years you acted as secretary to the Commission.

Regarding questions 5 and 6, the information I requested is available, because it will be found in the files of your teachers filed with your office or the Board of Education at the time they were appointed, or in such additional data as is kept in their files since their appointment.

Regarding question 7, it ought to be a very easy matter for you to check back and ascertain the aggregate of honorariums and money covering expenses that you received in 1934 and 1935 for lectures or services rendered outside of your position as Superintendent of the Washington schools.

Thanking you to give us this information at the earliest date possible, I am,

Very sincerely yours,

THOMAS L. BLANTON.

FRANK W. BALLOU,
SUPERINTENDENT OF SCHOOLS,
FRANKLIN ADMINISTRATION BUILDING,
Washington, D. C., March 31, 1936.

Hon. THOMAS L. BLANTON,
Chairman, Subcommittee on the District of Columbia Appropriation Bill, United States House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN BLANTON: Your letter of March 26, 1936, was duly received. In your letter you renew your request that I furnish you with certain information for which you ask in your letter of March 25, 1936, which I could not furnish because it was not available. In paragraphs 5 and 6 you ask for a statement indicating the number of teachers who have attended the Teachers College of Columbia University at any time and the number of teachers who are graduates of the Teachers College of Columbia University.

In connection with the hearings on the District of Columbia appropriations bill for 1936, in response to your request, I furnished you with information regarding paragraphs 5 and 6 insofar as those inquiries relate to teachers recently appointed. That information may be found on pages 515 to 519 in the testimony of the hearings.

The files of the board of examiners contain information relating to those teachers who were graduates of Teachers College when appointed. A record of information on file in the office of the board of examiners would not show the number of teachers now employed in the public schools of Washington who have since appointment secured degrees from Columbia University.

Moreover, teachers are not asked to report to this office or to any other office their attendance at summer school in any institution of higher learning. Accordingly, there is no record to show how many teachers in the Washington schools have attended Teachers College or received degrees from Teachers College since appointment.

The information necessary to answer paragraphs 5 and 6 of your letter can be secured only by formal inquiry of all teachers in the Washington schools.

In accordance with the practice in such cases, this request will be brought to the attention of the Board of Education at the meeting tomorrow afternoon for the authorization to circularize the teachers of the public schools of Washington to secure this information for you.

As soon as this information can be procured, as well as the other information for which you ask can be assembled, I shall submit that information to you.

Very cordially yours,

FRANK W. BALLOU,
Superintendent of Schools.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 1, 1936.

Dr. FRANK W. BALLOU,
Superintendent of Schools,
Franklin Building, Thirteenth and K Streets NW.
Washington, D. C.

DEAR DR. BALLOU: I have your letter of March 31 replying to my letters of March 25 and 26.

Respecting the inquiries I made, about which you yourself have the information in your own personal files, it does occur to me that you could have furnished this information within the time that has elapsed since my letter of March 25 reached you by special delivery on that date. I would like to have such information right away. I thought it would be preferable and least inconvenient to you to send us this data in a letter rather than have you come before our committee and be interrogated about it. I hope you will send it right away.

Very sincerely yours,

(Signed) THOMAS L. BLANTON.

FRANK W. BALLOU, SUPERINTENDENT OF SCHOOLS,
FRANKLIN ADMINISTRATION BUILDING,
Washington, D. C., April 14, 1936.

Hon. THOMAS L. BLANTON,
Chairman, Subcommittee on the District of Columbia Appropriations Bill for 1937, United States House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN BLANTON: I have before me your letter of April 1, 1936, with further reference to your letters of March 25 and 26.

In my letter to you of March 25, 1936, I answered questions (2), (3), and (4), contained in your letter of March 25, and partially answered question (1); and in my letter to you of March 31, as a partial answer to your questions (5) and (6), I called your attention to certain information as contained in the hearings on the District of Columbia appropriations bill for 1936.

This letter will answer questions (1), (5), (6), and (7), contained in your letter of March 25. I shall repeat your question and reply thereto.

"(1) What was the total amount that you received from the American Historical Association or the Commission on Social Studies or from anyone connected with the above, covering

expenses, honorariums, or fees during the 5-year period that you acted as the secretary for said Commission on Social Studies?"

You have already been advised in my letter of March 25, 1936, that I did not receive any fees, honorariums, or other compensations for my services on the Commission on Social Studies of the American Historical Association either as a member of that commission or as secretary of that commission.

The information regarding the amount of money which I received for expenses attending the meetings of the commission on the social studies has now been compiled and is submitted to you in the following statement, which shows the time and place of the meeting and the amount of the expense account which I submitted to the commission on the social studies. In each case I received a check for the exact amount of the expense account submitted. I did not attend the session of the commission on November 7, 1929, and did not attend any of the sessions of March 29–31, 1930; hence there was no expense account submitted in connection with the meeting of March 29–31, 1930. No expense account was submitted by me and I did not receive any expense money for my attendance at the meetings held in Washington, D. C., in 1929 and 1931.

Attention is invited also to the fact that the amount of money which I received for expenses in connection with my attendance at the meetings of the commission covers only the expenses incurred and paid for by me. The fact is that at our meetings at the University of Chicago, at Princeton Inn, and at Briarcliffe Manor the hotel and meals were paid for by the director of the commission in my case, as in the case of other members of the commission, and the amount of such expenses was paid by the commission and is not included in the items of expense submitted by me.

List of meetings of the commission on social studies, American Historical Association, attended by the superintendent of schools, with expense items indicated

Meeting date and place:	*Expense item*
Feb. 16–17, 1929: New York City, N. Y., Carnegie Corporation (board of directors' room)	$30.61
Mar. 29–30, 1929: Washington, D. C., Mayflower Hotel	None
Nov. 7, 8, 9, 1929: New York City, council room—social science research council	31.15
(Not present Nov. 7.)	
Mar. 29–31, 1930: Asheville, N. C., Grove Park Inn	None
(Did not attend.)	
Apr. 8, 1930: New York City, Faculty Club—Columbia University	28.53
Oct. 16–18, 1930: Briarcliffe Manor, New York	33.50
May 7–8, 1931: Washington, D. C., Shoreham Hotel	None
Oct. 27–28, 1932: Princeton, N. J., Princeton Inn	18.17
Oct. 12, 13, 14, 1933: Judson Court—University of Chicago, Chicago, Ill	79.93
Dec. 21–22, 1933: Princeton, N. J., Princeton Inn	13.65
Total	236.54

The above tabulation represents all of the meetings of the commission which I attended, and the expense account for each meeting indicates the amount of money which I personally spent in attendance at the meetings and for which the Commission on the Social Studies reimbursed me by check. This is to certify that I received no other money in connection with my services as a member of the Commission on the Social Studies either from the commission or from any other source whatsoever.

"(5) Please have a check up made of the record you have on scholastic attainment of every teacher in the Washington schools and advise how many of them have at any time attended the Teachers College of Columbia University.

"(6) Please advise how many of the teachers in the Washington schools are graduates of the Teachers College of Columbia University."

In order to secure accurate information to answer the above two questions the superintendent circularized the teaching staff of the public schools. A tabulation of the replies to this questionnaire shows that 565 teachers attended Teachers College of Columbia University and 148 teachers graduated from Teachers College of Columbia University. The following statement is submitted herewith for your information:

Division of pay roll	Number teachers who graduated from Teachers College, Columbia University	Number teachers who attended but did not graduate	Number teachers who have never attended Teachers College	Total number teachers
Teachers College	27	31	35	93
Senior high schools	60	131	411	602
Junior-senior high school		1	21	22
Junior high schools	36	165	434	635
Vocational schools	1	22	65	88
Special subjects	4	19	44	67
Elementary schools	20	192	1,218	1,430
Annual substitutes		3	21	24
Character education research assistants		1	6	7
Total	148	565	2,255	2,968

This tabulation does not include 15 teachers who, because of ill health or other circumstances, have not sent in replies. It also does not include two salaries represented by vacant positions due to teachers leaving the service. In view of the fact that this is vacation week and the schools are not in session, it is not possible at this moment to secure the information concerning the 15 teachers who, for the reasons indicated, did not fill out the questionnaires.

"(7) What expense and/or honorariums did you receive in 1934 and 1935?"

The information for which you asked in the above question is contained in the following statement:

Service	Date	Gross allowance	Expenses	Net income
2 addresses, Twentieth Annual Conference of Superintendents of Schools, Bridgewater, Mass.	Apr. 16 and 17, 1934.	$150.00	$50.09	$99.91
1 address, Sixty-third Annual Commencement, Fairmont, W. Va.	June 4, 1934	100.00	27.88	72.12
2 addresses, Ninth Annual Convention, State Teachers College, Lock Haven, Pa.	Oct. 5, 1934	125.00	32.00	93.00
1 address, Eightieth Annual Convention, Atlantic City.	Nov. 9, 1934	100.00	25.00	75.00
Adjunct professor, George Washington University.	1934	36.00		36.00
Total		511.00	134.97	376.03
Harvard University Summer School, chairman of a conference.	July 22–25, 1935	100.00		100.00
1 address, Mid-Summer Institute for Superintendents and Headmasters, Keene, N. H.	Aug. 20, 1935	50.00	10.00	40.00
1 address, Twenty-seventh Annual Conference of Superintendents of Schools of Maine, Castine, Maine.	Aug. 23, 1935	60.00	10.00	50.00
1 address, Camden County Teachers' Institute, Haddonfield, N. J.	Oct. 9, 1935	57.64	7.64	50.00
Adjunct professor, George Washington University.	1935	144.00		144.00
Total		411.64	27.64	384.00

The above information is complete and accurate to the best of my knowledge and belief.

In my letter of March 31, 1936, I advised you that the information necessary to answer paragraphs 5 and 6 of your letter of March 25 could be secured only by formal inquiry of all Washington teachers, and that in accordance with the practice in such cases I would place your request for this information before the Board of Education at its meeting on April 1 for consideration and appropriate action. I advised you further that as soon as this information, together with other information for which you asked, had been assembled it would be submitted to you.

At the meeting of the Board of Education held on April 1 the following motion was made by a Board member and passed by the Board:

"I move that Dr. Ballou be advised to give the information requested in paragraphs 5 and 6 as soon as he can conveniently obtain the same, and that he accompany the information with a letter advising the chairman of the District Appropriations Committee that neither the Board of Education nor the Superintendent of Schools recommends any particular college or university for any teachers to attend, and that in the appointment of teachers no preference is given to any standard or accredited institution."

In addition to the above motion, the Board instructed the Superintendent to make a statement in this communication covering the method of appointment of teachers in the Washington schools. In accordance with the instructions of the Board, I submit the following statements:

1. In the written and oral examinations held for qualifying persons for appointment as teachers in the Washington public schools, in accordance with the provisions of law, the boards of examiners accept work done by candidates in any accredited colleges or universities at its face value, no preference whatsoever being given to the credits earned in one accredited institution as compared with credits earned in another accredited institution.

2. Neither the Board of Education, nor the boards of examiners, nor the Superintendent of Schools, nor any other officer in the school system, as far as the Superintendent knows, has advised teachers to attend one college or university rather than another, either in preparation for admission to the Washington schools or in the pursuit of further education after appointment.

3. Appointments of teachers are made from rated lists of candidates who have passed written, oral, and physical examinations, and the candidate who stands no. 1 on the appropriate list of eligible candidates is invariably appointed when a position is to be filled. The rated lists of candidates qualified for appointment as teachers by the boards of examiners and submitted to the Board of Education by the Superintendent of Schools do not contain any information as to the colleges or universities from which the individual candidates received degrees. The appointments are recommended by the Superintendent and are approved by the Board of Education without any knowledge of the college or university of which candidates are graduates.

On returning to my office late this afternoon, I was advised of your conversation with my secretary over the telephone regarding the submission of the information requested by you.

The information which you requested has been prepared for you as promptly as it was possible to prepare it. To comply with your insistence that I answer your inquiry by 9 a. m. tomorrow means that some of the information submitted must still be incomplete. As already indicated above, the information concerning 15 teachers is still incomplete and cannot be completed until after the teachers return to service from the Easter vacation period on April 20.

Yours very sincerely,

FRANK W. BALLOU,
Superintendent of Schools.

On March 30, on the floor of the House, Congressman BLANTON claimed a "great victory." He referred to a vote of the Federation of Citizens' Associations on March 28 adopting a report of their special committee on the elimination of communistic matter from the public schools of the District of Columbia.

Congressman BLANTON claims his victory by a "vote of over 2 to 1." The facts are:

At that meeting 56 delegates of a total of 130 were present. Four of the delegates did not vote.

Of the 33 voting against tabling the report of the special committee, at least 4 delegates were representing groups which had written to the School Board specifically endorsing the Sisson bill, H. R. 11375. They were Selden M. Ely, North Capitol Citizens' Association; C. D. Franks, Friendship Heights Citizens' Association; Reed F. Martin and Walter Irey, Takoma Park Citizens' Association.

Twenty-two citizens' associations wrote directly to the School Board endorsing H. R. 11375; two wrote favoring the rider; the rest voted confidence in the School Board. The School Board voted unanimously for the repeal of the "red rider."

Other organizations, not members of the federation, which have gone on record in favor of H. R. 11375 against the rider are: Professional Directors of Religious Education in the District of Columbia, Washington Newspaper Guild, Washington Teachers' Union of the American Federation of Teachers, Junior High School Teachers' Association, Elementary Principals' Association, Education Association of the District of Columbia, Board of Managers of the District of Columbia Congress of Teachers and Parents, Parent Education Lay Teachers Group of the District of Columbia Congress of Parents and Teachers, and the Parent-Teachers Associations of the Horace Mann, Bancroft, Jackson, and Cooke Schools.

Hundreds of letters from eminent persons in various professions throughout the country have been received by the School Board commending it for its emphatic stand against "gag" legislation, and in defense of the so-called communistic textbooks used in the classrooms.

Some of these people are: Prof. Mary Wooley, president of Mount Holyoke College; William J. Bogan, superintendent of schools, Chicago; Ray Lyman Wilbur, Secretary of the Interior under Mr. Hoover, and an endless list of persons, who, though not directly affected by this measure were sufficiently aroused by the ridiculous and dangerous violation of our constitutional rights.

The Central Labor Union, representing all organized labor in the District of Columbia, has gone on record in favor of H. R. 11375, as well as the citizens of the District of Columbia as represented through their responsible and respectable newspapers.

In view of these facts Congressman BLANTON'S "victory" appears empty and his boast that Washington citizens are in favor of the absurd measure is out of harmony with the facts.

The "red rider" was condemned by a prominent lawyers' association—the Committee on Federal Legislation of New York County Lawyers' Association—in the following decision:

"The question is not one of approving or disapproving communism. It is one of good administration and constitutional liberty. This is arbitrary interference with administration. The Communist doctrines ought not to be taught with the taxpayers money, any more than the doctrines of any other party ought, but there is no reason for singling the party out for special legislative treatment. It is entitled to equality of treatment with all other political parties.

"The spirit of the Constitution, as found in the Bill of Rights, protects freedom of speech; property rights, including the right to earn a living; and, generally, guarantees to American citizens freedom of thought, expression, and action.

"The provision in the District of Columbia appropriation bill relating to the teaching of communism is not in accordance with the spirit of these constitutional provisions for orderly liberty and ought to be repealed."

Trickery and falsification have been resorted to in an effort to force the Congress of the United States to pass this legislation and every means has been used to hide from them the true facts.

Mr. BLANTON. Mr. Speaker, in view of the fact that much of the speech of the gentleman from New York [Mr. SISSON] has been in criticism of me because I helped to pass what he calls the "red rider" to stop communism in schools, I ask unanimous consent to proceed for 15 minutes to reply thereto.

Mr. CLARK of Idaho. Reserving the right to object, Mr. Speaker, it is very difficult and unpleasant to object to the gentleman's request, but we are prepared to go ahead with the Consent Calendar. Many Members have bills on that calendar, and we should like to get them disposed of; but in view of the situation, I shall not object to this request, but shall object to any further requests for time until we have disposed of the Consent Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, the facts connected with what is termed the "red rider" issue are so well known to and understood by the substantial Members of this Congress that I would not deem it necessary to take this floor at this time were it not for the cowardly attack made this morning by the Washington Post on the distinguished Speaker of this House. I am not going to permit that cowardly attack to go unanswered.

The Washington Post yesterday quoted the gentleman from New York [Mr. SISSON] as stating that he had thrown the responsibility of not taking up the Sisson bill upon the shoulders of the Speaker of the House. Then this morning, in an editorial headed "Up to the Speaker", the Washington Post said that the " 'red rider' was imposed by trickery", and then said, "To this cowardly and contemptible procedure Speaker BYRNS is now making himself a party." The Post said that "the Speaker was responsible for refusing the Sisson bill its place on the calendar of April 27", and the Post further said "the Speaker will also be responsible if this policy of sabotage is continued on May 11." The Washington Post further said, "Just why is the Frazier-Lemke farm-mortgage refinancing bill to be brought to a vote on May 11, of all days?"

The able and distinguished Speaker of this House has the respect, confidence, and warm affection of every Member of Congress. [Applause.] He has had nothing whatever to do with delaying the Sisson bill, or with setting the Frazier-Lemke bill. If the Post were possessed of even ordinary information, it would know that a bill released under the discharge rule takes its place on the calendar for the first discharge day thereafter, and May 11 happens to be the first discharge day after the said Frazier-Lemke bill went upon the discharge calendar and, under the rules of the House, it takes precedence over the Sisson bill and every bill on the calendar.

SISSON BILL IS NOT ON THE CALENDAR

As a matter of fact, Mr. Speaker, the posted Members of this House know that the Sisson bill has never yet been reported to this House and has never been on the calendar and is not now on the calendar. But the Washington Post did not know that.

WASHINGTON POST IS ADEPT IN TRICKERY

The only persons mentioned on the editorial page of the Washington Post as being connected with publishing it are "Eugene Meyer, publisher", and "Floyd R. Harrison, comptroller." This publisher is a past grand master in trickery. A few of us lately have found out all about how he got his millions, and I wish I had the time to give you the facts about it. I have already told you how he got the Washington Post. Only a few years ago when he was trying to buy it from Edward McLean he then offered $5,000,000 for it. But at that time Edward McLean was not helpless in an institution. A few years later David Lawrence executed a written contract agreeing to pay $3,000,000 for the Post. Certain manipulations prevented the sale. Then Mrs. Edward McLean offered $2,500,000 for it. Her offer was not accepted. Then Eugene Meyer, whose Post today prates about the Speaker engaging in trickery, entered into a conspiracy and collusion with parties in Washington who, through a paper company holding an account against the Post, brought an equity proceeding against it at a time when Edward McLean was afflicted, caused a receiver to be appointed, caused the Washington Post to be sold, and it was bought in by a dummy of Eugene Meyer's for $825,000, and Eugene Meyer immediately incorporated the property for $1,250,000, spent additional money on it in paying some debts and renovating it, and now renders the entire property, including intangibles of $218,456, for a total aggregate value of only

$656,576, upon which he pays a total tax of only $7,663.08 per annum. Last year Eugene Meyer rendered seven automobiles for taxes—three Plymouth cars, one Witt-Will car, one Dodge car, one Chevrolet car, and one Ford, upon all of which he paid an aggregate tax of only $45.67, and for his annual registration and license tags he paid only $1 per car, or $7 for his seven cars; and because I complained about the Washington newspapers wanting Congress to contribute $5,700,000 of the people's money out of the United States Treasury to pay civic expenses here in Washington for Washington people, so that he could continue to get away with paying such a nominal tax, and because I wanted to keep communism out of the public schools, he has been paying a bunch of Bolshevik reporters to write and publish attacks upon me in his paper.

WASHINGTON POST COMPTROLLER

Mr. Eugene Meyer's comptroller for his Washington Post, Mr. Floyd R. Harrison, renders no real property for taxes, and renders no personal property for taxes, and does not pay one red cent in taxes to the District of Columbia, but he now has a mandamus suit pending against him to make him pay taxes, and because I insisted that he should pay taxes on his property, and not have the people of the States to contribute $5,700,000 for him and others here each year out of the Treasury, he and his boss cause me to be attacked regularly in the Washington Post.

ANSWERING IN THE DARK

I have heard what the gentleman from New York [Mr. SISSON] has said here in his 22 minutes' speech, but I do not know what he is going to print in the RECORD as his extension of remarks, which he did not speak here on the floor; hence it will be impossible for me to answer all that he may put into the RECORD. I want the readers of this RECORD, wherever they may be, to determine which part of his printed remarks he spoke here where I could hear him, and which part he printed after Congress adjourned that I did not know about. I have heard of his contentions that he has made from time to time, hence I will attempt to answer some of them.

RECENT MARCH OF COMMUNISTS ON CAPITOL

Recently when a bunch of organized Communists marched on the Capitol, one of them was arrested and from his person a lot of papers were taken, and as my name was mentioned in one of them they were turned over to me. In one document it said, in substance, as I quote from memory only, that they were to stir up trouble, cause dissentions, and "concentrate against BLANTON, of Texas, as he was fighting communism, and was the Communists' worst enemy."

CONCENTRATE ON BLANTON

I will leave it to all of my colleagues here as to whether or not there later followed a communistic concentration against BLANTON, of Texas. But I was able to withstand it.

CAN WITHSTAND ALL SISSON BILL ATTACKS

I shall be able to withstand this attack the gentleman from New York [Mr. SISSON] has made on me today. When readers of the RECORD analyze it, they will see that there was an attempt to injure me in my district. But it will not injure me. My constituents and I think alike on this question of keeping communism out of our public schools.

FIGHT FRAMED UP

In the Washington Times for April 20, 1936, under headlines, "Fight Mapped to Repeal 'Red Rider'", it was stated that there would be a conference between Mr. FRED SISSON, of New York; Mr. MAURY MAVERICK, of Texas; Mr. BYRON SCOTT, of California; and Mr. VITO MARCANTONIO, of New York; to "map out tactics they will employ" and that they would "devise plans by which they will be able to maneuver the Sisson bill through as rapidly as possible", and I have the right to presume that this speech against me today is a part of said "mapped-out tactics" and said "devised plans" and said "maneuvers."

EVEN CHICAGO PEOPLE HAVE HEARD ABOUT IT

Now, let us see what outsiders say about the bill of the gentleman from New York. He called our law to stop communism the "red rider." Here is the latest edition of a magazine that is gotten out by one of the greatest patriots in the Nation, Mr. Harry Jung, of Chicago.

Mr. SISSON. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. In just a minute, please.

Mr. Jung has done more for American institutions in the United States than anybody else I know of except Francis Ralston Welsh, of Philadelphia.

This magazine says, "The Sisson bill is a 'sissy' bill." [Laughter.] He says it ought to be called the "sissy" bill, because it seeks to put communism back into the schools when by your unanimous vote, and the unanimous vote of the Senate, the Congress has voted to take it out.

TERM "SLIPPED IN" LAUGHABLE

I want to give you a history of how the so-called "red rider", which is the law that prevents communism from being indoctrinated in the public schools here, came to be passed by Congress.

Now, he says we have no evidence of communism. Why, way back yonder before he came to Congress—and all you who have been here know about it—there was a lady teacher in the Western High School, while teaching English, tried to indoctrinate her class with communism, and the Board of Education suspended her and the order is on the minutes of the School Board now. She was suspended from the Western High School for teaching communism.

Now, I am going to tell the gentleman from New York something. Did you know that 4 years after Dr. Ballou came to Washington one of our good former distinguished colleagues——

Mr. SISSON. Will the gentleman yield?

Mr. BLANTON. Not just now. I did not interrupt the gentleman; I sat patiently during his 22 minutes. Did you know that one of our former colleagues, a Republican, a splendid man, Dr. Summers, of the State of Washington, got up here on this floor on May 3, 1924, 4 years after Dr. Ballou took charge of the schools, and introduced and passed the first "red rider" against teaching communism? He said that the teachers in the Washington schools had been teaching there is no God, and that our Government was inferior to other governments. He said that the time had come to stop it, and without a vote against it he then passed the first "red rider", and it passed the Senate and was signed by the President and became law.

But to keep within the point of order he attached it as a limitation. That was on the statute books for a year. The next year he passed it again as a limitation in spite of all this hue and cry about "factual instruction" and "academic freedom"—that is the cry of the Communists and anarchists when you want to get rid of communistic teachings. "Academic freedom!"

Dr. Summers passed the first "red rider" on May 3, 1924, as I have stated and it was on the statute books for 2 next years. Then Dr. Ballou got his organization to work; they got it started. They demanded "academic freedom!"

Mr. LORD. Point of order, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. LORD. We on this side should like to hear the gentleman. We can see that he is talking, but we on this side cannot hear what the gentleman says.

Mr. BLANTON. I always speak to the side where the audience is the largest. [Laughter.]

Now, just to show that the Washington Post cannot be depended upon, in an issue in April 1936 it says that Honolulu is 2,200 miles long. Why, one of our big 16-inch guns on one side of the island can shoot over the city of Honolulu and the entire island and knock a battleship out of water on the other side. Twenty-two hundred miles long!

Mr. SISSON. Will the gentleman yield?

Mr. BLANTON. Not just now. The Post says the city of Honolulu is 2,200 miles across it; is not that ridiculous? I quote from the Post:

> It is 2,200 miles from one end of the city to the other. It takes about 4 hours to fly from Chicago to New York. To fly across Honolulu in this time you would have to travel more than 500 miles an hour.

The whole island of Oahu is only 29 miles across, and yet the Post talks about Honolulu being 2,200 miles long! You cannot believe a thing you see in that Washington Post.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. No; I am sorry I cannot. After that 1924 "red rider" and the 1925 "red rider" had expired, in 1928 there was a big investigation of the schools here about communism. I wish you would see what the Washington Star said about it—where they found three different organizations of students, communistic, in three schools trying to communize the student body—three different ones in 1928.

The gentleman asks, Who is against it? The American Legion of Washington sent its high officers before the committee that held hearings on his bill, where he was almost presiding, although he was not a member of it. He was himself conducting much of the hearings. They said, "We are against it." The American Legion is against it, and all sorts of fun was made of them. They had a crowd of pinks there to laugh the American Legion officials down every time they said anything against the "sissy" bill. In addition to that, General Fries, who had charge of our Chemical Warfare Service in France, a retired major general, who is at the head of the American Legion and also who represents a hundred different organizations in Washington, appeared there and said, "We don't want this 'red rider' repealed; we don't want this 'sissy' bill; we don't want communism back in the schools." George E. Sullivan, who was a representative of the Federation of Citizens Association—63 different organizations of citizens' associations—appeared there and testified against this "sissy" bill and said they did not want it.

Mr. SISSON. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. SISSON. If the gentleman means by referring to the "sissy" bill to call me a sissy, I object to his remarks, because I can take care of myself without wearing a sword or a visor.

Mr. BLANTON. That is not a point of order, Mr. Speaker. I have a right to call this the "sissy" bill. One of the greatest patriots in the United States has named it that—Mr. Harry Jung, of Chicago; and anything that Mr. Jung says about a bill being against the interest of the country, I believe. I have been following him for years on Americanism and Americanization matters.

Mr. LUCAS. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I am sorry I cannot yield. Let me tell you another thing. If you look on page 278 of this hearing on the "sissy" bill, you will see where the Communists of the District of Columbia were allowed by the chairman to express their antagonism against the "red rider", and their endorsement of the "sissy" bill. My God, has it come to pass that a committee of Congress will let Communists place their views in hearings on a bill being passed to repeal a law that stops communism in the schools?

Mr. DEEN. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I have only 15 minutes.

Mr. DEEN. Just one short question.

Mr. BLANTON. Very well, I yield.

Mr. DEEN. The gentleman stated that the chairman of the committee allowed Communists to place their views in the hearings. Who is the chairman?

Mr. BLANTON. He is the gentleman from Maryland [Mr. KENNEDY]. The chairman put that in, a statement from the Communists of the District of Columbia in favor of the "sissy" bill and against the "red rider." You will find it on page 278 of this hearing.

There was an appropriation of $78,000 that they asked for character education, and I showed that Dr. Ballou, who asked for that, for 5 years had been associating with Communists, Dr. Charles A. Beard, Dr. George S. Count, for 5 years, acting as secretary, and after spending $600,000 all they did was to bring out a book, Conclusions and Recommendations, and I made Dr. Ballou himself admit it was so communistic that he would not sign it. He would not sign it because he knew if he did sign it he would not hold his place in this public-school system 5 minutes; but he has put the book here in the schools; he has put that communistic book, Made in Russia, in the schools; he put this blackguarding, obscene, blasphemous book, The Boy and Girl Tramps of America, in these schools, and they have been read so much by the children that the back of one of them is worn off and it was put in the bindery.

I say to the gentleman that every member of our committee was unanimous in dropping this character education. Every member of our committee was unanimous, holding that communism has gotten a hold on these schools.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended for 5 minutes.

The SPEAKER. It there objection?

There was no objection.

Mr. BLANTON. I yield to my colleague.

Mr. MAVERICK. I do not want to ask any questions.

Mr. BLANTON. I thank the gentleman.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Kentucky.

Mr. MAY. Every Member of Congress, before he takes his seat and before he can draw his money, is required to take a constitutional oath. What objection is there to requiring a teacher who is teaching or attempting to teach communism in the schools in the District of Columbia to take such an oath?

Mr. BLANTON. This hearing on the "sissy" bill says it interferes with their "academic freedom."

Mr. SISSON. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I am sorry, I have not the time. I want to answer the gentleman from Kentucky. I am going to give you the full history of the "red rider." I want you to get this, my colleagues. This "red rider" passed this House after being read at the Clerk's desk by unanimous vote. Where was the gentleman from New York [Mr. SISSON] if he objected to it? Why did he not get up and call a quorum? Why did he not get up and make a point of order? Why did he not offer an amendment? Why did he not ask to speak against it? He was as silent as the grave. It passed the Senate by unanimous vote. His Senator and the chairman of that committee, every Senator who was in that conference understood what it was. After being read it was passed by unanimous vote. All this "red rider" does is to prevent teachers from indoctrinating. The gentleman from New York [Mr. FITZPATRICK] was correct when he said that the Corporation Counsel had given an opinion to the Board of Education that this law does not stop factual instruction. It only stops indoctrinating. He said that teaching and advocating meant indoctrinating.

Mr. MAVERICK. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. If I have time, just a minute. So long as the teachers do not indoctrinate, this law does not curtail them in any respect.

We told Dr. Ballou a half a dozen times that if he would instruct his teachers that they must obey that law as interpreted by Corporation Counsel Prettyman, we would have the Comptroller General withdraw the affidavits.

Dr. Ballou told me in my office he would not do it. Dr. Ballou told me, "I will never agree to have my 2,900 teachers restricted in any manner. I want them to be able to teach everything they please."

Mr. MAVERICK. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Not now. Because he would not do that, the Comptroller General required these affidavits but in no way prevents proper factual instruction.

I believe that the membership of this House would express themselves again as they expressed themselves on that District bill, when on a roll call vote there were only 26 Members who voted against that bill. With 83 pages, it passed almost unanimously. I will agree with the gentleman from New York [Mr. SISSON] right now, that if he will get the Speaker to recognize him now, to take his bill up under suspension, although that bill is not reported and is not on the calendar, if the Speaker will recognize the gentleman right now to call it up under suspension of the rules, I am willing

for the Speaker to recognize him right now, and we will snow that "sissy" bill under with such a big vote that you will never hear from it again. [Applause.]

Mr. MAVERICK. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Let me finish one statement and then I will yield.

I have been preparing a speech for three weeks. I have been gathering information from the departments. I hope to print that speech, which I have permission to do, on Thursday or Friday. I want you to look for it in the Appendix. I want you to read the evidence I am going to present to you; evidence from the best people in Washington and from the best people in the Nation regarding this "sissy" bill. I will guarantee to you that those who love their country, those who love their schools, those who love their children, those who love posterity in the Nation, when they read that evidence, will never vote for this "sissy" bill. [Applause.]

HISTORY OF THE PRESENT RED RIDER

Mr. Speaker, so that the facts may never again be misrepresented to anybody by anybody, I am going to relate just how, when and where, the present law to stop indoctrinating communism came to be passed by this Congress. Every posted Member of this House knows that it was not slipped through. Every posted Member of the Senate knows that it was not slipped through. The old regulars, both in the House and Senate, who know what is going on all knew when it was passed, and why it was passed.

DISCOVERING WHO PUT COMMUNISM IN PUBLIC SCHOOLS

Our subcommittee of the Committee on Appropriations, which frames the annual appropriation bill for the District of Columbia, upon the insistence of Superintendent Frank W. Ballou and Senator COPELAND, allowed in the 1934–35 bill the sum of $63,385 to install character education in the Washington schools. We assumed that it would be installed in all of the 175 different schools of the public-school system of Washington, and that the kind of character education that Superintendent Ballou had in mind would be the worth-while kind that would help to cultivate in the hearts and minds of the 99,000 Washington school children a greater respect for law and order, for our Constitution and institutions, honesty, truthfulness, kindness, regard for the rights and interests of others, loyalty, devotion, and patriotism to flag and country, sobriety, clean living, and abstention from vices and harmful practices. We never dreamed that Superintendent Ballou had an ulterior motive or that he intended to inculcate subversive doctrines. A year passed. That $63,385 was spent, and wasted.

Superintendent Ballou then demanded $87,540 for character education in the 1935–36 bill. Reputable teachers advised us it was a farce and that nothing worth while had been accomplished. We learned that there had been no attempt and there was no plan to attach it to but 10 schools, 5 white and 5 colored, wholly ignoring the other 165 public schools in Washington which embraced most of the school children in the District of Columbia. We learned that to guide it Dr. Frank W. Ballou had placed his said coworker and cocollaborator, Dr. W. W. Charters, in charge of it, notwithstanding the fact that Dr. W. W. Charters is a professor in the great Ohio State University, which at all times needs his undivided attention at Columbus, but Superintendent Ballou and his Washington Board of Education nevertheless employed Dr. Charters and allowed him to commute back and forth from Columbus, Ohio, to Washington, D. C., and paid him out of the appropriation made by Congress the sum of $50 per day and all traveling and subsistence expenses.

HOUSE STOOD OUT AGAINST FURTHER WASTE

We members of the House committee refused to allow Superintendent Ballou this additional $87,540 requested by him for so-called character education, and we refused to put it in the House bill last year, and on a proposal then vigorously made from the House floor to insert the $87,540 by way of an amendment, the House of Representatives voted down the amendment and refused to allow it.

BALLOU THEN CENTERED FORCES ON SENATE

Then Superintendent Ballou importuned the Thomas-Copeland subcommittee of the Senate to give him his $87,540, which, remember, was additional to the $63,385 the Thomas-Copeland subcommittee of the Senate had caused to be given Ballou the preceding year, and Senator COPELAND caused the appropriation for character education to be inserted in the bill as a Senate amendment. In the conference that ensued between the House and Senate the House conferees refused to agree to it. The conference became deadlocked and the Senate conferees held it up for many weeks. The House conferees were given to understand that unless they agreed to the Copeland amendment, allowing the appropriation for character education, there would be no bill, even though the conferees might agree on all of the other 113 amendments the said Senate subcommittee had placed on the House bill.

BALLOU SAID HIS CHARACTER EDUCATION WAS NOT TEACHING MORALS

Our committee knew that in his address in New York City on his Washington Experiment in Character Education, Dr. Ballou had said, "It is not teaching morals." We began to wonder just what it was teaching. In his testimony before our subcommittee (hearings, p. 477) Dr. Ballou testified: "What we are trying to do is to set up a new philosophy of education." And referring to his teachers who were teaching character education, Dr. Ballou said: "Whose philosophy has got to be changed fundamentally" (hearings, p. 482). Such a ridiculous assertion caused the following comment from the distinguished gentleman from Missouri:

Mr. CANNON. It seems to be a rather startling statement that the philosophy of all teachers engaged must be changed in order to introduce character training in the schools. I had supposed that the philosophy of every good teacher includes character training (p. 482).

Later the following question was asked and answered:

Mr. BLANTON. Do you mean, Doctor, that the philosophy of education of the 2,900 teachers of the Washington schools has to be changed fundamentally?

Dr. BALLOU. I mean exactly that.

TERM "CHARACTER EDUCATION" WHOLLY MISLEADING

Dr. Ballou well knew that if you were to ask 1,000 parents whether or not they would be in favor of "character education", or "character training", as he sometimes expresses it, all would say "yes" without hesitation, as they would all assume it would be the right kind. They would not assume that it meant "character debasement." They would assume that would inculcate honesty, truthfulness, kindness, patriotism, respect for law and order, clean living, and abstention from vices. They would not know that back in his mind undisclosed to them Dr. Ballou had no intention whatever of teaching these worthy traits of character, or that in his speech in New York he would admit that his "Ballou character education" was not teaching morals, he knowing at the time that his "new philosophy" system was teaching "immorals" and moral debasement.

DID NOT KNOW THEN WHAT WE KNOW NOW

At that time our committee had made no investigation of the matter, and never dreamed of the terrible situation that later we discovered exists in the Washington public schools. We House conferees were faced with the problem of adjusting 114 amendments the Senate had placed on the House bill. The only way the matter could be adjusted was for an agreement to be reached between the House and Senate conferees. It was necessary that the annual supply bill should be passed, for otherwise the District of Columbia would be without its $40,000,000 appropriations needed for the coming fiscal year. We House conferees were assured that the bill could not pass unless the House agreed to the Copeland amendment granting Dr. Ballou his second annual appropriation for his "character education."

COMPROMISE

Finally, in order to pass the District appropriation bill before Congress adjourned, the House conferees agreed that they would allow the appropriation for character education

if the Senate would agree to a provision that would prevent communism from being taught or advocated in the Washington schools, and the Senate conferees agreed to insert the following language:

Hereafter no part of any appropriation for the public schools shall be available for the payment of the salary of any person teaching or advocating communism.

Which provision after being read by the Clerk on both the House floor and Senate floor on June 6, 1935, was agreed to unanimously by both House and Senate, and is now permanent law, and went into effect July 1, 1935.

CRITICISMS ABOUT PASSAGE OF "RED RIDER" UTTERLY RIDICULOUS

The CONGRESSIONAL RECORD for June 6, 1935, shows that Congressman CANNON of Missouri, in the House of Representatives, moved the adoption of the so-called "red rider", and that from the desk the Clerk of the House read it to the House, to wit:

Hereafter no part of any appropriation for the public schools shall be available for the payment of the salary of any person teaching or advocating communism.

The above proposal was duly read by the Clerk in the open session of the House without a voice raised against it, and the RECORD shows it was adopted by a unanimous vote. If it did not suit the gentleman from New York [Mr. SISSON], then was his time to speak. Then was his chance. Then was his opportunity. Then was his duty to tell the House what objections he had to it. He then had an opportunity to speak against it. He could have made a privileged motion to concur in the Senate amendment without the above proviso, which would have had precedence over the Cannon motion. If there was not a quorum there he could have made the point of order and forced a quorum. If he had wanted to vote on the matter he could have called for it, and then could have called for a division, and then could have called for tellers; and, finally, he could have called for the yeas and nays. But he did nothing. He allowed it to pass unanimously. He cannot say that he was asleep and did not hear the Clerk read it. He cannot say he was not paying attention. He cannot say that he did not know what was going on in the House of Representatives. For in any of such contentions he would be admitting a failure of duty on his part for which no other Member was responsible.

There is no rule of the House that requires the leaders to report to all of the 435 Members everything they propose to take up in the House every day.

NOT "RED RIDER", BUT RIDER AGAINST "REDS"

This law was not for "reds." It was against "reds." It was to curb "reds." It was to keep them out of schoolrooms. It was to keep their subtle, poisonous influence away from children.

LIKEWISE PASSED IN SENATE UNANIMOUSLY

On June 6, 1935, this law to stop communism in schools, called by communistic sympathizers the "red rider", was read at the clerk's desk in the Senate and passed by unanimous vote of the Senate.

MANAGERS OF BOTH HOUSE AND SENATE UNDERSTOOD

During the conference, in the presence of the managers of the Senate and the managers of the House, I dictated the wording of the provision to our clerk of our House subcommittee, and he prepared this so-called "red rider", and it was presented to the conferees in conference and agreed upon by them, and then it was presented to the House by the gentleman from Missouri [Mr. CANNON], and read by the Clerk, and passed, and was presented to the Senate by Senator THOMAS of Oklahoma, and read by the clerk at the desk of the Senate, and passed by the Senate, and personally I did not have one thing to with actually drawing it up or handling it, as it was handled by Chairman CANNON and by Senator THOMAS. Hence all this claim by the gentleman from New York about it being "slipped in" is so utterly ridiculous, that it is absurd. It was law on June 10, 1935. It has been law ever since. If it were so terrible, why did not the gentleman from New York [Mr. SISSON] make one move to stop it? He surely cannot plead that he is absolutely impotent. He surely cannot plead that he was asleep.

Mr. Speaker, it was mentioned by the gentleman from New York [Mr. SISSON] that the hearings on the requested appropriation for character education and the incidental question of communism, conducted by me as acting chairman of the subcommittee of the Committee on Appropriations, embraced 268 printed pages. He failed to mention to you that the hearings conducted on the "Sissy" bill embraces 283 printed pages. After holding the hearings I conducted, all members of our subcommittee voted unanimously not to allow the $78,660 for so-called character education, as we reached the unanimous opinion that it was being used subversively to propagate communism in the schools, and we saved this $78,660 by not putting it into the bill, and the Committee on Appropriations, with its 39 members, approved our action, our bill being favorably reported without a vote against it; and, after 3 days' debate, our bill was passed by the House by record vote, with only 26 Members of the House voting against it. Our 268 printed pages accomplished something by saving $78,660 in money, and also keeping communism out of our public schools. The gentleman's 283 pages of printed hearings have accomplished nothing. Instead of furnishing proper support for the "sissy" bill that seeks to repeal the law that prevents teachers from indoctrinating communism, the great weight and preponderance of the evidence offered at such hearing was against the "sissy" bill, and in favor of the present law that stop communism, which he calls the red rider.

EVIDENCE WORTH READING

I want my colleagues to get the said 283 pages of hearings the gentleman from New York [Mr. SISSON] caused to be printed and read the evidence of Mr. George E. Sullivan, beginning on page 104, he appearing for 63 different citizens' associations of the District of Columbia, and the evidence of Gen. Amos A. Fries, president of the District of Columbia Public School Association, commencing on page 154, the evidence of Mr. E. Brooke Fetty, of the American Legion, commencing on page 171, the evidence of Mrs. Margaret Hopkins Worrell, president of the Columbia Heights Citizens' Association and legislative chairman for the Ladies of the Grand Army of the Republic, commencing on page 194, the evidence of Mr. Frank L. Peckham, chairman of the committee on public Schools department of the American Legion, commencing on page 199, and the evidence of our colleague from Indiana, Hon. VIRGINIA E. JENCKES, commencing on page 203, and I believe that you will conclude beyond doubt that if ever star-chamber proceedings were carried on, where witnesses were browbeaten and made fun of because they opposed communism in schools, you will find it there; yet you will find convincing evidence for not disturbing this law that prevents communism and for being against the "sissy" bill.

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

TEACHERS AND CONGRESSMEN BOTH TAKE OATHS; WHY REQUIRE EXTRA ONES OF TEACHERS?

Mr. MAVERICK. Mr. Speaker, I want to call attention to the fact that the school teachers of the District of Columbia swore to an oath of allegiance just like we who are Congressmen. Then every 2 weeks or a month, with the janitors and the substitute teachers, they have to creep in and take another oath to get their pay.

It is just the same as if the law should require Congressmen, after taking an oath of allegiance to the Constitution, to come in every 2 weeks or every month thereafter and swear all over again that they had not committed treason or immorality or had not taught or advocated it. In effect, it is like swearing to something, then constantly swearing over and over again that you have not lied or committed perjury. The teachers take an oath of allegiance just like we do; but

thereafter by law we force them to swear to it over again every 2 weeks or every month.

Is there a Congressman who, having taken the oath of allegiance, would permit himself to have his honesty and patriotism constantly questioned, and then be required to take oaths swearing he had not in effect violated his oath for the past 2 weeks or a month in order to get his pay check? I do not believe there is a one.

This extra "oath" is nothing but a humiliation, and we should not impugn the integrity and patriotism of our school teachers any more than we should that of ourselves. These teachers have self-respect, and we should support it as we do our own. Let us repeal this unfair and brutal law. It is unnecessary and useless, anyhow.

NO PARALLEL TO "RED RIDER" EXISTS IN ALL HISTORY

Mr. Speaker, I have had various associations, number of teachers and professors, the Congressional Library research staff look through history and law books representing thousands of years. They have, it is true, found brutality, hatred, malice, and the requirement of curious and unusual oaths. But no one has found in all history, past or present, where a government has required an oath and then oath after oath that one has kept an oath. No parallel to "red rider", even in nations where liberty does not exist or in the most benighted nations on earth, can be found.

[Here the gavel fell.]

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

ONE HUNDREDTH ANNIVERSARY OF THE FOUNDING OF PRATTVILLE, ALA.

The Clerk called the first business on the Consent Calendar, House Joint Resolution 241, to provide for the observance and celebration of the one hundredth anniversary of the founding of Prattville, Ala.

The SPEAKER. This joint resolution requires three objections. Is there objection to the present consideration of the House joint resolution?

Mr. WOLCOTT, Mr. TABER, Mr. MARTIN of Massachusetts, and Mr. RICH objected.

PACIFIC OCEAN FISHERIES

The Clerk called the next bill, H. R. 3013, to provide for the construction and operation of a vessel for use in research work with respect to Pacific Ocean fisheries.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT, Mr. TABER, Mr. MARTIN of Massachusetts, and Mr. RICH objected.

CONSENT CALENDAR

PACIFIC OCEAN FISHERIES

Mr. BLAND. Mr. Speaker, I was seeking recognition to ask unanimous consent that the bill which was just objected to be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Virginia that the bill just objected to, H. R. 3013, be passed over without prejudice?

There was no objection.

PERRY'S VICTORY AND INTERNATIONAL PEACE MEMORIAL, PUT IN BAY, OHIO

The Clerk called the next bill, H. R. 8474, to provide for the creation of the Perry's Victory and International Peace Memorial National Monument on Put in Bay, South Bass Island, in the State of Ohio, and for other purposes.

Mr. RICH. Mr. Speaker, has this bill been approved by the general advisory board on parks in accordance with the law passed last year?

Mr. O'CONNOR. Mr. Speaker, I understand the monument has been erected and that now it is just a question of continuing it and maintaining it at practically no cost to the Government.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized to establish by proclamation the following-described Government lands, together with the Perry's Victory Memorial proper, its approaches, retaining walls, and all buildings, structures, and other property thereon, situated in Put in Bay Township, South Bass Island, Ottawa County, Lake Erie, State of Ohio, as the "Perry's Victory and International Peace Memorial National Monument", for the preservation of the historical associations connected therewith, to inculcate the lessons of international peace by arbitration and disarmament, and for the benefit and enjoyment of the people:

Commencing at the intersection of the middle line of Delaware Avenue and Chapman Avenue, in the village of Put in Bay, and running thence south 88°59′ east in the middle line of said Delaware Avenue, and the same extended; 495 feet to Lake Erie; thence north 49°59′ east along said lake shore 346 feet; thence north 43°14′ east along said lake shore 212 feet; thence north 53°13′ east four 400 feet along said lake shore; thence north 46° 6′ west about 730 feet to Lake Erie; thence southwesterly and westerly along said lake shore to the middle line, extended, of said Chapman Avenue; thence south 1°30′ west along said middle line, and the same extended, about 520 feet to the place of beginning, and containing 14.25 acres of land and known as a part of lots nos. 1 and 2, range south of county road, and a part of lot no. 12, East Point, in South Bass Island, in the township of Put in Bay, county of Ottawa, State of Ohio.

SEC. 2. That the administration, protection, and development of the aforesaid national monument shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916, entitled "An act to establish a National Park Service, and for other purposes", as amended.

SEC. 3. After the said national monument has been established as provided in section 1 hereof, the Secretary of the Interior is hereby authorized to accept donations of land, interests in land, buildings, structures, and other property as may be donated for the extension and improvement of the said national monument, and donations of funds for the purchase and maintenance thereof, the title, and evidence of title to lands acquired to be satisfactory to the Secretary of the Interior: *Provided*, That he may acquire on behalf of the United States out of any donated funds by purchase when purchasable at prices deemed by him reasonable, otherwise, by condemnation under the provisions of the act of August 1, 1888, such tracts of land within the said national monument as may be necessary for the completion thereof.

SEC. 4. The members of the Perry's Victory Memorial Commission created by act of Congress March 3, 1919, having by their patriotic and active interest faithfully conserved for posterity this important historical area and objects shall hereafter act as a board of advisers, and with such other powers as the Secretary of the Interior may direct, in the maintenance of such national monument and shall consist of the present surviving and active members of the Commission provided for in said act, namely, on the part of the United States, John A. Johnston and Hugh Rodman, and on the part of the several States: Ohio, Webster P. Huntington, Carl B. Johannsen, and A. V. Donahey; Pennsylvania, Milton W. Shreve, Thomas C. Jones, and George M. Mason; Michigan, James E. Degan; Illinois, Chesley R. Perry, William Hale Thompson, and Richard B. Folsom; Wisconsin, Charles B. Perry, A. W. Sanborn, and S. W. Randolph; New York, Charles H. Wiltsie and Jacob Schifferdecker; Rhode Island, Harry E. Davis; Kentucky, Samuel M. Wilson, W. J. Moore, and Robert H. Winn: *Provided*, That as vacancies occur in the Commission on the part of the United States, they shall remain unfilled until only one Commissioner of the United States remains; thereafter there shall be only one Commissioner of the United States: *Provided further*, That as vacancies occur in the Commission on the part of the several States, they shall remain unfilled until only one Commissioner from each State remains; thereafter there shall be only one Commissioner from each State. After the membership of the Commission has been reduced in accordance with the provisions of this act, vacancies shall be filled in the manner set forth in the act of March 3, 1919. The members of the Commission shall receive no compensation, but shall be paid their reasonable expenses as provided for in the Standard Government Travel Regulations as amended while in attendance at meetings of the Commission upon call of the Secretary of the Interior, and necessary secretarial expenses, such as stenographers' fees, postage, stationery, and printing, subject to the approval of the Secretary of the Interior.

SEC. 5. Employees of the Perry's Victory Memorial Commission at the time of the enactment of this legislation may, in the discretion of the Secretary of the Interior, be employed by the National Park Service in the administration, protection, and development of said national monument, without regard to civil-service laws and requirements or restrictions of law governing the employment and compensation of employees of the United States.

SEC. 6. Nothing in this act shall be held to deprive the State of Ohio, or any political subdivision thereof, of its civil and criminal jurisdiction in and over the area included in such national monument, nor shall this act in any way impair or affect the rights of

citizenship of any resident therein; and, save and except as the consent of the State of Ohio may be hereafter given, the legislative authority of said State in and over all areas included in such national monument shall not be diminished or affected by the creation of such national monument nor by any terms or provisions of this act.

SEC. 7. That the provisions of the act of March 3, 1919 (40 Stat. 1322–1324), and acts supplemental thereof and amendatory thereto and all other acts inconsistent with the provisions of this act are repealed to the extent of such inconsistency.

With the following committee amendment:

Page 4, line 16, strike out "Richard B. Folson" and insert "Richard S. Folsom."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADDITIONAL DISTRICT JUDGE, EASTERN DISTRICT OF PENNSYLVANIA

The Clerk called the next bill, H. R. 11072, authorizing the appointment of an additional district judge for the eastern district of Pennsylvania.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. WOLCOTT, Mr. TABER, and Mr. HOLMES objected.

BLUE RIDGE PARKWAY

The Clerk called the next bill, H. R. 10922, to provide for the administration and maintenance of the Blue Ridge Parkway, in the States of Virginia and North Carolina, by the Secretary of the Interior, and for other purposes.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. TABER, Mr. HOLMES, Mr. WOLCOTT, and Mr. RICH objected.

AMENDMENT OF LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT

The Clerk called the next bill, H. R. 8293, to amend the Longshoremen's and Harbor Workers' Compensation Act.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, this bill has been on the calendar a number of times. It was once recommitted to the Committee on the Judiciary for the purpose of eliminating the limitation of $7,500 in case of death or total disability. It is an unfair limitation. If the Judiciary Committee is willing to accept the amendment, I shall not object. Otherwise I shall object.

Mr. SUMNERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. SUMNERS of Texas. The member of the committee who has special charge of this bill I do not find on the floor at the moment. I would not feel authorized to agree to the amendment. Why not let the bill be passed over without prejudice?

Mr. CELLER. Mr. Speaker, if the gentleman will yield, I may say to the gentleman from Texas there has been a tremendous demand for this bill on the part of labor. I am a member of the Committee on the Judiciary. I can see no real added cost to industry if we adopted the amendment. No State in the Union has this kind of limitation of $7,500. I say to the Members of the House that we would be doing a very fine thing if we struck out that limitation.

Mr. BLAND. That provision was in the bill when it was formerly presented. Then it was taken out by the Committee on the Judiciary.

Mr. O'CONNOR. That is not exactly correct. At the last session the Judiciary Committee reported the bill without the limitation, and in this session they reported the bill with the limitation.

Mr. BLAND. I thank the gentleman for the information.

Mr. O'CONNOR. Why, we do not know at the moment.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

MONUMENT TO THE MEMORY OF GOUVERNEUR MORRIS

The Clerk called the next bill, H. R. 11854, to provide for the erection of a monument to the memory of Gouverneur Morris.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. WOLCOTT, Mr. TABER, and Mr. DIRKSEN objected.

PERMANENT MEMORIAL TO THOMAS JEFFERSON

The Clerk called the next bill, H. R. 12027, to authorize the execution of plans for a permanent memorial to Thomas Jefferson.

Mr. DIRKSEN. Mr. Speaker, I object.

Mr. BOYLAN. Mr. Speaker, will not the gentleman withhold his objection?

Mr. DIRKSEN. Mr. Speaker, I withhold my objection to permit the gentleman to make an explanation.

Mr. BOYLAN. Mr. Speaker, I hope the gentleman will withdraw his objection. This bill was introduced at the request of a joint legislative committee appointed by both Houses numbering in its membership also three members appointed by the President.

The bill merely asks for an authorization. It is not the intention of this special committee to ask for a dollar of appropriations from the present Congress. All we ask is an authorization, and I am sure the gentleman, student of history that he is, versed in the affairs of our country, having read the Declaration of Independence and having a knowledge of the work of Jefferson, surely would not object to a mere authorization.

Mr. DIRKSEN. May I say to the gentleman that, being a student of history, I know that an authorization is the forerunner of the appropriation to come afterwards.

Mr. BOYLAN. I assure the gentleman that no appropriation will be asked in this Congress.

Mr. DIRKSEN. But it will be at some future time.

Mr. BOYLAN. There is no question about that, but whether or not the gentleman and myself will be Members of that Congress is an unknown question.

Mr. DIRKSEN. I think we are making a great contribution to the welfare of the country in the future, if we are not here, by objecting at this time and saving somebody else the trouble.

Mr. BOYLAN. Surely the gentleman would not have any legitimate reason to object. I would be glad to answer any qualm of conscience that might rest on the soul of the gentleman.

Mr. DIRKSEN. May I say to the gentleman that I have no qualm of conscience. I hope I can contribute my little bit by preventing the reaching into the Treasury for money to build a lot of memorials that are unnecessary when there are millions of our people in need and distress.

Mr. BOYLAN. We understand that. The gentleman also knows that if Thomas Jefferson himself were here he would not want this memorial, but surely the gentleman as a student of history and as a member of the bar has read something about the legislative and administrative work as well as the many precedents he established during his years of service.

Mr. DIRKSEN. May I say to the gentleman that living memorials which accomplish some useful and worthwhile purpose are much better than marble memorials; therefore I renew the objection.

Mr. BOYLAN. Memorials have been erected to the memory of men of the gentleman's party.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. DIRKSEN. Mr. Speaker, I object.

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AUTHORITY OF KLAMATH INDIANS TO SUBMIT CLAIMS TO THE COURT OF CLAIMS

The Clerk called the next bill, H. R. 10001, to amend an act entitled "An act authorizing certain tribes of Indians to submit claims to the Court of Claims, and for other purposes", approved May 26, 1920.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TABER. Mr. Speaker, reserving the right to object, how much is that going to cost?

Mr. PIERCE. Mr. Speaker, this bill would give the Klamath Indians the right to go back to the Court of Claims and present their claim for loss by reason of the Government taking their timberland. Sixteen years ago my predecessor introduced a bill which gave the Klamath Indians the right to go into the Court of Claims. They did this, and the Court of Claims found that 87,000 acres of fine timberland had been taken from these Indians by the Government and given to a wagon-road company, then transferred to a timber company. This timberland was practically taken from the Indians for nothing. The timber company, the ultimate beneficiary, paid less than 4 percent of the value of the lands, as found by the Court of Claims. At the time it was taken from the Indians it was worth $2,980,000. The court also found that the Indians had received $1,978,431 in gratuities from the Government, which should be credited on the amount due from the Government.

This case went to the Supreme Court on certiorari, and the Supreme Court confirmed the findings of the Court of Claims, but held there was not sufficient power in the jurisdictional act to give the Indians relief.

When the land was first taken the Interior Department asked the Indian tribe to accept the settlement, which acceptance was secured by the usual method of those days. A bare majority of the Indians signed a request asking that the grant be confirmed for the sum of $108,750, which was less than 4 percent of its value as found by the Court of Claims.

I introduced this bill early in the session. It went to the Attorney General, as well as to the Secretary of the Interior and the Budget. The Attorney General suggested certain amendments, and these are all contained in the recommendation as made by the Secretary of the Interior and are now included in the bill.

Mr. RICH. Will the gentleman yield?

Mr. PIERCE. I yield to the gentleman from Pennsylvania.

Mr. RICH. Is this not the same bill about which the gentleman from Missouri [Mr. COCHRAN] placed in the RECORD a letter he received from the Comptroller General last week when he objected to the bill?

Mr. PIERCE. This is the same bill to which the gentleman objected, but, nevertheless, the Comptroller General has written another letter to the gentleman from Missouri [Mr. COCHRAN], and I am sorry the gentleman is not present to present it. The Comptroller General gave in this letter a revised version of the bill. The Comptroller General has again gone over it. The justification for the bill was the taking of this valuable tract of land at less than 4 percent of its value.

Mr. RICH. Does the Comptroller General make the statement in the letter that he approves this bill?

Mr. PIERCE. No; he does not approve it, because it is not his business to approve. A very good reason for the Congress to pass this bill is the unconscionable act of taking this timberland for less than 4 percent of its value. That is why the bill was introduced 16 years ago.

Mr. MOTT. Will the gentleman yield?

Mr. PIERCE. I yield to my colleague from Oregon.

Mr. MOTT. I trust none of the gentlemen who have been in the habit of objecting to these Indian bills will object to this one. This land is not located in my district, but it is in the State of Oregon, and I am very familiar with the situation. I know those Indians down there in the Klamath Reservation have been robbed continuously and have not secured a square deal from the Government or these timber owners. All they are asking now is to go into the Court of Claims and have this thing definitely settled once and for all. This is a meritorius bill, and I do not think there should be any objection to it.

Mr. PIERCE. I thank the gentleman.

Mr. EKWALL. Will the gentleman yield?

Mr. PIERCE. I yield to the gentleman from Oregon?

Mr. EKWALL. May I say that I am also familiar with the Indian situation in Oregon. While this particular Indian tribe is located in the district of my colleague [Mr. PIERCE], I know it to be a fact that these Indians have been treated very badly in the past. It seems to me, therefore, that none of us should object to their going to the Court of Claims, and if they have a legitimate claim let that fact be established. If they have not a legitimate claim, I think we can depend on the Court of Claims to turn them down. Mr. Speaker, I hope no objection will be made to this bill.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. PIERCE. I yield to the gentleman from Michigan.

Mr. DONDERO. How much money is involved?

Mr. PIERCE. A little less than $1,000,000 if their claim is allowed in full.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

Mr. PIERCE. Mr. Speaker, I ask unanimous consent that the bill S. 3797 be substituted for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. BACON. Mr. Speaker, reserving the right to object, is the Senate bill identical with the House bill?

Mr. PIERCE. Yes; the House bill is identical with Senator STEIWER's bill.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That in the suit numbered E–346 heretofore instituted in the Court of Claims by the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians under an act entitled "An act authorizing certain tribes of Indians to submit claims to the Court of Claims, and for other purposes", approved May 26, 1920, jurisdiction is hereby conferred upon said court, and it is hereby authorized and directed, irrespective of any release or settlement, to reinstate and retry said case and to hear and determine the claims of the plaintiffs on the merits, and to enter judgment thereon upon the present pleadings, evidence, and findings of fact, with the right of appeal, rather than by certiorari, to the Supreme Court of the United States by either party: *Provided*, That any payment heretofore made to the said Indians by the United States in connection with any release or settlement shall be charged as an offset, but shall not be treated as an estoppel.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 10001) was laid on the table.

COMPENSATION OF DIRECTOR OF FEDERAL BUREAU OF INVESTIGATION

The Clerk called the next bill, H. R. 11616, to fix the compensation of the Director of the Federal Bureau of Investigation.

Mr. FADDIS. Mr. Speaker, reserving the right to object, I objected to this bill 2 weeks ago, but upon investigation I believe it to be a very meritorious measure. It is a bill that is certainly a tribute to the Director of the Federal Bureau of Investigation and the signal and valuable services he and his Bureau have performed for this Nation. I believe the bill should be passed as a tribute to his work.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, effective on the first day of the first month next following the approval of this act, the compensation of the Director of the Federal Bureau of Investigation of the Department of Justice shall be $10,000 per annum.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE CONSENT CALENDAR

SALE OF INTOXICATING LIQUOR IN ARMY POST EXCHANGES, ETC.

The Clerk called the next bill, H. R. 11300, to provide that the sale of or dealing in beer, wine, or intoxicating liquor in Army post exchanges and military establishments shall be subject to regulation by the Secretary of War.

Mr. MAIN. Mr. Speaker, I object.

IRRIGATION LANDS ON INDIAN RESERVATIONS

The Clerk called the next bill, S. 1318, to authorize the Secretary of the Interior to investigate and adjust irrigation charges on irrigation lands within projects on Indian reservations, and for other purposes.

Mr. TABER, Mr. WOLCOTT, and Mr. McLEAN reserved the right to object.

Mr. GREEVER. Mr. Speaker, this bill applies to a small number of people who purchased lands under Indian irrigation projects, and in some instances these charges represent obligations that accrued at the time they were owned by the Indian allottees or their assigns, and they did not know when they bought them that there was any fixed lien against them. For this reason the Secretary of the Interior, in view of the existing situation, has made the suggestion that they should be protected by having this bill passed in order that these cases may be investigated just the same as the Fact Finders Act investigated other reclamation charges back in 1924, and have a report made as to which ones should be canceled or adjusted.

Also, there are a good many portions of this land that have been in such position that they have seeped and will not have the charges paid on them, or any part of them, unless there is some adjustment made.

This bill was introduced by the senior Senator from Wyoming to take care of these particular objections, and I think it is a very meritorious bill because these people have bought something really under false pretenses from the Government and should be protected or should have these charges adjusted.

Mr. TABER. Is not this just another case where the usual way is being followed of getting out of the payment of charges on these irrigation projects?

Mr. GREEVER. No; I may say to the gentleman from New York that is not the case. I know a great many of these people myself and I know they are people who pay their bills, and I know they bought these lands under a misapprehension in many cases, and I know the lands in some instances have been seeped to such an extent that they cannot farm them properly, and the charges will not be paid unless there is an adjustment.

Mr. ROGERS of Oklahoma. Mr. Speaker, if the gentleman will yield further, there is nothing in this bill to require any further action than an investigation, and nothing could be done about the matter until authorized by the Congress.

Mr. TABER. No; the language is to investigate and adjust the irrigation project.

Mr. ROGERS of Oklahoma. This is for an investigation.

Mr. TABER. No; an investigation and adjustment.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TABER, Mr. McLEAN, and Mr. WOLCOTT objected.

UNITED STATES TRAVEL COMMISSION

The Clerk called the bill (S. 33) to encourage travel to and within the United States by citizens of foreign countries, and for other purposes.

Mr. RICH, Mr. McLEAN, and Mr. WOLCOTT objected.

MEMORIAL TO OFFICERS AND MEN OF THE U. S. S. "TULIP"

The Clerk called the bill (H. R. 3450) authorizing an appropriation for the erection of a memorial to the officers and men of the United States Navy who lost their lives as the result of a boiler explosion that totally destroyed the U. S. S. *Tulip* near St. Inigoes Bay, Md., on November 11, 1864, and for other purposes.

Mr. TABER, Mr. CLARK of North Carolina, and Mr. COSTELLO objected.

COMMEMORATION OF THE BATTLE OF EUTAW SPRINGS, S. C.

The Clerk called the bill (H. R. 255) to provide for the commemoration of the Battle of Eutaw Springs, in the State of South Carolina.

Mr. RICH, Mr. TABER, and Mr. DIRKSEN objected.

Mr. FULMER. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

UNITED STATES CONSTITUTION SESQUICENTENNIAL COMMISSION

The Clerk called House Joint Resolution 525, to enable the United States Constitution Sesquicentennial Commission to carry out and give effect to certain approved plans, and for other purposes.

Mr. WOLCOTT. Mr. Speaker, I object.

Mr. RICH. I would like to ask the gentleman from New York if the bill gives authority to get the people of this country to support the Constitution of the United States? If it does it would be a mighty fine thing.

Mr. BLOOM. I promise the gentleman that. [Laughter.]

Mr. RICH. That is one of the greatest needs that we have.

Mr. CLARK of North Carolina, Mr. WOLCOTT, and Mr. McLEAN objected.

ADDITIONAL DISTRICT JUDGE FOR OKLAHOMA

The Clerk called the bill (S. 2137) to provide for the appointment of one additional district judge for the eastern, northern, and western districts of Oklahoma.

Mr. TABER, Mr. WOLCOTT, and Mr. RICH objected.

Mr. DISNEY. Mr. Speaker, if the gentlemen will withhold their objections I would like to make an inquiry. I heard something said about omnibus bills for the appointment of judges.

Mr. WOLCOTT. Perhaps it is well to say something about the attitude of the objectors. I speak only for myself and not for the official objectors on the Democratic side. There has been a practice grown up in the House of transferring to the Consent Calendar almost all legislation which comes out of the committees and which the Rules Committees will not grant rules upon or where rules have not been asked for by the committees.

That has been occasioned by our practice of dispensing with business in order on Calendar Wednesday. If the Members of the House will read this calendar as carefully as the official objectors read it, the Members will come to only one conclusion and that is that just about two-thirds of the bills on the calendar should never be there or passed by unanimous consent.

Mr. DISNEY. Of course, the gentleman is not referring to this particular bill?

Mr. WOLCOTT. No. I think there may be less merit in my objection to this particular bill than in my objections to others, but I have said before, with respect to these judgeship bills, that all of a sudden it seems necessary to create about eight Federal judgeships in the United States. If there is a condition in the United States which necessitates six or eight additional judgeships, surely that is a condition which deserves consideration by the entire body of this House, and it should not be necessary to have to consider a matter of that importance in the limited time available in the consideration of the Consent Calendar. Some of our objections seem to be somewhat personal. We never object for personal reasons. We never object unless we think there is merit in our objection, and I hope it will never be said of me or of the other official objectors on either side, that we objected to any bill because of the personality behind the bill. But I may say to the gentleman and to all of the Members of the House that we are put

in the peculiar position of having to safeguard the people of the United States and the integrity of this Congress against the passage of tremendously important legislation by unanimous consent. For that reason we have been forced to object to a great many bills in which there may be a great deal of merit.

Mr. DISNEY. The gentleman does not object to this bill on its merits? He agrees that this bill is a meritorious bill?

Mr. WOLCOTT. I see less merit in my objection to this bill than, perhaps, to some of the others that I have objected to, but the whole question is of such importance to the people of the United States that it should be brought out on the floor and discussed. Whether that should be done under suspension of the rules, whether it should be done by a rule on this particular bill or by a rule on an omnibus bill—although I am not in favor of omnibus bills particularly—I do not undertake to say, but in some way, time and consideration should be given to this condition which necessitates the appointment, according to the Judiciary Committee, of some eight new district judgeships. For that reason I must object to the bill.

Mr. SUMNERS of Texas. Would the gentleman agree to let the bill go over without prejudice?

Mr. WOLCOTT. I have no objection to that.

Mr. SUMNERS of Texas. Then I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection?

Mr. ANDREWS of New York. Mr. Speaker, I reserve the right to object, to ask the chairman of the Committee on the Judiciary what thought has been given to bringing in a general bill by his committee with respect to judgeships throughout the country?

Mr. SUMNERS of Texas. I think the committee will consider that right away.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. MICHENER. This matter of judgeships is a serious one. It is easy enough to come on the floor and suggest an omnibus judgeship bill. As a member of the Committee on the Judiciary I have always opposed omnibus judgeship bills, because an omnibus bill is the very place where logrolling is done. We have never had an omnibus judgeship bill under consideration here and never will have one that does not include judgeships that should not be included. The bill is formulated, and the judgeships are put in, and then two or three others are included that should not be there, and by that process the votes of delegations from two or three different States are obtained.

Mr. WOLCOTT. I said I did not care how it was brought out, whether by an omnibus bill or under a rule.

Mr. MICHENER. If we want a lot of extra judges, who ought not to be appointed, let us have an omnibus bill, and we will get them.

Mr. DISNEY. The gentleman will admit that this bill is a meritorious bill. It has been recommended by the Judicial Council.

Mr. MICHENER. This bill qualifies under that.

Mr. DISNEY. Can the gentleman not prevail on gentlemen on his side to let the bill go through? It merely provides for an additional judge.

Mr. MICHENER. But the gentleman should remember this, that Members on this side of the aisle have not yet reached the point where they will give way any views they have just because someone asks them to do it.

Mr. SUMNERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. SUMNERS of Texas. The gentleman will not object to letting the bill go over without prejudice?

Mr. WOLCOTT. No.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

EMPLOYMENT OF SPECIAL COUNSEL

The Clerk called the bill (S. 3781) limiting the operation of sections 109 and 113 of the Criminal Code, and section 190 of the Revised Statutes of the United States, with respect to counsel in certain cases.

The SPEAKER. Is there objection?

Mr. McLEAN. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

VALIDATING PAYMENTS OF DISBURSING OFFICERS OF THE ARMY

The Clerk called the next bill, S. 3687, to validate payments, and to relieve the accounts of disbursing officers of the Army on account of payments made to Reserve officers on active duty for rental allowances.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all payments made to military personnel of the Army on account of rental allowances, where the Secretary of War, under the authority of the act of March 4, 1915 (28 Stat. 1069; U. S. C., title 10, sec. 718), has determined that no quarters are available for such personnel, are hereby ratified and validated, and the Comptroller General of the United States is hereby directed to credit the accounts of disbursing officers of the United States with such payments, and to accept as final and conclusive in the audit of such accounts the determinations made by the Secretary of War under that act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VALIDATING PAYMENTS OF DISBURSING OFFICERS TO RESERVE OFFICERS

The Clerk called the next bill, S. 3688, to validate payments, and to relieve disbursing officers' accounts of payments made to Reserve officers promoted while on active duty.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That payments made by Army disbursing officers to Reserve officers of the Army of increased pay and allowances on account of promotion while on active duty are hereby ratified and validated, notwithstanding any construction of the Comptroller General of the provisions of section 201 of the Economy Act of June 30, 1932, as contained by section 4a, act of March 3, 1933, and section 4a, title 2, act of March 20, 1933, and the Comptroller General shall allow credit in the accounts of said disbursing officers for payments so made if otherwise correct.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADDITIONAL JUDGE FOR DISTRICT COURT OF UNITED STATES FOR KENTUCKY

The Clerk called the next bill, S. 3344, to appoint one additional judge of the District Court of the United States for the Eastern and Western Districts of Kentucky.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

Mr. SPENCE. Mr. Speaker, will the gentleman reserve his objection?

Mr. WOLCOTT. I will reserve the objection.

Mr. SPENCE. Mr. Speaker, I think this is a meritorious bill. Kentucky has but two judges. All the States adjacent to Kentucky, with comparable business, have three judges. The people of Kentucky would like to have this one additional judgeship created. The bar association has endorsed it. I believe it would furnish much-needed relief. It has been said that "justice delayed is justice denied." That is what is happening to the litigants in Kentucky.

Mr. DONDERO. Mr. Speaker, will the gentleman yield for a question?

Mr. SPENCE. I yield.

Mr. DONDERO. Does this provide for one additional judge for the eastern district and one for the western district of Kentucky?

Mr. SPENCE. No. It provides one additional judge and none of the machinery for the judgeship. For instance, no additional clerks or marshals. It is simply one judge to aid both districts in the performance of their duties.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. MAY. It is what they call a judge at large or sometimes called a floating judge. It does not increase expenses other than the salary of the additional judge.

Mr. SPENCE. That system has been adopted in many other States and it has been found successful.

Mr. DONDERO. One judge to be shifted about at large throughout the State of Kentucky?

Mr. SPENCE. That is correct.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

ENLARGEMENT OF GOVERNORS ISLAND, N. Y.

The Clerk called the next bill, H. R. 12009, to authorize the enlargement of Governors Island and consenting to the use of a portion thereof as a landing field for the city of New York and its environs.

The SPEAKER. Is there objection?

Mr. FADDIS. Mr. Speaker, reserving the right to object, the author of this bill and myself have agreed upon an amendment to the bill, which is agreeable to the gentleman.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. GIFFORD. Mr. Speaker, I object.

The SPEAKER. Are there further objections?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, this is one of those cases where a bill of highly controversial nature is on this calendar and should not be passed by unanimous consent. For that reason I object.

Mr. FADDIS. Will the gentleman reserve his objection?

Mr. O'CONNOR. Mr. Speaker, before the objection stage I ask unanimous consent that the amendment which the gentleman from Pennsylvania will propose be reported.

The SPEAKER. Without objection, the proposed amendment will be reported.

There was no objection.

The Clerk read as follows:

Proposed amendment to be offered by Mr. FADDIS: Page 2, line 3, strike out the period, insert a semicolon and the following:

"*Provided*, That no portion of said Governors Island shall be made available by the Secretary of War that is needed for military purposes or for use by Army troops stationed on the island."

The SPEAKER. Is there objection to the consideration of the bill?

Mr. KENNEY, Mr. WOLCOTT, and Mr. GIFFORD objected.

Mr. PEYSER. Mr. Speaker, I ask unanimous consent that the bill may go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ACQUISITION OF LAND FOR MILITARY PURPOSES IN CALIFORNIA

The Clerk called the next bill, H. R. 8050, to authorize the acquisition of land for military purposes in San Bernardino and Kern Counties, Calif., and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to acquire by purchase, condemnation, or otherwise, all privately owned land and rights within the boundaries of the area in San Bernardino and Kern Counties, Calif., reserved and set aside for the use of the War Department as a bombing and gunnery range by Executive Order No. 6588, dated February 6, 1934, and the sum of $130,000 is hereby authorized to be appropriated from any funds in the Treasury not otherwise appropriated, which sum shall remain available until expended.

SEC. 2. That the land to be acquired hereunder upon acquisition shall, together with the public lands so reserved, be used for and developed as a bombing and gunnery range, aviation field, and other military purposes.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PORT NEWARK ARMY SUPPLY BASE

The Clerk called the next bill, H. R. 9042, to provide for the sale of the Port Newark Army Supply Base to the city of Newark, N. J.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to sell the Port Newark Army Supply Base, Newark, N. J., to the city of Newark, N. J., for the sum of $1,000,000, the sum of $100,000 to be paid when the city receives title and possession of property, the balance to be paid at the rate of $100,000 per annum, with interest at the rate of 3 percent per annum on the unpaid portion, with permission to the city of Newark to anticipate payment of the unpaid balance at any time. The city of Newark to maintain the channel, which is the means of ingress and egress to the Port Newark Army Supply Base and embraces the entire port of Newark, to a depth of 30 feet from the Newark Bay to all pierheads.

With the following committee amendment:

Strike out all after the enacting clause down to and including line 10 on page —, and also on page 2, strike out lines 1 to 5, inclusive, and insert the following:

"That the Secretary of War be, and he is hereby, authorized and directed to sell the Port Newark Army Supply Base, Newark, N. J., to the city of Newark, N. J., for the sum of $2,000,000, the sum of $100,000 to be paid when the city receives possession of the property, the balance to be paid at the rate of $100,000 per annum until paid in full, with permission to the city of Newark to anticipate the payment of the unpaid balance at any time: *Provided*, That title to the property shall pass to the city of Newark and a quitclaim deed be delivered by the Secretary of War only after receipt by him of the final payment: *Provided further*, That the city of Newark shall maintain the channel, which is the means of ingress and egress to the Port Newark Army Supply Base and embraces the entire port of Newark to a depth of 30 feet from the Newark Bay to all pierheads.

"SEC. 2. In the event of war or a national emergency declared by the Congress to exist, the Secretary of War shall have the right to take over from the city of Newark the said Port Newark Army Supply Base and shall pay as liquidated damages to the said city for the said taking of a sum equal to 3 percent per annum on the amount theretofore paid on the purchase price of the said property by the said city during each year or part thereof the said property is occupied under such taking by the United States, the said property to be returned to the city of Newark upon the expiration of such war or national emergency.

"SEC. 3. If the city of Newark shall not elect to acquire said property as provided in section 1 of this act on or before July 1, 1936, by payment of first $100,000, the authority granted to the Secretary of War under said section 1 shall cease and terminate.

"SEC. 4. In the event that the city of Newark, N. J., shall not elect to acquire said property under the provisions of this act on or before July 1, 1936, then the Secretary of War is hereby authorized to advertise said property for sale in journals or newspapers having wide and general circulation in the States of New York, New Jersey, Pennsylvania, and Maryland, and shall continue to advertise the same weekly for the full period of 8 weeks, which said advertisement shall designate a time not less than 90 days subsequent to July 1, 1936, at which said property shall be offered for sale at public auction to the highest bidder, said sale to be conducted at outcry by some officer of the United States Army, or by some noncommissioned officer, upon the said property itself, to wit: The Port Newark Army Supply Base in the city of Newark, N. J., and said property shall be sold for cash to the highest bidder at the same time: *Provided*, That no bid for less than $2,000,000 shall be accepted unless the person declared to be the highest bidder at said auction sale shall pay to the Secretary of War, or to his lawfully authorized agent, at said time and place of sale, the sum of $100,000, either in cash or by duly certified check upon a responsible bank, and such sale shall not be confirmed until 30 days after the date of the auction, during which 30 days the Secretary of War shall receive such evidence as may be submitted to him by any citizen of the United States to the effect that said sale was not fair, for any reason, whether by reason of an agreement among prospective bidders to chill the bidding or to restrict the bidding to one or more irresponsible bidders, or for any other reason whatsoever that to the Secretary of War may seem fair and just in order to protect the interests of the United States Government, and if the Secretary of War shall be satisfied by reason of any showing that may be made to him that said sale was unfair, or the price at which the same was awarded to the highest bidder was unreasonably low, or that bids were chilled, or for any other reason that may appear to the Secretary of War as fair and reasonable in order to protect the interest of the United States, then, in such case, he may declare such bidding to be null and void, and reject any and all bids and shall refuse

to confirm the attempted sale by auction and shall return to the bidder the said $100,000 or the $100,000 certified check, as the case may be, and shall thereafter readvertise said property for sale, under the same terms and conditions, at such subsequent time and place as shall comply with the provisions of this act, and the said Secretary of War shall continue from time to time to readvertise and to reoffer for sale said Port Newark Army Supply Base until a bidder shall be found whose bid is fair and reasonable in amount, free from any influence that may taint the same and render it unfair and unjust to the United States Government, and upon final compliance with all provisions of this act the Secretary of War shall then be authorized to execute, deliver, and convey by quitclaim deed the title of the United States Government to such purchaser, upon payment of the full purchase money as the same shall be ascertained by said public auction sale.

Mr. SUMNERS of Texas. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the objection I have—and I think it is an objection each Member of the House has—is that none of us has had an opportunity to know anything about this amendment. It is a long amendment, and the author of the bill, as I understand, moves to strike out the bill, leaving only the enacting clause, and substitutes a new bill. Is that right?

Mr. FADDIS. Yes.

Mr. HILL of Alabama. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. HILL of Alabama. The gentleman is not correct. The amendment just read is a committee amendment, authorized by the Committee on Military Affairs in order more fully to safeguard the interests of the Government.

Mr. SUMNERS of Texas. Is this proposed amendment in the committee report?

Mr. HILL of Alabama. The gentleman from New Jersey made the report on the bill, and the committee reported the amendment. It is printed in the bill. We struck out everything after the enacting clause and inserted in lieu thereof the committee amendment.

Mr. SUMNERS of Texas. Then this really is a committee amendment.

Mr. HILL of Alabama. Yes; and is printed in the committee report.

Mr. HARTLEY. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. HARTLEY. Is it not a fact that the committee amendment strengthens the Government's position?

Mr. HILL of Alabama. That is the purpose, to safeguard and strengthen the Government's interest.

Mr. McLEAN. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. McLEAN. This situation developed at the Port of Newark Army Base as a result of an investigation made by the Committee on Military Affairs, that the Government was losing considerable money by reason of a lease which had been entered into with some private interests. This lease expires in November and the War Department is anxious to make some disposition of this property so the Government will receive some income from it. The city of Newark offered the Government $1,000,000 for its interest in the property. The Committee on Military Affairs after considerable investigation and consideration, and upon the recommendation of the War Department, which communications appear in the report, revised the bill to provide a price of $2,000,000 instead of the $1,000,000 offered by the city of Newark, and added certain provisions as to the terms upon which the amount should be paid, in monthly installments covering a period of 20 years, and that is what makes the committee amendment so long.

Mr. SUMNERS of Texas. I misunderstood the parliamentary situation. I understood that the author of the bill was offering an amendment instead of calling attention to the committee amendment already offered.

Mr. McLEAN. No; this is the committee amendment.

Mr. HILL of Alabama. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield, but I am fully satisfied.

Mr. HILL of Alabama. The author of the bill, the gentleman from New Jersey [Mr. HARTLEY] did propose to offer an amendment; but we said to the gentleman from New Jersey that we of the Military Affairs Committee who were present on the floor would oppose the bill if he offered it, and the gentleman from New Jersey said he would not offer his amendment. The only amendment that has been offered, therefore, is the committee amendment to strengthen the bill safeguarding the Government's interest.

Mr. THOMASON. Mr. Speaker, if the gentleman will yield, there are extensive hearings on the bill and a long report from the committee.

Mr. SUMNERS of Texas. Mr. Speaker, I am satisfied.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMPLOYMENT OF COUNSEL IN CERTAIN CASES

The Clerk called the next bill, H. R. 11615, limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. TABER. Mr. Speaker, I object.

CIVIL GOVERNMENT FOR PUERTO RICO

The Clerk called the next bill, H. R. 10312, to amend section 40 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes."

Mr. McLEAN. Mr. Speaker, reserving the right to object, this creates two additional judgeships. I ask unanimous consent that it may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

NATIONAL CELEBRATION OF THE BIRTH OF CHARLES CARROLL

The Clerk called the joint resolution (S. J. Res. 151) making provision for a national celebration of the bicentenary of the birth of Charles Carroll of Carrollton, wealthiest signer of the Declaration of Independence.

The SPEAKER pro tempore. Is there objection to the present consideration of the joint resolution?

Mr. TABER. Mr. Speaker, reserving the right to object, I understand this is a joint resolution making provision for a national celebration for the bicentenary of the birth of Charles Carroll of Carrollton, wealthiest signer of the Declaration of Independence. Why should the birth of the wealthiest signer be observed any more than the birth of the poorest signer? Frankly, I cannot understand the logic of the bill.

Mr. MARTIN of Colorado. If the gentleman will yield, I think it would be much more appropriate if we struck out the word "wealthiest" and inserted the words "last surviving signer of the Declaration of Independence." That might mean something.

Mr. TABER. Does he still survive?

Mr. MARTIN of Colorado. No; he is dead, but he was the last survivor.

Mr. TABER. Mr. Speaker, I ask unanimous consent that this joint resolution be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

EXAMINATION AND SURVEY OF THE SAN JUAN RIVER

The Clerk called the next bill, S. 3488, to provide for an examination and survey to determine the best utilization of the surplus waters of the San Juan River and to determine

the feasibility and cost of storing such waters and of diverting them to the Rio Chama.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. TABER. Mr. Speaker, reserving the right to object, this is another bill to wipe out payments due from those who are holders of these irrigation projects.

Mr. DEMPSEY. I may say for the information of the gentleman that this has nothing to do with payment. It simply provides for a survey of the waters of the San Juan River.

Mr. COSTELLO. There is an error in reporting this bill on the calendar. Calendar No. 721 should deal with surplus waters of the San Juan River and the Rio Chama, while the bill on the calendar deals with another matter.

Mr. TABER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PROCUREMENT WITHOUT ADVERTISING OF CERTAIN WAR DEPARTMENT PROPERTY

The Clerk called the next bill, H. R. 10762, to authorize the procurement, without advertising, of certain War Department property, and for other purposes.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There was no objection.

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent that the bill S. 3859 be considered in lieu of the House bill. It is identical with the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That whenever proposals are invited for the furnishing of articles of Chemical Warfare or Signal property of the War Department, the character of which or the ingredients thereof are of such a nature that the interests of the public service would be injured by publicly divulging them, the chief of the supply service concerned is authorized to purchase such articles in such manner as he may deem most economical and efficient.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 10762) was laid on the table.

IMPROVEMENT OF AMMUNITION STORAGE FACILITIES AT ALIAMANU, TERRITORY OF HAWAII, AND EDGEWOOD ARSENAL, MD.

The Clerk called the next bill, H. R. 10849, to authorize an appropriation for improvement of ammunition storage facilities at Aliamanu, Territory of Hawaii, and Edgewood Arsenal, Md.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, this seems to be a tremendous amount of money to appropriate by unanimous consent. This bill authorizes an appropriation of $2,694,171. I think that probably the bill has a great deal of merit and the work should be done. Does the gentleman think it is very good practice on the part of the House to appropriate this large sum of money by unanimous consent?

Mr. HILL of Alabama. I think where we have a case as compelling as this one the House is justified in passing the bill by unanimous consent. As the gentleman well knows, unless a bill of this kind is passed by unanimous consent, about the only other way to get consideration is to go before the Rules Committee for a rule. The gentleman, of course, appreciates the difficulties and delay involved in that procedure.

I may say to the gentleman that this bill will relieve two very dangerous and hazardous situations, one at the Edgewood Arsenal, Md., and the other at Aliamanu, Hawaii. The bill has the recommendation of the War Department, and it will be noticed that the Bureau of the Budget also approves the bill. The committee, after hearing the testimony in this case, was unanimous in favor of the bill, feeling that it might even be derelict if it did not report the bill immediately and if some terrible catastrophe happened there as occurred a few years ago at Bismark, N. J.

Mr. WOLCOTT. I have no objection to the merits of the bill, and if it was brought out and voted upon, I would vote in favor of it. The reason we are called upon to appropriate such huge sums of money by unanimous consent is because we have been denied the right and the committees have been denied the right to take up legislation in the regular way on Calendar Wednesday. The responsibility for this bill, because it is on the Consent Calendar, rests with the individual Members. We should take our responsibility collectively. I am not going to object to the bill, but I do want to call attention to the situation.

Mr. HILL of Alabama. May I say to the gentleman that I have no personal interest in the bill? It is not my bill. I think, however, there is a situation there that needs prompt attention, and the situation should be remedied at once. According to the testimony furnished the committee and according to a letter from the War Department, there is at present danger of a terrible catastrophe there on account of the way high explosives, chemicals, and gas are stored. The fact is I should hate to assume the responsibility for stopping passage of the bill, and I hope the gentleman from Michigan [Mr. WOLCOTT] will not object.

Mr. WOLCOTT. I said that I had no objection to the merits of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, the sum of $2,694,171, as follows: Aliamanu, Territory of Hawaii, $1,580,000; Edgewood Arsenal, Md. (Bush River project), $1,114,171; including the necessary construction and installation of buildings, roads, railroads, and fences, utilities and appurtenances incident thereto, and including also the moving and reconditioning of Ordnance and Chemical Warfare Service stores, as may be necessary to provide safe and adequate storage for munitions.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MEMORIAL TO BETSY ROSS

The Clerk called the next resolution, House Joint Resolution 470, to authorize the selection of a site and the erection thereon of a suitable monument as a memorial to Betsy Ross.

Mr. WOLCOTT. Mr. Speaker, I object.

AMENDMENT TO FEDERAL FARM LOAN ACT AND FARM CREDIT ACT OF 1935

The Clerk called the next bill, H. R. 10101, to amend the Federal Farm Loan Act and the Farm Credit Act of 1935, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That effective July 1, 1935, the first sentence of paragraph "Twelfth" of section 12 of the Federal Farm Loan Act, as amended and as further amended by section 3 (a) of the Farm Credit Act of 1935, is further amended by striking out the following: "occurring within a period of 1 year commencing July 1, 1935, and shall not exceed 4 percent per annum for all interest payable on installment dates occurring within a period of 2 years commencing July 1, 1936", and inserting in lieu thereof the following: "occurring within a period of 3 years commencing July 1, 1935."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE HERNANDO DE SOTO EXPEDITION

The Clerk called the next bill, H. R. 11747, extending the time for making the report of the Commission to study the subject of Hernando De Soto's Expedition.

Mr. WOLCOTT. Mr. Speaker, I reserve the right to object, and I do so for the purpose of criticizing the manner

in which this extension is being made. This is very haphazard legislation, to say the least, and I want to call attention to the fact that this is one of these very short, concise, and to-the-point reports which are frequently reported out of the Committee on the Library, which gives absolutely no information whatsoever, and I wonder if it is in conformity with the spirit, at least, of the Ramseyer rule, in that no information is given as to when this Commission is supposed to make its report.

I have looked through the bill and read the report very carefully, word for word, and in no way can I determine when the Commission is supposed to make its report; but I do find that it extends the time for making the report to January 2, 1939, and I may say that the legislation is haphazard in that the existing legislation should be amended by striking out the time at which the Commission was authorized to make its report and a new date included.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. RANKIN. I will say to the gentleman that I had not investigated the report on the bill——

Mr. WOLCOTT. It will not take the gentleman very long to do so.

Mr. RANKIN. But the bill simply extends the time for making this report. The original bill provided for this Commission making its report at this session of the Congress; but, as the Members all know, we hung on here last summer until around the 1st of September, and this Commission was appointed late. Therefore they have not completed their investigation on which they propose to make this report. So I introduced this bill extending the time to a definite period.

This does not cost a single cent. The money is already appropriated and provided for. Of course, if they are required to rush through with it, they could spend all the money and make a report before this Congress adjourns, but they did not want to do that, and for that reason we are simply asking for this extension of time.

Mr. WOLCOTT. I simply want to call attention to the fact that during the first session of the Seventy-fourth Congress we had to object to the passage of bills that came out of the Library Committee because the reports were incomplete in some instances, and the Ramseyer rule was not complied with in other instances, and I have noticed another bill later on in this calendar which is comparable with the situation that existed last year. I hope we will not again have to resort to the extreme of compelling the Library Committee to conform with the spirit of the rules of the House.

I have no objection to the merits of this bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Commission to study the subject of Hernando De Soto's Expedition, appointed pursuant to the joint resolution entitled "Joint resolution pertaining to an appropriate celebration of the four-hundredth anniversary of the expedition of Hernando De Soto", approved August 26, 1935, may make its report to Congress on or before January 2, 1939.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INVESTIGATION OF SUB-BITUMINOUS AND LIGNITE COAL BY THE BUREAU OF MINES

The Clerk called the next bill, H. R. 10633, to authorize the Bureau of Mines to conduct certain studies, investigations, and experiments with respect to sub-bituminous and lignite coal, and for other purposes.

The SPEAKER pro tempore (Mr. O'CONNOR). Is there objection to the present consideration of the bill?

There was no objection.

Mr. COSTELLO. Mr. Speaker, there is a similar Senate bill on the subject, and I ask unanimous consent that the Senate bill (S. 3748) may be substituted for the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Bureau of Mines, under the general direction of the Secretary of the Interior, is authorized to conduct investigations, studies, and experiments on its own initiative and in cooperation with individuals, State institutions, laboratories, and other organizations, with a view to (1) the development of a commercially practicable carbonization method of processing sub-bituminous and lignite coal so as to convert such coal into an all-purpose fuel, to provide fertilizers, and obtain such other byproducts thereof as may be commercially valuable; (2) the development of efficient methods, equipment, and devices for burning lignite or char therefrom; and (3) determining and developing methods for more efficient utilization of such sub-bituminous and lignite coal for purposes of generating electric power.

SEC. 2. The Bureau of Mines is further authorized, under the general direction of the Secretary of the Interior, to erect such plants, construct and purchase such machinery and equipment, and to take such other steps as it may deem necessary and proper to effectuate the purposes of this act.

SEC. 3. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $100,000 for the purpose of carrying out the provisions of this act. The above amount to be expended over a period of 3 years, as follows: $40,000 to be expended during the fiscal year ending June 30, 1937; $30,000 to be expended during the fiscal year ending June 30, 1938; and $30,000 to be expended during the fiscal year ending June 30, 1939.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a House bill (H. R. 10633) were laid on the table.

PRELIMINARY EXAMINATION OF THE BLACKSTONE, SEEKONK, MOSHASSUK, AND WOONASQUATUCKET RIVERS

The Clerk called the bill (H. R. 11921) to authorize a preliminary examination of the Blackstone, Seekonk, Moshassuk, and Woonasquatucket Rivers, and their tributaries, in the State of Rhode Island, with a view to the control of their floods.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to cause a preliminary examination to be made of the Blackstone, Seekonk, Moshassuk, and Woonasquatucket Rivers and their tributaries in the State of Rhode Island, with a view to the control of their floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BOUNDARY OF THE UTE INDIAN RESERVATION, UTAH

The Clerk called the bill (H. R. 9156) to define the exterior boundary of the Ute Indian Reservation in the State of Utah, and for other purposes.

The SPEAKER pro tempore (Mr. O'CONNOR). Is there objection?

Mr. WOLCOTT. Reserving the right to object, it seems to me that in view of the amount involved and the fact that we are departing from precedents by authorizing payment of claims allowed by the Court of Claims before judgment, I wonder if there would be any objection to allowing this bill to go over without prejudice in order that we may make further examination?

Mr. MURDOCK. There is no objection on my part.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

CHARLESTON ARMY BASE TERMINAL

The Clerk called the bill (S. 3789) authorizing the Secretary of Commerce to convey the Charleston Army Base Terminal to the city of Charleston, S. C.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Commerce is authorized and directed to convey by quitclaim deed to the city of Charleston, S. C., that portion of the Charleston Quartermaster Intermediate Depot, including improvements thereon, which was transferred to the United States Shipping Board by Executive Order No. 3920 dated November 3, 1923, with the exception of such portion of

said land as has been retransferred to the War Department by Executive order, or is now under consideration for retransfer, and also subject to all the rights and privileges now enjoyed by the War Department as specifically set forth in said Executive Order No. 3920, or as may hereafter be agreed upon by the Secretary of War and the city of Charleston: *Provided, however,* That the charges for water and electric current furnished the War Department shall not exceed rates prevailing in the city of Charleston and vicinity for such services.

SEC. 2. The deed executed by the Secretary of Commerce shall contain the express condition that in the event of a national emergency the property so conveyed, with all improvements placed thereon, may be taken upon order of the President by the United States for the use of the War Department during the period of such emergency.

With the following committee amendments:

Page 2, line 10, after the word "shall", insert "include a provision prohibiting the city of Charleston from transferring the title from said property to any person, firm, or corporation and shall."

Page 2, line 15, after the word "taken", insert "without cost to the United States."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING COASTWISE LOAD LINE ACT, 1935

The Clerk called the bill (H. R. 11915) to amend the Coastwise Load Line Act of 1935.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the Coastwise Load Line Act of 1935, approved August 27, 1935 (Public, No. 354, 74th Cong.), be amended by striking out after the words "trades in which they are engaged" the colon and inserting in lieu thereof the following: "In establishing load water lines on passenger vessels due consideration shall be given to, and differentials shall be made for, the age of the vessel, its subdivision and efficacy thereof, and the stability of the vessel in a damaged condition."

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That section 2 of the Coastwise Load Line Act, 1935, approved August 27, 1935 (U. S. C., 1934 edition, Supp. I, title 46, sec. 88a), be amended to read as follows:

" 'SEC. 2. The Secretary of Commerce is hereby authorized and directed, in respect of the vessels defined above, to establish by regulations from time to time the load water lines and marks thereof indicating the maximum depth to which such vessels may safely be loaded, and in establishing such load lines due consideration shall be given to, and differentials made for, the various types and character of vessels and the trades in which they are engaged. In establishing load water lines on passenger vessels due consideration shall be given to, and differentials shall be made for, the age and condition of the vessel, its subdivision and efficacy thereof, and the stability of the vessel in a damaged condition: *Provided,* That the load-line provisions of this act shall apply to the Great Lakes, and that no load line shall be established or marked on any vessel which load line gives a lesser freeboard and less buoyancy than the load line established by the International Treaty on Load Lines of 1930, and that the regulations established under this proviso shall have the force of law: *Provided further,* That in applying the load lines to vessels on the Great Lakes the Secretary of Commerce is vested with discretion to vary the load-line marks from those established by said treaty when in his opinion the changes made by him will not be above the actual line of safety.' "

Mr. BLAND. Mr. Speaker, I offer the following amendment to the committee amendment.

The Clerk read as follows:

Page 2, line 23, after the words "Great Lakes", insert the following: "and to vessels engaged in special service on interisland voyages and on coastwise voyages from port to port in the continental United States."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended.

CALIFORNIA INDIANS

The Clerk called the bill (S. 1793) to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California", approved May 18, 1928 (45 Stat. L. 602).

The SPEAKER pro tempore. Is there objection?

Mr. WOLCOTT. I object.

Mr. LEA of California. Mr. Speaker, will the gentleman withhold his objection for a moment?

Mr. WOLCOTT. Yes.

Mr. LEA of California. Is there any particular point on which I might aid the gentleman in respect to this bill?

Mr. WOLCOTT. Mr. Speaker, there are at least two objections to the bill which are of great importance. First, it authorizes the appropriation of an indeterminate amount of money, which it is thought will not exceed $5,000,000, or it involves that amount. That is a rather large amount to consider under unanimous consent. Then, next, we authorize in this bill an appeal from the Court of Claims to the Supreme Court of the United States, where questions of law and fact may be considered. In the case of all other citizens of the United States who have claims against the Government, they are permitted to take their claims to the United States Supreme Court by certiorari only, which restricts the review to matters of law. I presume that when we gave the Indians citizenship we did not intend to give them any more rights, prerogatives, or advantages than we give to the other citizens of the United States, and those few Indians with whom I am acquainted I know to be patriotic enough and good enough citizens so that they do not expect any rights or privileges not enjoyed by other American citizens. Those are my two thoughts with respect to the legislation, but, perhaps, overshadowing all of that, we are dealing with a bill of such tremendous importance that I think we should be given an opportunity to discuss it most thoroughly on the floor before acting upon it.

Mr. LEA of California. Mr. Speaker, I ask unanimous consent that the bill may go over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

WITHHOLDING PAY OF CERTAIN OFFICERS OF ARMY, NAVY, AND MARINE CORPS

The Clerk called the bill (H. R. 8784) to authorize the Secretary of War or the Secretary of the Navy to withhold the pay of officers, warrant officers, enlisted men, and nurses of the Army, Navy, or Marine Corps to cover indebtedness to the United States under certain conditions.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That hereafter the pay of officers, warrant officers, and enlisted men of the Army, Navy, or Marine Corps, and of members of the Army and Navy Nurse Corps, may be withheld under such regulations as shall be prescribed by the Secretary of War and the Secretary of the Navy for their respective departments to satisfy any indebtedness to the United States or to any of its military or naval agencies or instrumentalities growing out of, or resulting from, a disallowance by the Comptroller General of the United States in the settlement of the accounts of disbursing officers of the Army, Navy, or Marine Corps: *Provided,* That in the event that any suit shall be brought against a disbursing officer of the Army, Navy, or Marine Corps on account of disallowances by the Comptroller General of the United States, and final judgment shall be in favor of the defendant, such defendant shall be entitled to recover his expenses incurred in his defense, including such attorney's fees as the court shall deem reasonable and traveling expenses and per diem as prescribed in the Subsistence Expense Act of 1926, approved June 3, 1926 (44 Stat. 688), as amended, and regulations promulgated thereunder, which expenses shall be fixed by written finding filed by the court in such cause; and there is hereby authorized to be appropriated such funds as are necessary to defray such expenses: *Provided,* That nothing contained in this act shall be construed to repeal the provisions contained in the act of May 22, 1928 (U. S. C., Supp. VII, title 10, sec. 875), as amended.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That hereafter, whenever upon the statement of the account of any disbursing officer of the United States in the General Accounting Office credit shall have been disallowed for any payment to any person in the executive branch of the Government otherwise entitled to compensation from the United States or from any agency or instrumentality thereof, such compensation of the payee may be withheld until full reimbursement has been accomplished under such regulations as may be prescribed by the head of the department, branch, or independent establishment (including corporations) under which such payee is entitled to receive compensation: *Provided,* That nothing contained in this act shall be construed to repeal or in any way modify existing laws relating to the collection of the indebtedness of accountable or disbursing officers."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended to read: "A bill to authorize withholding compensation due Government personnel."

PUBLIC WELFARE DEPARTMENT FOR PUERTO RICO

The Clerk called the bill (H. R. 12119) to amend sections 13 and 19 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes."

The SPEAKER pro tempore. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice to allow the committee to conform to the Ramseyer rule and, if it desires, to submit a supplementary report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. IGLESIAS. In a minute I can explain the bill.

Mr. WOLCOTT. I don't know that I have any objection to the bill, but I cannot study it in the light of comparison with existing legislation, because the Ramseyer rule has not been complied with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan that the bill be passed over without prejudice?

There was no objection.

SALE OF PUBLIC LANDS TO LOS ANGELES

The Clerk called the bill (H. R. 12033) authorizing and directing the Secretary of the Interior to sell to the city of Los Angeles, Calif., certain public lands in California; and granting rights-of-way over public lands and reserve lands to the city of Los Angeles in Mono County in the State of California.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby granted to the city of Los Angeles, a municipal corporation of the State of California, all lands belonging to the United States situated in Mono County, Calif., which may be necessary, as found by the Secretary of the Interior, for any or all of the following purposes:

Rights-of-way; buildings and structures, construction and maintenance camps; dumping grounds; flowage, diverting, or storage dams; pumping plants; power plants; canals, ditches, pipes, and pipe lines; flumes, tunnels, and conduits for conveying water for domestic, irrigation, power, and other useful purposes; poles, towers, and lines for the conveyance and distribution of electrical energy; poles and lines for telephone and telegraph purposes; roads, trails, bridges, tramways, railroads, and other means of locomotion, transmission, or communication; for obtaining stone, earth, gravel, and other materials of like character; or any other necessary purposes of said city, together with the right to take for its own use, free of cost, from any public lands, within such limits as the Secretary of the Interior may determine, stone, earth, gravel, sand, and other materials of like character necessary or useful in the construction, operation, and maintenance of aqueducts, reservoirs, dams, pumping plants, electric plants, and transmission, telephone, and telegraph lines, roads, trails, bridges, tramways, railroads, and other means of locomotion, transmission, and communication, or any other necessary purposes of the city of Los Angeles.

That there is hereby excepted and reserved unto the United States, from said grant, minerals, other than sand, stone, earth, gravel, and other materials of like character: *Provided, however,* That such minerals so excepted and reserved shall be prospected for, mined, and removed only in accordance with regulations to be prescribed by the Secretary of the Interior.

This grant shall be effective upon (1) the filing by said grantee at any time after the passage of this act, with the register of the United States local land office in the district where said lands are situated, of a map or maps showing the boundaries, locations, and extent of said lands and of said rights-of-way for the purposes hereinabove set forth; (2) the approval of such map or maps by the Secretary of the Interior, with such reservations or modifications as he may deem appropriate; (3) the payment of $1.25 per acre for all Government lands conveyed under this act other than for the right-of-way for the Mono Basin aqueduct: *Provided,* That said lands for rights-of-way shall be along such location and of such width, not to exceed 250 feet, as in the judgment of the Secretary of the Interior may be required for the purposes of this act: *And provided further,* That said lands for any of said purposes other than rights-of-way for the Mono Basin aqueduct may be of such width or extent as may be determined by the Secretary of the Interior as necessary for such purposes.

SEC. 2. That where any of the lands, to which the city of Los Angeles seeks to acquire title under section 1 of this act, are in a national forest, the said map or maps shall be subject to the approval of the Secretary of Agriculture so far as national-forest lands are affected; and upon such approval and the subsequent approval by the Secretary of the Interior, title to said lands shall vest in the grantee upon the date of such subsequent approval.

SEC. 3. Said grants are to be made subject to rights-of-way, easements, and permits heretofore granted or allowed to any person or corporation in accordance with any act or acts of Congress and subject to the rights of all claimants or persons who shall have filed or made valid claims, locations, or entries on or to said lands, or any part thereof prior to the effective date of any conflicting grant hereunder, unless prior to such effective date proper relinquishments or quitclaims have been procured and caused to be filed in the proper land office.

SEC. 4. That, whenever the land granted herein shall cease to be used for the purposes for which it is granted, the estate of the grantee or of its assigns shall terminate and revest in the United States. That any grants made hereunder shall not be assigned to any private individual, association of such individuals, or a private corporation.

With the following committee amendments:

Page 2, line 23, strike out the word "accepted" and insert the word "excepted."

Page 3, line 1, strike out the word "accepted" and insert the word "excepted."

The committee amendments were agreed to, and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ADDITIONAL JUDGE FOR THE DISTRICT OF KANSAS

The Clerk called the next bill, S. 3434, to provide for the appointment of one additional judge for the district of Kansas.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

GAMBLING-SHIP BILL

The Clerk called the next bill, H. R. 8525, prescribing regulations for carrying on the business of lighter service from any of the ports of the United States to stationary ships or barges located offshore, and for the purpose of promoting the safety of navigation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That it shall be unlawful for any person, firm, or corporation to operate any ship, boat, barge, or other means of transportation on which passengers are carried, or transported, from any port, landing, or wharf in the United States to any ship, barge, boat, or vessel anchored, or standing 3 or more miles offshore, without first obtaining from the Secretary of Commerce of the United States a permit to operate such vessel, such permit to be in such form and of such duration as the Secretary of Commerce of the United States may prescribe. A copy of this permit shall be kept on board each vessel and shall be exhibited on demand by qualified boarding officers, the original of such permit to be recorded in the customhouse of the port out of which such vessels operate.

SEC. 2. Before any such permit is issued for the operation of any such vessel the owner of same, or his authorized agent, shall make application therefor to the Secretary of Commerce of the United States, in which application the name or names and address or addresses of the owner or owners of such craft shall be set forth; also the port or place from which such vessel, or vessels, are to be operated; also the maximum number of persons such vessel will carry.

SEC. 3. If upon full investigation the Secretary of Commerce finds that the operation of such vessel is, or may become, a menace to navigation, or endangers human life, or is to be operated for the purpose of transporting passengers to or from any stationary or anchored vessel, barge, or other craft of similar character engaged in any business or occupation prohibited by law at the place of landing by said vessel covered by this act, the Secretary of Commerce shall deny such application and no permit for the operation of such vessel shall be issued.

SEC. 4. The Secretary of Commerce is hereby authorized to prescribe such regulations as may be necessary to carry out the purposes of this act, and such regulations shall have the force of law.

SEC. 5. For any violation of any of the provisions of this act or of the regulations issued thereunder, the owner of the vessel shall be subject to a penalty of $500 for which the vessel shall be liable and may be seized and proceeded against in any district in which she may be found; and the master or operator of such vessel shall be subject to a penalty of $300.

SEC. 6. The Secretary of Commerce is hereby authorized to mitigate or remit any penalty incurred for violation of this act on such terms as he may deem proper.

With the following committee amendments:

On page 1, line 8, after the word "offshore", insert "(pilot boats and vessels engaged exclusively in the fisheries excepted)"; page 3, beginning in line 7, strike out all of section 5 and insert the following:

"SEC. 5. For any violation of any of the provisions of this act or of the regulations issued thereunder, the owner of the vessel shall be subject to a penalty of $500 and the master or operator of such vessel to a penalty of $300; and such penalties shall constitute a lien on such vessel which may be proceeded against summarily by way of libel in any district court of the United States having jurisdiction thereof."

Page 3, line 24, insert the following:

"SEC. 7. This act shall take effect upon its enactment, except that sections 1, 5, and 6 shall take effect 60 days from the date of enactment of this act."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRELIMINARY EXAMINATION OF SABINE AND NECHES RIVERS

The Clerk called the next bill, H. R. 10836, to authorize the preparation of a comprehensive plan for controlling the floods, regulating the flow of waters, land reclamation, and conserving water for beneficial uses, in the basins of the Sabine and Neches Rivers, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. TABER. Reserving the right to object, Mr. Speaker, I wonder if the chairman of the committee or the author of the bill can tell us something about that bill?

Mr. PATTON. Mr. Speaker, this is one of the reclamation districts in Texas, created by the Texas Legislature some 2 or 3 years ago as other districts were created. This bill only provides that the War Department shall make a preliminary survey.

Mr. TABER. How much will it cost?

Mr. PATTON. This is the regular routine of their work. The appropriation comes through the War Department. They have recommend it to the committee, and the committee has unanimously recommended the bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. A similar Senate bill, S. 4214, is on the Speaker's table.

Mr. PATTON. Mr. Speaker, I ask unanimous consent that the Senate bill be substituted.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Sabine and Neches Rivers, and their tributaries, with a view to controlling their floods and regulating, conserving, and utilizing the waters thereof, in accordance with the provisions of section 3 of the act entitled "An act to provide for the control of the floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1912, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A House bill (H. R. 10836) was laid on the table.

RESIDENCE OF UNITED STATES COMMISSIONERS FOR THE NATIONAL PARKS

The Clerk called the next bill, H. R. 9113, to provide for the residence of the United States commissioners appointed for the national parks, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MARTIN of Massachusetts. Reserving the right to object, will the gentleman from Louisiana please explain this bill?

Mr. DEROUEN. This is a provision which will remove the requirement of the superintendent and officials to remain within the parks during the winter when it is very cold. They could be just outside of the park and carry on the operation of the park just as easily. It is simply an accommodation, and under this proposed legislation the authority to make such designations, both within and without the park boundaries, would be vested in the Secretary of the Interior.

Mr. MARTIN of Massachusetts. Is there any more cost to the Government?

Mr. DEROUEN. Not a nickel. Not at all.

They could locate on the boundary or at convenient locations near the parks.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That any United States commissioner appointed for any of the several national parks shall after appointment reside within the exterior boundaries of the park for which he is appointed or at a place reasonably adjacent to such park, the place of residence to be designated by the Secretary of the Interior.

SEC. 2. Any such commissioner heretofore appointed shall be entitled to receive the salary provided by law, which may have accrued at the date this act becomes effective, without regard to whether such commissioner may have resided within the exterior boundaries of the park for which appointed.

SEC. 3. All acts or parts of acts inconsistent with the provisions of this act are hereby repealed to the extent of such inconsistency.

With the following committee amendment:

Page 1, line 4, after the word "shall", insert the words "after appointment."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ABSAROKA AND GALLATIN NATIONAL FORESTS

The Clerk called the next bill, H. R. 11799, to repeal the proviso of the act of May 18, 1928 (ch. 626, 45 Stat. 603), making additions to the Absaroka and Gallatin National Forests and improving and extending the winter-feed facilities of the elk, antelope, and other game animals of Yellowstone National Park and adjacent land, and for other purposes.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the proviso of the act approved May 18, 1928 (ch. 626, 45 Stat. 603), making additions to the Absaroka and Gallatin National Forests, and improving and extending the winter-feed facilities of the elk, antelope, and other game animals of Yellowstone National Park and adjacent land, as follows: *"Provided*, That the total expenditures from this appropriation shall not exceed the combined total of the sums contributed by private or other agencies under the provisions of clause (a) of section 1 of said act, and the appraised values of land donated or bequeathed under the provisions of clause (b) of section 1 of said act", be, and the same is hereby, repealed, and the unexpended balance of any appropriations made pursuant to said act is hereby authorized to be expended for the purchase of land by the payment in full of the purchase price agreed to therefor.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAMMOTH CAVE NATIONAL PARK, KY.

The Clerk called the next bill, H. R. 11791, to make available for national-park purposes certain lands within the area of the proposed Mammoth Cave National Park, Ky.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TABER. Mr. Speaker, reserving the right to object, does this take land that already belongs to the Government or does it propose to buy land?

Mr. DEROUEN. I will be glad to explain this bill. This has to do with the Mammoth Cave. We are attempting to

carry on the operation of the national park there but to remove a certain area.

Some of the caves we did not need and were being held up on the price. We are trying to remove these areas and use only the area and caves which the Secretary of the Interior in his discretion deems necessary to carry on the organization of the park and conform with rule of Attorney General with respect to the 9,200 acres of land acquired or contracted for and give national-park status under jurisdiction of the National Park Service. That is all it is.

Mr. TABER. It reduces the area of the park, that is all?

Mr. DEROUEN. We exclude those areas so we will not be held up.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all lands purchased from funds heretofore allocated and made available by Executive order, or otherwise, or which hereafter may be allocated and made available for the acquisition of lands for conservation or forestation purposes within the maximum boundaries of the Mammoth Cave National Park as authorized by the act of May 25, 1926 (44 Stat. 635), be, and the same are hereby made, a part of the said park as fully as if originally acquired for that purpose.

With the following committee amendment:

Page 1, after line 10, insert a new section to read as follows:

"SEC. 2. The Secretary of the Interior is hereby authorized, in his discretion, to exclude the Great Onyx Cave and the Crystal Cave, or either of them, from the maximum boundaries of the said park."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF CERTAIN INDIANS

The Clerk called the next bill, H. R. 7764, to relieve restricted Indians whose lands have been taxed or have been lost by failure to pay taxes, and for other purposes.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, the sum of $25,000, to be expended under such rules and regulations as the Secretary of the Interior may prescribe, for payment of taxes, including penalties and interest, assessed against individually owned Indian land the title to which is held subject to restrictions against alienation or encumbrance except with the consent or approval of the Secretary of the Interior, heretofore purchased out of trust or restricted Indian funds of an Indian, where the Secretary finds that such land was purchased with the understanding and belief on the part of the said Indian that after purchase it would be nontaxable, and for redemption or reacquisition of any such land heretofore or hereafter subject to restriction against alienation or encumbrance except with the consent or approval of the Secretary of the Interior, heretofore purchased out of trust or restricted funds of said Indian, are hereby declared to be instrumentalities of the Federal Government, and shall be nontaxable until otherwise directed by Congress.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That there is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, the sum of $25,000, to be expended under such rules and regulations as the Secretary of the Interior may prescribe, for payment of taxes, including penalties and interest, assessed against individually owned Indian land the title to which is held subject to restrictions against alienation or encumbrance except with the consent or approval of the Secretary of the Interior, heretofore purchased out of trust or restricted funds of an Indian, where the Secretary finds that such land was purchased with the understanding and belief on the part of said Indian that after purchase it would be nontaxable, and for redemption or reacquisition of any such land heretofore or hereafter sold for nonpayment of taxes.

SEC. 2. All lands the title to which is now held by an Indian subject to restrictions against alienation or encumbrance except with the consent or approval of the Secretary of the Interior, heretofore purchased out of trust or restricted funds of said Indian, are hereby declared to be instrumentalities of the Federal Government, and shall be nontaxable until otherwise directed by Congress."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INDIANS OF THE STATE OF OKLAHOMA

The Clerk called the next bill, S. 2047, to promote the general welfare of the Indians of the State of Oklahoma, and for other purposes.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, inasmuch as this bill is rather a radical departure from existing policy and might involve something like $2,000,000, I think probably it is one of the bills that should be considered either under suspension of the rules, by a special rule, or on Calendar Wednesday. For this reason I object.

Mr. ROGERS of Oklahoma. Mr. Speaker, will the gentleman withdraw his objection and allow the bill to go over without prejudice?

Mr. WOLCOTT. Mr. Speaker, I withdraw my objection.

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CHOCTAW INDIANS OF THE STATE OF MISSISSIPPI

The Clerk called the next bill, S. 2715, conferring jurisdiction on the Court of Claims to hear and determine the claims of the Choctaw Indians of the State of Mississippi.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, this bill provides that these Indians may sue the Government, but, unlike any other suit or any other claimant, the Government cannot set off against the suit any gratuity it may have given to the Indians, and it also provides the right of appeal, instead of certiorari. For these reasons I object.

MONUMENT IN MEMORY OF CAPT. MOSES ROGERS

The Clerk called the next bill, H. R. 8998, to authorize the erection of a monument in memory of Capt. Moses Rogers.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object to the bill in that it provides for an appropriation of $5,000. The rules are very specific as to which committees may make appropriations, and I do not find the Committee on the Library included as one of them.

The SPEAKER pro tempore (Mr. O'CONNOR). Objection is heard, and the Clerk will report the next bill.

CHOCTAW INDIANS OF THE STATE OF MISSISSIPPI

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to return to Calendar No. 745, S. 2715, an act conferring jurisdiction on the Court of Claims to hear and determine the claims of the Choctaw Indians of the State of Mississippi, and that the bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

WORLD'S WOMAN'S CHRISTIAN TEMPERANCE UNION

The Clerk called the next bill, S. 3950, to aid in defraying the expenses of the Sixteenth Triennial Convention of the World's Woman's Christian Temperance Union to be held in this country in June 1937.

Mr. CLARK of Idaho. Mr. Speaker, reserving the right to object, will the author of the bill explain why this amount of money should be appropriated for one organization unless we are going to appropriate it for many?

Mr. GILLETTE. Mr. Speaker, I am not the author of the bill, although it is reported in my name. The House has gone on record, not over 3 weeks ago, in appropriating money for an association of country women in this same amount to assist them in their convention. The precedent has already

been established, and the same request is made in connection with this worthy association of W. C. T. U. women.

Mr. CLARK of Idaho. Does the gentleman believe this House should establish the policy of appropriating $10,000 to various associations who desire to have their convention expenses defrayed?

Mr. GILLETTE. I may say to the gentleman that so far as my individual views are concerned, I think it is a very improper policy; but the House has established the precedent, and for this reason we are not in position to refuse to help these women whose purpose is broad, covering not only temperance but welfare work of all kinds.

Mr. CLARK of Idaho. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mrs. ROGERS of Massachusetts. Will the gentleman withhold his request for a moment?

Mr. CLARK of Idaho. I withhold my request.

Mrs. ROGERS of Massachusetts. I wish the Members of the House would permit this bill to pass. There are over 600,000 women interested in this matter, and it seems to me they are a particularly worthy group and represent a particularly worthy cause. I think no Member should object.

Mr. CLARK of Idaho. I have no objection, of course, to the cause; in fact, I agree with the cause. I am merely questioning the principle.

Mrs. ROGERS of Massachusetts. These women have been invited to this country.

Mr. CLARK of Idaho. Mr. Speaker, I withdraw my request.

Mrs. ROGERS of Massachusetts. I thank the gentleman.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to aid in defraying the expenses of the Sixteenth Triennial Convention of the World's Woman's Christian Temperance Union to be held in this country in June 1937, such sum to be expended for such purposes and under such regulations as the Secretary of State shall prescribe and without regard to any other provision of law.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IRRIGATION CHARGES ON IRRIGATION LANDS

Mr. GREEVER. Mr. Speaker, I ask unanimous consent to return to the consideration of the bill S. 1318, an act to authorize the Secretary of the Interior to investigate and adjust irrigation charges on irrigation lands within projects on Indian reservations, and for other purposes, No. 697 on the Consent Calendar, and that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

INTER-AMERICAN CONFERENCE AT BUENOS AIRES, ARGENTINA

The Clerk called the next resolution, Senate Joint Resolution 248, to provide for participation by the United States in an inter-American conference to be held at Buenos Aires, Argentina, or at the capital of another American republic, in 1936.

The SPEAKER pro tempore. Is there objection to the present consideration of the joint resolution?

Mr. McLEAN. Mr. Speaker, reserving the right to object, do I understand this joint resolution carries an appropriation?

Mr. McREYNOLDS. No.

The SPEAKER pro tempore. The Chair has the joint resolution and may say that it only authorizes an appropriation.

Is there objection to the present consideration of the joint resolution?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That there is hereby authorized to be appropriated, out of any money not otherwise appropriated, the sum of $75,000 to be used for participation by the United States in an Inter-American Conference to be held at Buenos Aires, Argentina, or at the capital of another American republic, in 1936, including personal services in the District of Columbia or elsewhere without reference to the Classification Act of 1923, as amended; stenographic reporting and other services by contract if deemed necessary without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; traveling expenses (and by indirect routes and by airplane if specifically authorized by the Secretary of State); hire, maintenance, and operation of motor-propelled passenger-carrying vehicles; equipment, purchase of necessary books, documents, newspapers, periodicals, and maps; stationery; official cards, entertainment; printing and binding; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified, to be expended under the direction of the Secretary of State, fiscal year 1936, to remain available until June 30, 1937.

With the following committee amendment:

On page 1, line 6, after the word "conference", insert "in pursuance of and for the purposes set forth in a letter from the President of the United States dated January 30, 1936."

The committee amendment was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ERECTION OF MEMORIAL TO THOSE WHO MET THEIR DEATH IN THE WRECK OF THE "SHENANDOAH"

The Clerk called the next bill, H. R. 10544, authorizing the erection of a memorial to those who met their death in the wreck of the dirigible *Shenandoah*.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to erect near Ava, Ohio, on the spot where the *Shenandoah* fell, a suitable tablet or marker to commemorate the heroic services rendered by Commander Landsdowne and other members of the crew who died when the Navy dirigible *Shenandoah* was destroyed.

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $2,500 to carry out the provisions of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DESIGNATION OF THE SEQUOIA TREE AS THE NATIONAL TREE OF THE UNITED STATES

The Clerk called the next bill, H. R. 10106, to designate the sequoia tree (Sequoia gigantea) as the national tree of the United States.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, and I intend to object, because I do not consider the sequoia tree a typical American tree. I do not believe the Congress of the United States should spend very much time picking out national trees and national flowers anyway. There are millions of citizens of the United States who have not had the pleasure of visiting California and viewing the Sequoia gigantea and probably will never be able to get enough money to go out there. I may call attention to the fact that the oak, the pine, the maple, the spruce, the hemlock, the cactus, and the willow are all more typical American trees than is the sequoia. I am surprised our good friend from Ohio, Mr. West, as Acting Secretary of the Interior, would recommend this bill. However, all he has to say with respect to it is that it is a tree with a great deal of dignity. I think we can agree with him on that. I notice that in another paragraph of his letter he says that this would not be in conflict with the program of the President. I assume he means the financial program of the President and, of course, that is about the only thing we can agree with him on so far as this bill is concerned. I cannot see where the naming of this tree would be in conflict with the financial program of the Government.

Mr. STUBBS. Will the gentleman withhold his objection?

Mr. WOLCOTT. I withhold my objection.

Mr. STUBBS. I may say to the gentleman from Michigan that a Nation-wide poll was taken and approximately 3,000,000 votes cast. This poll was taken by the National Life

Conservation Society and votes were received from women's clubs, patriotic organizations, churches, lodges, colleges, public and private schools, and the sequoia tree received by far the largest number of votes. I may also say to the gentleman that this bill has not only been endorsed by the Department of the Interior but by the National Life Conservation Society, the New York History Club, of New York City, the Ohio Federation of Women's Clubs, the Relief Society for the Aged, which provides fresh-air funds for adults and elderly people, and is an organization interested in the outdoors. It has also been endorsed by the National Society of the Daughters of 1812, the Sons and Daughters of the Pilgrims, and by many prominent citizens of every State in the Union, as well as businessmen, officials, thousands of school children, and others.

I may say to the gentleman that I believe this tree is truly and typically American in that it is the largest and oldest living thing in the world. It is found nowhere else except in the United States and California.

Mr. WOLCOTT. I may say to the gentleman that my objection to making the sequoia a national tree is it is the most rare tree I know of in the United States. Now, would the gentleman accept an amendment making the Michigan pine the national tree? Would he accept an amendment making the birch, which is probably more typical than any other tree in the United States, the national tree? The gentleman from Texas might suggest the cactus.

Mr. BLANTON. No; I would suggest the everlasting mesquite tree.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

Mr. STUBBS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. KVALE. Mr. Speaker, I object.

Mr. WOLCOTT. Mr. Speaker, I object to the present consideration of the bill.

PERMANENT MEMORIAL TO THOMAS JEFFERSON

Mr. BOYLAN. Mr. Speaker, I desire to submit a unanimous-consent request.

When the bill (H. R. 12027) to authorize the execution of plans for a permanent memorial to Thomas Jefferson (Calendar No. 684) was called, objection was made by the gentleman from Illinois [Mr. DIRKSEN], and I made the request that it be passed over without prejudice, which request was granted.

I now ask unanimous consent to withdraw the request that I then made.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, does that mean that the bill keeps its present place on the calendar or do we return to the bill for its consideration?

Mr. BOYLAN. I withdraw the request that it be passed over without prejudice. I make the request myself and I am not withdrawing the objection of anyone else.

Mr. RICH. I may say to the gentleman from Michigan that this is for a statue of Thomas Jefferson here in Washington. We only have one small one in the hall here in the Capitol Building, and if there is anything needed in Washington, it is a statue of Thomas Jefferson, so that the people of this country may look up to his writings and teachings, and I am in hopes they will follow him.

Mr. WOLCOTT. May I ask the gentleman from Pennsylvania where he is going to get $3,000,000 to erect this monument? [Laughter and applause.]

Mr. RICH. I may say to the gentleman that I am not advocating the spending of $3,000,000, but we can save more than the $3,000,000 if we cut out the $30,000,000 that you are going to spend for a monument to Jefferson in St. Louis, where we have a memorial to Jefferson already erected there costing over $1,000,000. We can erect this one here in Washington and cut the one out in St. Louis and save $27,000,000.

Mr. BOYLAN. I am only asking for the privilege of withdrawing my own request that it go over without prejudice.

Mr. WOLCOTT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WOLCOTT. If the request of the gentleman is granted, what status has the bill?

The SPEAKER pro tempore. The bill is then before the House at the objection stage and the Chair will put the question, Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, a point of order. There was one objection to the bill——

The SPEAKER pro tempore. There is no objection registered on the Journal. There has not been any objection to the bill, but it has been passed over without prejudice. If that is withdrawn, the question then is on the consideration of the bill.

Mr. WOLCOTT. And that would force an objection at the present time; that is, the Clerk would call the bill now to determine whether there is objection to its passage.

The SPEAKER pro tempore. The gentleman is correct.

Mr. WOLCOTT. Then I object to the request of the gentleman from New York.

Mr. BOYLAN. I thank the gentleman.

PEACEFUL PICKETING DURING LABOR CONTROVERSIES

The Clerk called the next bill, S. 2039, making it a felony to transport in interstate or foreign commerce persons to be employed to obstruct or interfere with the right of peaceful picketing during labor controversies.

Mr. RICH. Mr. Speaker, I object.

Mr. BANKHEAD. Mr. Speaker, will not the gentleman from Pennsylvania withhold his objection?

Mr. MILLER. May I ask the gentleman to reserve his objection?

Mr. RICH. I withhold it.

Mr. MILLER. I may say to the gentleman that the hearings that were conducted by the Committee on the Judiciary developed such conditions that I believe a reading of the hearings would convince the gentleman that this bill ought to pass. This is the end to which the bill is directed. We have some organizations in this country, particularly the Bergoff organization in New York City, that make it a practice and business to enlist hoodlums and professional strikebreakers who are transported from one State to another to interfere with peaceful picketing where there may be a strike pending. This is the only thing the bill does. It simply prevents the transportation of such men in interstate commerce.

Mr. RICH. I would infer from a reading of this bill that the burden of proof would be on the railroad companies, and if someone should get on a train or on a bus and be taken from one town to another, the railroads could be indicted because they would have to prove that they did not know what these men had in mind and therefore would become liable for any offenses they might commit if they hauled them under such conditions.

Mr. MILLER. The burden is upon the Government to establish a criminal intent, and let me say to the gentleman, that in a criminal statute there is no such thing as intendment of a criminal intent unless it is specifically provided in the act. A railroad company, under this bill and the circumstances stated by the gentleman, could not possibly be convicted. The company would have to knowingly assist in the transportation. The mere fact that it hauled such men would not make it guilty.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. RICH. Yes.

Mr. BLANTON. The gentleman will probably recall that last year a very distinguished army officer was placed in charge of Terre Haute and two entire counties in Indiana which were under martial law, and stated there was no such

thing as peaceful picketing. I quite agree with him. I have never seen any peaceful picketing yet.

Mr. MILLER. I know nothing about strikes, but peaceful picketing should be protected against violence, which is sure to occur when these hoodlums come into the picture.

Mr. ANDREWS of New York. Regular order, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. I object, Mr. Speaker.

ATTENDANT OF TOTALLY DISABLED EMPLOYEES

The Clerk called the next bill, S. 2040, to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, and acts in amendment thereof.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 6 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, and acts in amendment thereof (U. S. C., title 5, sec. 756), is amended by the addition of the following paragraph:

"In addition to the monthly compensation the Employees' Compensation Commission may pay an injured employee awarded compensation for permanent total disability from injury an additional sum of not more than $50 a month, as the Commission may deem necessary, when the Commission shall find that the service of an attendant is necessary constantly to be used by reason of the employee being totally blind, or having lost both hands or both feet or the use thereof, or is paralyzed and unable to walk, or by reason of other total disability actually rendering him so helpless as to require constant attendance."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO QUIET TITLE AND POSSESSION WITH RESPECT TO CERTAIN LANDS IN TUSCUMBIA, ALA.

The Clerk called the bill (H. R. 12212) to quiet title and possession with respect to certain lands in Tuscumbia, Ala.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all the right, title, and interest of the United States in and to all the unsubdivided land in and the strip of land known as the Commons surrounding the city of Tuscumbia, formerly Cold Water Spring, Ala., as shown by plat made by John Coffee, surveyor, which plat shows the town as embracing the south half section 4, the southeast quarter section 5, the northeast quarter section 8, and the north half section 9, township 4 south, range 11 west, Huntsville meridian, which said town was established under sections 3 and 5 of the act of March 3, 1817 (3 Stat. 375), and section 2 of the act of April 20, 1818 (3 Stat. 467), be, and the same is hereby, released, relinquished, and confirmed by the United States to the city of Tuscumbia, Ala., or to the owners of the equitable titles thereto, as fully and completely, in every respect whatever, as could be done by patents issued according to law: *Provided*, That this act shall amount only to a relinquishment of any title the United States has, or is supposed to have, in and to any of said lands, and shall not be construed to abridge, impair, injure, prejudice, or divest in any manner any valid right, title, or interest of any person or body corporate whatever, the true intent of this act being to concede and abandon all right, title, and interest of the United States to the city of Tuscumbia or to those persons, estates, firms, or corporations who would be the equitable owners of said lands under the laws of the State of Alabama in the absence of the said interest, title, and estate of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC-DOMAIN LANDS IN NEW MEXICO

The Clerk called the bill (H. R. 12073) to reserve certain public-domain lands in New Mexico as an addition to the school reserve of the Jicarilla Indian Reservation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the following-described public-domain lands be, and they are hereby, withdrawn from entry, sale, or other disposition and set aside as an addition to the school reserve of the Jicarilla Indian Reservation, Dulce, N. Mex.: Northwest quarter southwest quarter and the southeast quarter southwest quarter section 30, township 32 north, range 1 west, New Mexico principal meridian, New Mexico: *Provided*, That said withdrawal shall not affect any valid rights initiated prior to approval hereof.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSOLIDATION OF THE INDIAN PUEBLOS OF JEMEZ AND PECOS IN NEW MEXICO

The Clerk called the bill (H. R. 12074) to consolidate the Indian pueblos of Jemez and Pecos, N. Mex.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Pueblo Indian tribes of New Mexico, commonly known and referred to as the Pueblo de Jemez and Pueblo de Pecos, be, and they are hereby, consolidated and merged into one tribe hereafter to be known as the Pueblo de Jemez.

SEC. 2. That all property, real or personal, rights, titles, interests, claims, or demands of whatsoever kind or nature, now held or claimed by either of said tribes, or communities shall be, and hereby are, vested in the consolidated tribe.

SEC. 3. That the unexpended balance of any funds heretofore awarded to, appropriated for, or hereafter to be appropriated by Congress for the use or benefit of either of said tribes or pueblos referred to shall be held for and applied to the use and benefit of said consolidated and merged tribe or pueblo, known as Pueblo de Jemez, subject to all limitations or restrictions now applicable to said funds.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRELIMINARY EXAMINATION OF POTEAU RIVER IN ARKANSAS

The Clerk called the bill (H. R. 12079) to provide for a preliminary examination of the Poteau River in Arkansas with a view to flood control and to determine the cost of such improvement.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Poteau River in Arkansas to determine the feasibility of flood-control work on said river and the cost of such improvement in accordance with the provision of section 3 of the act entitled "An act to provide for the control of floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, and the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of river and harbors.

With the following committee amendments:

Page 1, line 5, after the word "Arkansas", strike out "to determine the feasibility of flood-control work on said river and the cost of such improvement" and insert in lieu thereof "with a view to the control of its floods"; on page 2, line 1, after the figures "1917", strike out the word "and."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended.

PRELIMINARY EXAMINATION OF SULPHUR RIVER, ARK.

The Clerk called the bill (H. R. 12080) to provide for a preliminary examination of the Sulphur River in Arkansas with a view to flood control, and to determine the cost of such improvement.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Sulphur River in Arkansas to determine the feasibility of flood-control work on said river and the cost of such improvement, in accordance with the provisions of section 3 of the act entitled "An act to provide for the control of floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, and the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

Amend the title so as to read: "A bill to provide for a preliminary examination of the Sulphur River in Arkansas with a view to flood control."

With the following committee amendments:

Page 1, line 5, after the word "Arkansas", strike out "to determine the feasibility of flood-control work on said river and the cost of such improvement", and insert in lieu thereof "with a view to the control of its floods." On page 2, line 1, after the figures "1917", strike out the word "and."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read the third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended.

CONGREE, SANTEE, AND COOPER RIVERS

The Clerk called the bill (H. R. 12133) to authorize a preliminary examination of the Congree, Santee, and the Cooper Rivers and their tributaries in the State of South Carolina, with a view to the control of their floods.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to cause a preliminary examination to be made of the Congree, Santee, and Cooper Rivers and their tributaries in the State of South Carolina, with a view to the control of their floods in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

Mr. FULMER. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. FULMER: Page 1, line 5, after the word "Congree", insert the word "Watere."

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

The title was amended to read: A bill to authorize a preliminary examination of the Congree, Watere, Santee, and Cooper Rivers and their tributaries in the State of South Carolina, with a view to the control of their floods.

CHIPPEWA INDIANS OF MINNESOTA

The Clerk called the bill (S. 1494) to amend an act entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims", approved May 14, 1926 (44 Stat. L. 555).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in all suits filed under the act entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims", approved May 14, 1926 (44 Stat. L. 555), either party, with the consent of the court first had and obtained, shall have the right to amend the pleadings at any time prior to the entry of final judgment so as to include all claims said Indians may have under said act against the United States and any defense the United States may have thereto.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PROTECTING RIGHTS OF GOVERNMENT IN LAND GRANTS

The Clerk called the bill (H. R. 10641) providing for the protection and conservation of equities, easements, or rights accruing to the Government because of lands granted for the purpose of aiding in the building or establishment of railroads.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to secure and preserve to the United States in full value and benefit of its liens, easements, and/or equities upon all railroads which have received Federal land grants, it is hereby made the duty of the Attorney General of the United States to protect and conserve, in whatever manner involved, the equities, easements, and/or rights accruing to the Government because of lands granted to aid in the building or establishment of railroads.

SEC. 2. That it shall further be the duty of the Attorney General to secure and keep in his office data and information as to the quantity of lands which were secured by the various railroads, manner of disposition thereof by said railroads, and the amounts received therefor, revenues accruing to the Government because of such grants, protect the interests of the Government in cases where abandonments of railroads or parts thereof are to be made which have received Federal land grants, and furnish to the Congress such information as it may require relative to such equities, easements, rights, and/or abandonments.

SEC. 3. That the Attorney General may call upon and receive from any governmental agency or railroad company such data or information as may be deemed necessary, and he is authorized to employ such persons as may be required to carry out the provisions of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the Attorney General is hereby authorized and directed to secure and maintain records of lands granted by the United States to aid in the construction and maintenance of roads and railroads; the benefits accruing to the United States from such grants; the disposition made of said lands by the grantees or their successors in interest, and the consideration received therefor; to protect, conserve, and assert, by appropriate legal proceedings, the equities and rights of the United States resulting from such grants of lands and from breaches of any of the terms, conditions, or covenants contained in any act by which any such grant was made or any act amendatory or supplemental thereto; and to furnish to the Congress such information as it may require relative to such matters.

"SEC. 2. The Attorney General is authorized to request from any executive department, independent establishment, or other governmental agency such data or information as he may deem necessary, and to employ such persons as may be required, to carry out the provisions of this act."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended to read: "A bill to provide for the protection and conservation of equities of rights of the Government resulting from railroad land grants."

EXAMINATION OF PATUXENT RIVER

The Clerk called the bill (H. R. 12158) to authorize a preliminary examination of the Patuxent River and its tributaries in the State of Maryland, with a view to the control of its floods.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to cause a preliminary examination to be made of the Patuxent River and its tributaries in the State of Maryland, with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WITHDRAWING CERTAIN PUBLIC LANDS FROM ENTRY

The Clerk called the bill (H. R. 1397) to withdraw certain public lands from settlement and entry.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the public lands of the United States within the boundaries hereinafter described are hereby withdrawn from settlement, location, sale, and entry under the public-land laws of the United States for a local park, recreational purposes, and for securing favorable conditions of water flows. The lands herein referred to are located in the State of California and more particularly bounded and described as follows:

The east half section 32, township 20 north, range 5 east, Mount Diablo base and meridian, containing 320 acres: *Provided*, That the Board of Supervisors of Butte County, in which said lands are located, shall make and enforce all such local, police, sanitary, and other rules and regulations, not inconsistent with the rights of the United States therein, as may be necessary for the preservation and use of said lands by the public as a local public park and recreation ground and for the preservation of animal life thereon, for the preservation of order thereon, and for the purpose of securing favorable conditions of water flows therefrom, including the right to construct roads and trails thereon and a conduit or ditch for conveying water for the public-park uses in immediate connection therewith: *Provided further*, That this act shall not defeat or affect any lawful right which has already attached under the public land or mining laws: *Provided further*, That the Secretary of the Interior may, when in his judgment the public interest would be best served thereby, restore to settlement, location, sale, or entry, any of the lands hereby withdrawn therefrom: *And provided further*, That such lands shall be subject to a reservation of the right of the United States or its permittees or licensees to enter upon, occupy, and use any part or all of said lands necessary in the judgment of the

Federal Power Commission for the purposes of the Federal Water Power Act with payment by the United States or any licensee for damages to improvements made by the Board of Supervisors of Butte County, Calif.

With the following committee amendment:

Page 1, line 8, after the word "flows", insert "subject to and with a reservation of the right of the United States permittees or licensees, upon payment only for damages to improvements made by the Board of Supervisors of Butte County, Calif., to enter upon, occupy, and use any part or all thereof necessary, in the judgment of the Federal Power Commission, for the purposes of the Federal Water Power Act."

Page 2, line 22, strike out:

"That the Secretary of the Interior may, when, in his judgment, the public interest would be best served there, restore to settlement, location, sale, or entry any of the lands hereby withdrawn therefrom: *And provided further*, That such lands shall be subject to a reservation of the right of the United States or its permittees, licensees, to enter upon, occupy, and use any part or all of said lands necessary, in the judgment of the Federal Power Commission, for the purposes of the Federal Water Power Act, with payment by the United States or any licensee for damages to improvements made by the Board of Supervisors of Butte County, Calif."

And insert:

"That the Secretary of the Interior may, when in his judgment the public interest would be best served thereby, restore any of said lands to settlement, location, sale, or entry, subject to and with a reservation of the right of the United States or its permittees or licensees, upon payment only for damages to improvements made by said board of supervisors, to enter upon, occupy, and use any part or all of such land necessary, in the judgment of the Federal Power Commission, for the purposes of the Federal Water Power Act, which right shall be expressly reserved in every patent issued for such lands."

The committee amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

IDENTIFICATION OF PRISON-MADE GOODS

The Clerk called the bill (H. R. 11372) to amend Public Law No. 215, Seventy-fourth Congress, first session.

The SPEAKER pro tempore. Is there objection?

Mr. CARMICHAEL. Mr. Speaker, I object.

Mr. MILLER. Mr. Speaker, will the gentleman reserve his objection?

Mr. CARMICHAEL. Yes; I will withhold it.

Mr. MILLER. I want to call attention to the fact that this proposed amendment is necessary if we are going to enforce the statute that was passed in the last session. The present law against the transportation of prison-made goods only requires that the packages containing those goods shall be marked on the outside, so that when those goods reach a State it is impossible to distinguish them from other goods when the wrapper of the package has been removed. If the original statute was a good enactment of law, then this amendment ought to be adopted in order that the intent of the first statute may be carried out.

Personally, I have no interest in the matter; but unless we do mark prison goods themselves, there is no way of preventing the bootlegging of prison goods. I believe the gentleman ought to withdraw his objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CARMICHAEL. Mr. Speaker, I object.

AMENDMENTS TO BANKRUPTCY LAW

The Clerk called the next bill, H. R. 11917, to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That clause (9) of subdivision (b) of section 77B of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended, be, and it is hereby, amended to read as follows: "(9) shall provide adequate means for the execution of the plan, which may include the transfer of all or any part of the property of the debtor to another corporation or to other corporations, or the consolidation of the properties of the debtor with those of another corporation, or the merger or consolidation of the debtor into or with another corporation or corporations, or the retention of the property by the debtor, the distribution of assets among creditors or any class thereof, the satisfaction or modification of liens, indentures, or other similar instruments, the curing or waiver of defaults, extension of maturity dates of outstanding securities, the change in interest rates and other terms of such securities, the amendment of the charter of the debtor, and the issuance of securities of either the debtor or any such corporation or corporations, for cash, or in exchange for existing securities, or in satisfaction of claims or rights, including claims or rights against a guarantor based upon obligations of the debtor with respect to which there is satisfaction of any claims or rights against the debtor, or for other appropriate purposes."

SEC. 2. Clause (10) of subdivision (b) of section 77B of such act of July 1, 1898, as amended, be, and it is hereby, amended to read as follows: "(10) may deal with all or any part of the property of the debtor and may include any other appropriate provisions not inconsistent with this section. No creditor or stockholder shall, for the purposes of this section, be deemed to be affected by any plan of reorganization unless the same shall affect his interests materially and adversely. The term 'securities' shall include evidences of indebtedness, either secured or unsecured, stock, certificates of beneficial interest therein, and certificates of beneficial interest in property. The term 'stockholders' shall include the holders of voting trust certificates. The term 'guarantor' when used in this section and for all purposes thereof shall mean any person, firm, or corporation who has as a part of his business and for a premium guaranteed, insured, or otherwise become liable for all or any of the debts or outstanding securities or other obligations of the debtor, or any part thereof, or bonds, participation certificates, or other obligations issued upon the security of the same. The term 'creditors' shall include for all purposes of this section and of the reorganization plan, its acceptance and confirmation, all holders of claims of whatever character against the debtor or its property, including claims under executory contracts, whether or not such claims would otherwise constitute provable claims under this act. The term 'claims' includes debt, securities other than stock, liens, or other interests of whatever character. For all purposes of this section unsecured claims which would have been entitled to priority over existing mortgages if a receiver in equity of the property of the debtor had been appointed by a Federal court on the day of the approval of the petition or answer under this section shall be entitled to such priority, and the holders of such claims, and of other claims, if any, of equal rank, shall be treated as a separate class of creditors. In case an executory contract or unexpired lease of real estate shall be rejected pursuant to direction of the judge given in a proceeding instituted under this section, or shall have been rejected by a trustee or receiver in bankruptcy or receiver in equity, in a proceeding pending prior to the institution of a proceeding under this section, any person injured by such rejection shall, for all purposes of this section and of the reorganization plan, its acceptance and confirmation, be deemed to be a creditor. The claim of a landlord for injury resulting from the rejection of an unexpired lease of real estate or for damages or indemnity under a covenant contained in such lease shall be treated as a claim ranking on a parity with debts which would be provable under section 63 (a) of this act, but shall be limited to an amount not to exceed the rent, without acceleration, reserved by said lease for the 3 years next succeeding the date of surrender of the premises to the landlord or the date of reentry of the landlord, whichever first occurs, whether before or after the filing of the petition, plus unpaid rent accrued up to such date of surrender or reentry: *Provided*, That the court shall scrutinize the circumstances of an assignment of future rent claims and the amount of the consideration paid for such assignment in determining the amount of damages allowed assignee hereunder. In the case of secured claims entitled to the provisions of clause (5) of this subdivision (b), the value of the security shall be determined in the manner provided in section 57, clause (h), of this act, and if the amount of such value shall be less than the amount of the claim the excess may be classified as an unsecured claim. The provisions of section 60 of this act shall apply to claims against the debtor in a proceeding under this section. For all purposes of this section any creditor may act in person, by an attorney at law, or by a duly authorized agent or committee: *Provided further*, That the judge shall scrutinize and may disregard any limitations of provisions of any depositary agreements, trust indentures, committee, or other authorizations affecting any creditor acting under this section and may enforce an accounting thereunder or restrain the exercise of any power which he finds to be unfair or not consistent with public policy and may limit any claims filed by such committee member or agent to the actual consideration paid therefor. The running of all periods of time prescribed by any other provisions of this act and by all statutes of limitations shall be suspended during the pendency of a proceeding under this section."

SEC. 3. Clause (10) of subdivision (c) of section 77B of such act of July 1, 1898, as amended, be, and it is hereby, amended to read as follows: "(10) in addition to the provisions of section 11 of this act for the staying of pending suits against the debtor, may enjoin or stay the commencement or continuation of suits against the debtor until after final decree; and may, upon notice and for cause shown, enjoin or stay the commencement or continuance of any judicial proceeding to enforce any lien upon the estate of the debtor and any claim or right against any guarantor until after final decree; and."

SEC. 4. Section 77B of such act of July 1, 1898, as amended, is amended by adding at the end thereof a new subdivision as follows:

"(q) Any extension of maturity dates or reduction of interest rate of outstanding securities or any obligation of the debtor, either through the issuance of new securities of any character or otherwise, pursuant to a plan of reorganization confirmed by the court in accordance with the provisions of this section, shall extend or reduce in the same manner and to the same extent the obligation of any guarantor who may have guaranteed, insured, or otherwise become liable for any such securities or obligation, or any part thereof, or bonds, participation certificates, or other obligations issued upon the security of the same, and a certified copy of the final decree or of an order confirming such plan of reorganization shall be sufficient evidence in any suit or proceeding brought against any such guarantor so liable that such extension or reduction has been confirmed."

SEC. 5. This act shall take effect and be in force from and after the time of its approval, and shall apply to all pending proceedings in which a plan of reorganization has not been confirmed by the judge and only to such of the obligations or liabilities of any guarantor which have arisen or come into existence on or prior to the effective date of this act.

If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of this act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

With the following committee amendments:

Page 7, line 6, strike out the words "shall take effect and be in force from and after the time of its approval, and."

Page 7, line 11, after the word "or", strike out the words "prior to the effective date of this act" and insert "before June 7, 1934."

The committee amendments were agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEFINING JURISDICTION OF COAST GUARD

The Clerk called the next bill, H. R. 12305, to extend the jurisdiction of the Coast Guard.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That commissioned, warrant, and petty officers of the Coast Guard are hereby empowered to make inquiries, examinations, inspections, searches, seizures, and arrests upon the high seas, and the navigable waters of the United States, it Territories, and possessions, except the Philippine Islands, for the prevention, detection, and suppression of violations of laws of the United States: *Provided*, That nothing herein contained shall apply to the inland waters of the United States, it Territories, and possessions, other than the Great Lakes and the connecting waters thereof. For such purposes, such officers are authorized at any time to go on board of any vessel, subject to the jurisdiction, or to the operation of any law, of the United States, to address inquiries to those on board, to examine the ship's documents and papers, and to examine, inspect, and search the vessel and use all necessary force to compel compliance. When from such inquiries, examination, inspection, or search it shall appear that a breach of the laws of the United States rendering a person liable to arrest is being, or has been committed, by any person, such person shall be arrested or, if escaping to shore, shall be immediately pursued and arrested on shore, or other lawful and appropriate action shall be taken; or, if it shall appear that a breach of the laws of the United States has been committed so as to render such vessel, or the merchandise, or any part thereof, on board of, or brought into the United States by, such vessel, liable to forfeiture, or, so as to render such vessel liable to a fine or penalty and if necessary to secure such fine or penalty, such vessel shall be seized.

SEC. 2. The officers of the United States Coast Guard, insofar as they are engaged, pursuant to the authority contained in this act, in enforcing any law of the United States, shall—

(a) Be deemed to be acting as agents of the particular executive department or independent establishment charged with the administration of the particular law; and

(b) Be subject to all the rules and regulations promulgated by such department or independent establishment with respect to the enforcement of that law.

SEC. 3. The foregoing provisions shall be in addition to any powers conferred by law upon such officers, and not in limitation of any powers conferred by law upon such officers or any other officers of the United States.

SEC. 4. The term "inland waters" as used in this act shall not be construed to include harbors, bays, sounds, roadsteads, and like bodies of water along the coasts of the United States and shores of the Great Lakes.

With the following committee amendments:

Page 3, line 14, after the word "States", insert "its Territories, and possessions." Amend the title.

The committee amendment was agreed to.

Mr. BLAND. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BLAND: Page 2, line 1, strike out the word "that" and insert the word "than."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

The title was amended to read: "A bill to define the jurisdiction of the Coast Guard."

FEDERAL REGISTER ACT

The Clerk called the next bill, H. R. 11337, to amend the Federal Register Act.

The SPEAKER pro tempore. Is there objection?

Mr. FADDIS. Mr. Speaker, I object.

Mr. CELLER. Will the gentleman withhold his objection so that a brief explanation can be made?

Mr. FADDIS. Yes.

Mr. CELLER. I just want to state that this bill amending the Federal Register Act will have the force and effect of reducing expenditures. I think everyone of us wants to reduce expenses of the Government. All this bill does is to provide for the codification of all past rules and regulations instead of compilation of same.

Mr. TABER. I allowed the other bill to go through without objection, finally, and I find I have made a great mistake. I should have objected to it. Why does not the gentleman bring in a bill to repeal that law? [Applause.] That is the kind of bill we ought to have.

Mr. CELLER. If the gentleman will allow me, I think I can convince him that this amendment should pass, because, as I stated, it provides for codification instead of compilation. Compilation means that all those heads of the various bureaus and departments will have to dig up all their rules and regulations back from the time of beginning of government and then say to the Federal Register officials, "Here are all our rules and regulations. Publish them all." If they must codify them they have to point out to the codification board what of the rules and regulations are in full force and effect today. It gives a sort of résumé or quintessence of all past rules and regulations with obsolete, repealed, and changed regulations omitted. Instead of having huge volumes of compiled rules you will only have a few volumes of codified rules. In the interest of economy I cannot see how there can be any possible objection to reducing the amount of material that shall be published.

Mr. TABER. Why not bring in a bill to repeal it? That is what should be done.

Mr. CELLER. That is another question.

Mr. TABER. No. It is the question.

Mr. CELLER. The gentleman might very well offer a bill of repeal and we will give it consideration, but while we still have the original bill on the statute books as the law, I think it should be properly amended.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. FADDIS. Mr. Speaker, I object.

POST-OFFICE SITE AT HUDSON FALLS, N. Y.

The Clerk called the next bill, H. R. 12076, for the exchange of land in Hudson Falls, N. Y., for the purpose of the post-office site.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to convey to the owner of the land abutting the easterly side of the post-office site at Hudson Falls, N. Y., the following-described piece or parcel or land forming a part of said post-office site:

Lying and being in the city of Hudson Falls, county of Washington, State of New York, and described as follows: Beginning at a point in the northerly side of Pearl Street distant easterly 145 feet from the intersection of the easterly side of Main Street with the northerly side of Pearl Street, said point being the southeast corner of the present post-office site; running thence along the northerly side of Pearl Street, south 81°57' west a distance of 10 feet to

a point; thence north 5°48′ west a distance of 36.67 feet to a point in the westerly side of lands now or formerly of D. S. Griffin; thence along lands of said Griffin south 21°12′ east a distance of 37.62 feet to the point or place of beginning;

in consideration of the conveyance to the United States of the following-described piece or parcel or land as an addition to the said post-office site:

Lying and being in the city of Hudson Falls, county of Washington, State of New York, and described as follows: Beginning at a point 85 feet north and 145 feet east of the intersection of the easterly side of Main Street with the northerly side of Pearl Street, said point being the northeast corner of the present post-office site; running thence north 81°57′ east a distance of 12.59 feet to a point; thence south 5°48′ east a distance of 46.18 feet to a point in the easterly side of the present post-office site; thence along the easterly side of said post-office site north 21°12′ west a distance of 47.38 feet to the point or place of beginning.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF CODES OF CRIMINAL AND CIVIL PROCEDURE, CANAL ZONE

The Clerk called the next bill, S. 1379, to amend section 103 of the Code of Criminal Procedure for the Canal Zone, and section 542 of the Code of Civil Procedure for the Canal Zone.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 103 of the Code of Criminal Procedure for the Canal Zone, as amended (47 Stat. 886), be, and the same is hereby, amended to read as follows:

"SEC. 103. A docket must be kept by the clerk of the district court denominated a criminal docket, in which he shall enter each criminal action and whatever proceedings are had therein, and a statement of the costs. The clerk shall receive, deposit, and account for all public moneys collected by him in accordance with the laws, rules, and regulations governing the receipt and disposition of moneys by clerks of the United States district courts in the continental United States exclusive of Alaska."

SEC. 2. That section 542 of the Code of Civil Procedure for the Canal Zone (47 Stat. 1004) be, and the same is hereby, amended to read as follows:

"SEC. 542. It shall be lawful for the clerk of the district court, referees, and commissioners appointed by the district court, the marshal, magistrates, constables, and other officers and persons hereinafter mentioned, together with their assistants and deputies, to demand and receive the hereinafter mentioned fees and no more; but all fees collected by officers drawing a regular salary or fixed compensation from the Government, except the clerk of the district court and the marshal, shall be paid over to the collector of the Panama Canal. The clerk of the district court and the marshal shall receive, deposit, and account for all public moneys collected by them in accordance with the laws, rules, and regulations governing the receipt and disposition of moneys by clerks of United States district courts and United States marshals, respectively, in the continental United States exclusive of Alaska."

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That section 981 of title 4, Canal Zone Code, approved June 19, 1934 (48 Stat. 1122), is amended to read as follows:

" 'SEC. 981. It shall be lawful for the clerk of the district court, referees, and commissioners appointed by the district court, the marshal, magistrates, constables, and other officers and persons hereinafter mentioned, together with their assistants and deputies, to demand, and receive the hereinafter mentioned fees and no more. All fees collected by officers drawing a salary or compensation from the Government, other than those collected by the clerk of the district court and the marshal, shall be paid to the collector of the Panama Canal. The clerk of the district court and the marshal shall receive, deposit, and account for all public moneys collected by them in accordance with the laws, rules, and regulations governing the receipt and disposition of moneys by clerks of United States district courts and United States marshals, respectively, in the continental United States exclusive of Alaska.'

"SEC. 2. That section 843 of title 6, Canal Zone Code, is amended to read as follows:

" 'SEC. 843. The clerk shall receive, deposit, and account for all public moneys collected by him in accordance with the laws, rules, and regulations governing the receipt and disposition of moneys by clerks of the United States district courts in the continental United States, exclusive of Alaska.' "

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title of the bill was amended to read as follows: "An act to amend section 981 of title IV and section 843 of title VI of the Canal Zone Code."

SANDUSKY RIVER, FREMONT, OHIO

The Clerk called the next bill, H. R. 12135, providing for a preliminary examination of the Sandusky River, at Fremont, Ohio, with a view to control of its floods.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to cause a preliminary examination to be made of the Sandusky River, at Fremont, Ohio, with a view to control of its floods, in accordance with the provisions of section 3 of the act entitled "An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917 (U. S. C., 1934 edition, title 33, sec. 701), the cost of such examination to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CROW TRIBE OF INDIANS, MONTANA

The Clerk called the next bill, H. R. 11218, to provide for the disposition of tribal funds now on deposit, or later placed to the credit of the Crow Tribe of Indians, Montana, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That tribal funds now on deposit or later placed to the credit of the Crow Tribe of Indians, Montana, may be used for per-capita payments, or such other purposes as may be designated by the tribal council and approved by the Secretary of the Interior, and section 11 of the act of June 4, 1920 (41 Stat. 751), is hereby modified accordingly.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HATTIESBURG DIVISION, UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF MISSISSIPPI

The Clerk called the next bill, H. R. 12162, to create an additional division of the United States District Court for the Southern District of Mississippi, to be known as the Hattiesburg division.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 90 of the Judicial Code, as amended (U. S. C., 1934 edition, title 28, sec. 170), is amended to read as follows:

"SEC. 90. The State of Mississippi is divided into two judicial districts to be known as the northern and southern districts of Mississippi. The northern district shall include the territory embraced on the 1st day of December 1923 in the counties of Alcorn, Attala, Chickasaw, Choctaw, Clay, Itawamba, Lee, Lowndes, Monroe, Oktibbeha, Pontotoc, Prentiss, Tishomingo, and Winston, which shall constitute the eastern division of said district; also the territory embraced on the date last mentioned in the counties of Benton, Calhoun, Carroll, De Soto, Grenada, Lafayette, Marshall, Montgomery, Panola, Tate, Tippah, Union, Webster, and Yalabusha, which shall constitute the western division of said district; also the territory embraced on the date last mentioned in the counties of Bolivar, Coahoma, Leflore, Quitman, Sunflower, Tallahatchie, and Tunica, which shall constitute the Delta division of said district. The terms of the district court for the eastern division shall be held at Aberdeen on the first Mondays in April and October; for the western division, at Oxford on the third Monday in April and the first Monday in December; and for the Delta division, at Clarksdale on the fourth Monday in January and the third Monday in October. The southern district shall include the territory

embraced on the 1st day of December 1923 in the counties of Amite, Copiah, Franklin, Hinds, Holmes, Leake, Lincoln, Madison, Pike, Rankin, Simpson, Smith, Scott, Wilkinson, and Yazoo, which shall constitute the Jackson division; also the territory embraced on the date last mentioned in the counties of Adams, Claiborne, Humphreys, Issaquena, Jefferson, Sharkey, Warren, and Washington, which shall constitute the western division; also the territory embraced on the date last mentioned in the counties of Clarke, Jasper, Kemper, Lauderdale, Neshoba, Newton, Noxubee, and Wayne, which shall constitute the eastern division; also the territory embraced on the date last mentioned in the counties of George, Hancock, Harrison, Jackson, Pearl River, and Stone, which shall constitute the southern division of said district; also the territory embraced on the date last mentioned in the counties of Covington, Forrest, Greene, Jefferson Davis, Jones, Lamar, Lawrence, Marion, Perry, and Walthall, which shall constitute the Hattiesburg division. Terms of the district court for the Jackson division shall be held at Jackson on the first Mondays in May and November; for the western division, at Vicksburg on the third Mondays in May and November; for the eastern division, at Meridian on the third Mondays in March and September; for the southern division, at Biloxi on the third Monday in February and the first Monday in June; and for the Hattiesburg division, at Hattiesburg on the second Mondays in April and October. The clerk of the court for each district shall maintain an office in charge of himself or a deputy at each place in his district at which court is now required to be held, at which he shall not himself reside, which shall be kept open at all times for the transaction of the business of the court. The marshal for each of said districts shall maintain an office in charge of himself or a deputy at each place of holding court in his district."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TERM OF COURT AT DURHAM, N. C.

The Clerk called the next bill, H. R. 11926, to provide for a term of court at Durham, N. C.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the fifth paragraph of section 98 of the Judicial Code, as amended (U. S. C., 1934 edition, title 28, sec. 179), is amended to read as follows:

"The terms of the district court for the middle district shall be held at Rockingham on the first Mondays in March and September; at Salisbury on the third Mondays in April and October; at Winston-Salem on the first Mondays in May and November; at Greensboro on the first Mondays in June and December; at Wilkesboro on the third Mondays in May and November; and at Durham on the first Monday in February and the fourth Monday in September: *Provided*, That the cities of Winston-Salem, Rockingham, and Durham shall each provide and furnish at its own expense a suitable and convenient place for holding the district court until Federal buildings containing quarters for the court are erected at such places."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WELLPINIT SCHOOL DISTRICT, WASHINGTON

The Clerk called the next bill, S. 2849, to provide funds for cooperation with Wellpinit School District No. 49, Stevens County, Wash., for the construction of a public-school building to be available for Indian children of the Spokane Reservation.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I wish some member of the committee would explain whether when the Government has invested this $75,000 to cooperate with this school district, Indian children thenceforth will be allowed to go to this school without having to pay tuition? The thought occurs to me that if this be the case, as is the case in other bills of this nature, that sometimes these matters result in rather good investments on the part of the Government.

Mr. ROGERS of Oklahoma. That is the plan, that the Government will benefit through the attendance of Indian children at these schools.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $75,000 for the purpose of cooperating with Wellpinit School District No. 49, Stevens County, Wash., for the construction and equipment of a public-school building in the vicinity of Wellpinit, Wash.: *Provided*, That the expenditure of any money authorized to be appropriated herein shall be subject to the condition that the school maintained by said district in such building shall be available to all Indian children of the Spokane Indian Reservation on the same terms, except as to payment of tuition, as other children of said school district: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC-SCHOOL DISTRICT, HAYS, MONT.

The Clerk called the next bill, S. 3372, to provide funds for cooperation with the public-school district at Hays, Mont., for construction and improvement of public-school buildings to be available for Indian children.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, in view of our discussion in reference to Calendar No. 777, I wonder why it is necessary in this bill to provide that the Secretary of the Interior may continue to pay tuition.

Mr. ROGERS of Oklahoma. The gentleman is not reading it correctly; at least that is not the interpretation we placed on it. This bill has a reimbursable feature in it. These bills were passed by the Senate. We did not see any reason to have this reimbursable feature in them, inasmuch as that is the policy in all these bills, but since it had been passed that way by the Senate we did not remove it from the bill.

Mr. WOLCOTT. Beginning in line 8 of page 1 is a proviso reading:

That said schools shall be available to both white and Indian children without discrimination, except that tuition may be paid for Indian children attending in the discretion of the Secretary of the Interior.

Mr. COSTELLO. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. COSTELLO. This bill provides that over a period of 30 years the Treasury shall be reimbursed for the $50,000 expended in this school district, and this will be done by having the Secretary diminish the amount of the payment for the Indian children at the schools.

Mr. WOLCOTT. Why should the language of this bill be different from the language in the bill we just passed?

Mr. COSTELLO. The other bill just provided for reimbursement.

Mr. ROGERS of Oklahoma. On the second page of the bill the gentleman will note that the money is to be returned either from tuition to be paid for Indian children or in such other manner as may be directed by the Secretary of the Interior. If there were other funds out of which the money could be paid they would be. The bill specifically says the Government must be reimbursed, but spreads it over a 30-year period.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $50,000 for the purpose of cooperating with the Hays Public School District, Hays, Mont., for construction and improvement of grade- and high-school buildings: *Provided*, That said schools shall be available to both white and Indian children without discrimination, except that tuition may be paid for Indian children attending in the discretion of the Secretary of the Interior: *Provided further*, That expenditures of moneys authorized hereby shall be subject to such further conditions as may be prescribed by the Secretary of the Interior: *Provided further*, That this appropriation shall be reimbursed in not more than 30 years without interest, either through reducing the annual Federal tuition payments for the education of Indian pupils attending such school, by the acceptance of Indian pupils in such school without cost to the United States; or in such other manner as the

Secretary of the Interior may direct: *And provided further*, That plans and specifications shall be furnished by local or State authorities, without cost to the United States, and upon approval thereof by the Commissioner of Indian Affairs, work shall proceed under the direction of local or State officials, payment therefor to be made monthly on the basis of work in place and upon vouchers approved by a responsible official of the Indian Service.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADJUSTMENT OF BOUNDARY OF FORT MARION NATIONAL MONUMENT, FLA.

The Clerk called the next bill, H. R. 12220, to authorize the adjustment of the boundary of the Fort Marion National Monument, Fla., in the vicinity of Fort Marion Circle, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to adjust the boundary of the Fort Marion National Monument, Fla., in the vicinity of Fort Marion Circle, and for said purpose is authorized to convey to adjacent property owners, upon such terms and conditions as may be deemed satisfactory to him, title to such portions of monument land as he may determine to be no longer necessary for said monument, or he may accept in consideration therefor title to such portion of any adjacent property as he may deem desirable to satisfactorily adjust the boundary of said monument.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DONATION OF LAND AT NEWBURGH, N. Y., FOR AVIATION FIELD

The Clerk called the next bill, S. 3737, to authorize the Secretary of War to acquire by donation land at or near Newburgh, in Orange County, N. Y., for aviation field, military, or other public purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to acquire by donation approximately 236 acres of land at or near Newburgh, in Orange County, N. Y., for aviation field, military, or other public purposes: *Provided*, That in the event the donor is unable to perfect title to any land tendered as a donation, condemnation of such land is authorized in the name of the United States, and payment of any and all awards for title to such land as is condemned, together with the cost of suit, shall be made by the donor.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF CUSTOMHOUSE AT SALEM, MASS., FROM JURISDICTION OF THE TREASURY DEPARTMENT TO DEPARTMENT OF THE INTERIOR

The Clerk called the next bill, H. R. 10934, to authorize the transfer of the customhouse at Salem, Mass., from the jurisdiction of the Treasury Department to the Department of the Interior.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to transfer to the control and jurisdiction of the Secretary of the Interior the customhouse at Salem, Mass., and such adjoining property, both real and personal, as may now be under the jurisdiction of the Secretary of the Treasury.

SEC. 2. That the Secretary of the Interior be, and he is hereby, authorized to acquire the above property for the purpose of establishing same as an historic site or otherwise preserving the buildings and grounds in connection therewith: *Provided*, That the Secretary of the Treasury may retain sufficient space in the building for the necessary operation of the Bureau of Customs.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRESCRIBING A CONDITION PRECEDENT TO THE AWARD OF CERTAIN CONTRACTS BY FEDERAL AGENCIES

The Clerk called the next bill, H. R. 12260, prescribing a condition precedent to the award of certain contracts by Federal agencies.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TABER. I object.

Mr. HEALEY. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DEVELOPMENT OF NAVAL AIR BASE AT TONGUE POINT, OREG.

The Clerk called the next bill, H. R. 10129, authorizing an appropriation for the development of a naval air base at Tongue Point, Oreg.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CLARK of Idaho. Mr. Speaker, reserving the right to object, this seems to be a highly controversial bill. It authorizes the appropriation of a million and a half dollars immediately. The Navy Department has written an adverse report, and it seems to me this bill has no place on the Consent Calendar; therefore I object.

Mr. VINSON of Georgia. Will the gentleman withhold his objection?

Mr. CLARK of Idaho. I withhold my objection.

Mr. VINSON of Georgia. I may say to the gentleman it is true that the Navy Department has not recommended the favorable consideration of this bill, but after this opposition developed in the hearings, it was stated by the admiral of the Bureau of Aeronautics that he considered this point the secondary primary base on the Pacific Coast, and he further stated that just as soon as we were able to establish a primary base in the San Francisco Bay area he was heartily in accord with this proposition. Immediately thereafter the committee brought in a bill to establish a primary base in the San Francisco Bay area at Alameda. It is highly important that a secondary base be established at the mouth of the Columbia River, at the point indicated, which now belongs to the Government, having been given to the Government some years ago by the patriotic people of that community. This base will not be developed until the base at Alameda has been developed and later on during this session of Congress we expect to offer a bill providing for the development of the Alameda base. This is merely an authorization and will have to go to the Appropriations Committee for final determination as to whether or not the money will be made available.

Mr. CLARK of Idaho. May I ask the gentleman a question? In a matter involving so much dispute and where there is so much money involved, why cannot the Naval Affairs Committee get a rule, then report this bill out and have it fully debated on the floor of the House?

Mr. VINSON of Georgia. It is true we have introduced a resolution asking for a rule, but ordinarily these bills are placed on the Consent Calendar and submitted to the Members of the House in this manner first. Every Member of the committee after a week's hearing voted unanimously to report this bill, and I may say to the gentleman that this is an authorization for a naval base. There are only two places on the Pacific Coast where naval bases are located. One is at Seattle, Wash., and the other is at San Diego, Calif. It is highly important that the Columbia River Valley section and the San Francisco Bay area be adequately defended by some aviation activity.

Mr. DREWRY. Did I understand the gentleman to say that every member of the committee voted to report this bill?

Mr. VINSON of Georgia. I mean every member who was present on that day.

Mr. CLARK of Idaho. Here is a statement of the Navy Department.

Mr. VINSON of Georgia. I know the Navy Department is against it.

Mr. CLARK of Idaho. May I read just this one sentence?

As a result of its limited space and inferior operating conditions, in the opinion of the Navy Department, the Tongue Point site cannot be considered adequate in any respect for use as a fleet air base.

Does the gentleman think a bill with a report of that character should be brought up here and passed by unanimous consent in face of that report?

Mr. VINSON of Georgia. May I say to the gentleman that we do not agree with the statement of the Navy Department, because the testimony was to the contrary. The testimony showed that this location is entirely adequate to take care of the character of Navy base we propose to build there. I want to say for that great section of Oregon out there that they have no national defense of this character whatsoever.

Mr. PIERCE. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Oregon.

Mr. PIERCE. Mr. Speaker, I know much about Tongue Point, and I am sincerely hopeful that my colleagues on this side of the aisle will not object to the bill. It is necessary and does not appropriate any money, being simply an authorization.

Tongue Point is on the Columbia River where there is no naval base today. There is no base from Puget Sound south for 1,000 miles. The Pacific Northwest is a territory with a big population and with vast and valuable interests. There should be a base located on the Columbia River at Tongue Point. I am well aware of the words contained in the report which the gentleman just read. We understand the prejudice which existed in the minds of the men who made that report. It is entirely unjustifiable.

Mr. Speaker, for twenty-odd years we have been contending and begging for a naval base at the mouth of the Columbia River. Just think of it, the Columbia River is the only major river in the United States that has no base at all to take care of the Navy.

Mr. CLARK of Idaho. I may say that my sympathies are with the Columbia River section, but let me ask the gentleman this question. The Congress has also passed a bill known as the Wilcox bill.

Mr. VINSON of Georgia. That has nothing to do with this matter.

Mr. CLARK of Idaho. But there will be a base established in that immediate vicinity.

Mr. VINSON of Georgia. That is an entirely different proposition. One is for the Army and one is for the Navy. There are big bases all over the country for different military movements. One is for the Army to defend the coast and the other for the Navy to defend against an attack from the high seas.

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. CLARK of Idaho. I yield.

Mr. PIERCE. The city of Astoria years ago paid $100,000 for Tongue Point, this site, with the distinct understanding it would be improved by the Government of the United States for a naval base.

Mr. VINSON of Georgia. And I may say to the gentleman that there will be no effort on the part of those of us who are advocating the establishment of a naval base at Tongue Point until the primary base has got under way down at Alameda in San Francisco Bay.

Mr. CLARK of Idaho. I will say to the gentleman from Georgia that if the Naval Affairs Committee in the face of this opinion from the Navy Department is willing to undertake to go ahead with this base, I will withdraw my objection.

Mr. UMSTEAD. Mr. Speaker, reserving the right to object, in view of the statement just made by the gentleman from Georgia that no effort would be made to secure an appropriation for this purpose until the base now being constructed is completed——

Mr. VINSON of Georgia. No; I did not say that—under way.

Mr. UMSTEAD. Will the gentleman repeat what he did say?

Mr. VINSON of Georgia. The position we take, supported by the testimony of Admiral King, is——

Mr. UMSTEAD. Never mind the gentleman's position; I am asking for his statement.

Mr. VINSON of Georgia. I will give it to the gentleman. That just as soon as the Alameda base is under way, which is to be a primary base, then we will go before the Appropriations Committee and ask them to consider the appropriation of $1,500,000 for a secondary base, which is to be at Tongue Point.

Mr. UMSTEAD. Why do you not wait until that happens before you bring the bill in?

Mr. VINSON of Georgia. Because we think the Alameda base will probably be taken care of pretty soon, because it is already on the calendar.

Mr. UMSTEAD. What will be the ultimate cost of the project authorized by this bill?

Mr. VINSON of Georgia. Not over $1,500,000.

Mr. UMSTEAD. Mr. Speaker, as much as I dislike to do so, in view of the fact this bill involves that amount of expenditure and in view of the further fact that your naval appropriations subcommittee is constantly confronted with authorizing legislation over which it has no control, and in view of the recommendation of the Navy Department, I shall have to object.

Mr. MAAS. Will the gentleman withhold his objection a moment?

Mr. UMSTEAD. I withhold it.

Mr. McFARLANE. Regular order, Mr. Speaker.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

CONSTRUCTION OF CERTAIN AUXILIARY VESSELS FOR THE NAVY

The clerk called the next bill, H. R. 11369, to authorize the construction of certain auxiliary vessels for the Navy.

Mr. UMSTEAD. Mr. Speaker, reserving the right to object, I would like to ask the distinguished chairman of the Naval Affairs Committee what will be the ultimate cost of the construction included in this bill?

Mr. VINSON of Georgia. Now, Mr. Speaker, if my distinguished friend from North Carolina is to be consistent, after I give him the information, he will not interpose any objection to this bill.

Mr. UMSTEAD. I shall reserve the right to determine my consistency for myself; I am asking the gentleman now for information which he is supposed to have.

Mr. VINSON of Georgia. Yes. This is a departmental measure, recommended by the administration. This is a replacement program of ships known in the Navy as the auxiliary fleet. The program extends over a period of approximately 10 years and will cost, when all these ships have been replaced, consisting of 135 or 140, approximately $175,000,000, over that period.

Mr. KVALE. Mr. Speaker, I object.

Mr. MAAS. Mr. Speaker, will the gentleman from Minnesota withhold his objection?

Mr. KVALE. I will not.

The SPEAKER pro tempore. Objection is heard.

LEYDEN INTERNATIONAL BUREAU

The clerk called the next bill, H. R. 12222, to permit the temporary entry into the United States, under certain conditions, of alien participants and officials of the Leyden International Bureau, attending an international conference to be held in the United States in 1936.

Mr. FADDIS. Mr. Speaker, reserving the right to object, I would like to ask the author of the bill what the Leyden International Bureau is.

Mr. McCORMACK. Mr. Speaker, this is an organization of young men who seek to link together the youth movements of the world in the cause of international peace and goodwill through the means of friendships resulting from a system of correspondence between young people of different

nationalities and through mutual understandings of conditions resulting from such correspondence and from intermediate group meetings, and from annual international conferences.

This has nothing to do with this idea that they will not serve in time of war or anything of that sort. This bill is along the lines of the bill for the jamboree of the Boy Scouts and similar legislation where we gave them authority to come in without payment of the limited fees.

The bill was unanimously reported by the committee, and there is plenty of precedent for it where organizations of this kind have been given similar permission. They are only permitted to come in temporarily and will have to leave the country after they have had their convention or meeting.

Mr. FADDIS. How many of them will come in?

Mr. McCORMACK. From the information I have, about 200.

Mr. FADDIS. How long will they be here?

Mr. McCORMACK. I do not imagine they will be here more than 2 or 3 weeks. The meeting is to be less than 1 week, but I assume they will be here perhaps 2 or 3 weeks.

Mr. FADDIS. Is there any limitation on how long they may be here or where they will go?

Mr. McCORMACK. Oh, yes; the administration of the measure limits it. So my friend may understand, I will state to the gentleman that I introduced the bill for a very distinguished gentleman, who is a former Assistant Secretary of the Treasury, Henry H. Bond.

I introduced the bill for my friend who was formerly commissioner of corporations of Massachusetts—a very fine gentleman. He was asked when he was before the committee whether this was any pacifist organization, and he said, "Absolutely no."

Mr. BLANTON. Our colleague from Massachusetts has such a splendid record on Americanism that I would hesitate to oppose any bill that he might introduce because I think we can safely depend on him. But I want to ask him if it is not a fact that we have reached the conclusion that the people of the United States are going to have to look to themselves to insure their own peace, and not depend on other nations of the world? Even when we have treaties with them they break the treaties when they get ready.

So we have to depend on ourselves and let other nations alone.

Mr. McCORMACK. I know; I am sure my friend from Texas and I look eye to eye. But here is the way I look at it: We have to look to our policies in the light of existing circumstances.

Mr. BLANTON. I think just now when such a big country as France has been taken over by Communists, and the people are sending their valuable belongings out of the country, we had better let these people of foreign nations stay at home. I object.

The SPEAKER pro tempore. Objection is heard.

CLAIMS OF THE ASSINIBOINE INDIANS

The Clerk called the bill (H. R. 9144) conferring jurisdiction on the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboine Indians may have against the United States, and for other purposes.

Mr. BURDICK. Mr. Speaker, I ask that this bill go over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

INSPECTION OF VESSELS PROPELLED BY INTERNAL-COMBUSTION ENGINES

The Clerk called the bill (H. R. 12419) to apply laws covering steam vessels to seagoing vessels of 300 gross tons and over propelled by internal-combustion engines.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That existing laws covering the inspection of steam vessels be, and they are hereby, made applicable to sea-going vessels of 300 gross tons and over propelled in whole or in part by internal-combustion engines to such extent and upon such conditions as may be required by the regulations of the Board of Supervising Inspectors of Steam Vessels, with the approval of the Secretary of Commerce: *Provided*, That this act shall not apply to any vessel engaged in fishing, oystering, clamming, crabbing, or any other branch of the sea-food industry: *Provided further*, That as to licenses required for masters and engineers operating vessels propelled by internal-combustion engines operating exclusively in the district covering the Hawaiian Islands, said masters and engineers shall be under the jurisdiction of the hull and boiler inspectors having jurisdiction over said waters, who shall make diligent inquiry as to the character, merits, and qualifications, and knowledge and skill of any master or engineer applying for a license. If the said inspectors shall be satisfied from personal examination of the applicant and from other proof submitted that the applicant possesses the requisite character, merits, qualifications, knowledge, and skill, and is trustworthy and faithful, they shall grant him a license for the term of 5 years to operate such vessel under the limits prescribed in the license.

SEC. 2. The term "seagoing vessels" as used in the preceding section shall be construed to mean vessels which in the usual course of their employment proceed outside the line dividing the inland waters from the high seas as designated and determined under the provisions of section 2 of the act of February 19, 1895.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LIMITATION OF SHIPOWNERS' LIABILITY

The Clerk called the bill H. R. 9969, relative to limitation of shipowners' liability.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

INTERSTATE REFERENCE BUREAU

The Clerk called House Joint Resolution 481, to make available to Congress the services and data of the Interstate Reference Bureau.

Mr. WOLCOTT. Mr. Speaker, I reserve the right to object, and ask the sponsor of the joint resolution to explain it. I doubt whether any of the Members understand why it is necessary or advisable to spend $40,000 for the maintenance of this Interstate Reference Bureau.

Mr. SECREST. Mr. Speaker, the Interstate Reference Bureau was organized several years ago to bring together the various members of the State legislatures. I understand about 7,500 members of State legislatures throughout the 48 States are members of this organization. I think the secretaries of the different States and various other State officials belong to it. The Spellman Foundation has recently given $500,000 for the erection of a building in Chicago in which this and the municipal councils throughout the country shall coordinate their efforts toward better government. This merely brings the United States in and makes available to Congress all of the information collected by the representatives of these 48 States, information in regard to taxes or to any law any one of the 48 States has passed. That information is compiled and collected and then sent out to the legislatures or to their committees when they desire the information. This makes available to Congress these facilities.

Mr. WOLCOTT. Might it not result also in the coordination of laws among the several States, tending to uniformity?

Mr. SECREST. Yes; and to stop overlapping taxation in order that greater economies may be effected in the various States, so that the States may get together in cooperative agreements or compacts. Through this the States of New York, Pennsylvania, and New Jersey already have standing committees, known as coordination committees, to work out legislative problems common to themselves. Indiana, Illinois, and Kentucky have joined together through this organization in a compact in respect to legislation regarding liquor taxes in those States. I think the saving will be greater than any expenditure that we may make.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. HOLMES. Is there any effort in this legislation to set up another dictatorial bureau which will undertake to

dictate to the States, the form of legislation which shall be enacted by the States?

Mr. SECREST. No; this bureau is set up by the 48 States themselves, and today many of the State legislatures appropriate to sustain their proportion of the cost of the organization. This belongs to the 48 States themselves, and we merely make available what they do with their money to the United States Government, or to any Member of Congress, or to any branch of the Government. Last year practically every branch of the Government attempted to get this information, but the expense prohibits it unless we cooperate with the association.

Mr. HOLMES. Is there any provision in law providing any Federal building with headquarters for this organization in Washington?

Mr. SECREST. None at all.

Mr. McFARLANE. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is, Is there objection to the consideration of the joint resolution?

Mr. TABER. Mr. Speaker, I ask unanimous consent that the joint resolution be passed over without prejudice.

The SPEAKER. Is there objection?

Mr. McFARLANE. I object.

The SPEAKER. Is there objection to the consideration of the joint resolution?

Mr. TABER. Mr. Speaker, I object.

WAIVING VISA FEES, ETC.

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to return to the bill (H. R. 12222) to permit the temporary entry into the United States under certain conditions of alien participants and officials of the Leyden International Bureau attending an international conference to be held in the United States in 1936.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That alien participants in the annual international conference of the Leyden International Bureau, its officials and executives, who are accredited members of delegations to said conference of the Leyden International Bureau to be held in the United States in 1936, all of whom are nonimmigrants, if otherwise admissible into the United States under the immigration laws, shall be exempted from the payment of the tax of $8 prescribed by section 2 of the Immigration Act of 1917, and exempted from the fees prescribed by law to be collected in connection with executing an application for a visa and visaing the passport or other travel document of an alien for the purpose of entering the United States as a nonimmigrant, and such aliens shall not be required to present official passports issued by the governments to which they owe allegiance: *Provided*, That aliens shall be in possession of official identity cards issued by their own government or issued by the officers of the Leyden International Bureau indicating their status as members of said bureau and nationality, and duly visaed without charge by American consular officers abroad: *Provided further*, That such aliens shall comply with regulations not inconsistent with the foregoing provisions which shall be prescribed by the Secretary of Labor and Secretary of State: *And provided further*, That nothing herein shall relieve an alien from being required to obtain a gratis nonimmigration visa if coming to the United States as a nonimmigrant, or an immigration visa if coming to the United States as an immigrant.

SEC. 2. That such aliens shall be permitted the free entry of their personal effects, under such regulations as may be prescribed by the Secretary of the Treasury.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SIXTEENTH TRIENNIAL CONVENTION OF WORLD'S WOMAN'S CHRISTIAN TEMPERANCE UNION

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to vacate the proceedings by which the bill (S. 3950) to aid in defraying the expenses of the Sixteenth Triennial Convention of the World's Woman's Christian Temperance Union, to be held in this country in June 1937, was passed, and that the same may go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. CHURCH. Mr. Speaker, I object.

NAVAL AIR STATION AT ALAMEDA, CALIF.

The Clerk called the next bill, S. 4020, to authorize the acquisition of lands in the city of Alameda, county of Alameda, State of California, as a site for a naval air station and to authorize the construction and installation of a naval air station thereon.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. UMSTEAD. Mr. Speaker, reserving the right to object, I should like to find out from someone what the cost of the project authorized by this bill will be.

Mr. MAAS. Mr. Speaker, will the gentleman yield?

Mr. UMSTEAD. I yield.

Mr. MAAS. The ultimate cost will probably be fifteen or sixteen million dollars.

Mr. UMSTEAD. Then, Mr. Speaker, if that is correct, I think this House should have more information than it can obtain from a hearing on the Consent Calendar, and I shall object.

Mr. MAAS. Will the gentleman withhold his objection?

Mr. UMSTEAD. I shall be glad to withhold the objection.

Mr. MAAS. The committee has held extensive hearings. The bill has already passed the Senate. This is considered one of the most important defense projects in the whole country at the present time. We have developed new flying boats to be used as patrol boats, and we must have a base for them in the San Francisco area. It has high priority in the Navy Department, and we were all convinced of the necessity of it. I hope the gentleman will permit this bill to be passed.

Mr. UMSTEAD. I do not doubt the correctness of a single statement which the gentleman has made, but I do not think it is good practice to bring these bills in here carrying large appropriations and pass them on the Consent Calendar, and then when it comes to the Appropriations Committee we are told that we can do nothing but provide the funds or else we will thwart the will of the Congress of the United States.

I shall therefore have to object, Mr. Speaker.

Mr. CARTER. Mr. Speaker, will the gentleman withhold his objection?

Mr. UMSTEAD. I will be glad to withhold the objection if the gentleman wishes to make a statement.

Mr. BLANTON. The gentleman intends to ultimately object?

Mr. UMSTEAD. I do.

Mr. BLANTON. Under the circumstances, nothing would be availed.

Mr. CARTER. Mr. Speaker, I would like to make a statement relative to the ultimate cost which was referred to, which is the amount that will undoubtedly be spent over a number of years. The Navy Department has plans for three major naval air stations on the Pacific coast, two of which have been established, one north and one south, but nothing for the San Francisco Bay area. The other day, when we were talking about the construction of two battleships, a great deal was said about the development of the Air Service, and that is what this is for. It is for aircraft. This measure has the approval of the Bureau of the Budget, and I trust the gentleman will not object.

Mr. UMSTEAD. I hope the gentleman understands that there is nothing personal whatsoever in my attitude, but I have faced this so many times in our committee that I believe it is bad practice. I do not think it is the proper way to bring in a bill carrying large expenditures of money, and I think it is my duty under the circumstances to object, Mr. Speaker, and I will have to do it.

ADDITIONAL JUDGE FOR WEST VIRGINIA

The Clerk called the next bill, S. 2456, to provide for the appointment of an additional district judge for the northern and southern districts of West Virginia.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I object.

Mr. RAMSAY. Will the gentleman withhold his objection?

Mr. WOLCOTT. I will withhold the objection for the purpose of allowing the gentleman to make a statement.

Mr. RAMSAY. Mr. Speaker, this bill was reported by the Committee on the Judiciary without objection.

Mr. WOLCOTT. I may say that all bills which we have here providing for additional judges have been approved by the judicial council.

Mr. RAMSAY. In addition to that, it has been twice recommended by the judicial council. Judge Baker, of the northern district of West Virginia, appeared before a subcommittee composed of the gentleman from Kansas [Mr. GUYER] and myself, and stated that it was absolutely necessary that they have some aid in West Virginia. He said also that within the next 10 years they would have over a thousand condemnation proceedings; that during the last summer he had had no vacation whatever and had actually worked in his office on Sundays. This does not provide an extra judge at all. This does not provide that there be a permanent extra judge. The judge in the southern district was in the hospital for 6 months. He is about ready to retire. At least he has reached that age and can retire whenever he desires. This bill only provides that in case one of those judges retires, the new judge appointed will take his place and during the present time will be able to aid Judge Baker in particular in the northern part of the State. I know that the judge is overworked. I know they need this extra judge in West Virginia.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. RAMSAY. I yield.

Mr. KNUTSON. What necessity is there for two districts in a small State like West Virginia?

Mr. RAMSAY. West Virginia is not so small as the gentleman might think.

Mr. KNUTSON. Comparatively speaking, it is quite small. It is not as small as Rhode Island, but it is quite small.

Mr. RAMSAY. There are States not as large as one congressional district in West Virginia which have two judges. West Virginia needs two judges. They have a tremendous amount of business. If the gentleman will look at the report he will see.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. RAMSAY. I yield.

Mr. BOILEAU. What is the nature of the 1,000 condemnation proceedings anticipated in the future?

Mr. RAMSAY. It is to acquire property in the public parks, in the Monongahela Reservation, and also the building of the Tigers Valley Dam, which is quite an expensive project, which is costing $15,000,000.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

LIBRARY OF CONGRESS TRUST FUND BOARD

The Clerk called the next bill, H. R. 12353, to amend an act entitled "An act to create a Library of Congress Trust Fund Board, and for other purposes", approved March 3, 1925.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, and I shall object, I cannot guess these changes in legislation approved by the Library Committee. This bill states that it should be amended by striking out the first seven words of the last paragraph of section 2, to wit, "Should any gift or bequest so provide." I cannot guess what is in the rest of the paragraph. The Ramseyer rule has not only been disregarded, but has been flouted by this committee; and for this reason I object.

CHIPPEWA INDIANS, MINNESOTA

The Clerk called House Joint Resolution 415, to carry out the intention of Congress with reference to the claims of the Chippewa Indians of Minnesota against the United States.

Mr. COSTELLO. Mr. Speaker, reserving the right to object, can the author of this joint resolution tell us whether this matter has not been brought before the courts and the courts determined the rights of the Indians in connection therewith?

Mr. KNUTSON. No; I may say to my colleague, that under a decision of the Supreme Court the Indians do not have a right to appeal directly to the Supreme Court as was the original intent of Congress. This decision of the Court was handed down since Congress enacted the original jurisdictional bill. I think the Indian Bureau feels this legislation to be necessary to a safeguarding of the Indians' interests. As it now stands they have no right of appeal, and they should have the right of appeal.

Mr. COSTELLO. Can they not get before the Supreme Court on a writ of certiorari?

Mr. KNUTSON. I am not a lawyer, but it is felt by attorneys and by the Indian Bureau that this legislation is desirable.

Mr. COSTELLO. I think the report contains a statement to the effect that the Bureau of the Budget is opposed to the bill?

Mr. KNUTSON. They, of course, are opposed to almost everything.

Mr. COSTELLO. What amount of money is involved in this claim?

Mr. KNUTSON. No one knows. I do not think a great deal. My statement is based upon a decision in the Supreme Court of the District of Columbia several years ago when a claim of the Chippewas was tried but has not been appealed. Practically all the claims they have, I would say, are of the same order.

Mr. COSTELLO. The principal thing involved in this bill is whether Congress has the right to legislate regarding tribal funds. Is not that correct?

Mr. KNUTSON. A question of law is involved.

Mr. COSTELLO. Had not the court decided that the Congress did have authority over those funds whether they were tribal funds or individual funds?

Mr. KNUTSON. That is one of the cases I just cited, but attorneys for the Indians take the other position; and the Indians will not be satisfied until the Supreme Court has decided on it. We have at the present time the opinion of only the Supreme Court of the District of Columbia.

The SPEAKER. Is there objection to the consideration of the joint resolution?

There being no objection, the Clerk read the joint resolution, as follows:

Whereas by the Special Jurisdictional Act approved May 14, 1926 (44 Stat. L. 555), the claims of the Chippewa Indians of Minnesota against the United States were referred to the Court of Claims "with right of appeal to the Supreme Court of the United States by either party as in other cases", it being the intention that both parties should have the right of appeal to the Supreme Court; and

Whereas the Supreme Court has since decided that notwithstanding such a provision there is no right of appeal, in view of the Judicial Code, as amended, unless the Jurisdictional Act specifically provides that the Supreme Court shall review a case on appeal anything in the Judicial Code to the contrary notwithstanding: Now, therefore, be it

Resolved, etc., That the claims of the Chippewa Indians of Minnesota under the said Jurisdictional Act of May 14, 1926, shall be reviewed by the Supreme Court of the United States on appeal from the Court of Claims, anything in the Judicial Code, or amendments thereto, notwithstanding: *Provided*, That in any case heretofore decided by the Court of Claims said appeal shall be perfected by either party to the controversy within 1 year from the passage of this joint resolution, and an appeal shall be taken in all cases hereafter decided by the Court of Claims within 3 months from and after the date final judgment or decree is entered therein in the Court of Claims: *And be it further provided*, That in determining the claims of said Indians the Court shall construe the act of January 14, 1889 (25 Stat. L. 642), and all agreements entered into thereunder, as contractual obligations binding alike upon the United States and the Indians, and any appropriation or disposal of any of the property therein dealt with in disregard of the terms of said act and said agreements as a violation thereof.

With the following committee amendment:

Page 2, line 14, strike out the remainder of the paragraph.

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BERN CONVENTION OF 1886

The Clerk called House Joint Resolution 569, to authorize an appropriation for the expenses of participation by the United States in a conference at Brussels to revise the Convention for the Protection of Literary and Artistic Works concluded at Bern, September 9, 1886, and revised at Rome, June 2, 1928.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, this seems to be one of these habitual conferences in which we are continuously participating over in some foreign country. Although its purpose may be perfectly laudable, I cannot yet say whether it is or not. I wish the gentleman from New York [Mr. BLOOM] would explain the purpose of the joint resolution.

Mr. BLOOM. For the last 50 years the United States has been trying to join the Bern Convention which is for the protection of literary and artistic property. A bill passed the Senate at the last session, or the first part of this session, with this idea in view; and the same provision is in the copyright bill before the House Committee on Patents. It is a very worthy thing and is for the protection of authors, composers, and publishers in this country. The United States has been trying to join this convention for 50 years.

Mr. WOLCOTT. It seems these artists, composers, and publishers are pretty well protected when they can come into a little village in my district up on the tip of the thumb, as we call it, and insist upon a little country orchestra, gotten together more or less for the edification of the people in the district who hold little informal dances on Saturday night and are charged $40 or $50 a year to play their music. I carried a musician's union card for a number of years.

Mr. BLOOM. I remember that card.

Mr. WOLCOTT. I am sympathetic up to a certain point with the composers, but as a musician I think I helped more to disseminate their art than they are doing themselves. I think encouragement should be given within the confines of the United States to distribute these works of art whether they are in the form of music, poetry, or whatnot, among our people.

Mr. BLOOM. That is what this bill does.

Mr. WOLCOTT. And I cannot see where a conference over in Brussels helps this situation.

Mr. KVALE. Will the gentleman yield to a base-drum virtuoso?

Mr. WOLCOTT. I yield to the gentleman from Minnesota.

Mr. KVALE. Does the gentleman think that any point should be made of carrying out these conferences which invariably exchange ideas and good will and are fruitful and helpful to all participants?

Mr. WOLCOTT. I was in hearty agreement with a bill which we passed this afternoon with reference to a conference down at Buenos Aires, having in mind the perpetuation of peace between North and South America. I think we should participate in that, but I wonder if this conference is really worth the money we will have to invest.

Mr. BLOOM. May I explain to the gentleman what this bill provides?

Mr. BOILEAU. Mr. Speaker, reserving the right to object, it occurs to me that every time we invite foreigners to come over to this country for a conference, such as the Leyden International Bureau Conference, there are always some Members of the House who make a big fuss about and say we should not permit foreigners to come in. How can we with good grace be permitted to send our people to foreign countries to participate in conferences in those countries if we are going to raise such a fuss every time it is suggested that foreigners come to this country?

Mr. BLOOM. Mr. Speaker, may I say that this bill provides just the opposite to what the gentleman from Michigan is talking about. This is a conference to give to the composers in this country the same right that the foreign composers get in this country. In other words, a reciprocal right to the authors and composers. It has nothing to do with copyrights. The copyright law is our own law, but this is merely to give to our own people, our writers, authors, and composers, the same rights in foreign countries that we give foreign composers in this country. This bill endeavors to protect their rights all over the world and has nothing to do with the copyrights.

The regular order was demanded.

The SPEAKER. The regular order is, Is there objection to the present consideration of the joint resolution.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $6,500, or so much thereof as may be necessary, for the expenses of participation by the United States in the conference to convene at Brussels, Belgium, for the purpose of revising the Convention for the Protection of Literary and Artistic Works, concluded at Bern, September 9, 1886, and revised at Rome, June 2, 1928, including personal services in the District of Columbia and elsewhere, without reference to the Classification Act of 1923, as amended; stenographic, reporting, and other services by contract, if deemed necessary, without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; traveling expenses; purchases of necessary books, documents, newspapers, periodicals, and maps; stationery; official cards; entertainment; printing and binding; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified, to be expended under the direction of the Secretary of State.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRELIMINARY EXAMINATION OF BIG BLUE RIVER

Mr. CARPENTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 12370) to authorize a preliminary examination of Big Blue River and its tributaries with a view to the control of their floods.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to cause a preliminary examination to be made of Big Blue River, an affluent of the Kansas River, and its tributaries with a view to the control of their floods in accordance with the provisions of section 3 of an act entitled "An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations hertofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COINAGE OF 50-CENT PIECES IN COMMEMORATION OF SEVENTY-FIFTH ANNIVERSARY OF THE BATTLE OF GETTYSBURG

Mr. HAINES. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 11533) to authorize the coinage of 50-cent pieces in commemoration of the seventy-fifth anniversary of the Battle of Gettysburg.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the immediate consideration of the bill?

Mr. TABER. Mr. Speaker, reserving the right to object, will the gentleman explain this bill?

Mr. HAINES. Mr. Speaker, the G. A. R. and the United Confederate Veterans, in their conventions last year at Amarillo, Tex., and Grand Rapids, Mich., unanimously decided to hold a reunion at Gettysburg, and they want to have these 50-cent pieces coined in commemoration of that event.

Mr. TABER. How much is it going to cost?

Mr. HAINES. It is not going to cost the Government one penny.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, there have been several bills on the calendar for the coinage of 50-cent pieces, and two bills, I believe, to change the design of 50-cent pieces. Now, do not let anyone be fooled with respect to these 50-cent pieces. This is just a

racket for the purpose of raising money in order to put on the celebration, and we had better understand that is the purpose back of the coining of this money. In some instances they become rackets because of the fact that they come back here and ask us to even change the design. Why? Not because they are not satisfied with the original design, but because it results in making the coin more rare. It makes the coin more rare, thus enhancing its value and it can be sold for more money, and thereby raise a great deal more money to put into the coffers of the committee putting on the celebration.

Mr. Speaker, I think this is a worthy cause, and I dislike to object to the bill. I considered it was my duty to object to these bills. I have had a barrage of protests leveled at me for objecting to bills that I thought I should object to and in a weak moment I consented to let one of these bills go through, and to be consistent, I let others go through. But I think we should understand that the only purpose of these bills is to raise money to put on these celebrations, and not to commemorate any particular event.

Mr. McCORMACK. I think what the gentleman says is true; but this bill is meritorious. It does not cost the Government any money. Of course, I recognize the gentleman's viewpoint, but I think a celebration of the seventy-fifth anniversary of the Battle of Gettysburg, together with a reunion of the forces of the North and South, is an event which would entirely warrant and justify the passage of this particular bill.

Mr. WOLCOTT. I think if any event does justify it, this one does.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That, in commemoration of the seventy-fifth anniversary of the Battle of Gettysburg there shall be coined by the Director of the Mint 50,000 silver 50-cent pieces, such coins to be of standard size, weight, and fineness of a special appropriate design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the model for master dies or other preparations for this coinage.

SEC. 2. Coins commemorating the seventy-fifth anniversary of the Battle of Gettysburg shall be issued at par, and only upon the request of a committee of not less than eight persons duly authorized by the Governor of the State of Pennsylvania.

SEC. 3. Such coins may be disposed of at par or at a premium by the committee duly authorized in section 2, and all proceeds shall be used in furtherance of the commemoration of the seventy-fifth anniversary of the Battle of Gettysburg.

SEC. 4. All laws now in force relating to the subsidiary silver coins of the United States and the coinage or striking of the same; regulating and guarding the process of coinage; providing for the purchase of material and for the transportation, distribution, and redemption of the coins; for the prevention of debasement or counterfeiting; for the security of the coin; or for any other purposes, whether said laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein directed.

SEC. 5. The coins authorized herein shall be issued in such numbers and at such times as they may be requested by the committee, duly authorized by said Governor of the State of Pennsylvania, only upon payment to the United States of the face value of such coins.

With the following committee amendment: On page 2, line 20, strike out all of section 5.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 567. Joint resolution to provide an additional appropriation for expenses of special and select committees of the House of Representatives for the fiscal year 1936.

The message also announced that the Senate agrees to the amendments of the House to bills and a joint resolution of the Senate of the following titles:

S. 3842. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the establishment of the Territorial Government of Wisconsin, and to assist in the celebration of the Wisconsin Centennial during the year of 1936;

S. 4229. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the incorporation of Bridgeport, Conn., as a city; and

S. J. Res. 231. Joint resolution to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the landing of the Swedes in Delaware.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 3952) entitled "An act for the relief of Mr. and Mrs. Bruce Lee", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BAILEY, Mr. BURKE, and Mr. TOWNSEND to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 8599) entitled "An act to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board and increase efficiency in administration of the steamboat-inspection laws, and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. COPELAND, Mr. FLETCHER, Mr. SHEPPARD, Mr. JOHNSON, and Mr. WHITE to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 10267) entitled "An act to provide for adjusting the compensation of division superintendents, assistant division superintendents, assistant superintendents at large, assistant superintendent in charge of car construction, chief clerks, assistant chief clerks, and clerks in charge of sections in offices of division superintendents in the Railway Mail Service, to correspond to the rates established by the Classification Act of 1923, as amended", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCKELLAR, Mr. HAYDEN, and Mr. FRAZIER to be the conferees on the part of the Senate.

CONSTITUTIONAL AMENDMENT TO LIMIT THE FEDERAL DEBT IN PEACETIME

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to insert a short statement of my own in the RECORD as an extension of remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KNUTSON. Mr. Speaker, following up the suggestion recently made by Myron H. Bent, Washington correspondent for the Brooklyn Times-Union, I am today introducing a joint resolution proposing an amendment to the Federal Constitution to limit the debt of the United States in peacetime. The advisability and absolute necessity of such an amendment is apparent to all who give any thought to the future of our country.

If we include contingent liabilities, the Federal debt has been doubled since March 4, 1933. John Marshall said, "The power to tax is the power to destroy." We are laying the foundation for self-destruction through the building of a gigantic debt structure with only the sky as the limit. The limit of our national debt in peacetime should be around twenty billions, based on the population shown in decennial census, the sum of twenty billions being fixed on the basis of the 1930 census, thus allowing an increase in debt as the population increases.

Under my proposed amendment every appropriation measure would have to be accompanied by a tax bill whenever the limit is exceeded. Such an amendment as is proposed would be a godsend to Members of Congress, saving them from the importunities of organized minorities. Many of the projects for which we now appropriate huge sums would not have a ghost of a show if the proposal for an appropriation had to be accompanied by the necessary tax-raising measure. Tax bills do not attract votes.

The proposed amendment would make the Government's credit foolproof. It could not be threatened with debt. The debt at the present time could not be increased. It would put a brake on any more wild Government spending and thus protect unborn generations. It would do more to force a return to sanity than any other one measure that I know of.

We should have another amendment to the Constitution making the President ineligible for reelection with one term of 6 years. We now have the spectacle of a President making a frantic effort to reelect himself through the lavish expenditure of the people's money. These two amendments would anchor constitutional government in a safe harbor.

UNITED STATES CONSTITUTION SESQUICENTENNIAL COMMISSION

Mr. BLOOM. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H. J. Res. 525) to enable the United States Constitution Sesquicentennial Commission to carry out and give effect to certain approved plans, and for other purposes.

The Clerk read as follows:

Resolved, etc., That the United States Constitution Sesquicentennial Commission, established for the celebration of the one hundred and fiftieth anniversary of the formation of the Constitution of the United States by the joint resolution entitled "Joint resolution providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formation of the Constitution of the United States", approved August 23, 1935 (hereinafter referred to as the Commission), is authorized and directed to prepare and publish certain historical and educational material, as specified in the approved plans of the Commission, for distribution to libraries, schools, and organized study groups, as well as to Constitution State and local commissions, and individuals.

SEC. 2. (a) The Commission is authorized and directed to (1) prepare and provide for the general distribution of photolithographic copies of a painting of the "Signing of the Constitution" accepted by the Commission; and (2) prepare reproductions of approved portraits of the signers and the history of the Constitution, and of its time, together with their facsimile signatures and appropriate biographical sketches, for distribution to libraries, schools, organized study groups, Constitution State and local commissions, and other proper sources.

(b) To carry out the provisions of this section, the Commission is authorized to have printing, binding, photolithography, and other work done at establishments other than the Government Printing Office, as provided for in section 12 of the Printing Act, approved January 12, 1895 (U. S. C., title 44, sec. 14), as amended by the act of July 8, 1935 (49 Stat. 475): *Provided*, That nothing in this act shall preclude the furnishing of the necessary number of copies of all such publications for the use of the Library of Congress, and for international exchange, as required by the United States Code, title 44, sections 139, 139a, and 228.

SEC. 3. The Commission, in order to execute the functions vested in it by law, is authorized to employ, without regard to the civil-service laws, and fix the compensation, without regard to the Classification Act of 1923, as amended, of a historian and such assistants as may be needed, for stenographic, clerical, and expert services, in the District of Columbia and elsewhere.

SEC. 4. The Commission is authorized to prepare, and provide for the general distribution of, suitable medals and certificates for commemorating the celebration of the one hundred and fiftieth anniversary of the formation of the Constitution.

SEC. 5. In carrying out the provisions of this resolution or any other provision of law relating to the celebration of the one hundred and fiftieth anniversary of the formation of the Constitution, the Commission is authorized to procure advice and assistance from any governmental agency, including the services of technical and other personnel in the executive departments and independent establishments, and to procure advice and assistance from and cooperate with individuals and agencies, public or private. The Superintendent of Documents shall make available to the Commission the facilities of his office for the distribution of publications, posters, and other material herein authorized, if so requested.

SEC. 6. The Commission shall have the same privilege of free transmission of official mail matter as other agencies of the United States Government.

SEC. 7. The members and employees of the Commission shall be allowed actual traveling, subsistence, and other expenses incurred in the discharge of their duties.

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $200,000 for the purpose of carrying out the provisions of this joint resolution and such sum when appropriated shall remain available until expended.

Mr. DIRKSEN. Mr. Speaker, I demand a second.

Mr. BLOOM. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BLOOM. Mr. Speaker, this bill originally called for an appropriation of $350,000 for a celebration that is to last 2 years, starting September 17, 1937, which is the anniversary of the signing of the Constitution, and ending on April 30, 1939, which is the anniversary of the inauguration of Washington.

This sum was determined upon at a meeting at the White House held a short while ago, over which the President presided. Practically the entire committee was present, including the Republican and Democratic members, and the committee arrived at the amount of $350,000 as the proper sum to defray all expenses.

I want to impress upon the Members that ultimately this is not going to cost the Government of the United States one cent. After all the expenditures have been made there will be a profit in the Treasury of the United States of from $1,500,000 to $2,000,000.

This celebration will be along practically the same lines as the bicentennial celebration. It will be educational and the data will go into the schools, colleges, churches, patriotic societies, and all other organizations throughout the country.

Let me call your attention to one little matter that has recently come to my attention. I have heard many people say, "What is the use of writing about the Constitution when everyone knows all about the Constitution, because it has been reproduced and printed so often?" I have here a little book that was called to my attention by a Member of the House, who stated that you could get all the information you wanted on the Constitution from this book for the sum of 10 cents. I bought the book and looked it over and had it checked and rechecked, and from the very first word in the preamble to the Constitution mistakes were found. Let me read you what this book contains in the way of mistakes. A check of this publication against the original text and against known facts has disclosed that it contains about 1,497 deviations from the original document in capitalization, punctuation, and spelling, as well as approximately 40 erroneous statements and descriptions.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. BLOOM. I shall be delighted to yield to the gentleman from Massachusetts.

Mr. HOLMES. Will the gentleman tell us whether the book on the Constitution gotten out by the Rockefeller Foundation is correct?

Mr. BLOOM. No; it is not correct.

I have here a very small card which contains the preamble. If you will examine this card, you can see how many mistakes there are in respect of the preamble to the Constitution.

Without going into that any further, I make the statement now that you cannot bring one book on the Constitution to this Commission in which we cannot find mistakes.

Referring again to the little book which I have here, I may say that if you would like to have a copy of it, as corrected, I have brought a number of copies over here, and I should like to have you take one of them home and read it so you may see the errors that were found.

Now, here are some of these mistakes. On page 31 is a picture of President Roosevelt delivering his message to the Seventy-ninth Congress. This is the Seventy-fourth Congress.

On page 19 of the book there is a picture of the Robert Morris house in Philadelphia. It says that it was the first official Presidential residence, and that Washington lived there from 1793 to 1794.

Let us see what the mistakes are. It was not the first official Presidential residence, but the third. Washington occupied it from 1790 to 1797, and this is not a picture of the house. [Laughter.] I want you to see how ridiculous this is. And yet a Member of the House told me that he could get all the information he wanted on the Constitution from this 10-cent book.

This book is published by one of the largest publishing houses in this country. From the beginning of the book up

to the last page you will find the equivalent of 1,500 mistakes.

Now, what your Commission is trying to do is to publish the Constitution and the history of the Constitution as it really took place. It is educational in every respect and this money we are asking for is merely for educational work.

As I said before, it will not cost the Government one penny but will make a profit for the Government.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. BLOOM. I will.

Mr. MARTIN of Massachusetts. I could not hear what the gentleman said in the beginning. Does the gentleman offer an amendment reducing the amount?

Mr. BLOOM. No; $200,000 is the amendment that was read into the bill instead of $350,000.

Mr. Speaker, I reserve the balance of my time.

Mr. DIRKSEN. Mr. Speaker, I demanded a second because I wanted to ask the gentleman from New York a question. The first question is not relevant to this particular book, but I saw in the newspaper a while ago that the gentleman stated that the first shot of the Revolution was fired at Concord. I am wondering if the gentleman is accurate about that.

Mr. BLOOM. Does not the gentleman think I am having trouble enough in getting this passed without bringing that up? [Laughter.]

Mr. DIRKSEN. I notice on the back cover of the book there are two stars. I suppose that is a two-star print. If it is, I am wondering whether it would not be a good idea to have this work done at the Government Printing Office, and yet paragraph (b) of section 2 provides that the work may be done at other printing establishments than the Government Printing Office.

Mr. BLOOM. The reason that was inserted is because it is necessary to get out all this material very rapidly. Two years ago the House passed an appropriation for the publishing of additional volumes of the writings of George Washington. We have not been able to get the Government Printing Office to print any additional volumes beyond the eleventh volume in 2 years, and unless we can get our printing done quickly and not be dependent upon the Government Printing Office, it will delay us a year or two and the celebration will be over before we get any printing done. That is why that is put in the bill. We ask for bids for the printing and have it done wherever we can get it done cheapest; if the Government cannot give it to us, we are entitled to go to other places.

Mr. DIRKSEN. Then in section 3 on page 3 of the bill there is a provision that ignores the civil-service laws and the Classification Act of 1923 insofar as the appointment of a historian and such assistants as may be needed for stenographic, clerical, and expert services. Would it not be a good idea to have some regard for those acts?

Mr. BLOOM. It would delay us. I am trying to avoid getting out a book like this I have been illustrating. We must issue a book that is correct and we must have special people to do that work, and you cannot do it with the ordinary people that the civil-service people would send you.

Mr. MARTIN of Massachusetts. Will the gentleman please tell us how it is not going to cost any money?

Mr. BLOOM. In your time?

Mr. MARTIN of Massachusetts. Yes.

Mr. BLOOM. There is no way of reckoning exactly what it will bring in. Of course, the more money you give me to publish the books, the more money you will get back. I venture to say that the publication of the stamps will bring us in a lot of money. They will bring in more than the bicentennial stamps brought in, and they brought in more than a million and a half profit. I do not know what they will do after today, but they will sell perhaps three or four million of these books. The profit is tremendous.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. BLOOM. Yes.

Mr. MICHENER. This bill was before the House earlier in the afternoon.

Mr. BLOOM. Yes.

Mr. MICHENER. The bill had the considered attention of the committee reporting it before it was reported?

Mr. BLOOM. Yes.

Mr. MICHENER. The bill as originally introduced provided for an appropriation of $350,000?

Mr. BLOOM. Yes.

Mr. MICHENER. The gentleman tried to get the bill enacted by unanimous consent of the House for $350,000, with the understanding that that was the absolute minimum amount necessary to do what the gentleman contemplates doing. The House will not agree to that. The gentleman now has reduced the amount by $150,000, in an hour, and says that he can get through with the $200,000.

Mr. BLOOM. Just correct that in regard to that "get through." I did not say that we can get through with $200,000.

Mr. MICHENER. That is what I am getting at.

Mr. BLOOM. Please do not say that I said it.

Mr. MICHENER. Then, the gentleman does not contemplate that this is to be the last appropriation. Because he could not get $350,000 he is coming in now under suspension of the rules and asking for $200,000, to get the nose of the camel under the tent, and later he will be back asking Congress for the remainder, $150,000, or possibly $350,000 more. Is that correct?

Mr. BLOOM. If the gentleman wants me to publish all the material in the same way that he asked us for during the Bicentennial Celebration—and I believe I convinced the gentleman on the floor at that time when he asked a similar question that you will only get what you pay for. That is all you are going to get. If you want $200,000 worth of celebration, that is what you will get. If you want a $350,000 celebration, you will get that, and if you do not want to appropriate and you want no celebration, that is what you will get.

Mr. MICHENER. The point I am making is——

Mr. BLOOM. I know the point the gentleman has in mind. He thinks that I have been dickering. I did not dicker at all. If there was any dickering, it was done by somebody else and not by me. You are going to get just what you pay for, and you have always gotten 100 cents on the dollar, and the gentleman admitted that himself.

Mr. MICHENER. Yes; from the gentleman we generally get 150 cents on the dollar, but I want it distinctly understood that the gentleman is not getting his bill through here today with the House understanding that we are going to put this celebration on for the dickered amount. The gentleman is just getting a start, and he will be back here later for the rest of it. We might as well understand that.

Mr. BLOOM. The gentleman will speak for himself and I will speak for myself at the proper time. If the gentleman does not want to vote for it, that is his business.

I think the gentleman's remarks are entirely uncalled for.

Mr. MARTIN of Colorado. Mr. Speaker, will the gentleman yield?

Mr. BLOOM. I yield.

Mr. MARTIN of Colorado. I notice in this typewritten notice attached to the bottom of page 50 the following statement: "The Liberty Bell did not proclaim the tidings." That is the tidings of the ratification or adoption of the Declaration of Independence, I assume?

Mr. BLOOM. That is page 50. Page 50 is the Liberty Bell.

Mr. MARTIN of Colorado. Is this a sort of debunking process? Are you going through the Declaration of Independence and the Constitution of the United States and strip it of all its traditions that have come down through time?

Mr. DIRKSEN. Mr. Speaker, whose time is the gentleman using?

The SPEAKER. The gentleman from New York is using his own time, the Chair assumes.

Mr. BLOOM. No; the gentleman asked me to yield, and I said "on your time." I stopped long ago.

Mr. DIRKSEN. Is the gentleman using my time?

Mr. BLOOM. Yes; and I have been using it right along.

Mr. DIRKSEN. I do not yield any more time to the gentleman.

Mr. BLOOM. That is the gentleman's business.

The SPEAKER. The gentleman has already yielded 17 minutes. [Laughter.]

Mr. MARTIN of Colorado rose.

The SPEAKER. For what purpose does the gentleman rise?

Mr. MARTIN of Colorado. I am afraid that nobody got my suggestion except the reporter, but I hope it will be in the RECORD.

Mr. DIRKSEN. Mr. Speaker, I do not yield any further time.

I yield the balance of my time to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, I want to call attention to what has just taken place on the floor as an illustration of what the gentleman from New York [Mr. BLOOM] called dickering. We have a very serious matter before the Congress. The gentleman is proposing in the beginning $350,000. Somebody, he says not he, dickered to get the thing started today with $200,000. Then the gentleman on the floor of the House, by a little art, succeeded in getting control of the time in opposition to the bill and used 17 of the 20 minutes which might be used when the membership of the House and the sincere, honest, well-meaning gentleman from Illinois, who had charge of the time and did not know he was yielding his time away. [Laughter.]

The gentleman from New York [Mr. BLOOM] says that the more money you give him the more he will bring back to the country. If we give him $200,000, he will bring more. If you pursue that kind of tactics, possibly that might be brought about, but personally I do not like to see it when we are dealing with so serious a matter as the Constitution. When this matter was up in the first instance I did not oppose it, but I did call attention to just what is taking place today, that we are starting another celebration to go over a period of 2 years. It might be a good thing, but do not get any idea now that you are ending it, because the gentleman will be here asking for more money so that he may go out and get more money. But I notice that he always asks for more money in order that he may get more money. It seems to me rather strange that the Congress should be asked to appropriate money to the gentleman under those circumstances. There will be no opposition to this. Why? Because we all believe in the Constitution; because we do not like to do anything that is going to interfere, but in these days of economy we had better be a little careful about statues and about celebrations of this type or any other type telling us about the Constitution. We had better pay closer attention to observing the Constitution by living up to the spirit of what the old document stands for rather than spending money to determine whether the old document has the original semicolons, commas, and periods, which some of the forefathers and framers suggested in the beginning.

I am not going to take any more time. Everybody will vote for this bill, but let me call attention to the fact that the official objectors prevented the passage of the bill carrying $350,000, and in less than an hour we have this same bill back saying that the work could be done for $200,000. If the official objectors were ever justified in the world, they have been justified today.

The SPEAKER. The time of the gentleman from Michigan has expired.

All time has expired.

The question is on the motion of the gentleman from New York to suspend the rules and pass the bill as amended.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill, as amended, was passed, and a motion to reconsider was laid on the table.

RIO GRANDE CANALIZATION PROJECT

Mr. SHANLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 11768) authorizing construction, operation, and maintenance of Rio Grande canalization project and authorizing appropriation for that purpose.

HAIL! THE CONSTITUTION

Mr. McLEAN. Mr. Speaker, apropos the bill just passed, I ask unanimous consent to extend my remarks in the RECORD and to include therein a very short poem entitled "Hail the Constitution", by Mr. Cal J. McCarthy, historian and poet, of Elizabeth, N. J.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. McLEAN. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following poem by Cal. J. McCarthy, historian and poet, of Elizabeth, N. J.:

HAIL! THE CONSTITUTION

By Cal. J. McCarthy

Hail! The Constitution, great
Protector of each sovereign State.
The first law of our native land.
With equal rights on every hand.
Rising high above the Nation,
Protecting all in every station.
Protector of our liberty,
Assuring peace, tranquillity.
The Articles of Confederation,
Then unsuited for the Nation,
Yielded to the Constitution.
America's greatest institution.
For union, one and all stood by,
A union! was the people's cry.
Thirteen Colonies, large and small,
Convened to plan for the good of all,
Assembled in convention
Away from alien intervention
Foresighted men stout of heart
Analyzed each and every part.
These men of vigor, vim, and tact
Labored for a national pact.
One for all, and all for one,
So our democracy was begun,
Assuring all the right to live
And shielding those who cared to give
Words of wisdom to a nation
United in a federation.
Conceived by patriots pledged to do
A work for all, both strong and true.
Ideals fostered by honest men,
A work designed by wit and ken.
Molded by the delegates,
Arranged and sanctioned by the States,
Drawn when darkest days were here
By patriots, statesmen, who knew no fear.
After months of careful thought
The new covenant was wrought.
To be binding on the States
It was signed by delegates.
May its phrases crystal pure
Our liberty and rights insure.
Protector of each sovereign State.
Hail! The Constitution great!

POINT OF NO QUORUM

Mr. MARTIN of Massachusetts. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Evidently there is not a quorum present.

Mr. SHANLEY. Mr. Speaker, I move a call of the House.

Mr. TABER. Mr. Speaker, I move the House do now adjourn.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 25, noes 40.

Mr. TABER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 71, nays 183, not voting 173, as follows:

[Roll No. 87]

YEAS—71

Allen	Cole, N. Y.	Hancock, N. Y.	Maas
Amlie	Crawford	Hartley	Mapes
Andresen	Crowther	Hess	Marcantonio
Arends	Darrow	Hoffman	Martin, Mass.
Bacharach	Dirksen	Hollister	Michener
Blackney	Dondero	Holmes	Millard
Boileau	Engel	Hull	Mott
Brewster	Englebright	Kahn	Pittenger
Carlson	Fish	Kinzer	Plumley
Carter	Gearhart	Knutson	Powers
Cavicchia	Gehrmann	Lambertson	Reed, Ill.
Christianson	Gilchrist	Lord	Reed, N. Y.
Church	Goodwin	McLean	Rich

Risk	Seger	Thurston	Withrow
Robsion, Ky.	Short	Tinkham	Wolcott
Rogers, Mass.	Snell	Turpin	Wolverton
Sauthoff	Stefan	Welch	Woodruff
Schneider, Wis.	Taber	Wilson, Pa.	

NAYS—183

Adair	Dietrich	Kvale	Rankin
Ashbrook	Dingell	Lambeth	Rayburn
Bankhead	Dobbins	Lea, Calif.	Reilly
Barden	Doughton	Lemke	Richards
Barry	Doxey	Lewis, Colo.	Robertson
Beiter	Drewry	Luckey	Robinson, Utah
Bell	Driscoll	Lundeen	Rogers, N. H.
Biermann	Driver	McClellan	Rogers, Okla.
Binderup	Duffy, N. Y.	McCormack	Russell
Bland	Duncan	McFarlane	Sanders, Tex.
Blanton	Dunn, Pa.	McGrath	Schaefer
Bloom	Eagle	McKeough	Schuetz
Boland	Eicher	McLaughlin	Scott
Boylan	Evans	McReynolds	Scrugham
Brown, Ga.	Faddis	Mahon	Secrest
Buchanan	Fitzpatrick	Martin, Colo.	Shanley
Buck	Fletcher	Mason	Sisson
Buckler, Minn.	Ford, Calif.	Massingale	Smith, Conn.
Burdick	Ford, Miss.	Maverick	Smith, Va.
Cannon, Mo.	Fuller	May	Smith, W. Va.
Carmichael	Gasque	Meeks	Snyder, Pa.
Carpenter	Gildea	Merritt, N. Y.	South
Cartwright	Granfield	Mitchell, Ill.	Spence
Castellow	Gray, Pa.	Mitchell, Tenn.	Stubbs
Celler	Green	Moran	Sullivan
Chandler	Greever	Murdock	Sumners, Tex.
Chapman	Haines	Nelson	Sutphin
Citron	Hamlin	Nichols	Terry
Clark, N. C.	Harlan	O'Brien	Thomason
Coffee	Hart	O'Connor	Thompson
Colden	Healey	O'Day	Tolan
Cooley	Hennings	O'Leary	Tonry
Cooper, Tenn.	Higgins, Mass.	O'Neal	Turner
Costello	Hildebrandt	Owen	Umstead
Cox	Hill, Ala.	Parsons	Vinson, Ga.
Cravens	Hobbs	Patterson	Vinson, Ky.
Creal	Hook	Patton	Wallgren
Crosby	Imhoff	Pearson	Walter
Crowe	Jacobsen	Peterson, Ga.	Warren
Cullen	Johnson, Tex.	Pettengill	Whelchel
Curley	Jones	Peyser	Whittington
Darden	Kennedy, N. Y.	Pfeifer	Wilcox
Deen	Kenney	Polk	Wilson, La.
Delaney	Kniffin	Rabaut	Woodrum
Dempsey	Kocialkowski	Ramspeck	Zimmerman
Dickstein	Kramer	Randolph	

NOT VOTING—173

Andrew, Mass.	Eaton	Kelly	Ransley
Andrews, N. Y.	Eckert	Kennedy, Md.	Reece
Ayers	Edmiston	Kerr	Richardson
Bacon	Ekwall	Kleberg	Romjue
Beam	Ellenbogen	Kloeb	Ryan
Berlin	Farley	Kopplemann	Sabath
Boehne	Fenerty	Lamneck	Sadowski
Bolton	Ferguson	Lanham	Sanders, La.
Boykin	Fernandez	Larrabee	Sandlin
Brennan	Fiesinger	Lee, Okla.	Schulte
Brooks	Flannagan	Lehlbach	Sears
Brown, Mich.	Focht	Lesinski	Shannon
Buckley, N. Y.	Frey	Lewis, Md.	Sirovich
Bulwinkle	Fulmer	Lucas	Smith, Wash.
Burch	Gambrill	Ludlow	Somers, N. Y.
Burnham	Gassaway	McAndrews	Stack
Caldwell	Gavagan	McGehee	Starnes
Cannon, Wis.	Gifford	McGroarty	Steagall
Cary	Gillette	McLeod	Stewart
Casey	Gingery	McMillan	Sweeney
Claiborne	Goldsborough	McSwain	Tarver
Clark, Idaho	Gray, Ind.	Main	Taylor, Colo.
Cochran	Greenway	Maloney	Taylor, S. C.
Cole, Md.	Greenwood	Mansfield	Taylor, Tenn.
Collins	Gregory	Marshall	Thom
Colmer	Griswold	Mead	Thomas
Connery	Guyer	Merritt, Conn.	Tobey
Cooper, Ohio	Gwynne	Miller	Treadway
Corning	Halleck	Monaghan	Utterback
Cross, Tex.	Hancock, N. C.	Montague	Wadsworth
Crosser, Ohio	Harter	Montet	Wearin
Culkin	Higgins, Conn.	Moritz	Weaver
Cummings	Hill, Knute	Norton	Werner
Daly	Hill, Samuel B.	O'Connell	West
Dear	Hoeppel	Oliver	White
DeRouen	Hope	O'Malley	Wigglesworth
Dies	Houston	Palmisano	Williams
Disney	Huddleston	Parks	Wolfenden
Ditter	Jenckes, Ind.	Patman	Wood
Dockweiler	Jenkins, Ohio	Perkins	Young
Dorsey	Johnson, Okla.	Peterson, Fla.	Zioncheck
Doutrich	Johnson, W. Va.	Pierce	
Duffey, Ohio	Kee	Quinn	
Dunn, Miss.	Keller	Ramsay	

So the House refused to adjourn.

The Clerk announced the following pairs:

Until further notice:

Mr. Samuel B. Hill with Mr. Jenkins of Ohio.

Mr. Fulmer with Mr. Wadsworth.

Mr. Sabath with Mr. Hope.

Mr. Kleberg with Mr. Cooper of Ohio.

Mr. Schulte with Mr. Andrew of Massachusetts.

Mr. Taylor of Colorado with Mr. Burnham.

Mr. Montague with Mr. Ditter.

Mr. Steagall with Mr. Gifford.

Mr. Mead with Mr. Lehlbach.

Mr. Larrabee with Mr. Marshall.

Mr. Kerr with Mr. Ransley.

Mr. Johnson of Oklahoma with Mr. Taylor of Tennessee.

Mr. Mansfield with Mr. Bacon.

Mr. Boehne with Mr. Doutrich.

Mr. Kelly with Mr. Focht.

Mr. McSwain with Mr. Main.

Mr. Huddleston with Mr. Tobey.

Mr. Lanham with Mr. Perkins.

Mr. Griswold with Mr. Bolton.

Mr. McMillan with Mr. Culkin.

Mr. Greenwood with Mr. Guyer.

Mr. Beam with Mr. McLeod.

Mr. Lamneck with Mr. Reece.

Mr. Gregory with Mr. Stewart.

Mr. Cary with Mr. Treadway.

Mr. Gavagan with Mr. Merritt of Connecticut.

Mr. Cochran with Mr. Collins.

Mr. Bulwinkle with Mr. Wolfenden.

Mr. Connery with Mr. Higgins of Connecticut.

Mr. Dies with Mr. Eaton.

Mr. Crosser of Ohio with Mr. Andrews of New York.

Mr. Duffey of Ohio with Mr. Ekwall.

Mr. Burch with Mr. Gwynne.

Mr. Fiesinger with Mr. Fenerty.

Mr. Corning with Mr. Halleck.

Mr. Miller with Mr. Thomas.

Mr. Fernandez with Mr. Wigglesworth.

Mr. Sweeney with Mr. Cross of Texas.

Mr. Quinn with Mr. Gambrill.

Mr. O'Malley with Mr. Harter.

Mr. Romjue with Mr. Casey.

Mr. Sadowski with Mr. Kee.

Mr. Claiborne with Mr. Lewis of Maryland.

Mr. Sears with Mr. Cummings.

Mr. Thom with Mr. Daly.

Mr. McGehee with Mr. Utterback.

Mr. Dunn of Mississippi with Mr. O'Connell.

Mr. Palmisano with Mr. Gillette.

Mr. Ryan with Mr. Houston.

Mr. Kloeb with Mr. Clark of Idaho.

Mr. Sirovich with Mr. Wearin.

Mr. Eckert with Mr. Young.

Mr. Sanders of Louisiana with Mr. Gingery.

Mr. Boykin with Mr. Brooks.

Mr. Parks with Mr. Brown of Michigan.

Mr. Gray of Indiana with Mr. Knute Hill.

Mr. Patman with Mr. Ramsay.

Mr. Colmer with Mr. Keller.

Mr. Sandlin with Mr. Ludlow.

Mr. Dear with Mr. Stack.

Mr. Farley with Mr. Montet.

Mr. Wood with Mr. Smith of Washington.

Mr. Hancock of North Carolina with Mr. Richardson.

Mr. Peterson of Florida with Mr. Shannon.

Mr. Somers of New York with Mr. Weaver.

Mr. Tarver with Mr. Lesinski.

Mrs. Norton with Mr. Maloney.

Mr. Taylor of South Carolina with Mr. Werner.

Mr. Starnes with Mr. Disney.

Mr. McAndrews with Mr. West.

Mr. Caldwell with Mr. White.

Mr. Ferguson with Mr. Johnson of West Virginia.

Mr. Flannagan with Mr. Buckley.

Mr. DeRouen with Mr. Frey.

Mr. Williams with Mr. Dockweiler.

Mrs. Jenckes of Indiana with Mrs. Greenway.

Mr. Ellenbogen with Mr. Zioncheck.

Mr. McGroarty with Mr. Goldsborough.

Mr. Ayers with Mr. Oliver.

Mr. Brennan with Mr. Monaghan.

Mr. Kennedy of Maryland with Mr. Moritz.

The result of the vote was announced as above recorded.

CANALIZATION OF RIO GRANDE

Mr. SHANLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 11768) authorizing construction, operation, and maintenance of Rio Grande canalization project, and authorizing appropriation for that purpose.

The SPEAKER. The gentleman from Connecticut moves to suspend the rules and pass the bill H. R. 11768, which the Clerk will report.

The Clerk read the bill, as follows:

Be it enacted, etc., That upon the completion of the engineering investigation, study, and report to the Secretary of State, as heretofore authorized by Public Resolution No. 4, Seventy-fourth Congress, approved February 13, 1935, the Secretary of State, acting through the American section, International Boundary Commission, United States and Mexico, in order to facilitate compliance with the convention between the United States and Mexico concluded May 21, 1906, providing for the equitable division of the waters of the Rio Grande, and to properly regulate and control, to the fullest extent possible, the water supply for use in the

two countries as provided by treaty, is authorized to construct, operate, and maintain, in substantial accordance with the engineering plan contained in said report, works for the canalization of the Rio Grande from the Caballo Reservoir site in New Mexico to the international dam near El Paso, Tex., and to acquire by donation, condemnation, or purchase such real and personal property as may be necessary therefor.

SEC. 2. There is authorized to be appropriated the sum of $3,000,000 for the purposes of carrying out the provisions of section 1 hereof, other than for operation and maintenance, including salaries and wages, fees for professional services; rents; travel expenses; per diem in lieu of actual subsistence; printing and binding, law books, and books of reference: *Provided*, That the amount herein authorized to be appropriated shall include so much as may be necessary for completion of construction of the diversion dam in the Rio Grande wholly in the United States, in addition to the $1,000,000 authorized to be appropriated for this purpose by the act of August 29, 1935 (49 Stat. 961): *Provided further*, That the total cost of construction of said diversion dam and canalization works shall not exceed $4,000,000: *Provided further*, That the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) shall not apply to any purchase made or service procured when the aggregate amount involved is $100 or less; purchase, exchange, maintenance, repair, and operation of motor-propelled passenger- and freight-carrying vehicles; hire with or without personal services, of work animals and animal-drawn and motor-propelled vehicles and equipment; acquisition by donation, condemnation, or purchase of real and personal property; transportation (including drayage) of personal effects of employees upon change of station; telephone, telegraphic, and air-mail communications; rubber boots for official use by employees; ice; equipment, services, supplies, and materials and other such miscellaneous expenses as the Secretary of State may deem necessary properly to carry out the provisions of the act: *And provided further*, That any part of any appropriation made hereunder may be transferred to, for direct expenditure by, the Department of the Interior pursuant to such arrangements therefor as may be from time to time effected between the Secretary of State and the Secretary of the Interior, or as directed by the President of the United States.

Mr. MARTIN of Massachusetts. Mr. Speaker, I demand a second.

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SHANLEY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this bill calls for the canalization of the Rio Grande and construction of a diversion dam to implement the treaty of 1906. On May 21, 1906, under the administration of President Theodore Roosevelt, a treaty was made with Mexico to provide for the equitable distribution of the waters of the Rio Grande and to remove all causes of controversy between our own sovereign Nation and that of Mexico. Under this international compact of the highest dignity this Government guarantees to deliver to Mexico each year 60,000 acre-feet. There have been times when not only we have not delivered in pursuance of the treaty but the converse has been true and we find Mexico appropriating over 125,000 acre-feet of water; not only violating the treaty but depriving us of the control of that water and precipitating a course of action hardly compatible with the policies of the good neighbor. Unless, therefore, we have this diversion dam and a canalization, the details of which are embodied in the bill before us, it will be impossible for us as a sovereign Nation to control this diversion of water and fulfill our duties as a signatory to the covenant.

The Elephant Butte Dam, which was built in 1917, has further frustrated our efforts, because it has caused unnecessary floods in the Rio Grande, in the resultant loss of scouring action as well as by the meandering tendencies of that unruly stream. There have been unlawful appropriations of that water on our own territory and in Mexico, and that is why we seek to buy this land right on American territory, giving us the utmost control over it. The Secretary of the Interior has written a letter in favor of it, stating there will be no further irrigation areas resultant.

The Secretary of State thinks it is highly desirable not only to implement the treaty, but to prevent unnecessary international complications and to control the river insofar as floods are concerned. The bill, therefore, has the unanimous consent of both of these departments.

As an antecedent of the pending bill, under Public Resolution 247, $60,000 was appropriated for an authorization to the American section of the International Boundary Commission to make a thorough survey. This survey has been made and supplemented by the most rigid of investigations. I believe that our high duty under the laws of nations, with attendant consequences in flood control, and justice to our own citizens in the areas affected warrants this unusual suspension of the rules.

I ask, therefore, that the rules be suspended and the bill be passed.

Mr. Speaker, I reserve the balance of my time.

Mr. MARTIN of Massachusetts. Mr. Speaker, several years ago a commission was appointed to bring in a report concerning this legislation, but as far as I can determine that report has not as yet been made available to the membership of the House. It is interesting to ask why we should authorize the appropriation of $3,000,000 for a project which has been pending for 30 years. We had a flood in the North a few weeks ago. Pennsylvania, New England, New York, and other States of the East were ravaged by floodwaters, but there was no special legislation rushed through.

It is very easy to say we will spend this money, but, as the gentleman from Pennsylvania has been asking, where are we going to get it. There is only one place, and that is from the harassed taxpayer. Emphasis is placed on the fact we have a treaty, but I always notice when we get around to the observance of treaties it is generally in a case where we do the paying. At no time during the last 3 years have I heard the administration stressing that the foreign countries have not observed their treaties with us concerning the war debts. These certainly are just as sacred and would bring money into the Treasury. It is true, of course, anyone can make a meritorious project out of most any proposal. I am not disputing the fact that perhaps if all the details were available, if we had this report at hand, and if we had plenty of money we might go ahead with this project. I must emphasize, however, we have reached a stage in our finances where we must stop and think about every dollar we spend, whether it be spent in New Mexico, Texas, Massachusetts, or any other part of the country. The prolific spending of money must stop. The Congress passes bills involving millions of dollars with little or no consideration. The people are becoming incensed at this lack of consideration for the taxpayer. Why the hurry with this bill which has been brought up late without notice? Suspension was to be asked today. Why do we have to rush this bill involving an appropriation of three and a half million dollars today? There must be some reason, and I would like to ask the gentlemen on that side to give me the explanation.

Mr. McREYNOLDS. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the chairman, because he is such an efficient chairman and one whom we all esteem. I must yield to him.

Mr. McREYNOLDS. From the argument the gentleman is making, I wonder if he knows the purposes of the bill?

Mr. MARTIN of Massachusetts. Of course, I do.

Mr. McREYNOLDS. Will the gentleman kindly state to the Members of the House the purposes of the bill?

Mr. MARTIN of Massachusetts. I have already stated its purpose. The main purpose is to get three and a half million dollars out of the Treasury of the United States.

Mr. McREYNOLDS. Does the gentleman know that the bill calls for three and a half million dollars or less?

Mr. MARTIN of Massachusetts. It might go to four or five million dollars before they are through.

Mr. McREYNOLDS. The gentleman knows this is for the canalization of that river on the national boundary and to comply with our treaty with Mexico. That is the purpose of the canalization of the river.

Mr. MARTIN of Massachusetts. Of course, I recognize that and I said so in the first instance, but I do not see why we have to pass a bill involving an appropriation of this size when our public finances are in the state they are in at the present time.

Mr. McREYNOLDS. Does the gentleman know that the citizens of our country are not getting their fair share of the water down there?

Mr. MARTIN of Massachusetts. I cannot yield further. I would prefer the gentleman make his own argument in his time.

Mr. McREYNOLDS. Just one more question. I noticed in the paper somewhere where the President of the United States gave the gentleman's section about $4,500,000, and justly so, for flood control.

Mr. MARTIN of Massachusetts. If he has done so, we would like to know where it has gone. We have been hoping they would give some real attention to these distressed communities. Jesse Jones, Chairman of the Reconstruction Finance Corporation, I understand, does not expect to lend a dollar out of the $50,000,000 authorized by this Congress for the rehabilitation of industry.

Mr. McREYNOLDS. I trust the gentleman will not oppose the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, I cannot yield further. Seriously, I think we may well ask ourselves whether we ought to spend this money at the present time. In 1935 the Budget reported it was not in harmony with the financial policy of the Government, but since then there has been a change in attitude. It is now said the Budget commission is in harmony with the expenditure. I wonder why the change in position. Certainly the treaty was just as much in evidence then as now. It cannot be on account of the condition of the public finances, because the Government is more in the red at the present time than it was last year.

Mr. Speaker, I believe this bill should be defeated at this time because the Government is not in position to spend the three and a half million dollars. After all, the main question to be considered is whether we want to put more taxes on the American people by the appropriation of three and a half million dollars which could easily be deferred?

Mr. SHANLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Speaker, I fear our friend the gentleman from Massachusetts, who has just spoken, is in a rather bad humor, either because of the lateness of the hour or because this bill was not on the program today as he understood it. To begin with, this is not an appropriation. It is purely an authorization. Furthermore, may I say this bill has the hearty approval of the Secretary of the Interior, the Secretary of State, the International Boundary Commission, and the overwhelming majority, as I understand it, of the members of the Committee on Foreign Affairs, including several of the members who belong to the same party as our friend the gentleman from Massachusetts.

Mr. Speaker, this canalization project is located in the State of the gentleman from New Mexico [Mr. DEMPSEY]. The purpose is to canalize the Rio Grande from Elephant Butte Dam, a Government irrigation project that has been there for more than 25 years, down to where it hits the boundary line of old Mexico, near El Paso, Tex.

My friend the gentleman from Connecticut [Mr. SHANLEY] made an unusually good statement of the facts in this case. The truth is that under the treaty with Mexico which we entered into with that country in 1906, the Republic of Mexico was to get 60,000 acre-feet to be taken from the Rio Grande at the international boundary line. Due to the fact there is no diversion dam there and due to the further fact the river is not canalized from that point, which is near El Paso, up to the Elephant Butte Dam in the State of New Mexico, the Mexican people have been getting in some years more than they were entitled to, and thus depriving American citizens of their own water.

This is not a flood proposition. We went along the other day without regard to any partisan or political consideration and voted for the flood-control bill that you Republicans so actively supported, but this is an international question. This is an international problem and comes under a treaty that is to live for all time, and I undertake to say that the provisions of that treaty ought to be carried out, but it is impossible to do so unless there is some way to control the water. This is a desert country.

This does not bring in one single foot of new land. This does not increase the amount of land under irrigation in this country by one single acre. It is just to say to the people of New Mexico and the people down there on the Texas border near my city of El Paso that we will help the American citizens to retain and to have and to hold that which is theirs, and not let the Mexicans take our water because, if you have ever lived in a desert country you know how valuable water is, and during the last 5 years there have been many, many times when they doubted if there were enough water to supply the actual needs. This is fair to Mexico. It means a lot to the people of New Mexico and Texas.

I hope, in all fairness, you will vote for this bill. [Applause.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I confess I am not an expert upon this subject, but it seems to me that we are about to spend $4,000,000 more of the taxpayers' money. The New Deal goes around and around and around and comes out where? Out of the pocketbooks of the taxpayers in 20 minutes' time to the tune of $4,000,000.

Twenty years ago if the Congress had sought to appropriate $4,000,000 it would probably have spent 2 days on it. Now it is a mere bagatelle to be passed in a few minutes under suspension of rules.

I have the utmost respect for the gentleman [Mr. DEMPSEY] who represents the great State of New Mexico. If we must have a Democrat here from that State—which God forbid—all I can say is that he is an honest, hard-working, able Member of the Congress [applause], and if the people of New Mexico have to elect a Democrat, no one would suit me better, but it seems to me $4,000,000 is a pretty high ante to put in the campaign pot to elect even such a deserving Democrat as the gentleman from New Mexico.

In these days everybody in the country is asking whether we are going to balance the Budget and when and how.

Mr. JOHNSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. FISH. No; I do not want to be embarrassed by having the gentleman ask me a difficult question about canalization, because I know nothing in the world about canalization; all I am talking about now is $4,000,000, and I know as much about $4,000,000 as the gentleman from Texas; in fact, I know that the State of New York, from which I come, will pay 35 percent of this $4,000,000 for canalization in New Mexico and Texas.

Mr. JOHNSON of Texas. Now, will the gentleman yield?

Mr. FISH. All right, go ahead.

Mr. JOHNSON of Texas. The amount involved is not $4,000,000,000 or $4,000,000, as the gentleman has stated. Has the gentleman read the bill?

Mr. FISH. I am one of the active members of the committee. [Laughter and applause.]

Mr. JOHNSON of Texas. But the gentleman was not present when the hearings were held.

Mr. FISH. Whether it is three and a half million dollars or $4,000,000, or whether it may end up by being $8,000,000, as it probably will, we are still talking in terms of millions, and we are voting these millions away in 20 minutes' time. I know very well you have the votes. I know I am wasting my efforts in talking here, but what I want to bring out is this: Only a few months ago the President himself came before the Congress and said that we have almost balanced the Budget, yet the Secretary of the Treasury issued a statement within the last 48 hours to the effect that the Budget is unbalanced by $6,000,000,000.

Of course, there is a little difference between $6,000,000,000 and $4,000,000. This is only another expenditure of $4,000,000 in order to help elect a deserving Democrat. If I were going to vote for anything of this kind I would vote for this bill because Mr. DEMPSEY is a deserving Democrat. [Applause.]

In these days when everybody is seeking methods to balance the Budget we must not forget who pays the bills. You have soaked the rich, and now you are going to collect on the poor Members of Congress. You have taken all the money you can get from the rich and now you are going to take it out on the Members of Congress in order to help elect one of our colleagues. All formulas for soaking the rich have been exhausted, and from now on the people with moderate and small incomes will have to pay the bills. Why not distribute $4,000,000 apiece to every deserving Democratic Member of Congress for home consumption in one final omnibus bill and adjourn until after election?

I know nothing about canalization, but I do know something about $4,000,000 which you are going to add to the rapidly mounting deficit, and the people have got to pay that bill also. [Applause.]

Mr. SHANLEY. Mr. Speaker, I yield 1 minute to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Speaker, I simply want to say this. We have got to deliver 60,000 acre-feet of water per year to Mexico. That is settled by a treaty between the United States and Mexico. You cannot make or regulate or control or measure the delivery of water without a dam. A diversion dam is as necessary as water. In order to accomplish that we are asking this House to authorize the construction of that dam and stop this annual controversy going on between the United States and Mexico as to whether they get 20,000 acre-feet or 100,000 acre-feet per year. [Applause.]

Mr. SHANLEY. Mr. Speaker, I yield 6 minutes to the gentleman from New Mexico [Mr. DEMPSEY].

Mr. DEMPSEY. Mr. Speaker and Members of the House, I first want to state to the gentleman from New York that I deeply appreciate the nice things he said about me with reference to what kind of a Democrat I am and how high I rate in New Mexico. I think he is a rare judge of ability. [Laughter and applause.]

Now, Mr. Speaker, with reference to this bill. This bill has the approval of the Director of the Budget. Contrary to what you have been told, the Director of the Budget advises the able chairman of the Foreign Affairs Committee that it is in accord with the financial program and the policy of the President. The Secretary of State—and it is under the Secretary of State that this work will be done—tells us that the work is necessary not only to preserve Government property and private property but potentially life itself.

That is a pretty strong statement coming from the Secretary of State. It does seem to me that a bill of this kind with the merit it has should have passed by unanimous consent. This House is very familiar with the provisions of the bill. Over a year ago by unanimous consent, after considerable discussion, the House passed a bill providing for a survey to make plans to do this very job.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. DEMPSEY. Yes.

Mr. MOTT. The gentleman stated that we are all quite familiar with the bill. I agree with that statement. Does not the gentleman think, therefore, it might be a pretty good idea to devote the rest of his time to making a campaign speech for the gentleman from New York [Mr FISH]?

Mr. DEMPSEY. If I were a Republican and living in New York, I would certainly support the gentleman from New York. This river is a river without banks, at places. It is a meandering stream which changes its course every time we have a small flood. Today it is on one man's land and tomorrow it will be on another man's land. The bill is not brought here as a flood-control bill, although it might well have been brought in on that basis. Last fall the people of the Mesilla Valley were driven from their homes and destruction of property to the amount of a million dollars followed. Of course, we are not a large industrial State with large industrial cities and counties out there. We are just little old farmers but our homes are as precious to us as the businessman's business is to him. If this river ran through some great industrial city in the East I would be here supporting a bill of this kind because of its merit rather than fighting it as some gentlemen are who represent industrial cities.

Mr. PETTENGILL. Is the gentleman willing to have the gentleman from New York fish in the river?

Mr. DEMPSEY. We would be very happy to have him go out there and fish. I would like to have him come out in the next campaign and help me some with the Democrats.

Mr. BIERMANN. Mr. Speaker, will the gentleman yield?

Mr. DEMPSEY. Yes.

Mr. BIERMANN. In the letter from the Secretary of State he says "I therefore recommend the passage of the bill", and so forth, if the bill is amended in a certain way. Are those amendments to be offered?

Mr. DEMPSEY. The amendments are not to be offered because a new bill was drawn in which the amendments were incorporated. The bill before us now contains the amendments suggested by the Secretary of State.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. DEMPSEY. Yes.

Mr. SNELL. According to the report, the bed of the river is owned at the present time by private individuals?

Mr. DEMPSEY. Yes.

Mr. SNELL. It is also estimated it will cost the Federal Government $347,520 to buy that land.

Mr. DEMPSEY. Not to exceed that.

Mr. SNELL. Does not the gentleman think, if we are going to expend at least two and a half million dollars to improve the land of these people, that they ought to furnish the land where we are going to build the works and build the canalization.

Mr. DEMPSEY. But we are not improving the land of these people in New Mexico. In the district this river flows through the farmers were assessed $90 for every acre they owned in the valley for a dam at Elephant Butte, which cost $14,200,000. The farmers will pay for that dam by the sweat of their brow, and that dam is what makes it possible to give Mexico some of this water.

The SPEAKER. The time of the gentleman from New Mexico has expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the remainder of my time to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this is an authorization bill. We know that the rules of the House requiring that we first have an authorization bill, and that is where the camel kind of sticks his nose under the tent, and then we have an appropriation bill. This is an authorization bill. It authorizes the expenditure of a large sum of money, it is difficult to tell exactly how much as it depends on how much they want to expend, but not exceeding the sum of $4,000,000.

Mr. SHANLEY. Mr. Speaker, will the gentleman yield?

Mr. TABER. I have not the time. It seems the claim is made that some water is going into Mexico that should go into New Mexico and into Texas. Thirty years have elapsed without any such action before, and a year ago, on the 13th of February, Congress passed a bill authorizing an engineering investigation and study and report to the Secretary of State with reference to this proposition. That engineering report and investigation is not yet available according to my information and according to the way the bill is drawn, but they want us to authorize the appropriation of the $4,000,000 for the improvement of certain lands and make it more fertile and more valuable. That is the situation, and that is to be done without completing the engineering study and investigation.

They authorize a lot of other things, including ice and rubber boots for official use by employees, and equipment and services and supplies.

Mr. JOHNSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. TABER. Not at this point.

This bill will cost the Treasury of the United States, the people that we are supposed to represent, who sent us here to represent them, $4,000,000. It may cost more, but it will not possibly cost less, because such things never cost less than

they are estimated to cost. They always cost more. Now, are we not going to show a little sense here tonight? Can we not just stop to figure where the money is coming from? This bill would not be asked for unless it is going to make that land more valuable, unless it was, in effect, an irrigation project, another irrigation project to make the land produce more, make the land more fertile and raise more crops, while at the same time we are appropriating $440,000,000 a year to take land out of cultivation; that is, we are raising more crops now than the Secretary of Agriculture thinks ought to be raised in this country. Why should we waste another $4,000,000?

This is another one of those items that is kind of sneaking up on us. One of the principal reasons given in the letter of the Secretary of State for this proposition is that the Secretary of State submitted a revised list of projects to the Public Works Administration, including among them the canalization project in question which it was estimated would cost somewhat more than $4,000,000. However, no allotment of public-works money was made for the project at that time or since.

That is evidently one of the items that was going to sneak in under these omnibus appropriations that we are making. It is bad enough now with the tremendous pile-up and overload of projects that have been thrust onto the Treasury of the United States to support, by these omnibus appropriation bills without another.

Mr. NICHOLS. Mr. Speaker, will the gentleman yield?

Mr. TABER. Not at this point. Will we never stop loading up the Treasury with a tremendous volume of appropriations that our taxpayers will not be able to stand, that will pile up a deficit that our country can never stop? Is it not time we should think of the farmers whose prices for crops are menaced by this sort of thing, and stop making such authorizations and such appropriations as that which is called for by this bill?

I hope that the Congress will today say "no" for once in this session.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. SHANLEY. Mr. Speaker, I yield the balance of my time to the gentleman from Tennessee [Mr. McREYNOLDS].

Mr. McREYNOLDS. Mr. Speaker, I have great respect for the gentlemen who have spoken against this bill, but the trouble is, I fear that neither one of them has even read the bill. I say that from the facts which they have discussed. I have great admiration for the gentleman from New York [Mr. TABER], who just preceded me. I know he wants to protect the Treasury, but when he says this is $4,000,000 he just raises it a million dollars. One million dollars has heretofore been appropriated, and this authorizes another $3,000,000 to complete the project.

Another thing that the gentleman says was that no engineering plans had been made for this. Evidently he has not considered the matter. At the last session of Congress we passed by unanimous consent an appropriation of $60,000 which was used for the purpose——

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. I do not have time to yield now.

We passed an appropriation of $60,000 for this engineering plan, which has been made, and it was on their report that this bill comes now before the House.

Now, we have obligations with Mexico. We have a treaty which we must carry out. In 1906, before this treaty was entered into, when they were claiming damages of $35,000,000 because we were utilizing water in the United States, this treaty was entered into, by which we were to furnish so many cubic feet per year. The Secretary of State says we cannot do that unless we canalize that river and complete this dam. That is the purpose that this $3,000,000 is asked for here today.

The gentleman further said it would bring more ground into cultivation. Here is the report of the Secretary of the Interior on that proposition, in which he says:

The plan developed does not increase the area under irrigation in the United States and does not add irrigable acreage to the Rio Grande project.

Not only that, but other witnesses testified before the committee to the same effect.

If we are to carry out our treaties with Mexico, which I know this House feels we should, for the interest of our own people in that section and to protect their rights we have to control the river beds, we have to canalize that river; and I ask that the House now vote for this bill. [Applause.]

The SPEAKER. The question is on the motion of the gentleman from Connecticut to suspend the rules and pass the bill.

The question was taken; and on a division (demanded by Mr. MARTIN of Massachusetts) there were—ayes 101, noes 48.

Mr. MARTIN of Massachusetts. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and sixty-eight Members are present, not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 173, nays 79, not voting 176, as follows:

[Roll No. 88]

YEAS—173

Adair	Delaney	Kramer	Rabaut
Bankhead	Dempsey	Kvale	Ramspeck
Barden	Dobbins	Lambeth	Randolph
Barry	Doughton	Lanham	Rankin
Beiter	Doxey	Lea, Calif.	Richards
Bell	Driscoll	Lemke	Robertson
Binderup	Driver	Lewis, Colo.	Robinson, Utah
Bland	Duffy, N. Y.	Lundeen	Rogers, Okla.
Blanton	Duncan	McClellan	Sanders, Tex.
Bloom	Dunn, Pa.	McCormack	Schaefer
Boland	Eagle	McFarlane	Schuetz
Boylan	Ekwall	McGehee	Scott
Brown, Ga.	Evans	McKeough	Scrugham
Buchanan	Faddis	McLaughlin	Secrest
Buck	Fitzpatrick	McReynolds	Shanley
Buckler, Minn.	Ford, Calif.	Mahon	Sisson
Burdick	Ford, Miss.	Martin, Colo.	Smith, Conn.
Burnham	Frey	Mason	Smith, W. Va.
Cannon, Mo.	Fuller	Massingale	Snyder, Pa.
Carmichael	Gearhart	Maverick	South
Carpenter	Gildea	May	Spence
Carter	Granfield	Mead	Stubbs
Cartwright	Gray, Pa.	Meeks	Sullivan
Castellow	Green	Merritt, N. Y.	Sumners, Tex.
Celler	Greever	Mitchell, Ill.	Terry
Chandler	Gregory	Mitchell, Tenn.	Thomason
Chapman	Haines	Moran	Thompson
Citron	Hamlin	Mott	Tolan
Clark, N. C.	Harlan	Murdock	Tonry
Coffee	Healey	Nelson	Turner
Colden	Hildebrandt	Nichols	Umstead
Collins	Hill, Ala.	O'Brien	Vinson, Ga.
Cooper, Tenn.	Hill, Samuel B.	O'Connor	Vinson, Ky.
Costello	Hobbs	O'Day	Wallgren
Cravens	Hook	O'Leary	Walter
Creal	Houston	O'Neal	Welch
Crosby	Imhoff	Parsons	Whelchel
Cross, Tex.	Jacobsen	Patterson	Whittington
Crosser, Ohio	Johnson, Okla.	Patton	Wilcox
Crowe	Johnson, Tex.	Pearson	Woodrum
Cullen	Johnson, W. Va.	Peterson, Ga.	Zimmerman
Curley	Jones	Pfeifer	
Daly	Kniffin	Pierce	
Deen	Kocialkowski	Pittenger	

NAYS—79

Allen	Eicher	Kenney	Rogers, Mass.
Amlie	Engel	Kinzer	Rogers, N. H.
Andresen	Fish	Knutson	Russell
Arends	Fletcher	Lord	Sauthoff
Ashbrook	Focht	Luckey	Schneider, Wis.
Bacharach	Gehrmann	McLean	Seger
Biermann	Gifford	Main	Short
Blackney	Gilchrist	Mapes	Smith, Va.
Bolleau	Goodwin	Marcantonio	Snell
Brewster	Guyer	Martin, Mass.	Stefan
Carlson	Hancock, N. Y.	Michener	Sutphin
Cavicchia	Hartley	Millard	Taber
Church	Hess	Pettengill	Tinkham
Cole, N. Y.	Higgins, Mass.	Polk	Turpin
Crawford	Hoffman	Powers	Wilson, Pa.
Crowther	Hollister	Reed, Ill.	Withrow
Culkin	Holmes	Reed, N. Y.	Wolcott
Darrow	Hope	Reilly	Wolverton
Dirksen	Hull	Rich	Woodruff
Dondero	Kahn	Risk	

NOT VOTING—175

Andrew, Mass.	Duffey, Ohio	Kloeb	Richardson
Andrews, N. Y.	Dunn, Miss.	Kopplemann	Robsion, Ky.
Ayers	Eaton	Lambertson	Romjue
Bacon	Eckert	Lamneck	Ryan
Beam	Edmiston	Larrabee	Sabath
Berlin	Ellenbogen	Lee, Okla.	Sadowski
Boehne	Englebright	Lehlbach	Sanders, La.
Bolton	Farley	Lesinski	Sandlin
Boykin	Fenerty	Lewis, Md.	Schulte
Brennan	Ferguson	Lucas	Sears
Brooks	Fernandez	Ludlow	Shannon
Brown, Mich.	Fiesinger	McAndrews	Sirovich
Buckley, N. Y.	Flannagan	McGrath	Smith, Wash.
Bulwinkle	Fulmer	McGroarty	Somers, N. Y.
Burch	Gambrill	McLeod	Stack
Caldwell	Gasque	McMillan	Starnes
Cannon, Wis.	Gassaway	McSwain	Steagall
Cary	Gavagan	Maas	Stewart
Casey	Gillette	Maloney	Sweeney
Christianson	Gingery	Mansfield	Tarver
Claiborne	Goldsborough	Marshall	Taylor, Colo.
Clark, Idaho	Gray, Ind.	Merritt, Conn.	Taylor, S. C.
Cochran	Greenway	Miller	Taylor, Tenn.
Cole, Md.	Greenwood	Monaghan	Thom
Colmer	Griswold	Montague	Thomas
Connery	Gwynne	Montet	Thurston
Cooley	Halleck	Moritz	Tobey
Cooper, Ohio	Hancock, N. C.	Norton	Treadway
Corning	Hart	O'Connell	Utterback
Cox	Harter	Oliver	Wadsworth
Cummings	Hennings	O'Malley	Warren
Darden	Higgins, Conn.	Owen	Wearin
Dear	Hill, Knute	Palmisano	Weaver
DeRouen	Hoeppel	Parks	Werner
Dickstein	Huddleston	Patman	West
Dies	Jenckes, Ind.	Perkins	White
Dietrich	Jenkins, Ohio	Peterson, Fla.	Wigglesworth
Dingell	Kee	Peyser	Williams
Disney	Keller	Plumley	Wilson, La.
Ditter	Kelly	Quinn	Wolfenden
Dockweiler	Kennedy, Md.	Ramsay	Wood
Dorsey	Kennedy, N. Y.	Ransley	Young
Doutrich	Kerr	Rayburn	Zioncheck
Drewry	Kleberg	Reece	

So (two-thirds having voted in favor thereof) the rules were suspended, and the bill was passed.

The Clerk announced the following additional pairs:

On this vote:

Mr. Dockweiler and Mr. McAndrews (for) with Mr. Jenkins of Ohio (against).

Mr. Maas and Mr. Peterson of Florida (for) with Mr. Wigglesworth (against).

Mr. Monaghan and Mr. Knute Hill (for) with Mr. Treadway (against).

Mr. Taylor of Colorado and Mr. Fernandez (for) with Mr. Ditter (against).

Mr. Dickstein and Mr. Maloney (for) with Mr. Andrew of Massachusetts (against).

Mr. McSwain and Mrs. Norton (for) with Mr. Marshall (against).

Mr. Buckley of New York and Mrs. Greenway (for) with Mr. Ransley (against).

Mr. Somers of New York and Mr. Brooks (for) with Mr. Wolfenden (against).

Until further notice:

Mr. Corning with Mr. Wadsworth.
Mr. Cochran with Mr. Eaton.
Mr. Gavagan with Mr. Fenerty.
Mr. Dies with Mr. Andrews of New York.
Mr. Patman with Mr. Merritt of Connecticut.
Mr. Greenwood with Mr. Taylor of Tennessee.
Mr. Drewry with Mr. McLeod.
Mr. Rayburn with Mr. Halleck.
Mr. Griswold with Mr. Cooper of Ohio.
Mr. Larrabee with Mr. Bacon.
Mr. Flannagan with Mr. Higgins of Connecticut.
Mr. Huddleston with Mr. Perkins.
Mr. Kelly with Mr. Robsion of Kentucky.
Mr. Sears with Mr. Thomas.
Mr. Duffey of Ohio with Mr. Bolton.
Mr. Beam with Mr. Englebright.
Mr. Sabath with Mr. Christianson.
Mr. Cox with Mr. Lehlbach.
Mr. Schulte with Mr. Doutrich.
Mr. Warren with Mr. Plumley.
Mr. Cole of Maryland with Mr. Gwynne.
Mr. Montague with Mr. Lambertson.
Mr. Mansfield with Mr. Reece.
Mr. Burch with Mr. Thurston.
Mr. Kerr with Mr. Stewart.
Mr. Boehne with Mr. Tobey.
Mr. Miller with Mr. Claiborne.
Mr. Fiesinger with Mr. Montet.
Mr. Wearin with Mr. Eckert.
Mr. Thom with Mr. DeRouen.
Mr. Lee of Oklahoma with Mr. Stack.
Mr. Colmer with Mr. Kee.
Mr. Ryan with Mr. Casey.
Mr. Richardson with Mr. Hennings.
Mr. Cary with Mr. O'Malley.
Mr. Boykin with Mr. Ayers.
Mr. Fulmer with Mr. O'Connell.
Mr. Hancock of North Carolina with Mr. Caldwell.
Mr. Romjue with Mr. Keller.
Mr. Cooley with Mr. Clark of Idaho.
Mr. Shannon with Mr. Cummings.
Mr. Lamneck with Mr. Starnes.
Mr. Dietrich with Mr. McGrath.
Mr. Weaver with Mr. Edmiston.
Mr. Ferguson with Mr. Williams.
Mr. Connery with Mr. Kennedy of Maryland.
Mr. Sadowski with Mr. Gillette.
Mr. Brown of Michigan with Mr. Owen.
Mr. Gambrill with Mr. Peyser.
Mr. Hart with Mr. Bulwinkle.
Mr. Sandlin with Mr. Kloeb.
Mr. Kennedy of New York with Mr. Lesinski.
Mr. Sweeney with Mr. Darden.
Mr. Werner with Mr. Farley.
Mr. Cannon of Wisconsin with Mr. Dear.
Mr. Ludlow with Mr. Sirovich.
Mr. West with Mr. Dingell.
Mr. Ellenbogen with Mr. Wilson of Louisiana.
Mr. Disney with Mr. Smith of Washington.
Mr. Kleberg with Mr. Sanders of Louisiana.
Mr. Dorsey with Mr. White.
Mr. Young with Mr. Steagall.
Mr. Lewis of Maryland with Mr. Harter.
Mr. Goldsborough with Mr. Parks.
Mr. Quinn with Mr. Ramsay.
Mr. Gasque with Mr. Lucas.
Mr. Dunn of Mississippi with Mr. Wood.
Mr. Utterback with Mr. Gassaway.
Mr. Tarver with Mr. Gingery.
Mr. Taylor of South Carolina with Mr. Berlin.
Mr. Bierman with Mr. Oliver.
Mr. Zioncheck with Mr. McGroarty.
Mrs. Jenckes of Indiana with Mr. Moritz.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. LEWIS of Maryland, for 2 days, on account of important business.

To Mr. MALONEY, for 2 weeks, on account of important official business.

To Mr. MORITZ, indefinitely, on account of important business.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and under the rule referred as follows:

S. 2883. An act to provide for the further development of vocational education in the several States and Territories; to the Committee on Education.

SENATE ENROLLED BILL AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled bill and joint resolution of the Senate of the following titles:

S. 1432. An act to amend section 5 of the act of March 2, 1919, generally known as the War Minerals Relief Statutes.

H. J. Res. 567. Joint resolution to provide an additional appropriation for expenses of special and select committees of the House of Representatives for the fiscal year 1936.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 9244. An act providing for the establishment of a term of the District Court of the United States for the Northern District of Florida at Panama City, Fla.; and

H. R. 10193. An act to amend the act to fix the hours of duty of postal employees.

ADJOURNMENT

Mr. O'CONNOR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 55 minutes p. m.) the House adjourned until tomorrow, Tuesday, May 5, 1936, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON THE PUBLIC LANDS

There will be a meeting of the Committee on the Public Lands on Tuesday, May 5, 1936, at 10 o'clock a. m., in room 328, House Office Building, to consider further H. R. 7086, to establish the Mount Olympus National Park, in the State of Washington, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

832. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 28, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Purgatoire (Picketwire), and Apishapa Rivers, Colo., with a view to the control of floods and the conservation of water, authorized by the act of Congress approved July 1, 1935; to the Committee on Flood Control.

833. A letter from the Chairman of the Securities and Exchange Commission, transmitting a part of the Commission's study and investigation of the work, activities, personnel, and functions of protective and reorganization committees; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DOUGHTON: Committee on Ways and Means. H. R. 12556. A bill to create the Treasury Agency Service, to provide for the more adequate protection of the revenue and a more effective enforcement of the revenue and other laws administered by the Treasury Department, and for other purposes; with amendment (Rept. No. 2579). Referred to the Committee of the Whole House on the state of the Union.

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 11959. A bill to amend the act entitled "An act to provide for the construction of certain public buildings, and for other purposes", approved May 25, 1926 (44 Stat. 630), as amended; without amendment (Rept. No. 2580). Referred to the Committee of the Whole House on the state of the Union.

Mr. SEARS: Committee on Naval Affairs. H. R. 11501. A bill to authorize the acquisition of lands in the vicinity of Jacksonville, Fla., as a site for a naval air station and to authorize the construction and installation of a naval air station thereon; without amendment (Rept. No. 2581). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of New Hampshire: Committee on Military Affairs. S. 4132. An act to amend section 4b of the National Defense Act, as amended, relating to certain enlisted men of the Army; without amendment (Rept. No. 2582). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FULMER: A bill (H. R. 12576) to require that bidders for star-route-service contracts be residents of the State within which the route originates; to the Committee on the Post Office and Post Roads.

By Mr. TERRY: A bill (H. R. 12577) to amend Public Act No. 325 of the Seventy-fourth Congress, approved August 24, 1935; to the Committee on Banking and Currency.

By Mr. CELLER: A bill (H. R. 12578) to provide for the admission of certain documents in evidence in the courts of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. BOYKIN: A bill (H. R. 12579) to levy a license tax of a sum equal to 5 percent of all moneys paid upon wagers upon horse racing; to provide the method of enforcing and the penalties for the violation of this act; to the Committee on Ways and Means.

By Mr. McREYNOLDS: A bill (H. R. 12580) to amend the Migratory Bird Treaty Act of July 3, 1918 (40 Stat. 755), to extend and adapt its provisions to the convention between the United States and the United Mexican States for the protection of migratory birds and game mammals concluded at the city of Mexico, February 7, 1936, and for other purposes; to the Committee on Foreign Affairs.

By Mrs. NORTON (by request): A bill (H. R. 12581) to amend an act entitled "An act to provide for a tax on motor-vehicle fuels sold within the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

By Mr. CITRON: A bill (H. R. 12582) to prohibit the employment of children and convict labor in connection with contracts and purchases by the United States; to the Committee on the Judiciary.

By Mr. KNUTSON: Joint resolution (H. J. Res. 579) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEAM: A bill (H. R. 12583) for the relief of Frank Zych; to the Committee on Military Affairs.

By Mr. BROWN of Georgia: A bill (H. R. 12584) for the relief of H. E. Wingard; to the Committee on Claims.

By Mr. GREENWOOD: A bill (H. R. 12585) granting an increase of pension to Princess May Stone; to the Committee on Invalid Pensions.

By Mrs. KAHN: A bill (H. R. 12586) for the relief of Lily O. Nestor; to the Committee on Claims.

By Mr. KOPPLEMANN: A bill (H. R. 12587) for the relief of John W. Barbrick; to the Committee on Claims.

By Mr. LEA of California: A bill (H. R. 12588) granting a pension to Floyd M. Tallman; to the Committee on Pensions.

By Mr. LEE of Oklahoma: A bill (H. R. 12589) for the relief of Dr. Charles McGehee; to the Committee on Military Affairs.

By Mr. LORD: A bill (H. R. 12590) granting an increase of pension to Amanda Trafford; to the Committee on Invalid Pensions.

By Mr. MAVERICK: A bill (H. R. 12591) granting a pension to Henry Lee Couch; to the Committee on Pensions.

By Mr. ROBINSON of Utah: A bill (H. R. 12592) for the relief of Orson Thomas; to the Committee on Claims.

By Mrs. ROGERS of Massachusetts: A bill (H. R. 12593) for the relief of Emile Beaudoin; to the Committee on Claims.

By Mr. THURSTON: A bill (H. R. 12594) for the relief of W. J. Steckel; to the Committee on Claims.

By Mr. WITHROW: A bill (H. R. 12595) for the relief of Eva L. Morse; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10821. By Mr. ANDREWS of New York: Resolution of the Pulaski Club, of Niagara Falls, N. Y., urging rescinding of order of Labor Department with reference to enrollment of Civilian Conservation Corps youths allowing youths of families not on relief to be enrolled; to the Committee on Labor.

10822. By Mr. JOHNSON of Texas: Petition of L. D. Williams, superintendent of Hearne public schools, Hearne, Tex., favoring Senate bill 2883, vocational agriculture bill; to the Committee on Education.

10823. Also, petition of E. J. Kyle, dean, school of agriculture, Agricultural and Mechanical College, College Station, Tex., favoring Senate bill 2883, vocational agriculture bill; to Committee on Education.

10824. Also, petition of Dr. J. A. Gregoire, Hillsboro, Tex., favoring tax exemption to physicians on Federal income for charity practice; to the Committee on Ways and Means.

10825. Also, petition of Dr. William A. Hammond, Bryan, Tex., favoring tax exemption to physicians on Federal income for charity practice; to the Committee on Ways and Means.

10826. Also, petition of Dr. W. K. Logsdon, Corsicana, Tex., favoring tax exemption to physicians on Federal income for charity practice; to the Committee on Ways and Means.

10827. Also, petition of Dr. H. A. Mahaffey, Hillsboro, Tex., favoring tax exemption to physicians on Federal income for charity practice; to the Committee on Ways and Means.

10828. By Mr. KEE: Petition of citizens of West Virginia, favoring the passage of House bill 7122, providing for pensions for adult blind persons; to the Committee on Pensions.

10829. By Mr. REED of Illinois: Resolution of American Homestead Protective Association of Chicago, Ill., urging Congress to amend the Frazier-Lemke bill 2066 so that all city and town property owners may have the same recourse and the same protection as farmers under said bill; to the Committee on Agriculture.

10830. By Mr. RICH: Petition of citizens of McKean County, favoring the Wheeler-Crosser bill (H. R. 11609); to the Committee on Interstate and Foreign Commerce.

10831. By the SPEAKER: Petition of the National Retail Lumber Dealers Association; to the Committee on the Judiciary.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 5, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal and Immortal One, may we draw nigh to Thee and breathe Thy holy name in prayer? Blessed be the name of the Lord our God, which hath not turned away our prayer nor his mercy toward us. We pray Thee to make our tempers patient, our lips gentle, and may we bear the fruits of goodness. Arm us, Heavenly Father, with the strong, manly virtues, that we may be chivalrous champions of the right against wrong. We pray for any who may dumbly suffer for others' sake and for any who keenly feel the faults of those they love. Consecrate each family tie; light heaven on all hearthstones and fill them with divine blessings. Keep this everlasting truth in all our minds: "The path of the just is as a shining light that shineth more and more unto the perfect day." Let Thy will be done in every heart as it was in the heart of the Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 3744. An act to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes; and

S. 4524. An act to provide a civil government for the Virgin Islands of the United States.

P. W. A. GETS DOLLAR'S WORTH OF WORK FOR EACH DOLLAR SPENT

Mr. BEITER asked and was given permission to revise and extend his remarks in the RECORD.

Mr. BEITER. Mr. Speaker, with the great depression of 1929 now in full retreat and our long-fought battle back to industrial normality near success, we may now survey the destruction of that great economic battlefield and ponder on how differently our strategy might have been planned, on how more wisely we might have employed the weapons that were so hastily forged when this administration assumed the high command in the battle.

From this depression we have learned another costly lesson on the value of preparedness. We entered the combat to succeed an administration which had been retreating before savage adverse economic forces which had laid waste the land. We adopted new and offensive tactics and rallied the full resources of the Federal Government to rout the enemy, and for our attack we evolved the first substantial, effective attempt at a planned economy.

From the financial reports of the large corporations whose pay rolls in normal times provide a living for a great number of our people, we now have cheering indications that the tide of battle has turned and that a victory, due in no small measure to the successful working of this planned economy, is at hand.

We may now analyze the strategy employed to achieve this victory and, with the thought of utilizing it in the event of another depression, evaluate it calmly and contemplate improvements in it to prevent in the future the repetition of those errors which could not have been avoided because of the necessary haste employed in putting our plan into execution.

Obviously our most grievous sin was our lack of preparation for the emergency of 1929. The warnings of economic prophets had fallen upon deaf ears during the days of easy money, and disaster, following in the wake of a market collapse, found America an improvident nation, taken completely off guard, stunned by the enormity of the catastrophe, and too bewildered to muster the necessary defenses.

True, there was a period of panicky conferences of the Nation's leading financiers, who assured us that confidence alone would win the battle, that the worst of the depression was over, and, ignoring the lengthening breadlines, that prosperity was just around the corner. And there were eloquent but futile pleas that industry pull itself out of the depression by reemploying the unemployed. But while these haphazard efforts were successful in bolstering up a few failing corporations and in salvaging a few scattered investments, no effectual attempt to relieve the Nation's widespread distress was made until after President Roosevelt's inauguration.

Emergency agencies were hastily organized, and plans were laid for priming the business pump with Federal money to hasten the restoration of economic normality. The Congress made vast appropriations, but the lack of preparatory studies and adequate plans for the execution of these relief programs made most difficult the task of stemming the depression and turning the tide of battle. The Public Works Administration, the principal agency charged with creating useful employment, opened its campaign without the aid of surveys, which would have expedited greatly its huge undertaking.

To encourage the employment of jobless workers in construction and in the industries supplying materials, P. W. A. invited departments of the Federal Government and States, counties, municipalities, and other local governmental bodies to submit applications for funds to carry on useful projects. Only the Federal departments were prepared to expend this money judiciously, only they had surveyed the work to be done, and had available the blueprints to carry out the job.

Local governmental units were taken completely by surprise. The invitation to enroll in a public-works program found them for the most part unprepared to submit applications for works. And yet every community in the country, from the largest city to the smallest hamlet, felt the urgent need of additional municipal improvements to safeguard the health of its people, to provide decent modern care for its sick and indigent wards, to give modern educational accommodations to its children. Every community was aware that its municipal plant was in need of some improvement, and every community was faced with a grave unemployment problem, yet few of them had prepared the plans and estimates on which to base a request for Federal aid, which would serve the dual purpose of employing their jobless and modernizing their plants.

There was no national survey showing the location of needed works, no outline for a campaign which sought to attack the largest unemployment centers and provide there employment for workers who wanted jobs in the building

of undertakings whose value to society should not be questioned by the taxpayers who would bear their cost.

There were two possible methods of operation for P. W. A. It might have sprung into action hastily, scattering with lavish hand the money entrusted to it in the construction of poorly planned undertakings of questionable social worth, or it could proceed cautiously and necessarily more slowly, evaluating each application, checking the plans with the idea of securing a dollar's worth of work for each dollar spent, making certain that the Federal Government would find its loans repaid.

Public Works Administrator Harold L. Ickes chose the latter course, and I believe he showed great wisdom in his choice. Applications for Federal funds to be used in construction of State or municipal projects poured into his office by the thousands. The fantastic, the wasteful, the useless were carefully weeded out by trained engineer examiners and approval was given only to those projects which promised to keep a substantial number of workers from relief rolls and which served some useful need in the community in which they were to be erected.

This selection of the undertakings in which the Federal Government was to participate was a long, laborious process. The care exercised in determining that no Federal money should be wasted required time and brought from hostile critics the charge of unnecessary delay. The program moved slowly, but moved as rapidly as judicious administration would permit. The haste demanded by critics would have necessitated waste, and extravagance in America's first public-works program would have so seriously discredited the theory of public works that its employment in future depressions would be indeed difficult.

Instead, in reviewing the accomplishments of P. W. A., we find that it has been so successful in routing the depression that its future use as a tested theory seems inescapable. P. W. A. has undertaken the construction of approximately 24,000 projects. Of this number, 15,500 were carried on under the auspices of the regular departments of the Federal Government and the remaining 8,000 and more by P. W. A. in cooperation with the local government units which received grants of Federal money. A recent statement of Administrator Ickes reveals that approximately 3,400,000 men have been given 1 year's employment on P. W. A. projects. Mr. Ickes and the administration should be proud of the fact that the P. W. A. construction program, involving between three and four billion dollars, has not been marred by scandal, and that even the most captious critics are agreed in granting that its projects have been supervised intelligently and constructed soundly, that the funds entrusted to it have been expended with wisdom, honesty, and economy. The record of P. W. A. in carrying on the greatest short-time construction program undertaken by any single agency in world history is indeed one of the greatest achievements of President Roosevelt's administration.

Yet it must be remembered that this entire program was conceived, put into execution, and substantially completed in the short period since P. W. A. was established in June 1933. P. W. A. started from scratch, without the aid of surveys, without even the detailed plans for projects submitted to it. This Herculean task of planning and executing these more than 8,000 projects in its non-Federal program has all been accomplished within 3 short years.

I am certain that Administrator Ickes will agree with me that had his Department been equipped with a scientific inventory of the Nation's needs in public works, with the plans of individual projects which might advantageously be built, P. W. A.'s vast program would have made its beneficial effects felt on industry in a far shorter space of time and would have accelerated more speedily the national recovery process.

We hear a great deal about preparedness from military and naval leaders, but little has been said about the value of preparedness to ward off economic catastrophes. Yet a casual perusal of our history will show that the possibility of economic upheavals is far greater than that of war. It seems to me that one of the most urgent needs of our Government at the present is that of a well-equipped agency whose function shall be in times of economic peace to make all preparations for mustering the Nation's strength in the event it is needed in an economic crisis when business fails in its role as the employer of the Nation's workers. The first steps in long-range planning have already been taken. Under Administrator Ickes, the National Resources Board was organized and has been operating with a grant of P. W. A. funds. This agency is primarily concerned with providing an inventory of our great national resources and with preparing a program for their intelligent development. While its work will doubtless be of great aid, not only in directing future expansion but in mapping areas for improvement to be developed if America is faced with the problem of providing work relief in another depression, we should have some other agency whose chief concern should be the development of plans for specific projects in every part of the country. This agency should be so organized and equipped that its files will contain full information on the construction needs of every community, so that in the event of a serious unemployment crisis, work may be started at once on some useful undertaking, providing a welcome, economically sound substitute for a Federal dole.

At the present time the Public Works Administration, of all Federal agencies, is best prepared for the work of long-range planning. It already has on file thousands of applications for worthy undertakings which have had to be filed, because sufficient funds for their execution were not available. Hundreds of these projects have been carefully examined and approved by P. W. A. engineers, economists, and lawyers and their construction waits only the need for employment and the appropriation of the necessary funds. These approved applications might well serve as a nucleus for a permanent collection of plans for public works, which might well be assigned to the care of P. W. A., which would be entrusted with the task of keeping the file up to date, ready for use in any emergency.

I feel certain that I echo a sentiment popular throughout the country when I say that we should charge some Federal agency with the permanent duty of compiling and keeping a timely inventory of the Nation's public-works needs. Americans of the future calling upon this survey to assist them and their fight through another depression, and finding it ready for use, will be grateful for our foresight.

UTAH PIONEER TRAILS AND LANDMARKS ASSOCIATION

Mr. ROBINSON of Utah. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2611) to authorize the Utah Pioneer Trails and Landmarks Association to construct and maintain a monument on the Fort Douglas Military Reservation, Salt Lake City, Utah.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the immediate consideration of the bill?

Mr. SNELL. Mr. Speaker, reserving the right to object, I would like to have the gentleman make a statement in regard to this bill, whether it is going to cost the Federal Government any money or not, and what the actual situation is. The House as a whole, I think, needs some information in reference to this matter.

Mr. ROBINSON of Utah. Mr. Speaker, this bill has been passed by the Senate, and has been unanimously reported by the Committee on Military Affairs.

The purpose of the bill is to authorize an organization known as the Utah Pioneer Trails and Landmarks Association to construct a monument on the Fort Douglas Military Reservation to mark the place where the Mormon pioneers entered the Valley of Salt Lake. The bill carries no appropriation, and its only purpose is to give this organization the right to construct this monument on a military reservation.

Mr. SNELL. They construct and maintain it out of their own funds?

Mr. ROBINSON of Utah. Yes; under the direction and supervision of the Secretary of War.

Mr. SNELL. But they furnish their own funds to erect and maintain this monument?

Mr. ROBINSON of Utah. Yes.

Mr. SNELL. It is satisfactory to the War Department and takes no land that is needed for other purposes?

Mr. ROBINSON of Utah. The gentleman is correct.

The SPEAKER. Is there objection to the immediate consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to issue a permit, under regulations to be prescribed by him, to the Utah Pioneer Trails and Landmarks Association to construct and maintain on the Fort Douglas Military Reservation, Utah, a suitable monument, including roadway and footpath thereto, to commemorate the site where Brigham Young, Mormon pioneer leader, on July 24, 1847, declared "This is the place", the location and plans to be approved by the Secretary of War, and all work to be done without expense to the United States and under such military supervision as is deemed advisable by him.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

NATION-WIDE REVOLT PREVENTED IN 1933 WHEN CONGRESS PASSED THE N. R. A. AND C. C. C. CAMP MEASURES

Mr. SNYDER of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SNYDER of Pennsylvania. Mr. Speaker, the production curve and business curve always turn down when wages drop faster than prices of commodities. From October 1929 to April 1933 farm prices dropped faster than the prices of other commodities that had to be bought by the farmers and home owners. The unbalanced drop is what caused the greatest depression and economic panic our Nation ever experienced. During these 3½ years the business curve and the buying-power curve kept coming down and down and down, and during all of these 3½ years Mr. Hoover, Mr. Mellon, and Mr. Morgan and the rest kept telling us that this business curve would turn its nose up around the corner next week, next week, and next week.

The sad part of that national calamity was that the dictators would not let President Hoover do anything to prevent this decline of weekly wages and farm prices. They told him to sit still and keep quiet and wait until prosperity came around the corner.

We all know that we were within a few months of a revolution in this country when the Roosevelt administration and the Seventy-third Congress put into effect the N. R. A. and the C. C. C. camp movement. Both Democrats and Republicans now agree that had Congress not passed these two bills and put them into effect we would have had an industrial and social revolution in this country.

As soon as these acts of Congress started to operate in 1933, wages and farm prices started to be stabilized. The business curve in production instantly turned upward. The farmer received more for his commodities. Labor received more per day. In other words, buying power was increased and we cannot have prosperity unless we have ample buying power. We cannot have ample buying power unless all men have work at a reasonable wage.

Just as soon as the farmers and the laborers and the little-business men become conscious of the always true fact that production and prosperity always go hand in hand with ample wages and shorter working hours, then we will be in a position to throw off this boogaboo of man-made depression.

We all know that the recent depression was a man-made depression. International bankers and Liberty Leaguers and their kind made this man-made depression. They will do it again if they can flashlight the people into believing their soap-bubble propaganda. This upward turn in business was a direct result of the application of the N. R. A. and the institution of the C. C. C. camps throughout the Nation.

Mr. Speaker, I am proud that I was among the first to get back of the C. C. C. camp movement. This was years before 1933. Inasmuch as a large portion of my life's work has been in helping young men and young women to find themselves when they get out in life's school, I was exceptionally enthusiastic about these camps when they were inaugurated in 1933.

At that time I designated them as "the most far-reaching citizenship-building and nation-building institution that this Government has ever set up", excepting, of course, the home, the school, and the church. However, I must admit that I did not think that they could accomplish for the boys and for the Nation all the wonderful things they did accomplish.

Hundreds of thousands of boys who were undernourished and discouraged—yes; fine young men, graduates of our high schools and colleges, who because of the man-made depression were spending their time in the bowling alleys, pool rooms, and loafing places on the highways and byways looking for work—were discouraged to the degree that they were becoming desperate. I might say that we could not blame them for that. So, great was the day when the C. C. C. camps called these boys, and because of the open-air facilities, the splendid food, and the opportunity to work, and all the other factors that enter in, we are making splendid and useful citizens out of these hundreds of thousands of boys.

Mr. Speaker, speaking of the C. C. C. camps, they have done so much to help the boys, the State, and the Nation that it is hard to visualize or comprehend. However, it is interesting to note just a few of the things these camps accomplish in Pennsylvania.

(A) Gave employment to 107,100 men.

(B) The Government helped pay for the C. C. C. camps up to March 1936 to the extent of $75,903,000.

(C) That the C. C. C. camp boys sent $15,575,000 of their earnings back to their homes to take care of their fathers, mothers, and family.

(D) Reduced the annual average of forest-fire destruction 40,000 acres.

(E) The boys put in 57,000 man-days fighting forest fires between April 1933 and April 1936.

(F) They protected the forest to the extent of building 2,500 miles of truck and trail roads.

(G) They built 2,200 miles of foot and horse trails.

(H) They constructed 460 vehicle bridges.

(I) They cleared fire hazards from 13,520 acres of forest lands.

(J) They reduced fire hazards along 3,600 miles of roadways.

(K) They have built 58 towers and lookouts.

(L) They built and now maintain over 1,600 miles of telephone lines.

Of course, these are only material accomplishments. The big accomplishment is that these camps make men out of boys. They build better communities for us to hand down to our children.

In my district we have six C. C. C. camps and there is no way of judging the social values that our next generation will receive because of this work, and the dollar value they will receive will amount into the millions.

Yes, my friends, the C. C. C. camps, or institutions similar to them—we may call them by another name—are here to stay. We would have many a revolution today if we attempted to take them away, because youth knows that this sort of development of our national resources is a development that will mean food, shelter, and clothing to them as they grow older.

PERMISSION TO ADDRESS THE HOUSE

Mr. GOLDSBOROUGH. Mr. Speaker, on tomorrow, after the reading of the Journal and the disposition of matters on the Speaker's desk, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

FLOOD CONTROL OF THE MISSISSIPPI RIVER

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address which the senior Senator from Louisiana [Mr. OVERTON] delivered on April 27 before the National Rivers and Harbors Congress.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. DEROUEN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Hon. JOHN H. OVERTON, Senator from Louisiana, before the convention of the National Rivers and Harbors Congress in Washington, D. C., on April 27, 1936:

Mr. President and members of the National Rivers and Harbors Congress, permit me to express my very warm appreciation of the honor which you have conferred upon me in requesting me to address this magnificent convention of the National Rivers and Harbors Congress, composed of representatives from all parts of the United States.

When I selected as the subject of my discourse the topic of flood control of the lower Mississippi Valley there was then pending upon the calendar of the United States Senate a bill that I had introduced, providing for the completion and expansion of a plan of flood control in the alluvial valley of America's greatest river.

I am happy to stand before you today with the realization that this bill was last week passed by the Senate without a voice raised in opposition to it and with only one dissenting vote cast against it.

The bill has now been sent to the House of Representatives for action, and, together with an overwhelming majority of the people residing in the valley, I entertain the fervent hope that it will within the next few days be reported by the Committee on Flood Control of the House and at an early date be passed by that body and approved by the President of the United States.

This bill, S. 3531, presents no new or novel plan of flood control. It provides for the completion, modification, and enlargement of the plan proposed by Gen. Edgar Jadwin, Chief of Army Engineers, in 1928 and adopted by Congress in the Flood Control Act of May 15, 1928.

The main features of the 1928 act were the declarations by the National Congress that flood control in the lower Mississippi Valley is a national responsibility; that the States in the valley and their local subdivisions had contributed $292,000,000 to protect themselves from the floodwaters borne down upon them from an area representing 41 percent of the territory of the continental United States; that no further local contribution should be required except mainly the furnishing of rights-of-way for levees on the main stem of the Mississippi River and the maintenance of the levees after construction; and that the National Government would at its own expense pay the cost of construction of levees and floodways and the cost of flowage rights.

The bill that I had the honor of sponsoring does not undertake to modify the philosophy and purpose of the Flood Control Act of 1928; it does not undertake to enlarge Federal responsibility or to decrease local contribution. Its chief object is to provide for the completion of the project undertaken pursuant to the act of 1928, to modify it in accordance with the engineering recommendations of the Mississippi River Commission and the Chief of Army Engineers, and to authorize an additional appropriation of $272,000,000 for its execution.

The plan recommended in 1928 by the Army Engineers and the Mississippi River Commission, based upon almost half a century of intensive study of this great problem is a plan of levees and of floodways. It was declared then by the Commission and by the Army Engineers, and is today their firm judgment, that a system of levees only is wholly insufficient. The levees must be supplemented by floodways. They are being built as high and as broad as it is feasible, practicable, economical, and safe to build levees. But when major floods descend the mighty Mississippi, in the majesty if its strength and in the fierceness of its wrath, laughs to scorn these great artificial barriers, crevasses through and breaks them down and spreads its devastating and destructive floods into the alluvial plain. In its uncontrolled ravages it plays no favorites and respects no area. It selects its own outlets and discharges its ruinous floods alike over woodland and swampland, prosperous farms and happy homes, towns, and cities. From time immemorial the great Father of Waters has demanded and, levees or no levees, it will continue to demand relief outlets for the excess waters of its supercharged channel. It is inevitable that we accede to the river's inexorable demand, but wisdom, prudence, and foresight dictate that we provide and control the necessary diversion channels.

Therefore, under the adopted plan, the completion of which is sought by the Overton bill, it is proposed that we instead of the river select and provide the necessary outlets. It is contemplated that the surplus floodwaters which the main and leveed channel cannot hold be subtracted from the river and through other channels be safely borne to the Gulf of Mexico. These diversion channels are to be located where they will be most effective and where they will do the least damage. These floodways and spillways will be leveed so as to confine the surplus waters thus permanently divorced from the Mississippi River, and the owners of properties within the floodways shall receive agreed or just compensation for all flowage rights and easements conveyed or taken.

This plan of levees and floodways is a plan that has been constantly and unqualifiedly recommended by the Mississippi River Commission and the different Chiefs of Engineers since 1928. It is according to them the sure, safe, and most economical plan that can be adopted. It is sufficient unto itself. If carried into effect, as contemplated by my bill, it will solve forever the flood-control problem of the lower valley. Gen. Edward M. Markham, present Chief of Army Engineers, declares that this combination of levees and floodways is the only answer that they have been able to uncover, discover, and make to this age-old problem of flood control in the lower Mississippi Valley.

It has been proposed to dispense with floodways by the use of flood-detention reservoirs on the headwaters of the streams tributary to the Mississippi. After a thorough study of reservoirs, the Mississippi River Commission and the Chief of Engineers in 1928 submitted, through the Secretary of War, a report on the subject; and it was their deliberate and expert judgment, confirmed the other day by the testimony of General Markham before the Senate Committee on Commerce, that reservoirs do not dispense with the necessity of either floodways or levees. A system of reservoirs that would have a constant and substantial influence in lowering flood stages would cost $1,250,000,000, as against the plan contemplated in the pending bill that is estimated to cost for its completion the sum of $272,000,000. The people in the valley favor and the engineers recognize the value of reservoirs as additional factors of safety. But I am safe in making the assertion that it is the consensus of expert engineering opinion and the view of the overwhelming majority of the people in the valley that reservoirs are not a safe substitute for either floodways or levees.

Permit me to make the observation that, in my humble judgment, the time has come in the history of this Nation when the Federal Government should busy itself not only with the regulation and control of Mississippi floods but with all major interstate flood situations throughout the Nation that are destructive of life, property, and industry, regardless of where they occur. A most thorough consideration is now being given, and, I may add, a determined effort is being made by Congress to provide, in the so-called omnibus bill, a formula of national policy having for its object Federal intervention to prevent these major flood disasters. And, in conclusion, I express the hope that before this Congress adjourns a reasonable and practical omnibus flood-control bill will receive the sanction of Congress and the approval of President Franklin D. Roosevelt, who is, from a national viewpoint, giving sympathetic consideration to all major problems of flood control throughout the continental United States.

PUBLIC DOCKS, WHARVES, AND WAREHOUSES

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to withdraw the bill (H. R. 9011) to amend the twelfth item of section 460 of the act of Congress approved March 3, 1899 (30 Stat. 1336), as amended by section 29 of the act of June 6, 1900 (31 Stat. 331), which was introduced by me and referred to a committee but upon which no action has ever been taken.

The SPEAKER. Is there objection to the request of the gentleman from Alaska?

There was no objection.

RECORD OF THE ROOSEVELT ADMINISTRATION

Mr. HAINES asked and was given permission to extend his remarks in the RECORD.

Mr. HAINES. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address which I delivered at Quakertown, Pa., on April 14:

I want the citizens of this progressive community to know that it is both a privilege and pleasure for me to join with you upon such an occasion and because of the fact that you have in Congress one of the finest men it was ever my privilege to be associated with. OLLIE FREY (for we like to call him "Ollie") is a most worthy representative of his people. He has the respect of all who know him and is recognized as an able legislator and intensely interested in the people he has the honor to represent. I want to express the hope that you will give him your united support and send him back, for it is only by length of service that men can be of the most value, and this is so true in the legislative halls of the Nation.

We are in the midst of another great national campaign.

You have already heard, and will continue to hear, a great deal concerning the accomplishments of the Democratic Party, under the wise leadership of one of the greatest men of all times, Franklin D. Roosevelt. The record of this administration is subjected to the most vicious attacks ever uttered against any man; hence, it is most fitting that I should, upon an occasion like this, refresh your memories and call to your attention the dark days of the recent past. Our memories are very short, and perhaps it is a good thing that we can forget; but it will do no harm for me to recall the dark days through which the Nation had to pass under another administration, and caution you not to be deceived or to permit yourselves to be exploited for the selfishness of those who want to destroy the efforts toward industrial and social security and the

splendid gains we have made in the past 2 or 3 years. What was the condition of the country in 1932–33? I know our political enemies don't want us to "bring that up", but let's examine the record.

Let's go back to March 4, 1933, and find what the condition of the country was at that time. I say to you that the country was in utter despair and chaos. The awful picture of desolation that obtained at that time is something we would all like to forget, for we had a great mass of our fellow citizens who did not know what to do or where to go. We were a panic-stricken, bankrupt people in a great land of full and plenty on every hand, with hungry men, women, and children in our large centers of population destitute and homeless, roaming from one place to the other, living upon the generosity of others almost in as bad a condition. That ghastly picture of hunger and privation, bringing untold suffering, chilled the huge ranks of the unemployed with stark fear and burdening them with the sense of hopelessness and destruction. I say to you, ladies and gentlemen, it was the coming of Franklin D. Roosevelt at that time that saved the Nation and brought cheer and hope into the breasts of millions of fine Americans who were about to give up. We had 70 percent of our people at that time who did not have enough income to provide themselves with the real necessities of life. A voice rang out on that memorable March 4, saying no one is going to starve in this country, and because that promise has been kept, it is now necessary that an administration must defend itself. I'll confess to you that it is the first time in my more than half a century's experience that I have known any administration to be abused and criticized for bringing back better conditions. The Democratic administration, under the leadership of Mr. Roosevelt, has tried to keep that promise, not by words but by action.

It is not the first time, however, that men have been abused for taking up the cause of the masses. George Washington, Lincoln, Thomas Jefferson, Andrew Jackson, Woodrow Wilson, and even Theodore Roosevelt were abused in their day, some of them suffering abuse almost equal to that which is now to be heaped upon this great President of ours. Woodrow Wilson was crucified by powerful political enemies, and even today some men in high places would like to drag his fair name through the dirt and slime, which is the most shocking thing that can come from men who call themselves patriots. It is not for me, however, to rise here and defend these great men, for their records have been made, and you and I have been made better by their having lived and toiled and sacrificed.

Today we are erecting monuments to their memories, as we will do to Mr. Franklin D. Roosevelt when God calls him home, but to me it is most unfortunate that a great people must resort to such low and degrading principles to achieve political ends. I say to you here and now that when the pages of the history of these days will have been written, no name will be more honored than that of the present occupant of the White House, for our posterity will be the recipients of the advanced program we have launched, and which will be continued and brought to completion if our people are wise as I think them to be. All the progress the world has ever made it owes to dissatisfied men and women. I am not alarmed at all because of the dissatisfaction in some quarters, but I am rather encouraged when I know that all of this leads to the reforms which the people themselves will demand. Mr. Gladstone, the greatest of all statesmen, made this statement: "That in every political controversy in the last 50 years the leisured classes, the titled classes, have been in the wrong. The common people, the toilers, these have been responsible for nearly all the social-reform measures which the world accepts today." If we will examine the pages of our own national history we will find this to be true here in the United States. You can point to no great reform in this country of ours without finding that it was bitterly opposed by the wealthy and special-privileged groups.

Now, what was the condition of our great country just prior to this Democratic administration? Well, the farmers, which comprise almost one-third of our population, could not sell their products because the city and town people could not buy.

They had no purchasing power, for, mark you, my friends, when our people have no purchasing power we simply cannot expect to move the wheels of industry. The farmers were bankrupt. A million farmers lost their farms in a period of a few years during those dark days. Industry was practically at a standstill during that same period, for just as surely as you and I are here, if the farmers are not prosperous, the entire Nation suffers, for it does reflect itself immediately. This Nation cannot hope to go on with half our people prosperous and the other half destitute. Between the years 1920 and 1932 more than 10,000 banks closed their doors, and many of these banks did not reopen again. During Mr. Hoover's term of office more than 6,000 banks were closed. If you will examine this record that I am talking about, you will learn that some of these banks paid no dividends to their depositors and that it brought wrack and ruin to individuals and communities, as well as untold hardships.

What a calamity that was, and will it ever be forgotten? I know our friends on the other side don't want us to bring this matter up, but we are examining a record and, of course, the record is not complete unless we examine all of it.

I know something about this, my friends, for I had a lot of my own people affected. The courage of Mr. Roosevelt saved the day, and his action in declaring a bank holiday gave the necessary breathing spell and saved our people from making further runs on banks that would have led to complete financial disaster. Thank God the farmers are gradually getting back on their feet; but again, if it had not been for a sympathetic administration, no one could tell what would have happened to the farmers after the courts ruled out the Triple A. Without a doubt the farmers would go back into the old rut from which they were rescued. We have tried again to help them in the new Soil Conservation Act, which we hope the courts will not invalidate. The farmers are such a potential force in this Nation, for we differ from most of the great nations of the world in that we grow more foodstuffs than we can consume, so that it is of such vital importance that we are interested in his welfare, for it reflects itself immediately upon our own national welfare, and affects the workers in the mills and manufacturing plants, as well as the commercial and financial activities. There is so much that can be done for the farmers that will be helpful to the balance of the Nation that it is of the greatest importance that we have his welfare in mind.

Only 14 percent of the farmers in the United States enjoy electric energy on the farms at this time, and less than 15 percent of these farms have running water in their homes. I am sure everyone can appreciate the potential business value to every line of human endeavor if we could give the farmers an adequate purchasing power, so as to give the stimulus so necessary in our cities and towns. Start the farmers on the road to prosperity and you will enjoy national prosperity, but not until you do this can you realize it. Of course, we have the problems of the towns and cities to solve. When the Government plans for slum clearance and better homes for Americans, we are immediately accused of being socialistic and communistic, as well as every other objectionable name to our form of government. We have millions of men and women living in houses unfit for human habitation. This administration would like to see every man, woman, and child in this country live in decent homes, have a job, paying an adequate wage, and I am quite certain you will agree with me that we have tried to give the necessary stimulant to aid private industry to absorb those that are employable.

When we give consideration to this great group of our fellow citizens, we are told that we are interfering with private industry and slowing up the wheels of industry.

Would those who oppose our program prefer that we pay a dole rather than give work to our people on projects approved and sponsored by local communities? No matter what we attempt to do, we are in a campaign, and fault will be found with everything. We are accused of throwing away the taxpayers' money; we are told to balance the Budget. We are told that our national debt is so burdensome that we are placing obligations upon our posterity that they will not be able to carry. All of this is loose talk, for if you will examine the record you will learn that the per-capita indebtedness of the United States is not as high today as it was in 1919. In 1919 the per-capita debt was $246.09, while today it is $238.44, even though we have had to spend a lot of money to preserve the Republic. Note I say "preserve the Republic." I believe that had the old policies been continued, we might not now enjoy the kind of Government we have nor experience the gains so much sought after. It might be well, too, for you to know that instead of having a per-capita annual interest rate of $9.58, as we had in 1919, today we have an interest rate per capita of $6.04.

It is because of wise administration and the interest of the taxpayers is being protected that this is true.

It is doubtful if any country in the entire world can show a more constructive achievement of a like period than that accomplished by this administration. Since the bank holiday and the passage of one of the major acts of this administration, namely, the Federal Deposit Insurance Act, bank failures have been few; in fact, only 31, and nobody paid any attention to them, for our people knew their money was safe, and they were paid off almost immediately. Compare this with the more than 6,000 failures immediately preceding this administration, and you can have the most partisan enemy of our party admit that we did accomplish something. Today our banks are safe. Safer than at any time in our national history, and the work of relief is progressing, even though we are faced with obstacles never dreamed of in March 1933. Those were the days when citizens all over the Nation wrote and wired to Representatives to "back up the President; go along with anything he might request."

Now I note that the same group are very loud and vociferous in their abuse of the President. They want to make me feel that everything that was done is wrong, even though they have been rescued. I can't help but think that they are now biting the hand that fed them. Businessmen are not consistent, because the record is before us, and I note that unemployment has declined on January 1, over January 1 of 3 years ago, 30 percent; cotton has advanced 92 percent; wheat has advanced 111 percent; corn, 152 percent; industrial production, 51 percent; steel, 251 percent; automobiles, 326 percent; wholesale prices, 33 percent; total exports, 34 percent; imports, 37 percent; listed stocks, 134 percent; and listed bonds, 22 percent—also a 19-percent advance in power production—and yet, if you read the headines and editorials in our newspapers, you would reach the conclusion that the country is going to the dogs. It just doesn't make sense to me, but, of course, when you know that more than 80 percent of the newspapers are controlled by special interests, who have controlled this Government for so many years, it is perfectly obvious that one must not expect any consistency. Back in 1930 we passed a tariff bill that became a law, and this was the beginning of the end in this country. Every economist of any note advised against its enactment, but the party then in power heard their "master's voice" and did its bidding. After becoming a law we immediately felt its effect upon our economic structure, for here's that part of the record: In

1929 we sold about five and one-fourth billions of dollars' worth of American products to other countries. In 1 year it went to less than four billions, and in 1931 a little more than one and one-half billions. Think of it, a loss in trade with other countries to the tune of $4,000,000,000 in 3 years.

And yet we have a great group of people in this country who believe that we can sell to other countries if we don't buy from them. It was evident that those who were responsible for this legislation anticipated the loss of world trade, for immediately they began to erect factories in other countries and, instead of manufacturing the finished product in our own country, employing Americans, these people sent billions of American capital into foreign fields, and instead of employing our people, as they did in the past, American dollars were spent in these other countries to employ those nationals, and our people were sent into the ranks of the unemployed. Today, through the wise leadership of Mr. Roosevelt, we are entering into reciprocal agreements with other countries and are again beginning to trade with one another. You hear a lot of criticism of this and you are being led to believe that we are allowing other nations to dump goods into the United States to the disadvantage of American industry. This isn't true, my friends, for if you will examine the record you will find that we have a balance of trade with almost every other nation we deal with and are selling more to them than we buy from them. We simply cannot have any world trade upon any other basis, and I am sure the American people will not be misled when they know the facts. Farmers are being led to believe that agricultural products are being dumped into the United States at their expense. Less than one-half of 1 percent of the wheat we need comes from other countries, and we have always wanted this wheat. Only 12 percent of our corn is ever on the market for sale, and we always buy some grades of corn from other countries; but, mark you, every time we buy some product from another country they buy something from us in exchange; hence it works to the advantage of the average citizen when we have world trade and when nations deal one with the other. I am no free-trader, I assure you, but I do not believe in destroying the economic structure of the world by the erection of tariff barriers, and which ultimately leads to war. Examine the record and you will learn that almost all wars are the result of these kinds of barriers.

I believe in adequate tariff for the protection of American workmen, but I do not believe that we can hope to employ our people and sell some of our surplus to other nations unless we will in turn permit them to sell to us. No group in America have been affected more than the farmers in respect to these tariff barriers. He must buy his machinery in a highly protected market and sell at such prices as he can obtain at home. Through the passage of the Smoot-Hawley Tariff Act more than 35,000,000 acres of American farms had to be taken out of production, for we lost world markets to that tune. The Democratic Party is not, nor has it ever been, the enemy of business. It is, on the other hand, the friend of business; but it is the enemy of the special-privilege group who in the past have exploited our people for their own selfish ambitions and benefits. Business has benefited under this administration and would have benefited more had not the Court thrown out one of its major acts and which was contributing so much. Today businessmen are alarmed again, not because of any act of the administration but rather because of their experience right now in price cutting, longer hours, and lower wages. I have had numbers of businessmen speak to me, write me letters, telling me how sorry they are that the N. R. A. was invalidated. My friends, this was a plan given to the Congress by the organized business groups in the United States. It was enacted at their request, over the better judgment of leading lawyers, members of the Ways and Means Committee, who at that time questioned its constitutionality. One of the leaders in the Liberty (Lobbyist) League brought it to the committee and spoke long and earnestly for it. Today that same man is doing everything he can to embarrass this administration, even though he himself was a confidant of the President and a former Member of the House. When it was clearly shown that he was not a liberal nor in sympathy with the President's program, he retired to private life and to the aid of the old group who have contributed so much to bring economic distress to our people so many times.

I want to tell you, too, that there wasn't a business or manufacturing organization in our country who spoke against that bill. They were all favorable to it until—yes; until—we took care of labor. Just as soon as we gave labor a part and considered their welfare we invited the displeasure of that group which led them to go to the courts. They all made money, as I can prove to you by the record. There are some things, however, that businessmen won't learn, and that is that if they want to prosper they must permit others to do likewise. I believe, in this modern day of mass production and labor-saving, labor-supplanting machinery, chain distribution, we have no right to interpret the act of our fathers, those who founded this Government, other than in the light of this modern day. I say to you, therefore, that this administration wants businessmen to make profit. Every act was aimed with that in mind, but we also insist that the laborer is worthy of his hire.

To prove that this administration is the friend of business, I want to keep the record before us. I need only point you to their own reports, and you can then see how harmful this administration has been to them. If I had the time, I could mention hundreds of individuals and corporations, and from their own reports prove to you that we have helped them. Instead of appreciating this, they are organizing to wage the most vicious campaign ever waged against any man in this country.

The thing that burns up many of these so-called industrial leaders is the fact that for one time in their lives they are unable to dictate to the White House. Recently a score or more of businessmen called on the President, telling him what they thought the Government should do. They were given a respectful hearing. One point they stressed was the need for the Government to stop spending money. After they finished the President turned to them, I am told, and told them that Government spending will continue just as long as such aid is necessary, and they were told that they might as well make up their minds to that. The President, in no uncertain language, told them that Government spending to relieve unemployment would continue as long as such aid is necessary. These men do not have the President deceived, for he knows they are trying to get him out of the White House, but let me tell you that just as long as the rank and file of our citizens know that they have a President who is interested in their welfare and their security, just that long will they support him in his humanitarian efforts. The President further told these people that just as long as they continued to chisel in reducing wages, extending hours of work, and fail to cooperate in putting the unemployed to work, just that long will they make thousands of votes for our administration, for the people do know that this party of ours is the party of the people and not of the special interests, who have had things their own way for so many years, I am sure the people of this Nation are not so ignorant as to be deceived much longer. They know that the New Deal is for them, and today they are beginning to realize that the N. R. A. was for their benefit, because they have had to experience longer hours and a reduction in wages.

Recently I received a postal card from a community in North Carolina advising manufacturers that there was a lot of labor available in their community and that young girls could be employed for 65 cents per day, married women for $1 a day, and men for $1.25 per day. I ask you, ladies and gentlemen, if you think we can have any security with such a wage scale; and you must not forget that when an industry in any community drags wages down to such a low level it will reflect itself in that industry throughout the entire Nation. The way to bring happiness and prosperity to our people is only through the payment of an adequate wage; not merely a wage that will permit men and women to purchase necessities but the luxuries, too, that are so dear to our people. Indeed, you likely know that 60 percent of the products we produce might be classed as luxuries, so that it is very important that a wage be paid to those who are employed to permit them to buy these things.

Leaders are surely short-sighted if they fail to appreciate the necessity for an adequate wage, and I am at a complete loss to understand why these same groups should want to "gang up" to defeat Mr. Roosevelt. I understand that a group have already organized to defeat Mr. Roosevelt, and that they are being headed by Mr. William C. Bell, president of the American Cyanamid Co. You will recall that this is the same company that tried to secure control of Muscle Shoals, and might have succeeded if it had not been for the courageous fight on the part of Senator NORRIS. On March 4, when President Roosevelt was inaugurated (1933), the common stock of that company was quoted at 3½. Recently it was selling at 30½ The profits of the company in 1932 were reported at $1,542,908; for 1934 they report profits of $3,846,720, or more than 100 percent increase. The New Deal certainly was injurious to that concern (?). The second member of that powerful group, Mr. Ernest H. Weir, head of the National Steel Corporation, was the same concern who led the fight against collective-bargaining provisions of the N. R. A.

On March 4, 1933, the common stock was selling at 15½, and only recently it sold at 83¼. In 1932 the net income of that corporation was $1,662,920, but in 1934, under the New Deal, the net income was $6,050,721, and for the first 9 months of 1935 the net income is reported as amounting to $8,603,758, or nearly seven times what it was during the last year of the previous administration. Surely the New Deal did hurt them (?).

The next is Mr. Sewell L. Avery, president of Montgomery Ward & Co. On March 4, 1933, the common stock of that company sold for 6⅞. Recently it sold for 40, and their own statement, issued January 1, 1933, showed a deficit of $5,598,554. The last statement I have seen of this company showed a profit of $10,807,636, or a clear gain of more than $16,000,000. Did the New Deal hurt that corporation? The fourth member of the war chest committee (the committee who will see that the money is collected to defeat Mr. Roosevelt) is Mr. A. W. Robertson, chairman of the board of the Westinghouse Electric & Manufacturing Co. On March 4 common stock of that company was selling at 30¾. Recently it sold for 98½.

The company's earnings show for the calendar year 1932 that they lost $8,903,540, but for the first 9 months of 1935 they made a net profit of $8,822,640, or a gain of more than seventeen and one-half million dollars. Now tell me, please, how can these gentlemen justify any organization to defeat a man or a party who has brought into their own coffers such increased profits? These four corporations show profits in excess of $40,000,000 in excess of the last year under the previous administration. If this doesn't please, what will?

I think the answer is in the words of a writer who recently stated: "These men prefer power to profits; not that they love

profits less, but that they love power more." Let us continue to examine the record: Farm income in the past 3 years has increased by $3,000,000,000. Unemployment, while still bad, has decreased from 14,000,000 to 9,000,000; but what would it be today if the strong arm of your Government had not gone to the rescue? The value of securities issued for new and refinancing purposes increased from $1,732,000,000 in 1932 to $3,526,000,000 in 1935. The aggregate annual income of the American people increased from thirty-nine billions to more than fifty-four billions in the 3 years under Mr. Roosevelt, or more than fifteen billions, and yet you hear men and women go up and down our country telling the people that this administration is ruining the country. This simply does not make sense in the light of the record before us. The value of securities listed on the New York Stock Exchange has increased from fifty-four billions on December 31, 1932, to eighty-six billions on the same date 1935, or an increase of thirty-two billions in 3 years under Mr. Roosevelt. Commercial failures in the United States have dropped from 31,822 with liabilities of nine hundred and twenty-eight millions in 1932 to 12,185 with liabilities of two nundred and sixty-four millions in 1935. Contracts for residence construction increased from two hundred and fifty millions in 1933 to five hundred and fifty millions in 1935, and home-building permits increased from 27,000 in 1932 to 40,000 in 1935.

The urban home-loan debt has declined from twenty-one billions in 1931 to eighteen billions in 1935. The total wealth of the Nation has increased by more than fifty billions since the advent of Mr. Roosevelt's administration.

In 1932 the American industrial production was 63 percent of normal, in 1935 it was 82 percent. In 1932 the employment in America was 46 percent of normal and in 1935 it was 70 percent of the normal. The consumption of electricity increased from less than 12,000,000,000 kilowatt-hours to more than thirteen billions in the 3 years of this administration. Passenger airplane travel increased from 540,000 in 1932 to 825,000 in 1935, and the amount of freight thus transported increased from 1,600,000 pounds to four and one-half million pounds. The net income of railroads was the highest since 1931 and the prospect for further advancement is acknowledged on every hand. Registration of passenger motor cars increased from 20,800,000 in 1932 to more than 25,000,000 in 1935. The value of industrial production has increased from $31,000,000,000 in 1932 to more than $45,000,000,000 in 1935. The net profit of the American Telephone & Telegraph Co. for 1935 was $132,994,782 compared with $111,167,554 in 1934. The number of telephones in use in the United States increased in the past 2 years by 65,000. Mr. Gifford, president of that great company, recently stated to his own stockholders, "the forces of the depression are on the wane." The Bethlehem Steel Co. had a deficit in 1932 amounting to $19,404,431, while in 1935 they show a profit of $4,291,253, or a gain of more than $23,000,000. In 1932 the Anaconda Copper Co. had a deficit of $7,571,946, while in 1935 its profits were $11,181,348, or a gain of almost nineteen millions. In 1932 the U. S. Gypsum Co. had a profit of $1,599,416, while in 1935 its net profit was $3,491,000. In 1932 the United States Steel Corporation had a deficit of $71,175,705, while for 1935 it had a net profit of $1,084,917, or a gain of more than seventy-two millions.

In 1932 the Du Pont Co., whose money is largely financing the American Liberty (Lobbyist) League—at any rate, members of that family supply it—had a profit of $26,234,779, while for 1935 its net profit was $62,085,000, a gain in one period of 3 years under Mr. Roosevelt of almost $34,000,000.

No wonder out of these tremendous profits the Du Ponts can contribute so much money to defeat this administration, whose only sin against them has been they have been able to show these increased profits. In 1932 the Chrysler Corporation had a deficit of $11,254,332, while for 1935 its net profits were $34,975,000, or a gain of more than forty-five millions. In 1932 the General Motors Corporation had the very insignificant profit of but $165,000, but in 1935 it had the stupendous profit of $167,000,000.

The Johns-Manville Co. had a deficit of $5,167,104 in 1932, while in 1935 this same company had a profit of more than two millions.

In 1932 the Deere Co.—who make farm machinery—had a deficit of $5,167,104, while for 1935 their net profit was $6,105,000, or a gain of more than eleven millions. The Sun Oil Co. increased its profits from four millions to seven millions. The American Woolen Co. advanced from a deficit of five and one-half millions to a net profit of almost two and three-fourths millions. Armour & Co. in 1932, when they paid no processing tax, had a deficit of $2,526,000, while in 1935, when they paid a processing tax, they had a profit of $5,626,000. In 1 year the Republic Steel Corporation has transformed a deficit of $3,500,000 to a net profit of $4,455,000.

I told you that I was going to examine the record and not make a lot of exaggerated statements that could not be substantiated by facts. All we hear these days is a denunciation of this administration, calling us all the ugly names they can think of, even inventing new names, so as to bring discredit upon us. They will not meet any challenge to discuss the campaign issues upon the records of the previous administration compared to ours. They even go so far as to poison the minds of our people and try to make them believe that we want to change our form of government. No one is more patriotic than the Democratic Party. No man living has a greater interest today in his fellow man than the present occupant of the White House, and he is due all the love and respect and confidence the American people can bestow upon him. There is a reason, however, why these who have benefited by these great gains want to defeat Mr. Roosevelt, and it is because they know that for the first time they are going to be asked to pay their fair share of the expenses of this Government and not be permitted to continue to hide behind exemption on the profits they are able to make under this great free Government of ours. We Democrats believe that those best able to pay should bear the expenses of Government and make contributions to those whom they have denied an opportunity to earn their bread by the sweat of their brows through the installation of modern inventions that displaces human hands.

They know that the great mass of Americans have a great faith in the President of the United States. They would have you believe that the financial structure of your Government was in danger. Well, let's look at the record again. In 1932 the bonds of your Government sold on the financial markets as low as 83 cents on the dollar. Today these same bonds are selling as high as 115. When the World War ended the national debt was a little more than twenty-six billions. Under the laws enacted under Woodrow Wilson, and I want you to know that it was not due to the wisdom of any wise Secretary of the Treasury, this debt was reduced to sixteen billions by 1928. Recently the Government offered securities to its people to the tune of one and one-quarter billion dollars. As evidence of the faith of the American people in their Government, these securities were oversubscribed so heavily that it required more than a week's work to figure up just how heavily oversubscribed they were. I say to you that your Government was never in better shape than it is right now, and I don't want any of you folks to be deceived by the false propaganda being spread to discredit our party and leader. We have nothing to be ashamed of, but, on the other hand, I have given you a record of the achievements thus far that you can point to with pride. You have heard it stated that we have broken our promises. What promises? We promised that no one should starve. Haven't we lived up to that? We promised a stable currency. The American dollar is the most stable money in all the world. Today that money is backed by all the wealth of the Nation instead of some metallic metal. Have you ever known the national credit to be better than today?

It certainly is better than when bonds depreciated to 83. We are paying the lowest rate of interest for the money we borrow than at any other time and yet the credit of the Government is so high. All the countries of the world are anxious to send their gold to this country and investing in our stocks. Why? Simply because they regard our future more secure than their own. They say that we promised to balance the Budget. This is in process of fulfillment. Many of you men are experienced in business and I am sure you will agree with me that it would be unwise to place heavy burdens of taxation upon our people in times of depression. It is much more desirable to distribute the payment of debts over a period of years and make our posterity help to pay for the benefits that will be theirs by reason of the present projects undertaken by your Government to employ the unemployed. This national deficit, you know, was not invented by the Democratic Party. It is an inheritance of ours, and it might be well for us to again examine the record. The fiscal year under Mr. Hoover, ending June 30, 1931, showed a deficit of $902,717,000; the next fiscal year ending June 30, 1932, showed a deficit of $3,153,097,000; and the last fiscal year ending June 30, 1933, showed a deficit of $2,163,760,000, or a total of more than six and one-fourth billion dollars, under an administration that positively did nothing insofar as aiding the hungry men and women in America. The only help given to anyone was money loaned to large financial institutions, corporations, utilities, insurance companies, etc. I voted to do this and was glad to have it done, but I then believed, and now know, that had the previous administration gone to the aid of the States and municipalities, as did Mr. Roosevelt, we might have avoided many of the evils that developed during that period.

This six and one-fourth billion dollars is about one and one-fourth billions more than we have thus far spent for relief; and had Mr. Roosevelt known exactly what he learned when he took over the reigns of Government, he might not have made a promise for a balanced Budget at once. A great cry emanating from those in high places now accuses this administration of being wasteful and destroying the Republic. Well, they came to Washington and were accommodated—they were saved; but now, since they have been saved, they find fault with an administration that wants to do the same thing with a great group of honest Americans who, through no fault of their own, find themselves in a condition that is most desperate. Because we are helping this group the vilest abuse is heaped upon us by the American Liberty League and the Republican Party. In the face of the fact that the previous administration never worked upon a balanced Budget surely makes one wonder if they are sincere. I am sure you all are familiar with the fact that most of the States and all of our great centers of population are unable to care for their own and are appealing to the Federal Government to continue aiding them. For us to stop now would place burdens upon taxpayers locally that would be almost unbearable. The actual running expenses of your Government were cut over a billion dollars a year and the 25-percent reduction was carried out for the same kind of administration; and if it were not for the relief that we must give to the cities and the States, this Budget that you hear so much about would have been balanced long ago. Much of our present deficit has resulted from loans we made to banks and industry, railroads, insurance companies, farmers, and small-home owners. We hold recoverable assets to an amount of almost $5,000,000,000, the best security the Nation can offer, its farms and homes. In 1932 almost a million farmers lost their homes

and more than that number of small-home owners. In 1933 and 1934 we saved another million farmers from losing their homes and farms and almost another million small-home owners were able to hold their homes and save the equity they had in these homes, representing their lifetime savings.

I ask you, in all fairness, if it isn't just as important that the Government aid this great group as to go to the rescue of these financial groups? We tried to reduce unfair trade practices among businessmen. We tried to banish the sweatshops; we tried to banish child labor, and have been working toward better working conditions for labor and better mutual understanding between employer and employee. We have by evolution, rather than by revolution, tried to inaugurate a system of equitable distribution of net profit in business and industry and laid the groundwork for social and economic security. Whether we shall realize these fine objectives may rest with the Supreme Court. Have you heard it said that we should copy the plan of Great Britain and that she has made greater strides toward recovery? Well, let's examine the record again: We find that England was in a depression 10 years ahead of us and that she is only now emerging with some degree of success. It must be remembered, however, that England had no great agricultural problem to solve. She had no banking break-down; she did not experience the unloading of more than $25,000,000,000 worth of securities not worth the paper they were written on. She had a securities act that prevented the unloading of these worthless securities upon an unsuspecting investing public. She had no labor troubles, such as confronted the United States, for labor in England is better organized than in any other part of the world, and she has experienced a labor government in the past, and is 25 years ahead of us in social security; indeed, we must hang our heads in shame and admit that we are the most backward nation in all the world, among the great civilized nations.

You defeat Mr. Roosevelt and let the old reactionary crowd get back into the saddle and we will go back and lose many of the gains we have made. If we taxed our people as England taxes hers, we would be working on a balanced budget, and I doubt very much if we would have had to borrow any money to pay for all the humanitarian and financial activities during the past years. England's public debt is more than thirty-three billions among 46,000,000 people, or a per-capita debt of $717. France, with a population of 42,000,000, has a debt of twenty-two billions and a per-capita debt of $524, while we in this country, with a population of more than 127,000,000, have a per-capita debt of $238. The national resources of our country are fairly estimated at about $350,000,000,000. We have a public debt of a little more than thirty billions, which is less than 10 percent of our assets.

What bank or banker makes a safer loan than that to any firm or corporation? No nation in all the world can show a better financial statement and the increase of the national income during the past 3 years is responsible for this.

We had some boom days during the 1920–30 period, but we now know it to have been unsound and was simply pointing the way to economic disaster. Will we never learn the lesson that it is wrong to ask men and women to work for a wage that will not permit them to live decently? This is the cause of most of our ills today, ladies and gentlemen, and I say to you again, with all the force at my command, that the way to economic and social security is through the full and complete cooperation of men and women in every line of human endeavor. We would have had much more success in our planned program if it had not been for the Court's ruling.

Every political candidate has promised to help the farmer, for all recognize that by helping him we will help the Nation. Regardless what some would make you believe, the A. A. A. passed in 1933 was the first successful attempt and plan for freeing the farmer from starvation prices and bitter poverty. Recently a farmer from my own district wrote me that he sold a load of corn in my home town. He received $168 for it. He told me that he would have gotten $54 for that load of corn in 1932. That, I think, is an argument that needs little defense on my part. All our wealth comes from the soil. Our factories simply process that which we obtain from the soil, the forests, and the mines. Deny to the soil that which it is entitled to and it affects every man, woman, and child in the towns and cities. When anyone criticizes something that is being done and says that it should not be done, ask him, "What acts operating would you do away with?

"Do you want to do away with the Securities and Exchange Act? Do you want to do away with the Banking Act that for the first time in the history of your country gives control of the money and the Nation's credit into the hands of your Government, instead of Wall Street? Do you want to do away with the Federal Deposit Insurance Act that has done more to restore confidence in our banks than anything else and which has made our banks the safest in our entire national history? Would you want to do away with the agency made possible by the Farm Credit Administration, that has saved these millions to farmers? Would you want to do away with the act that saved almost a million small homes? Do you want to do away with the act that is the beginning of better days for the aged, the cripple, the blind, and underprivileged?"

This act is not all that we would like to have, but it is the beginning of what we have in mind. Of course, we would all like to do away with relief, but until our industrial leaders can give employment to the host of unemployed in this country, we are obliged to continue relief. I am opposed to a dole, such as England has, and those who want us to follow the example of England might want a dole system in this country. No one knows what our opponents do want. They are searching in the dark for an issue and have as yet been unable to find one that will permit them to go to the voters of the Nation with a clean-cut, constructive program. England is now copying our planned program and has appropriated larger sums than we have, comparable to the size of the country. As for me, I would much prefer giving men a job, no matter what that job might be, for I know that men would prefer to walk the streets of their communities feeling that they have worked for what they are given. The New Deal has worked and will continue to work to the advantage of all our people. In our C. C. C. camps we have rehabilitated the lives of thousands of young men who had no jobs, no place to go to, and whose morale was being destroyed in idleness. These young men are being helped and will contribute much to the Nation, not in dollars and cents, perhaps, but they will be sent into fields of usefulness and thank God for an administration who tried to help them. When you hear of the great sums that the New Deal has cost, point to what has been done. While we have spent billions, we have also contributed to the wealth of the Nation to the tune of billions, but above all we have contributed to the moral uplift of men and women who were about ready to give up. I leave this case in your hands. If you want to go back to the old days under the previous administration, you have the choice in the next election. If you want to aid in the rehabilitation of the Nation through Mr. Roosevelt, you will want to vote for him and a sympathetic Congress.

IMPEACHMENT OF FEDERAL JUDGE RITTER

Mr. GREEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GREEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein two or three very short letters and statements.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. RICH. Mr. Speaker, reserving the right to object, who are these letters from?

Mr. GREEN. They will take up but very little of the RECORD.

Mr. RICH. The other day the gentleman asked for leave to extend his remarks, and he used about eight or nine pages of the RECORD.

Mr. GREEN. This will not require over a page or two of the RECORD.

Mr. RICH. Several days ago the gentleman asked unanimous consent to revise and extend his remarks, and he has included nothing in the RECORD since that time. I have been looking for it.

Mr. GREEN. I have not had the opportunity as yet to get to it.

Mr. RICH. Is this going to cover what the gentleman asked permission 3 or 4 days ago to put in the RECORD?

Mr. GREEN. No; this is on another subject. This has to do with the judiciary and will not cover over a page or two of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GREEN. Mr. Speaker and my colleagues, on May 31, 1933, another Member of Congress introduced a resolution to investigate the conduct of Halsted L. Ritter, a judge in the southern district of Florida. On the morning of January 14, 1936, the House Judiciary Committee by a majority vote adopted the report made by Congressman MILLER, a member of the Judiciary Committee. The report held that Ritter should not be impeached. On the afternoon of the same day, on the floor of the House, I rose to a constitutional privilege and impeached Ritter for high crimes and misdemeanors. This was no pleasant duty, I assure you. At that time I filed nine specific articles of impeachment and briefly discussed Ritter's unfitness for the bench. On March 2, 1936, the House of Representatives voted by a substantial majority to impeach Ritter. After several days' trial by the United States Senate, Ritter was on April 17, 1936, by a two-thirds vote convicted and removed from office.

Many of my colleagues have from time to time asked me what was the reaction in Florida to this action by the

Congress. In response to this, I can better advise you by briefly quoting from three or four communications, as follows:

DAYTONA BEACH, FLA., *April 20, 1936.*

Hon. R. A. GREEN,
Member, House of Representatives,
Washington, D. C.

DEAR MR. GREEN: I received a copy of the CONGRESSIONAL RECORD of Tuesday, January 14, 1936, concerning the impeachment of Halsted L. Ritter.

May I express a word of appreciation for your loyalty and courage in presenting the articles of impeachment, for I know that it was no easy task by any means. I do not know Judge Ritter and never had occasion to appear before him, but followed closely the impeachment proceedings, and I am frank to say that I feel you tackled a job which needed attention with proper loyalty and courage, and believe that the vote arrived at was right and just.

With kindest personal regards, I am,

Yours very truly,

HARRY A. HORN.

CITY OF ST. AUGUSTINE, FLA., *April 20, 1936.*

Hon. R. A. (LEX) GREEN,
House of Representatives Building, Washington, D. C.

DEAR CONGRESSMAN GREEN: I feel that you deserve the genuine commendation and thanks of all of the good people of the State of Florida for your work in bringing about the impeachment of Halsted L. Ritter, Federal judge, the southern district of Florida.

It is such work as this on the part of our Congressmen that makes our people continue to have the highest respect of those in authority in this branch of our Government.

With best wishes, I am,

Very sincerely,

WALTER B. FRASER.

Mr. Fraser is mayor of St. Augustine, Fla.

JACKSONVILLE, FLA., *April 29, 1936.*

Hon. R. A. GREEN,
Room 1230, House Office Building, Washington, D. C.

DEAR JUDGE GREEN: For some time I have been intending to drop you a line and express my personal appreciation for your valued services in the matter of the impeachment of Judge Ritter, but other matters kept me busy until this morning.

As I recollect the matter, the House Judiciary Committee had decided to drop the impeachment charges, and I have been told that the chairman or some other member of that committee advised Judge Ritter to go home and forget the matter, whereupon you took up the cudgels and, almost single-handed, forced the matter upon the attention of the House and got the resolution of impeachment. For this service you are entitled to the undying gratitude of the legal profession.

I am expecting to be in Washington next week, and if there is a minute to spare, I hope to have an opportunity to stop by your office and assure you in person of my appreciation of your valuable services to your constituents.

Sincerely yours,

WM. H. ROGERS.

From the Ocala Star the following is quoted:

It is a sad thing to see a man who has occupied such a position of honor to hang his head in disgrace, but it is even sadder to contemplate a situation where the people of a great State lose respect for the integrity of their courts. And it is doubtful that Judge Ritter, or the court over which he presided, could have maintained the respect of those coming into it with the public believing him an unfit person to sit on the bench.

Respect for the judiciary must be maintained; there must be no suspicion of the men who wear the robes of the judiciary, if this democracy is to survive, if we are to maintain faith in its institutions.

A meed of praise is due R. A. GREEN, Congressman representing the Second Florida District, for a service he has rendered in the interest of a purified judiciary, the honor and integrity of the Federal bench. R. A. GREEN had the courage to present the impeachment charges against Judge Halsted Ritter and prosecute the case in the House, which resulted in his removal from the bench.

These are a few of the many written responses from Florida.

THE CASE IS CLOSED

I cannot straddle my constitutional oath as a Member of Congress and condone dishonesty and corruption. Honesty is the brightest jewel in the covenant crown of human conduct. In this case I tried to do my conscientious duty, and no more.

THE PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the calendar.

GLADYS HINCKLEY WERLICH

The Clerk called the bill (H. R. 12183) for the relief of Gladys Hinckley Werlich.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Gladys Hinckley Werlich, widow of McCenery Werlich, late a Foreign Service officer of the United States at Paris, France, the sum of $4,100, being 1 year's salary of her deceased husband, who died while in the Foreign Service; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sufficient sum to carry out the purposes of this act.

With the following committee amendment:

Page 1, line 5, strike out "McCenery" and insert "McCeney."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MIKE CHETKOVICH

The Clerk called the next bill, H. R. 6518, for the relief of Mike Chetkovich.

Mr. HANCOCK of New York, Mr. HOPE, and Mr. CLARK of Idaho objected, and, under the rule, the bill was recommitted to the Committee on War Claims.

PERRY RANDOLPH

The Clerk called the next bill, H. R. 11493, for the relief of Perry Randolph.

Mr. DIRKSEN. Mr. Speaker, reserving the right to object, is the introducer of the bill here?

The SPEAKER. No reservation of objection can be made under the rule.

Mr. DIRKSEN. I object, Mr. Speaker.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army, their widows, children, and dependent relatives, Perry Randolph shall be held and considered to have been honorably discharged as a cook, Company D, One Hundred and Twelfth Ammunition Train, Thirty-seventh Division, United States Army, on July 26, 1918: *Provided*, That no pension, pay, bounty, or other benefit shall be held to have accrued prior to the enactment of this act by reason of its enactment.

SEC. 2. The Secretary of War is authorized and directed to grant to the said Perry Randolph a discharge certificate showing that he is held and considered to have been honorably discharged as of such date.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WASHINGTON GAS LIGHT CO.

The Clerk called the next bill, H. R. 10724, to amend the charter of the Washington Gas Light Co., and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. CARPENTER. Mr. Speaker, I ask unanimous consent to substitute a similar Senate bill, S. 3977.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That, provided the same shall be found by the Public Utilities Commission of the District of Columbia to be in the public interest, the Washington Gas Light Co. may, for lawful corporate purposes, by a vote of two-thirds in number of the outstanding shares of stock of the company, increase its capitalization and from time to time issue such additional stock, in such amounts, for such considerations, of such classes, either with or without par value, and with such rights, privileges, and conditions, as said Commission may approve.

All shares of capital stock of said company hereafter issued for which the agreed consideration shall have been paid to the company, and all shares of capital stock of the company heretofore issued, as well as shares into which such shares heretofore issued may be changed, shall be deemed and taken to be fully paid and nonassessable, and there shall be no liability to the company or to creditors of the company on the part of any subscriber to, or holder of, such shares.

Said company may, upon obtaining approval of said Commission, change all of the shares of its capital stock at any time outstanding into the same or a different number of shares issued pursuant to the provisions of this act, by following the same procedure and

complying with the same requirements as are now prescribed in section 639a of the Code of Law for the District of Columbia, as amended (41 Stat. 1195), in respect of a change of name by a corporation.

SEC. 2. Provided the same shall be found by said Commission to be in the public interest, said company is further authorized to consolidate or merge with The Georgetown Gaslight Co., upon such conditions as may be approved by said Commission; and upon such consolidation or merger The Georgetown Gaslight Co. shall, without further proceedings, become dissolved and merged into the Washington Gas Light Co., and all property, rights, privileges, and franchises of The Georgetown Gaslight Co. shall, subject to encumbrances or liens thereon to secure the bonds or other securities issued by The Georgetown Gaslight Co., and to the payment of any valid claims against, or indebtedness of, The Georgetown Gaslight Co. existing at the time of such merger, pass to and be vested in the Washington Gas Light Co. as its property, with all the powers, rights, privileges, and franchises now possessed by either or both of said companies, including the right in the Washington Gas Light Co. to institute and prosecute in its own name any action in connection therewith: *Provided*, That pending actions against The Georgetown Gaslight Co. may continue against The Georgetown Gaslight Co. until the merger of said companies, and thereafter against the Washington Gas Light Co. Actions or claims against The Georgetown Gaslight Co. filed after the said merger shall be brought against the Washington Gas Light Co.

The Washington Gas Light Co., after such merger, shall have the full power and authority to manufacture, transmit, distribute, and sell gas in all parts of the District of Columbia and adjoining territory, for any purposes for which gas is now or may hereafter be used; and to lay, repair, and replace gas mains and pipes in any of the streets, avenues, and alleys of the District of Columbia: *Provided, That* said work and its incidents, including the replacement of pavement or roadway cut, shall be without cost or expense to the District of Columbia or to the United States: *Provided further*, That except as specifically provided in this act nothing contained herein shall be taken or construed as altering, repealing, or changing any provision of existing charter or franchise or rights of the Washington Gas Light Company or of any statute, law, ordinance, or regulation pertaining thereto.

SEC. 3. All charters, statutes, acts and parts of acts, laws, ordinances, and regulations inconsistent with or repugnant to the provisions of this act, but only so far as inconsistent herewith or repugnant hereto, are hereby repealed.

SEC. 4. The right to alter, amend, or repeal this act is hereby expressly reserved to the Congress.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and the similar House bill were laid on the table.

NAMBE PUEBLO GRANT

The Clerk called the next bill, S. 3460, to authorize the Secretary of the Interior to ascertain the persons entitled to compensation on account of private claim 111, parcel 1, Nambe Pueblo grant.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to find and determine the person or persons entitled to participate in the award of the Pueblo Lands Board in private claim 111, parcel 1, Nambe Pueblo grant. The finding of the Secretary of the Interior shall be final and conclusive, and the person or persons so found entitled shall be compensated out of the appropriations authorized by section 3 of the act of May 31, 1933 (48 Stat. L. 108–109).

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAJ. E. P. DUVAL

The Clerk called the next bill, H. R. 5503, authorizing the President to order Maj. E. P. Duval before a retiring board for a hearing of his case, and upon the findings of such board determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his resignation.

Mr. HANCOCK of New York, Mr. HOPE, and Mr. DIRKSEN objected, and, under the rule, the bill was recommitted to the Committee on Military Affairs.

BERTRAM LEE SCHOONMAKER

The Clerk called the next bill, H. R. 785, for the relief of Bertram Lee Schoonmaker.

Mr. CLARK of Idaho, Mr. COSTELLO, and Mr. HOPE objected, and, under the rule, the bill was recommitted to the Committee on War Claims.

J. L. SUMMERS

The Clerk called the next bill, H. R. 12182, for the relief of J. L. Summers.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. There is a similar Senate bill on the Speaker's table, and, without objection, the Clerk will report the Senate bill.

There being no objection, the Clerk read the Senate bill (S. 4447), as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of J. L. Summers, formerly disbursing clerk of the Treasury Department, for the sum of $38.12, being the amount disallowed on voucher 11557 in the June 1934 cash account of said disbursing clerk.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and the similar House bill were laid on the table.

MAIZEE HAMLEY

The Clerk called the bill (H. R. 10376) for the relief of Maizee Hamley.

There being no objection, the bill S. 3747 was substituted for the House bill.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Comptroller General of the United State be, and he is hereby, authorized and directed to allow credit to Maizee Hamley, staff nurse in the Kiowa Agency, Anadarko, Okla., for the amount of $946.70 received as dual compensation for the period July 1, 1928, to September 30, 1932, while employed as nurse and postmistress at the Havasupai Agency, Supai, Ariz., in contravention of the act of May 10, 1916, as amended (39 Stat. 120, 582), which prohibits payment of more than one salary when the combined amounts of such salaries exceed the rate of $2,000 per annum.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

MARGARETTA D. FENN

The Clerk called the bill (H. R. 10436) for the relief of the heirs of Margaretta D. Fenn.

The SPEAKER. Is there objection?

Mr. CLARK of Idaho and Mr. COSTELLO objected, and the bill was recommitted to the Committee on War Claims.

CHARLES AUGUSTUS LATHROP

The Clerk called the bill (H. R. 10729) for the relief of Charles Augustus Lathrop.

The SPEAKER. Is there objection?

Mr. CLARK of Idaho and Mr. COSTELLO objected, and the bill was recommitted to the Committee on War Claims.

JAMES T. MOORE

The Clerk called the bill (S. 724) for the relief of James T. Moore.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York and Mr. HOPE objected, and the bill was recommitted to the Committee on Military Affairs.

WILLIAM C. REESE

The Clerk called the bill (H. R. 297) for the relief of William C. Reese.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York and Mr. COSTELLO objected, and the bill was recommitted to the Committee on Claims.

MATT E. SAYLOR

The Clerk called the bill (H. R. 610) for the relief of Matt E. Saylor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the

Treasury not otherwise appropriated, to Matt E. Saylor, of Columbus, Ohio, the sum of $5,000 in full settlement against the Government for injuries received during the months of December 1917 and January 1918 while employed as a rural carrier on rural route no. 1, from London, Ky.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That notwithstanding the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, the United States Employees' Compensation Commission be, and the same is hereby, authorized and directed to receive and consider, when filed, the claim of Matt E. Saylor for disability alleged to have been incurred by him during the months of December 1917 and January 1918 while in the employment of the Post Office Department as a rural carrier on rural route no. 1, from London, Ky., and to determine said claim upon its merits under the provisions of said act: *Provided*, That no benefits shall accrue prior to the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NICK GRUICH

The Clerk called the bill (H. R. 761) for the relief of Nick Gruich.

Mr. COSTELLO and Mr. CLARK of Idaho objected, and the bill was recommitted to the Committee on Claims.

JOSHUA L. BACH

The Clerk called the bill (H. R. 1549) for the relief of Joshua L. Bach.

Mr. HANCOCK of New York and Mr. HOPE objected, and the bill was recommitted to the Committee on Claims.

FRANK GEDNEY

The Clerk called the bill (H. R. 1739) for the relief of Frank Gedney.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission be, and it is hereby, authorized and directed to extend to Frank Gedney, a former employee of the United States Ordnance Service, at Iona Island, N. Y., the provisions of an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, notwithstanding the provisions of sections 15, 16, 17, and 20 of said act, as amended.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the limitations of time in sections 15 to 20, both inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, are hereby waived in favor of Frank Gedney, of Newburgh, N. Y., and the United States Employees' Compensation Commission is authorized to receive and consider his claim, under the remaining provisions of said act, for disability (powder poisoning) alleged to have been incurred by him between 1917 and 1920 while a civilian employee of the United States Naval Ammunition Depot, Iona Island, N. Y.: *Provided*, That claim hereunder shall be filed within 6 months after the approval of this act: *Provided further*, That no benefits shall accrue prior to the approval of this act."

The committee amendment was agreed to; and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JANE MURRAH

The Clerk called the bill (H. R. 2121) for the relief of Jane Murrah.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to Jane Murrah, in full settlement of all her claims against the Government of the United States for injuries received by her on the 12th day of May 1932 aboard the United States ship *Algorma* when the inboard end of the gangway slipped off the bridge deck while she was walking across said gangway, causing her to fall to the deck below: *Provided*, That no part of the amount appropriated in this Act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "$10,000" and insert "$2,500."

Page 1, line 6, after the word "Murrah", insert "of San Diego, Calif."

Page 1, line 9, after the figures "1932", strike out the word "aboard" and insert "while leaving."

Page 1, line 11, strike out "while she was walking across said gangway."

The committee amendments were agreed to; and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WILLIAM O'CONNELL

The Clerk called the bill (H. R. 5877) for the relief of William O'Connell.

Mr. HANCOCK of New York and Mr. HOPE objected, and the bill was recommitted to the Committee on Claims.

D. B. CARTER

The Clerk called the bill (H. R. 6404) for the relief of D. B. Carter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to D. B. Carter, of Richmond, Va., out of any money in the Treasury not otherwise appropriated, the sum of $5,000 in full settlement of all claims against the Government of the United States for personal injuries caused by an automobile truck leased to the United States Coast and Geodetic Survey, and driven by an enlisted man named Frank Swoveland, on January 14, 1934, about 5 miles west of Portsmouth, Va.

With the following committee amendments:

Page 1, line 6, strike out "$5,000" and insert "$3,000."

Page 2, line 1, strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to; and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MRS. LOUIS ABNER

The Clerk called the bill (H. R. 6749) for the relief of Mrs. Louis Abner.

Mr. HOPE and Mr. HANCOCK of New York objected, and the bill was recommitted to the Committee on Claims.

JACOB G. ACKERMAN

The Clerk called the bill (H. R. 8482) for the relief of Jacob G. Ackerman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, to Jacob G. Ackerman the sum of $10,000 in full compensation for injuries sustained in an accident while in the performance of his duties as a Federal employee in the post-office building at Rochester, N. Y., on February 3, 1927, and for the expense of medical and hospital treatment thereby made necessary.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the limitations of time in sections 15 to 20, both inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, are hereby waived in favor of Jacob G. Ackerman, of Scottsville, N. Y., and the United States Employees' Compensation Commission is authorized to receive and consider his claim, under the remaining provisions of said act, for injury to his right leg alleged to have been incurred by him during February 1927 while an employee of the United States post office at Rochester, N. Y.: *Provided*, That claim hereunder shall be filed within 6 months after the approval of this act: *Provided further*, That no benefits shall accrue prior to the approval of this act."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

THERESA LINK ET AL.

The Clerk called the next bill, H. R. 8502, for the relief of Theresa Link, Wencel Link, Edward Block, and John Meyers.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Theresa Link, Browns Valley, Minn., the sum of $4,500 in full settlement of all claims against the United States for damages sustained by the said Theresa Link on account of permanent personal injuries received on December 31, 1933, when the automobile in which she was riding near Clinton, Minn., was struck and demolished by a truck in the service of the Federal Civil Works Administration.

SEC. 2. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Wencel Link, Browns Valley, Minn., the sum of $5; to Edward Block, Browns Valley, Minn., the sum of $57.35; and to John Meyers, Beardsley, Minn., the sum of $10 in reimbursement for the actual expenses incurred by the said Wencel Link, Edward Block, and John Meyers, respectively, for medical or hospital treatment on account of personal injuries sustained in such accident of December 21, 1933, such persons also being occupants of the automobile struck and demolished in the manner described in the first paragraph of this act.

With the following committee amendments:

Page 1, line 6, strike out "$4,500" and insert "$2,500."

Page 2, at the end of the bill, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOUIS MANZUMIN

The Clerk called the next bill, H. R. 8720, for the relief of Louis Manzumin.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Louis Manzumin, of Chicago, Ill., as full compensation for permanent injuries and damages received by the said Manzumin on the 29th day of June 1920, caused by being struck by an automobile, then in the service of the Post Office Department, said injuries being caused by the negligence of the driver of said truck without any contributory negligence on the part of said Manzumin; and an amount sufficient to pay the same is hereby appropriated out of any money in the Treasury not otherwise appropriated.

With the following committee amendment:

Page 2, line 1, strike out the words "Manzumin; and an amount sufficient to pay the same is hereby appropriated out of any money in the Treasury not otherwise appropriated" and insert the following: "Manzumin: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BERTHA W. LAMPHEAR

The Clerk called the next bill, H. R. 9078, for the relief of Bertha W. Lamphear.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bertha W. Lamphear, of Hyattsville, Prince Georges County, Md., the sum of $125. Such sum shall be in full satisfaction of all claims against the United States for damages resulting from personal injuries suffered by the said Bertha W. Lamphear in consequence of a collision near Riverdale, Md., between an automobile in which she was riding and an automobile owned and operated by the Federal Prohibition Bureau, on December 23, 1932.

With the following committee amendment:

Page 2, line 2, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNA LEAK

The Clerk called the next bill, H. R. 9313, for the relief of Anna Leak.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Comptroller General of the United States, in the settlement and adjustment of accounts and claims for services rendered at the fourth-class post office of Gulkana, Alaska, is hereby authorized and directed to allow compensation as postmaster to Anna Leak for the period during which she assumed and properly performed the duties of postmaster following the death of the former postmaster, Hans Ditmanson, and up to the date of her appointment as postmaster, said period being from April 18, 1934, to August 17, 1934, both dates inclusive; and compensation for said period being in the amount of $85.45.

With the following committee amendment:

Page 1, line 3, strike out all of lines 3 to 11, on page 1, and lines 1 and 2, on page 2, and insert the following:

"That the Comptroller General of the United States, in the settlement and adjustment of accounts and claims for services rendered at third- and fourth-class post offices, be, and he is hereby, authorized and directed to credit the account of Hans Ditmanson, deceased, former postmaster at Gulkana, Alaska, with $99.73, being the amount paid from postal receipts to Anna Leak for her voluntary services as acting postmaster at that post office from April 18, 1934, to September 30, 1934, inclusive."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read: "A bill for the relief of the estate of Hans Ditmanson, deceased."

CARRIE R. SAMMS

The Clerk called the next bill, H. R. 9314, for the relief of Carrie R. Samms.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States, in the settlement and adjustment of accounts and claims for services rendered at the fourth-class post office of Kotzebue, Alaska, be, and he is hereby, authorized and directed to allow compensation as postmaster to Carrie R. Samms for the period during which she assumed and properly performed the duties of postmaster following the death of the former postmaster, Henry Copple, and up to the date of the appointment of his successor, said period being from October 1, 1934, to December 31, 1934, both dates inclusive; and compensation for said period being in the amount of $215.02.

With the following committee amendment:

On page 1, strike out all after the enacting clause down to and including the last line on page 1 and lines 1 and 2 on page 2, and insert the following:

"That the Comptroller General of the United States, in the settlement and adjustment of accounts and claims for services rendered at third- and fourth-class post offices, be, and he is hereby, authorized and directed to credit the account of Henry Copple, deceased, former postmaster at Kotzebue, Alaska, with $215.02, being the amount paid from postal receipts to Carrie R. Samms as payment for her voluntary services as acting postmaster at that post office during the period from October 1, 1934, to December 31, 1934, inclusive.

"SEC. 2. That the Comptroller General of the United States be, and he is hereby, authorized and directed to pay to Carrie R. Samms, out of the unexpended balance in the appropriation for compensation to postmasters in the fiscal year 1935, the sum of $44.09, being the amount remaining unpaid to Carrie R. Samms for her voluntary services as such acting postmaster in September 1934 and January 1935."

The committee amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read: "A bill for the relief of the estate of Henry Copple, deceased."

GALEN B. FRY

The Clerk called the next bill, H. R. 9315, for the relief of Galen B. Fry.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Comptroller General of the United States, in the settlement and adjustment of accounts and claims for services rendered at the fourth-class post office of Richardson, Alaska, be, and he is hereby, authorized and directed to allow compensation as postmaster to Galen B. Fry for the period during which he assumed and properly performed the duties of postmaster following the death of the former postmaster, Fred Wilkins, and up to the date of his appointment as postmaster, said period being from July 24, 1932, to March 12, 1935, both dates inclusive; and compensation for said period being in the amount of $176.28.

With the following committee amendment:

On page 1, after the enacting clause, strike out all of lines 3 to 11, inclusive, on page 1, and lines 1 and 2 on page 2, and insert the following:

"That the Comptroller General of the United States, in the settlement and adjustment of accounts and claims for services rendered at third- and fourth-class post offices, be, and he is hereby, authorized and directed to credit the account of Fred Wilkins, deceased, former acting postmaster at Richardson, Alaska, with $121.38, being the amount paid from postal receipts to Galen B. Fry in part payment of his voluntary services in acting as postmaster at that post office from July 24, 1932, to March 12, 1935, inclusive.

"SEC. 2. That the Comptroller General of the United States be, and he is hereby, authorized and directed to pay to Galen B. Fry, out of the unexpended balances in the appropriations for compensation to postmasters in the fiscal years 1934 and 1935 the sums of $17.59 and $37.31, respectively, the said sums being amounts remaining unpaid to Galen B. Fry for his voluntary services as such acting postmaster."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read: "A bill for the relief of the estate of Fred Wilkins, deceased."

EZRA CURTIS

The Clerk called the next bill, H. R. 10174, for the relief of Ezra Curtis.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated to Ezra Curtis the sum of $25,000 in full satisfaction of his claim against the United States for damages on account of personal injuries suffered by him when he was struck by a Civilian Conservation Corps truck in Thatcher, Ariz., on October 21, 1934.

With the following committee amendments:

Page 1, line 5, after the word "Curtis", insert "of Thatcher, Ariz."

Page 1, line 6, strike out "$25,000" and insert "$5,000."

Page 1, line 10, after the figures, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES WEISZ

The Clerk called the next bill, H. R. 10242, for the relief of Charles Weisz.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Clarence D. Weisz, father of Charles Weisz, minor, the sum of $5,000, out of any money in the Treasury not otherwise appropriated and in full settlement of all claims against the Government of the United States, this sum representing compensation for personal injuries and reimbursement for medical service to said Charles Weisz, who was injured January 22, 1934, when he was run into by a United States mail truck, in the city of Chicago.

With the following committee amendments:

Page 1, line 5, strike out "$5,000" and insert "$471.83."

Page 1, line 8, after the word "representing", strike out the words "compensation for personal injuries."

Page 2, beginning in line 1, insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read: "A bill for the relief of Clarence D. Weisz."

WILLIAM H. MILTON

The Clerk called the next bill, H. R. 11379, for the relief of William H. Milton.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and certify for payment to William H. Milton, out of any money in the Treasury not otherwise appropriated, the sum of $182.50 as in full for services rendered as a de-facto United States commissioner at Marianna, Fla., for period from May 17, 1935, to September 26, 1935.

With the following committee amendments:

Page 1, line 4, strike out the words "settle and"; page 1, line 7, strike out the words "as in full" and insert "in full satisfaction of his claim against the United States"; page 1, line 9, after the word "commissioner", insert "for the northern district of Florida"; page 1, line 11, after the figures, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT D. BALDWIN

The Clerk called the next bill, H. R. 12408, for the relief of Robert D. Baldwin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of Robert D. Baldwin, superintendent and special disbursing agent of the Haskell Institute, at Lawrence, Kans., for an expenditure of $50.28 made during November and December 1931 and January 1932 and paid from the appropriation for "Indian boarding schools, fiscal year 1932."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FORT BRADY RESERVATION

The Clerk called the next bill, H. R. 190, granting authority to the Secretary of War to license the use of a certain parcel of land situated in Fort Brady Military Reservation to Ira D. MacLachlan Post, No. 3, the American Legion, for 15 years.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to grant to Ira D. MacLachlan Post, No. 3, the American Legion, Sault Ste. Marie, Mich., a license to use and occupy a certain piece or parcel of land, with the building thereon, described as follows:

"Beginning at a point in the easterly boundary of Fort Brady Military Reservation 248.9 feet northward from the southeast corner of the reservation; thence north 65°59′ west 49.8 feet to the easterly edge of a roadway; thence north 0°0′ 144.8 feet along the easterly edge of the roadway; thence south 65°59′ east 108.8 feet to the easterly boundary of Fort Brady Military Reservation; thence south 24°1′ west 132.3 feet along the easterly boundary of Fort Brady Military Reservation to the point of beginning."

for a period of 15 years from the date of the issuance of such license.

SEC. 2. The issuance of such license shall be held to constitute a cancelation of the license under which the Ira D. MacLachlan Post No. 3, the American Legion, is now entitled to the use and occupation of such piece or parcel of land.

SEC. 3. The license issued as required by this act shall be granted subject to the following conditions:

1. That the building shall be used for the sole purpose of a clubhouse for the local American Legion Post of Sault Ste. Marie, Mich.

2. That the building shall be kept in good repair, with proper sewerage connections to the river; that any use that may be made of the building or adjacent grounds shall in no way interfere with operations of the United States at the locality; and that no changes shall be made in the building or grounds without the prior consent of the district engineer of the Engineer Corps in charge of the locality.

3. No claim shall be made against the United States by the licensee for any damage to any property of the licensee on said premises.

4. The licensee will protect the United States against any claim for personal injury or damage to property resulting from the use of said premises by the licensee.

5. That the licensee shall, on or before the expiration or relinquishment of this license, vacate said premises, and remove all its property therefrom, and restore the building thereon and the adjacent premises to a condition satisfactory to the district engineer, or other competent military authority.

With the following committee amendments:

On page 1, line 9, strike out the word "Military."
On page 2, line 9, strike out the word "Military."
On page 2, line 11, strike out the word "Military."
Add the following section:

"SEC. 6. That the right to alter, amend, or repeal this act is hereby expressly reserved."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill granting authority to the Secretary of War to license the use of a certain parcel of land situated in Fort Brady Reservation to Ira D. MacLachlan Post, No. 3, the American Legion, for 15 years."

JOHANNES F. JENSEN

The Clerk called the next bill, S. 158, authorizing the President to present a medal in the name of Congress to Johannes F. Jensen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President of the United States is hereby authorized to present, in the name of Congress, to Johannes F. Jensen, lieutenant commander, United States Naval Reserve, a medal of appropriate design in recognition of his heroic conduct on October 28, 1917, when, as acting master of the *Finland*, a United States Army chartered transport, he was largely responsible for the saving of that ship and its being brought safely into port after being torpedoed.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WALTER M. GRAESSER

The Clerk called the next bill, S. 2517, to provide for the advancement on the retired list of the Navy of Walter M. Graesser, a lieutenant (junior grade), United States Navy, retired.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That from and after the date of enactment of this act Walter M. Graesser, lieutenant (junior grade), United States Navy, retired, shall have the rank of a lieutenant on the retired list of the United States Navy: *Provided*, That the said Walter M. Graesser shall not receive any increase in retired pay, allowances, or other benefits as a result of the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HENRY THORNTON MERIWETHER

The Clerk called the next bill, S. 3581, for the relief of Henry Thornton Meriwether.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized to order Henry Thornton Meriwether, formerly commander, United States Naval Reserve Force, to appear before a naval retiring board for the purpose of determining whether or not the disability complained of in his case originated in the line of duty in time of war: *Provided*, That if said naval retiring board finds that the said Henry Thornton Meriwether is now suffering from a disability incurred in the line of duty in time of war which renders him unfit to perform all the duties of the grade of commander, United States Naval Reserve Force, in time of war, the President be, and he is hereby, authorized to appoint Henry Thornton Meriwether a commander, United States Naval Reserve Force, and to place him on the retired list of the Navy with the retired pay and emoluments of that grade: *Provided further*, That no back pay, allowances, or emoluments shall become due because of the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CORRECTION OF ERRORS IN ENROLLMENT OF PRIVATE ACT NO. 349, SEVENTY-FOURTH CONGRESS

The Clerk called the joint resolution (S. J. Res. 196) to correct errors in the enrollment of Private Act No. 349, Seventy-fourth Congress, approved August 29, 1935, and to clarify the duties of the Comptroller General in connection with said act.

The SPEAKER. Is there objection to the consideration of the joint resolution?

Mr. HANCOCK of New York and Mr. HOPE objected, and, under the rule, the joint resolution was recommitted to the Committee on Claims.

CAPT. JAMES W. DARR

The Clerk called the next bill, H. R. 9002, for the relief of Capt. James W. Darr.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. HANCOCK of New York and Mr. HOPE objected, and, under the rule, the bill was recommitted to the Committee on Military Affairs.

Mr. CHRISTIANSON. Mr. Speaker, will not the gentlemen withhold their objection for a moment? Mr. Speaker, I ask unanimous consent to make a statement regarding this bill.

The SPEAKER. The Chair cannot recognize the gentleman for that purpose under the express provisions of the rule. Otherwise the Chair would be glad to hear the gentleman.

ACCEPTANCE OF DECORATIONS FROM FOREIGN GOVERNMENTS

The Clerk called the next bill, S. 1975, to authorize certain officers of the United States Navy, officers and enlisted men of the Marine Corps, and officers and enlisted men of the United States Army to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the following-named officers of the United States Navy, and officers and enlisted men of the Marine Corps, are hereby authorized to accept such medals, orders, diplomas, decorations, and photographs, as have been tendered them by foreign governments in appreciation of services rendered:

United States Navy: Admiral William H. Standley; Rear Admiral David F. Sellers; Rear Admiral Wat T. Cluverius; Rear Admiral Hayne Ellis; Rear Admiral Ernest J. King; Rear Admiral Louis M. Nulton, retired; Rear Admiral Yates Stirling, Jr.; Rear Admiral John R. Y. Blakely, retired; Rear Admiral Edward H. Campbell; Rear Admiral Walter N. Vernou; Rear Admiral Harley H. Christy; Rear Admiral Henry V. Butler; Rear Admiral Walter S. Crosley; Rear Admiral Frank B. Upham; Rear Admiral Edward B. Fenner; Rear Admiral George T. Pettengill; Rear Admiral Clark N. Woodward; Rear Admiral William H. Allen; Capt. Reuben B. Coffey; Capt. Vaughn K. Coman; Capt. Gordon W. Haines; Capt. Alfred G. Howe; Capt. Victor A. Kimberly; Capt. David M. Le Breton; Capt. William R. Sayles; Capt. Halsey Powell; Capt. Willis W. Bradley, Jr.; Capt. Frank H. Roberts; Capt. Arthur B. Cook; Capt. Benyaurd B. Wygent; Capt. Rufus F. Zogbaum, Jr.; Capt. Frank Jack Fletcher; Capt. Matthias E. Manly; Capt. Alfred W. Brown; Capt. Augustine T. Beauregard; Capt. Harold M. Bemis; Capt. Herbert H. Michael; Capt. MacGillivray Milne; Capt. Milo F. Draemel; Capt. Edward A. Evers, Naval Reserve; Capt. Edward T. Hooper, Supply Corps; Capt. Holden C. Richardson, Construction Corps, retired; Capt. Kent C. Melhorn, Medical Corps; Capt. Lucius W. Johnson, Medical Corps; Commander Ernest L. Gunther; Commander Hamilton V. Bryan; Commander John D. Price; Commander Harold C. Train; Commander Ward W. Waddell; Commander William W. Smith; Commander Calvin N. Cobb; Commander Patrick N. L. Bellinger; Commander Harry G. Patrick; Commander Earl W. Spencer; Commander William H. Pashley; Commander Aaron S. Merrill; Commander Douglas W. Fuller; Commander Ralph F. Wood; Commander Joel T. Boone, Medical Corps; Commander Joseph A. J. McMullin, Medical Corps; Commander Gordon D. Hale, Medical Corps; Commander Walter C. Espech, Medical Corps; Commander Maurice M. Witherspoon, Chaplain Corps; Commander Bernhard H. Bieri; Lt. Comdr. Albert S. Marley; Lt. Comdr. Charles G. Moore, Jr.; Lt. Comdr. John J. Carrick, Naval Reserve; Lt. Comdr. Emil J. Carroll, Naval Reserve; Lt. Comdr. Francis G. Donebrink; Lt. Comdr. Victor C. Barringer, Jr.; Lt. Comdr. Ralph A. Ofstie; Lt. Comdr. Lucien B. Green, 2d, retired; Lt. Comdr. Dallas D. Dupre; Lt. Comdr. Harold B. Crow, Naval Reserve; Lt. Comdr. Edward O. McDonnell, Naval Reserve; Lt. Comdr. Schuyler F. Cumings, Naval Reserve; Lt. Comdr. Charles W. Stevenson, Supply Corps; Lt. Comdr. Charles R. O'Leary, Supply Corps; Lt. Comdr. Hardy V. Hughens, Medical Corps; Lt. Comdr. Thomas L. Morrow, Medical Corps; Lt. Comdr. Louis E. Mueller, Medical Corps; Lt. Comdr. Victor B. Riden, Medical Corps; Lt. Comdr. William M. H. Turville, Medical Corps; Lt. Comdr. Horace R. Boone, Medical Corps; Lt. Comdr. Warwick T. Brown, Medical Corps; Lt. Comdr. Vincent Hernandez, Medical Corps; Lt. Comdr. Harry S. Harding, Medical Corps; Lt. Comdr. Robert W. Wimberly, Medical Corps; Lt. Comdr. Hillard L. Weer, Medical Corps; Lt. Robert F. Hickey; Lt. Harvey R. Bowes; Lt. Buell F. Brandt; Lt. George H. De Baun; Lt. John M. Brewster; Lt. Curry E. Eason; Lt. Maxwell B. Saben; Lt. John F. Gillon; Lt. Col. H. Mansfield, Chaplain Corps; Lt. Joseph O. Saurette; Lt. Robert H. Smith; Lt. Donald R. Tallman; Lt. John Davis, retired; Lt. Walter L. Bach, Medical Corps; Lt. Walter G. Kilbury, Medical Corps; Lt. Hugh E. Mouldin, Dental Corps; Lt. (Jr. Gr.) James H. Taylor; Lt. (Jr. Gr.) Frank E. Latauzo, Naval Reserve; Lt. (Jr. Gr.) Robert C. Douthat, Medical Corps; Lt. (Jr. Gr.) Freeman C. Harris, Medical Corps; Lt. (Jr. Gr.) Warren G. Wieand, Medical Corps; Lt. (Jr. Gr.) George H. Mills, Dental Corps; Ensign Howard F. Hozey, Naval Reserve Force; Chief Boatswain William C. Baker; Chief Pharmacist Roy Aikman; Chief Pharmacist Leon H. French.

United States Marine Corps: Maj. Gen. James C. Breckinridge; Brig. Gen. George Richards; Brig. Gen. Rufus M. Lane, retired; Brig. Gen. Hugh Matthews; Brig. Gen. Randolph C. Barkeley; Brig. Gen. Frederick L. Bradman; Brig. Gen. Louis McCarty Little; Brig. Gen. Douglas C. McDougal; Brig. Gen. Richard T. Williams; Col. Richard M. Cutts; Col. Presley M. Rixey, Jr.; Col. Seth Williams; Col. James J. Meade; Col. Clayton S. Vogel; Col. Calvin B. Matthews; Lt. Col. Lauren S. Willis, retired; Lt. Col. Jeter R. Horton; Lt. Col. Franklin B. Garrett; Lt. Col. Calhoun Ancrum; Lt. Col. William S. Wise; Lt. Col. William B. Smith; Lt. Col. Charles F. M. Price; Lt. Col. Ross E. Rosell; Lt. Col. John Marston; Lt. Col. Julian C. Smith; Lt. Col. Roy E. Geiger; Lt. Col. Harry Schmidt; Lt. Col. De Witt Peck; Lt. Col. William B. Sullivan; Lt. Col. Henry L. Larsen; Lt. Col. Arnold W. Jacobsen; Maj. Thomas S. Clarke; Maj. Joseph C. Fegan; Maj. Frederick R. Hoyt; Maj. Marion B. Humphrey; Maj. Allen H. Turnage; Maj. Louis M. Bourne; Maj. Matthew S. Kingman; Maj. John F. S. Norris; Maj. Anderson C. Deering; Maj. Ralph J. Mitchell; Maj. Samuel L. Howard; Maj. Oscar R. Cauldwell; Maj. Thomas E. Watson; Maj. Walter C. Sheard; Maj. Roger W. Peard; Maj. Lloyd L. Leach; Maj. Raphael Griffin; Maj. Thomas P. Cheatham; Maj. Louis W. Whaley; Maj. Leroy P. Hunt; Maj. Leo D. Merale; Maj. Lemuel C. Shepherd, Jr.; Maj. James E. Davis; Maj. Alphonse De Carre; Maj. James T. Moore; Maj. Alfred N. Noble; Maj. Franklin A. Hart; Maj. William N. Beat; Maj. Herbert Hardy; Maj. Ralph E. West; Capt. Graves B. Erskine; Capt. Robert Yowell; Capt. Francis P. Mulcahy; Capt. Maurice C. Holmes; Capt. Eugene F. C. Collier; Capt. Otto Salzman; Capt Carl S Schmidt; Capt Harry W. Gamble; Capt. Roscoe Arnett; Capt. Maurice S. Gregory; Capt. James P. Smith; Capt. Edward G. Kuefe; Capt. Max Cox; Capt. Oliver P. Smith; Capt. Joseph O. Ward; Capt. Edward L. Durvall, Jr.; Capt. John C. Wood; Capt. Jacob Lienhard; Capt. Victor F. Bleasdale; Capt. Leonard H. Rea; Capt. James P. Schwerin; Capt. John H. Parker; Capt. Walter S. Casper; Capt. Willett Elmore; Capt. Benjamin W. Gally; Capt. James A. Nixson; Capt. Frederick M. Howard; Capt. Lee W. Brown; Capt. Harold G. Major; Capt. Bernard Dubel; Capt. Hamilton M. H. Fleming; Capt. Claude A. Phillips; Capt. Harold W. Whitney; Capt. Harry Paul; Capt. Frank N. Costtge; Capt. Byron F. Johnson; Capt. William J. Livingston; Capt. George E. Monson; Capt. Amor L. Sims; Capt. George R. Rowen; Capt. Brady L. Vogt; Capt. Clinton W. McLeod; Capt. Roy C. Swick; Capt. Reuben B. Price; Capt. William J. Whaling; Capt. Frank N. Gilman; Capt. Monitor Watchman; Capt. George L. Maynard; Capt. Benjamin W. Atkinson; Capt. William L. Bales; Capt. Frederick C. Diebush; Capt. Terrell J. Crawford; Capt. John T. Walker; Capt. William P. T. Hill; Capt. Jesse A. Nelson; Capt. Henry A. Carr; Capt. William C. Hall; Capt. Edwin J. Farrell; Capt. Louis E. Woods; Capt. Augustus H. Fricke; Capt. William S. Fellers; Capt. Herbert S. Keimling; Capt. Walter W. Wensinger; Capt. Ernest E. Lincort; First Lt. William L. McKittrick; First Lt. Max D. Smith; First Lt. David A. Stafford; First Lt. Roy W. Conkey; First Lt. Harold N. Rosecrans; First Lt. Horace D. Palmer; First Lt. Hayne D. Royden; First Lt. Christian F. Schilt; First Lt. James H. Strother; First Lt. Ivan W. Miller; First Lt. John C. McQueen; First Lt. William W. Davies; First Lt. James W. Smith; First Lt. Lewis A. Hohn; First Lt. Lucian C. Whitaker; First Lt. Ralph E. Forsyth; First Lt. Pierson E. Conradt; First Lt. Cregon A. Williams; First Lt. Evans F. Carlson; First Lt. John W. Lakes; First Lt. George F. Good, Jr.; First Lt. William R. Hughes; First Lt. Maxwell H. Mizell; First Lt. Charles W. Kail; First Lt. Lewis D. Fuller; First Lt. Joe N. Smith; First Lt. Herbert F. Backer; First Lt. Alexander W. Kreiser; First Lt. Edward J. Trumble; First Lt. James C. Brauer; First Lt. Francis J. Cunningham; First Lt. Paul A. Putnam; First Lt. John S. E. Young; First Lt. William D. Saunders; First Lt. Lofton R. Henderson; First Lt. John N. Coffman; First Lt. Peter P. Schrider; First Lt. Robert L. Griffin; First Lt. James P. Risely; First Lt. Samuel S. Jack; First Lt. Frank M. June; First Lt. Miles S. Newton; First Lt. Ira L. Kimes; First Lt. Reginald H. Ridgely; First Lt. Nols H. Nelson; First Lt. Frank C. Dailey; First Lt. Frank H. Wirsig; Second Lt. Robert L. Peterson; Second Lt. Kenneth H. Weir; Second Lt. Arthur F. Binney; Second Lt. Clovis C. Coffman; Second Lt. Perry O. Parmelee; Second Lt. Lester S. Hamel; Second Lt. Ernest E. Pollock; Second Lt. Frank C. Croft; Second Lt. Newin O. Hammond; Second Lt. Frank H. Schwable; Second Lt. Joseph H. Berry; Second Lt. James P. Berkeley; Second Lt. Peter A. McDonald; Second Lt. Michael M. Mahoney; Second Lt. Fred D. Beans; Second Lt. Edgar O. Price; Second Lt. Lebulon C. Hopkins; Second Lt. William A. Willis; Second Lt. John M. Davis; Chief Marine Gunner John F. Evans; Chief Marine Gunner Otho Wiggs; Chief Marine Gunner Jesse W. Stamper; Chief Marine Gunner Frank F. Putcarmer; Chief Marine Gunner Frank O. Lundt; Chief Marine Gunner Michael Wederczyk; Chief Marine Gunner Harold Ogden; Chief Quartermaster Clerk August F. Schonefeld; Chief Quartermaster Clerk William A. Warrell, retired; Chief Quartermaster Clerk Albert O. Woodrow; Chief Quartermaster Clerk Elmer W. Darde; Chief Pay Clerk Benjamin H. Wolever; Chief Pay Clerk Clinton A. Phillips; Chief Pay Clerk Timothy E. Murphy; Marine Gunner Kennard F. Bubier; Marine Gunner Albert S. Nunach; Marine Gunner Harry R. Baley; Marine Gunner Thomas Whitezel; Marine Gunner Walter N. Hendersen; Marine Gunner Robert S. McCook; Sgt. Maj. James M. Barmead; Sgt. Maj. Carl Svenson; Sgt. Maj. Charles A. White; Q. M. Sgt. Frederick J. Widman; Q. M. Sgt. Rupert F. Stone; Master Technical Sgt. Millard T. Shepard; Paymaster Sgt. Fred Parquette; First Sgt. Edwin C. Clarke; First Sgt. Cecil N. Bietz; First Sgt. Charles H. Gray; First Sgt. William O'Grady; First Sgt. Alfred Sylvester; First Sgt. Harry Watkins; First Sgt. Nicholas M. Griece; First Sgt. Frederick Dalton; First Sgt. Louis N. Bertol; First Sgt. Russell O. Beard; First Sgt. Otto Poland; First Sgt. Richard Shaker; First Sgt. Charles E. Stuart; First Sgt. Frank Verdier; First Sgt. Curtis O. Whitney; Gunnery Sgt. Joseph A. Saunders; Gunnery Sgt. Bernard J. Durr; Gunnery Sgt. John J. Rogers; Sgt. Olin L. Beall; Sgt. George Washington; Sgt. Joseph L. Bonville; Sgt. Joseph Konepka; Sgt. Charles L. McIndoc; Sgt. Frank J. Murphy; Sgt. Douglas S. Catchis; Sgt. Daniel J. Donahoe; St. Charles Sorenson; Pvt. John David.

That the following-named officers and enlisted men of the United States Army are hereby authorized to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered:

Gen. Douglas MacArthur; Maj. Gen. Dennis E. Nolan; Maj. Gen. Malin Craig; Maj. Gen. Paul B. Malone; Maj. Gen. Frank Parker; Maj. Gen. Frank R. McCoy; Maj. Gen. Albert J. Bowley; Maj. Gen. Benjamin D. Foulois; Brig. Gen. Frank C. Bolles; Brig. Gen. Casper H. Conrad, Jr.; Brig. Gen. Andrew Moses; Brig. Gen. Thomas W. Darrah; Brig. Gen. Francis LeJ. Parker; Brig. Gen. Guy V. Henry; Brig. Gen. John W. Gulick; Brig. Gen. Robert C. Foy; Col. Joseph A. Baer; Col. Charles Burnett; Col. W. Goff Caples; Col. Edward Davis; Col. Charles W. Exton; Col. James Malcolm Graham; Col. W. Lee Hart; Col. Jacob C. Johnson; Col. Roy C. Kirtland; Col. Osmun Latrobe; Col. E. R. Warner McCabe; Col. Charles H. Patterson; Col. Russell P. Reeder; Col. Francis A. Ruggles; Col. Frederick W. Van Duyne; Col. Richard H. Williams; Lt. Col. Frank M. Andrews; Lt. Col. Lester D. Baker; Lt. Col. Reginald B. Cocroft;

Lt. Col. John F. Curry; Lt. Col. Ernest J. Dawley; Lt. Col. Robert H. Fletcher, Jr.; Lt. Col. William W. Hicks; Lt. Col. Donald C. McDonald; Lt. Col. Frederick W. Manley; Lt. Col. Maxwell Murray; Lt. Col. Henry C. Pratt; Lt. Col. John W. N. Schulz; Lt. Col. Martin C. Shallenberger; Lt. Col. Daniel I. Sultan; Lt. Col. Edwin M. Watson; Lt. Col. Barton K. Yount; Maj. George E. Arneman; Maj. Rosenham Beam; Maj. Enrique M. Benitez; Maj. Peter C. Bullard; Maj. Henry B. Cheadle; Maj. Joseph O. Daly; Maj. Herbert A. Dargue; Maj. James A. Dorst; Maj. Asa N. Duncan; Maj. Charles R. Finley; Maj. Abraham Garfinckel; Maj. James A. Gillespie; Maj. Paul R. Hawley; Maj. Charles B. Hazeltine; Maj. Edgar Erskine Hume; Maj. George E. Lovell, Jr.; Maj. Davenport Johnson; Maj. Raymond E. McQuillin; Maj. Joseph J. O'Hare; Maj. James B. Ord; Maj. Alvan C. Sandeford; Maj. Martin F. Scanlon; Maj. James C. R. Schwenck; Chaplain (Maj.) Aristeo V. Simoni; Maj. Julia C. Stimson; Maj. Robert H. Van Volkenburgh; Maj. Robert LeG. Walsh; Maj. Charles A. Willoughby; Maj. Walter F. Winton; Capt. John R. D. Cleland; Capt. Carl W. Connell; Capt. Virgil N. Cordero; Capt. Robert E. Cummings; Capt. Thomas J. Davis; Capt. Vernon C. DeVotie; Capt. Fernand G. Dumont; Capt. Ira C. Eaker; Capt. Richard E. Elvins; Capt. Muir S. Fairchild; Capt. James M. Gillespie; Capt. Leslie R. Groves, Jr.; Capt. Albert F. Hegenberger; Capt. Eugene J. Heller; Capt. Jack C. Hodgson; Capt. Arthur B. McDaniel; Capt. William J. McKiernan, Jr.; Capt. Eugene A. Regnier; Capt. Charles McK. Robinson; Capt. Timothy Sapia-Bosch; Capt. Kinsley W. Slauson; Capt. Bernard S. Thompson; Capt. Leonard D. Weddington; Capt. Ennis C. Whitehead; Capt. Royden Williamson; Capt. Ralph H. Wooten; First Lt. Joseph M. Glasgow; First Lt. John L. Hines, Jr.; First Lt. Kenneth C. Nichols; First Lt. Benjamin B. Talley; First Lt. Hugh B. Waddell; Staff Sgt. Edward F. Springer; Sgt. Leslie B. Hopkins.

With the following committee amendment:

On page 10, after the name "David", in line 26, add the following: "United States Navy: Admiral William B. Caperton, retired; Rear Admiral Charles S. Freeman; Capt. William D. Puleston; Capt. Walter S. Anderson; Capt. Stephen B. McKinney; Capt. William O. Spears; Capt. Augustin T. Beauregard; Commander Leo H. Thebaud; Commander Clarence Gulbranson; Capt. Charles St. J. Butler, Medical Corps; Capt. William S. Bainbridge, Medical Corps, Naval Reserve, retired; Commander Morton D. Willcutts, Medical Corps; Commander William Henry P. Blandy; Commander Edwin C. Ebert, Medical Corps; Lt. Comdr. Roscoe H. Hillenkoetter; Lt. Comdr. Joel J. White, Medical Corps; Lt. Albert L. King, Naval Reserve; Lt. (Jr. Gr.) Walter C. Ford; Capt. Herbert S. Howard, Construction Corps; Lt. Comdr. Leslie C. Stevens; Lt. Comdr. William K. Vanderbilt, United States Naval Reserve.

"United States Marine Corps: Col. Robert L. Denig; Col. Henry L. Roosevelt, Marine Corps Reserve, deceased; Col. William C. Harllee, retired; Col. Julius S. Turrill, retired; Lt. Col. Harry L. Smith; Lt. Col. William M. Small, retired; Maj. Andrew E. Creesy; Maj. Donald J. Kendall; Maj. Chester L. Fordney, Marine Corps Reserve; Capt. Louis Cukela; First Sgt. George Nelson."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROSCOE M'KINLEY MEADOWS

The Clerk called the next bill, H. R. 1872, for the relief of Roscoe McKinley Meadows.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. HOPE and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Naval Affairs.

ROBERT D. DOHERTY

The Clerk called the next bill, H. R. 5743, for the relief of Robert D. Doherty.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Robert D. Doherty, who was a member of the United States Marine Corps, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on September 10, 1918: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EARL ELMER GALLATIN

The Clerk called the next bill, H. R. 8278, for the relief of Earl Elmer Gallatin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and directed to correct the service record of Earl Elmer Gallatin, late of the United States Marine Corps, so that he shall be held and considered to have been honorably discharged on November 3, 1917, and to grant to such Earl Elmer Gallatin an honorable discharge as of such date: *Provided*, That no pension, pay, or bounty shall be held to have accrued by reason of the enactment of this act.

With the following committee amendment:

Strike out all on lines 3, 4, 5, 6, 7, 8, 9, and 10, and insert in lieu thereof:

"That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged marines, Earl Elmer Gallatin, who was discharged for fraudulent enlistment on account of misrepresentation of his age, shall hereafter be held and considered to have been honorably discharged from the Marine Corps on November 3, 1917, and that the Secretary of the Navy shall grant him a discharge certificate showing that he is held and considered to have been honorably discharged: *Provided*, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GRACE SCHULTZ

The Clerk called the next bill, H. R. 8688, for the relief of Grace Schultz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended (U. S. C., title 5, secs. 767 and 770), are hereby waived in favor of Grace Schultz, widow of Pvt. Floyd V. Schultz, Marine Corps Reserve, who while in inactive status and serving without pay sustained injury, resulting in death, on December 18, 1932, at the naval reserve base at Long Beach, Calif., when the airplane in which he was flying as an observer crashed during a regular drill period; and the case of the said Grace Schultz is authorized to be considered and acted upon under the remaining provisions of such act, as amended, if she files a notice of such injury and death and a claim for compensation and/or other benefits under such act, as amended, with the United States Employees' Compensation Commission not later than 60 days after the date of enactment of this act.

SEC. 2. For the purposes of such consideration and action—

(a) The said Pvt. Floyd V. Schultz shall be deemed to have been physically injured in the line of duty while performing active duty, within the meaning of the provisions of section 14 of the act entitled "An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve", approved February 28, 1925, as amended (U. S. C., title 34, sec. 762); and

(b) The monthly pay of the said Pvt. Floyd V. Schultz shall be deemed to have been at the time of his injury and death.

With the following committee amendment:

Page 2, line 21, after the words "deemed to have been", insert "$90."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. OLLIE MYERS

The Clerk called the next bill, H. R. 8884, for the relief of Mrs. Ollie Myers.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and directed to pay, out of the appropriation "Pay of the Navy, 1935", to Mrs. Ollie Myers, dependent mother of Earl E. Myers, late private in the United States Marines, an equal amount to 6 months' pay at the rate said Earl E. Myers was receiving at the time of his death.

With the following committee amendment:

Strike out all of lines 3 to 8, inclusive, and insert the following:

"That the Secretary of the Navy be, and he is hereby, authorized and directed to pay, out of the current appropriation "Pay of the Marine Corps", to Mrs. Ollie Myers, mother of Earl Eugene Myers, late private, United States Marine Corps, an amount equal to 6 months' pay at the rate said Earl Eugene Myers was receiving at the date of his death: *Provided*, That the said Mrs. Ollie Myers establish to the satisfaction of the Secretary of the Navy that she was actually dependent upon her son, Earl Eugene Myers, at the time of the latter's death, and the determination of such fact by the Secretary of the Navy shall be final and conclusive upon the accounting officers of the Government."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR L. HECYKELL

The Clerk called the next bill, H. R. 11341, for the relief of Arthur L. Hecykell.

Mr. HOPE and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Naval Affairs.

ALICE D. HOLLIS

The Clerk called the next bill, S. 3516, for the relief of Alice D. Hollis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alice D. Hollis, widow of William Stanley Hollis, late a consul general of the United States, the sum of $7,000, such sum representing 1 year's salary of her deceased husband, who died while in the Foreign Service.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HELEN CURTIS

The Clerk called the next bill, S. 4135, for the relief of Helen Curtis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Helen Curtis, widow of James L. Curtis, late American Minister to Liberia, the sum of $5,000, equal to 1 year's salary of her deceased husband.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBBIE COATES

The Clerk called the next bill, H. R. 397, for the relief of Robbie Coates.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission be, and the same is hereby, authorized and directed to place on the rolls of those receiving compensation the name of Robbie Coates, of Gloucester County, Va., and pay to him compensation for disabilities sustained while working as an employee of the United States Shipping Board at the rate and with like effect as he would have received if his claim had been filed within 1 year from the time his disabilities were incurred, as required by the statutes.

With the following committee amendment:

Page 1, strike out all of lines 3 to 11, inclusive, and insert the following:

"That the limitations of time in sections 15 to 20, both inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, are hereby waived in favor of Robert Coates, of Glass, Gloucester County, Va., and the United States Employees' Compensation Commission is authorized to receive and consider his claim, under the remaining provisions of said act, for tuberculosis alleged to have been contracted as a result of his employment on ships of the Reserve Fleet Division of the United States Shipping Board Merchant Fleet Corporation during the months of October, November, and December 1921; October and November 1923; and October 1924: *Provided*, That claim hereunder shall be filed within 6 months from the approval of this act: *Provided further*, That no benefits shall accrue prior to the approval of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill for the relief of Robert Coates."

JOHN T. CLARKSON

The Clerk called the next bill, H. R. 1349, for the relief of John T. Clarkson.

Mr. COSTELLO, Mr. DRISCOLL, and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Claims.

EDWARD B. WHEELER AND STATE INVESTMENT CO.

The Clerk called the next bill, H. R. 3715, authorizing the reimbursement of Edward B. Wheeler and the State Investment Co. for the loss of certain lands in the Mora grant, New Mexico.

The SPEAKER. Is there objection to the immediate consideration of the bill?

There was no objection.

Mr. COSTELLO. Mr. Speaker, there is a similar Senate bill (S. 427) on this subject, and I ask unanimous consent that it may be substituted for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edward B. Wheeler, of Las Vegas, N. Mex., and the State Investment Co., of New Mexico, who were declared by the Supreme Court of the United States (*United States* v. *State Investment Co.* (1924), 264 U. S. 206) to be the owners, respectively, of certain lands in the tract known as the Mora grant, located in San Miguel and Mora Counties, N. Mex., an amount to be computed by the Secretary on the basis of $2.20 per acre for every acre of lands embraced within the claim of any bona fide entryman on such lands holding under patent from the United States or under any entry allowed by the Department of the Interior, the recovery of which lands by the said Edward B. Wheeler and the State Investment Co. is barred by the stipulation entered into between such parties and the United States on January 23, 1918. Such payment shall operate as a full settlement of all claims of such Edward B. Wheeler and the State Investment Co. against the United States or the owners of such lands for damages for the loss of such lands.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A House bill (H. R. 3715) was laid on the table.

DR. FRANK W. LAMB

The Clerk called the next bill, H. R. 5752, to extend the benefits of the United States Employees' Compensation Act of September 7, 1916, as amended, to the dependent beneficiaries of Dr. Frank W. Lamb.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby directed to extend the benefits of the act of September 7, 1916, as amended, entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", to May Wynne Lamb and Frank Wyman Lamb, widow and child, respectively, of said Dr. Frank W. Lamb, formerly an employee of the Bureau of Indian Affairs, who died on December 23, 1918, as the result of influenza contracted on or about December 15, 1918, while in the performance of his duties in the Territory of Alaska.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to May Wynne Lamb, of Juneau, Alaska, in full satisfaction of her claim against the United States for the death of her husband, Dr. Frank W. Lamb, formerly a commissioned medical officer of the Bureau of Education, Department of the Interior, who died December 23, 1918, at Old Hamilton, Alaska, as a result of influenza contracted while in the performance of his duties: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended.

F. E. HALL

The Clerk called the next bill, H. R. 7363, for the relief of F. E. Hall.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the

Treasury not otherwise appropriated, the sum of $2,500 to F. E. Hall for injuries suffered by him in the arrest of a narcotic peddler on July 9, 1933, in the city of Memphis, Tenn., while the said Hall was acting as a United States narcotic agent.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That notwithstanding the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, the United States Employees' Compensation Commission be, and the same is hereby, authorized and directed to receive and consider, when filed, the claim of F. E. Hall for disability alleged to have been incurred by him on July 9, 1923, while in the employ of the Bureau of Narcotics, Treasury Department, as a narcotic agent, and to determine said claim upon its merits under the provisions of said act: *Provided*, That claim hereunder shall be filed within 6 months after the approval of this act: *Provided further*, That no benefits shall accrue prior to the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KATHERINE TRICK

The Clerk called the next bill, H. R. 7642, for the relief of Katherine Trick.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Katherine Trick, of Baldwin, Mich., the sum of $10,000, such sum representing the damages to her caused by the death of her husband, Frank Trick, who died of injuries received when struck on the head by a splinter of wood while Civil Works Administration employees were engaged in dynamiting stumps in connection with the Baldwin trout-rearing ponds project.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the administrator of the estate of Frank W. Trick, deceased, formerly of Baldwin, Lake County, Mich., the sum of $700, to be disbursed for the reasonable hospital, medical, and funeral expenses of said Frank W. Trick, who died of injuries received when struck on the head on March 15, 1934, by a stump of wood dynamited by employees of the Federal Civil Works Administration engaged in work on the Baldwin trout-rearing ponds project at Baldwin, Mich.: *Provided*, That such Administrator shall also disburse a sum, not in excess of $150, from the amount herein appropriated for services rendered by any attorney or agent in connection with prosecution of the claim of the dependent widow of Frank W. Trick, Katherine Trick, now deceased, and for the prosecution of this claim: *Provided further*, That any amounts paid hereunder shall be deemed to be in full satisfaction of all claims against the United States for any services rendered as a result of the injury and death of Frank W. Trick as herein described."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NEWARK CONCRETE PIPE CO.

The Clerk called the next bill, H. R. 7794, for the relief of the Newark Concrete Pipe Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and there is hereby appropriated for such payment, to Newark Concrete Pipe Co. the sum of $1,824.41 in full settlement for damage due to explosions at the naval ammunition depot, Lake Denmark, N. J., July 10, 1926.

With the following committee amendment:

Page 1, line 5, after the word "appropriated", strike out the balance of line 5 and all of lines 6, 7, 8, and 9, and insert "to the Newark Concrete Pipe Co., Newark, N. J., the sum of $656.20, in full satisfaction of its claim against the United States for damages to property owned by it at Wharton, N. J., on July 10, 1926, as a result of explosions at the naval ammunition depot, Lake Denmark, N. J.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

C. E. RIGHTOR

The Clerk called the next bill, H. R. 7839, for the relief of C. E. Rightor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. E. Rightor, of Mountain Lakes, county of Morris, State of New Jersey, the sum of $155.61 in full settlement of claim against the Government of the United States for reimbursement of travel and other expenses incurred in the discharge of official duties with the Federal Emergency Administration of Public Works, from June 4, 1933, to June 10, 1933, inclusive.

With the following committee amendment:

At the end of the bill insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FIELDS B. ARTHUR AND ARTHUR L. ALLEN

The Clerk called the next bill, H. R. 8091, for the relief of Fields B. Arthur and Arthur L. Allen, copartners, doing business as Arthur & Allen, and as assignees of Edward F. Rizer and A. B. Hoffman; also for the relief of the Colorado Culvert & Flume Co., a corporation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,004.67, with interest from February 2, 1932, at 8 percent per annum, to Fields B. Arthur and Arthur L. Allen, copartners, doing business as Arthur & Allen, for labor and materials on the construction of the Blue Lake Road extension no. 584, in the San Isabel National Forest in Huerfano County, Colo.; the further sum of $56.70, with interest from October 4, 1930, at 8 percent per annum, as assignees of Edward F. Rizer, for civil-engineering services on said project; and the further sum of $66.35, with interest from September 13, 1930, at 8 percent per annum, as assignees of A. B. Hoffman for labor on said project.

SEC. 2. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $596.51, with interest from February 2, 1932, at 8 percent per annum, to the Colorado Culvert & Flume Co., a corporation, for materials furnished on the construction of the project mentioned in section 1 hereof.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Comptroller General of the United States is hereby authorized and directed to settle and adjust the following claims of creditors who furnished services or supplies to E. M. Harris & Sons, Sugar City, Colo., under their contract, Als-3951, dated July 18, 1929, for the construction of the Blue Lake Road extension no. 584, within the San Isabel National Forest, Huerfano County, Colo., and who were prevented from bringing a timely suit under the provisions of the act of August 13, 1894, as amended (33 Stat. 811), against the surety of said E. M. Harris & Sons, after their default in the performance of said contract, by the Government's failure to notify them of the final settlement date of said contract:

"(1) Fields B. Arthur and Arthur L. Allen, copartners, doing business as Arthur & Allen, in a sum not exceeding $1,004.67;

"(2) Colorado Culvert & Flume Co. in a sum not exceeding $596.51;

"(3) Glen Haller, in a sum not exceeding $247.60;

"(4) Kenneth Austin, in a sum not exceeding $110;

"(5) A. B. Hoffman, in a sum not exceeding $66.35;

"(6) J. W. Jones, in a sum not exceeding $43; and

"(7) Lloyd Lasswell, in a sum not exceeding $22.

"SEC. 2. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $2,090.13, or so much thereof as may be necessary to pay said claims.

"SEC. 3. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended.

MRS. W. E. BOUCHEY

The Clerk called the bill (H. R. 8228) for the relief of Mrs. W. E. Bouchey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. W. E. Bouchey, of Bay City, Mich., the sum of $295 for injuries sustained on May 25, 1933, as a result of a fall down the steps on the northwest end of the Federal Building, Bay City, Mich.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, after the figures "$295", insert "in full settlement of all claims against the United States."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLAIMS OF ACHILLE RETELLATTO AND ALBERT RETELLATTO

The Clerk called the bill (H. R. 8440) conferring jurisdiction upon the United States District Court for the Eastern District of New York to hear, determine, and render judgment upon the claims of Achille Ratallatto and Albert Ratallatto.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the Eastern District of New York to hear, determine, and render judgment, as if the United States were suable in tort, upon the claims of Achille Ratallato and his son, Albert Ratallato, both of Brooklyn, N. Y., for damages resulting from injuries received by the said son, Albert Ratallato, when he was struck by a United States mail truck, no. 3392, on Bay Twentieth Street, near Benson Avenue in Brooklyn, N. Y., on November 4, 1929.

SEC. 2. Suit upon such claims may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claims, and appeals from and payment of any judgment thereon, shall be in the same manner as in the cases of claims over which said court has jurisdiction under the provisions of paragraph 20 of section 24 of the Judicial Code, as amended.

With the following committee amendments:

Page 1, line 6, after the word "Achille" strike out "Ratallato" and insert "Retellatto."

Page 1, line 7, after the word "Albert", strike out "Ratallato" and insert "Retellatto."

Page 2, line 1, after the word "Albert", strike out "Ratallato" and insert "Retellatto."

Page 2, line 16, insert:

"SEC. 3. The judgment recovered in such suit, if any, shall not exceed the sum of $5,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill conferring jurisdiction upon the United States District Court for the Eastern District of New York to hear, determine, and render judgment upon the claims of Achille and Albert Retellatto."

ESTATE OF HATTIE M. DUNFORD

The Clerk called the bill (H. R. 8732) for the relief of the estate of Hattie M. Dunford.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York and Mr. HOPE objected, and the bill was recommitted to the Committee on Claims.

J. H. MEDLIN

The Clerk called the bill (H. R. 8783) for the relief of J. H. Medlin.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York and Mr. HOPE objected, and the bill was recommitted to the Committee on Claims.

JOHN S. HEMRICK

The Clerk called the bill (H. R. 8932) for the relief of John S. Hemrick.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to John S. Hemrick, of Greenville, S. C., out of any money in the Treasury not otherwise appropriated, the sum of $2,000 for loss of right leg while an employee of the Civil Works Administration, Greenville, S. C., on December 22, 1933.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That notwithstanding the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, the United States Employees' Compensation Commission be, and the same is hereby, authorized and directed to receive and consider, when filed, the claim of John S. Hemrick for disability alleged to have been incurred by him during the winter of 1933–34, while in the employ of the Civil Works Administration, and to determine said claim upon its merits under the provisions of said act: *Provided*, That claim hereunder shall be filed within 6 months after the approval of this act: *Provided further*, That no benefits shall accrue prior to the enactment of this act."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. COL. FERNAND H. GOUAUX

The Clerk called the bill (H. R. 10044) for the relief of Lt. Col. Fernand H. Gouaux.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the account of Lt. Col. Fernand H. Gouaux, Quartermaster Corps, United States property and disbursing officer for the Louisiana National Guard, Jackson Barracks, New Orleans, La., for payments aggregating $372.52 made to Capt. William G. Ross, Veterinary Corps, Louisiana National Guard, for salary while on active duty and in active-duty status in field training with the Louisiana National Guard for the periods from the 31st day of July 1933 to the 13th day of August 1933 and from the 27th day of August 1933 to the 19th day of September 1933, at Camp Beauregard, La., for which authority has heretofore been granted by the National Guard Bureau of the War Department, and for services actually rendered and performed by Captain Ross, but which payments were disallowed by the General Accounting Office for reason as claimed that there was no authority of law therefor.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARCH A. GARY

The Clerk called the bill (H. R. 10168) for the relief of Arch A. Gary.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Arch A. Gary, postmaster at Henderson, Tex., the sum of $270.68, the balance due the Government from the embezzlement of post-office funds by David B. Baxter, Jr., clerk in the Henderson office, and which Mr. Gary was compelled to make good.

With the following committee amendments:

On page 1, line 6, after the word "Texas", insert "in full settlement of his claim against the United States."

Page 1, line 11, after the word "good", insert: *"Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

POCAHONTAS FUEL CO., INC.

The Clerk called the bill (H. R. 10279) for the relief of the Pocahontas Fuel Co., Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Pocahontas Fuel Co., Inc., a corporation duly organized and having a usual place of business in New York, N. Y., the sum of $224.18 in full compensation for property damage done to the coal wharf owned by said corporation at New Bedford, Mass., by the United States Coast Guard cutter *Acushnet* on January 10, 1927.

With the following committee amendments:

Page 1, line 8, strike out the word "compensation" and insert "satisfaction of its claim against the United States."

Page 2, line 1, strike out the period, insert a colon and the following: *"Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MAY HOWARD BLOEDORN

The Clerk called the bill (H. R. 10336) for the relief of May Howard Bloedorn.

Mr. HANCOCK of New York and Mr. HOPE objected, and the bill was recommitted to the Committee on Claims.

EMMA HASTINGS

The Clerk called the bill (H. R. 10435) for the relief of Emma Hastings.

Mr. HOPE and Mr. HANCOCK of New York objected, and the bill was recommitted to the Committee on Claims.

JOHN B. RICKETTS

The Clerk called the bill (H. R. 10439) for the relief of John B. Ricketts.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John B. Ricketts the sum of $10,000 in full settlement of his claim against the United States for personal injuries and property damage suffered as a result of a collision between the vehicle he was driving and a Civilian Conservation Corps truck, on December 3, 1934, near Cortland, Nebr.

With the following committee amendments:

Page 1, line 6, after the word "Ricketts", insert "of Lincoln, Nebr."

Page 1, line 6, strike out "$10,000" and insert "$1,500."

Page 1, line 8, strike out "and property damage."

Page 2, line 1, strike out the period, insert a colon and the following: *"Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to; and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ETHEL ARMES

The Clerk called the bill (H. R. 11022) for the relief of Ethel Armes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and are hereby, authorized and directed to instruct the assessor of the District of Columbia to cancel the special assessment of $2,267.20 and interest thereon against a certain parcel of land standing in the name of Ethel Armes and known as parcel 36/17, such special assessment having been entered in District court case no. 2011 for benefits alleged to have accrued to said parcel by reason of the extension of Nebraska Avenue.

With the following committee amendment:

At the end of the bill insert:

"SEC. 2. The said Commissioners are hereby authorized and directed to instruct the assessor of the District of Columbia to place an assessment for benefits against the said parcel 36/17, standing in the name of Ethel Armes, in the sum of $755.73, effective the date of the approval of this act, and without retroactive interest: *Provided,* That interest for the nonpayment of this assessment shall accrue after the approval of this act at the rate provided by law in such cases."

The commitee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOSEPH FRANK SCHMIDT

The Clerk called the bill (H. R. 7993) for the relief of Joseph Frank Schmidt.

Mr. HANCOCK of New York and Mr. COSTELLO objected, and the bill was recommitted to the Committee on Naval Affairs.

MICHAEL STODOLNIK

The Clerk called the bill (H. R. 7825) for the relief of Michael Stodolnik.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and directed to pay, out of the appropriation "Pay of the Navy", to Michael Stodolnik, dependent father of the late Peter Stodolnik, chief machinist's mate, United States Navy, who died February 15, 1934, in the naval service, an amount equal to 6 months' pay at the rate said Peter Stodolnik was entitled to receive at the date of his death.

With the following committee amendment:

Line 9, page 1, strike out the period, insert a colon and the following: *"Provided,* That Michael Stodolnik shows to the satisfaction of the Secretary of the Navy that he was actually dependent on his son at the time of the latter's death."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ELLA GOODWIN

The Clerk called the bill (H. R. 6920) for the relief of Ella Goodwin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ella Goodwin, of Utica, Ind., in full settlement of all claims against the Government of the United States, the sum of $9,000 for damages caused to claimant's property situated along the north shore of the Ohio River in Clark County, Ind., by the construction of a dam in the Ohio River, commonly known as dam no. 41, by the Government of the United States.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Chief of Engineers of the War Department is hereby authorized and directed to obtain on behalf of the United States from Ella Goodwin, of Utica, Ind., an easement over her property situated in Clark County, Ind., bordering on the Ohio River 12 miles upstream from dam no. 41, in the sum of $2,365, and in accordance with the offer to Ella Goodwin in July 1931 by the United States district engineer for the purchase of such easement.

"SEC. 2. Upon receipt of notice from the Chief of Engineers that he has obtained on behalf of the United States said easement over the property of Ella Goodwin, the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ella Goodwin, of Utica, Ind., the sum of $2,365, in full settlement of her claim against the United States for the amount due her because of said easement.

"SEC. 3. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

SOL J. HYMAN

The Clerk called the bill (H. R. 7666) for the relief of Sol J. Hyman.

Mr. HOPE and Mr. HANCOCK of New York objected, and the bill was recommitted to the Committee on Claims.

JAMES FITZGERALD

The Clerk called the bill (H. R. 8373) for the relief of James Fitzgerald.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James Fitzgerald the sum of $156.07 in full settlement of all claims against the Government of the United States on account of the taking of such sum by a Federal prohibition agent from claimant's place of business on October 12, 1931.

With the following committee amendments:

Page 1, line 5, after the word "Fitzgerald", insert "of Chicago, Ill."

Page 1, line 9, after the figures "1931", insert "and for the return of which he failed to make application: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ROBERT B. BARKER

The Clerk called the next bill, H. R. 9926, for the relief of Robert B. Barker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized to reimburse Robert B. Barker, senior contact representative, Veterans' Administration, in such amount or amounts as the Administrator of Veterans' Affairs may deem reasonable and just, but not to exceed the total sum of $233, for travel heretofore performed on official business of the United States, at personal expense, in recovering funds due certain Veterans' Administration wards from their guardians and developing evidence upon which indictments were based for violation of Federal penal statutes, for the periods November 1 to 7, December 4 to 16, and December 20 to 25, 1934, inclusive: *Provided*, That payment of any sum or sums due upon the approval of the Administrator of Veterans' Affairs shall be paid from the appropriation "Salaries and expenses, Veterans' Administration, 1936."

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Comptroller General of the United States is hereby authorized and directed to allow the claim of Robert B. Barker, senior contact representative of the Veterans' Administration, in the sum of $213.82, payable from the current appropriation "Salaries and expenses, Veterans' Administration", for travel performed on official business for the Government in recovering funds due certain Veterans' Administration wards from their guardians and developing evidence upon which indictments were based for violation of Federal penal statutes, which expenses he paid from personal funds, covering the periods November 1 to 7, December 4 to 16, and December 20 to 25, 1934, inclusive."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. R. COLLIE AND ELEANOR Y. COLLIE

The Clerk called the next bill, S. 1042, for relief of J. R. Collie and Eleanor Y. Collie.

The SPEAKER. Is there objection?

Mr. CLARK of Idaho and Mr. COSTELLO objected, and the bill, under the rule, was recommitted to the Committee on Claims.

LOUIS H. CORDIS

The Clerk called the next bill, S. 1075, for the relief of Louis H. Cordis.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the requirements of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in the case of Louis H. Cordis, of Portland, Oreg., formerly employed as a deckhand on the United States dredge *Clatsop*, and the United States Employees' Compensation Commission is authorized and directed to consider and act upon any claim filed by him under the provisions of such act, as amended, within 1 year after the date of enactment of this act, for compensation for disability resulting from injuries received by him on September 15, 1928, while cleaning, in the performance of his duties as such employee, certain sand chutes: *Provided*, That compensation, if any, shall be paid from and after the date of enactment of this act. Such payments of compensation shall be made out of funds heretofore or hereafter appropriated for the payment of awards under the provisions of such act of September 7, 1916, as amended.

With the following committee amendments:

Page 2, line 2, strike out the words "1 year" and insert "6 months"; page 2, line 8, after the word "act", strike out the remainder of the bill.

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUCILLE M'CLURE

The Clerk called the next bill, S. 1827, for the relief of Lucille McClure.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Lucille McClure, out of any money in the Treasury not otherwise appropriated, the sum of $3,600, compensation as the widow of former Deputy Administrator of Prohibition H. S. McClure, of Spokane, Wash., whose death on January 15, 1929, was caused by injuries sustained while in the Government service: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the United States Employees' Compensation Commission is hereby authorized and directed to receive and consider the claim of Lucille McClure, of Spokane, Wash., widow of a former deputy administrator of prohibition, H. S. McClure, whose death occurred on January 15, 1929, allegedly as a result of injuries sustained by him while in the performance of his duties, under the provisions of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, except that the limitations of time in sections 15 to 20 thereof, both inclusive, are hereby waived: *Provided*, That claim hereunder shall be filed within 6 months from the date of the approval of this act: *Provided further*, That no benefits shall accrue prior to the approval of this act."

The committee amendment was agreed to.

The Senate bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

F. L. FORBES ET AL.

The Clerk called the next bill, S. 3241, authorizing adjustment of the claims of F. L. Forbes, John L. Abbot, and the Ralph Sollitt & Sons Construction Co.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claims of F. L. Forbes for $1,035.30 as amount of judgment and costs in his favor, in the United States District Court

at Lynchburg, Va., against Ralph Sollitt & Sons Construction Co., contractor for the construction of a Government building under contract Tisa-3198, dated May 26, 1932, concerning a party wall; a claim of John L. Abbot for $350 as attorney's fees for assisting in the defense of Ralph Sollitt & Sons Construction Co. in such suit; and the claim of Ralph Sollitt & Sons Construction Co. for a balance of $248.30 on account of its costs in connection with the matter, and to allow said amounts in full and final settlement of their respective claims. There is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $1,633.60, or so much thereof as may be necessary, for the payment of said claims: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TEXAS PACIFIC-MISSOURI PACIFIC TERMINAL RAILROAD OF NEW ORLEANS

The Clerk called the next bill, S. 3544, authorizing adjustment of the claim of the Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of the Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans for reimbursement of its expenditures for labor, material, and rental of equipment in repairing the damage to its car-ferry incline tracks located at Gouldsboro, La., within the limits of the New Orleans Harbor, which were damaged on September 18, 1931, by the sinking thereon of a concrete bank-protection mattress during the Government's construction operations under an approved project for revetment work within the limits of New Orleans Harbor, and to allow in full and final settlement of said claim not to exceed the sum of $1,440.75. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,440.75 or so much thereof as may be necessary to pay said claim: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAMPSKIB AKTIESELSHAP ROSKVA

The Clerk called the next bill, S. 3645, for the relief of Dampskib Aktieselshap Roskva.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,999.38, or so much more or less as might be required to purchase exchange not to exceed the amount of £399 17s. 6d., to Dampskib Aktieselshap Roskva, of Oslo, Norway, owners of the steamship *Roskva*, in full and final settlement of all claims whatsoever against the United States for damages to the *Roskva* arising from the collision between that vessel and the United States Army tug *Amackasein* on January 14, 1919, at Brest, France.

With the following committee amendment:

Page 2, line 1, after the word "France", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill, as amended, was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE RABCINSKI

The Clerk called the next bill, S. 3685, for the relief of George Rabcinski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George Rabcinski, former private, Company E, Three Hundred and Fifty-ninth Regiment Infantry, the sum of $140.37, being the par value of one Second Liberty Loan bond together with interest which had accrued prior to its call, and for which he has paid the United States by deduction from his pay as an enlisted man, and which bond was erroneously delivered to persons unknown and not designated by him to receive it: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 7, strike out the word "Regiment"; and in the same line, after the figures, strike out the word "being" and insert "in full satisfaction of his claim against the United States for."

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARCELLUS E. WRIGHT ET AL.

The Clerk called the next bill, S. 3769, for the relief of Marcellus E. Wright and Lee, Smith & Vandervoort, Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Marcellus E. Wright and Lee, Smith & Vandervoort, Inc., associate architects, of Richmond, Va., the sum of $13,952.50 in full settlement of their claims against the Government of the United States as architects and for engineering services rendered during the year 1933 and up to and including December 31, 1934, in connection with the erection of the parcel post building at Richmond, Va.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RANDALL KRAUSS

The Clerk called the next bill, S. 3839, granting a pension to Randall Krauss.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws, the name of Randall Krauss, a minor child, and pay him a pension at the rate of $100 per month until he becomes 21 years of age, all the other members of the family of the said Randall Krauss having been killed when their automobile was struck by a United States Army airplane at Griffith Park, Calif., on June 20, 1935.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Randall Krauss, a minor, of Yakima, Wash., the sum of $60 per month until he attains the age of 21, in full satisfaction of his claims against the United States for the death of his father, mother, and sister, who were killed when struck by a United States Army airplane which crashed at Griffith Park, Calif., on June 20, 1935:

Provided, That payments hereunder shall begin on the first calendar day of the month following the approval of this act: *Provided further,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read "An act for the relief of Randall Krauss, a minor."

ANN RAKESTRAW

The Clerk called the next bill, S. 3932, for the relief of Ann Rakestraw.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ann Rakestraw the sum of $3,500, in full and final settlement of any and all claims against the Government for personal injuries suffered by her when the automobile in which she was riding was struck by a Navy ambulance on September 13, 1935, at the intersection of Twenty-second and M Streets NW., Washington, D. C.: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPHINE RUSSELL

The Clerk called the next bill, S. 4416, for the relief of Josephine Russell.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Employees' Compensation Commission be, and it is hereby, authorized and directed to receive and determine the claim of Josephine Russell for disability resulting from injuries sustained by her on or about June 19, 1933, while employed by the Bureau of Indian Affairs, Department of the Interior, as a nurse in the Pine Ridge Hospital, Pine Ridge, S. Dak., under the provisions of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, except that the time limitation in sections 15 and 20, inclusive, of said act are hereby waived: *Provided,* That no benefits shall accrue prior to the approval of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STATE OF NEW JERSEY

The Clerk called the next bill, S. 4395, for the relief of the State of New Jersey.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the State of New Jersey and David S. Hill, United States property and disbursing officer for New Jersey, are hereby relieved from accountability for certain property belonging to the United States, of the total value of $4,467.76, which property was loaned to such State for use by the New Jersey National Guard and was unavoidably lost or destroyed when issued for use in connection with the *Morro Castle* disaster on September 8, 1934.

Mr. POWERS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POWERS: Page 1, line 10, after "1934", insert a comma for the period and add the following: "and providing for replacement without cost to the State of New Jersey like articles for reissue to and the use of the National Guard of New Jersey."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to include in my memorial address on the late Thomas D. Schall the sermon delivered by Reverend Davis at the funeral.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

CONFERENCE REPORT—CONFEDERATED BANDS OF UTE INDIANS

Mr. ROGERS of Oklahoma. Mr. Speaker, I call up the conference report on the bill (S. 381) for the relief of the Confederated Bands of Ute Indians located in Utah, Colorado, and New Mexico, and ask unanimous consent that the statement of the managers may be read in lieu of the report.

There being no objection, the Clerk read the statement.

(For conference report and statement see proceedings of the House of Feb. 28, 1936, p. 3005.)

Mr. ROGERS of Oklahoma. Mr. Speaker, I yield to the gentleman from Utah [Mr. MURDOCK] for a brief statement.

Mr. MURDOCK. Mr. Speaker, the conference report and the statement thereon just read by the Clerk involve S. 381. This bill was passed by the Senate as introduced and by the House with two amendments. The Senate disagreed to the two amendments of the House, and it was sent to conference. It is here on the conferees' report, which is unanimous.

SUBSTANCE OF THE BILL

The bill authorized the payment to the Ute Indians of Colorado, Utah, and New Mexico the amount of $161,400 for 64,560 acres of land taken by the United States for naval oil reserves. This is compensation at the rate of $2.50 per acre. The facts upon which this bill is based are these: By Executive orders of December 6, 1916—President Wilson—and September 27, 1924—President Coolidge—64,560 acres of land, which the United States held in trust for the Ute Indians, were appropriated and set apart by the United States for its own use as a naval oil reserve. The Indians have never been compensated for this land. This bill provides for the payment for the taking of such land at the rate of $2.50 per acre—the minimum set by existing statutes as to the price to be paid for shale oil lands.

Prior to its passage by the Senate and House, the bill had received the unanimous approval of the Indian Affairs Committee of both the Senate and House. It had also received the approval of the Bureau of the Budget.

THE AMENDMENTS OF THE HOUSE

The House amended the Senate bill in two particulars: (1) The bill as passed by the Senate provided that the sum of $161,400 should be paid "without prejudice to the claim of said Indians for 4-percent interest on said sums from the date of said Executive orders."

The Senate disagreed to this amendment, but the conferees from the Senate receded from its disagreement, and this amendment of the House remains in the bill.

Second. The House also amended the bill so as to provide that there should be deducted from the same appropriation "all gratuities granted to said tribe as defined in the Second Deficiency Appropriation Act of 1935." This amendment has been struck out by the conferees. It was struck out because the conferees found as a fact that it was unnecessary for the protection of the United States, in that the United States is still a trustee and guardian for said Indians of the proceeds received or to be received from the sale of 7,000,000 acres of land which, under an existing treaty with said Indians, has either been or is to be sold by the United States for the benefit of said Indians at not less than $1.25 per acre. (See CONGRESSIONAL RECORD, 64th Cong., 1st sess., vol. 53, pt. 3, p. 2294.) Further, it was determined that up until 1933, at least, all disbursements made by the United States for the benefit of said Indians had been made out of moneys in the Treasury of the United States belonging to said Indians. There are, therefore, few if any gratuities that have been expended for the benefit of these tribes.

Finally, the members of the committee agreed that the House amendment was unworkable in that the bill did not define what was meant by gratuities, and did not confer upon any official authority to make a determination as to the amount of such gratuities. Under these circumstances the amendment of the House made the bill ineffective.

It has always been my opinion since I became a Member of Congress that a conference report represents the best efforts and the best results attainable by the members of the conference. The House, of necessity, delegates to its conferees appointed authority to act on behalf of the House. Of course, it is understood that the conferees will to the best of their ability attempt to attain a conference report differing as little as possible from the bill as passed by the House; but we must remember that on the other end of the Capitol is another coordinate legislative branch of our Government just as insistent on its position as we are on ours. If the conferees of the respective Houses of Congress in all instances stood adamantly for their own position, then, of necessity, the legislative wheels of the Government would cease. Consequently there must be some compromise by both sets of conferees. Both the Senate and the House expect such compromise. In this particular conference report, I assure you, Mr. Speaker, that the House conferees, acting in good faith, keenly sensing their responsibility, did the best that they could, which is embodied in the conference report. Having done our best, we feel that we have a right to enthusiastically support the conference report and to ask the cooperation of our colleagues in its adoption. I feel confident that the conference report should be and will be adopted.

Speaking generally, Mr. Speaker, for a few minutes on the Indian situation in the United States today, and having in mind the present attitude of many Members of Congress toward Indian legislation, the Representative in Congress whose constituency consists partly of Indians is in a very embarrassing and precarious situation. This House has seen fit to create a Committee on Indian Affairs, to which committee all Indian legislation is committed. I have served on this committee now for 4 years. Some of the finest and most able Members of Congress are members of this committee. It is not considered a major committee, but I doubt whether there is a committee of Congress which has more work to do than the Committee on Indian Affairs. This committee works diligently; it works in good faith; and, so far as I have been able to observe, its deliberations on legislation are mature and intelligent. It may at times make mistakes, but certainly if the respective committees of the House have anything in common it is that they all at times make mistakes. Being a member of the majority party, which, of course, is in control of the committee and largely responsible for its work and action, I nevertheless want to compliment the minority members of this committee, who have exhibited during my membership on this committee a fair and splendidly cooperative spirit. Partisanship in this committee, I would say, is as little noticeable as in any committee of the House.

However, due to the attitude of some Members of the House, both on the majority and minority sides, this committee finds its work absolutely frustrated by such Members. I do not charge such Members with bad faith, but is it not presumptuous on the part of any one Member of Congress or on the part of several Members of Congress, for that matter, to arbitrarily take a stand against all legislation reported by a committee of this House. If members of the Indian Affairs Committee were to retaliate in kind, then it would be futile to ever call the Consent Calendar.

If there is a black spot in American history, it is this Government's treatment of the first Americans, our Indian population. It is one of the major problems of the Government today. It deserves far more study than it gets at the hands of Congress, and it will not be solved until Congress assumes a vastly different attitude. It will not be solved as long as a few Members of the House arbitrarily stand in defiance of the passage of any and all Indian bills.

I say to my colleagues who have taken this stand on the floor of the House that if you are so interested in stopping Indian legislation, then it is your duty as Members of Congress to apply for a place on the Indian Affairs Committee so that your responsibility and duty to the Indians of this country will be coincident with your desire to protect this Government against unjust Indian claims.

I trust that the conference report will not meet the same fate as many similar meritorious bills from the Indian Affairs Committee have met during this session; and, again, in conclusion urge my colleagues to vote favorably on this legislation.

Mr. ROGERS of Oklahoma. Mr. Speaker, I yield to the gentleman from North Dakota [Mr. BURDICK] for a short statement.

Mr. BURDICK. Mr. Speaker, the general difficulty with these Indian bills seems to revolve around the term "gratuity." Every time an Indian claim is presented some Member of Congress wants to insert the word "gratuity", so that if the Indians do get anything they can set it off with some alleged gratuity.

Mr. CHRISTIANSON. Mr. Speaker, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. CHRISTIANSON. Is it not true that the white man has received a considerable gratuity from the Indian?

Mr. BURDICK. The distinguished Member from Minnesota is correct.

Mr. Speaker, I want to say to the gentlemen on this side of the aisle that in this particular bill the question of gratuity is taken care of. The matter of gratuities was settled up to 1933. Some might have accrued since that time, but the Government now has 7,000,000 acres of Indian lands which it holds as trustee, and it is amply protected should this bill pass as it is.

Further, permit me to state that a bill is now pending before the Committee on Indian Affairs, which it is expected will be reported out shortly, defining the word "gratuity." If this latter bill is passed it will remove much of the objection to Indian legislation for the reason that Congress will then know what a gratuity is. No act of Congress has ever defined the word; no decision of any court has defined it. In every case it is an undetermined something that defeats all attempts of Indians to recover what is due them. The gentleman from Utah [Mr. MURDOCK] has made such a clear and able statement as to what this legislation is that I do not believe it is necessary to add more to his statement.

We yielded to the Senate in the request to eliminate the interest feature of the bill, and the Senate yielded to us on the question of gratuities. As the bill now comes before this body, there can be no valid objection to the adoption of the conference report.

Mr. ROGERS of Oklahoma. Mr. Speaker, I move the adoption of the conference report.

The conference report was agreed to.

EMMA HASTINGS

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 10435) for the relief of Emma Hastings.

The Clerk read the title to the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Emma Hastings the sum of $10,000. Such sum shall be in full settlement of all claims of Emma Hastings against the Government because of the death of her husband, Charles R. Hastings, on October 30, 1935, when the truck in which he was traveling was struck by a Works Progress Administration truck: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of

services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$10,000" and insert "$3,500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADVERTISEMENT OF DRUGS OR DEVICES

Mr. ANDREWS of New York. Mr. Speaker, I understand the Committee on Interstate and Foreign Commerce are giving consideration to a bill (S. 5) to prevent the adulteration, misbranding, and false advertising of food, drugs, devices, and cosmetics in interstate, foreign, and other commerce subject to the jurisdiction of the United States, for the purposes of safeguarding the public health, preventing deceit upon the purchasing public, and for other purposes, which was passed last year. I ask unanimous consent to extend my remarks in the RECORD at this point by outlining four possible amendments to that bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The matter referred to follows:

SUGGESTED AMENDMENT TO PARAGRAPH (B), SECTION 601, PAGE 21, OF S. 5

On page 21, section 601 (b), strike lines 18, 19, 20, 21, 22, 23, 24, and 25, and insert in lieu thereof the following: *"Provided,* That no advertisement of a drug or device shall be deemed to be false under this act if it is disseminated only to members of the medical, pharmaceutical, or dental professions, or appears only in the scientific periodicals of these professions, or is disseminated only for the purpose of public-health education by persons not commercially interested, directly or indirectly, in the sale of such drugs or devices."

REASONS WHY THE ABOVE AMENDMENT SHOULD BE ADOPTED

Paragraph (b) of section 601, page 21, of S. 5, as it passed the Senate makes no distinction between advertising of a drug to the lay public and advertising the same to physicians and other professional men. Exactly the same test is set for advertising to the medical, pharmaceutical, and dental professions as is laid down for advertising to the laymen, which is unfair and unnecessary.

Many new drug preparations advertised only to the professions named are being brought out each year and the advertising directed exclusively to members of the professions. In such cases, involving new preparations, it cannot be said that the representations made are supported by demonstrable scientific facts or substantial and reliable medical or scientific opinion, as required by the Senate bill. The members of the medical profession, for example, are competent to determine whether or not the particular preparation, with the composition of which they are familiar, may have the claimed effect when administered, and they desire to test out that effect in their own practice. They are not deceived by any "puffing" or seller's praise indulged in by the manufacturer of the drug or device, whereas the layman has no expert knowledge or criteria upon which he can form an opinion except the advertising, and therefore advertising to the layman should be subjected to more rigorous standards.

CALENDAR WEDNESDAY

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that the business on tomorrow, Calendar Wednesday, may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3744. An act to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes; to the Committee on Interstate and Foreign Commerce.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 35 minutes p. m.) the House adjourned until tomorrow, Wednesday, May 6, 1936, at 12 o'clock noon.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GREEN: A bill (H. R. 12596) to refund taxes collected under the Kerr-Smith Tobacco Act; to the Committee on Agriculture.

By Mr. SCHNEIDER of Wisconsin: A bill (H. R. 12597) to authorize the Reconstruction Finance Corporation to make loans secured by receipts on account of national forest reserves, and for other purposes; to the Committee on Banking and Currency.

By Mr. WALTER: A bill (H. R. 12598) authorizing the appointment of additional district judges for the eastern district of Pennsylvania, the eastern and western districts of Kentucky, district of Kansas, the eastern, northern, and western districts of Oklahoma, and the northern and southern districts of West Virginia; to the Committee on the Judiciary.

By Mr. WELCH: A bill (H. R. 12599) to provide more adequate protection to workmen and laborers on projects, buildings, constructions, improvements, and property wherever situated, belonging to the United States of America by granting to the several States jurisdiction and authority to enter upon and enforce their State workmen's compensation, safety, and insurance laws on all property and premises belonging to the United States of America; to the Committee on Labor.

By Mr. FISH: Joint resolution (H. J. Res. 580) to provide a medium for the adjudication of the remaining claims of American nationals against the Government of Germany, contemplated under the terms of the Treaty of Berlin, dated August 25, 1921; to the Committee on Ways and Means.

By Mr. LANHAM: Joint resolution (H. J. Res. 581) to authorize the Secretary of War to lend War Department equipment for use at the Frontier Centennial to be held at the city of Fort Worth, Tex., from July 1, 1936, to November 1, 1936; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DIMOND: A bill (H. R. 12600) for the relief of Thomas Gaffney; to the Committee on Claims.

By Mr. DUFFY of New York: A bill (H. R. 12601) granting an increase of pension to Sophia M. Webster; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12602) granting an increase of pension to Emma C. Andrews; to the Committee on Invalid Pensions.

By Mr. THOMASON: A bill (H. R. 12603) for the relief of Anna L. Andreas and Anita Andreas; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10832. By Mr. KENNEY: Petition of the New Jersey Industrial Traffic League (150 traffic managers of the largest industries of northern New Jersey), favoring the passage of House bill 8980 and Senate bill 3379, also the proposed amendment to section 16–A of the Shipping Act of 1916 as contained in Senate bill 3467; to the Committee on Interstate and Foreign Commerce.

10833. Also, petition of the Akron section of the National Council of Jewish Women, urging the passage of the pure food and drug bill (S. 5) with elimination of the provision which permits a claimant whose goods have been seized to require trial in the court in his own district, elimination of the Bailey amendment, and retention of enforcement of the advertising provisions; to the Committee on Interstate and Foreign Commerce.

10834. Also, petition of the College Women's Club, of Wilkes-Barre, favoring Senate bill 5, the pure food and drug bill, with exception of the provision which allows a claimant

whose goods have been seized to require a trial in the court of his own district, and the Bailey amendment which prevents multiple seizures of misbranded products; to the Committee on Interstate and Foreign Commerce.

10835. By Mr. RISK: Resolution of the Department of Rhode Island, Women's Relief Corps, auxiliary to the Grand Army of the Republic, recording its strong objection to any proposition to amend the existing Constitution of the United States of America so as to upset the present division of political powers and administration between State and Nation; to the Committee on the Judiciary.

10836. By the SPEAKER: Petition of the Citizen's Nonpartisan Committee of St. Louis, Mo., to dissolve the United States Territorial Memorial Expansion Commission and requesting Congress not to appropriate any money for a memorial at St. Louis; to the Committee on the Library.

10837. Also, petition of the Nevada State Bar Association; to the Committee on the Library.

10838. Also, petition of the city of Phoenix, Ariz.; to the Committee on Banking and Currency.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 6, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

It is a good thing to give thanks unto the Lord and praise Thy name, O Lord Most High. How great are Thy works, and Thy thoughts are very deep. Sing, O ye heavens, for the Lord hath done it; shout ye lower parts of the earth, break forth into singing, O ye mountains. Verify Thy word unto us, gracious God: "Ye shall know the truth and the truth shall make you free." We beseech Thee to free our understanding from fatal errors and deliver us from false illusions. As our deliberations carry with them abiding issues, he who is not rich toward Thee is poor, indeed. Quicken our appreciation of our high calling and press us forward, filled with hope, admiration, and love for our dear native land, and unto Thee be eternal praises. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On April 25, 1936:

H. R. 12037. An act relating to compacts and agreements among States in which tobacco is produced providing for the control of production of, or commerce in, tobacco in such States, and for other purposes.

On May 1, 1936:

H. R. 396. An act for the relief of the Virginia Engineering Co., Inc.;

H. R. 1915. An act for the relief of Henry O. Goddard;

H. R. 2623. An act for the relief of J. W. Hearn, Jr.;

H. R. 4016. An act to amend section 10 and repeal section 16 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes", approved May 29, 1934 (48 Stat. 811), and for other purposes;

H. R. 8320. An act for the relief of Mrs. John H. Wilke;

H. R. 8551. An act for the relief of J. C. Donnelly;

H. R. 9273. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Weldon Spring, Mo.;

H. R. 9866. An act to extend certain provisions of the act approved June 18, 1934, commonly known as the Wheeler-Howard Act (Public Law No. 383, 73d Cong., 48 Stat. 984), to the Territory of Alaska, to provide for the designation of Indian reservations in Alaska, and for other purposes;

H. R. 10631. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y.;

H. R. 11043. An act to extend the times for commencing and completing the construction of a bridge across the Waccamaw River at or near Conway, S. C.;

H. R. 11073. An act granting the consent of Congress to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge across the Current River or at or near Powder Mill Ford on Route No. Missouri 106, Shannon County, Mo.;

H. R. 11402. An act authorizing the Delaware River Joint Toll Bridge Commission of the State of Pennsylvania and the State of New Jersey to construct, maintain, and operate a toll bridge across the Delaware River at a point near Delaware Water Gap;

H. R. 11476. An act to revive and reenact the act entitled "An act granting the consent of Congress to the Lamar Lumber Co. to construct, maintain, and operate a railroad bridge across the West Pearl River, at or near Talisheek, La.", approved June 17, 1930;

H. R. 11478. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between St. Louis, Mo., and Stites, Ill.;

H. R. 11613. An act to extend the times for commencing and completing the construction of a bridge across the Tennessee River between Colbert County and Lauderdale County, Ala.;

H. R. 11644. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Morgan and Wash Streets in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.;

H. R. 11685. An act to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind.;

H. R. 11729. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Natchez, Miss., and for other purposes;

H. R. 11738. An act granting the consent of Congress to the State Highway Commission of Mississippi to construct, maintain, and operate a free highway bridge across Pearl River at or near Monticello, Miss.;

H. R. 11772. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Sistersville, W. Va.;

H. J. Res. 412. Joint resolution to authorize an investigation of the means of increasing capacity of the Panama Canal for future needs of interoceanic shipping, and for other purposes; and

H. J. Res. 553. Joint resolution extending the time for the Federal Trade Commission to make an investigation and file final report with respect to agricultural income and the financial and economic condition of agricultural producers generally.

On May 4, 1936:

H. R. 1440. An act for the relief of Arthur W. Bradshaw;

H. R. 2622. An act for the relief of M. Waring Harrison;

H. R. 4277. An act for the relief of James R. Russell;

H. R. 4362. An act for the relief of Patrick J. Leahy;

H. R. 4387. An act conferring jurisdiction upon the United States District Court for the Western District of Michigan to hear, determine, and render judgment upon the claim of Barbara Backstrom;

H. R. 4411. An act for the relief of Mary L. Munro;

H. R. 4638. An act for the relief of Elizabeth Halstead;

H. R. 4965. An act for the relief of M. M. Smith;

H. R. 5753. An act for the relief of Edith H. Miller;

H. R. 6344. An act for the relief of the estate of John A. McGloin;

H. R. 6578. An act for the relief of Joseph A. Therry;

H. R. 6848. An act for the relief of the First Federal Savings & Loan Association of Shawnee, Okla.;

H. R. 7904. An act for the relief of the Grant Hospital and Dr. M. H. Streicher;

H. R. 8034. An act for the relief of Mae Pouland;
H. R. 8094. An act for the relief of Dr. J. C. Blalock;
H. R. 8685. An act for the relief of Edwin Pickard;
H. R. 9076. An act for the relief of W. H. Dean;
H. R. 9171. An act for the relief of Myrtle T. Grooms;
H. R. 10521. An act for the relief of Joseph Mossew;
H. R. 10575. An act for the relief of Catherine I. Klein;
H. R. 11231. An act for the relief of Rasmus Bech; and
H. R. 11562. An act to renew patent no. 25909, relating to the badge of the United States Daughters of 1812.

On May 5, 1936:
H. R. 1265. An act for the relief of N. N. Self;
H. R. 1363. An act for the relief of Petra M. Benavides;
H. R. 2189. An act for the relief of Julia M. Ryder;
H. R. 3152. An act for the relief of Joseph Jochemczyk;
H. R. 3383. An act to provide a preliminary examination of the Greenbrier River and its tributaries in the State of West Virginia, with a view to the control of its floods;
H. R. 3384. An act to provide a preliminary examination of the Cheat River and its tributaries in the State of West Virginia, with a view to the control of its floods;
H. R. 3385. An act to provide a preliminary examination of the Potomac River and its tributaries, with a view to the control of its floods;
H. R. 3513. An act for the relief of Archie P. McLane and Hans Peter Jensen;
H. R. 3573. An act for the relief of Jens H. Larsen;
H. R. 4571. An act for the relief of William W. Bartlett;
H. R. 4660. An act for the relief of Robert C. E. Hedley;
H. R. 4725. An act for the relief of Catherine Donnelly, Claire E. Donnelly, John Kufall, Mary F. Kufall, and Elizabeth A. Tucker;
H. R. 4779. An act for the relief of Capt. Chester Gracie;
H. R. 4951. An act for the relief of the Moffat Coal Co.;
H. R. 7253. An act for the relief of James Murphy Morgan and Blanche Copelan;
H. R. 7468. An act for the relief of Izelda Boisoneau;
H. R. 8088. An act for the relief of Nahwista Carr Bolk;
H. R. 9208. An act for the relief of Foot's Transfer & Storage Co., Ltd.; and
H. R. 10489. An act to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding and settlement of the city of New Rochelle, N. Y.

LABOR CONDITIONS IN THE TEXTILE INDUSTRY

Mr. CONNERY. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a report on the bill (H. R. 12285) to rehabilitate and stabilize labor conditions in the textile industry of the United States; to prevent unemployment and to provide minimum wages, maximum hours, and other conditions of employment in said industry; to safeguard and promote the general welfare; and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, I wish to make an announcement to the House.

A few days ago I received the unanimous consent of the House for the gentleman from Kentucky [Mr. ROBSION] to address the House for 30 minutes today. Mr. ROBSION is confined to his house with the grippe and will be unable to be present. We will therefore have to renew the request at a later time.

JOSEPH G. CANNON

Mr. SABATH. Mr. Speaker, tomorrow it will be 100 years since Joseph G. Cannon, one of our greatest statesmen, as well as a great Speaker of this House, was born, and I ask unanimous consent that 30 minutes may be set aside tomorrow, after the reading of the Journal and the disposition of matters on the Speaker's table, for some of those who knew him best to pay their respects to his memory.

Mr. BUCHANAN. Mr. Speaker, reserving the right to object, I am perfectly willing for the House to pay a deserved tribute to this grand old man, but I want to ask unanimous consent to modify the request by having the House meet at 11:30 o'clock a. m. tomorrow.

Mr. SABATH. Mr. Speaker, I accept the amendment of my request.

The SPEAKER. The gentleman from Illinois [Mr. SABATH] asks unanimous consent that when the House adjourns today it adjourn to meet at 11:30 o'clock tomorrow morning, and that immediately after the reading of the Journal and the disposition of matter on the Speaker's table, 30 minutes be allowed for the Members to pay a tribute to the memory of former Speaker Cannon. Is there objection?

There was no objection.

THE STATE, JUSTICE, COMMERCE, AND LABOR DEPARTMENTS APPROPRIATION BILL, 1937

Mr. McMILLAN. Mr. Speaker, I call up the conference report on the bill (H. R. 12098) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

There being no objection, the Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12098) "making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes", having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 10, 23, 32, 33, 34, and 52.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 6, 8, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 25, 26, 27, 28, 29, 30, 31, 35, 36, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 53, 54, and 59, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$26,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"For investigations relating to the establishment of a Federal zone along the international boundary, United States and Mexico, as authorized by Public Law Numbered 286, approved August 19, 1935 (49 Stat. 660), including salaries and wages; fees for professional services; supplies and materials; communication service; travel expenses; transportation of things; hire, maintenance, and operation of motor-propelled passenger- and freight-carrying vehicles; hire with or without personal services of work animals and animal-drawn and motor-propelled vehicles and equipment; and such other expenses as the Secretary of State may deem necessary, $4,650, to be immediately available."

And the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: "and for payment of foreign counsel employed by the Attorney General in special cases, $600,000, no part of which, except for payment of foreign counsel, shall be used to pay the compensation of any persons except attorneys duly licensed and authorized to practice under the laws of any State, Territory, or the District of Columbia"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"No part of the funds appropriated by Title II of this act for salaries of judges, the Attorney General, Assistant Attorneys-General, Solicitor General, district attorneys, marshals, and clerks of court shall be used for any other purpose whatsoever, but such salaries shall be allotted out of appropriations herein made for such salaries and retained by the Department and paid to such officials severally, as and when such salaries fall due and without delay."

And the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$225,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$30,000"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert: "$850,000"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$628,500"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "miscellaneous expenses, $2,785,000, of which amount not to exceed $885,000 shall be available for the Veterans' Placement Service, the Farm Placement Service, District of Columbia Public Employment Center, and all other purposes, including not to exceed $197,500 for personal services in the Department in the District of Columbia, and the remainder shall be available for payment to the several States in accordance with the provisions of the said Act of June 6, 1933, as amended: *Provided*, That apportionments for the fiscal year 1937 shall be on the basis of a total apportionment to all States of $3,000,000, and in order to supply the Government's apportionments to States under such Act during the fiscal years 1936 and 1937, which are not capable of being supplied under the foregoing appropriation, there is hereby appropriated so much as may be necessary to supply such apportionments, but not more than $1,675,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 9 and 58.

THOS. S. MCMILLAN,
MALCOLM C. TARVER,
LOUIS C. RABAUT,
JAS. MCANDREWS,
ROBERT L. BACON,
FLORENCE P. KAHN,
Managers on the part of the House.

KENNETH MCKELLAR,
RICHARD B. RUSSELL, Jr.,
KEY PITTMAN,
FREDERICK HALE,
GERALD P. NYE,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12098) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

State Department

On amendment no. 1: Appropriates $26,000 for collecting and editing official papers of the United States instead of $23,000, as proposed by the House, and $29,000, as proposed by the Senate.

On amendments nos. 2, 3, and 4: Appropriates $10,000 for expenses of the American group of the Interparliamentary Union, as proposed by the Senate, instead of $7,500, as provided by the House, and corrects total accordingly.

On amendment no. 5: Appropriates $4,650 for an investigation relating to the establishment of a Federal zone along the international boundary, United States and Mexico, in lieu of providing an appropriation of $25,000 for an investigation and the construction of fences on the border.

On amendments Nos. 6, 7, and 8: Limits any salary or honorarium paid from the appropriation for arbitration of smelter-fumes controversy to a rate not in excess of $10,000 per annum, and agrees to Senate language requiring decision under the arbitration to be consummated within 2 years.

On amendment no. 10: Retains the House language requiring a deduction of 5 percent of moneys received in settlement of general claims of American citizens against the Mexican Government, which deduction is deposited in the Treasury of the United States.

On amendments nos. 11 and 12: Appropriates $90,000 in addition to the unexpended balance for expenses of the Special Mexican Claims Commission, as proposed by the Senate, instead of appropriating solely the unexpended balance, as proposed by the House.

Department of Justice

On amendment no. 13: Limits the operation of the statute requiring competitive bidding for purchases or services rendered in instances where the amount involved is more than $50, as provided by the Senate, instead of $100, as provided by the House.

On amendment no. 14: Appropriates $435,000 for enforcement of antitrust and kindred laws, as proposed by the Senate, instead of $420,000, as provided by the House.

On amendments nos. 15 and 16: Inserts language and provides funds in the amount of $7,765 for living-quarters allowances for the United States Court in China, as proposed by the Senate.

On amendment no. 17: Appropriates $3,300,000 for salaries and expenses of marshals, as proposed by the Senate, instead of $3,285,000, as proposed by the House.

On amendment no. 18: Appropriates $3,083,510, as proposed by the Senate, for salaries and expenses of district attorneys, etc., instead of $3,063,000, as proposed by the House.

On amendment no. 19: Reinserts in the bill language deleted by the Senate providing for payment of foreign counsel under the heading "Salaries and expenses of special attorneys, etc.", and provides an appropriation of $600,000 instead of $500,000, as proposed by the House, and $700,000, as provided by the Senate. Also inserts a limitation that none of the funds may be used to pay anyone except a duly qualified and licensed attorney.

On amendment no. 20: Limits the salary paid to any one person employed as a special assistant to the Attorney General to not to exceed a rate of $10,000 per annum, as proposed by the Senate, instead of limiting to $10,000 the amount that may be paid to any one person, as provided by the House.

On amendment no. 21: Appropriates $2,125,000 for salaries and expenses of clerks of courts, as proposed by the Senate, instead of $2,095,650, as proposed by the House.

On amendment no. 22: Inserts with minor changes language proposed by the Senate to require prompt allotment and payment of salaries of judges, district attorneys, marshals, etc.

On amendment no. 23: Limits the amount that may be expended for personal services at the National Training School for Boys to $111,000, as proposed by the House, instead of $113,625, as proposed by the Senate.

On amendment no. 24: Appropriates $225,000 for expenses of the National Training School for Boys in lieu of $215,000, as proposed by the House, and $236,470, as proposed by the Senate.

Department of Commerce

On amendment no. 25: Inserts Senate language providing for use of not to exceed $10,000 of certain appropriations for the Department of Commerce for purchase of letters patent, applications for letters patent, etc.

On amendment no. 26: Inserts Senate language limiting the use of the appropriation for air-navigation facilities under the Bureau of Air Commerce. The limitation prevents the use of more than $50,000 for investigation, research, and experimentation in developing and improving aids to air navigation.

On amendment no. 27: Strikes out language, as proposed by the Senate, which would permit replacement of airplanes for service and experimental use for the Bureau of Air Commerce.

On amendment no. 28: Appropriates $882,920 for establishment of aids for air navigation under the Bureau of Air Commerce, as proposed by the Senate, instead of $942,920, as proposed by the House.

On amendment no. 29: Appropriates $4,764,080 for maintenance of air navigation facilities under the Bureau of Air Commerce, as proposed by the Senate, instead of $4,523,080, as proposed by the House.

On amendment no. 30: Appropriates $328,800, as proposed by the Senate, for salaries in the office of the Director of the Bureau of Foreign and Domestic Commerce, instead of $321,400, as proposed by the House.

On amendment no. 31: Appropriates $410,000 for promoting commerce in Europe, Bureau of Foreign and Domestic Commerce, as proposed by the Senate, in lieu of $394,300, as proposed by the House.

On amendment no. 32: Appropriates $192,400 for promoting commerce in Latin America, Bureau of Foreign and Domestic Commerce, as proposed by the House, instead of $201,000, as proposed by the Senate.

On amendment no. 33: Appropriates $123,000 for promoting commerce in the Far East, Bureau of Foreign and Domestic Commerce, as proposed by the House, instead of $129,000, as proposed by the Senate.

On amendment no. 34: Appropriates $33,700 for promoting commerce in Africa, Bureau of Foreign and Domestic Commerce, as proposed by the House, in lieu of $38,000, as provided by the Senate.

On amendments nos. 35 and 36: Appropriates $527,000, as provided by the Senate for export industries, Bureau of Foreign and Domestic Commerce, instead of $500,000, as proposed by the House, and adopts the Senate figure of $520,000 for a limitation on the amount expendable for personal services in the District of Columbia, instead of $495,000, as proposed by the House.

On amendment no. 37: Appropriates $30,000 for operation of foreign trade zones in lieu of $25,000, as proposed by the House, and $35,000, as proposed by the Senate.

On amendment no. 38: Makes appropriation for printing accumulated census data under the Census Bureau immediately available in the amount of $35,000, as provided by the Senate.

On amendment no. 39: Makes appropriation for salaries and general expenses under the Bureau of Navigation and Steamboat Inspection available to pay for contract stenographic reporting services in the District of Columbia and elsewhere, as provided by the Senate.

On amendment no. 40: Appropriates $800,000 for testing, inspection, and information service, Bureau of Standards, as proposed by the Senate, instead of $780,000, as provided by the House.

On amendment no. 41: Appropriates $671,500, as proposed by the Senate, for research and development, Bureau of Standards, instead of $669,000, as proposed by the House.

On amendment no. 42: Appropriates $110,000 for standards for commerce, Bureau of Standards, as proposed by the Senate, in lieu of $109,000, as proposed by the House.

On amendments nos. 43 and 44: Corrects total and limitation on personal services in the District of Columbia, Bureau of Standards, to correspond with conference action on amendments numbered 40, 41, and 42.

On amendment no. 45: Appropriates $125,600 for salaries, office of the Commissioner, Bureau of Lighthouses, as proposed by the Senate, in lieu of $121,000, as proposed by the House.

On amendments nos. 46 and 47: Appropriates $4,424,000 for general expenses, Bureau of Lighthouses, as proposed by the Senate, in lieu of $4,034,000, as proposed by the House, and makes the amount of the increase, namely, $390,000, immediately available for repairs due to storm and ice damage, as proposed by the Senate.

On amendment no. 48: Appropriates $156,420 for salaries in the Commissioner's office, Bureau of Fisheries, as proposed by the Senate, in lieu of $154,800, as proposed by the House.

On amendment no. 49: Appropriates $62,000 for fishery industries, Bureau of Fisheries, as proposed by the Senate, in lieu of $60,800, as proposed by the House.

On amendment no. 50: Appropriates $15,000 for the enforcement of the black bass law, Bureau of Fisheries, as proposed by the Senate.

On amendment no. 51: Appropriates $12,500 for the Fisheries Cooperative Marketing Act, as provided by the Senate, in lieu of $10,000, as proposed by the House.

On amendment no. 52: Eliminates an item, inserted by the Senate, to provide for acquisition of a site for a fish hatchery in Montana.

Department of Labor

On amendments nos. 53 and 54: Appropriates $140,000 for promotion of health, safety, employment, etc., as proposed by the Senate, in lieu of $124,500, as proposed by the House, and provides a limitation of $83,580 on the amount expendable for personal services in the District of Columbia, as provided by the Senate, in lieu of $70,000, proposed by the House.

On amendments nos. 55 and 56: Appropriates $850,000 for the Bureau of Labor Statistics, in lieu of $748,000, as proposed by the House, and $884,600, as provided by the Senate, and places the limitation on personal services in the District of Columbia at $628,500, in lieu of $600,000, as proposed by the House, and $640,000, as proposed by the Senate.

On amendment no. 57: Retains the language inserted by the Senate for the United States Employment Service, which will provide apportionments to all States under the terms of the Wagner-Peyser Act on the basis of a total apportionment of $3,000,000. Appropriation is made of $2,785,000, as proposed by the House, in lieu of $2,807,500, as provided by the Senate, and the House limitations on personal services in the District of Columbia is retained. In addition to the specific appropriation, the Senate language which is agreed to makes an indefinite appropriation of such amount as may be necessary, not to exceed $1,675,000, to supply apportionments to States that cannot be supplied out of the specific appropriation of $1,900,000.

On amendment no. 59: Inserts a Senate provision making an appropriation of $275,000 for the participation of the Federal Government in the Great Lakes Exposition to be held in Cleveland, Ohio, in June of 1936.

THOS. S. MCMILLAN,
MALCOLM C. TARVER,
LOUIS C. RABAUT,
JAS. MCANDREWS,
ROBERT L. BACON,
FLORENCE P. KAHN,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

Mr. RICH. Mr. Speaker, are we going to have an opportunity to interrogate the gentleman from South Carolina who is in charge of the bill?

Mr. McMILLAN. Mr. Speaker, I desire to take just a little time to discuss the amendments, and then I shall yield to the gentleman from Pennsylvania.

Mr. Speaker, the conference report embraces 59 different amendments that were adopted by the Senate. The conferees of the two Houses have met and, as usual, we have, I think, made a rather happy compromise on all of the amendments with the exception of amendments no. 9 and no. 58. At a later time during the consideration of the report I shall ask the House to give us a vote on these two amendments.

I may say, generally, that the conference report is under the Budget estimate to the extent of approximately $7,000,000.

Mr. Speaker, this completes my statement on the report unless there are some questions.

Mr. MAPES. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield.

Mr. MAPES. Referring to amendment no. 22, relating to the appropriation for the salaries of the Attorney General, district attorneys, marshals, and clerks, what is the purpose of this amendment?

Mr. McMILLAN. It is an amendment put on by the Senate to expedite the payment of salaries of these employees on the 1st of every month.

Mr. MAPES. My understanding is that the Attorney General or the Department of Justice in the past has had discretion or power to fix the salaries of some of these officers. Does this amendment affect such discretion in any way?

Mr. McMILLAN. The fact is the amendment will not change the present policy in the Department with respect to the salaries paid any of the employees. The purport of the amendment is merely to provide that these salaries shall be paid promptly on the 1st of the month.

Mr. MAPES. What is the evil attempted to be cured by the amendment?

Mr. McMILLAN. The evil has been that these employees have not been paid promptly on the 1st of the month. They used to pay the expense bills promptly, but not the salaries, and the idea of this amendment is to see to it that this situation is remedied.

Mr. MAPES. It seems to me that is a rather unusual situation. I had supposed that the salaries of the Attorney General and the marshals and the clerks were paid promptly at the beginning of the month.

Mr. McMILLAN. We hope this provision will bring about that result.

Mr. MAPES. And that is the only purpose of the amendment?

Mr. McMILLAN. That is the only purpose; yes.

Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. BACON].

Mr. BACON. Mr. Speaker, I do not propose to take 10 minutes, but I do want to make one or two comments about this conference report.

On the whole, the conference report and bill are in pretty good shape. The Budget sent to the House the amount of $122,651,577. After the bill had passed the House the Budget estimates actually and in prospect were increased $1,440,000, so that the Budget estimate before the Senate was $124,091,577.

In spite of this increase, however, the Senate added to the House bill only $960,000.

The conference report cut that amount considerably, so that we find that the conference report which you have before you today is under the final Budget estimates by the amount of $7,639,382.

I think if all the appropriation bills went through in as good shape as this one we would be considerably under the President's budget and would save a lot of money for the Government.

I want also to suggest that this bill contains for new laws and new construction that did not exist in 1936 the sum of $8,697,000. If that amount for new construction and new laws is eliminated, this bill will be found to be under the appropriation for 1936. I think we can be well satisfied with the moderation shown by another body compared to extravagance shown in connection with other appropriation bills, particularly the Interior and Agriculture appropriation bills.

In closing, I want to take the opportunity to express my personal appreciation of the splendid work that the acting chairman of our subcommittee [Mr. MCMILLAN] has done on this bill. [Applause.] He has been most courteous and fair; he has understood his subject completely, and has been a worthy successor of Mr. OLIVER, of Alabama, whom we all regret has not been able to be present in the House this year.

Mr. MAY. Will the gentleman yield?

Mr. BACON. I yield to the gentleman.

Mr. MAY. There was a request from the Budget to increase the appropriations $1,000,000. The Senate put it up to $900,000, and the conference report has allowed how much?

Mr. BACON. The conference report, as it appears today, is $734,180 over the bill as it passed the House; but in considering that point you must realize the Budget's additional estimates, amounting to a total of $1,440,000, were sent to the Senate after the bill had passed the House.

In other words, the increase in the conference report from the amount of the bill carried in the House is only about one-half of the amount of the Budget's additional estimates sent to the Senate and considered by them. The Budget estimates before the House were $122,651,577. The Budget estimates before the Senate were $124,091,577. The bill as

it passed the House appropriated $115,718,015, and as it passed the Senate appropriated $116,678,015, and in this conference report the appropriation is $116,452,195. This last amount is under the final Budget estimates before the Senate by $7,639,382.

Mr. McMILLAN. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I do not want to have anything personal to say in respect to those who are in charge of this State, Justice, Commerce, and Labor Departments appropriation bill, any more than I do about the conferees on any other bill, but I do call attention to the fact that the statement made by the gentleman from Virginia [Mr. WOODRUM] still rings true, namely, Budget estimates are one thing and what Congress appropriates is another. What we appropriated last year is one thing and the amount we increase the appropriation this year is another thing. It is your responsibility and it is my responsibility to see that we do not wreck this Government on the shoals of financial disaster. In 1936, for this same State, Justice, Commerce, and Labor Departments appropriations bill, we appropriated $106,767,327. This year we have appropriated $114,467,400, that is, when the bill came from the House of Representatives, so that we increased the appropriation bill $7,700,074. The conferees have been working with the Senate, and they did a good job in holding the Senate down, but the conference report increases the bill $960,000.

Mr. McMILLAN. Mr. Speaker, will the gentleman yield?

Mr. RICH. I shall when I have made my statement. If I make any mistakes, I want the gentleman to correct me. In other words, we have increased the appropriation $8,860,070 over what it was a year ago. We talk about Budget estimates. We talk about what the departments want. Gracious, goodness me, if we permitted the departments of this Government to come in here and get everything they want, we would wreck this Government in the next 2 years. We are appropriating this year more than we appropriated last year to the extent of $8,860,070 in this particular bill, and before the day is over we will have another war appropriation bill here which will add $150,000,000 over what we spent last year and another Treasury and Post Office bill adding over $30,000,000. Just think what we are doing. That is, if you have mentality to think.

I say to you that Mr. Morgenthau, before the Senate committee last week, made the statement that we are going to be in the red over $6,000,000,000 this year. Think of it! We we are going to spend this year over $6,000,000,000 above our income! When we were considering the tax bill last month asking for taxes amounting to $800,000,000, that was only a drop in the bucket compared to our spending. What you must do is cut down these expenses—these appropriations. That is where you will have to save the money; that is the only sensible thing to do; that is where you will have to try and save the country. I appeal to you now that it is necessary for you to use good common sense in these increased appropriations. Do not let the Senate run over this House. Let our conferees go back and let them strive earnestly to cut down just as these conferees no doubt did, but we must say to the Senate "halt", and we must stop the Senate and we must stop the House of Representatives from making these exorbitant appropriations.

Mr. McMILLAN. Mr. Speaker, will the gentleman yield?

Mr. RICH. Yes.

Mr. McMILLAN. I make this statement for the gentleman's information. The gentleman from New York [Mr. BACON] stated that were it not for the social-security legislation and the building program that the Congress passed last year and the previous year the appropriation carried in this bill here for these four departments would be less than was carried last year.

Mr. RICH. Very well. Let me answer that. Every year since I have been in Congress we have added new duties to the departments and they are just like snowballs coming down over the mountain. They get larger and larger each year because of the added duties we put on them. The departments of the Government are becoming great and eventually they are going to wreck the Nation. Jefferson said, "The best government is that that governs least."

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. McMILLAN. Mr. Speaker, I yield 2 minutes more to the gentleman.

Mr. RICH. Mr. Speaker, the President of the United States made the statement in Baltimore that the national income for 1932 was $35,000,000,000, and for 1936, $65,000,000,000. A report was made by the Secretary of the Treasury, Mr. Morgenthau, in the Senate the other day that the national income in 1932 was $39,000,000,000 and for 1936 he estimated $54,000,000,000. There is a very great difference between the statement made by the President and the statement made by the Secretary of the Treasury, and it seems to me that the President ought to get his figures from the Secretary of the Treasury before he makes any financial statements. He also made the statement that on the first of the year we are approaching a balanced Budget, when the Secretary of the Treasury says this week that we are going to be out of balance $6,000,000,000. Spending six billions more than we receive.

Mr. CURLEY. Mr. Speaker, will the gentleman yield?

Mr. RICH. I have only 2 minutes. If the gentleman will get me 5 minutes, I shall yield to him. Secretary of the Treasury Morgenthau says that we will be $40,000,000,000 in the red at the end of 1937, and I begin to think the Secretary knows what he is talking about. He is worried; why would he not be? It seems to me that if the men in Congress knew how they are wrecking the country you would not be doing the things that you are doing here now, running the national debt beyond the ability of the oncoming generations to stand it. I say to the young people of America, demand that Congress stop this ruthless expenditure and waste of Government funds. Compel them to pay their own way and not hand the burden on to us to assume.

[Here the gavel fell.]

The SPEAKER. The time of the gentleman from Pennsylvania has again expired. The question is on the conference report.

Mr. McMILLAN. Mr. Speaker, in reply to the gentleman's statement, I call the attention of the House to the fact that under the social-security bill approximately $3,000,000 are carried in this appropriation.

For the construction work on the Rio Grande there is a total of $2,800,000. For new construction of our penal institutions there was a total of $2,850,000. This is a total increase of $8,600,000 for these three projects. In other words, if this $8,600,000 was left out or eliminated from this bill, the appropriation for this year for these four departments would be less than carried in last year's appropriation bill.

Mr. Speaker, I now yield 5 minutes to the gentleman from Maine [Mr. BREWSTER].

THE CANADIAN TRADE AGREEMENT

Mr. BREWSTER. Mr. Speaker, for 150 years under all administrations the power to fix tariffs affecting our foreign trade has been exercised by Congress in accordance with what were supposed to be the provisions of the Constitution of the United States.

Three years ago the last Congress passed legislation purporting to grant unprecedented powers in tariff making to the President of the United States. In justice to my Democratic colleague from the State of Maine, my nearest congressional neighbor, Hon. E. CARL MORAN, Jr., it is a pleasure to state that he was one of the two Democratic Members of the last Congress to vote against this extraordinary grant of power.

The Canadian trade agreement of last November was one of the early fruits of this new program designed according to the declarations of the Secretary of State steadily to lower our tariff barriers and promote the policy of the good neighbor.

In general it seems fair to say that Canada lowered the duties on things they desired to buy from us for the benefit of their consumers. Conspicuous among these items were the machinery and magazines that were the cheap products of our mass production. Canadians very much wanted these things at our lower costs.

On the other hand, the United States lowered its duties not on the things the United States wished to buy, because our market in most instances was already suffering from a glut but rather were our tariff walls lowered on the things Canada wished to sell to us. These were the products of their farms, their fisheries, and their forests.

Certainly no one in America has apprehended any shortage in these items except as the result of the restrictive policies of recent years.

In the first 3 months of this year under the new agreement exports from the United States to Canada of the things they desired and needed increased over the same period of last year by $7,715,000. Meanwhile Canada increased its shipments to the United States over the same period a year ago by $16,185,000. These products in large measure added to our glut and prejudiced our producers of agricultural products.

The difficulty of an equitable agreement between countries on hundreds of items of trade is greatly accentuated in the case of Canada and the United States, where we are trading a market of 100,000,000 consumers in this country for a market of 10,000,000 consumers in our neighbor to the north.

In addition, Canada very prudently provided that the far-famed most-favored-nation clause must now be modified to read "most favored foreign nation", which automatically excluded from its benefits, so far as we are concerned, the entire British dominions, with a population of over 400,000,000. Canada was left free to make any tariff concessions that might at any time seem advisable to any of the British commonwealth of nations and the United States was left helpless.

A SCRAP OF PAPER

All these disadvantages were understood when the agreement was announced.

It has remained for our Canadian neighbors, however, very promptly to educate our State Department and our people to some of the possibilities inherent in this agreement.

Everyone was startled to read in the Canadian dispatches of this past week that the new Canadian budget introduced last Friday proposed to restore the previously existing tariffs on four items of commerce with the United States.

The State Department advises that the United States is helpless since these items were not included in the first schedule of the Canadian agreement, but in the so-called intermediate tariff the rates in which it now appears are subject to change by Canada at any time.

What Canada has done in this instance for potatoes, raisins, eggs in the shell, and cut flowers can be done equally well for hundreds of other items contained in the so-called intermediate tariff.

Meanwhile the British preferential tariff may be lowered at will or altogether abolished and the United States must be crucified in the name of being a good neighbor. It seems evident that the Secretary of State should exercise more of his personal charm and transparent sincerity of purpose upon our neighbors to the north in order that they may not scrap their side of the agreement before the ink is scarcely dry.

Curiously enough, the same budget lowers the duties still further on certain manufactured products, demonstrating rather conclusively that the lowered rates of the Canadian agreement were in many instances not concessions to the United States but, rather, grants in aid to the Canadian consumer.

In other words, as the New York Times of May 2, 1936, revealingly reports:

The concessions are designed to benefit the Canadian consumer rather than the United States exporter.

The Times also adds:

The budget was notable for the Government's evident desire to conciliate the British exporters, as it grants to the British substantial concessions on cotton and rayon yarns and fabrics, earthenware, and iron and steel machinery.

The United States is without redress, although the effects upon our trade relations may be most profound.

The increases in the tariff are aimed squarely at the United States. Taking potatoes off the free list and restoring the duty of 75 cents per hundredweight shuts the door in the face of any possible American exports from the South or the North. Canada is still left with the full concession of shipping into the United States 750,000 bushels of seed potatoes at reductions of 20 and 40 percent, respectively, from our tariff.

The present favorable price for potatoes need not blind our producers or our State Department to the absolutely unfair character of this action.

The tariff on eggs is restored to 10 cents a dozen. Raisins are raised from 3 cents to 4 cents and there are similar increases on cut flowers and baby chicks.

Under the trade agreement with Canada, Maine received practically no benefits, and many serious duty cuts on items of great importance were bound upon the free list for 3 years.

Certified seed potatoes are one of the most important products of eastern and northern Maine. Of scarcely less importance are pulp and paper products and lumber and fish. All these items of trade were committed for 3 years against increased protection of any character.

Also of importance were such items as frozen blueberries, maple sugar, cream, and many other products of New England.

Already the herring industry in eastern Maine has been demoralized by the 50-percent cut in duty, and hundreds of honest citizens find their means of livelihood depleted or destroyed.

The Canadian fishermen and fish plants are meanwhile going forward full blast to take advantage of the concessions of our State Department under the authorization of the President and to develop a most extensive market for their products within the United States.

The only result of this "good neighbor" policy in eastern Maine is to increase the present and prospective burden of relief.

The recent action of the Canadian Government suggests strongly that from their standpoint the Canadian agreement is to a substantial extent a scrap of paper binding still upon our Government and our people but with myriad loopholes through which they can vary their trade policies as they please. [Applause.]

[Here the gavel fell.]

Mr. McMILLAN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment no. 9: Page 28, after line 10, insert:

"INTER-AMERICAN CONFERENCE

"For the expenses of participation by the United States in an Inter-American Conference to be held at Buenos Aires, Argentina, or at the capital of another American republic, in 1936, including personal services in the District of Columbia or elsewhere without reference to the Classification Act of 1923, as amended; stenographic reporting and other services by contract if deemed necessary without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; traveling expenses (and by indirect routes and by airplane if specifically authorized by the Secretary of State); hire, maintenance, and operation of motor-propelled passenger-carrying vehicles; equipment, purchase of necessary books, documents, newspapers, periodicals, and maps; stationery; official cards; entertainment; printing and binding; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which

payments may have been made for any of the purposes herein specified, to be expended under the direction of the Secretary of State, $75,000, to be immediately available."

Mr. McMILLAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 58: Page 113, after line 5, insert:

"SEC. 3. That in passing upon applications made for compensation under the provisions of the item for 'Payment to cotton ginners' contained in title I of the Supplemental Appropriation Act, fiscal year 1936 (Public Law No. 440, 74th Cong.), and in making payments pursuant to such applications, the Secretary of Agriculture is authorized and directed, in the interest of saving as much administrative expense as possible and in order to avoid delay in passing upon such applications, to accept as sufficient proof in connection with any such application, proof of the number of bales ginned by the applicant during the period June 1, 1935, to February 10, 1936, inclusive: *Provided*, That no payment shall be made on any application for such compensation unless the application is filed prior to September 1, 1936."

Mr. McMILLAN. Mr. Speaker, I move that the House recede and concur in Senate amendment no. 58 with an amendment, as follows:

Strike out all of section 3 and insert a new section, as follows:

"SEC. 3. That in passing upon applications made for compensation under the provisions of the item for 'Payment to cotton ginners', contained in title I of the Supplemental Appropriation Act, fiscal year 1936 (Public Law No. 440, 74th Cong.), and upon payments pursuant to such applications, the Secretary of Agriculture and the Comptroller General of the United States are authorized and directed, in the interest of saving as much administrative expense as possible and in order to avoid delay in passing upon such applications, to assume that the additional expenses incurred in connection with the administration of the act of April 21, 1934 (49 Stat. 598–607), equaled 25 cents per bale, counting round bales as half bales, during the period June 1, 1935, to February 10, 1936, inclusive: *Provided*, That no payment shall be made on any application for such compensation unless the application is filed prior to September 1, 1936."

The SPEAKER. The question is on the motion of the gentleman from South Carolina.

The motion was agreed to.

On motion by Mr. McMILLAN, a motion to reconsider was laid on the table.

WAR DEPARTMENT APPROPRIATION BILL, 1937

Mr. PARKS. Mr. Speaker, I call up the conference report on the bill (H. R. 11035) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes, and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11035) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 7, 23, 24, 26, 31, 32, 33, 34, 41, and 44.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 8, 17, 19, 21, 22, 28, 30, 36, 37, 38, 39, 40, 46, 47, and 48, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "settlement of claims (not exceeding $500 each) for damages to or loss of private property resulting from such exercises that have accrued or may hereafter accrue, when payment thereof will be accepted by the owners of the property in full satisfaction of such damages, and each claim is substantiated by a report of a board of officers appointed by the commanding officer of the troops engaged, and is approved by the Secretary of War, whose action thereon shall be conclusive"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the number named in said amendment insert "one hundred and twenty-five"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$6,352,574"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$5,955,042"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$154,608,560"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$154,323,560"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "No payment shall be made from money appropriated in this Act to any officer on the retired list of the Army who, for himself or for others, is engaged in the selling of, contracting for the sale of, or negotiating for the sale of, to the Army or the War Department, any war materials or supplies." And the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$3,103,527"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows: "$26,887,384, and, in addition, $501,714 of the appropriation 'Pay of the Army, 1936', which shall remain available until June 30, 1937"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$12,675,819"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$1,478,323"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$916,990"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4, 9, 20, 25, 29, 35, 42, and 45.

TILMAN B. PARKS,
THOMAS L. BLANTON,
THOS. S. McMILLAN,
J. BUELL SNYDER,
JOHN F. DOCKWEILER,
CHESTER C. BOLTON,
D. LANE POWERS,
Managers on the part of the House.

ROYAL S. COPELAND,
CARL HAYDEN,
MORRIS SHEPPARD,
ROBERT D. CAREY,
JOHN G. TOWNSEND, Jr.,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11035) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On amendment no. 1: Increases the limitation upon expenditures of nonmilitary appropriations under the Chief of Engineers for personal services in the Office of the Chief of Engineers from $303,960, as proposed by the House, to $323,960, as proposed by the Senate.

On amendment no. 2: Amends the House provision in re damage claims incident to field exercises with view to facilitating settlement of such claims, as proposed by the Senate, modified to provide that payments will be accepted by claimants in full satisfaction of claims.

On amendments nos. 3, 5, 6, 7, 8, 10, 11, 12, 13, and 14, relating to "Pay of the Army": Provides for the pay of 12,125 commissioned

officers, instead of 12,000, as proposed by the House, and 12,350, as proposed by the Senate; appropriates for aviation pay of officers, $2,224,001, as proposed by the Senate, instead of $2,186,501, as proposed by the House; applies the $1,440 maximum for flying pay for nonpilots to "nonflying" officers, as proposed by the House, instead of to "nonrated" officers, as proposed by the Senate; provides for the pay of 165,000 enlisted men, as proposed by the Senate, instead of 150,000, as proposed by the House; appropriates $6,352,574 for rental allowances, instead of $6,309,574, as proposed by the House, and $6,481,574, as proposed by the Senate; appropriates $5,955,042 for subsistence allowances, instead of $5,912,561, as proposed by the House, and $6,031,511, as proposed by the Senate, and liberalizes the limitations proposed by the House against the payment of retired pay to retired officers in private employ so as to permit payment when so employed if they do not personally engage in the selling of, contracting for the sale of, or negotiating for the sale of, to the Army or the War Department, any war materials or supplies, as proposed by the Senate, omitting, however, the Senate proposal which would countenance officers on the active list accepting private employment with other than persons or concerns furnishing war materials or supplies to the Government.

On amendment no. 15: Appropriates $3,103,527 for "Travel of the Army", instead of $3,096,027, as proposed by the House, and $3,126,027, as proposed by the Senate.

On amendment no. 16: Restores the reappropriation of $501,714, proposed by the House, partly to finance the cost of subsistence, and appropriates, in addition, $1,193,643, both in lieu of an additional appropriation of $3,390,714, proposed by the Senate.

On amendment no. 17: Appropriates $6,621,779 for "clothing and equipage", as proposed by the Senate, instead of $5,759,522, as proposed by the House.

On amendment no. 18: Appropriates $12,675,819 for "Army transportation", instead of $12,139,083, as proposed by the House, and $12,825,819, as proposed by the Senate.

On amendment no. 19: Appropriates $13,039,668 for "Barracks and quarters and other buildings and utilities", as proposed by the Senate, instead of $12,139,668, as proposed by the House.

On amendment no. 21: Appropriates $5,301,806 for "Signal Service of the Army", as proposed by the Senate, instead of $5,282,556, as proposed by the House.

On amendments nos. 22, 23, and 24, relating to the Air Corps: Strikes out, as proposed by the Senate,the House provision making the appropriation available for the procurement of radio and armament for the 58 additional airplanes the House provided for beyond the number provided for in the Budget; provides, as proposed by the House, that Crissy Field may not be operated as an air station after June 30, 1936, instead of allowing the station to be continued without further expenditure upon structural improvements or installations not of a removal character, as proposed by the Senate, and restores the House provision designed gradually to do away with lighter-than-air activities apart from balloons.

On amendments nos. 26 and 27, relating to "Medical and Hospital Department": Provides for the care of supernumerary patients, in Army hospitals, as proposed by the House, and appropriates $1,478,323, instead of $1,465,198, as proposed by the House, and $1,491,448, as proposed by the Senate.

On amendment no. 28: Appropriates $536,427 for "Engineer Service, Army", as proposed by the Senate, instead of $518,427, as proposed by the House.

On amendment no. 30: Appropriates $1,483,608 for Chemical Warfare Service, as proposed by the Senate, instead of $1,467,297, as proposed by the House.

On amendments nos. 31 to 34, both inclusive, relating to seacoast defenses: Appropriates $8,518,994, as proposed by the House, instead of $1,793,994, as proposed by the Senate, and restores the distribution of such total sum exactly in the manner proposed by the House.

On amendment no. 36: Provides that expenses incident to the performance of duty by personnel of the National Guard and Organized Reserves in the care, maintenance, and operation of the ranges used in the conduct of the national matches shall be borne by the appropriation, "Promotion of rifle practice", as proposed by the Senate.

On amendment no. 37: Appropriates $8,574,195 for the Organized Reserves, as proposed by the Senate, instead of $8,474,195, as proposed by the House.

On amendment nos. 38 and 39, relating to Reserve Officers' Training Corps: Appropriates $4,585,846, as proposed by the Senate, instead of $4,067,996, as proposed by the House, the increase of $517,850 being for the establishment of 51 additional R. O. T. C. units, and provides for the reestablishment of Medical Corps units after the current fiscal year, as proposed by the Senate.

On amendment no. 40: Appropriates $2,275,000 for citizens' military training camps, as proposed by the Senate, instead of $2,000,000, as proposed by the House.

On amendment no. 41: Appropriates $545,726 for the promotion of rifle practice, as proposed by the House, instead of $645,726, as proposed by the Senate.

On amendment no. 43: Appropriates $916,990 for cemeterial expenses, instead of $814,990, as proposed by the House, and $987,990, as proposed by the Senate.

On amendment no. 44: Strikes out the appropriations proposed by the Senate, totaling $8,000,000, for continuing work on the Sardis Reservoir, Miss.; the Conchas Reservoir, N. Mex.; and the Bluestone Reservoir, W. Va.

On amendment no. 46: Appropriates $130,000, as proposed by the Senate, incident to flood-control work in progress at or near the town of Niobrara, Nebr.

On amendment no. 47: Requires reports of post exchange operations to be certified by commanding officers that the operations were conducted according to law, as proposed by the Senate.

On amendment no. 48: Strikes out, as proposed by the Senate, the House provision limiting to 10-percent profits upon contracts or subcontracts in excess of $10,000 for the construction and/or manufacture of any complete aircraft or ordnance material, or any portion thereof.

DISAGREEMENTS

The committee of conference have not agreed upon the following amendments of the Senate:

On nos. 4 and 9: Relating to "Pay of the Army."

On no. 20: Relating to the acquisition of land in the vicinity of West Point, N. Y.

On no. 25: Relating to the conveyance of certain land to the city of Little Rock, Ark.

On no. 29: Relating to the appropriation "Ordnance service and supplies, Army."

On no. 35: Relating to personnel of the National Guard and Organized Reserves participating without pay as competitors or range officers in the national matches to be held during the fiscal year 1937.

On no. 42: Relating to the appropriation "Cemeterial expenses."

On no. 45: Relating to the appropriation for rivers and harbors.

TILMAN B. PARKS,
THOMAS L. BLANTON,
THOS. S. MCMILLAN,
J. BUELL SNYDER,
JOHN F. DOCKWEILER,
CHESTER C. BOLTON,
D. LANE POWERS,
Managers on the part of the House.

Mr. PARKS. Mr. Speaker, because of the figures that are carried in this report, and because I do not want to trust to my memory to give the exact figures, I have prepared a short memorandum; and if the Members will give me their attention for a few minutes I will tell them exactly what this conference report carries.

Mr. Speaker, if this report be adopted and the House should agree to the motions I shall make with respect to the amendments reported in disagreement—and these motions, I might say, will comply with the understanding we had with the Senate conferees—the bill will carry a total of $572,446,844, which is $252,461 less than the sum recommended in the Budget.

For purely military objects the bill will carry $383,104,859, which exceeds the Budget recommendations by $8,079,349; and for nonmilitary objects the appropriations will aggregate $189,341,985, or $8,331,810 below the Budget estimates.

As to the military increase, $1,840,823 was in the bill as it left the House, all owing to a floor amendment. The additional amount of $6,238,526 is in consequence of Senate amendments and the action of the conference committee. It is distributed as follows:

50 additional officers to be commissioned in the Air Corps and 50 additional medical officers and 25 additional dental officers	$355,481
165,000 enlisted men, or 14,127 in excess of the number provided by the House	3,495,595
Motor-vehicle repairs (total availability, $1,186,500)	150,000
Repairs to barracks and quarters (total availability, $1,764,087)	500,000
Purchase of land, West Point	431,000
Modernizing 75-millimeter guns, including restoration of $7,500 added by House for increasing salaries of employees at Charleston (S. C.) Ordnance Depot	413,600
Organized Reserves, to give additional number of Reserve officers active-duty training	100,000
R. O. T. C., for the establishment of 51 additional units	517,850
C. M. T. C., to insure that there will be not less than 30,000 trainees	275,000
These items total	6,238,526

Under the nonmilitary head the bill as it left the House was $29,313,810 below the Budget estimates. In the action we are submitting to you for approval that amount is reduced to $8,331,810, the restored amount of $20,982,000 being distributed as follows:

Land for enlargement of a national cemetery	$100,000
Additional employee in connection with cemeterial activities	2,000

Rivers and harbors and flood-control projects	$20,750,000
Flood-control work on the Missouri River near Niobrara, Nebr	130,000
Total	20,982,000

This gives a rather general picture of the matter.

Mr. Speaker, I yield 15 minutes to the gentleman from Texas [Mr. McFARLANE].

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein certain charts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McFARLANE. Mr. Speaker, at this time I want to discuss a feature of the War Department bill I feel is of very great importance. I refer to the 10-percent profits limitation amendment unanimously adopted by the House when the bill was before us on February 14. You will remember I offered the amendment and it was agreed to unanimously. The Senate has taken out that amendment and the conference committee has left it out. I have before me the hearings of the Senate Subcommittee on War Department Appropriations, and it is very evident that this amendment was taken out of the bill on a clear misapprehension of fact on deliberate statements made perhaps in the belief they were correct, but I challenge those statements, based on information I have. I believe I can show the Members of the House wherein those statements made to the Senate committee are grossly in error.

I want briefly to touch on the argument made as to why we should not have a 10-percent limitation amendment, but before doing so, I want to again give you a little history of the battle we have made to try to limit these enormous profits the different investigating committees over the last several years have disclosed were being made by various concerns. Any Member here who has looked into the matter knows the enormous profits that have been made, not only in the manufacture of munitions, but also in aircraft. These enormous profits have been revealed. I would be glad to have the Members of the House read the hearings of our naval aircraft investigation filed in the records of April 1934.

Mr. DOCKWEILER. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. I am sorry, but I cannot yield until after I make this preliminary statement.

You will remember the disclosures made by Senator BLACK's committee investigating ocean- and air-mail contracts day after day. They showed, for instance, that Pratt-Whitney started out with a borrowed monkey wrench in a garage, so to speak, and, overnight, their stock went up to 97 on the boards, and in less than 2 years they had made many millions of dollars' profit, principally from Government contracts. Similar records have been made by other aircraft concerns, especially the ones which were fortunate enough to secure Government contracts. Going down the line on the proposition here day after day, these disclosures were again made by Senator NYE's munitions investigating committee; and I want briefly to refer, as the basis of my information—and I wish I had time to read them to you—to hearings of both the House Naval and Military Affairs Committees in 1934 investigating aircraft procurement by these Departments. I have these hearings before me and I refer you to these records, showing the enormous profits that have been made by these different concerns, not only in naval but in Army purchases of these different aircraft supplies. They were exorbitant.

TOBEY AMENDMENT

Bearing in mind what I have said, you will recall that the gentleman from New Hampshire [Mr. TOBEY] in 1934 offered an amendment to the Vinson-Trammell Ship Authorization Act limiting profits on ship and aircraft construction for the Navy to 10 percent. That amendment was unanimously approved by the House. The mechanics for carrying it into effect were written into that bill, and the bill became law in March of 1934. It contains complete provisions as to how the 10-percent limitation was to be carried out and has been carried out. With that as a basis it is nothing but right, fair, and proper that, since profit on aircraft purchases of the Navy and ship construction of the Navy is limited to 10 percent, the same rule should apply to similar purchases for the Army.

The House adopted an amendment to this bill limiting profits to 10 percent. General Craig and Mr. Woodring in their statements raised five objections as to why they thought this should not be carried out. They offer no substantial proof other than their unsupported statements to back up their contention as to why these profits should not be limited by the inclusion of this amendment in the bill. I refer you to my speech of April 30 on this subject, which I believe fully answers the contentions raised by both of them. The Government records show the enormous profits these different concerns have made on sales to the Government. It is true they have changed their system of bookkeeping to show a diversion of profits. They have resorted to many frauds on the Government to hide their profits; for example, these recent investigations have shown that they make large enlargements and improvements of plant facilities and charge that as part of their overhead to cut down the amount of profits being made and thus beating the tax laws.

They are not showing profits as large as before we began these investigations, but they are making the profits just the same, and the best evidence of that is whenever any of these concerns get a Government contract, just watch the stock-market board and see how the stock of those concerns begins to jump.

When our committee was investigating the enormous profits these different concerns that were selling to the Navy were making, there was clearly brought out the totally inadequate system which was in vogue in both the Navy and War Departments in connection with checking the overhead cost, and we have not improved this system.

Mr. KVALE. Will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from Minnesota.

Mr. KVALE. As a result of those investigations, however, the gentleman will admit there has been a salutary effect and that the system of audits and the system of checks upon these organizations, their financial affairs, and costs has been materially improved.

Mr. McFARLANE. I would say just the contrary, and I will read Mr. Woodring's statement and make just a few remarks in that regard which will show that the system has not been improved.

This is what Mr. Woodring said on page 22 of the War Department hearings about aircraft procurement. It is true that the committee did investigate this matter and made certain recommendations in an endeavor to get honest competition in these Departments, but we have not got it yet. Here is what happened: The law that the Congress passed in 1926 provides for a very definite system of procurement. Let me call your attention to that Procurement Act and how these Departments have strayed away from it and have willfully and maliciously violated the law and are doing so at the present time.

I inserted in my remarks on March 23 a copy of the Aircraft Act of 1926, section 10, showing just exactly what the law provides as to aircraft procurement. Briefly the law states that if we want to buy experimental planes there shall be a negotiated contract with reference to how these planes shall be purchased. That is contained under section 10 of the Aircraft Act. Whenever aircraft is bought in quantities, section 10 (a) and 10 (e) provides that advertisements shall be inserted in the various trade journals so that everybody may bid and where honest competition open to the whole world may be had in connection with the purchase in quantities of aircraft under the Aircraft Act.

I placed in the RECORD not once, but several times the Comptroller's records concerning these official Government contracts as construed by the legal department of the Comptroller's office, which shows that more than 90 percent of

the aircraft purchased from 1926 to 1934, at which time these investigations were held, was bought in violation of the law.

Mr. Woodring's statement is to the effect that he has worked out a system since these investigations were had and since he has learned that the law has been violated.

Mr. Woodring says:

In looking up the law some 2 years ago I found that we were not carrying out the law, the Defense Aircraft Act of 1926, in the method in which we were procuring our aircraft, and as you know—you have heard a lot about it—we changed from a negotiated contract to a competitive bidding basis, which, I think, conscientious opinion holds is according to law.

Mr. KVALE. Will the gentleman yield? The gentleman will grant that investigation was held 2 years ago.

Mr. McFARLANE. Yes; but this testimony was given before the committee last month when the bill was up for consideration.

I want to read this provision so that the House may get the matter clearly before it. This is the kind of competition that Mr. Woodring said is competition, and this is the kind of procurement that we have in the War Department today. Let me read his own words:

For instance, we will send out invitations for bombers for delivery in 10 or 12 months, and probably three different concerns scattered well over the United States to bid on bombers. Certainly under that kind of system the companies are going, with their engineering and designing and researching departments, are going to try and build, develop and build, and deliver on the line the finest bomber in order to win the competition and therefore get the business.

The bidder is required to submit with his bid a completed airplane on the line for test, as he submits his bid, and these airplanes are thoroughly tested and contracts awarded to the manufacturer who has produced the finest performing airplane, after we have evaluated all the planes in competition.

So, instead of having proper competition as provided by the Aircraft Act, and instead of having free open competition according to the law, what happens? They send out a circular letter to a few firms for bids, and only to the ones they want to send this notice to. Then they buy an airplane on the line. That is what Mr. Woodring says they are doing; and, having done that, how can we say they are having honest competition which is open to the world?

Mr. KVALE. Will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from Minnesota.

Mr. KVALE. The gentleman is not correctly informing the House. I know that, with his conscientious zeal and his interest in this question, he would not want to misinform the House.

Mr. McFARLANE. I am taking Mr. Woodring's own statement; and if the gentleman will tell me where I have not informed the House correctly, I would like to have him do so.

Mr. KVALE. The specifications are not limited, and the announcements are not sent to only a restricted group in the industry. They are sent to all who may be interested in these announcements. I happen to know that to be the fact, because I have looked into this matter very carefully. As a matter of fact I sat upon the subcommittee and helped to conduct these hearings which developed the facts to which the gentleman refers. The gentleman knows this to be a fact.

Mr. McFARLANE. In answer to the gentleman I may say that I read Mr. Woodring's own statement before a Senate committee last month, and I will read in a minute about a recent purchase made supposedly under an experimental contract, but in fact a production contract made in clear violation of the law. Twenty airplanes were purchased from the Douglas Aircraft Corporation at $49,500 apiece for the skeleton plane without the engine, and so forth, which was the highest bid when, as a matter of fact, three other concerns bid around $29,000 apiece for them, or $20,000 less than the Douglas Corporation, from whom the planes were bought. These concerns stated that their bids were based on the Government requirement, and the bids were $20,000 cheaper than the bid of the Douglas company, but the Douglas company got the contract. That is under Mr. Woodring's system of competition. Thus, we find the War Department on this contract for 20 airplanes purchased under Mr. Woodring's revised aircraft system of purchasing that without any proper system of checking values he purchased these planes from the Douglas company, the highest bidder, although three other companies bid on this same contract, and their bids were from $20,000 to $30,000 per skeleton plane lower than that of the Douglas company, and according to the Comptroller's Office the bids of these three other concerns, all of them more than met the minimum requirements which the specifications set out. Thus, we find the Government on this contract alone paid more than $500,000 more than they could have bought similar equipment for, which more than met the Government's requirements.

Mr. RICH. Will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from Pennsylvania.

Mr. RICH. As I understood Mr. Woodring's statement as recently made, it was to the effect he now favors competition between manufacturers which should get the lowest price if there is good competition.

Mr. McFARLANE. Mr. Woodring's statements made regarding the system of procurement of aircraft he has worked out, which he knows is contrary to the Aircraft Act, does not give us full, open competition as required by law. That is what I was complaining about.

Mr. RICH. Then, if in the future we demand that they publish this to the world and have them bid on certain specifications, then we ought to get the rock-bottom price on the equipment necessary in respect of airplanes and various other Government purchases.

[Here the gavel fell.]

Mr. PARKS. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. WILCOX. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. In just a moment. I want to make this statement first:

In further answer to the questions raised I have here recent official opinions from the Comptroller General's office showing that this is the way the War Department is making these purchases today. They are not making them through competition as required by law, and the Comptroller General's office holds they are not following the law today as the law is written. The Comptroller General's office finds they are not only violating the law in aircraft procurement today, as they have been ever since the act was written, but they are doing it with respect to all the different accessories required. For instance, we are paying around $3 apiece for spark plugs, when the Department, by competition, could buy them for less than half of that amount, and buy the same kind and character of spark plugs. The same thing is true of other things in proportion.

Mr. Speaker, this runs into much money. It runs into a tremendous amount of money, and yet we have the Department coming before the committees of the Congress asking to be allowed to continue this racket of buying their equipment in open violation of the law without competition, and also asking to be allowed to continue their same old procedure.

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. I will yield for a short question.

Mr. CARTER. The gentleman's statement was that these articles are being bought in open violation of the law?

Mr. McFARLANE. Yes; they are.

Mr. CARTER. How does it happen that the Comptroller General's Office allows them to pay for them?

Mr. McFARLANE. That is just the point and that is the whole racket, and I am pleased that the gentleman has raised that point. The prime purpose of the Aircraft Act of 1926 was to take away from the Comptroller General the exclusive right to say whether or not the law had been complied with, and to place in the hands of the War and Navy Departments the right to say whether the law had been complied with, and we have had trouble over there ever since. The very minute they passed the Aircraft Act of 1926 they took away

from the Comptroller General's office the right to say whether the law had been followed and left that right with the Secretary of War and the Secretary of the Navy and they allow their underlings to construe the law just about as they please. They set up a system of procurement just about as they please, as Mr. Woodring has done, and as the records will show, the system in effect since 1926 has caused the few big companies to get nearly all the business, and we would never know what they were doing if they were not required to file these contracts with the Comptroller General's office after they have made their purchases. I think this answers the gentleman.

Mr. Speaker, I may say further that a careful check of the records down there shows they are not following the law in their aircraft procurement. A careful check of the records shows it is costing the Government millions of dollars because they are not following the law.

This 10-percent profits limitation law has worked fairly satisfactorily for the Navy. There have not been any of the objections that Mr. Woodring and General Craig have raised, based on the 10-percent profits limitation plan as it has been carried out by the Navy Department.

Mr. MAAS. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. I yield for a question.

Mr. MAAS. The gentleman states that the plan has worked very satisfactorily for the Navy. This is not the testimony before our committee, as the gentleman well knows, because he is a member of the Naval Affairs Committee.

Mr. McFARLANE. In answer to the gentleman, I may say I have asked the Treasury Department about it and I also talked with the Navy Department. It is true they had an amendment they wanted adopted to take the scientific-instrument people out from under the method. They had amendments which practically nullified the law. The House, by exactly eight votes, passed that bill, but it is still pending in the Senate. We thought we had an agreement whereby the House would agree to accept the same provision for the War Department that now applies to the Navy Department, but the Senate conferees would not agree to that proposition, as I understand it.

Mr. MAAS. But the gentleman stated that the Navy Department says that this has worked satisfactorily. The Navy Department has not said that.

Mr. McFARLANE. I say that the Navy Department said this. Admiral King is against the bill and he is against any kind of limitations, as I understood his testimony before our committee. The gentleman from Minnesota will recall the testimony before our committee in regard to scientific instruments, and all that sort of thing.

Mr. MAAS. Yes.

Mr. McFARLANE. And the testimony of the Treasury Department. My interpretation of that testimony is just as I have given it and the record will speak for itself.

Mr. MAAS. I think the gentleman is mistaken about that.

Mr. McFARLANE. I know I am not mistaken about it, and the records will bear out my statements. I decline to yield any further. The gentleman can get some time and argue that matter himself.

HOW WOODRING'S SYSTEM ROBS THE GOVERNMENT AND FAVORS THE AIR TRUST

Under permission given to revise and extend my remarks, I desire to answer some of the many statements of fact advanced during the debate on this question while the conference report was pending before the House.

The reason advanced as to why the War Department purchased these 20 airplanes from the Douglas Co. was that their saving in gasoline alone would amount to $12,000 per year.

I immediately sent the following telegram to the Bellanca Aircraft Co. and the Fairchild Aircraft Corporation, who were bidders on this same contract, both of whose bids were more than $20,000 per skeleton plane less than the bid by the Douglas Co.:

MAY 6, 1936.

BELLANCA AIRCRAFT CO.,
Newcastle, Del.:

Re War Department's circular proposal no. 35–29, dated August 24, 1934, under which Douglas received a contract for 20 airplanes at $49,500 each. Statement made on floor today in defending this contract that these planes would save more than $12,000 in gasoline during life of plane over any competing plane. Your bid over $20,000 lower. Please wire facts regarding this matter, adding any facts you wish known. Do you consider the War and Navy Departments' present system for aircraft procurement in strict compliance with the Aircraft Act of 1926? Please wire today.

W. D. McFARLANE, M. C.

And to this telegram the Bellanca Aircraft Corporation replied:

NEWCASTLE, DEL., *May 7, 1936.*

Hon. W. D. McFARLANE,
Member of Congress.

Re tel. on order for 20 Bellancas, Government would have saved $850,000 on planes and additional $373,000 in gasoline making a total saving of $1,223,000. Had Air Corps expended same amount for Bellancas as for 20 Douglases would have secured 40 Bellanca cargo planes flying 6,000,000 more miles and carrying 51,700,000 more pounds over 300-mile trips. Bellanca transport cargo airplanes safest in world; not a single fatality in millions miles operations. Fourteen Bellanca cargo ships were used by Air Corps in carrying air mail in January 1934, with best results. Detailed letter follows special delivery.

BELLANCA AIRCRAFT CORPORATION.

The Fairchild Aircraft Corporation replied as follows:

HAGERSTOWN, MD., *May 7, 1936.*

Hon. W. D. McFARLANE,
House of Representatives, Washington, D. C.:

Re tel. under circular proposal 35# 29 specifications show Fairchild cargo plane will fly 650 miles with 220 gallons fuel, or 2.95 miles per gallon carrying 3,783 pounds cargo at 130 miles per hour. Under same proposal Douglas offered to fly 1,130 miles with 497 gallons fuel, or 2.27 miles per gallon, carrying only 2,400 pounds load at 133 miles per hour. For 650 miles Douglas could reduce fuel load and increase cargo load to 3,666 pounds, or nearly same as Fairchild cargo load. The important factor to consider is for same distance at about same speed, carrying approximately same cargo load; Fairchild planes get 2.95 miles per gallon compared with the Douglas 2.27 miles per gallon. Taking average use of 130,000 miles per year, Douglas uses 13,200 gallons more fuel per year, or at 12 cents per gallon, Douglas cost $1,582 more per plane per year for fuel. In addition to fuel cost Douglas has double maintenance cost on engines because two of same engines used compared to one in Fairchild cargo. Using standard air line cost a commercial operator running 130,000 miles per year, would figure Douglas to cost $12,000 more per year than Fairchild cargo plane, both planes doing about the same job. Douglas is finest fast passenger transport. Fairchild is a cargo plane developed specifically for economical cargo transport. Believe Douglas price your wire should be $61,775. Not sufficiently familiar aircraft act to comment, but believe procurement satisfactory. Representative of company in Washington will call upon you Friday to give any further data you deem necessary.

FAIRCHILD AIRCRAFT CORPORATION.

In addition to the telegram above quoted, the Bellanca Aircraft Corporation replied as follows:

MAY 7, 1936.

Hon. W. D. McFARLANE, M. C.,
House of Representatives, Washington, D. C.

DEAR SIR: Regarding your telegram sent to us yesterday, the facts are as follows:

The Douglas airplane, instead of saving $12,000 in gasoline during the life of each airplane over any competing planes, is consuming $18,600 worth more gasoline than the Bellanca Cargo Aircruiser after due allowance is made in favor of the Douglas for higher cruising speed. The Government might have decided in favor of the Douglas for its higher speed or because of the twin-engined feature.

As for higher speed, this type of plane is essentially a carrier and not a fighting plane, and consequently efficiency and economy are primarily important. As for the twin-engined feature, our Bellanca Cargo Aircruiser is unsurpassed for safety, because during the whole existence of this type of airplane since 1930 not a single life has been lost. Fourteen planes of this type were used by the Air Corps for carrying the air mail at the time the Army was assigned this task in January–February 1934, and they carried the biggest loads of all, and their operation was so successful that the name of this plane was not mentioned in adverse newspaper comment a single time.

The price of the Douglas of $49,500 was without motors, propellers, instruments, etc. The price of the Bellanca, leaving the same Government-furnished equipment off, was $24,200. Adding this cost, plus the 20-percent spare parts, the cost to the Government for the Douglas was $86,000 and the Bellanca $43,500, a difference per plane of approximately $42,500, and a total difference for the 20 planes of $850,000. Adding to that the total saving for gasoline of $373,000, by purchasing Bellancas the Government would have

saved a total of $1,223,000, without considering the replacement of power plants, higher handling costs, etc.

The Douglas is a more elegant looking plane, but against that it cannot land in the small or muddy fields like the Bellancas can, the Douglas being suited to land primarily at airports. A feature that is of greatest importance is the fact that the Douglas cannot be converted to skiis or floats as readily and as successfully as the Bellanca cargo plane, which is another point of still higher importance for operation in the north or in Alaska.

For the money expended for 20 Douglases the Air Corps could have secured 40 Bellanca cargo air cruisers, which would have gone 6,000,000 more miles on an expected life of 3,000 hours for each airplane than the Douglases. Since two Bellancas could have been purchased for each Douglas, and these two Bellanca cargo airplanes would have carried 6,070 pounds total against one Douglas carrying 3,485 pounds, this represents an increased pay load of 74.3 percent in favor of Bellanca equipment for the same expenditure. This also means that in those 6,000,000 additional miles mentioned above, in trips of 300 miles distance, the Bellanca airplanes would have carried approximately 51,700,000 pounds more than the Douglases. As for the latter part of your wire relative to present methods of Army and Navy procurement, we regret that we do not feel in a position to make comment at the present time.

Very truly yours,

BELLANCA AIRCRAFT CORPORATION,
G. M. BELLANCA, *President*.

Thus we see that from this contract alone, according to the Bellanca Aircraft Corporation, the Government would have saved a total of $1,223,000 over the price paid the highest bidder, the Douglas Aircraft Corporation, without considering other many advantages the Government would have received had they purchased the Bellanca plane and, you will note, according to the Fairchild Aircraft Corporation telegram, far surpasses in gasoline mileage and other material comparisons the performance requirements required for a plane cargo of the kind and character being purchased.

SYSTEM OF PROCUREMENT NEEDED

I recommend that the present Aircraft Act be amended so that our system of procurement for future aircraft be made along the lines followed in several European countries. For example, offer substantial prizes, as first, second, and third prizes, after full publicity is given in the newspapers so that all may compete, the prizes to be substantial and the agreement for thus competing to require that the winning plane in the competition shall belong to the Government, including all patent license and manufacturing rights; the published specifications to carry further the full terms of the competition and the mode and manner under which the judging and examination of the planes is to be made. Only the fundamental requirements of planes of the kind and character needed should be the entire basis for judging in the selection in competition. This system of selection of all aircraft would largely eliminate the many unfair practices that have been shown to have existed in our present system of procurement ever since our present Aircraft Act of 1926 has been in effect.

TAX EVASION UNDER THE SENATE TAX BILL

I desire to state my views on several of the different amendments added to the tax bill now pending.

It is obvious to anyone who has read the proceedings of this session and the last session of Congress that I am fully in accord with the tax program which President Roosevelt submitted to Congress in his message of March 3, 1936, and which is the foundation of the tax bill now under consideration. The real reason for the tax program as outlined by the President is that huge surpluses are being accumulated by corporations owned by citizens with large incomes in order to escape the surtaxes which should be paid on these surpluses. On several occasions during the last session I called attention to this loophole in our present law whereby the special-privilege interests of this country are evading the tax law. In an attempt to secure a correction of the situation, I addressed this House and urged that the law be changed so that the large amounts of undistributed corporation profits would be taxed to the stockholders as they should be. This same proposal was submitted to the Ways and Means Committee of this House when I appeared before that body on July 13, 1935. On August 17, 1935, while the revenue bill of 1935 was still under consideration, I appeared before the Senate Finance Committee and again repeated my contention that the tax law should be amended to tax stockholders upon the undistributed profits which they allow to remain in the corporation free from the proper tax. In view of these unsuccessful attempts on my part to secure a change in the law during the last session, I was greatly pleased when on March 3 of this year the President called attention to this same loophole in the tax law and took the position that it should be stopped.

But, Mr. Speaker, the efforts of the Members of this House to design a tax bill which will eliminate some of the present opportunities for tax evasion have, it seems to me, come to naught, if we accept the changes which the Senate has made. As I see it, the bill as passed by the Senate does not stop the loophole pointed out by the President. More than this, the Senate has written into the bill a number of new loopholes which will enable the wealthy and special-privilege interests to escape the tax. Mr. Speaker, I object to this sort of thing. We set out to plug up the loopholes—not to create new ones. Consequently, I propose at this time to frankly and briefly outline the different new ways for tax escape which the Senate has written into the bill, with the hope that this House will put itself on record as opposed to the new methods of tax evasion.

Exemption for holding companies: During the past few years we have become very familiar with the tactics of the financial wizards who induce small investors to buy stock in holding companies and thus finance the activities of these men in their efforts to control a vast empire of operating corporations. Obviously the income received by the holding companies formed and controlled by industrial racketeers is represented by the dividends which they receive from the operating companies. Despite the efforts of this administration to protect the people from the holding-company racket, the Senate bill would give such companies preferred and kind treatment for tax purposes. Section 26 (b) of the Senate bill allows the holding companies to receive 90 percent of its dividend income free from tax; the other 10 percent will obviously be used to pay high salaries to corporate officials and to pay other so-called expenses; and, hence, the holding company will be entirely free from tax.

INVESTMENT TRUSTS

When the holding companies became involved in difficulties and the little investors throughout the country became less enthusiastic about such companies the men of finance and stock-market speculation organized what they called investment trusts to serve somewhat the same purpose as the holding companies. By these trusts the promoters of such enterprises used the little fellow's money to buy stock and control corporations, or rig the stock market. Few, if any, of these organizations should be permitted to operate, but since they do exist they should pay taxes. However, they will not do so if the Senate amendment is adopted by this House. The exemption given in section 13 (a) (3) of the Senate bill, plus the credit allowed under section 27, will give these organizations complete exemption. The only qualification upon the exemption is not that there be fewer such organizations but that the number be increased.

BANKS

Despite the fact that the banks of this country were saved from destruction in 1933 and continue to make profits by lending other people's money, the Senate has been very kind to the banks by inserting a provision to exempt them from the new tax on undistributed profits. In order to make doubly certain that the banks would be exempt, two provisions to that effect were put into the bill. See section 14 (c) (1) and section 26 (d) of the Senate bill.

TRUSTS OPERATED BY BANKS

Section 169 of the Senate bill also gives the bankers a further exemption. With respect to this the Senate committee report states:

> The Finance Committee has adopted an amendment which will permit banks and trust companies qualifying under the section to operate common trust funds free of tax as corporations.

By common trust funds the committee explains that it means the activities of the banks "where the funds of many

individual trusts are mingled." To put it in plain English, the type of operation which the Senate proposes to exempt from tax is one where a bank has trust funds belonging to others and does not keep them segregated, but proceeds to mix them up in the manner most suitable for the purposes of the bank. This type of operation, which should not be permitted, is so highly approved by the Senate that it proposes to exempt the operations from tax.

USE OF BANKRUPTCY LAWS TO EVADE TAX

In the past we have heard of how a corporation may voluntarily go into bankruptcy in order to beat its creditors. The latest development appearing in the Senate bill is to allow the corporation to evade tax by voluntarily filing a petition in bankruptcy. If the petition is on file for a few days in any year, the corporation may escape a full year's tax. See section 14 (c) (2) of the Senate bill. If the company is a railroad corporation, it may organize a holding company, which can file a petition in bankruptcy and thereby exempt the railroad company. See sec. 141 (j). That is what you may call obtaining tax exemption by proxy.

ACCUMULATION OF SURPLUS (SEC. 102)

Throughout the consideration of this tax bill it has been the purpose of this House to prevent improper accumulation of surplus by corporations which do so to enable the stockholders to escape surtax. The present law is inadequate in this respect. It should be amended to collect a tax on such improper accumulation. The Senate has amended section 102 so that in lieu of requiring a tax to be paid upon such improper accumulation, the corporation will merely file a statement showing how it uses its funds. In other words, the old provision as written during the Mellon regime is retained with a ridiculous provision that will help to collect nothing but statements.

LIQUIDATION OF CORPORATIONS

Under our tax law if an individual paid $100 for a share of stock in a corporation and he received $150 upon the liquidation of the corporation, he would be taxed upon $50. The Senate bill retains this tax upon the individual but provides that if a corporation receives such a profit it shall be exempt. See section 112 (b) (6) of the Senate bill. Here, again, the big corporation is given an advantage by way of a provision which distinctly discriminates against individuals occupying exactly the same position.

CORPORATE REORGANIZATIONS

Some time ago I introduced a bill designed to repeal the so-called reorganization provisions of the tax law. The repeal of these provisions was recommended by a subcommittee of this House which investigated the tax-evasion methods used in connection with so-called reorganizations of corporations. These provisions originated in the Mellon tax plan of 1924, which became a law in that year, and which has served more than other things to make a farce out of our income-tax law. The Senate proposes to make the road for tax evasion easier in connection with these transactions. The amendment of the definition of control in section 112 (h) does the trick. This amendment is clearly contrary to the position which we have taken throughout the present administration. Its only purpose is to make tax evasion easier, when the object of this bill is to minimize tax evasion.

BIG REWARD FOR TAX LOBBYISTS

Section 802 of the Senate bill is the type of legislation which best fills the pockets of the tax lobbyist. It requires the Government to refund taxes which the Government has properly and lawfully collected. Obviously when the parties concerned get this unexpected refund they will be surprised and well pleased, all of which helps the lobbyist to collect a big fee. This unexpected refund of taxes is of course reserved for the benefit of a few individuals who have realized profits upon the type of transactions described in this section.

JEWELRY TAX REPEALED

The present law imposes a 10-percent tax upon sales of jewelry amounting to more than $3. Section 813 of the Senate bill proposes a repeal of this tax. It is not necessary for me to elaborate upon this exemption. Only those of wealth can afford to buy expensive jewelry. They are the ones benefited.

TAX ON FURS

Those with wealth also will benefit under the Senate proposal to reduce the tax on furs from 10 percent to 3 percent. See section 814 of the Senate bill.

ESTATE TAX

One of the methods by which the wealthy escape a portion of the estate tax is by way of insurance trusts created during the lifetime of the decedent. Instead of stopping this loophole, as it should be, the Senate bill proposes to open it wider. See section 801 of the Senate bill. If this provision of the bill becomes a law, it will no longer be necessary to set up an insurance trust. The law can be evaded simply by the insured notifying the insurance company that he wishes to evade the tax. If this proposal becomes a law over my protest, there is no question but that the insurance companies will reap a good harvest selling tax-exempt policies.

LIQUOR INTERESTS GET WHAT THEY WANT

The tax on liquor has been very effective, so effective in fact that the liquor interests now propose to wreck it. Obviously they do not openly ask for a repeal of this tax. That is unnecessary, for they have concocted a scheme which will do substantially the same thing. The trick is to change the law so that the tax will be collected from the retailer instead of the distiller. At the present time the tax is collected from the distiller. There are comparatively few distillers, and their accounts can easily be checked by the Government. The change proposed by the Senate would exempt the distiller and require the Government to collect the tax from the thousands of retailers, barrooms, cafes, restaurants, roadside inns, and other similar places throughout the country. Clearly, the Government cannot keep watch over all these places and collect the proper tax. It could not do so even if it employed a huge army of investigators and revenue agents. Hence, the result of the Senate proposal is to exempt the distiller and to allow the barrooms, cafes, restaurants, and other places to pay whatever tax they wish, which, we may be sure, will be very little. In any event, whatever tax is collected will probably not greatly exceed the cost of maintaining the revenue agents necessary to collect it.

THE BOARD OF TAX APPEALS

The Board of Tax Appeals was first created in 1924 during the Mellon regime, and as I here pointed out on February 18, 11 of the 16 members of the present Board are men appointed at the recommendation of Mellon. The Board of Tax Appeals has been one of the most potent factors in causing this country to have more tax litigation than any other country in the world. Its decisions have so complicated the income-tax law that few know what it means. In addition this Board is the device which keeps the big boys from having to pay. Instead of paying they appeal to the Board. The Senate bill proposes to extend the functions of the Board to give it jurisdiction over all excise taxes. See section 815 of the Senate bill. The change proposed by the Senate would give this Mellon board power over the remainder of the tax field.

ALVORD, THE TAX LOBBYIST

One of the tax lobbyists whose name appears in the hearings before the congressional committees is a man by the name of Alvord, purporting to represent the United States Chamber of Commerce and to be on the tax lobby committee of that organization, along with Lammot Du Pont, one of the famous Du Ponts (pp. 252–253, hearings of Finance Committee). Beginning on Juy 15, 1926, this man Alvord was special assistant to the Secretary of the Treasury, Andrew W. Mellon, and was in charge of handling tax legislative matters during the Mellon regime. For 3 years prior to his appointment to this position Alvord was assistant legislative counsel for the House of Representatives, which enacted the Mellon tax bills. The record shows that during the past few months Alvord has been very active in presenting his ideas

regarding tax exemptions to the committees. There is little doubt as to what he wants. The memorandum which he filed with the committee very specifically lists each item (see pp. 283–293, hearings of Finance Committee). This memorandum should be read by every Member of this House in order fully to appreciate the number of instances in which the Mellon-Du Pont-Alvord ideas are reflected in the Senate amendments. And when you read the Alvord memorandum remember that the farmers, merchants, day laborers, and the unemployed who elected you and sent you here to represent them did so in order to get a new deal in taxes as well as in other matters. They do not want Mellon or any of his aides writing our tax laws. The people who sent us here have to work long and hard, and often find themselves in the late years of their hardships with little saved. Nevertheless, throughout life and even in their old age they continue to pay taxes with no method of escape. This they do, and the least we can do when we write a tax bill is to keep the Mellon tax lobbyists out of the halls of Congress.

Mr. PARKS. Mr. Speaker, I regret I have not more time to yield to the gentleman from Texas, but there are a number who want to speak on the report.

I now yield 5 minutes to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Speaker, the gentleman from Texas [Mr. MCFARLANE] and I are one in our desire to see that graft is eliminated, that construction and procurement of equipment are modernized, that obsolete material is removed, that our personnel is safeguarded and the interests of the taxpayers are protected, but I somehow doubt that this particular method is the proper method of approach.

When the gentleman from New Hampshire [Mr. TOBEY] offered his amendment and it was first added to the Navy Department appropriation bill, thereby limiting the profit to 10 percent, I thought this was a splendid thing. I thought this because I had been sitting on a subcommittee which had been delving into some of these practices. But on further study I have had serious doubts.

I am with the gentleman from Texas in wanting to remove all the graft and corruption and favoritism from all of these procurement matters and from all contracts entered into between private manufacturers and those in Government positions, and I am for scourging out of public life all the dishonest who are found practicing such favoritism as may make possible these unpleasant affairs.

But it occurs to me now that if we limit the contract to 10-percent profit, I might suggest the old homely adage, "You can lead a horse to water, but you cannot make him drink." In other words, you can subdue these people but you cannot make them behave.

I have gone through some of these factories, some of their large plants, where they naturally are interested in the profits, where they very possibly have done some things that are not of the highest ethics in business affairs; but they are genuinely interested in promoting their product, in securing something that will be successful in their competitive business.

For that reason I hate to limit them to the point where they are unable to carry on their research work and keep up their scientific laboratory, carry on the work necessary to improve their product beyond what today is obsolete or obsolescent. I feel certain they are gentlemen who desire to protect the interests of the Government, and they have admittedly done things of which they can well feel proud. The record upon that matter will speak for itself.

Mr. WILCOX. Will the gentleman yield?

Mr. KVALE. I yield to the gentleman.

Mr. WILCOX. The gentleman from Texas called attention to the purchase of Douglas airplanes for $20,000 above the offer of some other company.

I would like to call attention to the fact that it has recently been disclosed that although the Douglas airplane costs $20,000 more than some others, the saving of gasoline alone has been about $12,000, aside from the increased efficiency and safety.

Mr. KVALE. I am glad the gentleman has brought that matter up. I did not have the complete facts in my possession, but I knew that there must be more to the story than what appeared on the surface. I am sure that anyone that recognizes the Military Affairs Committee under the leadership of such eminent men as the gentleman from New Hampshire [Mr. ROGERS] and the gentleman from Alabama [Mr. HILL] and the gentleman who heads our committee [Mr. MCSWAIN] will recognize that they have done valiant work. And when any Member of this body or any other group attempts to criticize Secretary Woodring or any of his staff or minimize the patriotic and constructive work they have done, let me say emphatically that such a Member undertakes no little task, for in the last 2 years that office is and has been a credit to the Government, no less.

[Here the gavel fell.]

Mr. PARKS. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, let me call attention to this war appropriation bill. In 1936 we appropriated $422,896,470. This appropriation bill as it left the House carried $543,341,506, or an increase of $120,445,036 over what it was a year ago. Now, you come back here with the conference report and the total amount of the bill as stated by the gentleman from Arkansas [Mr. PARKS] is $572,446,884, so that this bill has been increased over the bill of last year by $149,550,414. And when I sit here and see my good friend Mr. DOUGHTON and the gentleman from Washington [Mr. HILL], members of the Committee on Ways and Means, whose duty it is to get money to pay these bills, and who brought in a bill here to raise $800,000,000 and have scratched their heads for 3 months and do not know how they will even get that money, and when I think of the manner in which the membership of the House is spending money it seems to me that Mr. DOUGHTON ought to come in here with a great big club and get after you fellows for spending the way you do. That is the only way that he will ever get a balanced Budget, and if he needs some help, I will tell him where to go to get it, and I will be glad to assist him.

I call the House's attention to two important things. I want to read to the majority side of the House particularly plank no. 1 in the platform of the Democratic Party that was adopted in 1932:

> The Democratic Party solemnly promises by appropriate action to put into effect the principles, policies, and reforms herein advocated, and to eradicate the policies, methods, and practices herein condemned. We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government, and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result.

If you gentlemen have done anything, you have done just the opposite from what you promised at that time. Gentlemen will recall that the President said that he was for the Democratic platform, and I now want to read what Mr. Farley said in his speech made November 9, 1932:

> You may be sure when Franklin D. Roosevelt makes a promise to an individual or to a nation that promise will be fulfilled, for he makes none beyond his power to make his pledges come true. He is pledged to an economical and an efficient management of our national affairs. He will choose nobody incapable or unwilling to conduct the business on that basis.

Do you Members of Congress believe Mr. Farley? Do you think the above is the truth?

This administration, according to statements made by Mr. Morgenthau before the Senate committee will spend more money this year by $6,000,000,000 than the Government will receive. You have spent an average of over $3,000,000,000 each year, and $6,000,000,000 this year is going to make Mr. Morgenthau's prognostication of our national debt come true, because he cannot see anything in this Democratic controlled House but a bunch of spendthrifts. Mr. Majority Leader, why do you not try to keep these expenses down, why do you not help Mr. DOUGHTON increase taxes, and why does he not stop the membership of the House from spending so much money? The responsibility

is on the Democratic Party to carry out their platform pledges to make their promises come true to the American people. Why do they not do it?

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. PARKS. Mr. Speaker, I yield 10 minutes to the gentleman from California [Mr. DOCKWEILER].

Mr. DOCKWEILER. Mr. Speaker, I do not know how many of you have actually had the opportunity to read the amendment that was inserted in the bill in the last hours of the day when this bill was read under the 5-minute rule. That amendment reads as follows:

SEC. 4. That as to contracts or subcontracts in excess of $10,000, no appropriation contained in this act shall be available for the payment of a profit in excess of 10 percent to any contractor or subcontractor for the construction and/or manufacture of any complete aircraft or ordnance material, or any portion thereof.

That was legislative matter. We have before us an appropriation bill. As a member of the subcommittee that had charge of this Army supply bill, as a member of the Committee on Appropriations, I have repeatedly refused to permit any legislative matter of any character to go into those bills. Legislative matter should go to the appropriate committees of the House, and if we do not permit it to go to the appropriate committees of the House, then we defeat the purpose of these committees that have been created by the rules of the House. The Vinson-Trammell bill, which has been referred to by the gentleman from Texas [Mr. MCFARLANE], is a legislative bill, entirely so, an authorization bill and not an appropriation bill. That bill authorized the building of ships and fixed the number of tons that the United States should build of naval ships. It was purely a legislative bill, and the appropriation bill subsequently followed the terms of that bill.

Mr. HILL of Alabama. Mr. Speaker, will the gentleman yield?

Mr. DOCKWEILER. I yield.

Mr. HILL of Alabama. The Committee on Military Affairs, acting as the agent of this House, spent, not days or weeks but literally months in an effort to put as much competition and economy as possible in the matter of the purchase of aircraft and aircraft material. I know that if the gentleman from Texas [Mr. MCFARLANE] would introduce a bill or would come before that committee, the committee would be more than delighted to have him give us any facts or information he may have.

Mr. DOCKWEILER. I thank the gentleman for his contribution.

Mr. KVALE. Mr. Speaker, will the gentleman yield there?

Mr. DOCKWEILER. I yield.

Mr. KVALE. We found too much of a stinking mess to expect all of it to be cleaned up within the space of a few days or a few weeks.

Mr. MCFARLANE. Mr. Speaker, will the gentleman yield?

Mr. DOCKWEILER. I do not yield to the gentleman from Texas. If the gentleman from Texas wants to allow proper approach to this matter, let him introduce a bill in this House, which will be referred to the Committee on Military Affairs, the appropriate committee to consider this matter.

Now, for a moment, I wish to refer to something and read to you from the Chief of Staff of the Army, General Craig, testifying before the subcommittee on appropriations handling this bill in the Senate. He testified as follows on the question of this 10-percent limitation:

The records of Congress show that the Vinson-Trammell Act, which limits costs of Navy contracts, was the outgrowth of careful hearing in committee, amendment, debate, conference, and rejected agreement and further conference. It was sufficient to constitute a problem in itself.

However, the War Department is strongly opposed to any wording of such important law being inserted in the appropriation act without careful investigation of its reaction on its system of proposals, contracts, audits, payments, and upon the industries upon which the country must depend in time of war.

The War Department's auditors go carefully into every cost before a contract is awarded, and are in the factory during the life of the contract. The Department is zealous in its administration. To complicate it by adopting further law without mature consideration is highly dangerous to national defense.

I now refer to testimony given recently by Senator WALSH, chairman of the Committee on Naval Affairs of the Senate. On March 25, 1936, he said, at page 4335, as follows:

Mr. WALSH. For the information of the Senate, I desire to state that the same proposal is pending before the Committee on Naval Affairs, and the same opposition has been registered by all the officials of the Navy Department, from the Secretary of the Navy to the naval officers in charge of construction. They emphasize very strongly the necessity for repealing this provision as it applies to naval aircraft, as well as Army airplanes. They particularly emphasize the fact that it constitutes a very great disadvantage in obtaining bids for the construction of aircraft. They state that it is customary to ask for sample aircraft to be submitted before the bids are asked for, and that the manufacturers do go to great expense in building models and presenting them for inspection to the Navy Department. When such models are submitted, thereafter bids are asked upon the most desirable types. In the event this provision should continue in the law the Government, it is alleged, would be placed, as it is now placed, under very great handicap so far as the Navy Department is concerned.

I thought it would be interesting to Senators to know that the same question is now pending before the Committee on Naval Affairs, and some action is desired along the same line by the Navy Department.

Mr. COPELAND. I thank the able Senator from Massachusetts for what he has said. In the War Department the officials ask for full-sized planes as samples.

Mr. WALSH. The Navy Department does also. Of course, it involves very great expense. When the bids were asked the manufacturers who produce naval aircraft that are acceptable usually add something in their bids to cover the expense of constructing the models.

Mr. COPELAND. In the Army and Navy Journal for February 22 the statement is made that both Representative VINSON, chairman of the Naval Affairs Committee, and Representative MCSWAIN, chairman of the Military Affairs Committee, have indicated their opposition to this provision in the Army bill.

Mr. KVALE. Mr. Speaker, will the gentleman yield?

Mr. DOCKWEILER. I yield.

Mr. KVALE. The report should have added that in addition to the building of models a great deal is required in voluntary research work which is done by their architects, their engineers, and their scientists.

Mr. DOCKWEILER. Exactly. Ever since the Wright brothers on this eastern coast successfully flew the first airplane in our memory, what do you suppose would have been the progress of aviation, if the activities of all those interested in aviation were limited to a profit of 10 percent? I am willing to assert that there has been no profit of 10 percent throughout the history of airplane manufacture. Of course, it is an appealing, an alluring thing to say to Congressmen that we should limit manufactures to a profit of 10 percent. There is a sophistry in it, but it is a dangerous sophistry. We could not pay for the advancement in aviation, particularly the science of aviation, the science of building aircraft, if we demanded or permitted this limitation on every contract that is entered into. Remember it is on each and every contract. I know for a fact that it requires from $200,000 to $500,000 to prepare a model of a ship—to make the jigs and dies required before a contract is ever entered into.

Mr. HILL of Alabama. Mr. Speaker, will the gentleman yield further?

Mr. DOCKWEILER. I yield.

Mr. HILL of Alabama. It cost the Boeing Co. $575,000 to develop the Boeing bomber, which is perhaps the most effective and greatest bomber in the world today. If those people are to spend their money to experiment and carry on the development of the airplane, to give greater safety factors and greater effectiveness from the standpoint of striking for national defense, the Government must let them get that money back. Is that not a fact?

Mr. DOCKWEILER. That is right. If a contract is let for $2,500,000 and only 10 percent can be secured as profit—$250,000—it costs more than $250,000 to build the first sample model of an airplane under those conditions. It is not fair to the industry. It is unfair to national defense and the program that this Congress has adopted. It is unfair to the program we have undertaken for the safety of the people of our Nation to hamstring at this time, especially in a new industry that is advancing so fast, even against the inventions of the whole world in aviation.

Mr. HILL of Alabama. And we do not subsidize our industry, whereas foreign governments do.

Mr. DOCKWEILER. I thank the gentleman for his contribution.

Mr. KVALE. The first of any series of ships needs completely new sets of jigs and dies and tools in addition to the plans?

Mr. DOCKWEILER. That is right. The gentleman from New Hampshire [Mr. ROGERS] has had successfully passed through this House an authorization bill so that the Army may have a minimum of 4,000 planes. During the pendency of this appropriation bill it developed that we were back 700 planes in deliveries. How can we hope for better conditions if we begin to do the things suggested in this amendment?

[Here the gavel fell.]

Mr. PARKS. Mr. Speaker, I yield 5 minutes to the gentleman from New Hampshire [Mr. ROGERS].

Mr. ROGERS of New Hampshire. Mr. Speaker, soon after I first became a Member of this honorable body in the Sixty-eighth Congress I received an appointment on a special committee, the Lampert committee, involving the investigation of military aviation. Since then I have attempted to keep in close touch with military aviation, and during the last three sessions of Congress I have had the honor to be a member of the subcommittees having to do with all questions regarding military aviation.

Two years ago a special resolution passed this House (H. Res. 275) authorizing and directing the Committee on Military Affairs, or any subcommittee thereof appointed by the chairman, to inquire into and investigate alleged profiteering in military aircraft and other matters in which the problem of national defense was involved. I had the honor to be appointed chairman of that committee, and it was composed of Representatives from both sides of the aisle who had long been members of the Committee on Military Affairs, including the former chairman of the full committee, the gentleman from Michigan, Mr. James. We conducted long and extended hearings, and we ascertained that the War Department was violating the law of 1926, which provided for the purchase of airplanes in quantity by competitive bidding.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of New Hampshire. The gentleman from Texas refused to yield to me; I refuse to yield to him.

The fact of noncompliance with the law as to competitive bidding was brought home to the War Department, and after further hearings we unanimously recommended the removal of the then Chief of the Air Corps, Maj. Gen. Benjamin D. Foulois. With the concurrence of Assistant Secretary of War Harry H. Woodring, there was then adopted a system of compliance with the law; and since then we are confident that quantity purchases of planes for the Army for approximately the last 2 years have been lawfully made by competitive bidding.

Mr. Speaker, as a result of our investigation there was worked out in conjunction with the office of The Assistant Secretary of War a procurement policy complying fully with the law, resulting in competitive bidding and not negotiated contracts. The outcome of this investigation and change of policy is that new and additional firms are manufacturing aircraft for the Army, and that is the situation which exists today. It is a logical, fair, and reasonable law. It carries out the will of Congress as enacted in 1926. It has now been in force nearly 2 years, and I submit, Mr. Speaker, that the Congress should permit it to continue, because we know now from the records and achievements already made that we are on the road to better planes and greater prosperity in military aircraft. The policy now legally adopted by the War Department is on a competitive basis, and has resulted in several new and additional firms manufacturing aircraft for the Army. It is a policy based on competitive bidding with the utmost emphasis placed upon performance. The logic of such a policy is clear when we pause to realize that aircraft of inferior performance to that of an enemy will be of much less value in national defense and may well result in the loss of air supremacy. It has been carefully checked, and I am sure that, in the opinion of the subcommittee, of which I am chairman, it fully complies with the Air Corps Act of 1926.

The amendment adopted in the House, known as the 10-percent limitation, which is now stricken from the bill by the terms of the conference report, I am advised was, after hearings thereon, unanimously opposed by the Senate Subcommittee on Appropriations, the full Senate Appropriations Committee likewise unanimously voting its deletion. I am also happy to say that on March 16 the Senate voted to concur with its Appropriations Committee in removing this amendment from the bill.

In a communication to the Senate committee from Acting Secretary of War Harry H. Woodring, he stated that this amendment should be stricken from the bill for the following reasons, which I gladly adopt as my own:

> The section which it is recommended be omitted is objectionable because it will—
> (1) Greatly increase the complexity and delay of procurements;
> (2) Stifle research and development;
> (3) Reduce competition;
> (4) Give rise to colossal difficulties of administration; and
> (5) Tremendously increase the cost of checking the books of contractors and necessitate the employment of many more cost accountants than have heretofore been employed on Government contracts.

The subcommittee of the Committee on Appropriations, United States Senate, held complete hearings on the War Department bill, calling before it Assistant Secretary of War Woodring and Chief of Staff Gen. Malin Craig.

In referring to the 10-percent limitation, I agree fully with the language of General Craig when he said:

> I believe that the amendment was possibly accepted by the chairman of the subcommittee and adopted without a full study of it and a realization of what it entails, as it was stated on the floor that the amendment carried substantially the same language as is carried in the Navy bill every year.
>
> Now, the difference in language is very apparent. This is a six-line amendment and that Navy law on the subject is one of over 50 lines.
>
> The law may prove to work well for the Navy. But Navy conditions are not Army conditions. Army aviation, not yet up to its peace strength, must expand rapidly in war; the Navy is practically on a war footing at the outset. In the Navy a gun may possibly be considered a part of a vessel; in the Army it is an entity in itself. The Navy has an aircraft factory of its own; the Army has none. It may be satisfactory for the Navy to carry on much of its own research and development. The airplane industry in this country is not stabilized. Its fine engineers are thinking every moment and are progressing in design every year.
>
> The proposed section would stifle research and development in the industry insofar as military airplanes are concerned. At present the War Department system places research and development squarely on the shoulders of the industry, where we think it belongs. If these costs are not allowed to enter and be paid for, the War Department will be confined to the product of the brains of a few Army officers and civilian employees in its experimental plant at Wright Field; all good men, indeed, but they do not represent the sum of experience now at the disposal of the War Department. It will be necessary, I believe, to vastly increase the plant at Dayton, which now has means only for test and investigation in the acceptance or rejection of bids and for development of improvements in accessories.
>
> Such a law is liable to stifle the industry, also, through lack of competition. It may increase the possibility of collusion, for the reason that in order to establish those costs which may be permitted to enter, many advance conferences must be had with representatives of the industry, in order that common understanding may be had in the submission of bids.
>
> It may starve the industry for the reason that if an aircraft corporation is always to be limited to an absolute maximum of profit on a contract, it has no means of recouping the losses which it inevitably takes on some contracts, particularly those of an experimental nature. This might tend to wreck the smaller firms and put all the business into the hands of a few strong ones. If the industry is crippled, the Government would have to go into business.
>
> It has another bad feature; with the return of good times the more important factories having adequate research and development facilities will not take a Government contract.
>
> Section 10 of the act approved July 2, 1926, provides a most careful system of procurement of aircraft. The War Department's auditors go carefully into every cost before a contract is awarded, and are in the factory during the life of the contract. The Department is zealous in its administration. To complicate it by adopting further law without mature consideration is highly dangerous to national defense.

Assistant Secretary of War Woodring also testified in part as follows:

This policy is based upon competitive bidding and in order to properly protect the interests of the Government in the procurement of such a highly technical piece of equipment requires the bidder to submit with his bid a completed airplane for test. The bidder is required to submit with his bid a completed airplane on the line for test, as he submits his bid, and these airplanes are thoroughly tested and contracts awarded to the manufacturer who has produced the finest performing airplane, after we have evaluated all the planes in competition.

To insure the reasonableness of the cost a careful financial audit is made of the cost figures of the manufacturer after we make an award. This policy is resulting in a constant striving on the part of the manufacturers to offer better and better performing aircraft. It places squarely on the shoulders of industry, where it logically belongs, the necessary research and development work and gives the Government the active use and benefit of all the brains of the industry.

For instance, we will send out invitations for bombers for delivery in 10 or 12 months, and probably three different concerns scattered well over the United States to bid on bombers. Certainly under that kind of a system the companies are going with their engineering and designing and researching departments, are going to try and build, develop and build, and deliver on the line the finest bomber in order to win the competition and therefore get the business.

The 10-percent limitation of profits on contracts will prevent the possibility of manufacturers recouping any of these experimental and development costs and ultimately result in the practical cessation of such research and development on the part of industry. This will mean that the Government will have to carry on its own research and development and that the only brains being applied to the advancement of our aircraft will be such brains as the Government may be able to assemble at Wright Field, which is our technical and procurement branch of the Air Corps.

I do not need to tell you that such a situation will materially retard progress in the development of military aircraft in this country and will result in our Air Corps being equipped with airplanes inferior in performance to those of other countries.

Senator FLETCHER. You would not favor any limitation of profits?

Assistant Secretary WOODRING. We do favor a reasonable profit; yes; but at this stage I do not favor any limitation of profits in the contracts, and I will explain why, because I believe we have that limitation in our audit today.

To maintain our position in the world of aviation requires a continuation of constant and extensive research and development, and any limitation which takes from the manufacturer the possibility of recouping cost of this research and experimental development work places our whole aircraft procurement program in jeopardy.

Since the Government is practically the sole beneficiary of the progress of military aviation, it is proper that the Government, as I say, should bear these costs. In this connection I wish to point out that the cost of building an experimental airplane runs from $100,000 to $600,000, and that manufacturers cannot continue to build and offer these airplanes to the Government under a statute which precludes any possibility of reimbursement therefor.

If the airplane industry were stabilized and producing units in large numbers, the provision might not be nearly so detrimental; but the industry is still in a highly experimental state, and therefore faced with many more hazards than one which has arrived at a place where progress and development is comparatively slow.

Since the number of civil and commercial airplanes produced in this country is not of itself sufficient to maintain a satisfactory nucleus of aircraft industry, the methods of procurement of military aircraft will have a vital effect on the industry and any action to be taken with regard to these methods should be very carefully and thoroughly considered prior to its adoption.

The action we take here on this clause as it affects the actual procurement of military aircraft affects commercial aviation as much as it does the military, because, as I say, it will have its effect upon these manufacturers who must go into commercial aviation.

I do not want to go on any further with this. I think that I can state to you that it is my opinion, and conclusion, that if this 10-percent clause is put on, from the one phase of it, the greatest phase of national defense, it will defeat not only procurement of good aircraft as a result but it will defeat the competitive system of bidding which I think is the finest system under which we can procure in the interest of the Government.

In conclusion, Mr. Speaker, I ask the Members of the House, in the interests of national defense, adequate protection for our homes, schools, churches, and industries, and above all for the perpetuity of all American institutions and the Nation itself, to concur unanimously in this conference report.

Mr. PARKS. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this conference report calls for an increase over the Budget of $8,079,000 for military purposes. It calls for a decrease below the Budget when you come to consider all of the amendments that are going to be offered by the committee, of $8,331,000, or a net decrease below the Budget of $252,000.

The conference report has such inconsistent features as to provide on page 11, line 9, for the pay of not less than an average of 165,000 enlisted men, and then providing later that the enlisted strength of the Army shall be increased from an average of 147,000 to an average of 165,000 at the rate of 1,500 per month. How there could be any such operation as that is beyond my understanding. Frankly, I felt that the recommendations of the House committee increased the strength of the Army just as far as it ought to go at the present time. This increase proposed in the conference report goes beyond the capacity of the Army to house the men.

When it comes to the increase above the House bill for rivers and harbors it is perfectly ridiculous, but I am not going to discuss that in detail at this time. I am going to ask the chairman of the committee to yield me a few moments when we come to that feature.

Frankly, from my own standpoint, I am not going to vote for these increases, and I hope they will not prevail.

[Here the gavel fell.]

Mr. PARKS. Mr. Speaker, I yield the remainder of my time, 5 minutes, to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Speaker, the proposed 10-percent limitation involved in this controversy would be a very unwise thing for this Congress to adopt. I have the deepest sympathy with the objects of my friend the gentleman from Texas, but this is not the way to meet the problem. If the laws are being violated, the answer is to enforce the laws, not to make new laws.

The unfortunate part of this 10-percent limitation is that it defeats its own purpose. Instead of spreading competition, it will eliminate competition. On the one hand we are seeking by a tax bill to take away corporation surplus, or very materially reduce the surplus of corporations, and on the other hand we propose to limit their profits to 10 percent. How, then, in Heaven's name are these companies to get the funds to carry on experimental development? They do it infinitely cheaper than the Government can itself do it.

I have a good deal of familiarity with this matter, as I have spent a good deal of my time studying and investigating it, and I state it as my firm conviction that you cannot possibly make over 6 percent under this 10-percent limitation.

By encouraging private capital to undertake the research and development in aviation the Government eventually gets the benefit of the combined efforts of a number of companies on each subject. We then take the most successful development.

We pay nothing for the experiences of the other concerns who do not get contracts, though their work contributes very materially to the ultimate results. Were the Government to undertake all this research itself, it would cost many, many times the contract price we now pay for the finished product.

It says 10 percent, but because of restrictions and regulations governing the items allowed in the contract price you cannot make over 6 percent in actual practice.

Mr. McFARLANE. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Texas.

Mr. McFARLANE. It may be of interest to the gentleman to know that in France the profit on production contracts involving aircraft—and they are far superior to ours, because they have honest competition—is 7 percent. In Italy it is 5 percent, and in England it is 7 percent. So, according to all those who know the facts in the case, this 10-percent limitation of net profits is a pretty liberal proposition, and it will not work the hardship on these companies the gentleman said it will do at all.

Mr. MAAS. The gentleman is mistaken. As a matter of fact, averaged up, these contracts have not shown as much as 10-percent profit in this country. By limiting the profit to 10 percent and making it apply to specific contracts it is impossible to create sufficient funds for experimental purposes.

Mr. Speaker, the main thing involved is the fact that experimental development in this country will be killed. We found ourselves through conditions which have prevailed in the past, as explained by the gentleman from Texas, and he was correct, where our airplanes were 100 to 150 miles an hour slower in the air than those of the five leading European countries. Speed and maneuverability in the air is the essence of success. A plane that is 10 miles an hour faster means generally, other things being equal, success for that plane. If the plane you are fighting is faster, it means that he can catch you if he is attacking you, or he can get away from you if you are attacking him, for you cannot catch him. The matter of speed is a matter of vital importance.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Alabama.

Mr. HILL of Alabama. If that is true, the War Department showed good wisdom in purchasing the Douglas planes referred to; and with reference to the proposition the War Department is not carrying out the law in connection with requesting bids, may I say when they asked for bids for the contract under which the Douglas planes were bought they sent out 160 circular proposals, which took in every airplane factory of any consequence in the country, and the War Department advertised also in newspapers and in trade journals.

Mr. MAAS. That is their general policy, is it not?

Mr. HILL of Alabama. That is their general policy, of course.

Mr. MAAS. The reason I say this will eliminate competition is that it leaves no opportunity to do any development work whatsoever. There is no opportunity under this proposed amendment to recover the developmental expense. Frequently a development will cost $100,000 and will produce a product which will have a unit price of $500, and then the concern that developed the product may not even get the contract. We are interested in ultimate economy, and I say this 10-percent limitation will add millions and millions of dollars to the cost of our national defense; and, more serious than that, will decrease its efficiency in an untold percentage.

If concerns cannot make a sufficient profit on contracts to reimburse them for developmental expenses, they will simply cease to seek or even accept Government business.

This will soon narrow the field to those from whom the Government is able to purchase until no competition will exist at all. The worst feature of this is that the smaller companies will be the first who are forced to forego Government contracts, because they do not have sufficient resources to gamble on Government business and take a chance on not getting a contract after spending any money on developing a product for which the Government is the only market.

This will leave the field to a very few large corporations, and thereafter the Government will be absolutely at their mercy and will pay a thousandfold for its unwise policy that will permit the complete destruction of competition.

Generally, when there is no competition, there is no progress. Improvements, advance, and progress cost money. These corporations have no magical source of funds. The stockholders will not long tolerate a management that cannot show a reasonable return upon their investment.

Genuine, healthy, natural competition will in itself give us adequate protection against exorbitant profits. The rivalry for business is very keen today, and a concern whose bid is too high just does not get the business. Of course, price must not be the sole criterion. Quality is all important. You are playing with men's lives when you buy airplanes. The best in material and workmanship is none too good. But not only is the question of the pilots' lives involved, but the whole question of the success or failure of our air defense is at stake.

If there is violation of the law in the purchase of airplanes, punish the violators, but do not merely pass more laws that can only hamper proper procurement and not aid it. However, the complaints of the past do not hold for procurement conditions today. Government contracts are pretty well protected now by proper audits, inspection, and tests. I hope the amendment will be rejected.

[Here the gavel fell.]

Mr. PARKS. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Page 10, line 16, amendment no. (4), strike out "$33,944,252" and insert "$34,619,252: *Provided*, That on and after July 1, 1936, there shall be authorized 1,183 officers of the Medical Corps and 258 officers of the Dental Corps, notwithstanding the provision of the act of June 30, 1922 (42 Stat. 721), and the authorized commissioned strength of the Regular Army is hereby increased by 300 in order to provide for the increase herein authorized in the number of officers in the Medical and Dental Corps."

Mr. PARKS. Mr. Speaker, I move to recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

In lieu of the matter inserted by said amendment insert the following: "$34,169,252: *Provided*, That on and after July 1, 1936, there shall be authorized 1,033 officers of the Medical Corps and 183 officers of the Dental Corps, notwithstanding the provisions of the act of June 30, 1922 (42 Stat. 721), and the authorized commissioned strength of the Regular Army is hereby increased by 75 in order to provide for the increases herein authorized in the number of officers in the Medical and Dental Corps."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 11, line 11, amendment no. (9), strike out "$60,883,292, and, in addition, $2,344,211 of the appropriation 'Pay of the Army, 1936', which sum shall remain available until June 30, 1937, for defraying the cost of increasing the enlisted strength of the Regular Army from an average of 147,000 to an average of 150,873 enlisted men, and shall be available also for the objects embraced by and in addition to other appropriations contained in this act."

Mr. PARKS. Mr. Speaker, I move to recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Restore the matter stricken out by said amendment amended to read as follows: "$61,383,965, and, in addition, $2,344,211 of the appropriation 'Pay of the Army, 1936', which sum shall remain available until June 30, 1937, for defraying the cost of increasing the enlisted strength of the Regular Army from an average of 147,000 to an average of 165,000 enlisted men, and the attainment of such 165,000 enlisted men shall be accomplished by recruiting at the rate of 1,500 men per month in addition to recruits necessary to maintain 147,000 enlisted men."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 31, line 7, amendment no. 20:

"ACQUISITION OF LAND

"For the acquisition of land in the vicinity of West Point, N. Y., as authorized by the act approved March 3, 1931 (46 Stat. 1491), $431,000, to remain available until expended."

Mr. PARKS. Mr. Speaker, I move to recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

In lieu of the matter inserted by said amendment insert the following:

"ACQUISITION OF LAND

"For the acquisition of land in the vicinity of West Point, N. Y., as authorized by the act approved March 3, 1931 (46 Stat. 1491), or, in lieu thereof, for such extensions and alterations as may be necessary in the existing pipe line and intake employed in supplying water to the United States Military Academy, $431,000, to remain available until expended: *Provided*, That no obligation to acquire any parcel of land shall be incurred until the Comptroller General shall have approved the proposed purchase price as being reasonable."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 37, line 16, amendment no. 25:

"That the Secretary of War is hereby authorized and directed to convey to the city of Little Rock, Ark., a municipal corporation of the State of Arkansas, the land described in section 2 hereof, subject to the following conditions:

"(1) Said property shall be at all times utilized only by the municipality for public purposes.

"(2) In time of national emergency, upon request of the Secretary of War, the municipality shall turn over complete control and operation of the entire Little Rock Municipal Airport and the property thereon, without rental or other charge, to the United States of America, for such use and for such length of time as the emergency shall require, in the discretion of the Secretary of War.

"(3) That the said municipality shall at all times furnish free use of the said Little Rock Municipal Airport to all Army and Navy aircraft, together with such hangar and necessary service facilities as are available at said airport.

"(4) That the said municipality shall furnish free use of the airport field and the squadron hangar now located thereon to the One Hundred and Fifty-fourth Observation Squadron, Arkansas National Guard, or its successor as designated by the War Department, and that the said squadron during periods of intensive training under direction of the War Department shall have right-of-way or priority in the use of the said field, and that the municipality shall continue to extend to the squadron the same free services of said field as are now extended to the squadron, including free use of the lighting system for night flights.

"(5) The municipality shall annually expend in new and additional improvements to the airport an amount equal to the amount now paid the United States of America as rental.

"SEC. 2. The land authorized to be conveyed by the Secretary of War under section 1 hereof is described as follows:

"Beginning at an iron pin marking the southwest corner of the east half of the northeast quarter section 12, township 1 north, range 12 west, fifth principal meridian; thence

"(1) South 84°45' west along the east and west half-section line of said section, said line also being the center line of Seventeenth Street, a distance of 1,241.65 feet to a point in the easterly right-of-way line of the Missouri Pacific Railroad; thence

"(2) North 34°56' west along said right-of-way line, a distance of 1,548.78 feet to a point in the center line of Thirteenth Street; thence

"Along the center line of Thirteenth Street, the following three courses:

"(3) North 84°46' east a distance of 941.04 feet to a point;

"(4) South 84°21' east a distance of 179 and no hundredths feet to a point;

"(5) North 84°54' east a distance of 884.30 feet to a point in the center line of the Harrington Avenue, said center line also being the west line of the east half of the northeast quarter of said section 12; thence

"(6) North 5°36' west along said center line, a distance of 1,058.80 feet to a point; said point being 286 and no hundredths feet from a stone monument marking the northwest corner of the east half of the northeast quarter of said section 12; thence

"(7) North 37°35' east a distance of 391.60 feet to a point in the north line of said section 12, distant 268 and no hundredths feet from said stone monument; thence

"(8) North 84°32' east along the north line of section 12, a distance of 843.85 feet to an iron pin, said pin being 211 and no hundredths feet from a stone monument in the northeast corner of said section 12; thence

"(9) South 5°31' east a distance of 2,657.70 feet to an iron pin, said pin being 211 and no hundredths feet from an iron pin in the southeast corner of the east half of the northeast quarter of section 12; thence

"(10) South 84°42' west along the east and west half-section line of said section 12, said line also being the center line of Seventeenth Street, a distance of 935.80 feet to a point; thence

"(11) North 5°36' west a distance of 75.10 feet to a point; thence

"(12) South 84°42' west a distance of 172.20 feet to a point; thence

"(13) South 5°36' east a distance of 75.10 feet to the point of beginning.

"Containing, in all, an area of 115.804 acres, more or less, all as shown on map no. 6490–101, entitled 'Reservation Boundary Little Rock, A. I. D., Little Rock, Ark.', dated March 1928, and filed in the office of the Quartermaster General, Washington, D. C."

Mr. PARKS. Mr. Speaker, I move to recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

On page 5, line 5, of the Senate engrossed amendments, after the word "purposes", insert the following: "except what is known as building numbered 19 thereon covered by existing lease and any building erected with the consent of the city of Little Rock, Ark., on the site of hangar numbered 1."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 29: Page 46, line 10, strike out "$15,697,170" and insert "$16,188,870."

Mr. PARKS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

In lieu of the sum proposed insert "$16,196,370."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 35: Page 56, line 13, after the word "that", strike out "officers, warrant officers, and enlisted men of the National Guard and Organized Reserves, who, under regulations prescribed by the Secretary of War, volunteer to participate without pay as competitors or range officers in the national matches to be held during the fiscal year 1937, may attend such matches without pay, notwithstanding any provision of law to the contrary, but shall be entitled to travel and subsistence allowances at the same rates as are provided for civilians who attend and participate in said matches: *Provided further*, That".

Mr. PARKS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Restore the matter stricken out by said amendment amended to read as follows: "officers, warrant officers, and enlisted men of the National Guard and Organized Reserves, who, under regulations prescribed by the Secretary of War, volunteer to participate without pay as competitors or range officers in the national matches to be held during the fiscal year 1937, may attend such matches without pay, notwithstanding any provision of law to the contrary, but shall be entitled to travel and subsistence allowances at the same rates as are provided for civilians who attend and participate in said matches, but this proviso shall not operate to prohibit the pay of such competitors or range officers, provided funds for such payment are available from the appropriation 'Promotion of rifle practice, 1937', nor shall any provision in this act operate to deprive a Reserve officer ordered to active duty incident to the national matches of pay for the full period of such active duty, provided funds for such payment are available from the appropriation 'Promotion of rifle practice, 1937': *Provided further*, That."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 42: Page 69, at the end of line 12, strike out "$6,000" and insert "$177,000, of which $171,000 shall be available for expenditure by the Secretary of War for the acquisition, by purchase, condemnation, or otherwise, of such suitable lands in the vicinity of the city of Baltimore, Md., as in his judgment are required for enlargement of existing national-cemetery facilities, and shall remain available until expended)."

Mr. PARKS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

In lieu of the matter inserted by said amendment insert the following: "$106,000, of which $100,000 shall be available for expenditure by the Secretary of War for the acquisition, by purchase, condemnation, or otherwise, of such suitable lands as in his judgment are required for enlargement of existing national-cemetery facilities."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 45: On page 74, line 17, strike out "$138,677,-899" and insert "$196,677,899."

Mr. PARKS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

In lieu of the sum proposed insert: "$159,427,899, of which not exceeding $6,000,000 may be expended, at the discretion of the Chief of Engineers, upon river and harbor or flood-control projects heretofore specifically provided to be proceeded with in any legislative measure heretofore passed by either the Senate or the House of Representatives of the United States: *Provided further*, That from this appropriation the Secretary of War may, in his discretion and on the recommendation of the Chief of Engineers based on the recommendation by the Board for Rivers and Harbors

in the review of a report or reports authorized by law, expend such sums as may be necessary for the maintenance of harbor channels provided by a State, municipality, or other public agency, outside of harbor lines and serving essential needs of general commerce and navigation, such work to be subject to the conditions recommended by the Chief of Engineers in his report or reports thereon."

Mr. PARKS. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I hope that the House will refuse to concur in this amendment, which increases the amount allowed by the House something like $20,800,000.

The primary purpose of this amendment is to legalize and authorize two projects which have not been authorized by law, the Sardis Reservoir project in Mississippi, with an amount available of $2,500,000, and with an amount required for completion of $9,472,000.

The Conchas Dam, in New Mexico, $3,500,000 allowed, with an amount required to complete of $6,170,000.

When you come to consider that out of the $159,000,000, $38,000,000 is allotted for maintenance and that sort of thing—$3,700,000 for harbors on the coast and about $1,200,000 for harbors on the Lakes, and the rest for a lot of heterogeneous items, many of which have never been authorized by the Congress—I do not believe we are passing a bill that is justified under the circumstances.

Why we should increase the amount the House allowed, with over $20,000,000 of authorized construction—$20,000,000 more for projects which have never been authorized by Congress and never appropriated for or considered by any committee of the House, projects that were turned down by the House—I cannot understand. I hope this amendment will be voted down.

The SPEAKER. The question is on the motion to recede and concur with an amendment.

The question was taken; and on a division (demanded by Mr. TABER) there were 70 ayes and 38 noes.

Mr. TABER. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER. Evidently there is no quorum present. The Doorkeeper will close the doors and the Clerk will call the roll.

The question was taken; and there were—yeas 210, nays 84, answered "present" 1, not voting 132, as follows:

[Roll No. 89]

YEAS—210

Adair	Culkin	Gray, Pa.	McReynolds
Andresen	Cullen	Green	McSwain
Ashbrook	Cummings	Greever	Maas
Bankhead	Curley	Gregory	Mahon
Barden	Daly	Griswold	Mansfield
Barry	Darden	Guyer	Martin, Colo.
Bland	Deen	Haines	Mason
Blanton	Dempsey	Hamlin	Massingale
Bloom	DeRouen	Hart	Maverick
Boland	Dies	Healey	May
Boylan	Dietrich	Hill, Ala.	Mead
Brewster	Dingell	Hill, Samuel B.	Meeks
Brown, Ga.	Disney	Hobbs	Merritt, N. Y.
Brown, Mich.	Dobbins	Hook	Miller
Buchanan	Dockweiler	Houston	Mitchell, Ill.
Buck	Dorsey	Imhoff	Monaghan
Burdick	Doughton	Jacobsen	Montague
Cannon, Mo.	Doxey	Johnson, Okla.	Moran
Carmichael	Drewry	Johnson, Tex.	Mott
Carpenter	Driscoll	Johnson, W. Va.	Murdock
Cartwright	Driver	Jones	Nelson
Castellow	Duffy, N. Y.	Keller	Nichols
Chandler	Duncan	Kenney	Norton
Chapman	Dunn, Pa.	Kleberg	O'Connell
Christianson	Eckert	Kniffin	O'Connor
Church	Eicher	Kocialkowski	O'Leary
Clark, Idaho	Evans	Kramer	Palmisano
Clark, N. C.	Faddis	Kvale	Parks
Colden	Fitzpatrick	Lanham	Parsons
Cole, Md.	Flannagan	Lesinski	Patterson
Collins	Fletcher	Lewis, Colo.	Patton
Colmer	Ford, Calif.	Lewis, Md.	Pearson
Cooley	Ford, Miss.	Lundeen	Peterson, Ga.
Cooper, Tenn.	Fuller	McClellan	Pettengill
Costello	Fulmer	McCormack	Peyser
Cox	Gasque	McFarlane	Pierce
Cravens	Gassaway	McGehee	Pittenger
Creal	Gavagan	McGrath	Polk
Cross, Tex.	Gillette	McKeough	Powers
Crosser, Ohio	Gingery	McLaughlin	Quinn
Crowe	Goldsborough	McMillan	Rabaut
Ramspeck	Sandlin	Sumners, Tex.	Walter
Rankin	Schaefer	Sutphin	Warren
Rayburn	Schuetz	Terry	Wearin
Reilly	Scott	Thomason	Weaver
Richards	Scrugham	Thompson	Welch
Richardson	Secrest	Tolan	West
Robinson, Utah	Smith, Wash.	Tonry	Whittington
Rogers, N. H.	Snyder, Pa.	Turner	Williams
Rogers, Okla.	Somers, N. Y.	Umstead	Wolverton
Russell	South	Vinson, Ga.	Zimmerman
Ryan	Spence	Vinson, Ky.	
Sanders, Tex.	Stubbs	Wallgren	

NAYS—84

Allen	Ellenbogen	Kopplemann	Rich
Amlie	Engel	Lambertson	Robertson
Andrews, N. Y.	Focht	Lambeth	Rogers, Mass.
Arends	Frey	Lehlbach	Sauthoff
Bacharach	Gearhart	Lord	Seger
Bacon	Gehrmann	Luckey	Shanley
Biermann	Gilchrist	McLean	Short
Binderup	Goodwin	McLeod	Smith, Conn.
Blackney	Gwynne	Main	Snell
Boileau	Hancock, N. Y.	Mapes	Stefan
Buckler, Minn.	Harlan	Marcantonio	Taber
Cavicchia	Hartley	Martin, Mass.	Tarver
Citron	Hess	Merritt, Conn.	Taylor, S. C.
Coffee	Higgins, Mass.	Michener	Thurston
Cole, N. Y.	Hoffman	Millard	Tinkham
Crawford	Hollister	Mitchell, Tenn.	Treadway
Darrow	Holmes	O'Neal	Turpin
Dirksen	Hope	Perkins	Withrow
Ditter	Hull	Plumley	Wolcott
Dondero	Kahn	Reed, Ill.	Wolfenden
Doutrich	Kinzer	Reed, N.Y.	Woodruff

ANSWERED "PRESENT"—1

O'Day

NOT VOTING—132

Andrew, Mass.	Dunn, Miss.	Kennedy, N.Y.	Sanders, La.
Ayers	Eagle	Kerr	Schneider, Wis.
Beam	Eaton	Kloeb	Schulte
Beiter	Edmiston	Knutson	Sears
Bell	Ekwall	Lamneck	Shannon
Berlin	Englebright	Larrabee	Sirovich
Boehne	Farley	Lea, Calif.	Sisson
Bolton	Fenerty	Lee, Okla.	Smith, Va.
Boykin	Ferguson	Lemke	Smith, W.Va.
Brennan	Fernandez	Lucas	Stack
Brooks	Fiesinger	Ludlow	Starnes
Buckley, N. Y.	Fish	McAndrews	Steagall
Bulwinkle	Gambrill	McGroarty	Stewart
Burch	Gifford	Maloney	Sullivan
Burnham	Gildea	Marshall	Sweeney
Caldwell	Granfield	Montet	Taylor, Colo.
Cannon, Wis.	Gray, Ind.	Moritz	Taylor, Tenn.
Carlson	Greenway	O'Brien	Thom
Carter	Greenwood	Oliver	Thomas
Cary	Halleck	O'Malley	Tobey
Casey	Hancock, N. C.	Owen	Utterback
Celler	Harter	Patman	Wadsworth
Claiborne	Hennings	Peterson, Fla.	Werner
Cochran	Higgins, Conn.	Pfeifer	Whelchel
Connery	Hildebrandt	Ramsay	White
Cooper, Ohio	Hill, Knute	Randolph	Wigglesworth
Corning	Hoeppel	Ransley	Wilcox
Crosby	Huddleston	Reece	Wilson, La.
Crowther	Jenckes, Ind.	Risk	Wilson, Pa.
Dear	Jenkins, Ohio	Robsion, Ky.	Wood
Delaney	Kee	Romjue	Woodrum
Dickstein	Kelly	Sabath	Young
Duffey, Ohio	Kennedy, Md.	Sadowski	Zioncheck

So the motion to recede and concur with an amendment was agreed to.

The following pairs were announced:

On the vote:

Mr. Taylor of Colorado (for) with Mr. Wigglesworth (against).
Mr. Pfeifer (for) with Mr. Andrew of Massachusetts (against).
Mr. Cary (for) with Mr. Higgins of Connecticut (against).
Mr. McAndrews (for) with Mr. Marshall (against).
Mr. Fernandez (for) with Mr. Robsion of Kentucky (against).
Mr. Kennedy of New York (for) with Mr. Jenkins of Ohio (against).
Mr. Woodrum (for) with Mr. Schneider of Wisconsin (against).
Mr. Maloney (for) with Mr. Ransley (against).
Mr. Sullivan (for) with Mr. Wilson of Pennsylvania (against).

General pairs:

Mr. Corning with Mr. Wadsworth.
Mr. Boehne with Mr. Eaton.
Mr. Granfield with Mr. Carter.
Mr. Cochran with Mr. Taylor of Tennessee.
Mr. Sabath with Mr. Halleck.
Mr. Burch with Mr. Cooper of Ohio.
Mr. Lea of California with Mr. Burnham.
Mr. Beiter with Mr. Knutson.
Mr. Kerr with Mr. Tobey.
Mr. Duffey of Ohio with Mr. Gifford.
Mr. Greenwood with Mr. Bolton.
Mr. Huddleston with Mr. Carlson.
Mr. Patman with Mr. Ekwall.

Mr. Delaney with Mr. Crowder.
Mr. Hancock of North Carolina with Mr. Risk.
Mr. Schulte with Mr. Fish.
Mr. Steagall with Mr. Thomas.
Mr. Connery with Mr. Englebright.
Mr. Thom with Mr. Stewart.
Mr. Smith of Virginia with Mr. Lemke.
Mr. Bulwinkle with Mr. Fenerty.
Mr. Larrabee with Mr. Knute Hill.
Mr. Sears with Mr. Gildea.
Mr. Beam with Mr. Owen.
Mr. Randolph with Mr. Berlin.
Mr. Sweeney with Mr. Ramsay.
Mr. O'Brien with Mr. Bell.
Mr. Feisinger with Mr. Grambrill.
Mr. O'Malley with Mr. Stack.
Mr. Wearin with Mr. Peterson of Florida.
Mr. Cannon of Wisconsin with Mr. Shannon.
Mrs. Jenckes of Indiana with Mr. Dear.
Mr. McGroarty with Mr. Dunn of Mississippi.
Mr. Wood with Mr. Montet.
Mr. Starnes with Mr. Edmiston.
Mr. Dickstein with Mr. Romjue.
Mr. Sadowski with Mr. Boykin.
Mr. Gray of Indiana with Mr. Harter.
Mr. Kee with Mr. Crosby.
Mr. Lamneck with Mr. Sirovich.
Mr. Lucas with Mr. Farley.
Mr. Whelchel with Mr. Ludlow.
Mr. Claiborne with Mr. Sisson.
Mr. Buckley of New York with Mr. Kennedy of Maryland.
Mr. Wilcox with Mr. Casey.
Mr. Ferguson with Mr. Hennings.
Mr. Kelly with Mr. Caldwell.
Mr. Smith of West Virginia with Mr. Kloeb.
Mr. Celler with Mr. Lee of Oklahoma.
Mr. Hildebrandt with Mr. White.
Mr. Ayers with Mr. Brennan.
Mr. Moritz with Mr. Zioncheck.
Mr. Greenway with Mr. Sanders of Louisiana.
Mr. Eagle with Mr. Utterback.
Mr. Young with Mr. Wilson of Louisiana.
Mr. Brooks with Mr. Oliver.

Mr. MASSINGALE changed his vote from "no" to "aye."

Mr. THURSTON changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to proceed out of order for half a minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WHITTINGTON. Mr. Speaker, I want to call the attention of the gentleman from New York [Mr. TABER] to the fact that he stated that the conference report and the amendment just adopted included the Bluestone Reservoir in West Virginia. That is eliminated under the terms of the amendment, which covers only the Sardis and Conchas Reservoirs; and I ask unanimous consent to extend and revise my remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WHITTINGTON. Mr. Speaker, under the leave to extend, permit me to say that just before the vote was taken on the motion to recede and concur with an amendment the gentleman from New York [Mr. TABER] stated that the adoption of the motion would provide for continuing work on three reservoirs, known as the Sardis Reservoir in Mississippi, the Conchas Reservoir in New Mexico, and the Bluestone Reservoir in West Virginia. The gentleman is in error. The amendment provides that $6,000,000 of the total sum appropriated, aggregating $159,427,899, may be expended upon any flood-control projects heretofore specifically provided for by either the House or the Senate.

Under the terms of the amendment the Bluestone Reservoir is eliminated. I wish it had been included. It has been recommended by the Chief of Engineers; but, I repeat, inasmuch as it has not been approved by either the House or the Senate, it is eliminated from the $6,000,000 that may be expended by the Chief of Engineers. Moreover, the amendment provides definitely for only the Sardis Reservoir in Mississippi in the sum of $2,500,000 and the Conchas Reservoir in New Mexico in the sum of $3,500,000. These two projects have been approved either in the House or in the Senate. The Sardis Reservoir is embraced in S. 3531, in the so-called Overton flood-control bill, that passed the Senate some 2 weeks ago; the Conchas Reservoir is embraced in H. R. 8455, which passed the House in July 1935, is known as the omnibus flood-control bill, and is now pending in the Senate.

The Senate has already agreed to the conference report. It has already thus approved the amendment that will provide for continuing work on the Sardis Dam and on the Conchas Dam. As shown by the remarks of Senator COPELAND, of New York, the chairman of the Committee on Commerce and of the Senate conferees, when the conference report was pending in the Senate, and as shown by the CONGRESSIONAL RECORD of April 24, 1936, page 6071, the Senator from New York expressly stated, and the Senate understood, as the House now understands, it was the intent of the amendment to provide for the Sardis Dam and for the Conchas Dam.

The Senate increased the appropriation for river and harbor work by $50,000,000. The adoption of the conference report and the approval of the pending amendment reduces the increase from $50,000,000 to $20,750,000. In other words, a vote for the conference report is a vote to reduce the appropriation as it passed the Senate by approximately $30,000,000. Efforts were made to increase the river and harbor appropriation on the floor of the House. The adoption of the amendment provides for an increase for river and harbor work in the sum of $14,750,000 over the amount carried when the bill passed the House and provides for the said sum of $6,000,000 for the Sardis Dam in the sum of $2,500,000 and the Conchas Dam in the sum of $3,500,000. In other words, the Senate increased the appropriation for rivers and harbors by $50,000,000; the House has reduced the appropriation by approximately $30,000,000. Moreover, as I have stated, the Senate has approved the Sardis Reservoir and the House has approved the Conchas Reservoir, and both of these reservoirs are recommended by the Chief of Engineers, and an allocation for both of these reservoirs was made out of the Relief and Emergency Act of 1935. By vote, and as shown by the RECORD, the Senate of the United States has determined that projects that were begun under the Relief and Emergency Act of 1935 have the same status as if they had been approved by act of Congress.

I repeat, to emphasize, that the Sardis Reservoir, after careful study and investigation, was recommended by the Chief of Engineers of the United States. The appropriation of $2,500,000 was also recommended by the Director of the Budget. The project is sound both from an engineering and economic standpoint. Approximately 1,000,000 acres of land are involved. These lands are paying for flood protection along the Mississippi River and are affected by the backwaters of the Mississippi River. Moreover, they have expended $20,000,000 in the construction of flood-control works. I know of no more important or beneficial flood-control work in the United States. The dam will be located close to the alluvial valley; there is thus a most excellent opportunity to demonstrate the value of reservoirs for flood control in the alluvial valley of the Mississippi River, inasmuch as the reservoirs located nearest to the valley afford the greatest protection.

TRANSFER OF CERTAIN LANDS IN MUHLENBERG COUNTY, KY.—REREFERENCE OF A BILL

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to rerefer the bill (H. R. 11916) to authorize the transfer of a certain piece of land in Muhlenberg County, Ky., to the State of Kentucky, from the Committee on Military Affairs to the Committee on Rivers and Harbors.

The SPEAKER. Is there objection?

There was no objection.

TREASURY AGENCY ORGANIZATION

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 12556) to create the Treasury Agency Service, to provide for the more adequate protection of the revenue and a more effective enforcement of the revenue and other laws administered by the Treasury Department, and for other purposes.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object.

Mr. REED of New York. Mr. Speaker, I reserve the right to object.

Mr. SNELL. Mr. Speaker, I think the gentleman from North Carolina should at least tell us what the bill is about. As far as I know there is no objection to the bill.

Mr. DOUGHTON. Mr. Speaker, the bill provides for a consolidation of certain agencies of the Treasury Department—the Secret Service Agency, the Customs Agency, and the Alcoholic Tax Unit, and the criminal division of the Bureau of Narcotics. The purpose of the bill is to provide for a more efficient and more economical administration of these different bureaus; to consolidate them for the purpose of better administration of the law. More or less economy is involved, because it provides for a more effective collection of the revenue. It has the unanimous report of the committee. We held hearings on the bill, and some suggestions were made as to ascertain amendments. Those suggestions have been incorporated in a new bill, now before us, and the objections eliminated.

Mr. REED of New York. Mr. Speaker, I reserve the right to object. We had very full and complete hearings on this bill and it is the unanimous sentiment of the committee that it is a very meritorious measure. The purpose is to coordinate the enforcement activities of three bureaus, one the Alcohol Unit, another the Secret Service, and the other the Customs. These three bureaus now have the country divided up into three districts; that is, three different groups. Under one are 15 districts for enforcement, under another we have 13 districts, and under the Secret Service there are 38 districts. The result is that when the enforcement agents of these different bureaus go into the field in an endeavor to run down violators of the law, they not infrequently operate in the same district without any coordinated effort whatsoever. The result is that the Government is put to unnecessary expense and there is much confusion in the work and a great loss of revenue. Only one objection was raised originally to the bill, and that was with reference to including the Narcotic Division. Some druggists objected. The objections, so far as the druggists are concerned, have been eliminated. This is a companion bill to the antismuggling bill, the customs brokers bill, which we had in the House not long ago. Under the antismuggling measure the Government has already reduced the loss of revenue from $30,000,000 down to $5,000,000. This measure now before the House is going to accomplish, in my opinion, great economy in the field of law enforcement. It creates only one or two extra offices, and the extra cost of them will amount to very little, compared with what will be saved in revenue to the Government. I feel there should be no objection to the passage of the bill.

Mr. RICH. Mr. Speaker, will the gentleman from North Carolina yield?

Mr. DOUGHTON. I yield.

Mr. RICH. I congratulate the chairman of the Committee on Ways and Means on trying to consolidate offices. This is the first indication we have had for the last 2 or 3 years. The gentleman has a great work to perform, and if he gets after it I believe we will find it is a much easier job to cut down Government expenses than it is to raise taxes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. PARSONS. Mr. Speaker, I reserve the right to object. The gentleman from New York [Mr. REED] says that this will be an economy measure. Will the chairman of the committee state whether it is contemplated to lay off a lot of employees, or is this just an effort to have a better enforcement of the law so that the Treasury will obtain more revenue?

Mr. DOUGHTON. The primary purpose is to provide for better enforcement of the revenue laws and the collection of revenues. It might effect some economy. Some employees, if not needed, might be laid off, but that is not the primary purpose of it.

Mr. PARSONS. Regarding the transfer of employees into the new agency, will the gentleman state whether or not the status of these employees will be affected by the language on page 4, line 8:

Provided further, That such of the personnel so transferred who do not already possess a classified civil-service status shall not acquire such status by reason of such transfer.

And further, that no one so transferred may be retained without appropriate civil-service status for a longer period than 60 days.

Mr. DOUGHTON. I have been informed by a source which I believe to be reliable that every employee that is affected by this bill is now under the civil service.

Mr. PARSONS. Nobody will be dropped because of this language in the bill?

Mr. DOUGHTON. That is my distinct understanding from sources that I consider reliable.

The bill, if enacted into law, will prevent duplication and overlapping of the work now being done; it will provide also better and more economical administration. There can be no valid objection to the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the Treasury Agency Organization Act.

SEC. 2. (a) There is hereby created in the Treasury Department an organization to be known as the Treasury Agency Service, at the head of which shall be the Secretary of the Treasury. The Secretary of the Treasury is authorized to appoint in such organization an assistant, to be known as the Director of the Treasury Agency Service, who shall receive a salary at the rate of $10,000 per annum and who shall perform such duties in connection with the supervision and coordination of the activities of the Treasury Agency Service as the Secretary of the Treasury may from time to time assign.

(b) Hereafter the Secret Service Division of the Treasury Department shall be in the Treasury Agency Service. There shall also be in the Treasury Agency Service a Customs Division, a Liquor Enforcement Division, and a Miscellaneous Division. The Secretary of the Treasury is authorized to appoint in the Treasury Agency Service three officers, who shall be designated, respectively, as Chief, Customs Division; Chief, Liquor Enforcement Division; and Chief, Miscellaneous Division, and who shall be chiefs of the division indicated by their respective titles.

SEC. 3. (a) All rights, privileges, powers, immunities, duties, and functions (hereinafter all referred to as functions) conferred or imposed by law upon the Enforcement Division of the Alcoholic Tax Unit of the Bureau of Internal Revenue, the Customs Agency Service of the Bureau of Customs, or the Secret Service Division (hereinafter all referred to as units) of the Treasury Department, or upon any officer or employee of such units, are hereby transferred to and conferred and imposed upon the Secretary of the Treasury.

All functions of investigation, detection, or prevention of willful or fraudulent violations of law, conferred or imposed by law upon the Bureau of Internal Revenue with respect to the internal-revenue laws relating to alcoholic liquors or beverages, upon the Bureau of Customs, or upon any officer or employee of either Bureau, and exercised by such Bureau, officer, or employee though any of the above-named units or the officers or employees thereof, are, to the extent that such functions have been so exercised, hereby transferred to, and conferred and imposed upon, the Secretary of the Treasury.

(b) The Enforcement Division of the Alcohol Tax Unit of the Bureau of Internal Revenue and the Customs Agency Service of the Bureau of Customs, together with the offices of Assistant Deputy Commissioner of Internal Revenue in charge of the Enforcement Division of the Alcohol Tax Unit; Deputy Commissioner of Customs, in charge of the Customs Agency Service; and Assistant Deputy Commissioner of Customs, Customs Agency Service, are hereby abolished.

SEC. 4. All personnel and property of each of the units or offices abolished by this act (including office equipment and official records on file therein or pertaining to the business thereof) are hereby transferred to the Treasury Agency Service: *Provided*, That the transfer of such personnel shall be without change in classification or compensation, except that this requirement shall not operate after September 30, 1936, to prevent the adjustment of classification or compensation to conform to the duties to which the personnel of the Treasury Agency Service may be assigned: *Provided further*, That such of the personnel so transferred who do not already possess a classified civil-service status shall not acquire such status by reason of such transfer except upon recommendation by the Secretary of the Treasury to the Civil Service Commission, subject to such noncompetitive tests of fitness as the Commission may prescribe; and no personnel so transferred may be retained in the Treasury Agency Service without appropriate civil-service status for a period longer than 60 days from the effective date of this act.

SEC. 5. The unexpended balances of appropriations for the Secret Service Division and such portions of the unexpended balances of other appropriations available for use in performing the functions transferred by this act as the Secretary of the Treasury may determine are necessary for the peformance of such functions shall hereafter be available to the Secretary of the Treasury as a single fund for expenditure for the purpose of performing the functions of the Treasury Agency Service and for otherwise carrying out the provisions of this act.

SEC. 6. (a) The Secretary of the Treasury is authorized to detail for duty in the Treasury Agency Service not to exceed three commissioned officers of the Coast Guard.

(b) The Secretary of the Treasury is authorized to confer or impose upon any of the officers or employees of the Treasury Agency Service any of the functions conferred or imposed upon him by this act.

(c) The Secretary of the Treasury is authorized to confer or impose upon any of the officers or employees of the Treasury Agency Service any of the functions, which he is authorized by any other act to confer or impose upon any officer or employee of the Bureau of Internal Revenue, which relate to the investigation, detection, or prevention of willful or fraudulent violations of the internal-revenue laws, relating to alcoholic liquors or beverages or any of the functions which he is authorized by any other act to confer or impose upon any officer or employee of the Secret Service Division or the Bureau of Customs.

(d) Such officers or employees of the Treasury Agency Service as the Secretary of the Treasury may designate shall possess, and may exercise, such of the functions of internal-revenue officers or customs officers, or both, as may be necessary to carry out the purposes of this act.

SEC. 7. (a) All laws, rules, regulations, remedies, privileges, licenses, permits, or orders made, issued, or granted prior to the effective date of this act, in respect of any of the functions transferred by this act, shall continue in full force and effect, except insofar as directly in conflict with the provisions of this act, and shall be applicable in the same manner and to the same extent as if such functions had not been transferred, until modified, superseded, revoked, or repealed.

(b) No proceeding, hearing, investigation, or other matter pending on the effective date of this act shall abate by reason of any provision of this act but shall be continued and brought to determination by the Secretary of the Treasury.

(c) No suit, action, or other proceeding, lawfully commenced by or against any officer or employee of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of any provision of this act.

SEC. 8. The Secretary of the Treasury is authorized to issue such rules, regulations, or orders, or take such other steps, as he shall consider necessary in order to coordinate the performance of the functions of investigation, detection, or prevention of violations of law, conferred or imposed upon any officer or employee of the Treasury Agency Service pursuant to this section with the performance of the functions of investigation, detection, or prevention of violations of the narcotic laws conferred or imposed by law upon the Bureau of Narcotics or any officer or employee thereof.

SEC. 9. The Secretary of the Treasury is authorized to make such rules and regulations as may be necessary to carry out the provisions of this act.

SEC. 10. This act shall take effect on the sixtieth day following its enactment.

With the following committee amendment:

Page 7, line 1, strike out the words "this section" and insert in lieu thereof "section 6."

The committee amendment was agreed to.

Mr. DOUGHTON. Mr. Speaker, I offer an amendment to correct a typographical error.

The Clerk read as follows:

Amendment offered by Mr. DOUGHTON: Page 3, line 15, strike out the word "united" and insert in lieu thereof the word "unit."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A. F. AMORY—VETO MESSAGE (H. DOC. NO. 487)

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk:

To the House of Representatives:

I return herewith without my approval H. R. 399, "An act for the relief of A. F. Amory."

The act confers jurisdiction upon the District Court of the United States for the Eastern District of Virginia to adjudicate the claim of A. F. Amory against the United States for damages alleged to have been sustained by his power boat *Mocking Bird* in a collision between the power boat and a piece of submerged wreckage which is alleged to have been in the custody of the United States Coast Guard at the time of the collision.

Shortly after the collision a Coast Guard board of investigation was convened at section base 9, Cape May, N. J., to inquire into the responsibility for the collision between the *Mocking Bird* and the submerged wreckage. It was found that the United States Coast Guard had picked up the above-mentioned piece of wreckage, and on January 26, 1929, had beached and secured it at a place where it did not constitute a menace to navigation. At 2:15 a. m. on August 6, 1929, a member of the crew of the power boat *Mocking Bird* reported to the United States Coast Guard section 9 base that the *Mocking Bird* had collided with some wreckage floating in midchannel. The board of investigation further found that the piece of wreckage with which the *Mocking Bird* had collided was not in the custody of the Coast Guard at the time of the collision, nor was the collision the result of negligence on the part of the United States Coast Guard. Since the determination of the board no evidence has been brought to light which would alter the above conclusions.

The claim of A. F. Amory appears to be without merit, and I am therefore constrained to withhold my approval of H. R. 399.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 5, 1936.*

The SPEAKER. The objection of the President will be spread at large on the Journal.

Mr. MILLER. Mr. Speaker, I move that the veto message and the bill be referred to the Committee on the Judiciary and ordered printed.

The motion was agreed to.

STANLEY T. GROSS—VETO MESSAGE (H. DOC. NO. 488)

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk:

To the House of Representatives:

I return herewith without my approval H. R. 4031, "An act for the relief of Stanley T. Gross."

This bill provides that the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Stanley T. Gross the sum of $500, in full settlement of all claims against the Government of the United States for the amount of a United States Treasury bond which he deposited in behalf of Stanislaw Walczak, an alien, who has been deported.

The alien, Walczak, was under deportation proceedings for illegal entry into the United States. In those proceedings he was released under $500 appearance bond furnished by Stanley T. Gross. The conditions of the bond were that Walczak would be delivered to the Immigration Service for hearing or hearings or for deportation.

Walczak's deportation was ordered, and Mr. Gross, the bondsman, was notified by registered letter dated October 9, 1929, to surrender Walczak for deportation on October 19, 1929. Mr. Gross failed to deliver the alien and the bond was declared breached. With the exception of writing a letter to Walczak informing him that he should appear for deportation, Mr. Gross apparently made no effort to locate and deliver the alien, who was later apprehended by immigration authorities without any assistance by the bondsman and deported on July 5, 1930.

When Mr. Gross deposited the bond he was undoubtedly aware of his responsibility to produce the alien upon call of the Government. If such laxity, as indicated in this instance, on the part of bondsmen in immigration cases is to be excused, the effective administration of the immigration laws will suffer serious impairment.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 6, 1936.*

The SPEAKER. The objection of the President will be spread at large upon the Journal.

Mr. RAMSPECK. Mr. Speaker, I move that the message of the President and the bill be referred to the Committee on Claims and ordered printed.

The motion was agreed to.

PERMISSION TO ADDRESS THE HOUSE

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. SNELL. Mr. Speaker, reserving the right to object, I would like to ask a question. Is it the intention to call up any more business this afternoon?

The SPEAKER. The Chair knows of no other business to come before the House this afternoon.

Mr. SNELL. I have no objection to the gentleman making a speech.

The SPEAKER. Is there objection to the request of the gentleman from Maryland [Mr. GOLDSBOROUGH]?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield to me to prefer a unanimous-consent request?

Mr. GOLDSBOROUGH. I yield.

PUERTO RICAN INDEPENDENCE

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, today I have introduced a bill providing for the sovereignty of Puerto Rico.

Several days ago a bill was introduced in the Senate by Senator TYDINGS offering apparent independence to the people of Puerto Rico. Instead of offering genuine independence to the people of Puerto Rico, his bill offers them an American-controlled plebescite and a commonwealth which will be under the thumb of the American Government. The independence subsequently offered by the Tydings bill would be considerably curtailed by the menacing presence of an American naval reservation, the scene of the Atlantic fleet maneuvers, on their supposedly sovereign territory. At the same time the Tydings bill, with its tariff provisions, threatens to ruin the only present source of Puerto Rican income, which is the sale of their cash crops in the American market. His bill does not provide for the development of substitutes for the dominating and American-dominated sugar industry.

Such a bill is not desired by the Puerto Rican people, as their concerted protest shows. They would welcome real and absolute independence; and the American people, who once themselves formed a colony of the British Empire, have no desire or interest in being lords and masters of a smaller and weaker nation. Only those gentlemen who stand for reaction in America, the American Tories, the banks and sugar corporations, who have kept the Puerto Rican people in hunger and misery, are interested in Puerto Rico as a colony, not only for their profits but also as a fortified war base. If we really want to be the initiators of a Pan American peace conference, let us be honest and clear in our dealings with the peoples of our sister republics. That means that one of the bases of peace is the freedom of nations.

It is in viewing this question fairly and from the point of view of the interests of the American people, as well as the desires of the people of Puerto Rico, that I have presented my bill.

The dignity of the American people as a freedom-loving Nation demands that Puerto Rico be judged under the principle of self-determination of nations. This means that the United States remove completely and forever all interventions, all fingers from the affairs of the Puerto Rican people. This means that it grant complete sovereignty to the Puerto Rican people so that as a nation among other nations of the world Puerto Rico may work out its own destiny in such manner as it sees fit. Such complete independence will do much for real harmony in the Americas.

Genuine independence and the declaration of the responsibility of the United States for the present disastrous state of the economy of Puerto Rico and the abysmal poverty of its people is the purpose of my bill.

Puerto Rico, taken as the booty of war from Spain in 1898, has been successively ruined.

Four large American sugar corporations own over half of the good sugar land and produce over half the total crop. Sugar now composes about 75 percent of the exports of the island, whereas tobacco and coffee have been relegated to the background. The once landowning farmers dispossessed by the huge sugar plantations today work the unfertile mountain soil or are landless. Only 7 percent of the native dwellers in the rural regions are landowners in Puerto Rico, an agrarian country. Over the heads of these small farmers hangs a total mortgage debt of about $25,000,000. For years they have been unable to pay taxes.

The landless peasants have been converted into a great army of colonial slaves in the sugar plantations or are unemployed. The reports of the Puerto Rican Department of Labor for 1935 show an average wage for male workers in the sugar fields of $3.34 per week and for female sugar workers of $1.96 per week. This same wage scale runs through the other island industries and in tobacco and coffee they are much worse.

The lack of industry and the conversion of the island into a huge sugar-producing factory has meant a great toll in unemployment. The F. E. R. A. in Puerto Rico for February 1936 reports a total of 408,000 fathers of families in need and soliciting work or relief, a figure which includes 84.4 percent of the population.

Even in 1927 Governor Roosevelt pointed out the high percentage of tuberculosis, hookworm, malaria, and other diseases directly caused by the hunger of the people.

Responsible, therefore, for this misery, hunger, and disease is the maintenance of Puerto Rico as a colony of the United States, thus giving ample room for American interests to penetrate as deep economically as they wished while the Puerto Rican people could not develop their own country. But the Puerto Rican people have manifested their refusal to take this situation lying down. The great pressure for independence in the island is undoubtedly a determining factor in the sudden appearance of the Tydings bill with its apparent independence.

I propose that the United States take its hands off and let the Puerto Rican people do as they wish with their own country. The hunger and misery, the economic catastrophe, can certainly be laid at the door of the policy of the United States in Puerto Rico whether it is the do-nothing policy of Hoover or the do-very-little policy of Roosevelt.

Those people who favor the continuation of this "shame of the Americas", which is Puerto Rico as a colony, are trying to make it appear as though independence means more hunger for the people. The tories know that such a statement is a solemn lie. It is, to say the least, unfortunate that the Tydings bill with its provisions for a tariff on Puerto Rican products has added fuel to their flames.

My bill proposes that there be no tariff on Puerto Rican products shipped to the United States until the people of Puerto Rico so desire.

This is done so that Puerto Rico may have the necessary chance to build up her own industry and develop trade with whom she sees fit for her best advantage. Neither shall there be any restrictions on Puerto Rican immigration. These principles are to be ratified in a treaty between the two nations made 90 days after the new government of Pureto Rico expresses its desire to begin discussion. In the interim between the proclamation of independence and the signing of this treaty the present status quo in regard to trade relations is to be maintained. In this way there would be avoided as far as possible an undue cracking of the whip over the new nation.

Furthermore, in the 38 years that Puerto Rico has been a possession of the United States American citizens have extracted from the economy of the island over $400,000,000 which never returned to Puerto Rico for the well-being of its people or the development of its resources. This simple fact, verified by the Brookings Institution in 1929, is a major reason for the present difficulties of the people of Puerto Rico. That huge sum of money and the promise of more is why the American reactionaries try to make a genuine independence appear as a mistake and harmful to the people of Puerto Rico. But the hunger is the result of imperialist domination, and that is the real enemy of the Pureto Rican people.

I believe that it is only consistent with the dignity of the American people that a substantial indemnity be paid to the long-suffering people of Puerto Rico to make up in part for the years of hardship that they have undergone and to

enable them to better find their feet and take boldly the path of freedom they ardently desire.

These are the principles of my bill. To the Tydings bill for fictitious independence I propose genuine and immediate independence. I also believe in presenting this bill that the Puerto Rican people should hold no illusions. Only their own united strength, the formation of an anti-imperialist front of the whole people against the foreign dominators and their own national traitors is the best guarantee of achieving independence. Waiting for the Tydings bill or my bill, or any other bill to grant them independence on a silver platter, would be a great mistake. Behind them will stand the overwhelming majority of the great American people, who hate oppression and love freedom.

It is up to the people of Puerto Rico to take the initiative, and the more they develop that and make it known to the entire world the better are the chances of the passage of my bill and the achieving of independence.

APPROPRIATIONS FOR THE STATE DEPARTMENT

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mrs. O'DAY. Mr. Speaker, for good or for evil, the United States has definitely entered the world's great armament competition.

Congress has appropriated half a billion dollars for military defense and another half billion or more for naval defense. It has authorized the building of two great battleships, at an approximate cost of $50,000,000 each.

What appropriation has it made for the country's first line of defense, the Department of State, which is the channel through which our negotiations with the nations of the world are carried on?

The far-flung outposts of this Department are to be found in every country in the world and in the remotest sections of these countries. A heavy responsibility rests upon those who represent us at these outposts. They watch the trend of events around them. They interpret and transmit them to the Department heads at Washington. They must be alert to foresee and to obviate possibilities for international misunderstandings. They must remove the small irritants that inevitably creep into all relationships, whether of trade and commerce or diplomacy. They must see to it that the lives as well as the interests of our nationals are safeguarded in their territories. They must keep watch lest a slight clash of interest grow into a breach of international peace, and it may often be that the delicate balance between war and peace is maintained through their good judgment, their integrity, and courage.

Because of its paramount importance our Department of State outranks all other departments. It is the acknowledged foundation upon which our whole structure of peace is reared, and Congress has appropriated to it for the coming year the pitifully inadequate sum of $16,111,934.

Compare this with the cost of one battleship.

APPOINTMENT OF ONE CONFEREE ON DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1937

Mr. CANNON of Missouri. Mr. Speaker, will the gentleman yield to me to make a request?

Mr. GOLDSBOROUGH. I yield.

Mr. CANNON of Missouri. Mr. Speaker, in view of the death of Mr. Buckbee, of Illinois, one of the conferees on the Department of Agriculture appropriation bill, I ask that the gentleman from New York [Mr. TABER] be appointed as a conferee on the bill in his place.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. Without objection, the gentleman from New York [Mr. TABER] is appointed a member of the conference committee on the Department of Agriculture appropriation bill, and the Senate will be informed accordingly.

There was no objection.

The SPEAKER. The gentleman from Maryland [Mr. GOLDSBOROUGH] is recognized for 10 minutes.

POVERTY IN THE MIDST OF PLENTY

Mr. GOLDSBOROUGH. Mr. Speaker, on April 27 and 28 hearings were held in the House Committee on Banking and Currency on H. R. 9216. The hearings will be printed and I believe are of great interest to every Member of the American Congress, to every citizen of the United States, and to every citizen of every civilized country.

Without going into detail, the bill, I think, embodies the first legislative attempt to achieve a distribution to the people of all the wanted goods and services which the country can produce; in other words, it attempts to attack directly the problem of poverty in the midst of plenty.

During the hearings an elderly lady, who stated that her name was Patterson, spoke to me in a kindly manner about the bill. A few days afterward I received from her a communication which appears to me to be so much more than a personal letter that I think I should read it at this time:

APRIL 30, 1936.

Hon. T. ALAN GOLDSBOROUGH,
House of Representatives, Washington, D. C.

DEAR MR. GOLDSBOROUGH: I tried in vain the other day to give some adequate expression to my appreciation of the splendid work you are doing with your bill, 9216, but only succeeded in saying a few awkward words. I cannot, therefore, now refrain from trying to tell you of my admiration and respect for your courage and perseverance in your long and uphill fight for a decent life for the American people. I am sure of the ultimate triumph of social-credit principles, but I see many hard, dark days ahead of us. Still, as in every other worth-while cause, we must work on, even when there is no hope.

I am leaving soon for England and am going largely to see something of social-credit work there. And it will be one of my greatest joys to tell them of the Goldsborough bill and the good fight being waged in its behalf.

The enclosed card contains a feeble attempt to express my feelings on the situation.

Please do not trouble to reply. I only want to convey some idea of my feelings to you.

Very sincerely yours,

ANN C. PATTERSON.

The card referred to in the letter is as follows:

THE NEW CREED

I believe in the earth
And the fullness thereof;
In man and his labor;
In the machine,
Man's supreme masterpiece,
With which he has created,
And is still creating,
Abundance for all.

We are crucified daily and suffer,
Because we haven't money to buy
That which we produce.

We have descended into hell—
The hell of hunger, nakedness,
And economic insecurity.

We can arise from this hell
And ascend into heaven—
The heaven of plenty for all.

I believe in that new economics,
Which is a communion,
Not of saints,
But a communion, in which
All will partake.

And I believe in a resurrection
From despair, suffering, and uncertainty
And in life abundant.

—A. C. P.

On yesterday, upon my request, the lady consented that I make use of her communication at this time. [Applause.]

PROTECTION OF AMERICAN LEGATION IN ADDIS ABABA

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I wish to be absolutely fair in this matter, and because I do wish to be so fair I have introduced today in the House of Representatives a resolution, which I will read:

Resolved, That the Secretary of State is hereby requested to transmit forthwith to the House of Representatives (1) full and complete information as to what steps were taken by the Government of the United States to provide, in connection with the Italo-Ethiopian War, for the protection of the American Legation

in Addis Ababa, and, in connection with the recent looting of that city, for the protection of the lives of American citizens taking refuge in such Legation; and (2) copies of all communications between the Department of State and the American Minister in Addis Ababa in respect of such looting and in respect of any action taken or proposed or ordered to be taken in connection therewith.

Mr. Speaker, all the information we now have is what we have secured through the press or that I have secured from the Department of State by telephone. I want that information verified. The State Department knew for weeks and months that there would be danger of grave disturbance of looting and worse. The State Department knew that the people in our Legation might need protection. Mr. Speaker, what was done to protect our Minister and his wife, the naval radio operators, and the personnel attached to that Legation? So far as I can tell, there were only four guards there, and they were natives, to defend the Legation.

The United States Legation at least, Mr. Speaker, could have had machine guns there and other equipment.

The gentleman from Pennsylvania has asked me the question that if we had protected our Legation with machine guns, would not that tend to get us into war, especially if a shot were fired for protection. Mr. Speaker, there were plenty of shots fired by the defenders of our Legation, and we are not at war. Those shots were fired against looters and bandits, not against an organized soldiery of Ethiopia. We have a right to protect our property against such wherever it may be located. It was a pity, however, that our Legation did not have adequate arms, in the form of machine guns, to insure such protection as was needed.

We at least, Mr. Speaker, could have done as the British did, had trained men there, or men ready to defend our people.

I think my colleagues in Congress would agree with me that it is very humiliating that we had to appeal to the British Government for protection instead of having our own men there to protect our rights.

I know the House will join me in thanking the Minister and Mrs. Engert. I know they are as proud as I am that Mrs. Engert, according to dispatches, assisted personally in the defense of the Legation. It proves that the wives of our ministers and officers in the Foreign Service are just as brave as the men. They do not ask protection first for themselves, but fight shoulder to shoulder with the men.

All of us are grateful, too, for the work of those able naval radio operators. If it had not been for them everyone in our Legation would have been lost. The Congress will want to thank them also.

Mr. RICH. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. RICH. Was it not the duty of the League of Nations to protect that small country in northern Africa, Ethiopia?

Mrs. ROGERS of Massachusetts. I am not going into that at this time, I may say to the gentleman from Pennsylvania. I am just taking up now the matter of the duty of the State Department, which had full information at hand, and I am speaking also. I would say to the gentleman from Pennsylvania and the Members of the House, in order that from now on we may have adequate protection in similar situations for the officers and employees of our Foreign Service, for our nationals and our missionaries. I am asking also that we have an adequate and suitable Legation. Ours was the only Legation, I understand, that was situated just in the center or dangerous part of Addis Ababa, instead of being situated 5 miles away, where the British and other Legations are located.

Newspaper accounts of the rioting there and the cables of Minister Engert to the State Department indicate that the Legation was practically defenseless and virtually unarmed. A few rifles, shotguns, and revolvers were the only weapons at the Legation. An Italian submachine gun was later procured through the good offices of an Abyssinian policeman. Americans in the Legation, as well as their native employees, men and women both, were in the gravest peril, and two of the latter were wounded.

Grateful as we are to the British for coming to the rescue of our Minister and citizens and those whom we employed, it still seems to me that our own Government should have supplied some protection.

The rioting and rebellion had been predicted for some time, and it seemed only reasonable to expect that the State Department should have taken some precautions to guard American lives and property. The British had a Legation guard on hand, and if our diplomats had not been able to profit by their foresight, a horrible tragedy would have resulted, with the death of Americans and their wives at the post of duty through the negligence of their own Government.

Legation guards are not a new thing in our history. We have maintained them for years in the Orient, and the slightest thought would have indicated the necessity for similar precautions in Addis Ababa.

My resolution calls for full information on this matter, including all correspondence on the subject, as well as an explanation of why our Legation was left unprotected. It seems to me that when the State Department anticipated the break-down in communications it might also have anticipated the rioting and made arrangements accordingly. A few machine guns sent to Ethiopia along with the radio equipment would have obviated the necessity of invoking the aid of another nation to protect our own citizens. [Applause.]

[Here the gavel fell.]

SECURITY FOR THE PEOPLE OF PENNSYLVANIA IS IMPOSSIBLE UNLESS THE DEMOCRATIC PARTY OBTAINS CONTROL OF THE STATE LEGISLATURE

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an address which I delivered before the Pittsburgh Federation of Labor.

Mr. RICH. Mr. Speaker, reserving the right to object, are these the gentleman's own remarks?

Mr. ELLENBOGEN. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my address before the Thirty-seventh Annual Convention of the Pennsylvania State Federation of Labor at Uniontown, Pa., Friday, May 1, 1936, as follows:

Pennsylvania today stands at the crossroads. Pennsylvania today is divided into two separate forces—the force of liberalism led by Gov. George H. Earle, and opposed to it—the force of stark reaction, as represented by the Grundy and utility-controlled Republican majority in the State senate.

THE PASSAGE OF SOCIAL LEGISLATION DEPENDS ON THE VICTORY OF THE DEMOCRATIC PARTY

I am not a prophet and have no inclination to predict what may be accomplished at the special session of the State legislature which will convene next Monday, but I am firmly convinced that adequate social legislation and labor legislation will not be enacted into law unless the Democratic Party will capture a majority of the seats of the State senate and will continue control of the house of representatives at Harrisburg for the next regular session to convene in January of next year.

THE KEYSTONE OF A PROGRAM FOR THE KEYSTONE STATE

As regards permanent legislation, the keystone of an enlightened legislative program in Pennsylvania must be the passage of genuine social legislation. In his message to Congress on June 8, 1934, President Roosevelt said that "among all our objectives I place the security of men, women, and children of the Nation first." This is even more true of Pennsylvania than of the nation as a whole. The President designated these objectives as:

First. Decent homes to live in;

Second. Development of natural resources to afford the fullest opportunity for all who want to work; and

Third. Safeguards against the major misfortunes of life.

The Social Security Act is concerned with the third of Roosevelt's objectives; that is, safeguards against misfortunes that cannot be eliminated in this man-made world of ours.

That act provides for unemployment insurance, old-age pensions and old-age insurance, security for children, aid to the blind, extension of public-health services, vocational rehabilitation.

I should like to talk to you today more fully about the two main provisions of this act—old-age pensions and unemployment insurance.

First, however, I should like to tear out and exhibit to you a few black pages from the tragic history of old-age-pension legislation in Grundy's Pennsylvania.

PENSION LEGISLATION BASED ON DECEIT

On May 10, 1923, the State legislature in Harrisburg passed an old-age-pension act. This action was dishonest, because insufficient funds were appropriated. Only $25,000 was appropriated for a 2-year period—a sum which could not even begin to administer the law in even one of the 67 counties of this State. The petty appropriation of $25,000, when an appropriation of thirty million was required, was a cruel joke at the expense of the aged of Pennsylvania. It was a deliberate fraud on the needy old people of Pennsylvania. Instead of extending sympathy and help, the State legislature handed them a joker. Although not carried out for lack of appropriation, the mere paper existence of this miserable old-age-pension law was more than the vested interests in control of this State would permit.

SEVEN OLD MEN SHOUT "NO"

The Supreme Court of Pennsylvania declared this old-age-pension law unconstitutional.

Every attempt since then to amend the State constitution has been prevented by the same group of reactionary members of Mr. Grundy's Manufacturers' Association, the feudal lords of the utility empire, the State chamber of commerce and their paid tools. No decent and adequate social-security legislation will be possible in Pennsylvania until our antiquated State constitution is revised. And, delegates, you know who defeated the constitutional referendum last fall.

A POORLY EXECUTED PAUPER LAW

The 1933 session of the legislature passed a so-called old-age pension assistance law, which, in fact, was an old-age pauper law. This act is so inadequate and so limited in its application that it fails to comply with even the modest standards required under the Federal Social Security Act. The Federal act provided that the Federal Government would match, dollar for dollar, all old-age pensions paid by the various States in the Union, provided, however, that the State law would include certain minimum standards of decency in making provisions for the aged. The Pennsylvania law is below these minimum standards.

INDICTED ON EIGHT COUNTS

I present the following indictments against the Pennsylvania Old-Age Assistance Act:

Indictment no. 1: It limits old-age payments to paupers only. It provides that old people who possess more than $300 in personal property, even if they have no income, are not eligible for these small payments.

Indictment no. 2: It provides for payment of $30 a month, which are indecently low and shamefully insufficient.

Indictment no. 3: It denies medical aid to the aged needy and provides for less than a mere bread-and-water diet.

Indictment no. 4: It provides for continuous residence of 15 years in the State, or, if not continuous residence, for a total of 40 years of residence in the State. This provision unjustly disqualifies thousands of needy aged in this State.

Indictment no. 5: It provides for an age minimum of 70 years, when it is essential that pension payments begin at 60 years.

Indictment no. 6: Insufficient funds have been appropriated, thereby denying aid to about two-thirds of the qualified and needy aged of Pennsylvania.

Indictment no. 7: It fails in many other respects to meet the minimum requirements of the Federal Social Security Act.

Indictment no. 8: Its extreme restrictions and inadequate provisions will deny to Pennsylvania at least $20,000,000 in Federal funds each year, which could take care of 80,000 needy aged in Pennsylvania.

The present Pennsylvania old-age pauper (rather than pension) law denies pensions to those under 70 years of age.

THE GRAVEYARD PENSION

My friends, an age minimum of 70 years is far, far too high. In our modern industrial system, when many of our mines, mills, and factories throw the workingman on the industrial scrap heap when he is 45 years of age, it is a travesty on justice to compel him to wait until he is 70 years old before he can receive assistance from the State. The people of Pennsylvania want an old-age pension and not a graveyard pension. Old-age pensions should begin at 60 years.

A DOLLAR-A-DAY EXISTENCE

The maximum allowed is $30 a month, which is far too low. It is insufficient for an aged person to live in decency and minimum comfort on this small amount. But even that small sum is never paid. Under a ruling by an attorney general of this State, old-age assistance payments must be limited to payments for rent, food, clothing, and fuel. Not one cent is permitted for medical care for the aged. The average allowance in Allegheny County is $25.40 a month, and $20.93 in the State as a whole.

THE DEATH WATCH

But here is the cruelest and most astounding defect: The legislature deliberately and wantonly refused to appropriate sufficient funds to meet the payments due. Here are some figures: When the law took effect December 1, 1934, 10,563 applications were filed in Allegheny County by persons 70 years of age and over. Of these, 3,735 were given small pensions and 6,617 were placed on a waiting list. On May 1 of last year there were 4,000 on the pension lists and more than 8,000 on the waiting list. Two-thirds of the needy aged of Pennsylvania who were eligible under this strict State law were on the waiting list, because insufficient funds had been appropriated.

At the beginning of this year there were 39,574 persons receiving so-called old-age pensions in Pennsylvania, and more than 100,000 eligible old and needy persons were on the waiting list—waiting for what—for the death of some other aged so that they may inherit his place on the pension list.

What a list this is, a list composed of old men and women whose health and energy have been spent in building up the resources of this country, a list of old men and women who have qualified under one of the strictest laws for old-age pensions. Their reward is not the receipt of a small pension check but a seat outside giving them the privilege to look in and wait until death will take some other aged person to his eternal reward and thus make room on the pension list. What a tragedy on justice! What a travesty upon law! What a colossal hoax to play upon our fathers and mothers!

A FRAUD ON THE AGED

Only $10,000,000 were made available for these payments when the execution of the law required a minimum of $25,000,000. What is the use of passing a law to pay pensions to needy aged of 70 years or more and then refusing to appropriate the money necessary for the payment of these pensions? Do I need to cite to you more facts and figures to prove that the Republicans in control of the State legislature have committed a fraud upon every man, woman, and child of Pennsylvania—a heinous fraud upon the aged.

WATCH THE GANG

The Governor of Pennsylvania has summoned the State legislature in special session to convene at Harrisburg next Monday. You can depend on Governor Earle to do his part in promoting the passage of adequate old-age-pension legislation at this special session. You can depend on the Democratic members of the house of representatives to do their part. But watch the Republican gang in the State senate!

These changes should be made in our old-age assistance law:

First. The age limit should be reduced from 70 years to 60 years.

Second. The requirements of the Federal Social Security Act must be met.

Third. Sufficient money must be appropriated to pay pensions to all who are eligible. The waiting list—this death watch—must be abolished.

UNEMPLOYMENT COMPENSATION

While we have an inadequate old-age-pension law, we have no law at all for unemployment insurance. The State senate refused to take even the first step toward meeting the Federal requirements for setting up an unemployment-insurance system.

The provisions for unemployment insurance are among the most important of the Social Security Act. I do not believe that these provisions are perfect. Indeed, I have criticized them because they do not go far enough. But it is a beginning. It does establish a foundation from which we can build an adequate and just system of unemployment insurance.

THE PAY-ROLL TAX IS ALREADY COLLECTED

Under the Federal act the Government levies a pay-roll tax beginning with 1 percent in 1936, 2 percent in 1937, and 3 percent in 1938 and each year thereafter. The employers are not permitted to deduct this tax from the wages of their employees. This tax is paid into the Federal Treasury, but in those States where unemployment-insurance laws are enacted, 90 percent of this tax is retained for the benefit of the unemployed of the State.

TWO HUNDRED MILLION IN 3 YEARS

Thus in the State of Pennsylvania the employers will pay the following amounts into the Federal Treasury: About 25 million dollars in 1936, about 50 million in 1937, and 75 million in 1938, or a total of 150 million in the next 3 years.

This is based on the present pay-roll figures. If there is a further increase in business, the employers of Pennsylvania will pay about $200,000,000 in the next 3 years.

The purpose of this tax is not to collect revenue but to induce the States to enact adequate unemployment-insurance systems. If Pennsylvania had an unemployment-insurance law, all but 10 percent of these $200,000,000 would be retained in Pennsylvania for the payment of unemployment-insurance benefits. But so reactionary and so short-sighted have been the Republican members of the State senate that they have blocked the bill to retain this huge sum for the benefit of the jobless of Pennsylvania.

They are so blind and so stupid that they would lose this vast sum rather than permit the enactment of any social legislation, even if such social legislation will benefit the Pennsylvania jobless and thus benefit trade and industry in Pennsylvania.

THE LEGISLATIVE SODOM AND GOMORRAH

The Pennsylvania State Legislature failed to enact an unemployment insurance law despite the efforts of Governor Earle. The Governor and his associates sponsored and secured the passage of an unemployment-insurance law in the lower house. This bill was well on its way toward enactment until it reached the State senate—the last remaining stronghold of reaction in this State.

BURIED IN COMMITTEE

There it was slaughtered. There it was effectively and viciously killed in committee—in the same graveyard where lie the remains of all proposals for social legislation. Why did the rubber stamps of the utility and Grundy interests kill this unemployment insurance bill? Certainly not on the grounds of economy. It would have cost the employers less than one-tenth of 1 percent of their total pay roll. While they would have paid out about two and

one-half million dollars, a total of twenty-five million would have been made available for unemployment compensation payments.

Not only would this not have been a burden on industry and commerce in Pennsylvania but a distinct benefit by making available an additional amount of purchasing power. Regardless of its merits, regardless of its provisions, the unemployment insurance bill was promptly killed by the Republican-controlled State senate in Harrisburg, simply because it was social legislation. These reactionary senators would rather lose millions of dollars than take a single step in the direction of social legislation. For this reason they pickled the unemployment insurance bill in a committee of the State senate without reading it, without studying it, and certainly without understanding it.

THE PALLBEARERS

Who were the senate stalwarts who blocked the road to security and killed this important bill by burying it in committee? They were an aggregation of puppets, controlled and discredited henchmen. These were the pallbearers. When you know the associations and backers of these gentlemen you have no further need to understand why this, and every other piece of social legislation, was killed in the State senate.

REPUBLICANS BETRAYED PEOPLE

The action of the Republican-controlled State senate in scuttling this bill is a betrayal of every man, woman, and child in Pennsylvania. It is a betrayal of the people of Pennsylvania by the puppets of the short-sighted reactionary industrial barons. It was a cowardly betrayal of the people, because these reactionary senators did not have the courage to vote against this bill openly, but killed it in committee, the usual and consistently effective slaughterhouse of all decent legislation.

In killing this bill these Republican senators have killed every chance they ever had of coming back into power. They have committed political suicide. They should, and most certainly will be, retired to political oblivion.

RIGHT A WRONG

The special session beginning Monday must correct this wrong. An unemployment-insurance bill must be enacted without delay. Every thoughtful person must agree that the unemployed must not be permitted to starve. Is it not far better to take care of the unemployed through a system of unemployment insurance than through the degrading system of dole and relief? This choice must be made. Pennsylvania must fall in line with the progressive States. The people want unemployment-insurance laws.

PUNISH THE GUILTY

Whoever stands in the way must be swept aside by the ballot. When the people realize that the Republican majority in the State senate is responsible for depriving them of the unemployment-compensation benefits to which they are entitled under the Federal law, they will defeat every opponent of social security.

The State Federation of Labor in Pennsylvania should insist that the State legislature, which will meet in Harrisburg next week, passes an unemployment-insurance law. Labor should leave no doubt in the mind of the Republican leadership in the State senate that it is insisting on the passage of a proper unemployment-compensation measure.

THE CONTRIBUTORS

No unemployment insurance is adequate, no unemployment insurance system is sound unless it recognizes the principle that contributions should come from these two sources only:

1. From a tax imposed upon the employers, and
2. From a contribution made by the State itself.

At the present time unemployment relief is paid for entirely out of public funds. To put the burden of unemployment insurance entirely upon industry and commerce is unsound, because business and industry is only partly responsible for unemployment. The policy pursued by the Government is partially responsible for unemployment.

DISTRICT OF COLUMBIA HAS MODEL MEASURE

Of all the State unemployment insurance laws so far enacted only one, that in the District of Columbia, which I had the privilege to sponsor, provides for a contribution by the State. But let it be remembered that outside of the United States of America there is not one country which has an unemployment system to which the States do not contribute.

LABOR IS EXEMPTED

The second principle which must be included in a sound unemployment-insurance system is the principle that there should be no contribution by labor. The reason is obvious.

First. If the employers contribute to unemployment insurance by a pay-roll tax the amount of the tax is passed on in increased prices. That means that the cost of unemployment insurance becomes a part of the cost of production and that is as it should be. The cost of idle machinery, the overhead of a plant goes on whether the plant is operating or not. The maintenance cost of idle machinery is a part of the cost of production and idle manpower must also be charged up under the same heading.

Second. The employer who contributes to unemployment insurance does not pay for it himself but passes it on to the consumers in the form of increased prices. In reality it is labor which pays for it as consumers. If labor would have to make direct contributions it would pay twice.

Third. To exact contributions from labor would directly and substantially decrease the purchasing power of the employees and to that extent it would bring about more unemployment instead of less and thus tend to defeat the very principles of unemployment insurance.

There are many provisions which are of vital importance and which determine the soundness and the desirability of an unemployment insurance law. They are too many for me to discuss today. I shall only mention one of them which I consider of the greatest importance. I am referring to the insurance coverage.

The Roosevelt program for social security provided for unemployment insurance for all employers having four or more employees. This was changed in passage in the House to 10 or more employees. The Senate again reduced it to four or more employees, and in conference it was fixed at eight or more employees. That is the final form of the bill and the Federal law today. Of course, do not forget that the Federal law provides for a minimum and does not prevent any one State from fixing a greater coverage.

ALL EMPLOYEES SHOULD BE COVERED

No State unemployment-insurance law is sound unless it covers all industrial and commercial employees in the State. A man who works in a shop which only employs three or two or even one employee is as much entitled to protection against periods of unemployment as the man who works in a mill which employs thousands of employees. The bread line and the soup kitchen and charitable relief are as distasteful to the man who works in a small establishment as they are to the man who works in a large mill or mine. The only sound provision and the only practical provision is one which covers every single person employed in industry and commerce. There is only one law that does that—the unemployment insurance law for the District of Columbia. It is the only one which covers every employer who has one or more employees.

We in Pennsylvania should insist that the State act should cover all industrial and commercial employers who employ one or more persons.

DREAMS COME TRUE

The Federal Social Security Act combines into one law all of the forms of social-security legislation which labor leaders and liberals have dreamt about but scarcely hoped to accomplish. The fear of insecurity will be banished. Security, comfort, and peace of mind will become living realities if the provisions of the Federal Social Security Act are put into effect through the coordinated action of the States and are then further expanded.

PRESIDENT ROOSEVELT IS ENTITLED TO THE GRATITUDE OF LABOR

If the Roosevelt administration had accomplished nothing else than to establish this vast and noble system of social security, it would be entitled to your everlasting gratitude and deserving of your vote.

Add to that the Wagner Labor Relations Act, which recognized—gives the force of law to—labor's right to collective bargaining; labor's right to join unions of their own choosing and to be free from coercion, compulsion, and intimidation. This is the most important labor measure ever enacted in American history. Labor should show its appreciation to those who have made the enactment of this act possible.

ROOSEVELT FOES ARE LABOR FOES

Because President Roosevelt was a friend of labor and supported the passage of such measures as the National Labor Relations Act, he earned the bitter and vicious enmity of powerful and influential interests. They are spending millions of dollars to bring about his defeat. It is up to labor to recognize its friend by supporting him and helping him against his enemies—for every enemy of Roosevelt is an enemy of organized labor. Labor should show its appreciation for the friendship shown by President Roosevelt by supporting him unanimously for reelection.

SOME NEW-DEAL ACTS

I should like to cite to you the huge appropriations for relief, for public works, for financial aid to home owners and the small businessman. The Guffey Coal Act, the utility holding-company bill, the new Banking Act, including insurance for bank deposits, the Securities Act; these and many other acts of a definite benecial nature were enacted. All of them benefited you in one way or another.

ROOSEVELT OR REACTION

I want to say to you that in the coming election there will be only two classes of candidates—liberal or reactionary. You must choose between the two. Let me tell you, here and now, that every vote for a third-party candidate is a vote for conservative reaction. A vote for any other candidate, except Roosevelt, is a vote for the American Liberty League. This is not time for labor to be divided on minor issues, or follow the propounders of high-sounding phrases, or cheer for every type of Moses who promises to lead you to a new Utopia.

I ask you to endorse and support Franklin D. Roosevelt, the man, the true American, the successful administrator, the proven friend of the people, and the champion of humanity. No matter what your party affiliation may be, you owe it to yourself and your family to support Roosevelt. I repeat, a vote for any other candidate, no matter what his party or platform, is a vote for the candidate of the Du Ponts, the Grundy's, the sweatshop proprietor, the exploiter of labor, oppressive utility interests, and the financial tyrants.

LABOR LOSES IF ROOSEVELT LOSES

It took a generation to build up the present labor movement in America. It took years and years of hard struggle to win for labor the benefits it now enjoys. I say to you, with all sincerity at my

command, that if Franklin D. Roosevelt is defeated, organized labor will lose every gain it made during the past 3 years. Not only that; if reaction sets in, if the conservatives gain control of the Government, the pendulum will swing violently in the opposite direction, and labor may lose not only its present gains but every progressive gain it has made for 50 years.

Nineteen hundred and thirty-six is the most crucial year in labor's history. Fifty years of hard-fought battles may be lost, and the fruits of many heart-rending victories of 50 years may be poisoned unless labor stands solidly behind Roosevelt.

SUPPORT ROOSEVELT

I again urge you to get behind Roosevelt. Your homes, your jobs, your future is at stake. You must fight to preserve them. It is your fight. It will be your victory and the victory of the people in the reelection, the overwhelming reelection, of Franklin D. Roosevelt.

THE REPUBLICAN PARTY IN CONTROL OF THE STATE SENATE WILL HAVE ITS LAST CHANCE DURING THE SPECIAL SESSION OF THE STATE LEGISLATURE TO COOPERATE WITH GOVERNOR EARLE IN LIBERALIZING THE OLD-AGE-PENSION LAWS OF THE STATE AND IN ESTABLISHING AN UNEMPLOYMENT-COMPENSATION SYSTEM IN PENNSYLVANIA

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an address I delivered on the radio last Sunday on the subject of social-security legislation.

Mr. RICH. My Speaker, reserving the right to object, are these the gentleman's own remarks?

Mr. ELLENBOGEN. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my radio address over station WJAS, Pittsburgh, Pa., Sunday, May 3, 1936, as follows:

Tomorrow evening the Pennsylvania State Legislature will be convened in special session in response to a call by Governor Earle. This is such an extraordinary occasion and presents such great opportunities for the passage of legislation in which you and I are interested that I want to devote this talk to it.

The Governor will lay before the general assembly a 17-point program, which will include appropriations for relief, abatement of tax penalties, and social-security legislation.

PENNSYLVANIA NOW LOSES MILLIONS OF DOLLARS OF FEDERAL FUNDS

The State of Pennsylvania now loses annually at least $20,000,000 by failing to liberalize the old-age-pension law of this State in conformance with the requirements of the Federal Social Security Act. Further, Pennsylvania will lose the huge sum of $150,000,000 in the next 3 years unless the State legislature passes an unemployment-insurance act.

THE FEDERAL SOCIAL SECURITY ACT WILL NOT BE EFFECTIVE IN PENNSYLVANIA UNTIL THE STATE LEGISLATURE COOPERATES

The Federal Social Security Act is not self-executing. It is not effective in any single State unless the State legislature passes State acts in harmony with the Federal Social Security Act.

The Social Security Act provides for unemployment insurance, old-age pensions and old-age insurance, maternity care, aid to the blind, vocational rehabilitation, and extension of the public-health services.

THE PENNSYLVANIA STATE LAW GOVERNS THE PAYMENT OF OLD-AGE PENSIONS IN PENNSYLVANIA

First I want to discuss the law relating to old-age pensions. Under the Federal Social Security Act the Federal Government matches every dollar which Pennsylvania pays out for old-age pensions. That is, the Federal Government repays to Pennsylvania one-half of whatever amount Pennsylvania pays out for old-age pensions, provided, however, that the Pennsylvania old-age-assistance law contains certain minimum requirements. The question whether a certain aged person receives an old-age pension in Pennsylvania, therefore, depends entirely upon the State act and not upon the Federal law.

This is the distinction which you must keep in mind if you want to establish the status of old-age-pension legislation as it applies to Pennsylvania. Since the terms of the Pennsylvania State old-age-assistance law determine the extent to which old-age pensions are paid in Pennsylvania, I would like to discuss them with you briefly.

PENNSYLVANIA HAS A PAUPER-PENSION LAW

Pennsylvania does not pay an old-age pension. Pennsylvania does have a pauper pension which it pays to needy, indigent citizens over 70 years of age to the extent that the money has been appropriated by the State legislature. In no sense of the word can the Pennsylvania act be called an old-age-pension law.

SOME FUNDAMENTAL SHORTCOMINGS OF THE PENNSYLVANIA OLD-AGE-ASSISTANCE LAW

Among the many defects of the Pennsylvania old-age-assistance law I would like to cite the following:

1. It limits old-age payments to paupers only. It provides that old people who possess more than $300 in personal property should not receive pensions, even if they have no income and no friends. This provision is unfair to those old people who have laid aside a few hundred dollars for a decent burial and have no other estate.

THE AGE LIMIT OF 70 YEARS IS FAR TOO HIGH

2. It denies pensions to those under 70 years of age. An age minimum of 70 years is too high. In our modern industrial system when many of our industries throw a human being on the scrap heap at 45 years of age, it is a travesty on justice to compel him to wait until he is 70 years old before he can receive assistance from the State. The people of Pennsylvania want an old-age pension and not a graveyard pension. Old-age pensions in Pennsylvania should begin at 60 years of age.

PENNSYLVANIA PAYS ON THE AVERAGE THE PITIFUL AMOUNT OF $20.93 A MONTH

3. The maximum allowed each aged person is $30 per month. This is utterly insufficient. No one can live in decency on such a small monthly payment. However, even this small sum is never actually paid. Since the ruling by an attorney general of this Commonwealth that old-age assistance must be limited to payments for rent, food, clothing, and fuel, the monthly payments have been reduced from the $30 per month allowed by law so that today the average payment to an aged person in Pennsylvania is $20.93 a month.

PENNSYLVANIA DENIES MEDICAL AID TO THE NEEDY AGED

4. It denies medical aid to the aged needy and permits only a little better than a bread-and-water diet.

5. It requires continuous residence of 15 years in the State and in cases where the aged person may have been absent from the State for some period of time during the last 15 years, he must have been a resident of the State for 40 years before he can be eligible for a pension. This requirement is unfair and unreasonable. It disqualifies many needy and deserving old people.

WHY PASS AN OLD-AGE-ASSISTANCE LAW AND THEN REFUSE TO APPROPRIATE THE NECESSARY MONEY FOR IT?

6. But here is the cruelest and most astounding defect: The State legislature, under the control of the Republican Party, deliberately and wantonly refused to appropriate sufficient funds to meet the payments due. On the 1st of May last year there were 4,000 aged persons receiving pensions in Allegheny County, but there were more than 8,000 eligible needy persons on the waiting list, because there was no money available to take care of all who were entitled to pensions. At the beginning of the year there were 40,000 persons receiving old-age assistance in Pennsylvania, but more than 100,000 needy eligible persons were on the "waiting list" because there was no money appropriated for them.

THE "WAITING LIST" MUST GO

One of the saddest and cruelest episodes in the history of Pennsylvania is this distressing waiting list, a list composed of old and needy persons whose health and energy has been spent in building up the resources of this Nation, who have qualified under the strictest law for old-age pensions ever enacted, but who must wait in vain for the relief that is justly due them. Can you picture the untold suffering that these old people must endure during the months and years on the "waiting list", when they must wait for the death of some aged person so that they could inherit his place on the pension list? The army of the aged is forced to welcome the battalion of death that would take to their eternal reward those who have been receiving small monthly payments. What is the use of passing a law to pay pensions to needy aged over 70 and then refusing to appropriate the money to do so?

ABOLISH THE DEATH WATCH

The special session of the State legislature, which will convene tomorrow evening at Harrisburg, must enact a decent and adequate old-age-pension law that will meet at least all the minimum requirements of the Federal Social Security Act and which will begin payments at a reasonable age. Pennsylvania must appropriate sufficient money to pay pensions to all those who are eligible. The waiting list—this death watch—must be abolished.

You can depend on Governor Earle to do his part in the passage of an adequate old-age-pension law. You can depend on the Democratic members of the house of representatives at Harrisburg, but watch the remnants of the Republican Party which still controls the senate. The State senate, you know, is the slaughterhouse of all social legislation and the graveyard of all humanitarian measures.

PENNSYLVANIA HAS NO UNEMPLOYMENT-COMPENSATION LAW

While we have a very inadequate old-age-assistance law in Pennsylvania, we have no law at all regarding unemployment insurance. The Federal Government is already collecting a pay-roll tax from employers in Pennsylvania, but the Pennsylvania State Senate has thus far prevented all efforts to pass suitable unemployment-insurance legislation.

THE UTILITIES AND SHORT-SIGHTED MANUFACTURERS IN CONTROL OF THE REPUBLICAN MAJORITY OF THE SENATE PREVENTED THE PASSAGE OF AN UNEMPLOYMENT-COMPENSATION LAW

Pennsylvania will pay about $150,000,000 in pay-roll taxes during the next 3 years. If a satisfactory State law is passed, 90 percent of this huge sum will be retained by Pennsylvania employers for the benefit of the State unemployment-insurance fund. For every two and one-half million dollars paid by the employers of this State, twenty-five millions would become available for unemployment compensation payments to the jobless. Still the agents of

the utilities and of reactionary manufacturers, in control of the Republican majority of the State senate, were so short-sighted that they prevented the passage of the unemployment-insurance bill during the last regular session of the State legislature, which would have assured this money for the benefit of our jobless.

Governor Earle and his associates sponsored and secured the passage of an unemployment-insurance law in the lower house at Harrisburg. It was well on its way toward enactment until it reached the Republican-controlled State senate where it was promptly and effectively buried in committee. Those of us who were shocked by this display of arrogance and calloused indifference on the part of the legislative agents of the industrial empires of this State can never forget and will never forgive the Republican leadership of Pennsylvania for killing this unemployment-insurance bill in a cowardly committee of the State senate.

THE SPECIAL SESSION PRESENTS THE LAST OPPORTUNITY OF THE REPUBLICAN PARTY OF PENNSYLVANIA TO PERMIT PASSAGE OF LAWS PROVIDING SECURITY FOR THE PEOPLE OF PENNSYLVANIA

The special session beginning tomorrow must correct this injustice. An unemployment-insurance bill must be enacted without delay. Every thoughtful person agrees that the unemployed must not be permitted to starve. It is therefore much better that the unemployed be cared for through a system of unemployment insurance than through the degrading system of dole and relief.

The bread line, the soup kitchen, and the charitable institution for the unemployed must be a relic of the past and never return in the future. Pennsylvania must fall in line with other progressive States and pass an unemployment-insurance law.

PENNSYLVANIA SHOULD FOLLOW THE ELLENBOGEN UNEMPLOYMENT-INSURANCE LAW NOW IN FORCE IN THE DISTRICT OF COLUMBIA

The unemployment-insurance law must be sound and workable. It must provide for contributions by the employers and by the State government. Pennsylvania should follow the model unemployment-insurance law which I sponsored for the District of Columbia and which insures every employee in an industrial and commercial concern against the hazards of unemployment.

GOVERNOR EARLE IS LEADING THE FIGHT FOR ECONOMIC SECURITY FOR THE PEOPLE OF PENNSYLVANIA

The Roosevelt administration at Washington has made a good beginning in setting up the machinery to administer the Social Security Act. The Earle administration at Harrisburg wants to cooperate with the Federal Government. If we are to have social security in Pennsylvania the mighty force of public opinion must be concentrated on Harrisburg to help release Pennsylvania from the strangle hold of the Republican majority of the State senate.

The liberal and progressive forces led by Governor Earle are now engaged in a major battle with the Grundy forces and the utilities agents. The reactionary elements in Pennsylvania will make another effort to block social-security legislation in the senate. In the interest and for the security of our people, in the interest and for the welfare of our State, I hope that the Pennsylvania State Legislature will liberalize Pennsylvania's pauper old-age-assistance law and thus obtain for Pennsylvania $20,000,000 of Federal contributions toward old-age pensions. I hope that the Pennsylvania State Legislature will pass an unemployment-insurance law and thus save for Pennsylvania jobless and for the benefit of trade and industry in Pennsylvania $150,000,000 in the next 3 years.

NATIONAL CEMETERIES

Mr. COLE of Maryland. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in connection with amendment 42 to the War Department appropriation bill considered today.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. COLE of Maryland. Mr. Speaker, amendment 42 of the War Department appropriation bill for 1937, which amendment relates to an appropriation for "cemeterial expenses", deals with the acquisition of land for national cemetery purposes.

While amendment 42 provided $100,000 for such purposes, the amendment was in reality a compromise between the House and Senate, the original item being $171,000, and that definitely earmarked for the purchase of additional land in the vicinity of Baltimore. With the word "Baltimore" stricken from the Senate amendment and the amount reduced, the bill as it passed today provides $100,000 to be expended by the War Department for the purchase of additional acreage. The House conferees on this bill knew of my interest in this matter, and I want to thank them very much for the courtesy shown and their willingness to go along to the extent they did in making possible an amount which, I believe, will be sufficient to meet the present needs of the national cemetery in Baltimore. While the fund is not definitely labeled for expenses in Baltimore, it is pretty definitely understood, I am sure, on the part of the War Department and others interested, that such is the real purpose of the appropriation.

With the knowledge I had that a very acute situation had developed in Baltimore with respect to burial grounds for veterans, I advocated the purchase of additional space for the national cemetery in Baltimore, located on the Frederick Road, contiguous to Loudon Park Cemetery, in the district I represent. The Senators from Maryland and my colleagues in the House, although the cemetery in question is located in my district, interested themselves in bringing about this appropriation.

The American Legion of Maryland; the Disabled American Veterans of Maryland; the Veterans of Foreign Wars of Maryland; the Maryland National Guard, speaking through Brigadier General Bowie; the Baltimore Association of Commerce; the Maryland Guard Unit of the American Legion Auxiliary; the Veterans' Employees Association; and many other local organizations expressed such real concern and interest in this matter that I have taken this small space in the RECORD to thank the committee for the manner in which they have approached my request and to further express the hope that the War Department will with expedition provide from this fund the necessary additional acreage which is most urgent at this time in the national cemetery in Baltimore.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 8 minutes on a nonpartisan subject which is of interest to the youth of America, the debunking of American history.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, I rise to shed a tear over the passing of another priceless American tradition; nay, more, a hitherto accepted historical fact of the first magnitude. Generation after generation, the hearts of the school children of America has thrilled to the story of the old Liberty Bell dramatically proclaiming the signing of the Declaration of Independence. It personified to them the spirit of the Revolution; nay, more, it was a living thing whose voice proclaimed unto all the world and all the ages that all men are created equal. Its clarion tones in their young ears was a fitting prelude to the story of the American Revolution. It symbolized the immortal instrument whose birth it heralded. Its hallowed form in old Independence Hall at Philadelphia is a national shrine. In a nation's patriotic reverence it ranked with, if not above, the midnight ride of Paul Revere, the shot heard around the world, and the first flag of Betsy Ross. It is not too much to say that it glittered as a star of the first magnitude in the brilliant sky of American independence. The bell and the Declaration, one and inseparable, now and forever.

Then, Mr. Speaker, came the fell hand of the debunker. "The Liberty Bell did not proclaim the tidings." Thus saith the very custodian of the archives of things sacred in American history. At the bottom of a typewritten footnote, attached to page 50 of his compendium of the errors found in a cheap edition of the Constitution and the Declaration, and exhibited to the House by the genial and distinguished gentleman from New York, Mr. SOL BLOOM, as the very last line in the footnote debunking the history of the Declaration, is the fateful sentence: "The Liberty Bell did not proclaim the tidings."

There is no preparation for the blow, no foreshadowing of the coming dire disclosure. Casually, the unsuspecting eye drifts down the page of trivia of detail said by the gentleman from New York to be erroneous in the booklet's history of the Declaration; then, bang! the eye that has gazed in reverence upon the most famed and cherished relic of the Revolution gets knocked right out with eight bald, unheralded, devastating, soul-sickening words: "The Liberty Bell did not proclaim the tidings."

Mr. Speaker, I have survived some severe shocks in the way of historical disillusionment, but this was the "unkindest cut

of all." Never again can I look upon that venerable herald of a new day on earth, the Liberty Bell, without feeling that it is a rank imposter; and I would that I might be able here and now, once for all, to shed all the illusions of history, instead of the continuing and painful process of shedding them one at a time. The situation makes me jittery. I know not at what turn I may bring up against another dear tradition and have it exploded in my face.

Mr. Speaker, I know now there are several spots on which the first shot of the Revolution was fired. I have stood on two of them and have heard of a third. There may be others. Sufficient now for me that it was fired. The traditions of the cherry tree would appear to have been cut down, if not the tree. Whether or not George Washington could tell a lie, deponent no longer saith. Even Walter Johnson may have only temporarily rehabilitated his prowess in throwing the dollar. But it still appears that he was Commander in Chief of the Revolutionary forces and, according to the debunkers, at least the second President of the United States, so I still have some compensation for the dear lost illusions of my boyhood that George did cut down the cherry tree and could not tell a lie.

I have survived the debunking of Christopher Columbus, that colossal figure whose feet first crossed the threshold of a new world. While several centuries had elapsed at the time Columbus rediscovered America, the debunkers are assiduously discovering or inventing new facts to show that America had been discovered and lost centuries before Columbus saw the light of day.

Since I was not on the spot, I am not able to verify the now-disputed fact that General Pershing on his arrival in Paris with the American Expeditionary Forces, standing before the tomb of Lafayette, saluted and said, "Lafayette, we are here." As this tradition was a new one, sprung up in my lifetime, the shock was not so severe, and I was consoled by the apparent certainty that Pershing was there with the A. E. F. whether he said it or not.

Nor do I care much about the knocking of William Tell from his ancient and lofty pedestal. I am more or less indifferent whether he shot the apple off the head of his trustful son. His is a dim and distant figure, anyhow, so the debunkers may have that dramatic incident. Albeit the story bulked big with the schoolboys of my time, its proper place may be in the limbo of debunked illusions. Said Napoleon: "What is history but a fable agreed upon?" What, indeed?

Mr. Speaker, all these and other shattered illusions I might name—and I probably have barely touched the index of them—are in a measure preparatory and serve to convert one's mentality into a shock absorber. Every day Ripley rips things up and shows that they are not what they seem. That the process still pains me perhaps indicates that I have a credulous complex, which is rich soil in which the seed of illusions may not only fall and flourish, but twine and cling, otherwise I would be calloused and case-hardened from the many shocks heretofore sustained. As it is, I frankly confess that it was with a sinking spirit my gaze fell upon those eight fateful words: "The Liberty Bell did not proclaim the tidings." The Liberty Bell has been debunked. It is now only one more bell, and, being cracked and useless, it ought to be junked. Sic transit gloria mundi. [Applause.]

DEMOCRATIC PLEDGES KEPT

Mr. FORD of California. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FORD of California. Mr. Speaker, the 1932 Democratic Party platform has been the subject of much heated discussion on the part of that little group of plutocratic gentlemen who object to paying their just share of the taxes necessary to carry on the Government and to provide for the unemployed. With these gentlemen the holy cry has become, "Balance the Budget."

Of course, we all wish that the Budget could be balanced, and we all know that it will be just as soon as possible. But before this can be done there is another budget that must be balanced, and that is the budget of the millions of citizens who have no jobs, whose savings have been swept away by the long, hard years of the depression, whose clothing is in rags, and whose stomachs would be empty if the budgeteers had their wish. The very existence of these unfortunates is dependent on relief or work relief provided not by private business but by public money.

If the prosperous gentlemen who wail about the taxes that their grandchildren are to pay and who deplore the Government's unbalanced Budget would use their united efforts to aid the Government in placing men and women at work, the Budget could be balanced, and that quickly. But they refuse to shorten the workweek, to put on additional men and women, to add to their pay rolls. They fear, forsooth, that by so doing their profits may be decreased. In their selfish blindness they refuse to see that continued profits depend upon increased purchasing power, widely distributed through wages and salaries.

Determined to carry on in the old way, the reactionaries are blanketing the country with destructive propaganda, disseminated by a kept press more venal than the organized gangsters who until recently terrorized our cities.

This is not a partisan move. It is a clear contest of special privilege against Government for the benefit of all the people.

The charges against the administration are many and various. A popular one is that we Democrats have broken our campaign pledges as set forth in the 1932 platform. Let us see about that.

THE BUDGET WILL BE BALANCED

The basis for the charge is found in the first two planks of the 1932 platform, which advocate a drastic cut in Government expenses and a balanced Budget. We all agree with these theoretically. Every member of this administration with whom I have discussed this agrees that we shall cut expenses and balance the Budget just as soon as conditions make it possible. Every honest economist knows that in times of stress and unemployment, large Government expenditures are essential. Public works, work relief, appropriations for education, for rehabilitation, and for other activities to save our people all cost money. To pay for these out of current income in hard times is impossible. The increase of the public debt is then justified. And this causes little worry to informed people. For they know that with the rise of the income of our people, the Government revenue will rise, thus enabling the public debt to be taken care of without undue burden. Our national income had fallen from nearly $90,000,000,000 in 1929 to less than $40,000,000,000 in 1932. Under the New Deal it has gotten back to over $60,000,000,000. We have in 4 years increased the national debt by about ten billions; and we have increased the combined annual income of our people by over twenty billions. I submit that is a record to be proud of and to warrant every dollar we have spent.

EXPENDITURES SAVED OUR PEOPLE

Every man and woman in America knows that when Franklin D. Roosevelt became President he faced a crisis that demanded quick and courageous action and that made enormous public expenditures absolutely necessary. To have hesitated, to have stuck to the idea of economy, would have meant chaos and ruin for our country and our people.

A sincere effort to cut the annual recurring Federal expenditures was made in the Economy Act, supported by both parties. But this in itself did nothing to help our millions of unemployed and desperate people. Immediate and enormous appropriations for relief and work relief were necessary. We rushed this through, along with an enlightened program of public works which should have been inaugurated in 1929 or 1930.

It is to be noted that the Democratic platform advocated expenditures for relief and a program of public works. We followed the platform. And thereby we started the country on its upward trend.

With the banks failing in every part of our country, the President and the Congress took quick action. First came the moratorium; then the opening of sound banks, with the Government assurance that all funds deposited after the reopening would be safe. Every effort was made to protect the assets of the unsound banks and to expedite payments to depositors. This, my friends, was in accordance with the platform. We went a step further here by guaranteeing bank deposits, first up to $2,500 and then up to $5,000. And we stopped bank failures and saved our people from further worry on this score. All of this was in line with the platform, which the hecklers in high places are charging we disregarded.

PLATFORM FOLLOWED

The platform declared for "the divorce of the investment banking business from commercial banks" and the prevention of the use of Federal Reserve facilities for speculative purposes. The "divorce" was accomplished almost as soon as the administration came into power; the restrictions against the speculative use of Federal Reserve facilities was accomplished in the Banking Act of 1934.

Planks in our platform called for the saving of the homes and farms of the Nation from foreclosure; the conservation, development, and use of the Nation's water power in the public interest; the protection of the public investing in stocks and bonds by requiring true information as to bonuses, commissions, principal invested, and other facts; unemployment and old-age insurance in cooperation with the various States; and the strengthening and impartial enforcement of the antitrust laws to prevent monopoly and unfair trade practices. Every one of these pledges has been kept.

The platform advocated the spread of employment by a substantial reduction in the hours of labor and it advocated measures to curb monopoly and prevent unfair trade practices for the protection of labor and the small-business man. In line with this we adopted the N. R. A. Thus we took the most direct and effective way. The Supreme Court declared it unconstitutional. We abandoned it.

The effective control of crop surpluses and measures to aid the farmers to receive prices in excess of cost were specifically advocated in our platform. The A. A. A. was the answer. It, too, was declared unconstitutional. But by other measures we have endeavored to keep our platform pledges to the farmers.

WE KEPT OUR PROMISES

Two measures that maddened the reactionaries who believe in the continued exploitation of the public are the Securities Act of 1933 and the Securities Exchange Act of 1934. Yet the platform specifically advocates both of these. The trouble is we meant what we said, and we proceeded to do what we promised. If we had evaded and avoided these issues, we would not now be attacked on every side by the various leagues and associations financed by the munitions and other profiteers, including the Power Trust. By doing our best to redeem our pledges, in the interest of the public, we have brought down on ourselves the concentrated attack of all the exploiters who still have a faint hope of defeating President Roosevelt. To do this they have been pouring out their dollars, all wrung from inadequately paid labor, from investors cheated out of their savings, or from the consuming public through exorbitant prices. Such a campaign chest as never was is being filled to defeat this administration and turn the Government back to Wall Street.

Yes, it is money wasted. For our people cannot be fooled into voting for the return of special privilege and free and unrestrained exploitation.

THE PLATFORM AND THE UTILITIES

Perhaps the worst barrage of concentrated fire that ever was turned on Congress was occasioned by the consideration in that long session in 1935 of the utilities or holding-company bill. Yet this measure was specifically advocated in the platform. Every known method of intimidation, threat, and unfair lobbying was tried. But we stood by the platform and passed the bill. Now the public knows, as it knew then, that the measure is entirely fair and in the interest of the people. The holding-company racket was one of the worst this country has ever known. It turned industry away from the idea of production for human consumption with a fair profit to investors, and made it a method of cheating investors and consumers so that a few "insiders" could amass their millions. I maintain that such a system, if it had been allowed to continue, would have ruined this country before another decade. For the truth is, that no business can remain honest when dishonest methods prevail. And dishonesty, exploitation, profiteering in the end destroy business and impoverish the people.

It was the Holding Company Act that definitely turned big business against the administration. All that we had done for the farmer, the home owner, for labor, for the unemployed, and for the small-business man might have been forgiven, since it had resulted in a remarkable pick-up in business. But to curb or abolish the holding company was too much for the Wall Street racketeers. Since then there has been war on the administration, with hirelings doing their bit at the command of their masters. And the cry of broken pledges has been tried, with the hope of deceiving good Democrats into thinking that the platform pledges have not been kept. The trouble is that we have kept them. And the public has benefited and approved.

I predict that President Roosevelt will be reelected by a larger majority than he had in 1932, and that a Democratic Congress will work with him to carry out the 1936 platform so thoroughly and well that this country of ours will again become the land of opportunity for old and young.

In that task I pledge my support, and I declare my intention of continuing to favor every sound progressive measure advocated in the public interest. [Applause.]

Mr. LORD. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LORD. On April 16 I addressed the Members of the House on the subject of flood control in the Northeast. The occasion of my address at that time was a newspaper article which appeared in the paper stating that when President Roosevelt was asked about flood control he stated that he was not acquainted with any special flood-control appropriation bills on Capitol Hill. At that time I stated to the House that I thought it was time someone knew about it. We have had terrible floods throughout Pennsylvania, New York, and New England, and, to my mind, it is time that some action be taken to give relief to these sections of our Nation.

According to articles appearing in the press of yesterday, no action is to be taken on flood relief at this session. President Roosevelt is said to have advised congressional leaders that he is ready for adjournment as soon as the tax bill and the appropriation measures are passed and to have called the tax and appropriation bills the "must" legislation for this session. This appears to leave the omnibus flood-control bill out of the "must" list.

According to press reports, the President's view is that flood control should be delayed pending further study to determine whether Nation-wide soil-conservation, water-power, and reclamation programs are to be incorporated in one bill to be considered some time in the future.

The people living in the Northeast who have suffered so severely in the floods of last July and November and the floods of this spring are very much distressed at hearing how lightly the President brushes away this all-important measure. While it may be all right to study and determine a Nation-wide soil-conservation program, it is inconceivable to me that the President will hold up flood control when the lives of thousands of people are in danger, where property loss has run into many millions of dollars, and where people are in constant fear of another flood that may take many lives, and where the property damage may again run into millions of dollars. A bill was passed in the Senate a

few days ago providing an appropriation of $272,000,000 for flood relief in the Mississippi River Valley. No doubt that particular section needs relief. We passed a bill involving $160,000,000 for rivers and harbors, and yet the flood-control bill seems to be receiving very little consideration.

I call the attention of the Members especially who represent various States in which these flood disasters have occurred that we ought to take hold of the situation at the present time, or we are not going to get any flood relief this year.

Mr. Speaker, I hope that we may receive the consideration that I believe is justly due us. In connection with the two measures that I have just mentioned, there has already been, or will be, appropriated $422,000,000, and we are not finding any fault with that, but for our particular districts there is a little over $300,000,000 needed to start this work off. A survey was ordered by the Chief Executive last year, and it has been completed in southern New York and northern Pennsylvania by the Army engineers, who have reported favorably on the project, and the work should go forward at once.

Mr. RICH. Will the gentleman yield?

Mr. LORD. I yield to the gentleman from Pennsylvania.

Mr. RICH. I should like to say to the gentleman that a bill has just been reported out of the Flood Control Committee for the lower Mississippi. It is the desire of a great many Members of the House to inculcate a general flood-control plan. Does not the gentleman think that the emergency should be taken care of at the present session of Congress?

Mr. LORD. In reply to the gentleman, may I say that a survey has been made and is being made in the sections of the country where this terrible loss of life and property has occurred. I believe that we should consider this work and go ahead with it immediately. If we wait to include in one bill all the rivers that need taken care of, if we should include all the soil conservation that needs conserving, if we take care of all the water power and all the reclamation projects, we will not have a bill at all. If we do have a bill, it will be so great that it will die of its own weight.

Mr. Speaker, this legislation should have immediate consideration, and I am appealing to the Members who are interested in this matter to help bring about early consideration of the legislation.

[Here the gavel fell.]

Mr. HARLAN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HARLAN. Mr. Speaker, I doubt if there are very many Members of this House who were educated in the West or Middle West prior to the turn of the century who do not cherish in their hearts a very dear recollection of the McGuffey reader. Just 100 years ago the first McGuffey reader appeared. It was circulated and used throughout the West, and even in parts of the East for about 70 years as an accepted textbook.

It was written by William H. McGuffey, professor part of the time at Miami University, in Ohio, and at the University of Virginia. It gave to our young boys and girls an insight into literature, which was a most valued gift at that time when high-school educations were very scarce and college educations almost a curiosity.

Mr. Speaker, the reason I am bringing this to the attention of the Members of the House is that this year is the centennial year being celebrated throughout the country on the one hundredth anniversary of the appearance of the McGuffey readers. I have been requested by the committee in charge to see if we cannot have a stamp issued commemorating this occasion. I regret that there are not a larger number of Members present with whom this matter could be discussed, because it would be very helpful if those men who have had contact with the McGuffey reader in their childhood would communicate with the Post Office Department in support of this request. I do not know of anything that would be more popular in the part of the country where the McGuffey reader was used than this act of courtesy, this bestowing of honor where honor is due by the Government, because it is upon education that our liberty rests. [Applause.]

NOTHING NEW IN GOVERNMENT FILMS

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAVERICK. Mr. Speaker, the other day the Republican minority leader [Mr. SNELL] expressed high sin-consciousness because he had heard a report that the Works Progress Administration was going to make some motion pictures. But he did not say that for 12 years under Republican administrations Government departments and bureaus have been doing exactly the same thing. In fact, the Republicans set just about all the precedents in this field, and the work they accomplished was perfectly proper from the standpoint of public records and public information.

The Republican minority leader is not so generous with the Government when it is in control of the Democratic Party. He wastes no time in assuming that the Democratic W. P. A. movies are going to be something sinister and less ethical than the Republican agencies have made in the past. He charges that there will be 50 W. P. A. movies and that a lot of them will be in technicolor, which is a highly expensive process. He infers, with due piety, that they will not be informational reels like the Republicans made, and then predicts they will be used as campaign news reels and will flash the name of the Democratic Senator or Representative who sponsored the project. I find there is no intention whatever of including Congressmen in the movies, so the statement is not correct.

Hearing all this sound and fury, I set about making a little research myself and found out a few things; most of the statement appears to be incorrect or irrelevant to any sound point.

USE OF MOVIES IN GOVERNMENT COMMON PRACTICE

I do not know how many films W. P. A. or any other agency intends to make in the future, but I feel perfectly safe in predicting that whatever movies it makes will be just as ethical as the movies that the Republicans made when they were setting all these precedents. Up to this time the Works Progress Administration has made four or five finished reels and not one of them has contained any technicolor or any political partisanship.

What I want to emphasize is that it has been common practice for years and years for Government bureaus to record their activities in this way, and the use of motion pictures has become ordinary routine.

HOOVER'S MOVIE FOR UNITED STATES STEEL

As far back as 1926 the Bureau of Mines, of the Department of Commerce, had 140 reels available for distribution. Herbert Hoover was then Secretary of the Department, and he approved of motion pictures as being a good medium for conveying ideas. Moreover, nobody in the Republican Party, nor, as far as I know, the Democratic Party, objected then.

These reels had been made in cooperation with private corporations, with the Bureau supplying the supervision. One of these was entitled "The Story of a Spark Plug." Is not that a romantic title? Another was called "The Story of a Rotary Drilled Oil Well"; and still another one was titled "An American in the Making." This was the story of an European peasant coming to this country where he became a glorified American by getting a job with United States Steel Corporation at Gary, Ind., and was supposed to have learned how carefully the souls and lives of the men were safeguarded by the Steel Trust. He went to a night school and got interested in the pretty teacher, married her, and at last reports, though this was before the Steel Trust laid off some 80 percent of its employees, was in the process of living happy ever after—no doubt making big guns and battleships so his children could get killed off. But that is not the point—the point is our Republican friends assume that when

they spend Government money to glorify big business and the Steel Trust that it is just wonderful, but for the W. P. A. to record the work of ordinary men and women it is committing an outright sin.

There was no sequel to this thriller of Mr. Hoover and the United States Steel Corporation, but had there been one made in 1931, 5 years later, it probably would have shown our hero standing in the bread line with his pretty American wife, who, no doubt, quit teaching school to take care of the elaborate home of a steelworker. That would have been Mr. Hoover's third year as President, when he was still making movies and still predicting something around the corner.

HOOVER REELS 386 TIMES; THAT'S O. K.

Now, it seems to me that the Republicans all got together and promoted Mr. Secretary Hoover to be Mr. President Hoover in 1928. In fact, I am sure of this, because I remember voting for Al Smith, who ran against him, and who has now joined the Liberty League and the Republican Party. At any rate, President Hoover was a great promoter of movie reels, so in 1931, through the Department of Agriculture, there were 386 reels made which were available for distribution. Also, I am not criticizing him for it. I think that is probably one of the good things that he did. I merely mention this to show that movies are just like keeping a journal in these modern times, and to raise a fuss about the W. P. A. having movies is just about like raising a fuss because the Democrats let Mr. Farley deliver a letter when the Republicans had done the same thing through their own Postmaster General for years before.

Under Republican administrations these pictures had been made for such bureaus within that Department, as the Bureau of Animal Industry, Bureau of Agricultural Economics, Plant Industry, Entomology, Biological Survey, Forest Service, and Extension Service.

In 1932, the last year that the dour countenance of Mr. Hoover graced the White House, the Department of Agriculture produced 42 new reels for distribution, covering 25 subjects. I presume that all these reels were honest efforts to inform the people. But let me read you a few of the titles out of the 1932 catalog and let you judge what the Republicans would be saying about them today if they were now being produced by the Democrats.

Here is a sample: "Routing Rodent Robbers", a movie produced by the Bureau of Biological Survey. That was all right. The Works Progress Administration now has a rat-extermination campaign under way, and that is called boondoggling. Here is another nice title, "Sago Making in Primitive New Guinea." That was produced for the Bureau of Plant Industry, and it was accompanied by sound.

REPUBLICAN POLITICIANS STARRED IN MOVIES

Since this question of politicians appearing in movies has been brought up, I want to recall that the Department of Agriculture in 1932 produced a movie entitled "Forest Fires and Conservation." The stars of this movie were Secretary Arthur M. Hyde and Congressman Scott Leavitt. Then there was a picture called "An International Study of American Roads", which not only was a talkie but was scored to the music of the United States Marine Band.

If the Works Progress Administration, which is building about one-half million miles of farm-to-market roads to take some 13,000,000 farmers out of the mud, dared to mention this fact on a movie screen, the Republicans would put their whole jigsaw "brain trust" to work proving it a diabolical political plot. In other words, criticizing the Government for making movies is simply nonsense.

This whole furore over some routine Government movies is a tempest in a teapot. We Democrats really are guilty of being rank imitators in it, for the Republicans set all the precedents and the W. P. A. is merely doing weak imitations.

But I do not think we need to feel badly about that, for lately the Republicans, after howling for 3 years about the New Deal "brain trust", have turned around and burst forth with one of their own. And the weakness of our imitation of their movie program is as nothing compared to the frailty of their brain trust alongside of ours.

REPUBLICAN TRAVELOGUES

But I do not want to get to talking about the Republican "brain trust" and forget Government movies. In 1932 even the Department of Labor, the deserted stepchild of the Hoover administration, had reels for distribution, the Childrens' Bureau had 10 and the Women's Bureau had 10. In the Interior Department the Bureau of Education had about 30, the National Park Service about 8, and the Bureau of Reclamation 34. The titles of the reclamation pictures sound like the work of the Works Progress Administration, and I can well imagine the hue and cry that would be going up now if such pictures were being produced as "The Garden of Allah" in Arizona; "Land of Burnt-Out Fires", Oregon and California; and "Valley of Opportunity", Colorado.

Of course, the War Department has had thousands of reels produced, including numerous entertaining travelogues designed to stimulate recruiting.

The Bureau of Public Health also had a number of reels made by its own unit to introduce sex instruction into high-school and college curricula.

HOPKINS WORKING INSTEAD OF TALKING

Mr. Speaker, I do not want to take up the time of this House to detail the dozens of Federal departments and bureaus which have produced thousands of motion pictures for more than a decade in furtherance of their legitimate duties, but I do want to make perfectly plain how absurd it is for the Republican minority leader to launch an attack on the Works Progress Administration just because he has heard that it was going to produce some movies. I hope it does produce some movies that will tell the people of this country the good things that I have learned about the good things that it is doing. If I have any fault to find with it, it is because Harry Hopkins and his crowd have been so busy doing their enormous job that they have not taken time off to tell the people about it.

SAVING 400,000 WOMEN

I went down to the Mayflower Hotel the other day, for instance, and saw a W. P. A. exhibit. It was put there for the Women's Conference of the W. P. A., and it showed many of the useful things which about 400,000 women in distress have been doing. I saw all kinds of work superficially referred to as "boondoggling", but I say it was splendid. It showed self-respecting endeavor of human beings.

Why should not men and women displaced by machines through no fault of their own have a right to self-respecting work? It is said we shall always have from 10 to 30 percent of our population unemployed. I cannot believe it and do not like to think of it. But in any event, we certainly should not forsake from 10 to 30 percent of our people and let them become pariahs as in India.

If we continue to waste our natural resources, ignore the self-respect of our people, and even force them to lose their skill through sheer idleness, we can be sure we will end up with a large percentage of our population living like pariahs on the dole.

The main thing about "Government movies" is that they have been in effect for years, principally developed by the Republicans—they were all right then and are all right now—and as for technicolor, the W. P. A. had no intention of using it. As far as I am concerned, however, when I saw the wonderful exhibit of the W. P. A., made by the 400,000 unemployed women of America, it showed such beauty and color that I see no reason why it should not be put in technicolor. After all, sometimes even our critics make good suggestions without intending to. With all the science and knowledge that we have, why should not educational films be made by the Government, showing the work of the Government for the purpose of informing and educating the people of the United States? Are not the people supposed to be the Government?

Mr. SNELL. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SNELL. Mr. Speaker, as a matter of fact, I did not hear the first part of the gentleman's remarks, as I was reading the RECORD, and therefore I do not know exactly what he accused me of doing.

Mr. MAVERICK. While talking I was looking straight at the gentleman. I thought the gentleman from New York was listening.

Mr. SNELL. That is all right.

With respect to the interview I gave to the papers, I did not claim I had asked the Department for any information. I said I had heard that so-and-so was true, and with respect to the statement I made in the papers, they went to your own man, Mr. Hopkins, and showed him my statement and he practically corroborated everything I had said.

Mr. MAVERICK. The gentleman said he had not been able "to find out"; certainly Mr. Hopkins did not "corroborate" the gentleman.

Mr. SNELL. I did not say I had been to the Department or anything of that sort. I said this information had come to me, and from Mr. Hopkins' reported statement to the press it was evidently true. You do not suppose I would ask Mr. Hopkins about anything as purely political as this, do you?

Mr. MAVERICK. I deny it was "political" any more or any less than any other movies previously made by Republicans—in fact, it was a routine matter; and in the statement there was an implication that the gentleman had tried to find out some information and had been refused it. You say from Mr. Hopkins' statement it was "evidently" true. But the actual facts are otherwise.

Mr. SNELL. Well, your own man said it was so, and is not that sufficient?

Mr. MAVERICK. As to routine, of course, but as anything sinister, no. He did not say it was so about putting Democratic Congressmen and Senators on the screen.

Mr. SNELL. I said you would probably put the names of Democratic Congressmen on the screen, and you will. Read my statement and also statement from the W. P. A. If I remember correctly, they said it was being considered.

Mr. MAVERICK. He did not say that.

Mr. SNELL. The W. P. A. officials said it for him, and that is just the same.

Mr. MAVERICK. No.

Mr. SNELL. There has never been any such work done by any department of this Government in regard to moving pictures similar to what is being done at the present time. I know what I am talking about. We have always had moving pictures, and I have no objection to them, but when you use them to the extent that the present administration is doing for the purpose of reelecting the present administration I object to it, especially when you are using the people's money for it. Use Democrats' money, and I will not say anything.

Mr. MAVERICK. I want to make this statement——

Mr. SNELL. All right; I yield to the gentleman.

Mr. MAVERICK. You talk of politics——

Mr. SNELL. It is all politics, and that is why I am calling it to the attention of the House.

Mr. MAVERICK. Of course, when the Government was controlled by the Republican Party and was spending huge sums on movies, you made no objections. You say that the movies being made now are for the purpose of reelecting the present administration. That is an assumption, to say the least—you assume that Republican movies are sacred movies with an entirely unselfish purpose, and if anybody else gets movies that the motive must be ulterior. It is possible that it may be the other way, but certainly it is unfair to accuse the Democratic Party of politics when it is done as a routine Government matter and just as it has always been done.

Mr. SNELL. It is all politics, and that is the reason I called it to the attention of the country, and I am glad to get this opportunity to call attention to it again and impress it on the minds of the Democratic Members.

Mr. MAVERICK. Was it politics when the Republicans were writing that story about some intelligent immigrant working for the Steel Trust?

Mr. SNELL. I have no objection to that or no one else has.

Mr. MAVERICK. Of course. That was when the Republicans were in power. You assume that everything they did was right. Hundreds more reels were made by the Republican Party; the W. P. A. has done very few.

Mr. SNELL. I do not know who was in power, and I have no objection to that. I do not know what you are referring to, but it was probably some picture advertising advantages of this country or work in steel mills. General pictures of this kind have always been used, but I maintain that no administration has gone into the picture business or other propaganda for purely political purposes equal to the present one, and you and everyone else know it. I am surprised that anyone would defend these activities of the administration. I claim it is a misuse of the taxpayers' money.

Mr. MAVERICK. Oh, "misuse of taxpayers' money" is just a phrase. I want to make it plain that movies are movies—and the Republicans did it, and now the Democrats are doing it. What of it? Mr. Hoover got out 140 of these movies, and the Department of Agriculture got out hundreds of them, and this has been true throughout the different administrations, and there has been no intimation that these movies will be used for political purposes.

Mr. SNELL. No one has ever objected to the general proposition of using them for general educational purposes, insofar as the departments are concerned, but the present administration is using them purely for political purposes, and I make that charge, and if they have reduced the expected 50 to 3, it is probably because I called attention to it.

Mr. MAVERICK. There can be no reduction of 50 to 3, since no set number was contemplated. "Fifty", as a number, was assumed by the gentleman, and I hope the W. P. A. gets out a sufficient number of reels to tell the story of its fine work.

Mr. CHRISTIANSON. Mr. Speaker, I ask that the gentleman have 1 additional minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. CHRISTIANSON. The principal issue between the gentleman from New York and the gentleman from Texas seems to be whether there were 58 or 3 of these films. Is it not possible that they were reduced from 50 to 3 by what the gentleman from New York said?

Mr. SNELL. That may be so. I had an opportunity to get this information, and thought it was authentic and used it. It evidently was or you would not now be so disturbed about it and want to explain it.

Mr. MAVERICK. The gentleman suspected it, and now he "thinks" it is authentic.

Mr. SNELL. No; I did not suspect it; I got it and I used it. [Laughter.]

Mr. MAVERICK. And now let me refer to the remarks of the gentleman from Minnesota [Mr. CHRISTIANSON], who says the principal issue is the number of the movies. I want to repeat that I am merely bringing out the point that the making of movies depicting Government activities is a routine matter and is an ordinary process in modern times. The minority leader has criticized the use of movies by the Government merely because the Government happens to be in the control of the Democratic Party, even though the Government is doing it in a routine way just as it did when the Republicans were in the saddle.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, I call to the attention of the Members of the House a matter which I believe under our present condition is worthy of consideration. I appreciate that what I am about to suggest will evoke criticism. But the time is at hand when the whole people must

join in a national council considering ways and means for the solution of our problems. No one because of fear of criticism should withhold from public consideration any maturely considered suggestion which might help—I say, might help.

Since the beginning of the Government, it has been the policy of the Government to offer as an inducement for invention a monopoly for a fixed period of the right to use. During the past few decades there has been a tremendous increase in what is known as labor-saving devices. A Member of the House has just been telling me that in his business, weaving cloth, during the past 10 years the looms which one person operates has increased from 2 to 10. This sort of thing has been going on everywhere.

This is a practical matter. Government is a practical thing. With the number of unemployed which now obtain in this country, is it not a thing worthy of our consideration whether the Government should not, for the present, discontinue granting patents for labor-saving devices; discontinue offering the inducement of a monopoly of 17 years in the right to use to anyone who will invent a machine that will put more people out of work?

That is a practical proposition.

Would anybody with good, plain, practical common sense who is feeding, clothing, and housing, directly or indirectly, many idle people, continue to offer the tremendous incentive the Government is now offering to anyone who will devise a plan to add to that number of people that have to be cared for? If it were a mere matter of adding to those who are being cared for, it would not be so important.

But we know, as a matter of fact, the tremendous moral, economic, all sorts of waste that results from forcing an honest man anxious and willing to do a part of the necessary work of the world to go home night after night without any prospect of an opportunity by honest labor to feed his family. I am not offering the suggestion as a substitute for adjustment of hours of labor and of a proper distribution of benefits from labor-saving devices so as to increase the average purchasing power. We have stirring times ahead of us. What we need is to preserve as far as possible a normal-thinking, normal-acting, stanch people to work out these problems. Shifting people from the employed to the unemployed class operates against that greatest of all public needs just now. The person who in our present situation invents a labor-saving device adding to unemployment performs no valuable public service and ought not to receive a valuable public reward. That is the point I suggest for consideration as an emergency policy.

This is a matter that has not just occurred to me at the moment. I have been thinking about this a good while. I do not believe that I am disposed to go off half-cocked about a thing of this sort. On January 4, 1932, I wrote to the chairman of the Committee on Patents as follows:

JANUARY 4, 1932.

Hon. WILLIAM I. SIROVICH,
Chairman, Committee on Patents,
House of Representatives, Washington, D. C.

MY DEAR COLLEAGUE: I beg to direct the consideration of your committee to the possible advisability under our circumstances of suspending, for the present, patents for labor-saving devices.

I have not thought the matter through all of its ramifications, but sufficiently to feel warranted in calling it to your serious consideration, not as a major factor but as one of considerable importance in itself and still more important from the principle which is involved.

In the first place, a patent is not a thing which anyone can claim as a matter of right.

It is a monopoly of the right to use, granted by the Government as an inducement to devise novel things for the public benefit.

We have accepted without question that anyone who invents a labor-saving device is a public benefactor, and have accepted the advantages of these devices without accepting any of the corresponding and paralleling responsibilities and duties.

As a result we have developed a lop-sided progress.

Only as the buying power of the average person is increased so that he can buy something, to him new, something created by the person whose job has been taken by a machine, and as hours of labor are readjusted and the benefits of such inventions distributed, is it safe to increase labor-saving devices, or at least wise, as a matter of public policy, for the Government to offer persons a special inducement to invent them?

Farmers who learn to cultivate by a better method are not given patents. Physicians who develop new and better methods of treating diseases are not given monopolies in the method of treatment.

Certainly it is far better to have two persons working, each earning his own living, than to have one person with a machine do the work formerly done by the two, and the person supplanted, unable to get any other work, and an object of charity. It is still worse under these conditions for one person to do the work of three.

To increase machine production per man without increasing per man power to buy does not tend toward a healthy economic or industrial condition. To increase production and at the same time decrease the number of those able to buy is tragically unsound. The person supplanted by the machine and left without a job cannot purchase. There is nothing more hurtful economically and morally or more dangerous to the State than to have people ready, willing, and able to work for an honest living but deprived of the opportunity.

The corresponding, and in nature, paralleling line of true progress is too far behind. Had we not better wait with the one, or at least withdraw the artificial stimulus given by the Government, until the other line is brought up?

With millions of people idle who are willing to work, as a matter of practical common sense it seems to me an absurd thing for the Government to continue to offer this inducement to persons who will devise methods for taking away jobs of persons now engaged, who will have to be supported either by private charity or from the Public Treasury.

Very respectfully,

HATTON W. SUMNERS.

I do not suggest the consideration of the permanent abandonment of the policy of granting patents to labor-saving devices.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. RICH. If the gentleman can put into effect something that will regulate labor-saving devices for a short time, he will put every one of the people now on the dole back into industry and give them a job. I hope that he can devise some means by which he can do that in order that we may compel industry to employ these people. The matter should be put under the Department of Labor. If the gentleman can accomplish this, I believe he will do great good for the country, as much as any man can possibly do. I think the gentleman is on the right track.

Mr. SUMNERS of Texas. I am not trying to make a speech. This is a matter which I want you gentlemen here to think about. If I have time this afternoon, I shall revise these remarks.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. BOILEAU. Does not the gentleman believe that a progressive reduction in the hours of labor with apportionment to the development of labor-saving devices would be a better solution and would be really in the best interest of the people? In other words, if we have labor-saving devices, give labor the benefit of them rather than capital.

Mr. SUMNERS of Texas. I am talking now about one thing—withdrawing for the present this inducement now being offered by the Government to anyone who will invent a machine which will take an honest man's job away from him and send him into the ranks of the millions of unemployed. The suggestion I make is not involved with or tied up in any way with any of these suggestions. It is not an alternative proposition in any sense. We have been taking on credit these inventions. We have reached the time of payment. Nature charges every people for everything they get. We have been taking without paying, without thinking and effort, all this application of steam and electricity and gasoline, taking them on credit and have not paid. We have reached the paying time. Nature has a time when a balance sheet must be struck and people have to pay, and this is one of the settling days. That is what has made this peculiar and interesting condition in the history of the economic life of the world today. We have been going faster, as my friend has indicated, in the development of labor-saving devices than we have been progressing in the distribution of the benefits of labor-saving devices, in the adjustment of hours of labor, and all the other things. If we are oversupplied with unemployed and if unemployment with its associated dependents upon private

or public charity in any of the forms is hurtful to a people, how can it be possible that the public interest can be promoted now by continuing to offer a governmental reward to whomever will devise a machine which will increase unemployment and reduce the number of self-respecting citizens now doing a part of the necessary work of the world and drive them into the ranks of the millions of unemployed? To the individual and to the Government there is no waste, no loss, so great as that which results from that change in status. If the Government already has more than enough unemployed on its hands, why continue to bid for more? Fundamentally no governmental policy can be wise which sacrifices the excellency of the people for the excellency of its machinery.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. LUNDEEN. Mr. Speaker, within the past 15 years there has been a rapid growth of cooperative business in Minnesota. We have today more cooperatives, both producer and consumer, than any other State in the Union. We have 1,318 producer cooperatives, or cooperative marketing associations, and 2,866 consumer cooperative societies in Minnesota. The producer cooperatives do an annual business of $97,395,000; the consumer cooperatives do a business of $27,907,983. We have a total membership of 144,000 in our producer cooperatives and a total membership of 531,180 in our consumer cooperatives in Minnesota.

There are, in the entire United States, about 9,000 consumer societies, with a membership of about 2,000,000. Minnesota, with nearly one-third of the total consumer cooperatives in the country, is far ahead of her sister States in the cooperative movement. This movement has grown up quietly and successfully and has continued to grow right through the depression while business operated for profit failed. In 1935 only one company, the Standard Oil, did a larger percentage of Minnesota's light petroleum products business. Our State government in Minnesota encourages the growth of cooperatives.

COOPERATIVES WILL CONTINUE TO EXPAND

The great service being performed by Minnesota cooperatives, and by the forward-looking people who are helping to build these organizations is worthy of attention. Citizens of other States can look to Minnesota for guidance in their efforts to build cooperatives. The philosophy of cooperation is in keeping with the American ideal of government of, by, and for the people.

Through cooperative study groups in Minnesota, individuals learn that their interests are best served through cooperative action. This is especially true in the consumers' cooperative movement. Every one of us is a consumer. As consumers we affiliate ourselves with other consumers organized for the purpose of serving themselves with the necessities of life, paying back to themselves any profits that accrue. We recognize the fact in Minnesota that our problem is to give information to our people about the benefits of cooperation. When people join cooperative societies because they understand the principles and benefits of cooperation, our movement rests on solid ground and will continue to expand.

HISTORY, GROWTH, AND BENEFITS OF COOPERATIVES

With these ideas in mind, I am presenting today information about the history, growth, and benefits of cooperatives. Inquiries from citizens of Minnesota and other States will be welcome. The Federal Government is conducting a survey of cooperatives in Minnesota, and I am indebted to those who are conducting this survey for the data included in my remarks. The data was collected under the direction of Russel K. Lewis, of Minneapolis, and I am indebted to Mr. Lewis, Mauritz Seashore, Clyde Buell, and others for much of the information I am presenting today. This information deals with the principles of cooperation, cooperative stores, and cooperative oil associations in Minnesota, farm supply cooperatives, credit unions, mutual and cooperative insurance, cooperative telephone, electric power, trucking, burial associations, and other miscellaneous cooperatives in Minnesota.

TYPES OF COOPERATION—PRODUCER AND CONSUMER

Almost everyone has heard of cooperation in connection with business enterprise, but there is a hazy confusion as to what cooperation really is. There is a difference between "cooperation" in the broad, nontechnical sense, and "cooperation" as a means of marketing and purchasing goods and services. Cooperation, in the economic sense, is a system for carrying on business in the interest of all those who participate in the cooperative movement. If the interests of all parties in the business are respected, there is no exploitation. Without exploitation, there can be no excessive concentration of wealth and power in the hands of a few. Cooperation is the working together of individuals and groups as producers or consumers for their common interests to avoid exploitation.

PRODUCER AND CONSUMER COOPERATIVES COMPARED

There is likely to be some confusion in the minds of many people as to the difference between farm-marketing cooperatives, called "producers' cooperatives" and "consumers' cooperatives." The confusion arises because some of the methods of both are essentially alike.

	Consumer	Producer
Membership	Any consumer (unlimited).	By occupation (limited).
Vote (control)	By person	By person.
Returns on capital	Limited	Limited.
Price	Market	Pool price or market.
Profits	To consumers	To patron producers.
Organization	Federations	Federations.
Methods	Mostly education	Promotion, and education.
Ultimate purpose	To change economic system to production for service.	To get highest possible returns for labor and products.

Most of the differences are only a matter of degree. However, they differ in one fundamental, and that is the ultimate purpose. The producer cooperative merely aims to eliminate exploitation by assuring full price for labor and products to the actual producer in the manner of labor unions. The consumer cooperatives, on the other hand, have in mind a production for service economic system—with all respect for labor and producers, of course—approached from the use end; that is, the consumer end. When properly understood, the two are not antagonistic; they dovetail together into one great system.

PRODUCERS' COOPERATIVES

In this country cooperation has been practiced mostly by producers, especially farm producers. Producers' cooperatives are also known as cooperative marketing associations. They enable the farmer to bargain collectively for the sale of his products, in which is incorporated his labor power. They serve the farmer as labor unions serve labor; they protect his interest as a producer. The average farmer receives most of his income from his labor rather than from his investment; he is therefore in the same position as the industrial worker, who finds it necessary to associate himself with his fellow workers to bargain collectively for the sale of his labor power. Agricultural cooperative marketing associations are necessary in the life of the farmer in order to enable him to maintain a decent standard of living.

VOLUME OF PRODUCER COOPERATIVES IN MINNESOTA

Today we have in Minnesota 1,318 producer cooperatives, with 114,000 members, doing an annual business of $97,395,000.

Producer cooperatives in Minnesota

	Number	Members	Annual business
Creameries	633	86,768	$44,386,000
Cheese factories	36	1,008	1,000,000
Fluid milk	6	9,000	3,186,000
Fruits and vegetables	25	4,000	1,000,000
Grain	265	41,665	17,000,000
Livestock	325	66,625	22,000,000
Poultry and eggs	14	770	3,000,000
Wool	5	6,600	3,400,000
Fish	2	365	160,000
Miscellaneous	2		2,265,000
Grand total	1,318	144,000	97,395,000

It is very doubtful if these farmers would have been able to receive more than $97,000,000 for the products they marketed had they not been associated together for this purpose. In our existing economic society it is an absolute necessity that farmers and workers organize in self-protection against being exploited; individually they possess little or no power.

CONSUMER COOPERATIVES

Farmers early began to realize that the same cooperative principles they applied to marketing their products could also be applied to purchasing their supplies. Many cooperative marketing associations—producers' cooperatives—began to purchase fertilizer, seed, feed, and so forth. As time went on, purely consumers' cooperatives were organized and carried on with great success, and today we have 2,866 consumer cooperative societies with a membership of 531,180 and an annual business of $27,907,983.

Consumer cooperatives in Minnesota

	Number	Members	Annual business
Essentially Rochdale co-ops:			
Store societies (1934) (affiliated, 38; independent, 65)	103	25,000	$5,611,383
Oil associations (1935) (affiliated, 95; independent, 55)	150	50,000	7,500,000
Total	253	75,000	13,111,383
Mutual or co-op societies:			
Credit unions (1935)	205	35,000	3,075,000
Insurance (1934)	160	245,000	5,700,000
Telephone (1933)	1,558	56,000	670,000
Burial (1933)	10	5,180	51,600
Total	1,933	341,180	9,496,600
Farm supply (other than above):			
Farm Bureau and Farmers' Union	80	35,000	300,000
Producer co-ops (side lines)	600	80,000	5,000,000
Total	680	115,000	5,300,000
Grand total (all societies)	2,866	531,180	27,907,983

WE ARE ALL CONSUMERS

The consumer cooperative idea is based on the fact that all people are consumers. Whatever else we are, we are consumers. Regardless of how each obtains money to exchange for consumable goods and services, the ultimate purpose is the same, to consume. Here we have a basic economic function upon which all people can unite, regardless of race, color, creed, nationality, political beliefs, or occupation.

Mutual aid is more natural to people than mutual destruction. It is reasonable and practical to organize as a society of cooperating consumers. With the exception of the information just given concerning producer cooperatives, my remarks today are confined to the consumers' cooperative movement.

It all started very humbly back in 1844, in Rochdale, England, when 28 weavers formed a cooperative store, styled themselves the Equitable Pioneers, and formulated a set of business principles to regulate their society. These have since come to be called the Rochdale principles, upon which most successful consumers' cooperatives are based.

ROCHDALE PRINCIPLES

These principles, the "cooperators' constitution", are variously stated by different people, but essentially they are as follows:

(1) Unlimited; voluntary membership: Any person desiring to cooperate is welcome to join, irrespective of race, color, creed, nationality, occupation, or any other test. A nonmember patron automatically becomes a member after his patronage dividend amounts to one share of stock. This principle is in line with the fact that we are all consumers.

(2) Democratic control; one member, one vote; no proxy voting: In other words, people, not dollars, control the business. No person can gain control by ownership of stock or collecting proxy votes. All people are equal. The books are always open for examination.

(3) Limited return on capital: This is to discourage investors and speculators. What the co-op primarily wants is patrons, and only incidentally money. In Minnesota the legal limit is 6 percent, if earned in the current year. The amount of stock an individual can hold is $1,000 by law, but is usually set less in the bylaws. Shares are of a low par value, $5 to $25.

(4) Sell at market prices: Co-ops are not price cutters. This prevents price wars and also allows an income to the business for reserves and expansion.

(5) Overcharge (profits) returned on basis of patronage: After all expenses are met, including interest charges, and reserves set aside the rest must be returned to the patrons, who made the profits possible in the first instance. This is the distinctive Rochdale feature; the other principles are designed to make this one effective.

(6) Cash, no credit: This reduces overhead and makes operation possible with small capital. It is just, in that no consumer is forced to carry another. Co-ops in the United States find difficulty in observing this rule, due to long-established credit habits.

(7) Federation for wholesaling and production: Consumers make additional savings and quality improvements by uniting their retail organizations for purposes of wholesaling and production.

(8) Fixed appropriations for education: The movement depends on understanding. The members run the business, so they must understand the principles on which it is based. In Minnesota a sum up to 5 percent of net income may be set aside for this purpose.

THE POWER OF ORGANIZED CONSUMERS

Control of the economic system by consumers is merely the reestablishing of a direct, simple production-for-use system such as our ancestors had before the means of production were exploited for profit.

Consumers, by giving or withholding patronage, have the power to build or destroy any business. They have the power, when organized, of controlling or taking over any business. When they have control they can operate it in their own interest. That is the purpose of cooperation. Consumers are not aware of the tremendous power they hold. When organized they control the purse strings, the power of life and death over business.

COOPERATION IN EUROPE—ENGLAND

Several European countries have shown us the way. England, where successful consumer cooperation began in 1844, now has 7,000,000 consumers organized into over a thousand cooperative societies, doing an annual business of over $1,000,000,000. The English co-ops do 12.7 percent of the entire retail trade; and of the food, clothing, and furniture retailing, almost half. The English Cooperative Wholesale Society is the largest wholesaler in the world. It operates 150 factories to supply its commodities, and even a tea plantation in Ceylon of 35,000 acres. The protection which the English co-ops give English consumers is incalculable. Their influence spreads far beyond the co-ops themselves. Exploitation in the distribution systems and in many lines of industry has been minimized by the organized consumers.

SWEDEN LEADS THE WAY

Sweden has been even more conspicuously successful with consumers' cooperation than England. The Swedes took up the movement about 40 years ago from the retail end, and after a decade or two of foundation building they came out with a "trust busting" program that has shown to the entire world the power consumers can wield if they but organize.

Today there are 635 consumers' cooperative societies in Sweden, with a family membership of 550,675, which is about a third of all households. The co-ops do over 20 percent of the retail and wholesale trade and do 10 percent of all manufacturing in the country. They have broken the margarine, flour, light-bulb, rubber, and other trusts that exploited the people by simply going into the business and operating at cost or, more specifically, on Rochdale principles.

INTERNATIONAL COOPERATIVE ALLIANCE

Other countries have successful consumer movements, notably Denmark, Finland, and, with reservations, Russia. France, Germany, and Italy, as well as smaller countries, have consumer movements but not so outstanding as some

of the others. In 1935, 40 countries were represented by the International Cooperative Alliance, with 300,000 societies and a total membership of 100,000,000 consumers. The consumers' co-ops of the world had a turn-over of about $20,000,000,000 in 1934.

COOPERATIVE LAW OF MINNESOTA

The essential features of these Rochdale principles are codified in the Minnesota cooperative law of 1923 and subsequent amendments. The experience of almost a hundred years has demonstrated that Rochdale cooperatives are eminently just to all people and, therefore, successful. Many cooperatives deviate in some respects from these principles.

COOPERATIVE AND CORPORATION COMPARED

Cooperation is a method of business very different from the corporation. Here are seven cardinal features of business organization and operation as these features exist in cooperative- as contrasted with corporation-controlled business.

	Cooperative	Corporation
Membership	Unlimited	Limited.
Vote (control)	By persons	By stock.
Return on capital	Limited (6-8 percent)	Unlimited.
Price	Market	Market.
Profits	To patrons	To stockholders.
Organization	Federations	Trusts.
Method	Mostly education	Promotion and advertising.

A corporation is a business owned and controlled usually by a few investors, operated in the interest of themselves, carried on by methods that bring in the maximum profits. It is autocratic, and sometimes antisocial. On the other hand, cooperatives are owned and controlled by many people, operated in the interest of the consumers themselves, carried on by methods which have as their aim the greatest good to the greatest number. They are democratic and social.

BENEFITS OF COOPERATION

The whole purpose of consumers' cooperatives is to provide material and cultural benefits to the cooperators and society in general.

The material benefits are several. The most important is that consumers get their supplies and services at cost. This increases consumer purchasing power. Or stated another way, it increases a worker's real income, in that he, as a consumer, gets more goods for the same amount of money. This increase in purchasing power the cooperatives accomplished in three ways: Directly by patronage dividends; indirectly by "yardstick" control over profiteering in ordinary profit business, lowering the price to the entire community; and thirdly, by the greater efficiency possible in a business system that serves a known market and is exempt from some of the expensive overhead carried by highly competitive business. Consumers are protected as to quality, because in reality they are on both sides of the counter. This quality protection amounts to an increase in purchasing power.

Another material benefit to society is the effect cooperatives have in helping to prevent depressions by preventing concentration of purchasing power. This the co-ops do by producing and distributing at cost, eliminating profits; and by paying a high average wage to workers so that they may buy back the products they produce and prevent accumulation of a surplus. The principle is, raise low wages and reduce high salaries in executive divisions.

CULTURAL VALUES OF COOPERATION

By no means less important are the cultural values of cooperation. It is well known what a highly competitive capitalistic system does to people. The ethics of uncontrolled capitalism are those of the jungle. The system forces people to hope for, work for, and ever pray for the economic destruction of competitors, their own neighbors. Catastrophe is a consummation devoutly to be wished, because it is "good for business." Fire, flood, and war furnish temporary business booms. That is how the economic world is organized at present. Hypocrisy, sham, deceit, crime, and immorality are rampant in the land. They are all a part of our everyday business activity.

THE ETHICS OF COOPERATION

Cooperation based on mutual aid is something quite different. In this system everyone shares in good fortune; and everybody loses by destruction and sabotage, because there is no profit in it for anybody. The only opponents are the elements of nature—scarcity—not man.

Cooperators and their employees derive the satisfactions inherent in teamwork. They all have one purpose. In no other business are employees given an opportunity to examine the books and take part in the affairs as they do in co-ops. Cooperators and employees alike become part of an integrated movement, ideal enough for the dreamer and reformer, and at the same time eminently practical, a rare combination.

CONSUMERS' COOPERATION IN UNITED STATES

As early as the forties, buying clubs had sprung up in New England for service to consumers. They were short-lived, and nothing of consequence appeared on the scene until after the Civil War, when the Grangers, a farmers' organization, swept the country and established cooperatives, both producer and consumer, from the seventies until the nineties.

The Sovereigns of Industry and the Knights of Labor developed cooperatives about the same time. In the eighties the Farmers' Alliance also tried consumers' cooperation. Although they all left their mark on the movements, only very scattered remnants are left of these crusades. Some cooperators believe that their failure was due to violation of Rochdale principles, the class nature of the movement, and inadequate laws. Laws were almost universally nonconducive to cooperation until the last 15 years. Even a year or so ago only 32 States had special cooperative laws.

FINNS COOPERATIVE LEADERS

During the latter part of the nineteenth century there appeared in America a sturdy group of real torch bearers of Rochdale cooperation. They had learned the business in their homeland, Finland, and now transplanted it to their new home in northern Minnesota, Wisconsin, Michigan, Massachusetts, and other States. Through all the comings and goings of consumers' cooperatives during the last few decades, the Finns have kept the light.

At present there are estimated to be about 9,000 consumer societies in the United States, with a membership of about 2,000,000, doing an annual business of $365,000,000, a million dollars a day.

Until 1915 the budding movement had no central organization. Since then, the Cooperative League of United States of America, with Dr. J. P. Warbasse, the American godfather of Consumers' Cooperation, as president, has served as educational coordinator. Headquarters are at 167 West Twelfth Street, New York City. The league publishes a monthly, Consumers' Cooperation, and is also the American connection with the International Cooperative Alliance.

TYPES OF COOPERATIVE ENTERPRISE—FIRST: COOPERATIVE STORES

The store is the business institution that has the most frequent and intimate connection with the consumer. It was, therefore, quite natural that the store was the first business entered into by the Rochdale Pioneers. It came closest to their lives, and it was through the store that they were badly exploited by the business world, next only to their exploitation by the mill owners.

EARLY ENGLISH CO-OP STORES

The consumers' cooperative movement started in Rochdale, England, in 1844. This was a period of turbulence in the economic and social life of those countries where the industrial revolution was getting under way. Little or no restraint was exercised by the government or other social forces over the profit-hungry industrialists engaged in a life and death struggle for business existence in a highly competitive system. Numerous reform movements sprang up as they always do under economic pressure. Among these were political solutions, notably the Chartist movement, whose votaries

believed that the peoples' trouble would all be solved if they but had universal suffrage.

PRICE WITHOUT PROFIT

Others, notably Robert Owen, a wealthy manufacturer with a social viewpoint, advocated an economic system of "price without profit."

It remained for a Dr. King, also a man of wealth, to launch a real frontal attack on "poverty, disease, and crime." He attacked economic and social problems together, believing they were one. To accomplish this he started cooperatives, about 300 stores, knowing that if people were to help themselves, they must have economic power. And, in his words, "knowledge and union are power."

Although these stores stumbled over the Chartist movement and failed, Dr. King's work led up to the success of Rochdale, already mentioned. It was in this way that the consumers' cooperative movement, with its thousands of societies in practically every country, with over a hundred million members, started as a store movement. It all arose out of an economic need—need for a solution to everyday economic problems.

NECESSITY BRINGS REFORM

It cannot be stressed too strongly that economic institutions and movements, as well as political programs, are motivated to a considerable extent by the facts of stern necessity. People do not take action in the economic world just for the fun of it. They expect better conditions to result from their actions, either to themselves or to others. Always something must stimulate the action. It is this cause-and-effect relation which makes the progress of the cooperative movement halting, jerky, and even sporadic, although a successful movement when viewed as a whole. The economic pressure is not always equal or compelling.

COOPERATIVE-STORE HISTORY IN UNITED STATES

Especially is this halting progress true of our own country. The United States has been a pioneers' and adventurers' paradise during most of its history. New territory, cheap land, unstable communities with a fluctuating population were not conducive to organized cooperation on a permanent, integrated basis. Such cooperation as exists was informal, such as house-raising, husking-bees, quilting-bees, and other forms of shared work. Also, pooling of purchasing orders was common in order to save neighbors the necessity of all going long distances for supplies. Buying clubs were organized quite early, in New England, but nothing permanent resulted from such ventures. It remained for the agrarian Middle West to pioneer organized consumer cooperation in America, beginning during the hectic reconstruction days following the Civil War.

THE FIRST GRANGE ORGANIZED IN ST. PAUL IN 1868

The Grange, officially the Patrons of Husbandry, established cooperative stores as a part of its program. The Grange is of special interest to Minnesotans because the first grange was organized in St. Paul in 1868. The State grange came the next year, followed by Illinois, Iowa, Indiana, and other States, until the grange movement was a crusading farmers' "uprising" that proposed to eliminate all middlemen, market its own products, and manufacture and distribute its own supplies.

High taxes, mortgaged farms, high prices on supplies, railroad swindles and rebates, together with low prices for farm products, all motivated the Grange. It lived through the panic of 1873 but became less active after that crisis. Isolated grain elevators and a few stores remain from the Grange. The State of Washington has a number, some of more recent origin. We have four of these stores still going in Minnesota.

The grangers set up their own stores throughout the Middle West especially, making collective-bargaining agreements with local merchants. There were no cooperative laws in those days, so the stores were organized as ordinary corporations, with stock-share control.

GRANGE CENTRAL WHOLESALES

Attempts were made by the early grangers to establish central wholesales. The Ohio Grange at one time had one at Cincinnati. It sold goods at cost instead of at market prices according to the Rochdale principle. Ohio tried again, this time with a patronage-dividend feature, but no provision for reserves. The control also was vested in the stock, in violation of another Rochdale principle. It lasted a couple of years and then was gone. A wholesale sponsored by the Grange now operates out of Seattle, Wash., called the Grange Cooperative Wholesale. It is successful.

SOVEREIGNS OF INDUSTRY

The unrest of the post Civil War period affected the cities as well as the country, and industrial organizations similar to the Grange sprang up to meet the issues. One of these, the Sovereigns of Industry, also a secret order like the Grange, set up stores throughout the East from 1874–79. One hundred and one of the three hundred and ten councils (three in Minnesota) had consumers' cooperatives of some sort. Although the leaders advised sound Rochdale rules, about half of the 100 worked under trading agreements with local dealers and 26 of the others sold at cost, contrary to Rochdale principles. Although they had a high purpose, the procedure followed may have contributed to their defeat.

KNIGHTS OF LABOR

The Knights of Labor in the eighties set up stores in the industrial East as a source of income for the organization. They merely gave a discount to members in good standing. In other words, it was not really a consumers' movement, but rather a method for supporting the parent organization. At least two organizations sponsoring consumers' cooperation are today continuing this practice in a modified degree.

FARMERS' ALLIANCE

During the eighties also another farm organization, the Farmers' Alliance, set up consumers' supply cooperatives, especially in the South. Their experience was similar to that of the Grange.

Up till the nineties most cooperatives, both producers' and consumers' were generally considered failures. About that time fortune changed, and to this day cooperatives in the United States have made progress.

FARMERS' UNION COOPERATIVES

In 1902 the Farmers' Union started to set up stores as well as other cooperatives. This organization is still in the business in the Middle West, and has a fine, new wholesale plant at Omaha, called the Farmers' Union State Exchange. It deals in other things besides store supplies, petroleum, and machinery and its sales for 1934 amounted to over $2,000,000. It is the oldest of the four wholesales supplying cooperative stores. The Farmers' Union stores and wholesales serve a purpose in the movement, especially in making the American farmer consumer conscious.

SOCIETY OF EQUITY

The Society of Equity, another farm organization of the Middle West, set up stores as part of its program, although it primarily sponsored grain elevators. It is now out of the picture. The Farmers' Equity Union of 1917 met a similar fate.

FARM BUREAU COOPERATIVES

In 1911 the Farm Bureau was established. It now has organizations in 45 States, and 17 of these have cooperative service companies sponsored by the Farm Bureau Federations. The cooperative phase of the Bureau is a later development, Indiana starting first and Illinois next. The Ohio Farm Bureau also has a strong consumer movement, chiefly farm supply, associated with it. So far, stores have not been developed by the Farm Bureau, but they are directly in line with their program of expansion. Indiana and Ohio have recently declared themselves in favor of city consumers' co-ops, that is, stores.

The other historical developments of the store movement are so closely associated with the movement in Minnesota that I will take them up in that connection. In general, it can be said that our cooperative store movement has lagged behind that of other countries. Up until recently the laws were unfavorable. Only about 32 States now have general cooperative laws. Also, in this country the existing noncooperative stores are highly efficient. Exploitation at the

retail end is comparatively small in the store business, consequently the need is not so apparent, and the immediate savings to the cooperator are small. It takes real cooperators to make a store successful in our country. The development has not been rapid.

PRESENT EXTENT OF STORE COOPERATIVE DEVELOPMENT

At present, however, there are about 500 store societies in the United States, with a membership of about a hundred thousand families. There are a few successful city stores, but most are in small towns. Ninety percent of the membership is made up of farmers.

MINNESOTA LEADS

The complete figures are not available for showing the distribution among the States, but in general those in the upper Mississippi Valley lead all the rest. Minnesota leads with 103, followed by Wisconsin, Michigan, and Nebraska. North Dakota and Iowa are somewhat lower. Massachusetts has a good showing in the East, followed by some of the other New England States. On the west coast, Washington leads with about as many as North Dakota, followed by Oregon, and then California. Our figures show that 12 States, mostly in the South have none. Other States have a few here and there.

COOPERATIVE LEAGUE, COORDINATING AGENCY

Up till 1915, stores as well as other cooperatives lacked a coordinating agency. Since then the Cooperative League of the United States of America has served in this capacity. Also four wholesale societies are active in promoting and servicing some of the stores, probably a fourth of the total.

The Central Cooperative Wholesale, Superior, Wis., is the outstanding one. The Farmers' Union State Exchange, Omaha, is the oldest. There are two others, the Grange Cooperative Wholesale, Seattle, also the Eastern Cooperative Wholesale, of New York City. Two others have started during 1935, one in connection with the Consumers' Cooperative Wholesale Association of North Kansas City, Mo., a large oil wholesale; and the other a brokerage business through the Central States Cooperative League, Chicago, which is called the Central States Cooperative Wholesale.

THE STORE MOVEMENT IN MINNESOTA

There are in Minnesota today 103 store societies which are more or less cooperative. Taking the State as a whole, with its 87 counties, this is an average of one and one-fourth per county. Forty-two counties, almost half, have no cooperative store society; 20 have only 1, 16 have 2, 5 have 3, and the remaining counties have 4, 5, 6, and 23 societies, respectively. The latter is St. Louis County, a large county extending north from Duluth. Carlton County, just west of Duluth, is second in number of societies. In all, there are 15 branch stores operated by these societies, making, all told, 118 cooperative retail outlets in the State. About half of these are within a hundred miles of Duluth. The rest are scattered rather evenly through the open farm country of the south and west.

TWO CO-OP STORE SOCIETIES IN MINNEAPOLIS

The stores are mostly in smaller towns, and even crossroads. But Duluth has two societies, though small; Minneapolis has two, both started in 1935; and several of the larger towns, such as Hibbing, Virginia, Cloquet, have fine cooperative stores. Of the 89 societies that answered a questionnaire as to proportion between farmer and town membership, 69 said that their membership was two-thirds or more farmers; 11 said half farmer and half city; and 9 stated that their membership was two-thirds or more urban. The societies are predominently farmer; the areas in which they operate are largely agricultural. In this respect the movement in Minnesota differs from that of England and Sweden, where the cooperative movement started and has had its best development in the cities.

AFFILIATED AND INDEPENDENT TYPES

The societies can be conveniently divided into two categories: Affiliated and independent. The independents are the larger group, with 65 of the 103 stores, or 63 percent of the total. Four of these, however, are associated with a central—the Central Cooperative Wholesale—in a small way. These independents aim to effect a small saving to the consumer at the retail end. They have not gained control of the wholesaling and production of consumer goods.

The highest percentage of failure is among these nonfederated societies. In general they are located in the southern and western halves of the State, away from the chief centralizing organization in this territory, the Central Cooperative Wholesale, of Superior, Wis. This makes it almost impossible to deal with the C. C. W., as they are outside its trade area. There is need for a central wholesale or branch in the Twin City trade territory to coordinate the co-ops in the southern half of the State.

AFFILIATED STORES

The more truly cooperative store societies are those affiliated with the central organizations for buying, education, and promotion. Of the 103 in the State, 38 are federated into two separate central organizations, both of them with headquarters at Superior, Wis. As Superior is just across the State line from Duluth, these centrals are an integral part of the Minnesota movement. The two centrals were together up to 1929, when internal dissension arose, and a small group of stores withdrew and formed a separate central wholesale called the "Workers' and Farmers' Cooperative Unity Alliance." It has remained a small organization with four societies in Minnesota and a few in Wisconsin. One society it took over has since died for lack of patronage.

Thirty-four of the cooperative store societies in Minnesota belong to the larger organization, the Central Cooperative Wholesale. About 100 stores in this State, Wisconsin, and Michigan, own and operate the central on a purely cooperative basis. Those in Minnesota are practically all located within a hundred miles of Superior and are predominantly made up of Finnish people. They are the purest cooperative stores in our State.

HISTORY OF COOPERATIVE STORES IN MINNESOTA

The Grange organized the first cooperative stores in Minnesota; it established co-ops in other States. The granger movement had its beginnings in our State—1868—so this was quite natural. We do not know just how many were started between the years 1875–1900, when that organization was most active, but there were quite a number. Of these four remain to this day: Clark's Grove Mercantile Co., 1891; Farmers' Mercantile Co-op., Underwood, 1892; Nelson and Albin Mercantile Association, St. James, 1896; Union Cooperative Mercantile Co., Oxlip, 1897. They are all independents, unaffiliated with other cooperative societies.

RIGHT RELATIONSHIP LEAGUE

The Grangers slumped for a time in Minnesota. New organizations came into being here and there, but more failed. Then, in 1906, a new interest was aroused by the Right Relationship League, headed by E. M. Touseley and two other promoters. The league was apparently motivated by a high ethical purpose, as the name suggests, and, with enthusiastic promotion, they proposed to convert Minnesota to consumers' cooperation in a hurry. To this end they at one time had 16 organizers in the field, with headquarters at Minneapolis. They meant to take over one established store in each county to begin with. They also established stores in the Twin Cities, and had a wholesale in Minneapolis for 6 months. A monthly magazine, Cooperation, was published for a short time.

The Right Relationship League organized probably 50 stores, all but 3 of which are out of existence, at least as cooperatives. The three survivors are at Lindstrom, Willmar, and New York Mills. The first two are independents. The New York Mills store is a member of the smaller central at Superior.

The Right Relationship League, as the Grange before it, worked chiefly in the older and better agricultural sections of the State, although the R. R. L. did organize on the Iron Range. This situation was very natural, as in the days prior to the war northern Minnesota was much less developed than it is today. The region had the instability of a lumber and

mining camp, which it essentially was. Such instability in population and industry is not conducive to cooperation.

FINNISH COOPERATORS

But it so happened that in the early part of this century Finnish immigrants began settling in that northeastern section of the State, and they brought with them the knowledge of consumers' cooperation. The movement had come to Finland in the nineties and had had a favorable development from then on. The Finns not only knew the method of cooperation but they knew the necessity of it. They had experienced hard times under the czar and had developed a spirit of communal self-reliance that other people in the New World lacked. They are cooperators by nature, and wherever they settled they started cooperative enterprises among themselves. Besides our own State, Wisconsin, Michigan, Illinois, and Massachusetts have good cooperatives built by Finnish people.

FINNS KEEP ROCHDALE PRINCIPLES

From about 1910 on to the present the Finnish people have sponsored what is generally considered the best store movement in our State. They have kept the Rochdale principles and proved that consumers' cooperation can work even in as difficult a type of business as the retail store. Contrary to the previous experience in this country, the Finnish stores have had few failures. Of those connected with the C. C. W. only two have failed in the last 10 years, and those under unusual circumstances.

The greatest period of development for cooperative stores was from 1911 to 1922. During this 10-year period the Grange and Right Relationship League stores were still going, and the Finnish stores were spreading. Others were active independently as well. A study made in 1917 estimates that there were about 125 stores in the State in 1914. While the estimate may be high, there no doubt have been more failures than incorporations during the last two decades, bringing the total number down to 103 for 1935.

CAUSES OF FAILURE

The causes of failure have been many and complex. Seldom is it possible to give the exact cause. However, one classification of reasons for failure of 85 stores is as follows:

Inefficient management	25
Insufficient capital	15
Too liberal credit policy	14
Lack of leadership	13
Lack of cooperative spirit	11
Too many competitors	7

COOPERATIVE SPIRIT ESSENTIAL TO SUCCESS

Although the classification has merit in that it tries to be specific and designate the "last straw that broke the camel's back", all the causes but the last, "Too many competitors", can be charged up to the one called "Lack of cooperative spirit." For we now know that the stores succeed in about the same ratio as they adhere to proper cooperative principles. These cannot be followed unless the leaders and the rank and file understand what cooperation is all about, and they cannot have a proper understanding and spirit unless they have been properly educated. That is the crux of the whole movement—understanding through education.

At present the affiliated stores are going slowly ahead in numbers and rapidly ahead in trade volume. Five or six new store societies have been started in the last year or so, at least two of them with no central connections. Mergers have taken place in recent years, cutting down the number of societies. Branch stores—at least 15—increase the number of retail outlets without increasing the number of societies.

EDUCATION NECESSARY

No sudden boom of cooperative stores is anticipated, for it takes real cooperators to run a store society in our country today. A possible future growth may come about in connection with the oil associations. They are easier to establish, and after the oil associations have sold the idea of cooperation and educated the members the stores will be easier to start and maintain. This has already been done successfully in at least one Minnesota town, Cambridge.

CENTRAL COOPERATIVE WHOLESALE, SUPERIOR, WIS.

Thirty-four societies, together with about 65 in other States, own and operate a cooperative wholesale at Superior, Wis. It is generally known as the best of its kind in America, an excellent example of what loyal cooperation can do.

It was started back in 1917 with a "pass the hat" collection of $15.50, in response to discrimination against the Finnish cooperative stores during the war. In January 1935 it had a net worth of $200,000 and total assets of $315,000. It has handled $20,000,000 worth of merchandise for its members, and in 1935 sold $2,200,000 worth of goods. In addition to building up the wholesale, the C. C. W. has returned to its members in actual dividends and cash close to $300,000.

GROWTH OF SUPERIOR WHOLESALE

In 1935 the cooperative wholesale took over a fine plant which a competing wholesale was not able to maintain. It operates a bakery in Superior with an annual output of a hundred thousand dollars. Also it has as a subsidiary a publishing association which publishes among other things an excellent semimonthly cooperative paper, the Cooperative Builder, and a similar paper in Finnish, the Finnish Weekly. An auditing service is also maintained. The C. C. W. now employs 65 people.

The wholesale has expanded its services until now it handles a complete line of groceries, bakery goods, general household supplies, a limited line of clothing, hardware, and paints, feeds, petroleum and accessories. It has 200 products bearing the co-op label. It carries high-quality goods, and other grades honestly labeled as such.

NORTHERN STATES COOPERATIVE LEAGUE

In addition to its merchandising, the C. C. W. is the fountain-head for cooperative education and promotion in their part of the State. To this end it conducts training schools for employees, and other activity for members. Much of this is done in collaboration with the Northern States Cooperative League, of which the C. C. W. is the most prominent member.

The C. C. W. is a member of the Cooperative League of U. S. A., and the National Cooperatives, Inc., a petroleum wholesale federation with seven member wholesalers.

As with the local societies in the C. C. W. group, the wholesale is extremely democratic in its control. Cooperative societies, only, are members. No officers, or any other individual may hold stock. Shares are $100. Each member society has 1 vote for every 50 members, provided that for each 50 the society holds 1 share in C. C. W. The control is in this way placed securely in the hands of the ultimate consumer.

Fifteen board members are elected by the members on a district plan, and these people really manage the C. C. W. They meet at least once a month and supervise the activity of the full-time manager.

FEDERATIONS

Three groups of cooperatives in the Central Cooperative Wholesale, Minnesota territory, are organized into what are called regional federations. Each includes the cooperative stores, as well as other co-ops, within a certain region. The member societies hold all the stock in the regional, and each society has one vote; the patronage dividend is paid back to member societies. They are organized for various purposes, as for example trucking, petroleum distribution, burial service, sausage manufacture, garage operation, social purposes, and education. In other words, to do those things for which the locals are too small. Their function partially overlaps the C. C. W., but not seriously.

The three are the Range Cooperative Federation, with headquarters at Virginia, and 14 members; the Carlton County Cooperative Federation, with headquarters at Cloquet, and 12 stores, 1 creamery, and 1 oil association as members; and the C-A-P Cooperative Federation (Carlton, Atkin, Pine Co.'s), with headquarters at Kettle River, with 5 stores and 1 creamery as members.

RETAIL STORES OF CENTRAL COOPERATIVE WHOLESALE GROUP

As previously stated, all but 3 or 4 of the 34 Minnesota societies belonging to the Central Cooperative Wholesale

group are located within a hundred miles of the Central Cooperative Wholesale at Superior. These societies operate 15 branches, making in all 49 retail outlets. They are federated into a central for wholesaling, education, and promotion. Most of the stores date from about 1910 on; the C. C. W. from 1917. The data for most of the information I have about this group was collected from 30 societies in 1934. (C. C. W. Yearbook, 1935.)

SIZE OF RETAIL STORE SOCIETIES

First of all, to give an idea of the size of the societies, the total assets of the smallest society were $4,147; for the largest they were $153,412; the average total assets for the 30 societies being $29,763.80. Of these assets, 59 percent were current; 11 percent, long term; and 30 percent were fixed assets—land, building, and equipment.

Of the liabilities, only 19 percent were current. This shows a strong position, since current assets were 59 percent or almost three times as great. Net worth averaged $23,798, or 82 percent of total liabilities. Of this, paid-in share capital was $12,336; reserves and undivided surplus was $11,462. All of which means that for every dollar put into the business by the consumers, there is now $1.92 in book value. In other words, the book value of the stock is about double its par value. This indicates a sound position.

Of course, averages do not tell the whole story, because some of the societies are very small and a few very large. The one with smallest paid-in-share capital had only $1,720; the largest had $70,625. Generally the shares are $10 with a limit of 20 shares per member. The general aim is to keep the interest-bearing-share capital as low as consistent with efficient operation, and gradually to build up the business by reserves instead, which do not bear interest and which are therefore social capital. About half of the societies have reserves equal to or exceeding the share capital. Five have reserves over twice as large as share capital.

VOLUME OF SALES

Now for the operation of the 30 stores. The average sales were $70,312. However, due to the extremely large sales of the Cloquet Society—$736,908—the average is not a true picture. Only eight societies are above the seventy-thousand mark. With Cloquet left out, the average is $47,325, with a low of $14,854 and a high of $178,607. Six societies had sales over a hundred thousand; 11 between one hundred thousand and fifty thousand; 14 between fifty and twenty-five thousand; and 2 between twenty-five thousand and the lowest. About $25,000 in annual sales is considered necessary for efficient operation.

LOW MARGIN ON SALES

On these sales the average gross margin was 15.16 percent. The lowest was 6.7 percent; the highest, 22.1 percent. All others were between 10 and 20 percent. The average gross margin on sales of 15.16 percent is a small margin on which to do business and makes it clear why the store business is a difficult one for cooperatives to handle in this country. The percent of gross margin on income from all sources, sales and other, was 16.14 percent.

The operating expenses ranged from a low of 7.28 percent to a high of 23 percent of total income from all sources. The average was 13.13 percent. For all societies, this left a net income of 3.01 percent of gross income from all sources. Three of the societies went into the red. It is obvious from this low average net income that the patronage dividends are small in the store cooperatives. Indeed, 4 or 5 percent is considered very good, although a few pay higher. The patronage dividends, of course, are declared only after reserves have been set aside and interest paid on capital. Some of the societies pay less than the legal rate of 6 percent on capital stock, and a few pay none, considering the shares more as certificates of membership.

NET PROFIT ABOVE THAT OF CHAIN STORES

The net profit on sales in 1933 was 0.98 percent above that for chain stores and 0.78 percent above that for the independent stores. This is due in part to the lower overhead in the country districts, but also to the efficiency of operation, as indicated by some of the co-op stores in larger towns. The salary and wage item accounts for about half of the operating expense of the stores. The figures are not at hand for the 30 stores, but for 78 co-op stores in Minnesota the managers received an average monthly salary of $110. The average of the lowest salaries paid to employees in these societies was $54.

CASH BASIS

It is the Rochdale policy to operate on a cash basis. This is not strictly adhered to by very many societies. The average credit sales in 1933 were 9 percent of annual sales, or a little over 1 month's business. The trend is toward less credit.

It may seem to some that cooperative stores which pay out only a 2- or 3-percent patronage dividend are not worth the effort. However, these are lean years everywhere; also, some societies pay considerably more. And even at the low rate, a saving of ten to thirty dollars a year by a family is a worth-while effort. In fact, it is quite an item in many families.

BIG DIVIDENDS UNIMPORTANT

However, real cooperators—and the Finns are real cooperators—are not out after big dividends. They are out for distribution at cost. And a small patronage dividend in an efficiently run store means that they are getting close to that goal. They know that the continued presence of their society is a safeguard against a return of shoddy goods and exploitation at the retail end.

GET THE CONSUMER'S DOLLAR INTO THE COOPERATIVE SYSTEM

Real cooperatives in the group also realize that the only way to build the movement back to the wholesale and into production—where exploitation is still running wild—is to get the consumer's dollar into the cooperative system. That can be done only at the retail end. And it simply must be done, even if there is no patronage dividend whatever, if the movement is to carry on its broad social program.

COOPERATIVE SOCIAL CENTERS

In many of the communities the cooperative is the social center, something which the people have in common for cultural as well as economic reasons. Some have cooperative halls for social purposes, and all of the societies carry on educational work through direct appropriations.

COOPERATIVE WORKING INDUSTRIAL UNIONS

Since 1930 the employees of the C. C. W. co-ops have sponsored a workers' union, organized on industrial lines. That is, all the employees in co-ops are eligible, regardless of their trade. The workers realize that the co-ops are different from ordinary profit business, and that they themselves are as much their own employers as the other members of the co-ops are. There is no exploitation by a small owning group. Obviously the program of the co-op and the program of the progressive union is the same—elimination of exploitation of the people by the few. So it calls for a union with that understanding. In 1934 there were about 400 members in Minnesota, Wisconsin, and Michigan. Nearly all employees in the cooperative stores in northern Minnesota belong.

The ultimate control of the societies is vested in the full membership. They meet at least once a year at the annual meeting to determine policy, and to elect members to the board. Some societies have full membership meetings oftener. The board, of 5 to 11 members, usually 9, has control in the interim. They serve 1 to 5 years, usually 3. Some societies pay the board members, others serve for expenses only. The rate of pay ranges from one to six dollars; one or two dollars per meeting is usual.

CONCLUSION: COOPERATIVE STORES

In conclusion, it has been said that if cooperative stores are to go forward, it might be well to take a lead from the Central Cooperative Wholesale group. They are the most successful, and also the purest Rochdale cooperatives we have. At present their activity is confined to one part of our State, but the C. C. W. may see fit in the near future to capitalize on the current interest in consumers' cooperatives and carry on an aggressive expansion program into other parts of the State.

COOPERATIVE OIL ASSOCIATIONS IN MINNESOTA

The data I have on cooperative oil associations was originally compiled in part by Walter Graham and A. J. Sprang. More detailed information on cooperative oil associations in Minnesota is contained in manuscripts, with their supporting work sheets, compiled by Walter Graham, Russel Lewis, and A. J. Sprang: (1) Cooperative Oil Associations in Minnesota; (2) Business Analysis of Cooperative Oil Associations in Minnesota; (3) Petroleum Gallonage in Minnesota.

Cooperative oil associations, although comparative newcomers into the consumers' cooperative movement, have proven to be unusually successful cooperative enterprises for this country. There are now approximately 2,500 of them operating in practically every section of the United States. The cooperative oil association idea is spreading rapidly and this kind of consumers' cooperative is experiencing a healthy, vigorous growth.

WHY COOPERATIVE OIL ASSOCIATIONS ARE SUCCESSFUL

There are several reasons for this, the primary one being that the retail margin is higher on petroleum products than on most staple commodities sold in quantity to consumers. A sample study of 45 associations, most of which belong to the "Midland" group, which has its wholesale in Minneapolis, shows that the gross margin—sales minus actual cost of products—ranged from 19.44 percent to 38.26 percent, averaging 28.23 percent on sales. This rather high gross income, coupled with large volume and efficient management, makes possible a substantial net income, which has averaged 10.82 percent on sales. The net income on invested capital has ranged from 7 to 31.5 percent.

COOPERATION PAYS

A net income of this size is substantial proof to the skeptics that cooperation pays, especially since most of it is paid back as patronage dividends, after first meeting interest charges and setting aside a substantial sum for reserves.

Being such a profitable business, it not only draws in the dividend seekers, thus making it possible to sell them on the larger aspects of consumer cooperation, but it also makes expansion possible because of the reserves accumulated. Less profitable types of cooperatives are of course hampered in their growth because they are not able to attract members with large patronage dividends, nor are they able to expand rapidly without sufficient reserves.

OIL COOPERATIVES VERY SUCCESSFUL

A second reason why oil associations are successful cooperatives is that the products handled are few in number and relatively simple to merchandise. A resourceful person can soon master the actual duties of operating an oil station. Breakage, shrinkage, and spoilage are not nearly as large as in a grocery business, for example. This is not to say that management is not important. It is of great importance. But personal attention to a tremendous number of details and leaks is not so necessary and hence hired help is almost as good as a proprietor's personal care.

As we all know, cooperatives in America are chiefly a farm producer's movement. The farmers started out years ago to market their products cooperatively. It so happens that the farmers are large users of petroleum products, and so it was a perfectly natural step for them to apply their cooperative experience to the purchasing of these commodities. Because of the large margin of profit and the relative ease of handling, the rural population has been able to unite in associations representing a large volume of business, and today the cooperative oil associations are the most promising entering wedge of the consumers' cooperative movement in America.

HISTORY AND GROWTH OF CO-OP OIL ASSOCIATIONS

Cooperative oil associations in Minnesota are of recent origin. The first one dates from July 7, 1921. At that time a group of farmers organized the Cottonwood Oil Co. at Cottonwood, Minn., in the southern part of the State. This is said to be the first oil association in the United States. Although it has remained a small association to this day, it rightfully can be considered the first of a large movement. It is still a successful association and had returned $52,753.46 as patronage dividends up to 1933.

A year later the farmers around Owatonna took the example of Cottonwood and started an association, the Central Cooperative Oil Co. This is a large association at the present time.

No new stations were organized in 1923, but in 1924 they really got under way and have made rapid progress in this State ever since. There were in January 1936 about 145 associations operating in Minnesota.

As stated before, the oil association idea originated in southern Minnesota. That territory is rich farming country, and the big farms required large quantities of petroleum products for power machinery. Other parts of the State, where there is more waste land and the population is less dense, for example, the northeastern third of the State, were slower in taking up the idea. The need was not so great there. The southern fourth of the State has about as many associations as the other three-fourths combined. In 1928 the 57 active associations were distributed in 30 of the 87 counties. Only four of these counties were in the northern half of the State. Next to the southern section the western counties have the best developments. There are now associations operating in 72 counties.

PRESENT STATUS OF OIL ASSOCIATIONS

As most of the associations have branches of one kind or another, it is estimated that, all told, there are 450 retail outlets for cooperative petroleum products in the State. The exact number is not known. New ones are added or unsuccessful ones discontinued as the idea develops.

The actual number of cooperators affiliated with cooperatives dealing in petroleum products is also not known, but between forty and fifty thousand families is an approximation. This is about 5 percent of the total population of the State. As the three large cities are very young in the business as yet, the percentage for the rural part of the State would be about 7 or 8 percent, roughly.

AMOUNT OF BUSINESS DONE BY OIL ASSOCIATIONS

In 1935 the cooperatives sold 39,122,531 gallons of gasoline, 4,371,519 gallons of kerosene, 8,352,275 gallons of distillate, a combined gallonage of 51,846,325. The combined gallonage for all companies in the State was 595,105,817, which means that the cooperatives distributed 8.71 percent of the light petroleum products in Minnesota in 1935. Only one company, the Standard Oil, did a larger percentage than the cooperatives.

The cooperatives and the six largest petroleum companies account for 44.48 percent of the oil business in the State. The rest is done by nine other "old line" companies (own refineries), and 1,400 independent companies.

Cooperatives gain in percentage of States' oil business

	Co-op percentages			Percent of total light oil sold by six companies and co-ops						
	Gas	Co-op Kerosene	Distillate	Standard	Co-op	Phillips	Cities Service	White Eagle	Pure Oil	Texas Co.
1933	5.99	13.47	3.43	17.94	6.13	5.00	3.64	3.59	3.57	3.45
1934	7.02	12.58	6.03	17.57	7.17	4.99	3.66	3.42	3.37	3.17
1935	9.00	14.00	8.00	17.28	8.71	5.09	3.78	3.31	3.17	3.14

The Standard has by far the largest percentage, with 17.28 percent of the total. The cooperatives come next, with 8.71 percent, a little more than half of the Standard, followed by the five others. The cooperative oil associations are becoming big business when they are second only to the Standard Oil Co.

It should be noted also—and very significant is it—that in 1934 the cooperatives gained 1.04 percent over 1933 in percent of business done in the State, going from 6.13 percent to 7.17 percent; and in 1935 the gain was even greater, 1.54 percent. Two other companies went up a trifle, but all the

others lost percentage, including Standard Oil. From preliminary returns it appears that the cooperatives will show an increase in percentage of the 1936 volume of State business.

COOPERATIVES DO 71 PERCENT OF OIL BUSINESS IN KANABEC COUNTY

Although for the State as a whole the cooperatives are second, with 8.71 percent of the oil business, in some counties they are first by a huge margin. For instance, the Kanabec County cooperatives did 71 percent of the oil business in that county in 1934, more than all other companies combined, with 20 percent to spare. Nicollet County came next, with 35 percent, and Isanti third, with 33 percent, of the oil business in their respective counties. Contrasted with this, 15 counties had no societies or branches at all in 1933. Seventy-two of the eighty-seven counties have at least one society or branch. Leaving the three largest cities out of account, the co-ops did 12.9 percent of the retail petroleum business in the State.

The oil associations do a tremendous business. A computation based on 45 typical associations shows that their average sales in 1933 amounted to $53,986.55. The 135 associations, on that basis, had a business of about $7,288,184.25, a huge business to be carried on cooperatively, on a nonprofit basis, by a system started from nothing only 14 years ago.

FINANCIAL POSITION AND RETURNS

On the total sales the gross income of the 45 associations ranged from 19.44 percent to 38.26 percent on sales in 1933, depending on transportation charges and trade conditions, such as price wars. The average gross was 28.23 percent. These same associations had operating expenses varying from slightly below 10 percent up to as high as 30 percent of gross sales. The average was 17.33 percent, leaving an average net income for the 45 associations of 10.82 percent on sales.

Five associations in 1933 had a net income on sales of less than 5 percent; 16 had between 5 percent and 10 percent; 19 had between 10 percent and 15 percent; 3 had between 15 percent and 20 percent; and 2 associations had net incomes over 20 percent of sales. In dollars the average net income was $5,839.55. When stated in terms of capital investment the net earnings ranged between 7 percent and 31.5 percent.

HOW COOPERATIVE INCOME IS DIVIDED

The net income of a cooperative is usually divided four ways. According to law, 10 percent must be set aside for surplus until the accumulated surplus equals half the paid-in capital. Interest up to 6 percent may be paid on capital shares. A sum is set aside for education and expansion. And, lastly, the remainder may be distributed pro rata on purchases.

It is not known what the total earnings for all the oil associations have been since they began, but there are figures to show that they have been large, indeed. For instance, in 1933 the consolidated balance sheet for 52 associations shows that the average capital stock was $9,283.55 and the reserves and surplus $13,991.17. Net worth, or claim of stockholders against assets—the two items combined—totaled $23,274.72. This indicates that the book value of the stock was 2.29 times its par value. In other words, a $10 share of stock has now, on the average, a book value of $22.90. Few stocks are like that these days.

FIVE HUNDRED THOUSAND DOLLARS RETURNED TO CO-OP PATRONS

The increase in net worth is not the real reward for cooperation in the oil associations. The associations actually disburse interest on the stock and also patronage dividends. In 1933 the oil associations of Minnesota returned approximately $500,000 in savings to patrons. The percent patronage dividend on sales ranged from 4 to 18 percent, with an estimated average of 8 to 10 percent. This is over and above interest on stock, reserves, and surplus.

DIVIDENDS PAID BY CO-OP OIL ASSOCIATION

The aggregate patronage dividends over a period of years is, of course, very large. I am presenting a table of eight associations, selected without regard to size or success, which give an idea of this. The period of years covered and the aggregate dividends paid are shown.

Association	Period (inclusive)	Aggregate dividends
1	1925–33	$308,341.57
2	1925–33	232,506.92
3	1924–33	169,890.11
4	1926–33	134,236.32
5	1926–33	59,658.73
6	1928–33	49,080.40
7	1930–33	43,647.52
8	1924–33	34,722.43

These dividends have the effect of over $1,000,000 of "farm relief" administered by only 8 of the 135 associations. Cooperation pays cash benefits in addition to the more intangible social benefits derived from self-help and mutual aid.

TYPES OF RETAIL OIL SOCIETIES

The 145 cooperatives retailing petroleum products in Minnesota can be divided into two types—consumer-member associations and oil departments of other cooperatives—depending on whether the consumer owns stock directly in a cooperative established primarily for the purpose of distributing petroleum products, or whether the consumer is interested in petroleum products secondarily through membership in some other kind of cooperative.

The first type, which the consumers own and control directly, is by far the most common. One hundred and twenty-one of the cooperative associations handling petroleum products are of this type. The remaining 24 organizations handling oil products as a department, and not simply as a branch or "pump accounts" of another association, are as follows: Cooperative creameries (6), cooperative elevators (11), cooperative stores (5), and the Minnesota Farm Bureau supply companies (2). Some of these are complete with pumps and bulk plant (storage tanks on railroad siding). Others have only service pumps.

REGIONAL OIL ASSOCIATIONS (RETAIL)

In the northern part of the State a number of cooperative societies with oil departments are organized into what are called regional associations. In all, 31 stores, 2 creameries, and 1 oil association are so organized into 3 regionals. One of these, the Range Cooperative Oil Association (Range Co-op Federation), with headquarters at Virginia, is owned by 14 cooperative stores. Individual consumers own and control it only indirectly through their local store. The stores are the only stockholders in the association. They get the patronage dividends and, in turn, pass them on to the consumer, together with dividends earned from the store proper. This regional is really one "oil association", owned by 14 stockholders, distributing oil to its 14 member societies, which operate oil departments in connection with their stores.

The Trico Co-op Oil Association (Carlton Co. Co-op Federation), with headquarters at Cloquet, is another such regional. It is owned by 12 stores, 1 creamery, and 1 oil cooperative. A third regional is the C-A-P Co-op Oil Association (C-A-P Co-op Federation) with headquarters at Kettle River. It is the smallest of the three with only five stores and one creamery as members. It will not be necessary to elaborate further on these regionals or any of the other set-ups in which petroleum is handled as a department of another type of cooperative. The oil associations are better understood by a study of the consumer-member type.

CONSUMER-MEMBER OIL ASSOCIATIONS

A typical consumer-member oil association is organized and set up much the same as any other Rochdale cooperative in Minnesota. The Rochdale principles as codified in the 1923 law and subsequent amendments are followed. The interested parties get together, hold meetings, and draw up articles of incorporation and bylaws. After these have been properly filed and permission obtained to sell stock, the subscription of capital is undertaken. The stock is of low

par value, usually $10. The purpose is primarily to unite people and their patronage, not dollars, so a wide distribution of stock is desired.

Societies have been formed and successfully operated with as few as 68 stockholders and only a few hundred dollars capital. Several associations are successful with less than a hundred members. One hundred members is a safe minimum, if they are farmers. In general, the cooperatives are undercapitalized at first and need help from the better established cooperatives through the cooperative wholesale. As the patronage and membership grow, the capital and surplus becomes sufficient for working capital and expansion.

ORGANIZATION OF CONSUMER-MEMBER OIL ASSOCIATIONS

After sufficient capital has been accumulated to start the association going, the stockholders elect a board of directors to carry on the work, such as acquiring leases or property, hiring a manager, and exercising general supervision. The board is responsible to the members and the management to the board. Full membership meetings are held at least once a year, at which the affairs of the association are thrashed out. Some associations meet oftener. The boards usually have monthly meetings. In practice, the degree of membership supervision, director control, or employee control varies, depending on the interest and aggressiveness of the parties concerned. Generally speaking, however, the business of the oil associations is carried on democratically by the members through their boards and managers.

OIL ASSOCIATIONS START ON SMALL SCALE

The associations, of course, start out in a small way with a single bulk plant, perhaps, from which the tank trucks haul the products to the farmers' storage barrels on the farms. It may have a service station also in the town. Or a new association may start without a bulk plant, operating a service station only, buying from a bulk plant of another cooperative, or from a private company. Nine associations follow this practice, five of them in the Twin Cities. Twenty-four of the one hundred and thirty-six associations which operate bulk plants have one or more branch bulk stations strategically located in other towns, and even in other counties. An association in Freeborn County has eight branches, two of which are in an adjacent county. The other associations have fewer branches, however, varying from one to five. In all, there are about 50 branch bulk plants, making 186 bulk stations operated by cooperatives in Minnesota in 1935.

PUMP ACCOUNTS

In addition to these bulk plants and the service stations owned and operated directly by the association, most of the associations have several other retail outlets commonly known as pump accounts. These are service stations or curb pumps, neither owned nor operated by the association. They are usually privately owned. The oil association merely sells the co-op products to these accounts at a substantial discount, 3 to 4 cents per gallon on gasoline, and the operator of the pump account resells it. Some associations have an arrangement so that patronage dividends can be paid on purchases from the resellers. Others have no such arrangement, and the only advantage to the cooperative or the cooperators is the small margin by the association. The practice is not in accord with good Rochdale principles, which call for distribution to consumer, not sale to private dealers.

The reason for this violation at present is either the lack of capital and membership necessary for establishing a real association or branch or else the impracticability of doing so. In the meantime these accounts increase the volume of co-op products distributed, and in this way help build up the cooperative wholesales.

MANAGEMENT OF OIL STATIONS

The stations operated by an association are in the charge of a manager, who is usually paid a salary of from one to two hundred dollars a month, depending on the size of the association and the responsibility assumed. Some associations pay the manager on a commission basis. Tank-truck drivers are paid either by salary or commission. In general, the straight salary is preferred in a cooperative, as it eliminates undesirable sales tactics and the speculative attitude. Also a fixed salary makes possible a more uniform division of wages to all employees. This is a good cooperative policy—the leveling of incomes up or down, so that all employees get a respectable living wage.

CASH BASIS IS CO-OP AIM

A second operating problem of utmost importance to a cooperative is the credit policy. Although credit trading is contrary to Rochdale principles, the oil associations, with a few exceptions, have been driven into it by the current practice of regular oil companies. Credit trading not only is dangerous because of the losses incurred but it ties up a large part of the working capital. Most of the associations can ill-afford this, especially when they are young and low on surplus. The average "accounts and notes receivable" for 52 typical associations in 1933 was $6,616.22, or 23.42 percent of the total assets. This is potentially a very dangerous position, but by constant effort the drivers, managers, and boards have kept the actual loss very low, estimated as much less than 1 percent.

SUMMARY—RETAIL OIL COOPERATIVES

To sum up the organization of retail cooperative oil distribution in Minnesota, we can say that there are 145 associations, 3 of which are of the regional type as described; 50 branch bulk stations; 24 oil departments of other societies (not connected with a regional); a number of branch service stations; and many pump accounts. In all, probably 450 retail outlets, the exact figures not known.

CENTRAL FEDERATED OIL ORGANIZATIONS

Approximately two-thirds of the oil associations in Minnesota have followed the established Rochdale practice of federating into central organizations for carrying on the cooperative program. Of the 145 associations, 90 are affiliated with cooperative wholesale organizations. Forty-nine buy from sources other than cooperatives and six buy from unknown sources. These 49 (or 55) associations, therefore, are not contributing to the larger purpose of the cooperative movement, which aims to gain control of the distribution system from start to finish, and, wherever possible, take over production also. These 55 unaffiliated cooperatives simply effect a saving to the consumer at the retail end, a practical and worth-while motive but not of as great social and economic significance as the affiliated organizations.

FOUR CENTRAL OIL ASSOCIATIONS

There are four central organizations, or wholesales, handling petroleum and related products in Minnesota. This means that even the 90 oil associations with cooperative wholesale connections are somewhat divided in their efforts. The four wholesales duplicate services in several ways, and even compete with each other. Criticism has been made that the associations are all weakened by the dissension and cooperators who believe in the Rochdale principles hope that the points of difference will be resolved and that eventually Minnesota and neighboring States will be served through one united wholesale. The present situation is understandable in its historic origin.

1. MIDLAND COOPERATIVE WHOLESALE, 739 JOHNSON STREET NE., MINNEAPOLIS

In point of time, the Midland Cooperative Wholesale was first in the field with a brokerage organization in 1926. It was then known as the Minnesota Cooperative Oil Co., a nonstock, nonprofit business, financed by membership fees. Since then it has grown steadily until, in 1935, it did a business of almost $2,500,000 through 135 affiliated oil associations who own and control it. Sixty-five of these are in Minnesota. This leaves 25 associations to the other 3 centrals. In other words, the Midland has two and one-half times as many affiliates in Minnesota as the other three combined.

I have a table summarizing the progress of Midland from its beginning:

Growth of Midland Cooperative Wholesale from beginning

Year	Tank cars	Tota lsales	Percent increase	Tota lassets	Net income	Percent of sales
1935	4,004	$2,423,105.77	38.4	$321,999.81	$61,729.65	2.50
1934	3,209	1,751,006.75	63.1	239,085.40	44,798.98	2.57
1933	2,313	1,073,566.57	21.5	187,341.50	25,465.53	2.37
1932	1,783	883,736.31	43.6	132,699.07	26,905.54	3.05
1931	1,741	615,387.86	2.9	67,731.46	21,162.99	3.44
1930	1,062	598,750.57	33.6	33,646.04	14,803.58	2.47
1929	649	448,012.52	7.2	18,911.33	7,797.95	1.74
1928	638	417,956.19	54.8	9,832.18	3,926.33	.94
1927	580	269,862.78	----------	4,466.66	3,473.07	1.29

The growth is unusual, especially considering that 6 of the 9 years are depression years when other business systems were behaving quite differently.

Over 73 percent of sales were of gasoline, kerosene, and distillate. Lubricating oils came next with over 10 percent of sales, the rest distributed among accessories, tires, and batteries, and so forth.

In 1931 the wholesale acquired its own building and a blending plant for lubricating oils. In 1934 the organization was changed to a capital stock cooperative. As to the financial policy of the Midland, the wholesale has been built up entirely from savings, without capital subscriptions of any kind. The patronage dividends due member associations, after required membership shares of common stock have been earned, are issued as additional common stock or as preferred stock. On these obligations the wholesale pays interest to the associations.

MIDLAND ACTIVE IN ORGANIZATION WORK

Like all cooperative wholesales, Midland is active in the field organizing new cooperatives and promoting cooperation generally. Besides the 65 affiliates in Minnesota, Midland has 70 associations outside the State, mostly in Wisconsin. The wholesale follows a policy of constant expansion into new territory and new lines of activity. Recently, a branch wholesale has been established in Milwaukee. Lately, they have entered into such new lines as coal, paints, steel products, and some farm supplies. They have sponsored automobile insurance, credit unions, and rural electrification. The central organization is vitally interested in education and conducts schools and conferences for this purpose. It also publishes a monthly paper, The Midland Cooperator.

2. FARMERS' UNION CENTRAL EXCHANGE

The wholesale having the second largest number of affiliates in Minnesota is the Farmers' Union Central Exchange, of South St. Paul. It is a larger organization than the one previously discussed with 227 associations in all, but most of its associations are in North Dakota. It has 15 in Minnesota.

As the name suggests, it is a business enterprise carried on in connection with the Farmers' Union, an educational and protective organization. The Farmers' Union Terminal Association of St. Paul started the exchange in 1927, as a subsidiary, capitalized at $1,000. The Midland (1926) and this Central had their small beginnings about the same time. The Farmers' Union, however, did not take on petroleum products until 1929. They both experienced rapid growth, and a natural, though unfortunate, rivalry resulted.

I have a table showing this growth from 1931, in which year the wholesale was reorganized into its present set-up under the Minnesota cooperative law of 1923. Included in the sales are those made at the wholesale's several retail branches. These accounts boost the totals considerably as they are carried at the retail price, which is higher than the wholesale price by about 25 percent.

Growth of Farmers' Union Central Exchange from 1931

Year	Tank cars	Total sales	Percent increase	Total assets	Net income	Percent of sales
1935	5,244	$4,028,086.24	54.0	$582,800.51	$101,309.33	2.51
1934	3,362	2,615,519.03	68.8	335,523.07	55,467.60	2.12
1933	2,403	1,549,223.05	8.3	216,452.99	22,066.41	1.42
1932	2,210	1,678,345.64	85.2	161,915.18	24,013.83	1.43
1931	1,393	906,272.30	----------	99,532.92	4,959.18	.54

The total sales were made up over 60 percent by gasoline, kerosene, distillate; about 15 percent oils and grease; and 11 percent flour and feed; the rest in equipment, tires, twine, and other items.

NEW HOME OF FARMERS UNION CENTRAL EXCHANGE

In 1935 the exchange built a fine modern office, warehouse, and blending plant at South St. Paul, and now compounds its own oils the same as "Midland." The entire business has been built up from its initial $1,000 capital to total assets of $582,800.51 by retaining the savings in the business and crediting the member associations with their respective shares.

The Farmers' Union group of oil associations has been criticized by the more orthodox Rochdale cooperators on the score that it is attached to a politically minded farm class organization. While the charge is of course true—inasmuch as full voting membership is limited to farmers; and bankers, lawyers, and absentee landlords are denied the right of any kind of membership, and a check-off system is used for collecting Farmers' Union dues from patronage dividend accounts—yet it is claimed that these political and class characteristics are being gradually eliminated to comply with the open membership and political neutrality of Rochdale cooperatives. It is an historical process, and when completed the way will be open for more united action among the cooperatives of the Northwest. In other respects its commercial and educational activity is similar to the Midland, described above.

3. CENTRAL COOPERATIVE WHOLESALE

The third cooperative wholesale dealing in petroleum products is the Central Cooperative Wholesale of Superior, Wis. Although it is primarily a grocery wholesale, it took on petroleum in 1935 on a brokerage basis. Its Minnesota accounts are all in the northern part of the State, for the most part associated with the cooperative stores. The Central Cooperative Wholesale has about six associations buying through it.

4. FARM BUREAU SERVICE CO.

The fourth and last organization to take up the wholesale distribution of petroleum products was the Farm Bureau Service Co. This organization already was in the farm supply business in a small way and merely added this in June 1935. It has only two or three accounts in the State.

NATIONAL COOPERATIVES, INC.

Three of these wholesales discussed are members of the National Cooperatives, Inc., a national federation of wholesales. These three are the Midland Cooperative Wholesale, the Farmers' Union Central Exchange, and the Central Cooperative Wholesale. Five or six other wholesales in various sections of the country dealing in petroleum, farm supplies, and other commodities complete the organization.

National Cooperatives, Inc., Chicago, Ill., was established in 1933 to serve as buying agent for its members, thus pooling their bargaining power. Also, it is designed to render other useful services, such as legal and legislative assistance, and to coordinate the work in general. The organization is not perfected as yet, but during the last 3 years it has justified its existence and plans are being made to expand its activity. It did a nineteen-million-dollar business in 1934.

CONCLUSION: COOPERATIVE OIL DISTRIBUTION

This completes the story of cooperative oil distribution in Minnesota up to 1936. The progress has been remarkable, and the prospects are that the cooperatives will go forward to new achievements in the years ahead. Indeed, it may well be that the consumers will eventually dominate the oil-distribution business in the State. And success in this one field will show the possibilities for consumers' cooperation in other lines.

FARM-SUPPLY COOPERATIVES IN MINNESOTA

For my information on farm-supply cooperatives I am indebted particularly to San Morison; also to bulletin no. 1, put out by the Cooperative Division of the Farm Credit Administration, entitled "Cooperative Purchasing of Farm Supplies" by Joseph G. Knapp and John H. Lister.

Before going into the subject of farm-supply cooperatives it may be well to get clearly in mind the distinction between the "ultimate consumer" and the "producer consumer." The distinction is fundamental, although a definite demarcation of the two is not easy. A gradation exists between the two.

DISTINCTION BETWEEN ULTIMATE CONSUMER AND PRODUCER CONSUMER

For brevity we can say that the ultimate consumer procures and uses goods and services for maintaining himself as a person, while the producer consumer procures and uses goods and services for maintaining himself as a producer. Examples of the ultimate-consumer goods are groceries, clothing, housing; and in the case of the farmer, producer's goods are seeds, feeds, fertilizer, machinery, and so forth.

The distinction is quite important, because in the former case the farmer is interested in cooperation as a consumer, and in the second case as a producer—opposite ends of the economic system. The farmer presents a unique case, for he is producer and consumer in one person and has found that cooperation pays in every economic activity of his life—producing, marketing, and consuming. He achieves all three by a similar method, uniting with others of common interests to eliminate all unnecessary steps and expenses in carrying out the three functions.

I have already mentioned store cooperatives. For the most part, excepting those that carry farm supplies as a side line, these co-ops serve the ultimate consumer and are the best example of pure consumers' cooperatives. The oil associations are only consumers' cooperatives, in the ultimate sense, insofar as their products are used for domestic or pleasure purposes. Most of the products sold through them at present are used in the process of production. Exceptions to this are some associations that have recently been set up in the cities. If the farmer were not an individual but a factory, the distinction would be more apparent, and his purchases as a producer and as a consumer would not be confused.

Only when the term consumer is construed in its broad sense, meaning "user", can farm-oil associations and farm-supply cooperatives be considered consumer cooperation. Inasmuch as the cooperative movement in this country is chiefly rural we use the expression "consumer cooperation" in this broad sense, meaning "user." England, Sweden, and other countries make a clearer distinction.

THE ORIGIN OF FARM-SUPPLY COOPERATIVES

The American farmer first, quite naturally, thought of himself as a producer. Almost everyone in this country does. He soon discovered he was being exploited in marketing. So he took up cooperative marketing to stop it. Then it also appeared that the materials he used in line of production were always too high in price and frequently of inferior quality. So he took to buying farm supplies cooperatively. Now this realization is urging the farmer, as well as the town people, on to the logical end, that of pure consumer cooperation, for the purpose of supplying himself as an ultimate consumer.

However, the great bulk of the $365,000,000 worth of goods bought cooperatively in 1934 in this country was farm supplies. The Farm Credit Administration estimates it at $250,000,000, or about 70 percent of the total cooperative purchases in this country.

HISTORY AND ORGANIZATION OF FARM SUPPLY COOPERATIVES

Every farm organization that has sprung up in the United States has in some form or other sponsored cooperatives, purchasing as well as marketing. The Grange shortly after the Civil War and up to the eighties was strong for cooperative purchasing. The Grange left its influence with succeeding organizations, and even today the Grange sponsors cooperation, notably in the Pacific Northwest.

The Farmers' Alliance followed. And in 1902 the Farmers' Union was established. The Farmers' Union has been active in farm supply as well as other phases of cooperation, and is going strong today in this field, with two large central organizations, one at Omaha and one in St. Paul. There are the Farmers' Union State Exchange and the Farmers' Union Central Exchange. Neither, however, is connected with the national organization at present.

The Society of Equity, 1902, did its bit and faded out. In 1917 the Farmers' Equity Union came in with elevators and creameries, carrying farm supplies as side lines in many cases.

In 1911 the most influential farm organization engaged in cooperative purchasing was started, the Farm Bureau. It now has organizations in 45 States, and 17 of these have cooperative service companies sponsored by the bureaus. Illinois, Indiana, and Ohio are especially strong.

INDEPENDENT FARM-SUPPLY ORGANIZATIONS

Besides these farm organizations which have sponsored buying of farm supplies, either through supply companies or as side lines of marketing co-ops, several independent organizations have taken up the work. Notable among these are the Eastern States Farmers Exchange, 1918. Another, the Cooperative Grange League Federation Exchange, 1920, is the largest in the United States, with a $24,000,000 business in 1934.

Four other centrals, independent of farm organizations and which deal principally in petroleum products, are the Midland Cooperative Wholesale, Minneapolis; Consumers' Cooperative Association, North Kansas City; Consumers Cooperatives Associated, Amarillo, Tex.; and the National Cooperatives, Chicago. The last is a superorganization for seven regional wholesales, some of which have been named. Here great things are expected in the future.

At least three large independent marketing organizations have gone in for farm supplies as a side line: The Land O' Lakes, Minneapolis; Fruit Growers Supply Co. (California Fruit Growers Exchange); and the Washington Cooperative Egg and Poultry Association. In all there are estimated to be 6,000 local, primarily marketing cooperatives in the country carrying side lines, many of which buy through the various centrals.

In summary, the farm-supply cooperatives have been developed in the following four ways: (a) Buying co-ops, sponsored by a farm organization; (b) Buying co-ops developed independently; (c) As a side line of marketing co-ops, sponsored by farm organizations; and (d) As a side line of marketing co-ops, developed independently.

HOW FARM-SUPPLY COOPERATIVES ARE ORGANIZED

As to organization, they may be classified as local and regional. The locals restrict their activity to a convenient area, usually a county, or a part of one. Examples are the oil associations, creameries with side lines, and farm-bureau units. The regionals, or centrals, are usually wholesale agencies, serving a federation of independent locals; or they may be centralized set-ups which operate locals as part of a chain; or they may be a combination of the two, having both federated locals and branch locals for outlets.

Some of the supplies are delivered from the car door direct to the farmer, but most farm-supply co-ops have warehouses. Some of the centrals handle their goods by consignment through private dealers, or farmer agents. Some cooperators prefer the locally owned, autonomous, federated cooperative society because they believe it makes for local responsibility and for safety through democratic control.

PRODUCTS HANDLED BY FARM-SUPPLY CO-OPS

The principal products handled are feeds, fertilizers, seeds, machinery, twine, wire, insecticides, paint, package supplies, and such other commodities needed in quantity by the farmer as a producer. Co-ops have led the way in establishing high, dependable quality. Price reductions in the commodities to all users, whether members or not, have been worth while. Patronage dividends to members are substantial.

Several of the farm-supply co-ops have gone in for production, too. Feeds and fertilizers, seed cleaning, oil blending, package material, and other things of a production nature have been undertaken extensively and successfully. The purpose is to continue this expansion into all lines.

GROWTH OF FARM-SUPPLY COOPERATIVES

Since 1929 the amount of farm supplies purchased cooperatively has about doubled. The estimate is now a quarter

billion dollars per year. This is approximately 10 percent of the total spent by our farmers for such supplies per average year—1926–33. Figures for 1929, when the dollar volume was half what it is now, showed that Minnesota led all States in the number of farms reporting cooperative purchases. Minnesota was sixth, however, in total dollar volume in 1929. The comparison between the various States for later dates is not available.

SITUATION IN MINNESOTA (FARM SUPPLY CO-OPS)

In 1929, according to the Fifteenth Census, 21.4 percent of Minnesota farms reported cooperative purchases. This was 4 percent higher than the next State, Michigan. In that year the report showed that the cooperative purchases of farm supplies totaled $6,414,232, or $162 per farm. We were sixth from the top in total, and fifth from the bottom in amount per farm, meaning that in our State a great many farmers have cooperative connections, but they buy less per farm than do the farmers in 43 States. This is probably because we are a dairy State, not a vegetable and fruit State, which enterprises require more supplies and equipment not raised on the farm.

These figures do not represent the present status in our State. The total cooperative sales of farm supplies in United States has doubled since 1929, in dollar value, and more than doubled in volume. An estimate would then be that Minnesota bought cooperatively about $15,000,000 worth of farm supplies in 1935. That is a rough figure arrived at by gross calculations.

About seven million of this fifteen million was petroleum products distributed by about 145 associations through 450 outlets.

CONTINUED EXPANSION PLANNED

Some of the rural oil associations carry regular farm supplies as a side line. Twine and paint are favorites, but almost everything used by the farmer such as fertilizer, feed, seeds, steel products, machinery, and salt are carried by one association or another. At present this business is secondary and no figures are available to show the percentage of farm supplies handled. It is planned to expand these lines, using these well-established co-ops as entering wedges for a complete line. The cooperative wholesales operating in this State, have this as a policy and are actively carrying it out.

This continuous expansion is an excellent cooperative principle, especially as far as the oil associations go. It serves to unify cooperative purchasing into one strong association whose primary purpose is buying and distributing at cost.

Most of the cooperative stores carry items which come under the heading of farm supplies, as opposed to consumer supplies. Small tools, feeds, twine, salt, fertilizer, seeds, machinery, and other items are carried. No figures are available to show the extent, but it probably exceeds the purely farm-supply business done by oil associations.

A third group of primary purchasing co-ops are sponsored by the Minnesota Farm Bureau Federation, through its service company established in 1932. Operations are small as yet, the total sales in 1934 being $216,040. Sales were made through local Farm Bureau service companies, less than 10 of which have warehouses; also through local co-ops such as creameries and elevators, and to a considerable extent through private dealers on consignment or commission basis. Some objection has been made to this last practice on the ground that it is not consistent with good cooperative methods.

MARKETING COOPERATIVES ENTER COOPERATIVE PURCHASING BUSINESS

These three groups (rural oil associations, cooperative stores, and Farm Bureau service companies) are primarily purchasing or consumer cooperatives. In Minnesota, as in other States, however, marketing cooperatives have taken on cooperative purchasing as a side line. Of these the farmers' cooperative elevators do the largest business. Farm supplies fit in with the elevators because of the storage space available during slack seasons, the weighing and loading facilities, trackage, and the natural contact with the farmer as his marketing agent. Many elevators have found that a farm supply line is a stabilizer sufficient to keep them from going bankrupt during bad years.

About 250 farmers' elevators carry side lines. That is, almost all of them in operation. Thirty-five side lines were carried by one or more elevators, in the following order of importance: Coal, feeds, oil meal, flour, tankage, mineral feed, twine, autos, tractors, tires, implements, hardware, and so forth. Feed grinding has become important in recent years also. Between 25 and 30 percent carry implements, usually the prison-made line. Eleven have bulk-oil stations.

Cooperative creameries are second in importance among the essentially marketing cooperatives in farm supplies handled. Due to the sanitary requirements of creameries, they are not so adaptable as elevators for handling supplies. A great many of the several hundred in the State do, however, handle creamery and poultry supplies and also flour and feeds. Six creameries have oil departments also. The total amount sold to farmers through creameries is not known.

Besides the five groups discussed above—oil, store, farm bureau, elevator, and creamery cooperatives—there are several smaller, scattered organizations which pool their buying power.

CENTRAL ORGANIZATIONS DEALING IN FARM SUPPLIES

We have in Minnesota four centrals that deal in farm supplies. Together with the Central Cooperative Wholesale of Superior, Wis., which also operates in our State, these four handle a considerable fraction of the farm supplies retailed through the many local outlets. Just how much is impossible to say; but of the $8,000,000 estimated for the State (exclusive of petroleum) roughly, a million and three-quarters dollars, or less than a fourth, is acquired through a central cooperative organization.

Although this is a gross calculation, it is a reasonably true picture of the situation. It means that the cooperative farm-supply endeavors in our State are not well coordinated. There are local distributing units which do not buy within the movement and therefore do not contribute fully to cooperative progress. They are merely making a saving at the retail end, passing up the real benefits to be made by entering the wholesaling and manufacturing fields. The real job for the future lies in bringing these retail units together for united effort.

LAND O'LAKES HANDLES FARM SUPPLIES

Leaving petroleum out of the picture for the rest of the discussion, the Land O'Lakes association of creamery cooperatives, with headquarters in Minneapolis, handled more supplies than any of the other four centrals. That organization sold approximately $1,108,140 worth of supplies in Minnesota in 1935. Most of it was machinery and supplies for creameries, but also such supplies as feed and flour were sold to the individual farmer. Net earnings for their supply business in Minnesota was about $68,500. The net earnings are usually returned as patronage dividends or Land O'Lakes securities. Since the beginning about $16,000,000 worth have been distributed in our State, on which the dividend was about $887,000. A decidedly worth-while saving to the farmers of the State.

The Land O'Lakes organization is a federation of local creameries which are autonomous and subject only to local control. Creameries only are members of the central, the individual farmers belonging only through their locals. Although the Land O'Lakes was started with a small sum provided by the Farm Bureau, it is now independent of any farm organization.

FARMERS' UNION AND FARM BUREAU IN FARM-SUPPLY BUSINESS

Next to the Land O'Lakes, the Farm Bureau has the largest sale of farm supplies in the State. In 1934 it amounted to $216,040, on which a $5,101 net earnings was shown. The net was applied on a previous deficit. The Farm Bureau Service Co., St. Paul, is sponsored by the Minnesota Farm Bureau Federation. Membership is through local county units. Inasmuch as sales are made directly to the individual and also through member bureaus, the Farm Bureau Service Co. is a combination of the federated and

centralized systems of organization. It is essentially a farm organization with cooperatives as a part of its program

Another farm organization, the Farmers' Union, has affiliates which distribute some farm supplies in Minnesota, although the bulk of its business is outside our State. The Farmers' Union Central Exchange, South St. Paul, has 15 oil associations in Minnesota, through which some supplies are sold. It is essentially a federated set-up, but has a few branches as well, and to that extent is centralized.

It is estimated that about a hundred and fifty thousand dollars' worth of farm supplies are sold in Minnesota by the Central Cooperative Wholesale, Superior, Wis., through its stores. This is a federated, nonfarm organization system operating on a fine cooperative basis. The business policy is the same as for all the lines carried by the C. C. W.

And lastly, the Midland Cooperative Wholesale, Minneapolis, which is also a federated purchasing organization and unaffiliated with any farm organization—the same as the C. C. W.—handles a few lines besides petroleum that go under the heading of farm supplies. Twine, paint, steel fencing, and roofing are the chief items. The total amount is not large as yet, but the Midland plans an ever-expanding program along this line through its affiliated oil associations.

CONCLUSION: FARM SUPPLY COOPERATIVES

After briefly surveying the cooperative farm-supply purchasing set-ups in Minnesota, several facts stand out: the isolation of many units, the uncoordinated state of the business, and the duplication of service by at least three of the centrals. This is the natural result of an evolutionary development such as the movement has experienced. Systems of coordination are now being studied. The future will show much greater progress.

CREDIT UNIONS IN MINNESOTA

Cooperatives are usually thought of as being associations dealing in commodities. That usually is the case. However, almost any service useful to people in business can be, and has been, provided by the cooperative method. One of these services, and a very important one indeed, is credit and savings facilities. In our complicated business world, using a money system, these two services are indispensable. People who wish to avoid exploitation in the field of finance have taken charge of it themselves—that is, provided it cooperatively.

A great deal of information on this subject has been collected in a manuscript on Credit Unions in Minnesota by Clyde Buell and Russel Lewis.

WHAT A CREDIT UNION IS

To this end a type of organization known in this country as a credit union has been developed. A credit union is simply a small people's bank which provides savings and small loans facilities to its members on a cooperative basis. A money pool, operated by and for the people. The credit union is a method for eliminating the human parasites which insert themselves into the people's financial affairs and use the people's own money for swindling the very same people.

ELIMINATE LOAN SHARKS

The usury exacted by loan sharks, up to a thousand percent and more, oppresses thousands who are driven into their clutches. The high legal rates charged by authorized loan companies cut down the living standard of millions. Also, installment buying through sales organizations exacts a high tribute, cutting down the real wages of the people. The extent of this sort of exploitation is amazing. Much of it is under cover because of its illegality, and most of the legal business is concealed by confusing rate schedules and discount schemes that most people are not able to figure out. Credit unions are designed to meet these problems.

In addition they serve other functions. They provide a convenient means for systematic saving, they make credit available at fair rates to people who have no credit at banks, and they educate people to budget their incomes carefully, and how to get their incomes converted into real wages—goods and services—without letting too much of it slip through their fingers.

Although the credit-union movement has only recently come to our country, it is an established institution in many of the older countries. It was officially started just 5 years after the Rochdale pioneers in 1844 got a firm foothold for the store cooperative. The credit unions began in another country, Germany, 1849.

HISTORY OF CREDIT UNIONS IN EUROPE AND UNITED STATES

The idea of people's banks, or, as we call them, credit unions, sprang from the dire need experienced by some farmers in Germany during a drought and famine in the eighteen-forties. Frederick William Raiffeisen met the issue by organizing the rural villages into credit groups, in which those who had a surplus of funds would deposit and from which the rest could borrow against the time when they would again be financially able. Also, as a group, they could obtain funds from outside agencies.

By recommendation of his neighbors, the farmer became a member and shared in the privilege, depositing and borrowing, and of voting—"one-man one-vote." No interest was paid on deposits, the desire being to build an indivisible revenue through earnings—social capital in other words. The sole income was from interest on loans, and the rates were low. Loans were made for productive or provident purposes upon security that the fellow credit unionists thought adequate. The stockholders were liable without limit for all claims, so the organization could borrow from outside sources and reloan to members. The essential features of the Raiffeisen banks, as they came to be called, are the restricted community membership, their democratic control, and the mutual nature of the business. Since 1889, they have had a share-capital structure.

Raiffeisen banks were planned for rural people, but another type of credit society was started at the same time, 1849, by Herman Schultze-Delitsch, in Saxony. It was a mutual organization, like the Raiffeisen banks, but was adapted for towns and cities. The Schultze-Delitsch bank had larger membership, paid offices, sold shares, took deposits, and paid dividends. They had limited liability and were less democratic.

GROWTH OF COOPERATIVE BANKS

With modifications these mutual or cooperative people's banks have grown in numbers throughout the world. Today there are thousands of them, both in the old countries of Europe and the Orient and in the newer countries of the West. The United States has about 4,000. In several countries they are extremely influential factors in the banking structure of the countries, some of them through central banks.

CREDIT UNIONS COME TO AMERICA

The credit unions came to America in 1900, when Alphonse Desjardins started a credit union at Levis, Quebec Province, within a Catholic parish. It was modeled after the Raiffeisen type. Then, in 1909, Desjardins was influential in setting up one among the French millworkers in Manchester, N. H., also within a Catholic parish. That was the first in the United States and is still going strong as the second largest in our country.

At this time, 1909, Edward A. Filene, a Boston merchant, became interested in the idea as a social program for working people. After going over the problem with Desjardins, Filene was instrumental in getting the first credit-union law in the United States through the Massachusetts Legislature in 1909. From then on until 1921 nine more States passed enabling legislation for credit unions. But it was not until 1927 that a systematic drive was begun to credit-unionize the United States; and again E. A. Filene was the godfather—this time as a philanthropist—giving up to 1935, about a million dollars.

Filene set up an organization called the Credit Union National Extension Bureau, with headquarters in Boston, for the purpose of promoting credit unions. Roy F. Bergengren was the executive secretary. He is still the head of the national organization that succeeded the bureau.

FEDERAL GOVERNMENT AND STATES PASS CREDIT-UNION LAWS

Under the guidance of the bureau most of the other States have passed favorable laws for credit unions, until

now 41 States have them and the Federal Government as well. The bureau has also sponsored organization work, and today 44 States have these cooperative credit and savings banks, 4,000 in all.

Thirty-five States have State credit-union leagues. In 1935 the old bureau was converted into the Credit Union National Association, with headquarters at Raiffeisen House, Madison, Wis. The movement is now almost weaned away from Mr. Filene's bounty and is becoming a self-sustaining, democratic organization.

The growth has been nonsectional in character, Western, Eastern, Southern States coming in successively. At present four Eastern and three Western States have no State laws for credit unions. The membership is about 95 percent urban.

I have a table showing the development in the United States, by 5-year periods up to 1930 and by years since 1933:

Growth of credit-union movement in the United States

Year	Number of States with credit union legislation	Number of credit unions	Membership		Assets		
			Average	Total	Average per member	Total	Average per credit union
1910	1	2					
1915	6	48	158	7,600	$61.84	$471,000	$29,812
1920	11	142	280	39,800	89.39	3,568,000	25,126
1925	18	257	508	130,700	161.93	21,165,000	82,354
1930	32	1,017	287	292,800	139.48	40,910,000	40,226
1933	36	2,200	163	360,000	180.55	65,000,000	29,545
1934	41	3,000	250	750,000	120.00	90,000,000	30,000
1935	41	4,000		1,000,000		120,000,000	

GOOD FUTURE FOR CREDIT UNIONS

In 20 years the number of credit unions increased from 48 to 4,000; the membership from 7,600 to over 1,000,000; assets from $471,000 to $120,000,000, a truly phenomenal development. When it is considered that the adult population is only 70,000,000, this means that 1 adult in 70 belongs to a credit union. Considering only the income earners, the figures would be close to 1 in 35.

And the end is not in sight. Several new unions are being set up every day, and the old unions are growing. The growth curve is almost perpendicular, with no plateau anticipated for several years. With such a movement in our midst, we may well ask, "What is a credit union, and how does it work?"

CREDIT UNIONS—AMERICAN STYLE

Like every other institution that thrives, credit unions have been modified and adapted to fit situations in which they exist. Our American version is a combination of the Raiffeisen and Schultze-Delitsch types. Although they are referred to as cooperative banks, they deviate from Rochdale principles on several points. They could as properly be called mutual banks.

As most of the State laws as well as the Federal law were sponsored by the Credit Union National Extension Bureau, the credit unions are quite similar in the several States, the variations being minor. So a description of the set-up under the Minnesota law will be typical for the country.

MINNESOTA CREDIT UNION LAW 1925

The Minnesota Credit Union law was enacted in 1925. Supervision is vested in the State banking commissioner. Under the law a credit union may be set up by any well-defined group of people who are bound together by a common occupational, cultural, or geographical interest. The groups are usually small, such as a factory, store, church, cooperative, or employees of a municipality or State. In fact almost any group that can qualify as a defined and limited group can have one.

MINNEAPOLIS POSTAL EMPLOYEES CREDIT UNION

The membership is small, an average of 176 per union in Minnesota. The largest one in our State is the Minneapolis postal employees, with 1,400. There are only four or five larger in the United States. The largest, the New York City municipal employees, has 4,000 members. In general the idea is to keep the groups limited so that the members know each other personally. This makes administration easy, and personal responsibility a safeguard against losses. While only seven people are needed to organize, less than a hundred is not very practical unless an increase can be expected from within the group.

After the credit union is organized, incorporated, and chartered, the eligible people become members by paying a small fee and purchasing at least one share of stock, or "saving unit." The denominations are from five to ten dollars and may be paid for on the installment plan. The stockholders' liability is limited to the amount of stock or "savings units" he holds. The upper limit which a member may hold is determined by the board of directors. The shares are transferable and may be withdrawn upon notice. At any rate, all members have one vote and no more, regardless of how much stock they hold. Nor is proxy voting allowed. In this respect the credit unions are democratic, like regular Rochdale cooperatives.

CONVENIENT SERVICE

These shares or savings units are the principal source of capital for the small bank and are also the favored unit of saving for the members, although savings deposits are also accepted. The purchase of shares and making of deposits is very simple and handy, as the treasurer is present at the place of business or neighborhood in which the credit union operates. Also he is frequently available at hours when ordinary banks are closed. This handiness and ever-presence of the depository is conducive to the thrift habit. That is one of the two major purposes of the credit union. The other is credit.

Any member may apply for loans for productive or provident purposes. These purposes are rather liberally interpreted by the credit committee, depending somewhat on the financial position of the applicant. Discretion is exercised in such matters, but loans are made for almost everything from births to funerals.

SIZE OF LOANS AND RATES OF INTEREST

The loans are usually small, averaging $90.57 in Minnesota in 1935. Good character, a cosigner, or security is required by the credit union, depending on the size of the loan and the person. Losses are very small; in Minnesota, 1935, only eighteen one-hundredths of 1 percent.

The loans are usually at the rate of 1 percent a month on unpaid balances. For loans of the type made by credit unions this is very low. Installment buying usually runs around 20 to 25 percent, or more, and the legal rate on loans in our State is 42 percent. Nor is there a service charge made by the credit union. The loans are paid back by installments.

These loans make it possible for the members to meet emergencies that arise, pay cash for purchases and save the difference, or increase their earning capacity by personal or business improvements. This and thrift are the two major purposes of the credit union.

The capital which the members place in the credit union is in some cases insufficient to handle all the loans. In that case they can borrow up to 50 percent of their assets. On the other hand, if they have too much money, they can invest in securities of various kinds approved by the Government agency regulating their operation. Government bonds are favored. The credit union must also maintain a surplus guaranty or reserve fund of not less than 20 percent of its assets.

EARNINGS OF UNION GO TO MEMBERS

The earnings of the credit union go to the stockholders and depositors. The deposits earn 3 or 4 percent, usually, and the upper limit on shares in Minnesota is fixed by law at 6 percent. The rest is added to reserves. And if the earnings are too large the rate on loans is reduced. Simon-pure cooperators object that there is no regular patronage dividend feature in the credit unions. Instead, they try to operate at cost. Also, that they do not charge market price for services. The answer must be that the credit union is dealing with a service and not a commodity and some of the Rochdale principles are not so well adapted for this service.

The credit union is more like a mutual society in this respect. After all, what is the market price for credit? One and a half percent which the Government gets some credit for, or a hundred and two percent which the loan shark gets? However, it is theoretically possible to operate a credit union on strict Rochdale principles, on the basis of some arbitrary rate of interest.

DEMOCRATIC CONTROL OF CREDIT UNIONS

The operation of the credit union is democratically controlled by the members. At the annual meeting they elect three bodies: A board of directors of from five to nine members, who have general management, fix rates of interest, make investments, and so forth; a credit committee of three that passes on all loans; and a supervisory committee that audits the books, suspends officers, calls special membership meetings, and, in general, holds the organization in review.

The board organizes itself with president, vice president, secretary, and treasurer. The treasurer is the general manager and really does the work of the credit union. In some of the larger ones the treasurer is paid, in others, not.

To sum up the credit unions in relation to the Rochdale cooperatives, I have a table showing without further comment the points of agreement and differences:

	Credit union	Rochdale Co-op
Membership	Limited to group	Unlimited.
Vote (control)	By persons	By persons.
Return on capital	Limited (6 percent)	Limited (6 percent).
Price	Low (cost)	Market.
Profits	To shares and deposits (to borrowers as low rates).	To patrons.
Organization	Federations (leagues)	Federations (centrals).

STATUS OF CREDIT UNIONS IN MINNESOTA

The Minnesota State law was passed in 1925 through the efforts of Filene's organization, the Credit Union National Extension Bureau, and interested business and university men of the Twin Cities after a previous unsuccessful attempt in 1923. The first credit union in our State was organized the same year by the Minneapolis postal employees. The St. Paul Federation of Women Teachers was second in 1926.

At the end of that year there were six in the State. These had been organized by individuals with the aid of the bureau. Then in 1927 these few pioneers realized that they needed a central organization for promotion and for protection of various sorts, so the Minnesota Credit Union League was formed. It continues to this day as the coordinating body in this State, under the leadership of Clifford Skorstad, at 1954 University Avenue, St. Paul. It is supported chiefly by dues from locals, one-fourth of 1 percent of assets, with a minimum of $5 and a maximum of $300.

Principally because of the activity of this league, there are now 205 credit unions in Minnesota, all but 74 of which belong to the league.

I am presenting a table showing the growth and other salient figures as of December 31, 1935, for the entire period since 1926, when the movement really got started.

Ten years of progress [1]

Year	Number of credit unions [2]	Members	Average for credit unions	Total resources	Average	Average loans outstanding per credit union	Number of individual borrowers
1926	6	938	156	$125,825	$20,971	$6,629	345
1927	12	3,203	267	215,655	17,971	9,699	1,374
1928	35	6,111	175	389,982	11,142	7,396	2,494
1929	43	8,943	208	599,578	13,943	10,990	3,896
1930	51	11,056	216	754,115	14,787	11,649	4,965
1931	75	15,147	202	1,042,176	13,895	11,072	6,811
1932	101	16,191	160	1,170,963	11,593	9,813	7,603
1933	145	22,334	154	1,365,227	9,415	7,212	10,997
1934	171	30,281	177	1,776,588	10,382	7,846	14,695
1935	[1] 195	34,408	176	2,436,351	12,954	7,836	17,914

[1] Data compiled from the records of the State Banking Department.
[2] Ten small unions (late reports) not included.

	Number of loans	Total loans during year
1934	28,706	$2,166,776
1935	33,918	3,070,050

PRIVATE INDUSTRY ENCOURAGES CREDIT UNIONS

It is interesting to note that capitalistic companies have seen fit to encourage credit unions, chiefly as an employee benefit plan. Cooperative associations have been slow, but they are now taking it up in earnest as a part of the general movement. Much can be expected from this quarter in the future. The commodity co-ops expect the credit unions to loan to members so as to relieve the co-op of credit troubles.

As to the sponsoring groups for this development, we have data on hand as follows:

Employees of private firms	116
Employees of State or Federal Government	27
Cooperative associations	22
Teacher and school employees	9
Religious groups	9
Lodges and benevolent associations	8
Communities	8
Unknown	6
Total	205

So far the development has been almost entirely urban, but work is now being done in the country, and it is planned that they will thrive among farmers here as they have in other countries.

MEMBERSHIP GAINS

As to membership, the number has grown from less than a thousand to about 35,000 in the 10-year period. It has multiplied three and eight-tenths times since 1929. The average per society is 176; the largest has 1,400. In general, the size is such that the officers know every member personally, and this makes for safety, low cost, and small loss in making loans.

Resources have grown from $125,825, 10 years ago, to about two and a half million at the present time, or four times what they were in 1929. The average per society slumped a bit during the worst year of the depression, but is now up and stands at about $13,000 per society. The assets of the whole movement have shown consistent gains every one of the 10 years.

VOLUME OF LOANS MADE BY CREDIT UNIONS

The total resources give an idea of how much has been saved by members of credit unions. That is the thrift function. The number of loans and their amounts reveal the extent to which the union serves the credit needs of its members. In 1935, 17,914 persons made 33,918 loans from credit unions. That means that just about half of the members used the credit facilities, once or more, and that those who did use the service used it an average of 1.89 times each. Some borrowed once, some twice, and a few even oftener.

The average loan in 1935 was $90.51; the average each borrower used during the year was almost double, $171.37. They all qualify as small loans, however.

The overhead is very low, and the losses almost insignificant. In 1934, $3,190 was charged off; and in 1935, of over $3,000,000 in loans, only $5,463, or 0.18 percent was charged off as loss.

After interest of 3 or 4 percent was paid on deposits, the dividends paid to stock varied from nothing in a very few cases to 9 percent. The usual rate was from 2.75 to 6 percent, with an average of 5.5 percent. Only seven paid more than the legal limit of 6 percent, but these will not continue to do this without being closed up. The average stock dividend per credit union was $253, or $1.43 per member. Not a significant sum, but the average resources per member (stock plus deposits) was only $70.80. The credit union is not supposed to be a money-making institution but a service to its

members. The total amount of money saved and put into the credit unions, and the much larger sum loaned each year at a substantial saving to the borrower, fully justify the movement. It does precisely what it set out to do.

CREDIT UNION LEAGUES, ASSOCIATIONS, AND PUBLICATIONS

The credit unions follow the good cooperative practice of sticking together. In all, 37 States have credit union leagues. Their functions are similar to the one in Minnesota. Besides the regular function of promotion and education, four of the leagues, of which Minnesota's is one, have what are called league credit unions. These are patronized by officers of other credit unions (who cannot borrow from their own) and by member credit unions themselves. A central "bank", in other words. This phase of the work is expected to develop and become a real factor in regaining control of the people's money for the people.

NATIONAL CREDIT UNION ORGANIZATION

The State leagues are in turn federated into a national organization called the Credit Union National Association—C. U. N. A. for short. It is the successor to Filene's organization, dating from 1935. C. U. N. A. has headquarters at Raiffeisen House, Madison, Wis. It serves much the same function as the State leagues, but on a national scale. The association is supported by dues, 10 cents per member, collected through the State leagues.

Since 1934, when the Federal credit-union law was passed, the Federal Government, through the credit union division of the Farm Credit Administration, has been very active in organizational work. Nineteen organizers are now in the field. There is complete harmony between the Minnesota State league and the Federal set-up. The league will help organize under either State or Federal law, and Federal charter unions join the State league.

As to publications, the Minnesota league published a small periodical, Dawn, which has recently been discontinued. C. U. N. A. publishes Bridge, and the Farm Credit Administration publishes Cooperative Saving.

CONCLUSION—CREDIT UNIONS

That is what credit unions are, and that, in a general way, is how they work. It is a money service that is really in motion; and, from the way things are going, great things can be expected in the years to come. Above all, the credit unions are taking the hocus-pocus out of banking and showing the people that it is entirely possible to organize and run a financial business in their own interests. The credit unions are doing their part in taking the power away from our financial dictators.

MUTUAL AND COOPERATIVE INSURANCE IN MINNESOTA

Another field for financial service on a mutual or cooperative plan is insurance. A detailed manuscript on Mutual and Cooperative Insurance in Minnesota has been prepared by Chester Hull and Russel Lewis. In our country this method of insurance is many years older than the cooperative banks or credit unions. In some of the European countries, notably England, cooperative insurance is an old-established institution and renders a great and necessary service to the people at cost. Inasmuch as insurance is by its very nature a system of mutual aid, it is entirely proper and urgent that truly mutual and cooperative insurance be stressed in this country also. And, fortunately, just such a development is beginning to take on new form and life at the present time.

COOPERATIVE HEALTH INSURANCE

Insurance is, in its original meaning, a system for sharing losses sustained by any member of a group. In a less complicated society this could be and was accomplished in an informal manner. Among the early settlers in this country, for example, when a pioneer's house burned down the neighbors rebuilt the house. That was fire insurance, with an unwritten contract. Likewise, when sickness came to a family the neighbor ladies would take turns helping out. They knew that the service would be reciprocated, so in reality it was health insurance. It is still practiced in many parts today, a type of insurance that works best in a closely knit community.

As neighbors became more numerous, and the people more specialized in their work, a voluntary subscription list was circulated on behalf of an unfortunate neighbor. Contributions were made out of a spirit of neighborliness, but also with the knowledge of each contributor that the list would circulate for him also if the need arose. This informal insurance is still practiced. Our Red Cross acts on that principle.

THE FIRST MUTUAL FIRE INSURANCE COMPANY

However, under this system of voluntary insurance there was no assurance that the unfortunate would receive aid. So a system was set up under which the members of a community or group pledged themselves to share each other's losses on a businesslike basis, by paying a pro-rata amount as the losses occurred. This is the assessment system, which, in a modified form, is the essential feature of mutual insurance companies today. The first fire-insurance company in this country was a mutual, organized in Philadelphia in 1730.

Out of the assessment system grew the practice of collecting the assessments before the actual loss occurred. The amount was based on the loss experience over a period of time. This is the premium system. An overcharge to cover all contingencies is purposely made at the time of collection.

In the truly mutual companies this overcharge is either returned or kept in reserve as social capital. The stock companies pocket the difference as profits. In this way the premium system has made possible the perversion of insurance from its original purpose of mutual aid to one of expropriation of people's property by the use of the people's own money.

In a stock company the premium payment covers the actual loss sustained by the company, the overhead expense, and the profits to owners of the stock. In a mutual the same is true, except that the profit item is left out. It may, however, be milked by the officers in the form of excessive salaries, expenses, and so forth.

SOME FACTS AND FIGURES ON INSURANCE

Many people think of insurance as a minor affair, a little nuisance that periodically demands attention. That is not the case, however. Minnesota's insurance bill for 1933 was almost a hundred million dollars, which is about $40 per capita. This includes life, fire, and the casualty lines of insurance. About 43 percent of this was paid back on losses, leaving 57 percent for overhead and profits.

Cooperators believe much of this expense is unnecessary. The Massachusetts Savings Bank life insurance system since 1907 has been writing life insurance for about 30 percent less than regular companies. The difference we, the people, pay.

LIFE INSURANCE

Life-insurance accounts for the largest part of our insurance bill in Minnesota. The total in force in 1933 amounted to $2,133,966,279. Premiums received were $62,660,843, on which the losses were only $23,138,797, or 36 percent. Only 10 percent of the life insurance was done by companies with home offices in Minnesota. Sixty-four percent was done by mutuals, the bulk of the rest being done by stock companies and fraternal organizations.

These life-insurance mutuals are not considered by some as good mutuals in the cooperative sense, because they are not democratically controlled, nor are they a great deal different from stock companies in business practice. A life-insurance company on more cooperative lines is now sponsored by the Northern States Cooperative League. It is called the "Cooperator's Life Association."

FIRE INSURANCE

Fire insurance in Minnesota is second only to life insurance in amount of premiums paid in, the total being about one-fourth, or $15,909,713. A little over half of this was returned on losses, which is about 15 percent more than in

the life policies. Stock companies are first in the fire insurance, with 65 percent of the total, leaving about 35 percent for the mutuals. Companies with home offices in Minnesota did 38 percent of the fire-insurance business of the State. This compares with 10 percent for the life business.

Of the 38 percent done by Minnesota companies, 68 percent is carried by the township mutuals, 17 percent by state-wide mutuals, and only 15 percent by stock companies. It is apparent that within our own State the mutual fire-insurance companies dominate with 85 percent of the business, although they have only 35 percent when all companies operating in the State are considered.

These mutuals are believed to be more truly mutual than the life and casualty companies that are so in name. Of the 160 township mutuals and the 47 State mutuals, most of them live up to democratic control by the membership and insurance at cost principles. The actual cost during the last 60 years for the township mutuals has been only 17 cents per $100 of insurance per annum. The township mutuals during that period paid back 73 percent of the premiums collected, while stock companies paid back only 56 percent. State-wide mutuals did even less than the stock companies, with only 53 percent.

MINNESOTA AGAIN IN THE LEAD

This good record is mostly due to the restricted clientele and the nature of the risks on farm property. Village and small-town property is also covered, however. About 90 percent of the insurable farm property of the State is insured in this cooperative way, which makes Minnesota a leader in this respect.

Besides observing the cooperative principles of democratic control and return of excess charges, most of the mutuals are organized into the State Association of Farmers' Mutual Insurance Companies of Minnesota. It is for educational and protective purposes and is supported by dues. Through it the mutuals have connections with a national association of similar purposes. The township mutuals are serving a splendid purpose in the State, and we hope they will continue to do so.

CASUALTY INSURANCE

The field of casualty insurance is the least developed everywhere, and the same holds for Minnesota. Premiums paid in are about a million dollars less than for fire insurance. With few exceptions, the 23 mutuals operating in this field are mutual in name only, their operations and control being similar to regular stock companies. Together these nominal mutuals write about a fourth of the casualty insurance.

LAKE ELMO MUTUAL AUTOMOBILE INSURANCE CO.

However, one kind of casualty risk, namely, automobile insurance, has been handled in a small way by one local mutual, on a cooperative basis for some 15 years. This is the American Farmers' Mutual Automobile Insurance Co., of Lake Elmo. Recently it has come under the sponsorship of the Midland Cooperative Wholesale and taken on additional kinds of auto insurance. It is prospering and is due for a healthy growth in the years to come. Democratic control is maintained by a scheme of representative control through existing cooperatives. Because of selected risks it has a low loss ratio and effects a real saving to the patrons.

Outside of Minnesota the farm bureaus of Ohio, Illinois, and Indiana have gone into automobile insurance successfully in the interests of its constituents. They also operate in other States, including Minnesota.

CONCLUSION: COOPERATIVE INSURANCE

Today the insurance field is dominated by the profit motive, which cooperative leaders consider a perversion of the original purpose of insurance. This has brought many evils in its wake, the most important being the excessive cost.

In Minnesota and several other States, rural fire insurance is well taken care of. But other fields in both city and country have been scarcely touched by cooperative insurance as we define it. Other countries have gone considerably further in the solution of this problem and it might well be that we can take their lead and work insurance in with our other types of cooperatives, particularly oil and store societies, as they expand. The "cooperative insurance society" operated by the English and Scottish wholesale is a good example. It is owned and controlled by the affiliated local commodity cooperative associations through the central societies. They achieve the necessary centralized large-scale operation with maximum control by individual policyholders.

The English cooperators have developed other insurance practices, such as collective insurance for members, which can give us a lead in solving our insurance problems here in the United States.

COOPERATIVE BURIAL ASSOCIATIONS

A manuscript entitled "Cooperative Burial Associations in Minnesota", by A. J. Sprang and Russel Lewis, gives information on cooperative burial associations.

Like most other cooperative endeavors, the cooperative burial association idea originated in Europe. Only in recent years has the United States witnessed any development along this line. The first cooperative burial association in Minnesota was organized in 1928.

In order to get a perspective of the reasons for organizing a burial association, it is necessary to look for a moment at the burial industry. This is the only industry in which the limits of demand are fixed by natural causes. No amount of advertising or sales effort can increase the demand for funerals. The number of deaths per thousand of population has remained practically stationary during recent years, but during the period from 1900 to 1920 the number of undertakers in the United States increased from 16,200 to 24,464, or 51 percent. The ratio of annual deaths to the number of undertakers is a fair index of the amount of business distributed among the undertakers of the country. In 1920 the average was 56.6 deaths per undertaker. However, this business is not evenly distributed, as may be seen by the fact that not more than 15 percent of the undertakers in the Twin Cities handle 50 percent of the business. Consequently the smaller firms are obliged to set high prices to meet their costs, which results in high prices generally. It is generally felt that there is much exploitation in the burial industry.

HIGH COST OF FUNERALS

This high cost of funerals has been the chief cause for the formation of a number of cooperative burial associations in the North Central States in recent years. Those in Minnesota are chiefly in rural sections. Cooperative burial associations in Minnesota, like those of other States, are a defense against the exorbitant rates charged by private undertakers.

The usual cooperative burial society in Minnesota is a nonstock, nonprofit organization, with an average of 524 members doing business on the cost-plus basis. It allows all members an equal voice in the management and is reported as saving the members from one-third to one-half the current cost of funerals.

The first cooperative burial association in Minnesota was organized in 1928. However, the movement made slow progress up to 1932, when it began to show a marked increase. As of August 1, 1935, there were 15 incorporated associations in the State, 11 of which were actively engaged in business, and 4 were being organized. In Bemidji there is a cooperative cemetery association operating. The Clearwater County Casket Association, of Clearbrook, Minn., sells caskets only and does not conduct funerals. A forward step in the advancement of this movement is the forming of "regional" associations. One of these has as members 14 varied cooperative commodity associations consisting of 5,000 members.

STATE-WIDE SURVEY OF BURIAL ASSOCIATIONS

A State-wide survey of the cooperative burial associations in Minnesota was made, and questionnaires sent to every cooperative burial association listed as a going concern. Ten

replies were received, but only seven gave detailed information.

Association no.	Number of members	Membership	Funerals		Average cost, funerals	Saving (estimated)	Total sales
			1932	1933			
						Percent	
1	600	$5	67	30	$150	50	$14,550.00
2	304	5	42	32	175	30	11,188.93
3	684	5	42	56	163	50	14,289.00
4	1,040	5	84	85	213	50	35,997.00
5	385	5	12	15	145	50	3,409.27
6	511	10	41	85	150	40	18,900.00
7	100	6	4	10	100	40	1,184.58

Most of the societies furnish the members complete funeral services from embalming to actual interment.

The average cost of the 605 funerals during these 2 years was $164.49. They ranged in price from $50 to $295. It is the policy of cooperative burial associations to reduce as much as possible the cost of a funeral for members. The complete funeral and service is priced practically at cost, which results in savings of 30 to 50 percent on the price usually charged by undertakers. In a few associations the market price for funerals is charged and a patronage rebate is made to the family at the end of the year. A small fund is generally carried in reserve for indigent cases. Also a reserve for bad accounts is usually maintained, and a few societies have an educational fund.

The burial associations in Minnesota are nonstock organizations operating with funds obtained through the sale of membership certificates, usually $5. The Minnesota burial associations adhere to the cooperative principle of "one man, one vote." Proxy voting is allowed by only one Minnesota association. The societies are supervised by a board of directors, usually seven, and these elect the officers from among their own number.

REGIONAL BURIAL ASSOCIATIONS

Probably the best plan yet developed is the so-called regional one. The objective is to set up a burial association among the memberships of several existing cooperative associations, perhaps both producer and consumer cooperatives. This insures a large membership of people who know something about cooperative principles and practices. Membership is restricted to membership of a cooperative enterprise which is operating in the region.

The duties of a "regional" would be to act for all the individual society members, to take care of legal matters, to help in the purchasing of supplies, to assist the unit societies to increase their membership, and, in general, to act in an advisory capacity.

A good example of a "regional association" is the newly organized Range Cooperative Federation of Virginia, Minn. This association has as members 14 varied cooperative commodity associations consisting of about 5,000 individual members. The membership is restricted to cooperative store members, and its object is to better the service for store members and to furnish burial at as low a cost as possible. Due to the large membership a very nominal fee is charged and operation costs are reduced to a minimum.

MUTUAL AND COOPERATIVE TELEPHONE COMPANIES

Telephone service was one of the first businesses operated on a mutual or cooperative basis in Minnesota. It is not known exactly when the first mutual telephone line was established, but sometime during the early nineties is an approximate date. They developed almost exclusively in rural districts and small villages, places which private companies considered unprofitable or were slow in developing. A similar situation now exists in the electric power field. At present there are 1,558 rural and village telephone companies operating in Minnesota on a more or less mutual and cooperative basis. It is estimated that of the 80 percent of Minnesota farmers provided with telephone service, perhaps 90 percent are served by these nonprofit companies. The present write-up is based on questionnaires returned by 1,197 of these.

The mutual and cooperative telephone organizations experienced a healthy and rapid growth from 1894 up to 1914, at which period a decline began in the number of new societies set up per year. That is, the rate of growth decreased, but, of course, the total number of societies became larger each succeeding year. I have a table showing the growth. The years are in 5-year periods, and the figures opposite indicate the number of new telephone organizations established during the period.

1894–99	10
1899–1904	94
1904–09	319
1909–14	353
1914–19	293
1919–24	92
1924–29	24
1929–34	13

A manuscript entitled "Mutual and Cooperative Telephone Associations in Minnesota", by Clyde Buell and Russel Lewis, contains more detailed information.

The decline in rate is due principally to the fact that the saturation point has been reached in this field. Four-fifths of the rural population now have phones, and most of those that do not have installations could probably have them by connecting with an existing company.

HOW COOPERATIVE TELEPHONE COMPANIES STARTED

The movement started in the southeastern part of the State and then spread westward and north. At present the greatest concentration is in the central part of the State. All but eight counties now have at least one association. Filmore County has 136, but several counties have only 1 apiece. The average for the 87 Minnesota counties is approximately 18 per county. Their average age is 22 years.

The mutuals vary in size from a copartnership line with only 3 subscribers to an incorporated one with 4,000 subscribers. The average number of members per company is 36, making a total membership of about 56,000 for all mutual and cooperative lines in the State. The societies also do business with nonmembers, an average of 14 percent per society.

In general there were four groups interested in developing these rural telephone lines. First, stock telephone companies interested in rural lines as feeders for its other lines and for the profit in it; second, businessmen in towns favored farm lines to bind the farmers into their particular trade area; third, equipment sellers were interested for the business in it; and, lastly, the farmer and villagers themselves felt the necessity for telephone service. They are in reverse order as to time of activity.

FARMERS AGAIN LEAD IN COOPERATION

At first the farmers started up in isolated communities, without relation to other lines, frequently building and servicing their own system. Later on, if the company grew, it established switching connections with other lines, both mutual and private. In many cases they merged with other mutual lines, and in some cases even sold out to private concerns. Even today members of many mutuals take care of their own lines and have no monetary income whatever.

The service rendered is of about the same standard as on lines operated by private companies and very much cheaper. The questionnaire shows that 918 mutuals charged three to nine dollars per year, including switching charge but not repair and upkeep; 105 charged nine to twelve dollars, including switching and part expenses; and 67 charged twelve to eighteen dollars, all costs. These will be reorganized, at very low cost for year-around phone service.

ORGANIZATION OF COOPERATIVE TELEPHONE COMPANIES

In organization these mutuals and cooperative telephone companies vary considerably. Most of them started as pure mutuals, without capital stock, and on an assessment basis.

Often they were not incorporated and many still are not. Each member had one vote, and this good cooperative feature is still in force in about 80 percent of all the existing mutuals, both pure and stock. The pure mutual is a self-help, nonstock cooperative, operated for service to its members.

The other companies were started as stock mutuals. That is, they issued stock to raise funds, usually one share to each member, but in some mutuals this rule is not followed. Only five mutuals pay interest on stock and none pay stock dividends, so this issuance of stock is really just a certificate of membership. Furthermore, the stock is nontransferable, a device to prevent unscrupulous parties from gaining control. The average number of shares issued by each company is 66, less than 2 shares per member.

There are variations of all sorts within the many companies, but they all have the cooperative feature of service for cost, carried on democratically by the membership. This is done through a board of directors who serve for a small fee, or voluntarily, plus actual expenses. The board hires a manager to do the actual work not done by members. One thousand one hundred and ninety-seven questionnaires reported that $2,111,590 of telephone property is owned and taken care of in this manner by mutuals, and that their annual business amounts to $518,988. Quite a number of them are now organized under the Minnesota cooperative law of 1923 and are true Rochdale cooperatives.

NO FEDERATION OF COOPERATIVE TELEPHONE COMPANIES

The mutual and cooperative telephone companies have not as yet federated themselves together in a strong, effective, cooperative union. Many people fear that these cooperatives, in their isolation, are fit prey for private interests desiring to take them over or drive them out. It is the experience of cooperatives that this is so, and in certain States and even in Minnesota this is happening. A central organization was started in 1908, the Minnesota Telephone Association, but it is now comprised of only 182 companies, only 22 of which are real mutuals. Although some few others have mutual features, three-fourths of the member companies are privately owned. A satisfactory union could possibly be effected with the Federated Electric Cooperative, 739 Johnson Street NE., Minneapolis, A. H. Howalt, manager, a newly formed federation, uniting rural electrification projects, chiefly in Minnesota and Wisconsin. Cooperative telephone associations and cooperative electric associations could work hand in hand, as the nature of their operations is similar, and their purpose is the same—service at cost.

COOPERATIVE ELECTRIC ASSOCIATIONS

Until the last few years, distribution of electricity has not been a live field for cooperative activity, either in Minnesota or other States. Social control of power has been thought of more from the municipal ownership angle. However, such cooperative enterprises are not unknown, and there are now four rural cooperatives distributing electricity in the State. Three others were organized but are not now in operation. One more, at Two Harbors, is cooperative in name only, being a part of the municipal system there.

One of the going concerns, at Granite Falls, was set up as long ago as 1913. Another one was set up in 1927, another in 1928, and the last in 1930. They are set up with various arrangements as to control and operation, in general, following cooperative and mutual practice. The business policy is usually to buy the power at wholesale from a municipal or private company and distribute it at cost.

Needless to say, the utility interests do not look with favor on any business which encroaches on their preserves and have done little to sponsor rural electrification, even though they themselves have not found it profitable to exploit the field. But with the enlightened policy regarding electric power inaugurated by the present administration we hope the farmers are about to get a break in this respect.

RURAL ELECTRIFICATION THROUGH COOPERATIVES

In addition to the T. V. A. and such projects, the Government has set aside $100,000,000 for rural electrification to be administered through the R. E. A. (Rural Electrification Administration). Through this act the Government offers to finance rural electrification lines for a period of 20 years at 3 percent. Private companies are eligible as well as cooperatives and municipal plants.

Many communities have proceeded to organize and take advantage of this opportunity. In general, the organizational activity is similar to any other cooperative. The shares are sold for $5, according to the best policy, and the usual Rochdale principles adhered to. It is planned that about $5 a month per subscriber will be sufficient to amortize the loan, run the line, and pay for 100 kilowatt-hours of electricity.

About 40 new electric cooperative associations are now being worked on in Minnesota, 25 of which are organized and selling stock, and 2 have been approved for loans by R. E. A.

MINNESOTA STATE DEPARTMENT OF AGRICULTURE HELPS

The State department of agriculture, dairy, and food is assisting the farmer in this work, as is also the Midland Cooperative Wholesale. The latter organization has also been instrumental in organizing the central federation for technical services, materials, promotion, and protection—the Federated Electric Cooperative, 739 Johnson Street NE., Minneapolis, incorporated February 1, 1935, under the cooperative law. It is hoped all rural electric cooperatives will be coordinated through this agency, which they own collectively.

The electric cooperatives are in embryo as yet. In the near future there will be great developments in this field.

COOPERATIVE TRUCKING ASSOCIATIONS

One of the latest developments in cooperative endeavor is the trucking associations. A manuscript entitled "Cooperative Trucking Associations in Minnesota", written by Clyde Buell and Russel Lewis, gives detailed information on this subject. Changing conditions of the past 20 years, and especially of the last 5 years, have been responsible for these new enterprises. Paved roads and modern high-speed trucks give quicker service than railroads, and in most cases the cost of shipping by truck is less than the combination of truck-rail-truck necessary to transport merchandise from shipper's place of business to consignee's door.

A cooperative trucking association is usually an organization among cooperative associations to engage in a trucking enterprise on a cooperative plan. The general nature of such a business is to develop and promote transportation facilities by truck for the members and patrons.

TYPES OF TRUCKING ASSOCIATIONS

There are different types of trucking associations in Minnesota, practicing different degrees of cooperation. They range from one which is organized among private businessmen to do their hauling, to truly cooperative trucking associations, which have cooperative associations only as members. In between are those which have both cooperatives and private businessmen as members; others which do cooperative hauling as a side line; and still others which are operated as trucking departments of cooperative federations.

One good arrangement is a trucking association composed of producer cooperatives, such as creameries, cheese factories, livestock-shipping associations, and farmers' elevators, to haul their products to market with return loads for cooperative stores, oil associations, and sidelines for farmers' elevators and creameries. Trucking associations can compete more effectively with private truckers if they have a full load both ways.

Those interested in this movement hope to organize intercooperative trucking associations similar to those now in operation at Benson and Detroit Lakes, Minn., to haul the products of the producers to market and bring back the merchandise needed by cooperative stores, oil associations, and other consumers' cooperatives.

Seven trucking associations were in active operation in Minnesota in June 1935, and 12 were operating as of February 14, 1936. Others are in process of organization. Oil associations and cooperative wholesales are especially active in helping to form new trucking associations. Minnesota

has taken the lead in trucking associations and very little seems to have been done outside the State, although undoubtedly the movement will spread.

PRESENT TRUCKING ASSOCIATIONS IN MINNESOTA

Cooperative trucking associations actively operating in Minnesota as of February 14, 1936, have their headquarters at Benson, Cambridge, Fergus Falls, Detroit Lakes, Grand Marais, Ada, White Bear, Thief River Falls, Montevideo, Askov, and Vernon Center. The federations are not listed, as their trucking is done as a department of the federation.

West Central Cooperative, Inc., Benson, Minn., has 21 members, all of them creameries. The Federated Cooperative Trucking Association, Cambridge, Minn., includes a livestock-shipping association, a creamery, and an oil association. The Farmers' Cooperative Trucking Association, Detroit Lakes, Minn., includes in its membership 14 cooperatives, 9 of which are creameries, 1 a potato-growers' association, and the others oil associations. The North State Transport Co., Fergus Falls, Minn., has 20 members, mostly creameries. The North Shore Businessmen's Trucking Association is only partly cooperative, being composed of cooperative fisheries on the North Shore and businessmen who provide the back haul. A so-called trucking association at Morris, Minn., is not cooperative, as its members are private businessmen.

LIVESTOCK SHIPPING ASSOCIATIONS

Trucking is done as a side line by many livestock-shipping associations which haul to the South St. Paul market, and bring back supplies for their own members and for other cooperatives. The Central Cooperative Association of South St. Paul has been particularly active in organizing or reorganizing livestock shipping associations so that livestock haulers can take feed and other supplies back to cooperatives. Seventy-one such associations had been so chartered as of February 1936. The Farmers' Union Livestock Commission Co. of South St. Paul has also shown some activity in this line. But such associations cannot be called trucking associations, as they are organized primarily for shipping livestock, the return haul being a side line.

Cooperative store federations have organized a number of trucking association departments for the use of members. These departments are financed by the federations, and if a profit is made, the member societies are rebated on the basis of patronage. Examples are the Range Cooperative Federation, Virginia; and the Maple Farmers' Cooperative Association, Maple, Wis. The store federations are connected with the Central Cooperative Wholesale, Superior, Wis.

Such wholesale or regional organizations as the Land O' Lakes Creameries, Inc., Central Cooperative Wholesale, Midland Cooperative Wholesale, and the Central Cooperative Association of South St. Paul, have been active in helping to set up and develop trucking associations and are members of the trucking associations.

LEGISLATION AFFECTING TRUCKING ASSOCIATIONS

In 1935 trucking associations were placed under the control of the Railroad and Warehouse Commission and subject to the provisions of the common-carrier acts, which provide standard rates. When standard rates are charged by cooperatives, the earnings can be prorated back to members on the basis of patronage.

So far as can be ascertained, no attempt has been made to set up an overhead organization among the trucking associations for promotion and protection.

However, the way is open for all consumers' and producers' cooperatives to organize intercooperative trucking associations to handle their transportation problems. Both consumers' and producers' cooperatives are necessary to provide two-way hauls. The cooperative trucking associations at Benson and Detroit Lakes are by some considered as models for any groups which plan to organize cooperative trucking associations.

MILK

Although Minnesota has an extensive system of cooperative creameries for marketing dairy produce, not a great deal has been accomplished from the consumer angle. The dairy products regularly sold through cooperative stores are, of course, retailed by the consumer cooperative method; and a few dairy producers' cooperatives push the retail business from their angle. But the general business of retail milk distribution over the whole State has been left in private middlemen's hands for profit. As a result the milk distribution in our State is chaotic. The consumer pays a large price and the farmer gets a low one. This situation is neither desirable nor necessary.

THE FRANKLIN COOPERATIVE CREAMERY

The Franklin Cooperative Creamery in Minneapolis is the only large attempt to solve the problem from the consumers' angle. It was organized in 1919 as the result of a milk drivers' strike. It operates today as a labor copartnership in the interests of the employees. The board is composed entirely of employees, which puts the employees in position as both employer and employee.

The Franklin was an influence in bringing other companies to task on several matters, including quality and standards. At present it is the largest distributor in Minneapolis, with 30,000 patrons, only 4,000 of whom are members, however. It also sells about a fourth of its products to private dealers. The dollar value of sales in 1934 was $2,259,934.33—more than any consumers' cooperative in our country. It operates two large plants, handling fluid products, butter, and ice cream.

The Franklin paid patronage dividends of 5 percent in 1922. Interest on shares is frequently declared. Since 1922 net earnings have been kept down by relatively high wages and competition. Shares have a par value of $100.

COAL AND FUEL OIL

Many of the farmers' elevators and about 10 percent of the co-op stores carry coal as a side line. One store society handled $37,000 worth in 1935.

However, there is only one separate cooperative coal association, and it also is about to be merged with the Minneapolis Cooperative Oil Association as a department. At present this Minneapolis association is controlled by the Midland Co-op Wholesale, which organized it with the intention of turning it over to consumers. The first year it made no earnings, but in 1936 its earnings will run around 75 cents to $1 a ton. It has a good volume, and prospects are excellent.

One fuel-oil cooperative also operates in the State—the Allied Cooperatives of the Twin Cities. It was sponsored by existing Twin City cooperatives, especially the Park Co-op Oil Association and the Minneapolis Co-op Oil Association. It is a rapidly growing concern and has paid substantial dividends the 3 years of its existence.

Plans are nearing completion for the coal association, the Allied, and the Minneapolis Oil Association to merge into one association.

BOOK STORES

There are two cooperative book stores on the University of Minnesota campus, the engineers' book store and the law book store. One for medical students has some cooperative features, but is a branch of a downtown store. The so-called "co-op book store" on the edge of the campus is in no sense cooperative.

The law store was organized in 1934, but the engineers' store has been going successfully for 14 years. Most of the engineering students are members, 1,600 in 1935. Shares are $5, which are returned upon leaving school. Patronage dividends, 15 percent in 1934, are paid to members. A real saving to students. Anyone wishing to carry this work further would do well to study the Harvard Cooperative Society, at which university the students have one large society that provides everything for students "from coonskins to sheepskins."

BOARDING HOUSES

Among the Finnish people of northern Minnesota are found cooperative boarding houses. In 1930 there were 25 in all. They cater to single people and generally operate on a cost-price policy. Cloquet, Virginia, and Duluth have good examples. Most of the Range towns have them.

CARLETON COLLEGE COOPERATIVE BOARDING CLUBS

Thirty-five to forty years ago at Carleton College cooperative student boarding clubs flourished and enabled many a financially embarrassed student to make his way through

college. I had the pleasure of sharing in the management of these clubs and took my turn as club buyer. Of course, our clubs could buy very advantageously—we always bought in considerable quantities. Sales people were glad to see us and we furnished excellent food to a large number of students at unbelievably low prices.

CAFES

The only known independently organized cooperative restaurant in the State is in the State Capitol Building, set up by a group of employees in 1935.

The employees of Land O'Lakes plant, in Minneapolis, operate a cafeteria for themselves. The Franklin Co-op Creamery also has a cafeteria for employees.

LAUNDRIES AND DRY CLEANING

So far as known there are no active cooperative laundries in the State at present, although several have been started. However, a dry-cleaning establishment, the Crystal Cooperative Cleaners of Minneapolis, has been in operation since 1931. It grew out of a strike in 1931, and the 50 or so shareholders are mostly members of the Dry Cleaners' Union.

GARAGE

Apart from the incidental garage work by the oil associations, only one cooperative garage operates in the State. That is at Hibbing. A move is on foot to make it a department of the Range Cooperative Federation, a group of stores. It appears that the garage business would be an excellent department for oil associations.

HALLS

Some of the cooperative societies in the Finnish districts have separate halls for meetings, both business and social. Others are looking forward to having one. The central organizations, and even some of the larger locals, have large rooms or halls in their regular buildings for cooperative business and recreation.

PARKS

In addition to halls, some districts have cooperative parks. One at Brule, Wis., is owned by a group of cooperatives and used for educational and recreational purposes. There are also several in upper Michigan, and in Minnesota there is one near Ely, up in the Finnish territory.

PAPERS

Besides the official organs of the several wholesales, there are several newspapers in the State more or less cooperative. There is one each at Foley, Bagley, Thief River Falls, and St. Paul. It would seem that the best approach would be through a central body, assuring democratic control and disinterested management.

MEDICAL

Little has been done in the State in the medical field, and most of what has been done pertains to hospitals. The Northern Pacific hospital service is probably best. It is controlled by employees of that railroad. The Omaha Railway has a similar plan. There are several other joint hospitalization schemes, but none of them are strictly cooperative in principle. Here is a large field that ought to be developed in the interest of public-health service.

AUDITING

Cooperative auditing calls for specialized auditors, due to the entirely different business motive than in ordinary business. The C. C. W. of Superior, Wis., maintains one service; the Northern States Cooperative League, another; and the Midland Cooperative Wholesale Houses, a third, which is, however, a separate association, known as the Cooperative Auditing Association. The Minnesota Department of Agriculture, Dairy, and Food has a cooperative auditing department. In the interests of economy and uniformity of accounting methods there should be more coordination between these various agencies.

OTHER COOPERATIVES

No useful service or commodity has gone unnoticed by the cooperative movement somewhere in the world. Doubtless many others could be found in our own State, but enough have been mentioned to indicate the breadth of the field. Cooperative housing, of which we have none in this State, is a particularly fine field in some other countries and in some cities in the United States. There may be considerable development in this field in the near future.

CONCLUSION

Many people are surprised to learn the ramifications and the extent of Minnesota's cooperative movement. That in itself is a commendation, for it demonstrates that a new economic system can be inaugurated without violently disrupting our social structure. The process is gradual, producing a minimum of maladjustment, less indeed than the usual strain of capitalistic competition. Yet the final result will be a changed economic order, wherein production will be for use and service and not for profit. The result will be full capacity production, not partial production and artificial scarcity.

The cooperative method has the added advantage that it is effective immediately, in direct proportion to the extent it is put into operation. It does not require full support of all the people to be effective. It does not await political power. It grows more rapidly in States and countries where labor parties function and give aid. It depends entirely on voluntary action. Democratic control of business and industry is permanently rested in the people's hands. For this reason it should commend itself to the American people, who cherish voluntary action and democratic ideals.

Consumers' cooperation demonstrates to the individual and the world the feasibility and the desirability of working together for common purposes. The practical, material benefits, now and here, are convincing to practical people.

The present need of the cooperative movement is understanding, action, and perseverance.

APPENDIX

Cooperative statistics for Minnesota (1934–35)

	Number	Members	Annual business
CONSUMER			
Essentially Rochdale co-ops:			
Store societies (1934)	103	**25,000	*$5,611,383
Affiliated 38			
Independent 65			
Oil associations (1935)	150	*50,000	*7,500,000
Affiliated 95			
Independent 55			
Total	253	**75,000	[1] *13,111,383
Mutual or co-op societies:			
Credit unions (1935)	205	35,000	[2] 3,075,000
Insurance (1934)	160	*245,000	[3] *5,700,000
Telephone (1933)	1,558	*56,000	*670,000
Burial (1933)	10	5,180	*51,600
Total	1,933	*341,180	[1] *9,496,600
Farm supply (other than above):			
Farm Bureau and Farmers' Union	*80	**35,000	**300,000
Producer co-ops (side lines)	***600	****80,000	**5,000,000
Total	**680	***115,000	[1] **5,300,000
Grand total (all societies)	*2,866	***531,180	[4] *27,907,983
PRODUCER			
Creameries	638	**86,768	*44,386,000
Cheese factories	36	*1,008	**1,000,000
Fluid milk	6	*9,000	*3,185,000
Fruits and vegetables	25	**4,000	**1,000,000
Grain	*265	**41,605	**17,000,000
Livestock	**325	**66,625	**22,000,000
Poultry and eggs	*14	*770	[5] **3,000,000
Wool	5	*6,600	**3,400,000
Fish	2	*365	*160,000
Miscellaneous	2		**2,263,000
Grand total	*1,318	**144,000	[6] **97,395,000

[1] Membership duplications probably 5 percent.
[2] Loans.
[3] Premiums (mostly Township Mutual Fire Insurance Association).
[4] Membership duplications probably 25 percent.
[5] Includes that done through local Land O'Lakes.
[6] Membership duplications probably one-third.

NOTE.—These figures are based on data gathered in a State-wide survey, and have been carefully weighed for accuracy and completeness. The probable limit of error is indicated as follows: No star (within) 5 percent; * 10 percent; ** 15 percent; *** 20 percent; **** 25 percent.

SELECTED READING LIST ON CONSUMER COOPERATION

One of the best books on consumer cooperation which has been put out in the United States is by Dr. J. P. Warbasse, and is entitled "Cooperative Democracy." The following list of books and

pamphlets is not exhaustive. There is a large supply of literature on the subject, particularly in Europe. The list below is a selection of some of the better books and pamphlets. These are available from the Cooperative League of the United States of America, Dr. James P. Warbasse, president, 167 West Twelfth Street, New York City; the Cooperative Publishing Association, of Superior, Wis.; and the Northern States Cooperative League, Sexton Building, Minneapolis, Minn.

GENERAL BOOKS

Cooperative Democracy. Dr. J. P. Warbasse (1927). The standard work in America by the president of the Cooperative League. (New edition out soon.) $1.50.

The Doctor and the Public. Dr. J. P. Warbasse. A social history of medicine for the layman, and a discussion of ways by which individualistic medicine may be reorganized to the end that workers can "afford to be sick." $5.

Consumer Cooperation in America. Bertram Fowler (1936). A recent popular treatise. $1.

Cuna Emerges. Roy F. Bergengren (1936). The best book that has appeared in this country on "credit unions" put out by the Credit Union National Association, of Madison, Wis. $1.

Cooperative Banking. N. Barou (1932). A description of cooperative banking in various countries. $1.50.

Sweden, the Middle Way. Marquis W. Childs. In this book Mr. Childs gives an excellent and complete picture of the adjustments that the Scandinavian countries have made in their economic and political systems. He shows how a people can solve their economic problems by cooperation and political reforms. $2.50.

Consumers' Cooperation. Albert Sonnichsen (1929). An incisive discussion written by the first secretary of the league. Out of print, but can be found in libraries.

Cooperation. Hall and Watkins (1935). New textbook published by the British Cooperative Union. $3.

Cooperative Movement in Great Britain. Beatrice Potter. The first clear analysis of the significance of consumers' cooperative ownership and control as compared with employee ownership. Still standard (1891). $1.10.

The Consumers' Cooperative Movement. Beatrice and S. Webb (1921). Written after 30 years of study in the birthplace of consumers' cooperation of the greatest English economic investigators and writers. Paper, $2; cloth, $5.

The Woman with the Basket. Catherine Webb. The history of the British Women's Cooperative Guild, as told by a leading interpreter of the movement, author also of the Industrial Cooperation. $1.25.

My Apprenticeship. Beatrice Webb (1926). The biography by the world's greatest woman cooperative writer. Every woman should have it. $3.

John T. W. Mitchell. Percy Redfern. The biography of the great leader of the C. W. S., who forged out the philosophy of consumer control. Every man and young man should read it as the story of the ideal businessman. $1.

Rochdale Pioneers. George W. Holyoake (1892). Early history by one of the original Owenites, who is called the "peer of cooperative propagandists." $1.10.

The National Being. George W. Russell (AE). A beautiful vision of what a cooperative Ireland could be, by the poet-secretary of the Irish movement.

The People's Year Book (1934). National and international. The annual of the great English and Scottish wholesale societies. Full of facts and figures and beautiful illustrations. Paper, $0.75; cloth, $1.35.

Consumers' Cooperative Societies. Charles Gide (1922). The standard continental work by one of the great leaders of cooperative thought. $1.50.

Cooperative Ideals and Problems. Anders Orne (1926). A book on Sweden by a cooperative writer and officer and later director of the post office. $1.35.

Cooperation in Sweden. Axel Gjores (1927). (International Cooperative Series No. 5.) A factual book describing the Ideal Cooperative Movement of Sweden (Cooperative Union of Manchester). $1.25.

The Cooperative Republic. E. Poisson. An interesting, philosophic treatise by a leading French cooperator. $2.

Finland a Nation of Cooperators. Thorsten Odhe (1931). A late story of the wonderful development of Consumers' Cooperation in Finland. $1.50.

Coperation in Denmark. L. Smith-Gordon and C. O'Brien (1919). (International Cooperative Series No. 4.) The standard work on cooperation in Denmark (Cooperative Union of Manchester). $1.

Cooperation in Many Lands. L. Smith-Gordon and C. O'Brien (1920). (International Cooperative Series No. 1.) A theoretical treatise on European cooperation (Cooperative Union of Manchester). $1.25.

Fresh Furrow. Burris Jenkins. America's first full-length cooperative novel. Depicts the life of farmers in our plains region and their awakening to the cooperative way of thinking. $1.50.

BUSINESS BOOKS

Standard Cooperative Bookkeeping (vol. I and II). F. Hall. An excellent textbook and practical guide to cooperative-accounting methods and procedures put out by the Cooperative Union of Manchester. About $1.50 each.

Handbook for Members of Cooperative Committees. F. Hall. A detailed textbook on problems of man control and management of cooperative societies put out by the Cooperative Union of Manchester.

Parliamentary Practice, by Henry M. Robert. Contains information on how to conduct meetings. $1.25.

Swedish Cooperative Architecture. (Swedish Cooperative Union.) A book of pictures showing the architecture designed for the Swedish co-ops by their force of 20 architects. $2.50.

Cooperation and the Future of Industry. Leonard S. Woolf. A penetrating analysis of the relation of the consumer cooperative to its employees and the State. $1.50.

GENERAL PAMPHLETS

What is Consumers' Cooperation? Dr. J. P. Warbasse. A boiled-down statement of consumers' cooperative principles and practice. $0.05.

Fundamentals of Consumers' Cooperation. V. S. Alanne. A study course. $0.25.

History and Principles of Consumers' Cooperation. Ellis Cowling. A study-course cutline. $0.25.

A Short Introduction to Consumers' Cooperation. Ellis Cowling. $0.15.

Seeking a New World Through Cooperatives. Carl R. Hutchinson. $0.25.

America's Answer—Consumers' Cooperation. E. R. Bowen. A challenge and a call to action. A summary of consumers' cooperative principles and practice. $0.10.

The Cooperative Movement. J. H. Dietrich. An excellent sermon on cooperation by a Minneapolis minister. $0.05.

Cooperation Here and Abroad. Hugh J. Hughes. A general story written by a former farm-paper editor and Minnesota commissioner of agriculture. $0.10.

The Discovery of the Consumer. Mrs. Sidney Webb (1928). Written after 40 years of study by the one who first clearly "discovered" the consumer. $0.25.

Sweden, Where Capitalism Is Controlled. Marquis W. Childs. A splendid story by a reporter who was sent to Sweden. $0.25.

Introducing Kagawa. Helen Topping. $0.15.

Kagawa and Cooperatives. Victor E. Marriott. Kagawa states his philosophy on how to put Christianity into practice through cooperation. $0.10.

The Economic Foundations of World Peace. Toyohiko Kagawa. An application of ethics to economics by a Japanese cooperative leader. $0.35.

Can We Establish a Consumer Society. Cecil Crews. An attempt to foster consumer-mindedness.

A Trip to Cooperative Europe. Howard A. Cowden. $0.05.

The C. W. S. of Today. George Darling, B. A. An illustrated survey of achievements.

Told in Brief. George Darling, B. A. The history and purpose of the C. W. S.

Cooperation of Consumers. T. Tweddell. The main principles of consumers' cooperation by a former chairman of the English Cooperative Wholesale Society. $0.05.

Up From the Shadows. Michel Becker. A dramatic historical novelette of the Rochdale pioneers, translated from German. $0.10.

The Negro Seeks Economic Freedom Through Cooperation, by J. L. Reddix. An address delivered before the National Seminar on Consumers' Cooperation of the Federal Council of Churches of Christ in America, Indianapolis, Ind., January 1, 1936. $0.15.

How St. Francis Xavier University Educates for Action. The story of the remarkable results achieved by the extension department of St. Francis Xavier University, Antigonish, Nova Scotia. Published by the Cooperative League. $0.20.

Cooperative Discussion Circles. A guidebook on the organization and leadership of discussion groups. Put out by the Ohio Farm Bureau. $0.10.

Extension Program in Cooperation. Eight interesting and valuable lessons, by the State of Minnesota Department of Education. Free.

The Spider Web. Ellis Cowling. A cooperative play in three acts. $0.25.

Organization and Management of Consumers' Cooperative Associations and Clubs. Bulletin of the United States Bureau of Labor Statistics, No. 598. $0.10.

Organization and Management of Cooperative Gasoline and Oil Associations. Bulletin of the United States Bureau of Labor Statistics, No. 606. $0.05.

Organization and Management of Cooperative Housing Associations. Bulletin of the United States Bureau of Labor Statistics, No. 608. $0.25.

Cooperative Buying Clubs. A. W. Warinner. Their advantages and their weaknesses, with some suggestions and advice, by the executive secretary and educational director, Central States Co-op League, $0.10.

PAMPHLETS ON MINNESOTA

R. K. Lewis and Associates (1933–35). (In typewritten form.) A manuscript on each major type of cooperative association in Minnesota, giving the results of a State-wide survey. Also several other related manuscripts. Available at St. Paul, Minn., office of the State department of agriculture, dairy, and food, and at the department of agricultural economics at the University Farm School, St. Paul.

United States Department of Agriculture Circular No. 80. R. K. Froker and H. B. Price. Organization and Management Problems of Cooperative Oil Associations in Minnesota (1929).

PERIODICALS

Consumers' Cooperation. Published by the Cooperative League of the United States of America. $1.

The Cooperative Builder. Central Cooperative Wholesale, Superior, Wis. $1.

The Midland Cooperator. Published by the Midland Cooperative Wholesale, Minneapolis, Minn. $0.25.

The Bridge. Published by the Credit Union National Association, Raiffeisen House, Madison, Wis. $0.50.

The Farmers Union Herald. Published by the Farmers Union Herald Publishing Co., St. Paul, Minn.

The Farm Bureau News. Published by the Minnesota Farm Bureau Federation, St. Paul, Minn.

Mr. COLDEN. Mr. Speaker, I ask unanimous consent to speak for 3 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. COLDEN. Mr. Speaker, I am prompted to make just a few remarks because I became interested in some of the remarks made by the gentleman from Texas [Mr. SUMNERS]. He is talking about suspending the patent monopoly on improvements of labor-saving machines. Labor-saving machinery adds to the wealth and to the production of wealth in this country. To my mind, suspension of invention is no solution whatever of our problem. What we need in this country is fair distribution of the product of the machines. We want all the labor-saving devices we can invent and that we can use, and we want to add to the wealth of this country, so that every person may have a greater share in the production of this country. I feel that the solution we must finally seek is fair distribution.

Now, coming to this employment situation in the country, there are millions of men out of work. The machines of the country are able to produce all that we can consume, because we do not have buying power among our people. If you can put machinery in the hands of idle people so that they can produce and supply their own needs, you have made an advance on that problem. We have had considerable discussion in California with respect to the cooperatives for the unemployed. If we can set up cooperatives so that these idle people can provide their own work, produce their own food and clothing and their own shelter, we can put those people to work and add to the wealth of the Nation. The gentleman from Minnesota [Mr. LUNDEEN] mentioned cooperatives. That is a great movement. It is sure to become a factor in our national economy. But the idle people of this country today do not have the capital to provide themselves with the tools or machines that are needed. I feel we should have some governmental agency, because there is no other agency to provide this set-up so that these people can either take a piece of land or machinery and produce what they need.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. COLDEN. I yield.

Mr. MARCANTONIO. Does not the gentleman believe that the benefit of these labor-saving devices can be distributed to labor by cutting down the hours of labor without decreasing wages, such as is provided in the 30-hour-week bill?

Mr. COLDEN. I think that is one of the solutions; yes.

Mr. LUNDEEN. Mr. Speaker, will the gentleman yield?

Mr. COLDEN. I yield.

Mr. LUNDEEN. As I understand the gentleman, he is in favor of the Government financing these cooperatives or making finances available to them?

Mr. COLDEN. I do not see any other way out.

Mr. LUNDEEN. I will say that the administration has given great encouragement along that line and deserves credit for it.

The SPEAKER. The time of the gentleman from California [Mr. COLDEN] has expired.

SEVENTIETH NATIONAL ENCAMPMENT OF GRAND ARMY OF THE REPUBLIC IN WASHINGTON, D. C.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 465, to amend the joint resolution of July 18, 1935, relating to the Seventieth National Encampment of the Grand Army of the Republic, to be held in the District of Columbia in September 1936.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. SNELL. Reserving the right to object, Mr. Speaker, I shall not, but, of course, it was understood we were not going to take up any more business this afternoon. However, the gentlewoman from New Jersey explains that this is an emergency and there is no opposition whatever, so I cannot see any objection to bringing it up at this time.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Resolved, etc., That section 1 of the joint resolution entitled "Joint resolution giving authority to the Commissioners of the District of Columbia to make special regulations for the occasion of the Seventieth National Encampment of the Grand Army of the Republic, to be held in the District of Columbia in the month of September 1936, and for other purposes, incident to said encampment", approved July 18, 1935, is amended to read as follows:

"That the Commissioners of the District are hereby authorized and directed to make such special regulations for the occasion of the encampment of the Grand Army of the Republic, which will take place in the District of Columbia in the month of September 1936, as they shall deem advisable for the preservation of public order and the protection of life and property, to be in force 1 week prior to said encampment, during said encampment, and 1 week subsequent thereto. Such special regulations shall be published in one or more of the daily newspapers of the District of Columbia, and no penalty prescribed for the violation of such regulations shall be enforced until 5 days after such publication. Any person violating any of the aforesaid regulations or the schedule of fares hereinafter provided for shall, upon conviction thereof in the police court of the said District, be liable for such offense to a fine not to exceed $100, and in default of payment of such fine to imprisonment in the workhouse (or jail) of said District for not longer than 60 days. This resolution shall take effect immediately upon its approval, and the sum of $20,000, or as much thereof as may be necessary, payable from any money in the Treasury not otherwise appropriated and from the revenues of the District of Columbia, in equal parts, is hereby authorized to be appropriated to enable the Commissioners of the District of Columbia to carry out the provisions of this joint resolution, $1,000 of which shall be available for the construction, maintenance, and operation of public comfort stations and information booths, and $5,000 of which shall be available for the maintenance of public order and the protection of life and property, under the direction of said Commissioners. The balance of the aforesaid $20,000 appropriation, or as much thereof as may be necessary, is hereby authorized to be used for all expenses incidental to the encampment of the Grand Army of the Republic, such as has heretofore been provided in other cities where the encampments have been held, and for all other purposes in connection with said encampment."

SEC. 2. That portion of section 5 of such joint resolution of July 18, 1935, which precedes the first proviso, is amended to read as follows:

"SEC. 5. That the Superintendent of National Capital Parks, subject to the approval of the Director of National Park Service, is hereby authorized to grant permits to the citizens' executive committee for the entertainment of the Grand Army of the Republic for the use of any reservation or other public spaces in the city of Washington on the occasion of the seventieth national encampment, in the month of September 1936, which, in his opinion, will inflict no serious or permanent injuries upon such reservations or public spaces, or statuary therein; and the Commissioners of the District of Columbia may designate for such and other purposes on the occasion aforesaid such streets, avenues, and sidewalks in the said city of Washington as they may deem proper and necessary for the erection of reviewing stands, platforms, or other structures, and that no person or corporation shall be authorized to erect or use such stands, platforms, or other structures without permission of said committee."

With the following committee amendment:

Page 1, strike out all of lines 3 to 8, inclusive; on page 2, strike out all of lines 1 to 25, inclusive; and on page 3, strike out lines 1 to 14, inclusive, and insert:

"That section 1 of the joint resolution entitled 'Joint resolution giving authority to the Commissioners of the District of Columbia to make special regulations for the occasion of the Seventieth National Encampment of the Grand Army of the Republic to be held in the District of Columbia in the month of September 1936, and for other purposes, incident to the said encampment', approved July 18, 1935, is hereby amended to read as follows:

" 'That the Commissioners of the District of Columbia are hereby authorized and directed to make such special regulations for the occasion of the encampment of the Grand Army of the Republic, which shall take place in the District of Columbia during the month of September 1936, as they shall deem advisable for the preservation of public order and the protection of life and property, to be in force 1 week prior to said encampment, during said encampment, and 1 week subsequent thereto, such special regulations shall be published in one or more of the daily newspapers of the District of Columbia, and no penalty prescribed for the violation of such regulations shall be enforced until 5 days after such publication. Any person violating any of the aforesaid regulations or the aforesaid schedule of fares shall, upon conviction thereof in

the police court of the said District, be liable for such offense to a fine not to exceed $100, and, in default of payment of such fine, to imprisonment in the workhouse (or jail) of said District for not longer than 60 days. This resolution shall take effect immediately upon its approval, and the sum of $15,000 or as much thereof as may be necessary, payable from any money in the Treasury not otherwise appropriated, and from the revenues of the District of Columbia in equal parts, is hereby appropriated. The Commissioners of the District of Columbia are hereby authorized in conjunction with the Citizens' Executive Committee of the Grand Army of the Republic, who shall be appointed by the said Commissioners, to expend the said sum of $15,000 to carry out the provisions of section 1 of this joint resolution, and for such expenses incident to the encampment as the said Commissioners, in their discretion and judgment, may deem advisable.' "

The committee amendment was agreed to.

The House joint resolution as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPOINTMENT OF COMMITTEE TO INVESTIGATE AGENCIES OF THE GOVERNMENT

The SPEAKER. Pursuant to the provisions of House Resolution 460, Seventy-fourth Congress, the Chair appoints as members of the Select Committee to Investigate Executive Agencies of the Government with a view to coordination the following Members of the House: Mr. BUCHANAN, Mr. COCHRAN, Mr. BROWN of Michigan, Mr. LEHLBACH, and Mr. WADSWORTH.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BROOKS, for 4 days, on account of important business.

To Mr. FITZPATRICK, for 3 days, on account of death in family.

To Mr. POLK, for 1 week, on account of important business.

To Mr. ROBSION of Kentucky, for today, on account of illness.

To Mr. SHANNON, for 3 days, on account of business.

To Mr. SMITH of Virginia (at the request of Mr. DARDEN), on account of official business.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 3842. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the establishment of the territorial government of Wisconsin, and to assist in the celebration of the Wisconsin Centennial during the year of 1936; and

S. 4229. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the incorporation of Bridgeport, Conn., as a city.

ADJOURNMENT

Mr. O'CONNOR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 50 minutes p. m.) the House, in accordance with its order previously adopted, adjourned until tomorrow, Thursday, May 7, 1936, at 11:30 a. m.

COMMITTEE HEARING

COMMITTEE ON THE PUBLIC LANDS

There will be a meeting of the Committee on the Public Lands on Thursday, May 7, 1936, at 10 a. m., in room 328, House Office Building, to consider H. R. 7086, Mount Olympus National Park, in executive session.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WILSON of Louisiana: Committee on Flood Control. S. 3531. An act to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928; without amendment (Rept. No. 2583). Referred to the Committee of the Whole House on the state of the Union.

Mr. DISNEY: Committee on Ways and Means. House Joint Resolution 497. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the International Petroleum Exposition, Tulsa, Okla., to be admitted without payment of tariff, and for other purposes; without amendment (Rept. No. 2584). Referred to the Committee of the Whole House on the state of the Union.

Mr. LAMNECK: Committee on Ways and Means. House Joint Resolution 547. Joint resolution providing for the importation of articles free from tariff or customs duty for the purpose of exhibition at Great Lakes Exposition to be held at Cleveland, Ohio, beginning in June 1936, and for other purposes; with amendment (Rept. No. 2585). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 11739. A bill to amend the last paragraph, as amended, of the act entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", approved February 7, 1925; without amendment (Rept. No. 2586). Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMASON: Committee on Military Affairs. S. 4265. An act to authorize the Secretary of War to set apart as a national cemetery certain lands of the United States Military Reservation of Fort Bliss, Tex.; without amendment (Rept. No. 2587). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H. R. 11108. A bill to advance a program of national safety and accident prevention; without amendment (Rept. No. 2588). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. S. 2243. An act relating to the allocation of radio facilities; without amendment (Rept. No. 2589). Referred to the Committee of the Whole House on the state of the Union.

Mr. CONNERY: Committee on Labor. H. R. 12285. A bill to rehabilitate and stabilize labor conditions in the textile industry of the United States; to prevent unemployment and to provide minimum wages, maximum hours, and other conditions of employment in said industry; to safeguard and promote the general welfare; and for other purposes; with amendment (Rept. No. 2590). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DEMPSEY: A bill (H. R. 12604) to authorize the coinage of 50-cent pieces in commemoration of the four hundredth anniversary of the journeys and explorations of Francisco Vasquez de Coronado; to the Committee on Coinage, Weights, and Measures.

By Mr. FERGUSON: A bill (H. R. 12605) to provide annuities for widows of employees of the United States and the District of Columbia; to the Committee on Pensions.

By Mr. KING: A bill (H. R. 12606) to amend an act entitled "An act to enable the Legislature of the Territory of Hawaii to authorize the issuance of certain bonds, and for other purposes"; approved Aug. 3, 1935; to the Committee on the Territories.

By Mr. SUMNERS of Texas: A bill (H. R. 12607) to authorize the Secretary of War to lend Army equipment to the Texas Centennial Central Exposition for the use of 4–H clubs and similar organizations of boys and girls attending the Texas centennial; to the Committee on Military Affairs.

By Mr. HIGGINS of Massachusetts: A bill (H. R. 12608) to fix the ratio of substitutes to regular employees in post offices and in the Railway Mail Service; to the Committee on the Post Office and Post Roads.

By Mr. LEA of California: A bill (H. R. 12609) to provide funds for cooperation with public-school districts of the Hoopa Valley Indian Reservation, Calif., for extension of

school buildings and equipment to be available for Indian children; to the Committee on Indian Affairs.

By Mrs. ROGERS of Massachusetts: A bill (H. R. 12610) for the relief of war veterans who were disabled as the result of the Florida hurricane at Windly Island and Matecumbe Keys September 2, 1935, their widows, children, and dependent parents; to the Committee on World War Veterans' Legislation.

By Mr. MARCANTONIO: A bill (H. R. 12611) to provide for the granting of sovereignty to the island of Puerto Rico and to provide for neighborly relations with the proposed government of Puerto Rico; to the Committee on Insular Affairs.

By Mr. DUFFY of New York: A bill (H. R. 12612) to supplement the act of June 25, 1929 (ch. 41, 46 Stat. L., 41), which authorized and directed the Attorney General to institute suit against the Northern Pacific Railway Co. and others; to the Committee on the Judiciary.

By Mr. HILDEBRANDT: A bill (H. R. 12613) to provide for the extension of star-route contracts and authorizing the Postmaster General to grant additional compensation; to the Committee on the Post Office and Post Roads.

By Mrs. ROGERS of Massachusetts: Resolution (H. Res. 504) requesting the Secretary of State to transmit to the House of Representatives certain information relating to the protection of the American Legation at Addis Ababa; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EKWALL: A bill (H. R. 12614) for the relief of M. Seller & Co.; to the Committee on Claims.

By Mr. GAVAGAN: A bill (H. R. 12615) for the relief of Arthur J. Williams; to the Committee on Claims.

By Mr. GOLDSBOROUGH: A bill (H. R. 12616) for the relief of Luther E. Bozman; to the Committee on Claims.

By Mr. HIGGINS of Massachusetts: A bill (H. R. 12617) for the relief of Guido Guidi; to the Committee on Immigration and Naturalization.

By Mr. McGEHEE: A bill (H. R. 12618) for the relief of F. L. Applewhite, Sr.; to the Committee on Claims.

By Mr. O'BRIEN: A bill (H. R. 12619) for the relief of Mrs. Foneti Petrakos, executrix of the estate of Tom H. Petrakos; to the Committee on Claims.

By Mr. PARSONS: A bill (H. R. 12620) for the relief of Jerome H. Howard; to the Committee on Claims.

By Mr. ROGERS of Oklahoma (by departmental request): A bill (H. R. 12621) for the relief of G. A. Trotter; to the Committee on Claims.

Also (by departmental request), a bill (H. R. 12622) for the relief of Dr. Harold W. Foght; to the Committee on Indian Affairs.

By Mr. THOMPSON: A bill (H. R. 12623) for the relief of John M. Brant Co.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10839. By Mr. KING: Petition of the Honolulu Chapter of the Woman's Christian Temperance Union of the Territory of Hawaii; to the Committee on Ways and Means.

10840. By Mr. LAMNECK: Petition of Marion Richardson, secretary, Northern Circle Child Conservation League, of Columbus, Ohio, urging early hearings on motion-picture bills now in Congress; to the Committee on Interstate and Foreign Commerce.

10841. By Mr. PFEIFER: Petition of the Bookkeepers, Stenographers, and Accountants' Union, New York City, approving the Walsh-Healey bill; to the Committee on Labor.

10842. Also, petition of the Gleason-Tiebout Glass Co., Brooklyn, N. Y., concerning the Patman-Robinson anti-chain-store bills; to the Committee on Interstate and Foreign Commerce.

10843. By Mr. POWERS: Petition of Mrs. L. W. Ancker and others, relative to House bill 8739; to the Committee on the District of Columbia.

10844. By Mr. RABAUT: Petition of the Board of County Commissioners of Cuyahoga County, requesting endorsement of House bill 12243; to the Committee on Banking and Currency.

10845. By Mr. SUTPHIN: Petition of the Bayshore Shellfisheries Association, of Highlands, N. J., urging the President of the United States to authorize the appropriation of sufficient funds to defray the cost of relocating the Fort Hancock sewage outlet from Sandy Hook Bay to the Atlantic Ocean, as the present situation may pollute the bay waters and result in preventing the marketing of shellfish taken from the waters of Sandy Hook Bay; to the Committee on Merchant Marine and Fisheries.

SENATE

THURSDAY, MAY 7, 1936

(Legislative day of Friday, Apr. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, May 4, 1936, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 158. An act authorizing the President to present a medal in the name of Congress to Johannes F. Jensen;

S. 427. An act authorizing the reimbursement of Edward B. Wheeler and the State Investment Co. for the loss of certain lands in the Mora grant, New Mexico;

S. 1494. An act to amend an act entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims", approved May 14, 1926 (44 Stat. L. 555);

S. 2040. An act to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, and acts in amendment thereof;

S. 2517. An act to provide for the advancement on the retired list of the Navy of Walter M. Graesser, a lieutenant (junior grade), United States Navy, retired;

S. 2611. An act to authorize the Utah Pioneer Trails and Landmarks Association to construct and maintain a monument on the Fort Douglas Military Reservation, Salt Lake City, Utah;

S. 2849. An act to provide for cooperation with Wellpinit School District No. 49, Stevens County, Wash., for the construction of a public-school building to be available for Indian children of the Spokane Reservation;

S. 3241. An act authorizing adjustment of the claims of F. L. Forbes, John L. Abbot, and the Ralph Sollitt & Sons Construction Co.;

S. 3372. An act to provide funds for cooperation with the public-school district at Hays, Mont., for construction and improvement of public-school buildings to be available for Indian children;

S. 3460. An act to authorize the Secretary of the Interior to ascertain the persons entitled to compensation on account of private claim 111, parcel 1, Nambe Pueblo grant;

S. 3516. An act for the relief of Alice D. Hollis;

S. 3544. An act authorizing adjustment of the claim of the Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans;

S. 3581. An act for the relief of Henry Thornton Meriwether;

S. 3687. An act to validate payments, and to relieve the accounts of disbursing officers of the Army on account of payments made to Reserve officers on active duty for rental alowances;

S. 3688. An act to validate payments, and to relieve disbursing officers' accounts of payments made to Reserve officers promoted while on active duty;

S. 3737. An act to authorize the Secretary of War to acquire by donation land at or near Newburgh, in Orange County, N. Y., for aviation field, military, or other public purposes;

S. 3747. An act for the relief of Maizee Hamley;

S. 3748. An act to authorize the Bureau of Mines to conduct certain studies, investigations, and experiments with respect to sub-bituminous and lignite coal, and for other purposes;

S. 3769. An act for the relief of Marcellus E. Wright and Lee, Smith & Vandervoort, Inc.;

S. 3797. An act to amend an act entitled "An act authorizing certain tribes of Indians to submit claims to the Court of Claims, and for other purposes", approved May 26, 1920;

S. 3859. An act to authorize the procurement, without advertising, of certain War Department property, and for other purposes;

S. 3932. An act for the relief of Ann Rakestraw;

S. 3950. An act to aid in defraying the expenses of the Sixteenth Triennial Convention of the World's Woman's Christian Temperance Union to be held in this country in June 1937;

S. 3977. An act to authorize the Washington Gas Light Co. to alter its corporate structure, and for other purposes;

S. 4135. An act for the relief of Helen Curtis;

S. 4214. An act to provide for a preliminary examination of the Sabine and Neches Rivers with a view to controlling their floods and regulating, conserving, and utilizing the waters thereof, and for other purposes;

S. 4416. An act for the relief of Josephine Russell; and

S. 4447. An act for the relief of J. L. Summers.

The message also announced that the House had passed the following bills and joint resolution severally with an amendment, in which it requested the concurrence of the Senate:

S. 1827. An act for the relief of Lucille McClure;

S. 1975. An act to authorize certain officers of the United States Navy, officers and enlisted men of the Marine Corps, and officers and enlisted men of the United States Army to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered;

S. 3645. An act for the relief of Dampskib Aktieselshap Roskva;

S. 4395. An act for the relief of the State of New Jersey; and

S. J. Res. 248. Joint resolution to provide for participation by the United States in an inter-American conference to be held at Buenos Aires, Argentina, or at the capital of another American republic in 1936.

The message further announced that the House had passed the following bills of the Senate severally with amendments, in which it requested the concurrence of the Senate:

S. 1075. An act for the relief of Louis H. Cordis;

S. 1379. An act to amend section 103 of the Code of Criminal Procedure for the Canal Zone and section 542 of the Code of Civil Procedure for the Canal Zone;

S. 3685. An act for the relief of George Rabcinski;

S. 3789. An act authorizing the Secretary of Commerce to convey the Charleston Army Base Terminal to the city of Charleston, S. C.; and

S. 3839. An act granting a pension to Randall Krauss.

The message also announced that Mr. TABER had been appointed a manager on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes, vice Mr. Buckbee, deceased.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 381) for the relief of the Confederated Bands of Ute Indians located in Utah, Colorado, and New Mexico.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11035) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate nos. 4, 9, 20, 25, 29, 35, 42, and 45 to the said bill, and concurred therein severally with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12098) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes; that the House had receded from its disagreement to the amendment of the Senate no. 9 to the bill, and concurred therein, and that the House receded from its disagreement to the amendment of the Senate no. 58 to the bill, and concurred therein with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 190. An act granting authority to the Secretary of War to license the use of a certain parcel of land situated in Fort Brady Reservation to Ira D. MacLachlan Post, No. 3, the American Legion, for 15 years;

H. R. 397. An act for the relief of Robert Coates;

H. R. 610. An act for the relief of Matt E. Saylor;

H. R. 1397. An act to withdraw certain public lands from settlement and entry;

H. R. 1739. An act for the relief of Frank Gedney;

H. R. 2121. An act for the relief of Jane Murrah;

H. R. 5743. An act for the relief of Robert D. Doherty;

H. R. 5752. An act for the relief of May Wynne Lamb;

H. R. 6404. An act for the relief of D. B. Carter;

H. R. 6920. An act for the relief of Ella Goodwin;

H. R. 7363. An act for the relief of F. E. Hall;

H. R. 7642. An act for the relief of Katherine Trick;

H. R. 7764. An act to relieve restricted Indians whose lands have been taxed or have been lost by failure to pay taxes, and for other purposes;

H. R. 7794. An act for the relief of Newark Concrete Pipe Co.;

H. R. 7825. An act for the relief of Michael Stodolnick;

H. R. 7839. An act for the relief of C. E. Rightor;

H. R. 8050. An act to authorize the acquisition of land for military purposes in San Bernardino and Kern Counties, Calif., and for other purposes;

H. R. 8091. An act for the relief of Fields B. Arthur and Arthur L. Allen, copartners, Colorado Culvert & Flume Co., Glen Haller, Kenneth Austin, A. B. Hoffman, J. W. Jones, and Lloyd Lasswell;

H. R. 8228. An act for the relief of Mrs. W. E. Bouchey;

H. R. 8278. An act for the relief of Earl Elmer Gallatin;

H. R. 8373. An act for the relief of James Fitzgerald;

H. R. 8440. An act conferring jurisdiction upon the United States District Court for the Eastern District of New York to hear, determine, and render judgment upon the claims of Achille and Albert Retellatto;

H. R. 8474. An act to provide for the creation of the Perry's Victory and International Peace Memorial National Monument on Put in Bay, South Bass Island, in the State of Ohio, and for other purposes;

H. R. 8482. An act for the relief of Jacob G. Ackerman;

H. R. 8502. An act for the relief of Theresa Link, Wencel Link, Edward Block, and John Meyers;

H. R. 8525. An act prescribing regulations for carrying on the business of lighter service from any of the ports of the United States to stationary ships or barges located offshore, and for the purpose of promoting the safety of navigation;

H. R. 8688. An act for the relief of Grace Schultz;

H. R. 8720. An act for the relief of Louis Manzumin;

H. R. 8784. An act to authorize withholding compensation due Government personnel;

H. R. 8884. An act for the relief of Mrs. Ollie Myers;

H. R. 8932. An act for the relief of John S. Hemrick;

H. R. 9042. An act to provide for the sale of the Port Newark Army Supply Base to the city of Newark, N. J.;

H. R. 9078. An act for the relief of Bertha W. Lamphear;

H. R. 9113. An act to provide for the residence of the United States commissioners appointed for the national parks, and for other purposes;

H. R. 9313. An act for the relief of the estate of Hans Ditmanson, deceased;

H. R. 9314. An act for the relief of the estate of Henry Copple, deceased;

H. R. 9315. An act for the relief of the estate of Fred Wilkins, deceased;

H. R. 9926. An act for the relief of Robert B. Barker;

H. R. 10044. An act for the relief of Lt. Col. Fernand H. Gouaux;

H. R. 10101. An act to amend the Federal Farm Loan Act and the Farm Credit Act of 1935, and for other purposes;

H. R. 10168. An act for the relief of Arch A. Gary;

H. R. 10174. An act for the relief of Ezra Curtis;

H. R. 10242. An act for the relief of Clarence D. Weisz;

H. R. 10279. An act for the relief of the Pocahontas Fuel Co., Inc.;

H. R. 10435. An act for the relief of Emma Hastings;

H. R. 10439. An act for the relief of John B. Ricketts;

H. R. 10544. An act authorizing the erection of a memorial to those who met their death in the wreck of the dirigible *Shenandoah*;

H. R. 10641. An act to provide for the protection and conservation of equities of rights of the Government resulting from railroad land grants;

H. R. 10849. An act to authorize an appropriation for improvement of ammunition storage facilities at Aliamanu, Territory of Hawaii, and Edgwood Arsenal, Md.;

H. R. 10934. An act to authorize the transfer of the customhouse at Salem, Mass., from the jurisdiction of the Treasury Department to the Department of the Interior;

H. R. 11022. An act for the relief of Ethel Armes;

H. R. 11218. An act to provide for the disposition of tribal funds now on deposit or later placed to the credit of the Crow Tribe of Indians, Montana, and for other purposes;

H. R. 11379. An act for the relief of William H. Milton;

H. R. 11493. An act for the relief of Perry Randolph;

H. R. 11533. An act to authorize the coinage of 50-cent pieces in commemoration of the seventy-fifth anniversary of the Battle of Gettysburg;

H. R. 11616. An act to fix the compensation of the Director of the Federal Bureau of Investigation;

H. R. 11747. An act extending the time for making the report of the commission to study the subject of Hernando De Soto's Expedition;

H. R. 11768. An act authorizing construction, operation, and maintenance of Rio Grande canalization project and authorizing appropriation for that purpose;

H. R. 11791. An act to make available for national-park purposes certain lands within the area of the proposed Mammoth Cave National Park, Ky.;

H. R. 11799. An act to repeal the proviso of the act of May 18, 1928 (ch. 626, 45 Stat. 603), making additions to the Absaroka and Gallatin National Forests and improving and extending the winter-feed facilities of the elk, antelope, and other game animals of Yellowstone National Park and adjacent land, and for other purposes;

H. R. 11915. An act to amend the Coastwise Load Line Act, 1935;

H. R. 11917. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 11921. An act to authorize a preliminary examination of the Blackstone, Seekonk, Moshassuk, and Woonasquatucket Rivers and their tributaries in the State of Rhode Island, with a view to the control of their floods;

H. R. 11926. An act to provide for a term of court at Durham, N. C.;

H. R. 12033. An act authorizing and directing the Secretary of the Interior to sell to the city of Los Angeles, Calif., certain public lands in California; and granting rights-of-way over public lands and reserve lands to the city of Los Angeles, in Mono County, in the State of California;

H. R. 12073. An act to reserve certain public-domain lands in New Mexico as an addition to the school reserve of the Jicarilla Indian Reservation;

H. R. 12074. An act to consolidate the Indian pueblos of Jemez and Pecos, N. Mex.;

H. R. 12076. An act for the exchange of land in Hudson Falls, N. Y., for the purpose of the post-office site;

H. R. 12079. An act to provide for a preliminary examination of the Poteau River in Arkansas with a view to flood control;

H. R. 12080. An act to provide for a preliminary examination of the Sulphur River in Arkansas with a view to flood control;

H. R. 12133. An act to authorize a preliminary examination of the Congree, Watere, Santee, and the Cooper Rivers and their tributaries in the State of South Carolina with a view to the control of their floods;

H. R. 12135. An act providing for a preliminary examination of the Sandusky River at Fremont, Ohio, with a view to control of its floods;

H. R. 12158. An act to authorize a preliminary examination of the Patuxent River and its tributaries in the State of Maryland with a view to the control of its floods;

H. R. 12162. An act to create an additional division of the United States District Court for the Southern District of Mississippi to be known as the Hattiesburg division;

H. R. 12183. An act for the relief of Gladys Hinckley Werlich;

H. R. 12212. An act to quiet title and possession with respect to certain lands in Tuscumbia, Ala.;

H. R. 12220. An act to authorize the adjustment of the boundary of the Fort Marion National Monument, Fla., in the vicinity of Fort Marion Circle, and for other purposes;

H. R. 12222. An act to permit the temporary entry into the United States under certain conditions of alien participants and officials of the Leyden International Bureau attending an international conference to be held in the United States in 1936;

H. R. 12305. An act to define the jurisdiction of the Coast Guard;

H. R. 12370. An act to authorize a preliminary examination of Big Blue River and its tributaries with a view to the control of their floods;

H. R. 12408. An act for the relief of Robert D. Baldwin;

H. R. 12419. An act to apply laws covering steam vessels to seagoing vessels of 300 gross tons and over propelled by internal-combustion engines;

H. R. 12556. An act to create the Treasury Agency Service, to provide for the more adequate protection of the revenue and a more effective enforcement of the revenue and other laws administered by the Treasury Department, and for other purposes;

H. J. Res. 415. Joint resolution to carry out the intention of Congress with reference to the claims of the Chippewa Indians of Minnesota against the United States;

H. J. Res. 465. Joint resolution to amend the joint resolution of July 18, 1935, relating to the Seventieth National

Encampment of the Grand Army of the Republic, to be held in the District of Columbia in September 1936;

H. J. Res. 525. Joint resolution to enable the United States Constitution Sesquicentennial Commission to carry out and give effect to certain approved plans, and for other purposes; and

H. J. Res. 569. Joint resolution to authorize an appropriation for the expenses of participation by the United States in a conference at Brussels to revise the Convention for the Protection of Literary and Artistic Works concluded at Bern, September 9, 1886, and revised at Rome, June 2, 1928.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 1432. An act to amend section 5 of the act of March 2, 1919, generally known as the War Minerals Relief Statutes;

S. 3842. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the establishment of the Territorial Government of Wisconsin, and to assist in the celebration of the Wisconsin Centennial during the year of 1936;

S. 4229. An act to authorize the coinage of 50-cent pieces in comemoration of the one hundredth anniversary of the incorporation of Bridgeport, Conn., as a city; and

H. J. Res. 567. A joint resolution to provide an additional appropriation for expenses of special and select committees of the House of Representatives for the fiscal year 1936.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Logan	Radcliffe
Ashurst	Couzens	Lonergan	Reynolds
Austin	Davis	Long	Robinson
Bachman	Dieterich	McAdoo	Russell
Bailey	Donahey	McGill	Schwellenbach
Barbour	Duffy	McKellar	Sheppard
Barkley	Frazier	McNary	Shipstead
Benson	George	Maloney	Steiwer
Black	Glass	Metcalf	Thomas, Okla.
Bone	Guffey	Minton	Thomas, Utah
Bulkley	Hale	Moore	Townsend
Burke	Harrison	Murphy	Tydings
Byrd	Hastings	Murray	Vandenberg
Byrnes	Hatch	Norris	Van Nuys
Capper	Hayden	Nye	Wagner
Caraway	Johnson	O'Mahoney	Walsh
Carey	Keyes	Overton	White
Connally	King	Pittman	
Coolidge	La Follette	Pope	

Mr. HATCH. I desire to announce that my colleague the junior Senator from New Mexico [Mr. CHAVEZ] has been called to New Mexico on account of the death of his mother. Necessarily he will be detained from the Senate for several days.

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Nevada [Mr. MCCARRAN], the Senator from Florida [Mr. TRAMMELL] are absent because of illness; and that the Senator from Mississippi [Mr. BILBO], the Senator from South Dakota [Mr. BULOW], the senior Senator from Missouri [Mr. CLARK], the Senator from Florida [Mr. FLETCHER], the Senator from Oklahoma [Mr. GORE], the junior Senator from West Virginia [Mr. HOLT], the Senator from Illinois [Mr. LEWIS], the senior Senator from West Virginia [Mr. NEELY], the Senator from South Carolina [Mr. SMITH], the junior Senator from Missouri [Mr. TRUMAN], the Senator from Montana [Mr. WHEELER], the Senator from Rhode Island [Mr. GERRY], and the Senator from New Hampshire [Mr. BROWN] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] is necessarily absent.

The VICE PRESIDENT. Seventy-five Senators have answered to their names. A quorum is present.

FILING OF REPORT DURING RECESS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Senate, which was read and ordered to lie on the table, as follows:

To the PRESIDENT OF THE SENATE:

Under the order of the Senate of the 4th instant, Mr. BYRNES, from the Committee on Appropriations, filed with me, as Secretary of the Senate, on May 6, 1936, the bill (H. R. 12527) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other purposes, with amendments and an accompanying report (No. 1987).

Very truly yours

EDWIN A. HALSEY, *Secretary.*

VETO MESSAGES RECEIVED FROM THE PRESIDENT DURING RECESS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Senate, which was read and ordered to lie on the table, as follows:

UNITED STATES SENATE,
Washington, May 7, 1936.

Hon. JOHN N. GARNER,
President of the Senate.

MY DEAR MR. PRESIDENT: On Friday, April 24, 1936, the Committee on Enrolled Bills of the Senate presented to the President of the United States the enrolled bills (S. 713) granting jurisdiction of the Court of Claims to hear the case of David A. Wright, and (S. 929) for the relief of the Southern Products Co., which had passed both Houses of Congress and been signed by the Speaker of the House of Representatives and the President of the Senate.

The Senate, at 3:25 p. m. Monday, May 4, 1936, took a recess until 12 noon on Thursday, May 7, 1936.

During the interim the President of the United States sent by messenger two messages addressed to the Senate, each dated May 5, 1936, giving his reasons for not approving, respectively, Senate bill 713 and Senate bill 929. The Senate not being in session on the last day which the President had for the return of these bills under the provisions of the Constitution of the United States, in order to protect the interests of the Senate so that it might have the opportunity to reconsider the bills, I accepted the messages, and I now present to you the President's veto messages, with the accompanying papers, for disposition by the Senate.

Sincerely yours,

EDWIN A. HALSEY,
Secretary of the Senate.

DAVID A. WRIGHT—VETO MESSAGE (S. DOC. NO. 202)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Claims and ordered to be printed, as follows:

To the Senate:

I return herewith, without my approval, Senate bill no. 713, entitled "An act granting jurisdiction to the Court of Claims to hear the case of David A. Wright."

This act provides that the Court of Claims be given jurisdiction to reinstate, reopen, and rehear the case of David A. Wright, of Winona, Mo., against the United States, numbered 261–A in said court, and to readjudicate the same and determine the amount of costs or expenditures, if any, which the said David A. Wright may have expended or incurred in 1918 in the rehabilitation of a manufacturing plant at 1150 Washtenaw Avenue, Chicago, Ill., and in the beginning of production of heavy-duty lathes, to meet the needs, or the then anticipated needs, of the Ordnance Department for any gun-relining or gun-manufacturing project initiated and under way in the Ordnance Department of the United States Army, in reliance in good faith upon any promise or assurance given him by Maj. Charles D. Westcott, Ordnance Department, United States Army, or Howard Abbott, an engineer in the plant section of the production division of the Ordnance Department, that the said David A. Wright would receive a contract, or contracts, for the manufacture of heavy-duty lathes that would absorb such costs or expenditures, notwithstanding such Ordnance Department projects may have been contingent upon the continuance of the war and may have been abandoned because of the signing of the armistice of November 11, 1918.

During the World War David A. Wright undertook negotiations with two representatives of the War Department for

the purpose of entering into contracts for the manufacture of lathes for the United States. He claims that at their request he secured an additional building and enlarged his plant for the purpose of performing the prospective contracts. He later received one contract from the Ordnance Bureau for the manufacture of three lathes at $20,000 each, but the armistice precluded the making of any further contracts with him.

Mr. Wright later brought suit against the United States in the Court of Claims under the so-called Dent Act, which authorized suits to be maintained against the Government on contracts informally executed. In his suit Mr. Wright claimed a sum in excess of $92,000 for moneys expended in enlarging his plant and in preparing for the performance of contracts which he never received. The Court of Claims rendered judgment in favor of the United States, on the ground that the representatives of the War Department with whom he might have dealt, had no authority to contract in behalf of, or to bind, the Government (*Wright* v. *United States*, 60 C. Cls. 519).

The bill under consideration proposes to grant to the Court of Claims jurisdiction to rehear the case and to render judgment in favor of the claimant, if it is of the opinion that the expenditures were incurred by him in good faith in reliance upon the belief that the representatives of the War Department, with whom he dealt, possessed authority to bind the United States, and provided that he was justified in doing so under the circumstances. In other words, this bill proposes to abolish for the purposes of this case, the rule that the Government is not bound by an agreement, unless such agreement was entered into in its behalf by a representative having actual authority to make the contract.

Sufficient reason does not appear to exempt this claimant from the operation of the above-mentioned rule, and I, therefore, do not feel justified in giving my approval to this bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 5, 1936.*

SOUTHERN PRODUCTS CO.—VETO MESSAGE (S. DOC. NO. 203)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Claims and ordered to be printed, as follows:

To the Senate:

I return herewith, without my approval, Senate bill S. 929, entitled "An act for the relief of the Southern Products Co."

This act provides that the Secretary of the Treasury be authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Southern Products Co., Dallas, Tex., the sum of $13,051.19 in full settlement of all claims against the Government, for the cost of removal and of the cost of reconditioning 9,097 bales of good, merchantable cotton, from its place of storage in the Bush Terminal Co. warehouse, Brooklyn, N. Y., the damage being caused to the cotton by climatic and other causes during its enforced removal and while it was exposed to the weather after removal from the Bush Terminal warehouse, Brooklyn, N. Y., as result of the commandeering of the entire storage warehouse on January 3, 1918, by the Secretary of War. The settlement amount represents the net cost to the claimant of removal of the cotton.

The claim involved in this bill was carefully considered by the appraisal section of the War Department claims board which functioned as a board of review in such matters and was rejected for the reason that it was not of the character of cases coming within the purview of the so-called Dent Act, which finding was approved by the Secretary of War.

Thereafter the claimant filed suit in the Court of Claims under the said Dent Act and other acts of Congress, and the court held that the case did not fall within any of the acts relied upon by the claimant.

It is apparent that awarding relief in this case would constitute a discrimination which would be unfair to many other potential claimants in similar situation, and would undoubtedly result in the presentation of claims for relief after such a lapse of time as would make it difficult, if not impossible, for the Government to secure adequate evidence in such cases.

For the above reasons I do not feel that I would be justified in giving my approval to this legislation.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 5, 1936.*

A. RANDOLPH HOLLADAY—VETO MESSAGE (S. DOC. NO. 206)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Claims and ordered to be printed, as follows:

To the Senate:

I return herewith, without my approval, S. 1110, "An act for the relief of A. Randolph Holladay."

This act authorizes and directs the Secretary of the Treasury to pay out of any money in the Treasury not otherwise appropriated to A. Randolph Holladay the sum of $11,172.15, as a refund on income tax paid by him for the year 1927, which now cannot be refunded because of a closing agreement executed by him under the provisions of section 606, Revenue Act of 1928.

For the past 15 years the several revenue acts have contained provisions authorizing the execution of a closing agreement enabling taxpayers and the Government by voluntary action to set at rest the question of the amount of tax liability for any given taxable year. Under such an agreement neither the Government nor the taxpayer can reopen anew the question of such tax liability except for reasons of fraud, malfeasance, or misrepresentation of a material fact. In this respect, therefore, a taxpayer seeking to obtain relief notwithstanding the execution of a closing agreement, is in a position identical with one who seeks to obtain a refund notwithstanding the expiration of the period of limitations for obtaining such refunds. The taxpayer in the instant case failed to file any claim for refund and to pursue his statutory remedy upon rejection thereof. I do not see where this act differs in any material particular from various acts recently submitted to me and which I disapproved, to except certain taxpayers from the operation of the statutes of limitation pertaining to the revenue laws by extending the time for the refunding of taxes to such taxpayers for the reason that the closing agreement executed by A. Randolph Holladay was in the nature of a voluntary invocation of the statute of limitations.

In every case where the execution of a closing agreement works to the advantage of the Government, either the double payment or overpayment of tax legally due is involved. A corresponding advantage results to the taxpayer executing a closing agreement where subsequently it is discovered that additional tax is due. The present legislation would thus discriminate against the Government in that it would open the door to relief in such cases in which the statute operates to the prejudice of a particular taxpayer, while leaving the door closed to the Government in those cases in which the statute operates to the disadvantage of the Government.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 7, 1936.*

ART METAL CONSTRUCTION CO.—VETO MESSAGE (S. DOC. NO. 205)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Claims and ordered to be printed, as follows:

To the Senate:

I return herewith, without my approval, S. 1138 (74th Cong., 2d sess.) a bill for the relief of Art Metal Construction Co.

This bill would extend to October 1, 1936, the period for filing suit by the Art Metal Construction Co. and would authorize and direct the Court of Claims of the United States

to hear and determine on the merits any suit commenced therein against the United States prior to that date for the recovery of income and profits taxes paid for the calendar year 1918. The bill would grant the Art Metal Construction Co. the right to file such suit notwithstanding the fact that, in a prior suit for the recovery of such taxes, a United States circuit court of appeals determined that the company did not file a valid claim for refund within the period of limitations provided by law.

On several occasions there have been submitted to me other bills which proposed to except certain taxpayers from the operation of the statutes of limitations pertaining to the revenue laws by extending the time for the recovery of amounts paid by such taxpayers. On those occasions, I expressed my accord with the enacted policy of Congress that it is sound to include in all revenue acts, statutes of limitations, by the operation of which, after a fixed period of time, it becomes impossible for the Government to collect additional taxes or for the taxpayer to recover an overpayment of taxes. I pointed out in each instance that such legislation selects a small class of taxpayers for special treatment by excepting them from that policy, thus discriminating against the whole body of Federal taxpayers and establishing a precedent which would open the door to relief in all cases in which the statute operates to the prejudice of a particular taxpayer, while leaving the door closed to the Government in those cases in which the statute operates to the disadvantage of the Government.

In this regard the instant measure (S. 1138) does not differ in principle from the bills which were under consideration on those prior occasions. I know of no circumstances which would justify the exception made by S. 1138 to the long-continued policy of Congress. Again I must express my belief that the field of special legislation should not be opened to relieve special classes of taxpayers from the consequences of their failure to protect their claims for the refund of taxes within the period fixed by law.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 7, 1936.*

ANTON W. FISCHER—VETO MESSAGE (S. DOC. NO. 204)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Claims and ordered to be printed, as follows:

To the Senate:

I return herewith, without my approval, S. 1846 (74th Cong., 2d sess.), entitled "An act for the relief of the estate of Anton W. Fischer."

This bill authorizes and directs the Secretary of the Treasury to refund to the estate of Anton W. Fischer, late of Owatonna, Minn., the sum of $275.98, under existing rules and regulations, said amount representing an overpayment of taxes, the recovery of which is barred by the statute of limitations. The bill would authorize and direct the refund notwithstanding the fact that the estate failed to institute suit for the recovery of such taxes, thus neglecting to avail itself of the remedy provided by law, and the period within which such suit might be filed has long since expired.

On several occasions there have been submitted to me other bills which proposed to except certain taxpayers from the operation of the statutes of limitations pertaining to the revenue laws by extending the time for the recovery of amounts paid by such taxpayers. On those occasions I expressed my accord with the enacted policy of Congress that it is sound to include in all revenue acts, statutes of limitations, by the operation of which, after a fixed period of time, it becomes impossible for the Government to collect additional taxes or for the taxpayer to recover an overpayment of taxes. I pointed out in each instance that such legislation selects a small class of taxpayers for special treatment by exempting them from that policy, thus discriminating against the whole body of Federal taxpayers and establishing a precedent which would open the door to relief in all cases in which the statute operates to the prejudice of a particular taxpayer, while leaving the door closed to the Government in those cases in which the statute operates to the disadvantage of the Government.

In this regard the instant measure, S. 1846, does not differ in principle from the bills which were under consideration on those prior occasions. There appears to be no valid reason why the claimants in this case should not be bound by the provisions of the law, as are other taxpayers and the Government. I know of no circumstance which would justify the exception made by S. 1846 to the long-continued policy of Congress. Again I must express my belief that the field of special legislation should not be opened to relieve special classes of taxpayers from the consequences of their failure to invoke, within the period prescribed, the legal remedies provided by the law.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 7, 1936.*

PROTECTIVE AND REORGANIZATION COMMITTEES

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, a report pertaining to a part of the Commission's study and investigation of the work, activities, personnel, and functions of protective and reorganization committees (being part IV, committees for the holders of municipal and quasi-municipal obligations), which, with the accompanying report, was referred to the Committee on Banking and Currency.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred, or ordered to be placed on the calendar, as follows:

H. R. 190. An act granting authority to the Secretary of War to license the use of a certain parcel of land situated in Fort Brady Reservation to Ira D. MacLachlan Post, No. 3, the American Legion, for 15 years;

H. R. 8050. An act to authorize the acquisition of land for military purposes in San Bernardino and Kern Counties, Calif., and for other purposes;

H. R. 9042. An act to provide for the sale of the Port Newark Army Supply Base to the city of Newark, N. J.;

H. R. 10849. An act to authorize an appropriation for improvement of ammunition storage facilities at Aliamanu, Territory of Hawaii, and Edgewood Arsenal, Maryland; and

H. R. 11493. An act for the relief of Perry Randolph; to the Committee on Military Affairs.

H. R. 397. An act for the relief of Robert Coates;

H. R. 610. An act for the relief of Matt E. Saylor;

H. R. 1739. An act for the relief of Frank Gedney;

H. R. 2121. An act for the relief of Jane Murrah;

H. R. 5752. An act for the relief of May Wynne Lamb;

H. R. 6404. An act for the relief of D. B. Carter;

H. R. 6920. An act for the relief of Ella Goodwin;

H. R. 7363. An act for the relief of F. E. Hall;

H. R. 7642. An act for the relief of Katherine Trick;

H. R. 7794. An act for the relief of Newark Concrete Pipe Co.;

H. R. 7839. An act for the relief of C. E. Rightor;

H. R. 8091. An act for the relief of Fields B. Arthur and Arthur L. Allen, copartners, Colorado Culvert & Flume Co.; Glen Haller; Kenneth Austin; A. B. Hoffman; J. W. Jones; and Lloyd Lasswell;

H. R. 8228. An act for the relief of Mrs. W. E. Bouchey;

H. R. 8373. An act for the relief of James Fitzgerald;

H. R. 8440. An act conferring jurisdiction upon the United States District Court for the Eastern District of New York to hear, determine, and render judgment upon the claims of Achille and Albert Retellatto;

H. R. 8482. An act for the relief of Jacob G. Ackerman;

H. R. 8502. An act for the relief of Theresa Link, Wencel Link, Edward Block, and John Meyers;

H. R. 8688. An act for the relief of Grace Schultz;

H. R. 8720. An act for the relief of Louis Manzumin;

H. R. 8784. An act to authorize withholding compensation due Government personnel;

H. R. 8932. An act for the relief of John S. Hemrick;

H. R. 9078. An act for the relief of Bertha W. Lamphear;

H. R. 9313. An act for the relief of the estate of Hans Ditmanson, deceased;

H. R. 9314. An act for the relief of the estate of Henry Copple, deceased;

H. R. 9315. An act for the relief of the estate of Fred Wilkins, deceased;

H. R. 9926. An act for the relief of Robert B. Barker;

H. R. 10044. An act for the relief of Lt. Col. Fernand H. Gouaux;

H. R. 10168. An act for the relief of Arch A. Gary;

H. R. 10174. An act for the relief of Ezra Curtis;

H. R. 10242. An act for the relief of Clarence D. Weisz;

H. R. 10279. An act for the relief of the Pocahontas Fuel Co., Inc.;

H. R. 10435. An act for the relief of Emma Hastings;

H. R. 10439. An act for the relief of John B. Ricketts;

H. R. 11022. An act for the relief of Ethel Armes;

H. R. 11379. An act for the relief of William H. Milton; and

H. R. 12408. An act for the relief of Robert D. Baldwin; to the Committee on Claims.

H. R. 1397. An act to withdraw certain public lands from settlement and entry;

H. R. 8474. An act to provide for the creation of the Perry's Victory and International Peace Memorial National Monument on Put in Bay, South Bass Island, in the State of Ohio, and for other purposes;

H. R. 9113. An act to provide for the residence of the United States commissioners appointed for the national parks, and for other purposes;

H. R. 10641. An act to provide for the protection and conservation of equities of rights of the Government resulting from railroad land grants;

H. R. 11791. An act to make available for national park purposes certain lands within the area of the proposed Mammoth Cave National Park, Ky.;

H. R. 11799. An act to repeal the proviso of the act of May 18, 1928 (ch. 626, 45 Stat. 603), making additions to the Absaroka and Gallatin National Forests and improving and extending the winter feed facilities of the elk, antelope, and other game animals of Yellowstone National Park and adjacent land, and for other purposes;

H. R. 12033. An act authorizing and directing the Secretary of the Interior to sell to the city of Los Angeles, Calif., certain public lands in California, and granting rights-of-way over public lands and reserve lands to the city of Los Angeles in Mono County in the State of California;

H. R. 12212. An act to quiet title and possession with respect to certain lands in Tuscumbia, Ala.; and

H. R. 12220. An act to authorize the adjustment of the boundary of the Fort Marion National Monument, Fla., in the vicinity of Fort Marion Circle, and for other purposes; to the Committee on Public Lands and Surveys.

H. R. 5743. An act for the relief of Robert D. Doherty;

H. R. 7825. An act for the relief of Michael Stodolnick;

H. R. 8278. An act for the relief of Earl Elmer Gallatin; and

H. R. 8884. An act for the relief of Mrs. Ollie Myers; to the Committee on Naval Affairs.

H. R. 7764. An act to relieve restricted Indians whose lands have been taxed or have been lost by failure to pay taxes, and for other purposes;

H. R. 11218. An act to provide for the disposition of tribal funds now on deposit or later placed to the credit of the Crow Tribe of Indians, Montana, and for other purposes;

H. R. 12073. An act to reserve certain public-domain lands in New Mexico as an addition to the school reserve of the Jicarilla Indian Reservation;

H. R. 12074. An act to consolidate the Indian pueblos of Jemez and Pecos, N. Mex.; and

H. J. Res. 415. Joint resolution to carry out the intention of Congress with reference to the claims of the Chippewa Indians of Minnesota against the United States; to the Committee on Indian Affairs.

H. R. 8525. An act prescribing regulations for carrying on the business of lighter service from any of the ports of the United States to stationary ships or barges located offshore, and for the purpose of promoting the safety of navigation;

H. R. 11915. An act to amend the Coastwise Load Line Act, 1935;

H. R. 11921. An act to authorize a preliminary examination of the Blackstone, Seekonk, Moshassuk, and Woonasquatucket Rivers and their tributaries in the State of Rhode Island, with a view to the control of their floods;

H. R. 12079. An act to provide for a preliminary examination of the Poteau River in Arkansas with a view to flood control;

H. R. 12080. An act to provide for a preliminary examination of the Sulphur River in Arkansas with a view to flood control;

H. R. 12133. An act to authorize a preliminary examination of the Congree, Watere, Santee, and the Cooper Rivers and their tributaries in the State of South Carolina with a view to the control of their floods;

H. R. 12135. An act providing for a preliminary examination of the Sandusky River, at Fremont, Ohio, with a view to control of its floods;

H. R. 12158. An act to authorize a preliminary examination of the Patuxent River and its tributaries in the State of Maryland, with a view to the control of its floods;

H. R. 12305. An act to define the jurisdiction of the Coast Guard;

H. R. 12370. An act to authorize a preliminary examination of Big Blue River and its tributaries with a view to the control of their floods; and

H. R. 12419. An act to apply laws covering steam vessels to seagoing vessels of 300 gross tons and over propelled by internal-combustion engines; to the Committee on Commerce.

H. R. 10101. An act to amend the Federal Farm Loan Act and the Farm Credit Act of 1935, and for other purposes; and

H. R. 11533. An act to authorize the coinage of 50-cent pieces in commemoration of the seventy-fifth anniversary of the Battle of Gettysburg; to the Committee on Banking and Currency.

H. R. 10544. An act authorizing the erection of a memorial to those who met their death in the wreck of the dirigible *Shenandoah;* and

H. R. 11747. An act extending the time for making the report of the commission to study the subject of Hernando De Soto's Expedition; to the Committee on the Library.

H. R. 10934. An act to authorize the transfer of the customhouse at Salem, Mass., from the jurisdiction of the Treasury Department to the Department of the Interior; and

H. R. 12556. An act to create the Treasury Agency Service, to provide for the more adequate protection of the revenue and a more effective enforcement of the revenue and other laws administered by the Treasury Department, and for other purposes; to the Committee on Finance.

H. R. 11616. An act to fix the compensation of the Director of the Federal Bureau of Investigation;

H. R. 11917. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 11926. An act to provide for a term of court at Durham, N. C.;

H. R. 12162. An act to create an additional division of the United States District Court for the Southern District of Mississippi to be known as the Hattiesburg division; and

H. J. Res. 525. Joint resolution to enable the United States Constitution Sesquicentennial Commission to carry out and

give effect to certain approved plans, and for other purposes; to the Committee on the Judiciary.

H. R. 11768. An act authorizing construction, operation, and maintenance of Rio Grande Canalization project and authorizing appropriation for that purpose; and

H. R. 12183. An act for the relief of Gladys Hinckley Werlich; to the Committee on Foreign Relations.

H. R. 12076. An act for the exchange of land in Hudson Falls, N. Y., for the purpose of the post-office site; to the Committee on Public Buildings and Grounds.

H. R. 12222. An act to permit the temporary entry into the United States under certain conditions of alien participants and officials of the Leyden International Bureau attending an international conference to be held in the United States in 1936; to the Committee on Immigration.

H. J. Res. 465. Joint resolution to amend the joint resolution of July 18, 1935, relating to the Seventieth National Encampment of the Grand Army of the Republic, to be held in the District of Columbia in September 1936; to the Committee on the District of Columbia.

H. J. Res. 569. Joint resolution to authorize an appropriation for the expenses of participation by the United States in a conference at Brussels to revise the Convention for the Protection of Literary and Artistic Works concluded at Bern, September 9, 1886, and revised at Rome, June 2, 1928; to the calendar.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the executive board of the Women's Trade Union League, of New York City, favoring the enactment of legislation for the creation of a court of appeals for civil-service employees with employee representation through recognized union representative, which was referred to the Committee on Civil Service.

He also laid before the Senate a resolution adopted by the Tennessee Valley Section of the American Society of Civil Engineers, of Knoxville, Tenn., favoring appropriations for the completion of computations and adjustments of field surveys by the Coast and Geodetic Survey, which was referred to the Committee on Commerce.

He also laid before the Senate a resolution of the Council of the City of Akron, Ohio, favoring the enactment of Senate bill 4424, the so-called Wagner low-cost housing bill, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the Lithuanian Workers' Alliance of District No. 2, of Chicago, Ill., favoring the enactment of Senate bill 3475, the so-called workers' unemployment insurance bill, which was referred to the Committee on Finance.

Mr. TYDINGS presented a resolution adopted by Mountain City Council, No. 12, Sons and Daughters of Liberty, of Frederick, Md., favoring the enactment of Senate bill 4011 and protesting against the passage of Senate bill 2969, relating to the deportation of undesirable aliens, which was referred to the Committee on Immigration.

Mr. WALSH presented the petition of Local Union No. 1917, United Textile Workers of America, of Franklin, Mass., praying for the enactment of legislation to stabilize conditions in the textile industry, which was referred to the Committee on Education and Labor.

He also presented the petition of Melford E. Roberts, of Stoughton, Mass., praying for the adoption of the so-called Townsend old-age pension plan, which was referred to the Committee on Finance.

He also presented petitions of railroad employees and certain union labor organizations in the State of Massachusetts praying for the enactment of Senate bill 4174, authorizing the Interstate Commerce Commission to approve or disapprove of the consolidation or abandonment of carrier facilities of public service, which were referred to the Committee on Interstate Commerce.

He also presented a petition of the Department of Massachusetts Woman's Relief Corps, of Boston, Mass., praying for the enactment of House bill 10771, providing pensions of $40 per month to Civil War widows married prior to January 1, 1930, which was referred to the Committee on Pensions.

He also presented a petition of independent retail druggists of Quincy, Mass., praying for the enactment of Senate bill 3154, to prohibit price discriminations, which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by the congregation of St. John's Methodist Episcopal Church, of Brooklyn, N. Y., favoring the adoption of measures for world peace and protesting against increases in our armed forces, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Malone Chamber of Commerce of Malone, N. Y., protesting against the passage of legislation compelling railroads in case of consolidation of facilities or reduction of service for the purpose of effecting economy of operation to keep on their pay rolls employees displaced by such efforts for economy, which was referred to the Committee on Interstate Commerce.

He also presented a petition of sundry citizens of Amsterdam, N. Y., and vicinity, praying for the enactment of Senate bill 4174, authorizing the Interstate Commerce Commission to approve or disapprove of the consolidation or abandonment of carrier facilities of public service, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by William R. Carmer Camp, No. 8, United Spanish War Veterans, of Mount Vernon, N. Y., favoring the enactment of Senate bill 4011, relating to the deportation of undesirable aliens, which was referred to the Committee on Immigration.

He also presented a resolution of the New York Zoological Society, protesting against inclusion in the pending Interior Department appropriation bill of the proposed Grand Lake-Big Thompson transmountain diversion project, which was referred to the Committee on Public Lands and Surveys.

FLOOD CONTROL

Mr. WAGNER. Mr. President, I present and ask unanimous consent to have printed in the RECORD and appropriately referred a resolution adopted by the town of Waterford, N. Y., favoring flood control.

There being no objection, the resolution was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

Whereas the dam in the Hudson River at Troy was maintained by the State of New York from 1820 to 1915 at a crest elevation of 13.2 feet above sea level, barge canal datum; and

Whereas the Government of the United States in 1915 replaced the said State dam with a new dam, one-half of which has a crest elevation of 15.2 feet above sea level, barge canal datum, and one-half crest elevation of 17.2 feet above sea level, barge canal datum, making an average increase in the height of this dam of 3 feet; and

Whereas the consequent increase of 3 feet in the elevation of the surface of the Hudson River above that dam has caused, during floods, hundreds of thousands of dollars of damage in the town of Waterford, in the northern section of Troy, and in the lower sections of Cohoes, including the washing out of the dike between Cohoes and Green Island; and

Whereas this increase of 3 feet in the elevation of the water above the Troy dam during the flood stages of the river is of benefit to no one, because the river is not navigable at such times and water power is useless: Now, therefore, be it

Resolved, That the President of the United States and the Congress thereof be, and they hereby are, respectfully requested to install in said dam floodgates of such size and capacity that, during flood stages of the river, the elevation of the river surface above the Troy dam will not be raised higher than it would be if the dam had an elevation of 13.2 feet above sea level, barge canal datum; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, to Senator ROYAL S. COPELAND, to Senator ROBERT F. WAGNER, to Hon. WILLIAM D. THOMAS, and to Hon. PARKER CORNING.

LOW-COST HOUSING

Mr. WAGNER. I also present a resolution adopted by the American Federation of Hosiery Workers favoring the pending housing bill, which I ask may be printed in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

Whereas the bad, obsolete, and inadequate dwellings in which the majority of American workers are forced to live constitute a mockery of this country's vast resources of land, labor, materials, and technical skill; and

Whereas an absolute shortage of all kinds of dwellings is rapidly approaching both here and throughout the country, and is forcing rents to exploitive heights and forcing families to "double up"; and

Whereas continued severe unemployment in the building industry is inexcusable in view of the great and urgent need for new dwellings; and

Whereas ordinary private enterprise is not able and never has been able to meet the housing needs of average American workers; and

Whereas only a long-term program of Federal aid combined with local initiative will meet this situation adequately; and

Whereas labor has a double interest in the construction of low-rent dwellings, as the representative both of the unemployed building and material workers and of low-income families in need of better housing; and

Whereas labor's housing program is substantially embodied in the Wagner-Ellenbogen housing bill; and

Whereas this administration must keep its oft-repeated promises to the American people to improve housing conditions and increase employment in the building trades, which promises can be fulfilled only by the immediate enactment of the Wagner-Ellenbogen housing bill, preferably with larger appropriation and bond issues; and

Whereas the American Federation of Hosiery Workers is vitally concerned in securing the passage of the Wagner-Ellenbogen bill which will make it possible, we are convinced, to work out an arrangement with the Government regarding our own project, the Carl Mackley houses, which will enable us to reduce rentals to the point where most hosiery workers can live in the project and the financial problems of the undertaking can be solved: Therefore be it

Resolved, That the American Federation of Hosiery Workers hereby actively endorses and supports the Wagner-Ellenbogen housing bill and urges both the President and every Member of Congress to be likewise, and to make this bill into law at this session.

SALES OF MUNITIONS TO INDUSTRIAL CORPORATIONS

Mr. WHEELER. I ask unanimous consent to have printed in the RECORD and referred to the Committee on Military Affairs an editorial from the Great Falls (Mont.) Tribune of April 26, 1936, the leading newspaper of the State of Montana, entitled "Disturbing News."

There being no objection, the editorial was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

[From the Great Falls (Mont.) Tribune of Apr. 26, 1936]

DISTURBING NEWS

It is not only organized labor, but all classes of workers, who will read with resentment and suspicion the information given in the Senate investigation of large sales by a great manufacturing concern of machine guns and gas bombs to large industrial corporations.

When Liberty Leaguers and others of their frame of mind talk resoundingly of the American plan, it is fair to inquire what the implications are of what they call Americanism. The issue of labor relations is being forced into this campaign by those who oppose legislation intended to give to workers the opportunity and right of organization for collective bargaining. The company union is not the final word in the problem of labor relations, despite the determined fight by great mass-production industries to prevent national organization of their workers.

When disquieting testimony is gathered in Congress that in important industrial communities preparations are being made for actual war to prevent unionization, the issue takes a most sinister aspect. It is not the spirit of the age that we should maintain as the final American principal in labor relations an economic feudalism that puts all decision and power in determining standards of working conditions in the hands of a few managers of great corporations.

Labor wars and strikes are not a satisfactory way of settling questions involving such relations but some democratic principle must be introduced in their place in this social situation. If the Wagner Labor Act should be found unconstitutional the decision certainly would not settle the question. The necessity will then still exist for some other method of regulating the conditions under which great masses of our people are to work than the unregulated desires of a few managers of big industrial combinations.

Fascism and naziism abroad marked their advent to power by wiping out the right of workers to unite for their own protection. The attitude of such groups as those of the steel interests and the Liberty League supporters is in that respect decidedly facist in its trend. Their activities are disturbing the people of this Nation greatly and the recent hearings on armaments sales in certain industrial quarters will give a sharper edge to the apprehensions of millions of wage earners.

REPORTS OF COMMITTEES

Mr. OVERTON, from the Committee on Commerce, to which was referred the bill (S. 4252) to provide for the modification of the contract of lease entered into on June 12, 1922, between the United States and the Board of Commissioners of the port of New Orleans, reported it with amendments and submitted a report (No. 1988) thereon.

He also, from the same committee, to which was referred the joint resolution (S. J. Res. 250) extending thanks in appreciation of services rendered by Hayden W. Wren as superintendent of the docks of the port of New Orleans, reported it without amendment.

Mr. CONNALLY, from the Committee on Public Buildings and Grounds, to which was referred the joint resolution (H. J. Res. 439) authorizing the erection in the Department of Labor Building of a memorial to the officers of the Immigration and Naturalization Service and Immigration Border Patrol who, while on active duty, lost their lives under heroic or tragic circumstances, reported it with an amendment and submitted a report (No. 1989) thereon.

Mr. SHEPPARD, from the Committe on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 4376. A bill authorizing the State of Iowa, acting through its State highway commission, and the State of Nebraska, acting through its department of roads and irrigation, to construct, maintain, and operate a free or toll bridge across the Missouri River at or near Dodge Street in the city of Omaha, Nebr. (Rept. No. 1990);

S. 4461. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr. (Rept. No. 1991);

S. 4462. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River between the towns of Decatur, Nebr., and Onawa, Iowa (Rept. No. 1992);

S. 4463. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near the cities of South Sioux City, Nebr., and Sioux City, Iowa (Rept. No. 1993);

H. R. 1398. A bill to provide for the establishment of a Coast Guard station at or near Crescent City, Calif. (Rept. No. 1994);

H. R. 8370. A bill to provide for the establishment of a Coast Guard station at Port Washington, Wis. (Rept. No. 1995); and

H. R. 10589. A bill to amend section 32 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes", approved August 30, 1935 (Rept. No. 1996).

Mr. SHEPPARD also, from the Committee on Military Affairs, to which was referred the bill (S. 3992) for the relief of Capt. Laurence V. Houston, retired, reported it without amendment and submitted a report (No. 2007) thereon.

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (H. R. 8824) for the relief of the estate of John Gellatly, deceased, and/or Charlyne Gellatly, individually, reported it adversely, and submitted a report (No. 1998) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which were referred the following bills and joint resolutions, reported them severally without amendment and submitted reports thereon:

S. 3844. A bill for the relief of Mrs. M. N. Shawamberg (Rept. No. 1999);

S. 4140. A bill for the relief of Homer Brett, Esq., American consul at Rotterdam, Netherlands, as a result of money stolen from the safe of the American consulate (Rept. No. 2000);

S. 4584. A bill to amend the Migratory Bird Treaty Act of July 3, 1918 (40 Stat. 755), to extend and adapt its provisions to the convention between the United States and the United Mexican States for the protection of migratory birds and

game mammals concluded at the city of Mexico February 7, 1936, and for other purposes (Rept. No. 2001);

S. J. Res. 253. Joint resolution to authorize an appropriation for the expenses of participation by the United States in a conference at Brussels to revise the Convention for the Protection of Literary and Artistic Works, concluded at Bern, September 9, 1886, and revised at Rome, June 2, 1928 (Rept. No. 2002); and

H. J. Res. 538. Joint resolution to provide for participation by the United States in the Ninth International Congress of Military Medicine and Pharmacy in Rumania, in 1937; and to authorize and request the President of the United States to invite the International Congress of Military Medicine and Pharmacy to hold its tenth congress in the United States in 1939, and to invite foreign countries to participate in that congress (Rept. No. 2003).

Mr. PITTMAN also, from the Committee on Foreign Relations, to which was referred the bill (H. R. 10321) to amend section 4 of Public Act No. 286, Seventy-fourth Congress, approved August 19, 1935, as amended, reported it without amendment.

Mr. McNARY, from the Committee on Commerce, to which was referred the bill (S. 4487) to provide for a preliminary examination and survey of Smuggler's Cove, Oreg., reported it without amendment and submitted a report (No. 2004) thereon.

Mr. COPELAND, from the Committee on Commerce, to which was referred the bill (S. 4317) to authorize the Secretary of War to grant to the city of Buffalo, N. Y., the right and privilege to occupy and use for sewage-disposal facilities part of the lands forming the pier and dikes of the Black Rock Harbor improvement at Buffalo, N. Y., reported it with an amendment and submitted a report (No. 2006) thereon.

Mr. BARKLEY, from the Committee on the Library, to which was referred the bill (H. R. 10544) authorizing the erection of a memorial to those who met their death in the wreck of the dirigible *Shenandoah*, reported it without amendment.

REORGANIZATION OF COURTS IN THE DISTRICT

Mr. KING. Mr. President, on the last day the Senate was in session I reported from the Judiciary Committee a bill changing the names of the courts in the District of Columbia. For some reason the report was mislaid and not entered in the RECORD. I again present the report this morning.

Mr. KING, from the Committee on the Judiciary, to which was referred the bill (S. 4038) to amend an act of Congress approved March 3, 1863, entitled "An act to reorganize the courts in the District of Columbia, and for other purposes", reported it with amendments and submitted a report (No. 1997) thereon.

CELEBRATION OF ADMISSION OF ARKANSAS TO FEDERAL UNION

Mr. ROBINSON. From the Committee on Rules, I report back favorably without amendment the joint resolution (S. J. Res. 229) providing for the contribution by the United States to the expense of the celebration by the State of Arkansas of its admission to the Federal Union. I ask unanimous consent for the present consideration of the joint resolution, and I will state that it is my purpose to offer an amendment in the nature of a substitute for the joint resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. McNARY. Mr. President, I understand the Senator from Arkansas desires to submit an amendment in the nature of a substitute. I should like to have the proposed amendment reported by the clerk.

Mr. ROBINSON. I have stated that it is my intention to offer an amendment in the nature of a substitute. I now submit the amendment and ask that it be read.

The VICE PRESIDENT. The amendment will be read.

The CHIEF CLERK. It is proposed to strike out all after the resolving clause and in lieu thereof to insert the following:

That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the purpose of aiding in defraying the expenses of an exposition commemorating the admission of the State of Arkansas into the Union, the sum of $150,000, which may be made available immediately. Such sum, when appropriated, shall be paid to the Arkansas Centennial Commission of the State of Arkansas, to be expended by said commission for such purposes as it may deem appropriate in connection with such exposition.

SEC. 2. The heads of the various executive departments and independent establishments of the Government are authorized to collect and prepare and lend, upon request, to the said commission articles, specimens, and exhibits which, in their judgment, it may be in the interest of the United States to exhibit at such exhibition.

Mr. McNARY. Mr. President, let me ask the Senator from Arkansas if the joint resolution has met with the approval of the Committee on Rules?

Mr. ROBINSON. Yes; it has the approval of the entire membership of the Committee on Rules in the form in which it is now presented.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arkansas.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

SAN FRANCISCO BAY EXPOSITION OF 1939

Mr. JOHNSON. From the Committee on Foreign Relations I report back favorably without amendment the joint resolution (S. J. Res. 226) authorizing the President to invite foreign countries to participate in the San Francisco Bay Exposition in 1939 at San Francisco, Calif. I ask unanimous consent for the immediate consideration of the joint resolution. I will state that it provides for the mere recognition of the exposition to be held in San Francisco in 1939. It has neither authorization nor appropriation attached to it.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas there is to be held at San Francisco, Calif., during the year 1939 an international exposition which has for its purpose the celebration of the completion of the San Francisco-Oakland Bridge and the Golden Gate Bridge, and which is designed to depict and exhibit the progress and accomplishments of the Pacific area of the United States in science, industry, business, transportation, and culture, and which, because of its world character, will contribute to cordial relations among the nations of the world; and

Whereas, because of its location and purpose, its scope and aims, said exposition is deserving of the support and encouragement of the Government of the United States of America: Therefore be it

Resolved, etc., That the President of the United States be, and he is hereby, authorized and respectfully requested by proclamation, or in such manner as he may deem proper, to invite all foreign countries and nations to such proposed exposition with a request that they participate therein.

The preamble was agreed to.

FOLDING SPEECHES AND PAMPHLETS

Mr. GLASS. From the Committee on Appropriations I report an original joint resolution and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The joint resolution will be read.

The joint resolution (S. J. Res. 260) was read the first time by its title and the second time at length, as follows:

Resolved, etc., That for folding speeches and pamphlets, for the Senate, at a rate not exceeding $1 per thousand, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $4,000 for the fiscal year 1936.

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed.

INVESTIGATION OF INTERSTATE RAILROADS AND AFFILIATES

Mr. BARKLEY. On behalf of the Senator from Montana [Mr. WHEELER], from the Committee on Interstate Commerce, I report back, with amendments, Senate Resolution 227, continuing Senate Resolution 71, authorizing an investigation of interstate railroads and affiliates with respect to financing, reorganizations, mergers, and certain

other matters, submitted by Mr. WHEELER on February 4, 1936, and I submit a report (No. 2005) thereon. I understand the resolution automatically goes to the Committee to Audit and Control the Contingent Expenses of the Senate. If it does not automatically go to that committee, I ask that it be referred to the committee.

The PRESIDENT pro tempore. The report will be received; and, under the rule, will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on today, May 7, 1936, that committee presented to the President of the United States the following enrolled bills:

S. 1432. An act to amend section 5 of the act of March 2, 1919, generally known as the War Minerals Relief Statutes;

S. 3842. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the establishment of the Territorial Government of Wisconsin, and to assist in the celebration of the Wisconsin Centennial during the year of 1936; and

S. 4229. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the incorporation of Bridgeport, Conn., as a city.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBINSON:

A bill (S. 4586) for the relief of Andrew Smith;

A bill (S. 4587) for the relief of R. N. Teague and Minnie Teague; and

A bill (S. 4588) for the relief of the estates of N. G. Harper and Amos Phillips; to the Committee on Claims.

By Mr. BYRD:

A bill (S. 4589) extending the time for filing a claim for reimbursement for the funeral expenses of Harold P. Straus; to the Committee on Claims.

By Mr. TYDINGS:

A bill (S. 4590) for the relief of Mary F. England, Margaret Fulton, and Tyler M. Fulton, children of Winston Cabell Fulton; to the Committee on Claims.

By Mr. BONE:

A bill (S. 4591) for the relief of the children of Rees Morgan; and

A bill (S. 4592) for the relief of Charles Parker; to the Committee on Claims.

By Mr. LA FOLLETTE:

A bill (S. 4593) for the relief of Frank Barlass; to the Committee on Claims.

By Mr. ASHURST:

A bill (S. 4594) to supplement the act of June 25, 1929 (ch. 41, 46 Stat. L. 41), which authorized and directed the Attorney General to institute suit against the Northern Pacific Railway Co. et al.; to the Committee on the Judiciary.

By Mr. ADAMS:

A bill (S. 4595) for the relief of Ira W. Baldwin; to the Committee on Military Affairs.

A bill (S. 4596) to amend section 21 of the Permanent Appropriation Repeal Act, 1934, and for other purposes; to the Committee on Banking and Currency.

By Mr. HATCH and Mr. CHAVEZ:

A bill (S. 4597) to authorize the coinage of 50-cent pieces in commemoration of the four hundredth anniversary of the journey and explorations of Francisco Vasquez de Coronado; to the Committee on Banking and Currency.

By Mr. THOMAS of Oklahoma (by request):

A bill (S. 4598) for the relief of Dr. Harold W. Fought; to the Committee on Indian Affairs.

By Mr. GUFFEY:

A bill (S. 4599) granting an increase of pension to May Pennington; to the Committee on Pensions.

By Mr. WAGNER:

A bill (S. 4600) conferring upon United States patent application, serial no. 575231, filed in the United States Patent Office by the United States, in the name of William H. Priess, the benefit and status of the same filing date, namely, February 4, 1919, upon which Lt. William H. Priess communicated and filed the same subject matter in the patents department, bureau of aircraft production; to the Committee on Patents.

By Mr. BARBOUR:

A bill (S. 4601) for the relief of the First, Second, and Third National Steamship Cos.; to the Committee on Claims.

By Mr. BARBOUR and Mr. MOORE:

A bill (S. 4602) for the relief of the city of New Brunswick, N. J.; to the Committee on Claims.

By Mr. COPELAND (by request):

A bill (S. 4603) to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claims of the Italian Star Line, Inc., against the United States; to the Committee on Claims.

By Mr. BURKE:

A bill (S. 4604) to prohibit the sale or transportation in commerce of canned food for cats, dogs, foxes, and other carnivorous animals which is unsound, unhealthful, and unwholesome; to the Committee on Interstate Commerce.

By Mr. SHEPPARD:

A bill (S. 4605) to provide more adequate protection to workmen and laborers on projects, buildings, constructions, and improvements, wherever situated, belonging to the United States of America; and

A bill (S. 4606) to provide more adequate protection to workmen and laborers on projects, buildings, constructions, and improvements, wherever situated, belonging to the United States of America; to the Committee on Education and Labor.

By Mr. WALSH:

A bill (S. 4607) to refund to Haffenreffer & Co., Inc., a Massachusetts corporation, certain taxes paid for revenue stamps; to the Committee on Claims.

By Mr. MOORE and Mr. BARBOUR:

A joint resolution (S. J. Res. 261) to authorize the Secretary of the Treasury to permit the transportation of bonded merchandise by other than common carriers under certain conditions; to the Committee on Finance.

By Mr. WAGNER:

A joint resolution (S. J. Res. 262) granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission; to the Committee on Commerce.

CONSTRUCTION AT MILITARY POSTS—AMENDMENTS

Mr. HAYDEN submitted amendments intended to be proposed by him to the bill (H. R. 12511) to authorize appropriations for construction at military posts, and for other purposes, which were referred to the Committee on Military Affairs and ordered to be printed.

AMENDMENTS TO RIVER AND HARBOR FLOOD CONTROL BILL

Mr. CAPPER submitted three amendments intended to be proposed by him to the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENT TO MERCHANT MARINE BILL

Mr. AUSTIN (for Mr. GIBSON) submitted an amendment in the nature of a substitute intended to be proposed by Mr. GIBSON to the bill (H. R. 8555) to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

TAXATION OF INTOXICATING LIQUORS—AMENDMENTS

Mr. BONE submitted amendments intended to be proposed by him to the bill (H. R. 9185) to insure the collection of the revenue on intoxicating liquor, to provide for the more efficient and economical administration and enforcement of the laws relating to the taxation of intoxicating liquor, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

CONFEDERATED BANDS OF UTE INDIANS—CONFERENCE REPORT

Mr. THOMAS of Oklahoma submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 381) for the relief of the Confederated Bands of Ute Indians located in Utah, Colorado, and New Mexico, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered (2) two to the said bill.

That the Senate recede from its disagreement to the amendment of the House numbered (1) one to the said bill, and agree to the same.

ELMER THOMAS,
LYNN J. FRAZIER,
W. J. BULOW,
Managers on the part of the Senate.
WILL ROGERS,
ABE MURDOCK,
USHER L. BURDICK,
Managers on the part of the House.

The report was agreed to.

PRINTING OF PROCEEDINGS IN THE RITTER IMPEACHMENT TRIAL (S. DOC. NO. 200)

On motion by Mr. ASHURST, it was

Ordered, That the proceedings in the Senate in connection with the trial of Halsted L. Ritter, United States district judge for the southern district of Florida, upon articles of impeachment exhibited against him by the House of Representatives, be printed as a Senate document.

NIAGARA DIVERSION AND ST. LAWRENCE PROJECTS (S. DOC. NO. 201)

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed as a Senate document a portion of the report submitted by the Power Authority of the State of New York which deals particularly with the Niagara diversion and the St. Lawrence project.

I ask this privilege because there is now pending before the Foreign Relations Committee a proposed treaty between the United States and the Dominion of Canada which deals with the restoration of the scenic beauty of Niagara Falls and also an increased diversion of water. I have opposed the ratification of that treaty, and this particular section of the report throws light upon that subject.

The VICE PRESIDENT. Without objection, the portion of the report referred to will be printed as a Senate document.

APPROPRIATIONS FOR THE DEPARTMENTS OF STATE, JUSTICE, ETC.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives on certain amendments of the Senate to House bill 12098, the State, Justice, etc., appropriation bill, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
May 6, 1936.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 9 to the bill (H. R. 12098) making appropriations for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes, and concur therein; and

That the House recede from its disagreement to the amendment of the Senate numbered 58 to said bill and concur therein with the following amendment: In lieu of the matter inserted by said amendment insert:

"SEC. 3. That in passing upon applications made for compensation under the provisions of the item for 'Payment to cotton ginners', contained in title I of the Supplemental Appropriation Act, fiscal year 1936 (Public Law No. 440, 74th Cong.), and upon payments pursuant to such applications, the Secretary of Agriculture and the Comptroller General of the United States are authorized and directed, in the interest of saving as much administrative expense as possible and in order to avoid delay in passing upon such applications, to assume that the additional expenses incurred in connection with the administration of the act of April 21, 1934 (49 Stat. 598–607), equaled 25 cents per bale, counting round bales as half bales, during the period June 1, 1935, to February 10, 1936, inclusive: *Provided,* That no payment shall be made on any application for such compensation unless the application is filed prior to September 1, 1936."

Mr. McNARY. Mr. President, there is so much confusion in the Chamber I am unable to determine what report is now before the Senate.

Mr. McKELLAR. Mr. President, this is the action of the House of Representatives on the appropriation bill for the Departments of State and Justice, and so forth. There were practically no disagreements. On two amendments the House conferees desired to have a vote of the House. One was agreed to and the other of the amendments, numbered 58, was changed somewhat in language without changing its substance.

I move that the Senate concur in House amendment to Senate amendment numbered 58.

The motion was agreed to.

WAR DEPARTMENT APPROPRIATIONS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives on certain amendments of the Senate to House bill 11035, the War Department appropriation bill, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
April 6, 1936.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 4 to the bill (H. R. 11035) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes, and concur therein with the following amendment:

In lieu of the matter inserted by said amendment, insert: "$34,169,252: *Provided,* That on and after July 1, 1936, there shall be authorized 1,033 officers of the Medical Corps and 183 officers of the Dental Corps, notwithstanding the provisions of the act of June 30, 1922 (42 Stat. 721), and the authorized commissioned strength of the Regular Army is hereby increased by 75 in order to provide for the increases herein authorized in the number of officers in the Medical and Dental Corps."

That the House recede from its disagreement to the amendment of the Senate numbered 9 to said bill and concur therein with the following amendment: Restore the matter stricken out by said amendment amended to read as follows: "$61,383,965, and, in addition, $2,344,211 of the appropriation 'Pay of the Army, 1936', which sum shall remain available until June 30, 1937, for defraying the cost of increasing the enlisted strength of the Regular Army from an average of 147,000 to an average of 165,000 enlisted men, and the attainment of such 165,000 enlisted men shall be accomplished by recruiting at the rate of 1,500 men per month in addition to recruits necessary to maintain 147,000 enlisted men."

That the House recede from its disagreement to the amendment of the Senate numbered 20 to said bill and concur therein with the following amendment: In lieu of the matter inserted by said amendment, insert:

"ACQUISITION OF LAND

"For the acquisition of land in the vicinity of West Point, N. Y., as authorized by the act approved March 3, 1931 (46 Stat. 1491), or, in lieu thereof, for such extensions and alterations as may be necessary in the existing pipe line and intake employed in supplying water to the United States Military Academy, $431,000, to remain available until expended: *Provided,* That no obligation to acquire any parcel of land shall be incurred until the Comptroller General shall have approved the proposed purchase price as being reasonable."

That the House recede from its disagreement to the amendment of the Senate numbered 25 to said bill and concur therein with the following amendment: On page 5, line 5, of the Senate engrossed amendments, after the word "purposes", insert the following: "except what is known as building numbered 19 thereon covered by existing lease and any building erected with the consent of the city of Little Rock, Ark., on the site of hangar numbered 1."

That the House recede from its disagreement to the amendment of the Senate numbered 29 to said bill and concur therein with the following amendment: In lieu of the sum proposed insert "$16,196,370."

That the House recede from its disagreement to the amendment of the Senate numbered 35 to said bill and concur therein with the following amendment: Restore the matter stricken out by said amendment amended to read as follows: "officers, warrant officers, and enlisted men of the National Guard and Organized Reserves, who, under regulations prescribed by the Secretary of War, volunteer to participate without pay as competitors or range officers in the national matches to be held during the fiscal year 1937, may attend such matches without pay, notwithstanding any provision of law to the contrary, but shall be entitled to travel and subsistence allowances at the same rates as are provided for

civilians who attend and participate in said matches, but this proviso shall not operate to prohibit the pay of such competitors or range officers, provided funds for such payment are available from the appropriation 'Promotion of rifle practice, 1937', nor shall any provision in this act operate to deprive a Reserve officer ordered to active duty incident to the national matches of pay for the full period of such active duty, provided funds for such payment are available from the appropriation 'Promotion of rifle practice, 1937': *Provided further*, That."

That the House recede from its disagreement to the amendment of the Senate numbered 42 to said bill and concur therein with the following amendment: In lieu of the matter inserted by said amendment insert "$106,000, of which $100,000 shall be available for expenditure by the Secretary of War for the acquisition, by purchase, condemnation, or otherwise, of such suitable lands as in his judgment are required for enlargement of existing national-cemetery facilities"; and

That the House recede from its disagreement to the amendment of the Senate numbered 45 to said bill and concur therein with the following amendment: In lieu of the sum proposed insert: "$159,427,899, of which not exceeding $6,000,000 may be expended, at the discretion of the Chief of Engineers, upon river and harbor or flood-control projects heretofore specifically provided to be proceeded with in any legislative measure heretofore passed by either the Senate or the House of Representatives of the United States: *Provided further*, That from this appropriation the Secretary of War may, in his discretion and on the recommendation of the Chief of Engineers based on the recommendation by the Board of Rivers and Harbors in the review of a report or reports authorized by law, expend such sums as may be necessary for the maintenance of harbor channels provided by a State, municipality, or other public agency, outside of harbor lines and serving essential needs of general commerce and navigation, such work to be subject to the conditions recommended by the Chief of Engineers in his report or reports thereon."

Mr. COPELAND. I move that the Senate concur in the various amendments of the House to the amendments of the Senate in question.

The motion was agreed to.

STATE SALES TAXES AND FAIR TRADE PRACTICES

Mr. BENSON. Mr. President, we have passed the Robinson-Patman bill with many amendments, and anticipate having it before us again in the form of a conference committee report.

Aside from agriculture, relief, and unemployment, I do not believe any two economic issues have attracted more attention and interest on the part of the people of Minnesota than have the issues of fair-trade practices, and the peril of State sales taxes. In order that the Members of this body may be informed of the attitude of the people of my State on these matters, I ask permission to have printed in the RECORD certain statements, which I send to the desk.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

LEGISLATIVE RESOLUTIONS PASSED BY THE MINNESOTA RETAIL HARDWARE DEALERS AT THEIR ANNUAL CONVENTION JANUARY 1936

Unalterable opposition to sales tax, on the grounds that it would relieve large companies and trusts of a large amount of taxes, would not be a replacement tax, would work a hardship on small salaried people and farmers, would increase expenses of hardware merchants and would make dealers tax collectors.

Definite opposition to constitutional amendment to be submitted to voters in 1936, which would abolish State real-estate taxes. This would strike a serious blow at present tax system and would cause substitution of unfair and discriminatory tax system.

Advocating increase in chain-store taxes.

Urging passage by legislature of fair trade bill, which has for its main purpose the establishment of a fair price merchandise distribution system and the prevention of selling below cost.

Favoring principles of Patman bill and other legislation in Congress designed to strengthen Clayton Act, to prevent discriminations against independent merchants.

RESOLUTIONS PASSED BY THE STATE PHARMACEUTICAL ASSOCIATION IN ITS MEETING FEBRUARY 1936

1. Opposition to the sales tax.
2. Support of a chain-store tax.
3. Support of the Robinson-Patman antidiscrimination bill.
4. And a fair trade act.

STATEMENT BY GOV. FLOYD B. OLSON IN HIS KEYNOTE ADDRESS TO THE FARMER-LABOR PARTY CONVENTION MARCH 27, 1936

The Congress should, by adequate legislation, protect the independent merchant whose continuation in the merchandising field is being more and more jeopardized by the growth of the chain-store and mail-order house systems. Congressional investigation has shown that unjust, discriminatory price practices have been existing for many years, under which manufacturers have given chain stores price advantages over independent merchants. Legislation designed to outlaw this discriminatory practice and aid in price stabilization will be of great benefit to the independent merchant.

PERTINENT PLANKS IN THE PLATFORM ADOPTED BY THE STATE CONVENTION OF THE OFFICIAL ORGANIZATION OF THE FARMER-LABOR PARTY OF MINNESOTA, ON MARCH 28, 1936

We propose and recommend legislation by Congress making illegal the granting of price rebates and advertising credits by manufacturers to chain stores in discrimination against independent merchants, and ask for further appropriations for the investigation of these and other unfair trade practices against independent merchants.

We are unalterably opposed to a sales tax.

We advocate an improved chain-store tax for the benefit of the independent merchant and the consumer.

AMERICAN NEUTRALITY AND INTERNATIONAL SANCTIONS—ADDRESS BY SENATOR THOMAS OF UTAH

Mr. LONERGAN. Mr. President, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD an address delivered yesterday, May 6, before the joint session of the Sections on International and Comparative Law and the American Foreign Law Association by the junior Senator from Utah [Mr. THOMAS] at the Mayflower Hotel, Washington, D. C.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Before considering the subject assigned, it is essential to state a few premises which will reflect the background for my conclusions:

1. Our neutrality law is domestic law. It is not treaty law. The present neutrality law sets out certain prohibitions governing the actions of American citizens in the event of a war while we remain at peace. The important point for our consideration today is that in spirit and in word it recognizes one of the old neutrality fundamentals, that belligerents shall be treated with impartiality.

2. Sanctions, as we shall use the term this afternoon, refer to those penalties which may be imposed upon a state as a result of international action rendered through an agency set up to speak a joint will. It is not a reprisal, for most states which are parties to the sanctions have received no injury. It is a penalty for lack of respect for an ideal, rather than a punishment for a wrong. The penalty is not primarily to punish the wrongdoer; it is rather to protect the peaceful process of joint action by placing restraints upon states to desist from lending indirect aid to a user of force. If sanctions call for force, then they do become penalties against the disturber of world peace. We have now the first real attempt to experiment with peaceful sanctions. The force sanction has not yet been tried. The right comes from the League of Nations Covenant.

3. We must remember that the League is not a universal league, and that as far as the imposition of penalties is concerned, there is no unanimous agreement even among League members respecting Italy. Whether sanctions will be attempted against Germany remains to be seen.

4. There is no relationship between the American law of neutrality and the League sanction either in law or in theory. In fact, the two are definitely out of harmony with each other. One acts only against a previously determined wrongdoer among belligerents, or, to use the League term, the aggressor, and the other acts impartially against all belligerents. The League sanctions impose restrictions upon the member states and their citizens. The American neutrality law imposes restrictions upon those persons under American jurisdiction. The aims of sanctions and neutrality are alike in that both attempt to gain their objectives by self-restraint. But the League cannot act directly, as there are no persons under League jurisdiction. There are no citizens of the League of Nations. Its acts, therefore, are only recommendations. If sanctions are respected by the member states, it is a moral reaction because enforcement is impossible. The American neutrality restrictions are enforced by American enforcing officers upon the citizens directly. The American neutrality is law. The League sanction is recommendation.

There may be times when a neutrality restriction may have the effect of a sanction upon a belligerent state; for example, if a League sanction recommended against the granting of loans to the aggressor and our neutrality law prohibited loans to a belligerent, the practical effect of both actions would be the same, and the American neutrality law would be sustaining a League recommendation or vice versa.

5. The neutrality law is a unilateral action. Sanctions are a result of multilateral recommendations.

6. The primary object of sanctions is to stop or to prohibit war. The primary object of our neutrality is to keep America out of war.

7. The sanction theory is based upon an acceptance of a moral attitude that war is bad, that it is of universal concern, and therefore should be prohibited. The neutrality theory does not consider the moral question, nor does it accept the idea of war's being a matter of universal concern. It definitely assumes it is not our concern. War is not condemned by the law; it is merely assumed to exist. Our neutrality's purpose is one of expediency.

Critics have assumed that our Neutrality Act should be used as a cooperating act to enforce collective security. This is hardly

a logical deduction, because under the collective theory there is in reality no place for the neutral. Although many thinkers have pointed out that League members may remain neutral when the League attempts a coercive action, logically the League theory is based upon the theory of preponderance; that is, that all unite against an erring member and that the force of the united action should be spent against the one condemned. Neutrality smacks of aloofness. Sanctions are the result of joint action.

All that I have said above is commonplace to the thoughtful, and therefore probably has no place here, but the world moves so fast that even the thoughtful have trouble keeping up with it. The speed with which we enacted our two neutrality resolutions and the fact that the world has been changing and acting so rapidly, justifies me in attempting to remove confusion at least from my thought.

The sanction idea as used by the League is, as I have said above, new; but a sanction thought of in the sense of penalties is old. The sanction instrument as used by the League of Nations is related to the boycott. Its success will depend upon the same factors, therefore, upon which the success of a boycott depends. The boycott was invented in ancient China. It was a political instrument, used primarily by those taxed, against an unjust assessment. It can be successful only when it represents the will of the majority or the many againt one or the few. When it has been a minority movement it has always failed. It cannot be successful whenever it cannot command the moral and actual adherence, in a peaceful way, of all parties to the boycott. If force is used against it, it is helpless unless it resorts to force. Thus in a sense it is an instrument of public opinion, and tensely democratic in its final analysis. It is moral rather than legal, and its aim is to restrain or to convince. It wins by nonaction. If it attempts coercion, strife, bloodshed, and war result. It is primarily a peaceful process.

Now, apply these theories internationally and call the boycott a sanction, and let us see what we have. First of all, we have the will of the many against the one or the few. Secondly, we have an attempt to win by nonaction or self-restraint. A sanction in League theory is a peaceful process, and a state of war does not exist as a result of a resort to sanctions.

In the enforcement of the sanctions a state's leaders may be convinced that the sanction is proper, but such a state's citizens may not be convinced. Assume that the sanction is one curbing trade, and the curb is placed upon oil. With the highly mechanized instruments of warfare today, everyone knows that no war can be successfully carried on without oil; therefore there is an apparent medium available for the stopping of any war. If all the nations, with the exception of the erring one, in the League agree to an oil sanction and they recommend such a sanction to the respective states, the question is by no means settled. There yet remains a leading factor. These states themselves are not traders in oil. The oil trade is carried on by citizens of the various states, and sometimes by international corporations. These citizens have gained through national law many rights and privileges. Thus the curb which the various nations have decided to place is, in its final analysis, dependent upon the willingness and ability and the right of the states to force that curb against its own citizens. Thus we see there are tremendous barriers and real conflicts in law which must be overcome before this peaceful process can be successful. To this particular we must give thought; for a sanction is not just a boycott. In a boycott the persons placing the restrictions are the persons concerned. In sanctions the restrictions are placed by representatives of States, not by representatives of those restricted. Thus sanctions are more difficult to enforce than a boycott.

Some might assume that uniting for sanctions is no more difficult problem than the uniting for war, but it is very much more difficult. It is a peaceful process, and the laws governing peace are complex, while the laws governing war are simple. War encourages every economic activity, while a sanction is a restriction upon economic activities. In war, too, economic activities are encouraged by huge profits. In sanctions profits are not only cut off, but losses may result. Thus governments cannot help but have very much greater difficulty in curbing or directing citizens through a peaceful process than through a warlike one. That is a real problem, and it is in this that we are definitely in an experimental stage. War as a matter of propaganda, is easy propaganda, because it is a long habit of men. Propaganda for peace is in its experimental stage. The will for war is easy to arouse, the will for peace is hard.

If men had long vision, they would realize that the war process is destructive and the peace process is not, but men are not of long vision. Especially is this the case with men who buy to sell.

The League sanction, even when restricted to the simple process of acting against a predetermined aggressor, in its culmination is anything but simple. The members of the League are sovereign entities. The League itself is not sovereign. In theory the League has but one interest, that is to maintain the peace and to serve its members. League members have many interests; therefore there can be many kinds of sanctions, the success of any one of which will depend upon any number of factors, such as the geographical situation of the war area, the size, the importance and purpose of the aggresor state. The world is by no means a unit of interest. Territorial propinquity does give special interest. There are regional understandings, and even among neighbors there will be of necessity more good neighborliness in some cases than in others. Still the fact remains that more and more the realization that unilateral action is not enough becomes evident. To fight for collective security seems absurd, but to be without the collective guaranty would produce fears so great that nations probably could not stand. The guaranty without fighting for it is the task, and America has probably taught the way.

Now I am going to make you smile. When Woodrow Wilson and Henry Cabot Lodge advanced their respective theories about sanctions, both were right. Thus their clash in opinion was like a war clash, two rights contesting for supremacy. Both used logic, but each built his logic upon a different premise. Woodrow Wilson thought of sanctions as a weapon against aggression. Lodge thought of sanctions as a defense of the status quo. Each failed to realize that the sanction idea was not a simple one, and each refused to accept the premise of the other. Today we know from actual experience that both were right and both were wrong.

To illustrate: We have an example of each of these types of sanction before us. If sanctions are attempted against Germany for moving an army into the Rhineland, that will be a sanction in defense of the status quo. That is the type of sanction Senator Lodge objected to because it presaged the inability of nations to rectify wrongs done as a result of imposed treaties. Sanctions against Italy are different. They are sanctions against the aggressor. Italy herself realizes this fact because, while she objects to the sanctions against her, she recognizes the fact that Germany's disrespect for treaty promises are worthy of a penalty. The sanction against Italy is the type of sanction Woodrow Wilson thought of, one to stop war and to curb an aggressor. The proposed sanction against Germany was the kind Lodge foresaw. Sanctions against Germany would be definitely in defense of the status quo under the treaties of Versailles and Locarno, and France would support such an action, although she is cold toward making the sanctions against Italy more severe.

The same difference between these two types of sanctions is apparent and is proved by British public opinion. The people of Great Britain generally supported the sanctions against Italy, the aggressor, but they are cold toward the idea of using the sanction as a medium in the pressing of treaty provisions against Germany.

From these experiences which the world today is having will come proper modifications. I cite them this afternoon in defense of the statement I have made that the peaceful process is a difficult one.

Before leaving this line of thought, the practical aspects of the attempt to use sanctions as an assertion of international control do not greatly concern us in this discussion, but in the light of the Ethiopian and the Rhineland decisions, the League is assumed to have failed. Shall we then mark the instrument of sanctions down as a failure? That will depend upon the meaning of the word "failure." History will show that the boycott has not failed when properly used. Sanctions, whenever properly used as a peaceful international instrument to command a "decent respect for the opinions of mankind" will not fail.

As I interpret the Stimson doctrine of nonrecognition, that was merely an instrument used to command a decent respect for the opinions of mankind. Nonrecognition in the minds of many has failed, but we do not witness nations breaking any records in competition to be first to recognize Manchukuo. The end is not yet. In both Ethiopia and the Rhineland cases there is an element of self-determination. Public opinion today seems to imply that the League has failed in either case. Assuming this to be so, it still does not mean that Italy and Germany have succeeded, just as the nonrecognition stand against Japan may have failed, but this failure does not mean that Japan has succeeded. Time is an essence that must be taken into consideration in other things besides money contracts. Aguinaldo failed, but if the independent Philippines become a fact it will be his picture and not General Funston's that will hang in the schoolrooms of that land 150 years from now. I have already forgotten the name of the commander of our troops in Nicaragua during our difficulties with Sandino, but our policies toward that land today are not the same as they were. When I say what I have in regard to Nicaragua and the Philippines I do not wish to be thought disloyal to the past. I merely want to emphasize the fact that there is a logic of history which, some way or another, seems to have its way.

We must be conscious of actualities. No matter how great the idea, it must rest its success or its failure upon actualities. We must not expect nations which have selfish interests to be more concerned about principles of behavior than they are about those interests. Our task is to emphasize the fact that the long-range approach is the important one.

I have shown that the American theory of neutrality and the League theory of sanctions are not related. Still, one theory can be used to modify the other. Both may be developed into helpful aids toward better world control for peace, but each must be modified to do this. Neutrality must be broadened by attempting to get nations friendly to American aloofness to accept the same restraint in the curb on their citizens which our new neutrality has placed on our citizens. The key to this is for the American States to logically follow the theory of refusing to apply neutral restraints against American republics when they are at war with non-American states, and encourage them to implement our stressing of neutral duties by declaring for the same restraints upon their citizens whenever war exists. This will bring the Americas into harmony on the score of condemnation of belligerency. Then the League should assume the theory as expressed in our neutrality law, of condemning all belligerents at the outbreak of hostilities and stopping the fighting by sanction pressure. The fighting stopped, then is the time to determine the aggressor.

It can be argued that the League should attempt to restrain all violence between its members without waiting to determine which is the aggressor. This does not deny the principle of neutrality; it merely suspends the use of violence until a decision can be made as to which is the aggressor. This is what the policeman does in domestic government. He is not empowered to determine which is the aggressor; it is his duty to prevent the use of violence by either party to the dispute. The court will later decide, first, which was the aggressor and what should be the penalty, and, second, if decided, what were the merits of the dispute over which they were fighting. This should be more acceptable to the United States, which has in its legislation refused to determine the aggressor, but is willing to put an embargo upon both belligerents. There would in this way be a clear condemnation of war, and the troublesome questions of guilt and penalty may be left to future expediency without mixing the issues.

We shall never get clear-cut cases of success or failure of any peaceful process. Court processes are not successes or failures; they are merely mediums of arriving at the nearest approach to justice which men can come in settlement of differences. Our process of judicial review cannot honestly be acclaimed as either a success or failure, but no one here, I am sure, would suggest doing away with it. A peaceful process does not mean unanimous agreement. No one in America wants to see a single will in our country. We surely do not wish to see it in the world. Even our very venerable nine Justices disagree. Their disagreement does not mark our Supreme Court or our constitutional system a failure. The American way is unity of action after discussion. That is exactly what the League is attempting.

Let us remember that peace is maintained among our 48 States by certain guaranties—call them sanctions if you wish. Labor is guaranteed by law its right to strike, yet when strikes come there is not labor peace. Democracy rests upon the right of rebellion, yet when rebellion comes democracy ends, because democracy is first of all a peaceful process. It rests on the concept of live and let live. Our Constitution guarantees a republican form of government in all the States, but the American Union has persisted because we have never done much about that. You know what the Supreme Court said in the Rhode Island and Oregon cases on this score. You also know how our whole system failed in bringing agreement between Virginia and West Virginia in that long-drawn-out case. When certain citizens of Louisiana petitioned the Senate to do something because it was charged a political faction in that State had deprived the citizens of Louisiana of a republican form of government, you know what the Senate did. If President Roosevelt had set out to collect the processing taxes as Washington did to collect the whisky taxes in western Pennsylvania, we would not have needed to have bothered with the Soil Conservation Act. Shall we say that Roosevelt failed where Washington succeeded?

These are the dilemmas of peaceful processes. Their very inefficiency is what gives a Mussolini, a Hitler, and a Lenin logical support. The single will is pretty, but it ends in making man a victim of the state. Our concept of the Government as an agent of men has no place under this theory. Let us be slow in condemning that which makes us what we are.

Peaceful processes are complex, in fact our Government seems very inefficient and constantly against itself. We have peace in America, but no one would describe life in America as one continual round of bliss. World peace can be no more blissful than American peace. Sanctions represent an experiment with a peaceful process in an attempt to put law where law has not been before. That aim is worthy of the interest of all, if you believe as I do that a government of law is man's most advanced political concept in guaranteeing man those blessings which we consider worth while under our theory of liberty. To those who pin their faith on neutrality I ask, why not attempt to stop war rather than attempting to stop the legitimate acivities of American citizens? To those who pin their faith on sanctions I ask, why not stop the fighting first, then prove the wrongdoer afterward? To both I ask, if it is peace you want, why not honestly unite for peace?

THE MERCHANT MARINE—ADDRESS BY SENATOR GUFFEY

Mr. BACHMAN. Mr. President, on the 4th of May the Senator from Pennsylvania [Mr. GUFFEY] delivered a radio address, arranged by the Washington Star, on Our Merchant Marine Problem. It presents a most concise and comprehensive statement on the subject. I desire its incorporation in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

OUR MERCHANT MARINE PROBLEM

The question as to whether the American people shall have a merchant marine to meet the needs of our commerce and to serve as a naval auxiliary in time of national emergency, was answered in the affirmative 20 years ago during the administration of Woodrow Wilson.

No patriotic citizen should question the advantages of having an adequate merchant marine operating under the American flag. Those of you who live in the interior do not come into everyday contact with maritime matters, but, 20 years ago, our lack of a merchant marine was forcibly brought to the attention of the wheat grower, the cotton farmer and the factory worker. Europe was engaged in a bloody conflict. Merchant vessels of the nations at war were withdrawn from trans-Atlantic trade routes. Farm and factory products of all descriptions were forwarded from the interior of our country to the congested seaports, where no ships were available for transporting our goods across the waters to foreign consumers. Foodstuffs rotted at the docks. Our foreign trade was paralyzed. And when we were forced into the war—foreign ships carried our troops to France. Foreign ships transported food and equipment for our armies. Foreign ships even furnished auxiliary services to our battle fleet. For all of these services our Treasury later paid at war prices. This was not the first time that our Navy was forced to rely upon merchant vessels of foreign nations. Thirty years ago, the White Squadron was sent on a voyage around the world. The fact that the American battle fleet, on that cruise, was supplied with coal and food by foreign vessels is a black mark upon our maritime history.

We did not have a merchant fleet 20 years ago. Worse than that, we did not have adequate shipyards in which to build new vessels. In 1917, our few shipyards were crowded with vessels under construction for the Navy. In almost equal degree, that is our situation today. Because of the unsettled condition of the world, the United States is now engaged in building up its Navy to the full strength permitted by the exising naval-limitation treaty.

Do you listeners in the radio audience think we should wait until another emergency confronts the Nation before we start to rebuild our merchant fleet? Should we wait until our Navy is ordered out on active duty before we make provision for the supply vessels required for our warships and for our foreign commerce? I think you will agree with me that this "do-nothing" policy is both dangerous and costly.

The American people have not forgotten the lessons learned during the early years of the World War. Neither has this Government forgotten the costly solution. There is nothing mysterious or complex about our merchant-marine problem. Simply and plainly, the vessels comprising our merchant fleet have grown old and they are obsolete. They cannot compete effectively with the vessels of foreign powers which are equipped with modern and efficient machinery. The great majority of our merchant vessels must be replaced. There is nothing strange or unusual in that situation. It differs in no respect from problems that periodically confront every farmer and every businessman in conducting his affairs. It does not differ in kind, only in magnitude—in the amount of money and property involved—from the problems of everyday business life. It now confronts us collectively as a Nation. It will be taken in stride and solved, just as our people meet and solve all their problems.

We have today about 380 vessels—excluding tankers—engaged in foreign trade. Only 31 of these merchant vessels are truly modern. Therefore, a comprehensive program calls for the construction of approximately 350 modern ships.

Realizing that a ship normally cannot be built in less than 10 months to a year, and realizing further that 90 percent of our freight ships will be obsolete within the next 3 or 4 years, the Congress should not hesitate to take immediate steps to carry out the recommendation of President Roosevelt, expressed in the closing sentences of his recent message to Congress. I quote: "The American people want to use American ships. Their Government owes it to them to make certain that such ships are in keeping with our national pride and national needs."

Our merchant-marine problem is not a question as to whether we shall have a merchant marine but our problem is, How shall we maintain a merchant marine worthy of this great Nation? So long as the American lives and works on a higher scale than his foreign competitor, whether he be engaged in a shipyard or on board ship, just so long will construction and operating costs of an American merchant marine be higher than the costs of merchant vessels under foreign flags. This simple fact gives rise to our problem. In seeking a solution, there are three alternatives from which to choose. The first course of action open to the Congress might be to remove all of the standards from American shipping. This would mean that a ship built with coolie labor in China, or financed by the depreciated mark and built in Germany could operate under the American flag. It would mean that seamen of any nationality would be eligible for employment on American ships. This could result in nothing else than low wages and intolerable living conditions. Furthermore, our few existing commercial shipyards would stand idle henceforth. I do not think any American citizen would seriously consider this as an answer to our problem.

The second possible solution to our problem is Government ownership and operation. The traditional American policy is to foster private initiative. I favor a privately owned and operated merchant marine. I am of the firm conviction that American ingenuity, native ability, and shrewd business sense can, and will, result in a privately owned American merchant marine in which we may take pride, if the Government does its part in placing the American shipping industry on an equal footing with our foreign competitors. However, should private capital be unable or unwilling to assume its share of the burden of building and operating vessels, then, and then only, do I favor direct action by the Government to protect this Nation's position on the sea.

This third method of solving the problem is the honest, straightforward program recommended to Congress by our great President, Franklin D. Roosevelt. In his message to Congress of March 4, 1935, recommending shipping legislation, the President recognized the necessity of an American merchant marine and recognized the further fact that building and operating costs, and subsidies paid

by foreign governments, place the American shipping operator at a distinct disadvantage in comparison with his foreign competitor.

The President made certain concrete recommendations, the first of which was that Congress make provision for meeting the threefold handicaps between American and foreign shipping costs. He recommended that the Congress can well afford honestly to call a subsidy by its right name instead of appropriating large annual sums under the guise for payments of ocean-mail contracts. He urged that improper practices and abuses should and must be ended. He referred to improper operating of subsidiary companies. The payment of excessive salaries and bonuses, and other widely known abuses which have made for poor management, improper use of profits, and scattered efforts. It is not my intention to dwell this evening on these wrongdoings of the past. Cures for these evils will be included in a constructive law which has as its main purpose the rebuilding of our merchant fleet in accordance with the recommendations of our Chief Executive.

The disclosure of these improper practices is not the major reason for repealing the Merchant Marine Act of 1928. Since that act was passed we have increased our merchant fleet by the pitiful total of 31 ships. There is need for constructing this number during each of the next 7 or 8 years. It would be impossible to realize that objective under the 1928 act, which has not met with the success that was hoped for when it was enacted. Prior to 1928 the Government had little experience with subsidies for the shipping business. In amount and in manner of application the subsidies authorized by the 1928 act were faulty. For example, some steamship lines have been paid a subsidy at the rate of $8 per mile for vessels capable of making a speed of 18 knots on mail-contract voyages. Recent speed tests have shown, however, that some of these vessels cannot make the contract speed. Hence, their mail pay has been reduced. This reduction, like the original contract, does not take into account competitive factors which should be considered in extending financial aid to the steamship operator.

It is better to seek an adjustment of the system than to stand by and see our merchant marine rapidly disappear because the technicalities of the system would prevent proper Government financial aid. Commenting on this precise situation, the President said: "Given under this disguised form it is an unsatisfactory and not an honest way of providing the aid that Government ought to give to shipping. I propose that we end this subterfuge." Several subsidy measures are now pending before Congress. One bill, sponsored by the Honorable SCHUYLER OTIS BLAND, passed the House during the last session of Congress. It is now before the Senate. Three other measures are also before the Senate. One of these was introduced by Senator COPELAND, of New York. Another was offered by Senator GIBSON, of Vermont, and another was introduced by myself. Thus we find four measures before the Senate, representing divergent viewpoints on the ways and means of rebuilding and operating our merchant fleet in line with the President's announced policies.

It has been the desire of the President that these divergent views be brought into harmony. I undertook this task, and today introduced in the Senate a proposed amendment to the Bland bill. This amendment is the result of an earnest desire to compose the different ideas which have been advanced as possible solutions to our problem. I will discuss briefly some of the features of my amendment which, I think, are of interest to every one of you. Before doing so, however, I wish to assure my listeners that the delay in Congress since President Roosevelt urged a change in our merchant marine laws does not indicate a lack of appreciation by Members of Congress on the subject. There have been differences of opinion as to how to proceed. The Members of both Houses of Congress know that previous legislation has not attained its objectives. We have taken time for a study and deliberation with the hope that we can pass a good bill. I believe a careful analysis of the amendment introduced today will prove that fact to the satisfaction of each of you.

The provisions of my amendment fall into four classifications: First, the recommendations made by President Roosevelt are fully carried out. A threefold subsidy would be authorized to meet higher American construction costs—higher American operating costs—and subsidies paid to foreign steamship companies by their governments. Existing ocean-mail contracts would be terminated on March 31, 1937. It is believed that this period of almost a year will permit equitable adjustments of the present contracts, and will provide enough time to study carefully the needs for direct subsidy payment. All present ocean-mail contractors would be given the opportunity of negotiating a settlement of their contracts with the United States Maritime Commission. If a settlement cannot be agreed upon, any dissatisfied contractor is given the privilege of seeking redress in the Court of Claims.

The second classification embraces numerous basic principles contained in the bills offered by Senator COPELAND and Congressman BLAND—including a recognition of the desirability of having commercial shipyards on the Pacific coast. To that end, a 6-percent greater cost would be allowed for the building of new vessels on that coast. This additional allowance is necessary to cover the higher cost of materials and labor on the west coast. A heavy penalty is provided against any combination, understanding, agreement, or arrangement which would prevent full, free, and secret competition in submitting bids for Government contracts. The measure would include also a limitation of profits that can be earned by shipbuilders. This limitation is an absolute maximum of 10 percent on all construction cost.

Referring now to the ship operator—my listeners all know of the risk and hazards of marine operations. This has been taken into consideration in allowing a possible profit of 10 percent, which is slightly greater than for ordinary business enterprises. If operating expenses should decline after the Government has agreed upon the amount which is to be paid as an operating differential, or if some other fact would result in a steamship company earning more than 10 percent profit per year, the taxpayers would share in the higher earnings. All profits earned by a steamship company in excess of 10 percent per annum would be shared with the Government on a 50–50 basis. The whole Nation is keenly alive to the urgent need for a safety of life at sea program. The first duty of the United States Maritime Commission includes a positive direction that all new vessels shall be designed to afford the best and most complete protection for passengers and crew against fire and all other marine perils. Also, the President of the United States would be authorized to transfer the Steamboat Inspection Bureau to the United States Maritime Commission.

The third classification embraces certain principles included in a bill which I previously introduced. These include a positive mandate for a long-range program for replacements and additions to our merchant fleet. This mandate guarantees that the American merchant marine will have new, modern ships, even if the Government is forced to build them and then hire them out to private operators. The only reason for shipping subsidies is the fact American labor cost is higher than foreign labor cost. The Government and the seamen are equally interested in knowing that the subsidy reaches its intended beneficiary. I submit that labor regulations rightfully belong in the Department of Labor. These labor provisions would not only include enforcement of fair wages but would also include regulations as to working conditions, hours of labor, and number of seamen required to properly and safely man a vessel.

I also believe that the provision which requires all ship officers to be members of the United States Naval Reserve will meet with the hearty approval of everyone in my radio audience.

At the present time a considerable amount of insurance on our merchant ships is underwritten in foreign countries. These merchant ships are naval auxiliaries. Insurance underwriters naturally have access to blue prints and specifications of ships insured by them. My amendment would prohibit foreign insurance underwriting. This will protect the plans of our ships from foreign observation. The fourth class of provisions in my amendment meet certain recommendations made by a special committee of the Senate which investigated existing ocean-mail contracts. These include the creation of a new independent establishment for the administration of direct subsidies, and a provision calling for a uniform system of bookkeeping in the shipping industry, and for Government inspection of books, files, and records in the offices of shipbuilders and ship operators. The measure also contains administrative provisions to guard against the recurrence of evils disclosed by the Senate investigating committee.

In closing, it is well that my listeners be advised as to whether any unreasonable burden would be imposed upon them through the enactment of the measure I introduced today. The cost element in any legislation is of vital concern to the taxpayers. The proponents of some subsidy measures believe that the subject is too complex to place a limit upon the amount of money which may be spent. I do not hold with this view. The measure, concerning which I have addressed you this evening, contains a limitation of annual expenditures which closely approximate the present annual cost for our disguised ocean-mail contract subsidies.

Although future expenditures would not be materially greater than those at present, I am of the firm conviction that the results would be much more satisfactory. The amount of the subsidies would be based on actual requirements to accomplish a definite purpose rather than upon an arbitrary allowance bearing no relationship to that purpose.

If these recommendations, as I have outlined tonight be enacted into law during the present session, I am confident that every American citizen will, in a few years, again see the flag of the American merchant marine triumphant on the seven seas.

SOIL CONSERVATION IN THE SOUTHWEST—ADDRESS BY SENATOR CHAVEZ

Mr. HATCH. Mr. President, I ask unanimous consent to have printed in the RECORD a very interesting and timely address on the subject Soil Conservation in the Southwest, delivered over the radio on Tuesday last by my colleague the junior Senator from New Mexico [Mr. CHAVEZ].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My friends, ladies and gentlemen of the radio audience, first, I want to express my keen appreciation for this opportunity of speaking to so many of you. The subject that I have chosen for discussion is one in which I have always had an inquiring interest. It is a subject which perhaps every citizen of my own State has thought of many times, but one which in the past has had very little thought from the citizenship of the country as a whole. However, the subject has become so acute that it is now receiving the attention of all serious and sincere minds throughout the Nation. The problem is one of national import and cognizance is being taken for once by a national administration that is conscious of the situation and of the economic and human values involved and is making a determined effort to remedy the devastating losses of the past and conserve what is left for the future.

Captain Bonneville, who traveled throughout the West for the original Astor, sent back glowing reports of the verdant forests standing in seemingly inexhaustible supplies of timber and abounding in valuable fur-bearing animals of every description; of the richness and fertility of the soils; of the rivers and streams teeming with fish and fowl; and of prairies on which there was green grass as high as a man, with countless buffalo and a vast number of wild game—actually the land of plenty.

A modern traveler headed for this region would see an entirely different picture. He would find rivers clogged with silt; fowl, once so plentiful, reduced to a minimum; the streams biological deserts which periodically flood their banks, doing damage to life and property; aquatic life gone or disappearing; and further West, the plains once so abundant in rich grass and foliage of every description, which later had been transformed into the greatest agricultural area in the world and rightfully recognized as the "Bread basket of the World", today would present a very apparent contrast. He would see howling clouds of black dust taking tons of the richest topsoil and depositing it as far east as the Atlantic Ocean; tributaries choked yellow with silt roaring into the Mississippi or the Colorado and finally depositing their load into the waters of the Atlantic or the Pacific.

But I wanted to speak particularly of New Mexico and the Southwest. New Mexico is directly responsible for its very existence upon the conservation of water, the soil, and the resources underlying it. In New Mexico and adjoining parts of the Southwest our civilization and existence is predicated upon the uses of the land. The prosperity of a vast area in this Western region depends absolutely upon the productivity of the soil. We know that our livestock industry and farming activities owe their very existence to the soil and consequently our treatment of the soil determines the success or destruction of our life as a State.

It is needless to remind you of the terrible depression that has beset our country in the last several years, but long before the general economic depression those who earned their livelihood from the soil knew something about hard times. The man on the range, as well as the man on the farm, knows the full meaning of falling prices and the scarcity of markets for his products. The farmer and rancher knew long ago something of the ever-increasing difficulties encountered in the production of crops and livestock. The overgrazing of range lands, the loss of fertility in the valley farms; the hardships encountered in securing water; the difficulty in obtaining loans for operations, were familiar to the people of the Southwest even before the crash of the stock market. No one living in that part of the country could have failed to see that.

Those living on the eroding lands of the United States are facing a problem so severe and so far-reaching in its significance that almost the entire population is now greatly concerned over its solution. The problem of erosion has become so urgent that it now calls for national planning. Various agencies and organizations are now actively combating the evil. Perhaps at no time in American history have the eyes of the people been turned toward the land as is the case today. The problems of the land are manifold, but conservation of the soil unquestionably stands far out in front of all the other pressing land problems combined. We are confident that as a Nation we are finding some of the causes of the trouble, and the Federal Government is attempting, as never before, to solve those problems.

Erosion is as old as the land itself. It was erosion that carved the great canyons, the picturesque mesas, and most of the valleys and pleasant glens of the world. But this age-old process proceeding under the stabilization of a cover of vegetation—forest and grass and other forms of vegetation—was so slow that the soil was maintained in adequate depth for all natural purposes. We are not concerned about that slow natural process, but we are alarmed at the depredations of the enormously speeded-up erosion now taking place over millions of acres where Nature's protective cover has been cut down or plowed up or grazed to the grass roots. In my part of the country we frequently do not have to go beyond our front doors to see what man-induced erosion is—the erosion that has been accelerated by man's unwise treatment of the land, his destroying the mantle of vegetation that protects the soil.

The entire Nation, from Canada to Mexico and from the Pacific to the Atlantic, feels its effects also. Not until recently was very much known about the great damage done to the crop lands of America by man-caused erosion. True, millions knew something of how the canyons had been cut out by erosion. The outstanding, spectacular effects of the process were known, but the unnoticed type of erosion that affects even the slightly sloping lands in the highly cultivated regions was not generally understood to be a serious menace. Not until good land began to be scarce did the attention of the American draw itself to soil erosion and its control. A few soil scientists had studied the problem and had warned us of its consequences if not controlled. One of my friends over in the Department of Agriculture, Mr. H. H. Bennett, of the Soil Conservation Service, tells me that he argued for 25 years about the necessity of getting a program of soil-erosion control under way before anyone would pay very much attention to his ideas about the subject.

Let us look at the situation from a national standpoint. According to the Soil Conservation Service, there are 50,000,000 acres of erstwhile farm land that have been essentially ruined for further practical cultivation. Another 50,000,000 acres are in almost as deplorable a condition. Something like 100,000,000 additional acres, still largely in cultivation, have lost all or the greater part of the topsoil, with a direct decrease in crop yields that is appalling. It has been estimated that if the farm land already ravished and ruined by soil erosion could be divided into 60-acre farms, and restored to its former productiveness, it would easily support more than a million families. The destruction is going on at a rate of at least 300,000 acres each year, and the annual direct cost to the farmers of the Nation is estimated at not less than $400,000,000. Probably no nation or race has been more wasteful of its land than the United States; yet the land is the most indispensable asset of our country.

The problem is all the more serious when we realize that soil erosion affects not only the farmer and rancher but all of society as well. The water that is washed off the farmer's land carries with it his valuable topsoil—his principal capital. This water-borne soil—this debris of erosion—goes on into the streams and reservoirs and irrigation ditches, where it causes still further costly damage. The increased rate of run-off from eroded slopes, together with the clogging of stream channels, causes ever higher floods. The reservoirs that were built to hold water are being filled with mud washed out of the hills. The land of the Great Plains, formerly protected by grass, has been plowed up and worked until the soil became powdery, and now it blows across the continent in great duststorms. So you can see what an important problem erosion is, and why we are all so interested.

Today our land is far more depleted than the land of those who came before us. Today we are facing two major problems, both caused by soil erosion which set in after the vegetative cover was destroyed. One of those problems is that of the depletion of range lands. The other is the silting or filling up of our storage reservoirs.

The Government has spent millions in constructing great dams, such as the Elephant Butte Dam on the Rio Grande, the Coolidge Dam on the Gila River, the Roosevelt Dam on the Salt River, and the recently completed Boulder Dam on the Colorado. These investments are damaged at an alarming rate by the soil that washes into the reservoirs as the result of erosion from thousands of slopes up and down the watersheds. Instead of penetrating the soil, much more of the rainwater and melting snow run rapidly into the valleys and down the erosion-made channels, to be entirely wasted. This has led to the lowering of the water table and consequently reduced or destroyed the grazing values.

Although the ranges are sparsely populated, it has been estimated by specialists that the grazing value of numerous localities is less than half what it formerly was. If present conditions are permitted to continue, two-thirds of the people undoubtedly will be driven out of large sections of the Southwest, or even all of them from some of the worst eroded areas. The situation must be corrected, and without delay, otherwise there is no hope for those now living there.

Since those who live on the irrigated farms below the costly dams are also imperiled by the suicidal process of uncontrolled erosion the problem is even more acute. The water supply is being steadily diminished, and much of the water delivered to the farms is silt-laden, so that irrigation ditches are filled and must be cleaned out, and troublesome soil is piled up in the fields. The people below the dams are therefore at the mercy of those using the lands above the dams.

Obviously, therefore, erosion must be controlled over the watersheds draining into the water-storage reservoirs, from which the farmers below are dependent for irrigation. The ranges must be put on a sustained-yield basis. This depends upon the adjustment of livestock to the carrying capacity of the ranges—a condition which must some day be brought about if we are to survive. This job of controlling erosion on the ranges and of stopping the silting of the life-giving reservoirs is what the administration is attempting to do. The success of such work will depend largely, of course, upon the cooperation received by those using the land.

To my mind, the various pressing problems of our Nation are all interrelated: Our present problem of depressed farm prices arose out of overproduction, which, in turn, arose out of the plowing under of natural grazing areas and the use of inferior soil localities. The depleted soil and reduced yield and consequent misery of the people in those areas calls for resettlement on a businesslike basis on lands which are productive, water conservation in reservoirs and lakes by which the economic value of the water can be utilized, soil conservation through the adoption of scientific treatment for the soil. This in turn calls for the planting of soil-repleting crops, the retarding of waters of the little streams and arroyos so that they will flow less rapidly and not pour down in floods to menace the valleys below. These little dams and big dams holding back the valuable waters will constitute a nationally perfected plan of flood control. Lastly, it will reduce unemployment by utilizing those less fortunate members of our population in public labor of this type. Their self-respect will be maintained; they will be performing a laudable and necessary task and in addition they will be providing for themselves and families.

This story of erosion, its cause and results in the Southwest, can be summed up briefly like this: First, the land was partly or completely denuded by overgrazing; secondly, the rains ran rapidly down the slopes, carrying the soil with it into the Rio Grande, the Gila, and other streams; and, finally, we are left with the depleted soil, unable to support the population living thereon. It is an economic, moral, and patriotic obligation of the Nation, the State, the county, the community, and the individual to preserve our remaining areas of good farm land and grazing land, to restore

vegetation to the land of the West, not only to provide needed forage for livestock but to protect our reservoirs and irrigation projects and to stop this new evil of disastrous blowing away of the priceless topsoil from our semiarid lands of the plains. I know of no effort before the Nation more worthy than the soil-conservation movement now getting under way through the Nation. The job certainly is one of great difficulty; time will be required to complete it, and it is going to cost us something. It is my belief, nevertheless, that it is a job which we have to perform, regardless of the difficulties, if this is to be a permanently prosperous Nation.

The Sahara and other desert areas of the world, which scientists tell us were once luxuriant, cultivated regions, and China's former forest area, now denuded and bare, are vivid examples of what happens when man disregards Nature's balance.

Let us hope that partisan minds, interested only with election returns, may not describe as boondoggling the administration's patriotic efforts for the conservation of national resources, human as well as natural, which involve in this particular instance the preservation of life-giving and wealth-producing soil with its many attendant benefits. This program is of great value to the Nation and must of necessity go on.

WORKS PROGRESS ADMINISTRATION—ADDRESS BY SENATOR DAVIS

Mr. STEIWER. Mr. President, my attention has been attracted to an address delivered by the senior Senator from Pennsylvania [Mr. DAVIS] at Pittsburgh on March 14, at a dinner given there in honor of the district attorney of Allegheny County, Pa., Mr. Andrew Park. The address is interesting, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In discussing the problems of work relief, I wish first to say that I have voted for it consistently. Work relief has been necessary to provide for those who have suffered because of the depression. My words should not be construed in any way as against the principle of work relief. I am now concerned chiefly with the way it is being administered.

Early in the present session of Congress I introduced a bill calling for the local administration of local work-relief projects. I am convinced that long-range administration of work-relief projects from Washington is inefficient, unsatisfactory, conducive of partisan politics, wrapped up in red tape, and incapable of meeting our present unemployment needs. My bill has been approved by most of the mayors and county commissioners of the State of Pennsylvania. It has not, however, been voted out of the Senate committee to which it was referred. Under these conditions I am now bringing this issue to the people of the Nation, because this is a national issue of major importance. I have confidence that, once informed on this subject, the American people have enough common sense to solve this problem. I believe that a thoroughgoing investigation of the W. P. A. will show the necessity for administration of local work-relief projects by regularly elected local governmental officials.

An appropriation of $1,200,000,000 from the unexpended balance of the work-relief fund, Federal money already in hand but not yet spent, would enable local officials to sponsor substantial construction projects, create jobs for the unemployed in their respective communities, create markets for materials and equipment necessary to carry out the program, thus starting the wheels of private industry, creating additional jobs in a normal and orderly manner. I need not say that $1,200,000,000 is a tremendous sum of money. Rightly expended and properly administered, it can do much to provide honest work, stimulate private industry, and solve our unemployment problems.

The administration of the work-relief program and funds by locally elected officials, irrespective of party affiliation, would save millions of dollars in the cost of overhead, wipe out partisan politics as the dominant factor in employing men, put an end to red tape and delay in getting projects under way and result in projects of a more substantial character.

The purpose of the Federal Government to provide relief for the unemployed has been clearly demonstrated. The chief difficulty has been that an attempt has been made to administer this program exclusively from Washington. Work-relief projects of a local nature cannot be satisfactorily administered by a central bureau in Washington. They must be administered locally.

Every effort should be made to stimulate private business and build up private pay rolls. This can be accomplished more effectively when there is a local coordination between relief administration and private business enterprise. It is impossible for Federal officials working in and out of Washington to meet local needs as satisfactorily as local officials who have to rub shoulders day by day with the taxpayers who foot the relief bill. Democratic processes of government are more responsive in small areas than in large ones.

It is generally agreed that the purpose of work relief was not to give employment to those who were already employed, or to provide larger salaries for those who already had jobs, or to serve as an instrument of political patronage. This viewpoint is held by all who voted for the $4,800,000,000 work-relief appropriation as a public-welfare measure. However, it now becomes apparent that the original professed purpose of work relief has been prostituted to serve the partisan political purposes of those to whom the administration of these measures have been entrusted. With the W. P. A. administered centrally from Washington as at present, I believe these abuses are inevitable and inherent in the system which by its very nature is unworkable, out of touch with local needs, and a bludgeon in the hands of those who thirst for power.

I had hoped that the bill which I introduced in the Senate calling for the local administration of local work-relief projects, would receive favorable consideration in view of the fact that it was a nonpartisan suggestion. In the speech which I gave in the Senate when I introduced this bill, I stated that its acceptance by the present administration would show the desire to regard work relief as a public-welfare measure and not as a political weapon. However, no action was taken on this bill. Therefore, I felt impelled to introduce a resolution in the Senate asking for a thorough investigation of the work-relief administration. The resolution reads as follows:

"Whereas it is impossible to obtain accurate information concerning the work being done by the Works Progress Administration; and

"Whereas no reports are available showing the names, number, or salaries of employees of such Administration; and

"Whereas the press and citizens of the United States are denied access to and refused official information concerning the employment and other records of such Administration; and

"Whereas many and varied charges have been made in reports published as to the work of such Administration and of the political appointees and employees thereof; and

"Whereas the Works Progress Administration is surrounded by an air of mystery and secrecy: Therefore be it

"*Resolved*, That the Committee on Executive Expenditures, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation of the Works Progress Administration. The committee shall report to the Senate as soon as practicable the results of its investigation, together with its recommendations, if any, for necessary legislation."

When offering this resolution in the Senate, I stated that I had voted consistently for work relief, and that nothing which I should say should be construed to reflect upon the character of men and women on work relief. I expressed a desire to verify certain startling statements which had been made to me by responsible persons as to the number of political appointees serving as supervisors of W. P. A. projects in Pennsylvania, receiving salaries far above the average. I have not the names of these political appointees. If these appointments be in the interest of public welfare, I see no reason why they should not be available for newspaper publication and the public generally, as in the case of all other officials in the State of Pennsylvania.

I wish to state now as I said on the floor of the Senate that I do not desire the publication of the names of men and women on work relief whose income is in the lower brackets in accordance with prevailing wage standards. I know how difficult are the problems which face the ordinary worker in his attempt to make a dollar reach as far as possible. I am seeking information only about those who are collecting fancy salaries because of political appointments and those who seek to coerce workers to vote as they are told lest they lose their jobs.

Since I introduced my resolution I have been bombarded with information as to conditions in the W. P. A. I have detailed descriptions, accompanied by affidavits in some cases, of employment situations which are almost unbelievable because of the cruel way in which bread has been taken out of the mouths of hungry children for no other reason than that the father of the family refused to abandon his political convictions and hence lost his W. P. A. job. Practically all who have written me, with the exception of those who have sworn to affidavits, have asked that I make no specific mention of their names or situations for fear that they would lose their jobs. They may be sure that I shall keep faith with them and shall not make public their letters. This applies to all letters of this nature which I receive. But it must now be evident to every thoughtful person that these letters coming not alone from Pennsylvania but from all over the United States reveal a campaign of terrorism for political purposes which is unspeakably wicked and subversive of the most sacred principles of our American democracy.

In the light of these facts we are told that Mr. Harry Hopkins, Relief Administrator, orders investigations of his own bureau activities. If the situation were not so tragic, this would be humorous. No matter how good the intentions of Mr. Hopkins may be, and I am not questioning them, it is obviously impossible for any investigation which he may make to answer the crying need of an impartial Senate investigation of the entire W. P. A. at the earliest possible moment. I understand that Mr. Hopkins investigated the conduct of the chairman of the Indiana County Democratic committee of Pennsylvania asking a woman employee of the Emergency Relief staff for a contribution of $27 to the Democratic campaign committee as a token of her appreciation for the position she held. I understand that following this investigation Mr. Hopkins said that he could not be responsible for the actions of dumb politicians. This, of course, may sound explosive but it does not change the situation. It does make evident a pressing need for an early investigation of the Works Progress Administration.

One of my correspondents, whose name I cannot reveal, because he is an employee of the W. P. A. and I do not wish him to lose his job, writes me: "The conditions on the local W. P. A. work are most humiliating. Republicans are only placed in 'key' positions when Democrats are not available or through personal influence cultivated by sincere friendship or business association between a Democratic and a Republican leader, which is very rare. On all other occasions the Republicans are placed in 'minor' positions or 'demoted' to make room for a Democrat."

The same correspondent writes: "I am enclosing a letter that I received from David Lawrence, chairman of the Democratic State committee, to which was attached 24 subscription blanks for the new publication entitled 'We the People.' According to 'suggestions', I am to fill in the blanks and mail to Harrisburg with the $24 remittance." I wish to say that forced contributions to partisan newspapers or a political party cannot successfully be concealed today and will inevitably act as a boomerang on those who persist in these practices. Forced contributions to campaign funds are not in keeping with American principles. Political parties which resort to such tactics are soon discredited in the eyes of honest people. Of course, under pressure, some W. P. A. workers may say that they will vote the Democratic ticket but their votes may reveal an entirely different action on election day.

The present administration plan of the W. P. A. has done much to wreck the civil-service systems of our municipalities, the States, and the Nation. Competent men and women, long registered on civil-service lists, have remained unemployed while the positions which rightfully belong to them have been given to political favorites.

Thousands of good men, real executives, men of practical business experience, are walking the streets today when the entire Nation should be having the benefit of their ability. It is an intolerable situation when capable executives of this type go unemployed while the administrative positions in the W. P. A., which call for marked business ability, are given to those whose sole passport consists of political influence. Many white-collared executives are today unemployed. They have lost their homes through foreclosure, not through any inability of their own but solely because the business firms with which they were connected folded up when the storm of depression swept the country. These capable businessmen were the first ones who should have been summoned to give direction to work-relief projects at the very first call, irrespective of party affiliation. Today W. P. A. is still in swaddling clothes, with no promise of maturity, and yet these men remain unemployed.

We do not escape our responsibility to those who want work by declaring that we have too many white-collared workers. It would be just as plausible to say that we have too many bricklayers, plumbers, steamfitters, miners, farmers, and artisans generally. Our problem is to provide the necessary work. Suitable work for all qualified workers can be found no matter whether they wear white collars, blue collars, or no collars at all.

The poor quality of artificially made work on Government projects is often an insult to business intelligence. Moreover, it stands as a challenge to the imagination of American business executives. I do not say that we have too many workers. I do say that we shall make ourselves the laughingstock of the entire world—ridiculous in the face of history—if we do not speedily learn how to set ourselves to useful tasks.

In the face of the present unemployment situation it is amazing and almost unbelievable that the United States is importing steel from abroad. Imports of semifinished and finished steel products for the month of December 1935 amounted to 24,570 net tons. This would provide more than 1,000,000 man-work-hours. At the present time the operations of the iron and steel industry in the United States is but a little above 50 percent of capacity; 450,000 persons are now employed in the industry, which is slightly less than in 1928 and 1929. Imports of steel, however, are constantly increasing, having practically doubled in 1935 over 1934.

Another startling fact concerns the stoppage of work on work-relief projects in practically every State of the Union because of lack of skilled labor. If skilled labor is not recruited for these projects, they cannot be completed, and yet there are many skilled workers unemployed. Perhaps a partial explanation of this situation is found in the fact that work-relief jobs have been opened almost exclusively to those who have been placed on home relief rolls after having declared themselves entirely destitute. Many skilled workers have objected to a system whereby this is the only way to get a job. This is a tragic situation. It stands condemned by the American Association of Social Workers, who have advocated that the public-works program be entirely divorced from the assistance program of home relief.

No discussion of unemployment problems could leave out of account the fact that 6,000,000 citizens of other countries are holding jobs in this country.

The facts are as follows: In this country there are over 14,000,000 persons who were born abroad. Of this number it is estimated 7,000,000 have not been naturalized. It has been charged on the floor of Congress—I am of the opinion that the estimate is too high—that more than 1,000,000 of these are in this country illegally. Of our 7,000,000 alien residents, 1,500,000 are on relief, costing the taxpayers hundreds of millions of dollars annually.

This is a problem which we cannot refuse to face. It is now apparent to everyone that this large number of illegal aliens now holding jobs in this country deprive American and legally admitted alien citizens of these jobs, and this in itself accounts for a major share of our burden of unemployment. We have more unemployed in the United States than in all the countries of Europe combined. No other nation acts on the policy which we have adopted. We are paying the work-relief bill not only of our own country but of the other nations as well.

Added to this we suffer losses because of our foreign-trade policy. Last year we imported millions of dollars' worth of foreign food products, while at the same time we were paying our farmers to plow under and create a scarcity of various agricultural items. Go into the leading groceries of New York today and you will find English hams, Irish bacon, Polish sausage, and New Zealand butter. I am not advocating that we abandon foreign trade. Foreign trade is necessary, but I insist that we have no right to buy from abroad products which compete unfairly with American products, thus defeating American agriculture and industry and adding millions to our unemployed. During 1935 more than one-fourth of the food and agricultural products which we consume here were produced and paid for abroad. This does not include the $180,000,000 which we paid for coffee, tea, and cocoa.

When relief was first set up, 9 out of every 10 people who accepted it wanted work rather than a dole. A large majority of them want work today, although there are some people who, having learned how they can eat without work, will never work again. That is indeed an unspeakable tragedy. When men go to battle some are killed, and some come back home wounded and permanently disabled. This terrible war of depression which we have been fighting has killed some, and there are many others who have been permanently crippled in mind and body.

But the large majority of the working people of this country want work just as they always have. This is the sovereign right of every able-bodied man—the right to work—and we have no business planning to establish a system of society where the right of the worker to work is taken away from him. I well remember back 40 years ago when for a dollar a day I trudged back and forth from South Pittsburgh to Highland Park to do duty with a pick and shovel. Even a dry lunch at noon tasted mighty good those days, and the habit of working has clung to me all my life. Honest work means health and self-respect as well as wages for the worker. This is the right of the worker, and if I know the working men and women of this country, they are going to claim that right and will not be satisfied with anything less than honest jobs, honest work, and honest wages.

THE AMERICAN HOME MARKET—ADDRESS BY SECRETARY WALLACE

Mr. BURKE. Mr. President, on last Monday the Honorable Henry A. Wallace, Secretary of Agriculture, before a meeting of farmers at University of Nebraska, Lincoln, Nebr., delivered an address which I ask to have incorporated in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The United States has long been proud of its home market, as the broadest and wealthiest single market for goods in the world. The achievement of this great, undivided market was not an accident. Since 1787, no idea has been more precious to the American people than the idea of a nation undivided in its economic and political life. The statesmen of 1787 had got their stomachs full of sectional and State warfare along economic lines. Under the Articles of Confederation, States could set up tariffs and issue money by themselves. New York could and did put a duty on firewood from Connecticut and cabbages from Pennsylvania. The whole thing resulted in confusion. The framers of the Constitution erased these State economic barriers and conceived a government which would insure national economic unity for all time.

The United States grew to continent-wide size, and still this idea of a country without economic or social barriers of any kind remained our most precious heritage. No single concept so distinguished the United States from older countries as this vision of a great area of land, hospitable to all races and classes, uninterrupted by political or economic barriers. The concept was so precious that it was considered worth the sacrifice of hundreds of thousands of lives during the Civil War to preserve it.

Sectional and selfish interests from time to time have tried to break down or whittle away this idea of economic unity and interdependence. Industrial sections have tried to increase their advantages at the expense of agricultural sections, and vice versa. One class has tried to stir up jealousies of other classes and to put across the idea that prosperity for itself could be advanced if other classes had fewer benefits. Some sections or classes have benefited for a time at the expense of other sections or classes, but never for long. During the 1920's, some industrial leaders began to think that industry could remain prosperous in spite of, or perhaps even because of, low prices and income to farmers, but this idea was exploded with the general depression of the 1930's. Since 1932, the Nation has returned with greater conviction than ever to the idea of balanced and interdependent welfare of all sections and classes.

This precious idea of Nation-wide economic unity has, I repeat, given the home market of the United States a place of tremendous importance in our economic thinking and practices. We have properly striven to make the most of this rich, free, continent-wide market to the end of increasing and protecting the American standard of living.

There has been one difficulty, however, in working out equably the ideal of the preeminence of our home market. While industry looked almost entirely to the domestic market, agriculture has had to look in considerable part to the foreign market. Industry has asked and obtained high protection for its goods in the home market, while agriculture, even if it wanted and got such protection on paper, could get very little benefit from it except temporarily following a year of unusually bad weather. Industry, too, succeeded in obtaining great advantage from the corporate form of organization as a means of exploiting its markets more efficiently while agriculture in its very nature could make little use of this mighty instrument.

Agriculture, I insist, has a right to some equivalent to the tariff and the corporate form of organization as used by industry, and I believe that to give agriculture such an equivalent is in the best interests of the Nation. Let me assure you that I shall not cease to work for such an equivalent to be made available to agriculture.

We know what we are talking about when we demand equality for agriculture with respect to the tariff. Since 1920, farmers' troubles have largely been the result of difficulties growing out of their unprotected export position. The collapse of the war market, coupled with a high industrial tariff policy and great foreign indebtedness to the United States, and coincident with a shift on the farms from animal to tractor power, left farmers with some 50,000,000 excess acres under cultivation. The products of these acres could no longer be sold profitably abroad, and piling up at home, they smashed prices for the home market as well. No adequate effort was made to meet this situation prior to 1933. Since 1933 the Government has grappled with the task of helping farmers to make the needed adjustment. This aim has been to adjust exportable surpluses to demand, and thus to keep those surpluses from weakening the home market as well as the foreign market. Surely no reasonable person, believing in the American ideal of a high standard of living, could deny the right of agriculture to a program which would put it on a level with industry in being able to participate in the benefits of the home market. And in the face of declining foreign markets, this could be done only by adjusting exportable surpluses to actual export opportunities.

Difficulties with the farm export situation have continued. Many nations have felt it necessary to adopt nationalistic policies, setting up quotas, embargoes, domestic subsidies, and the like on farm products. Through its high-tariff policy, the United States has been guilty with other nations of making international trade difficult. In our case, there has been little excuse for this policy, since we are now not a debtor nation but a creditor nation, and we need to enable foreign nations to send us goods to pay their debts and pay for our exports. Recently a beginning has been made through reciprocal-trade agreements toward increased foreign trade, and I should like to say right here that farmers more than any other group have the most to gain through this policy if wisely carried out. The progress, however, has necessarily been slow. In view of continuing difficulties in international trade, many Americans have lost faith in expansion of the foreign market as a way to renewed prosperity. They believe we should concentrate on the home market instead. Many of them are suggesting that agriculture as well as industry take the nationalistic view, that the time has come for the United States to become self-sufficient in every way possible.

It is entirely reasonable that farmers should want to make the most of our great home market. In a time of troubled international conditions, we may well sympathize with those who shrink from the risks and difficulties of foreign trade. The question remains, however, how can farmers really make the most of the domestic market?

A number of answers are being suggested at this time. I will mention them briefly first, and then discuss each one at more length. Some people, observing the increase in farm imports during the last 2 years, are saying that the thing to do is cut out all imports of farm products that can possibly be grown in this country. Give the American farmer exclusive right to his home market, they suggest, even if it means an embargo on all competitive imports. Nationalism for the farmer, they say, is the way to farm prosperity.

Another suggestion is that we set up a two-price system with no production control and sell the export part of our crops at low prices abroad and the domestic part at a higher price at home, with the Government or the farmers themselves absorbing the difference.

Other people have another suggestion. They point to the traditional ingenuity of American industry in developing new industrial products and methods, and they say, "Encourage new industrial uses for American farm products, and we won't have to worry about foreign markets or domestic surpluses." They present maps and charts showing the acreage that would be needed to produce for these new industries providing that they can be successfully launched.

There is undoubtedly a great deal of sincerity in the support behind all these suggestions. Certainly no plan that holds any real possibility for increased markets and income to farmers is to be neglected. Let us examine the proposals I have mentioned.

What about imports? Are farm imports serious? Have they damaged the domestic market and domestic prices? What is the relationship between farm imports and farm prosperity? Would farmers benefit if, by high tariffs or an embargo, we cut out all imports of those products which farmers themselves can produce? How much, in short, could farmers gain if the country adopted a nationalistic policy toward agriculture—not just keeping the status quo, but going all the way to 100 percent nationalism?

First, let us look at the record of farm imports during the last year or two. The Department of Commerce records that during 1935, we imported a total of $1,100,000,000 worth of products which are classed as agricultural. This is a large sum, though a good deal less than the 10-year average of one and two-thirds billion dollars or the 20-year average of one and three-fourths billion. In 1929 we imported over $2,000,000,000 worth of agricultural products, and in 1920, nearly three and one-half billion dollars' worth. The 1935 total, like the other figures, included of course coffee, rubber, raw silk, tea, cocoa, spices, and bananas, all of which American farmers do not produce at all.

These products amounted to nearly one-third of the total, or about $334,000,000 worth. Occasionally some persons who raise an alarm about farm imports cite figures which include these tropical products. They neglect to identify them, and hence create an impression that farmers are being hurt instead of merely being supplied with coffee, tea, and rubber. Until the American people decide to forego coffee and tea, and until they are ready to pay three or four times as much for domestically produced rubber made from goldenrod or guayule in place of the tropical product, these noncompetitive imports will not, I think, become a controversial issue. This being a campaign year, however, almost anything can happen.

Taking out these items then, there is left some $600,000,000 worth of agricultural products imported in 1935 which were partly or wholly competitive. The largest item in this total is sugar, amounting to $133,000,000. We are supporting the sugar industry in this country with a high protective tariff. Likewise, high duties protect producers in the United States against the imports of many other items, such as wool and some of the oils.

The increased imports in the competitive list, including those items on which we have high protective duties, are partly on account of the improvement in the purchasing power of consumers in the United States, resulting in a return toward normal in the importation of items that we regularly imported before the depression. The most important single factor in the increased importation of many items, however, has been the drought of 1934.

I need not recall to this audience the seriousness of that drought. Suffice it to say, it was the worst drought in our history. It caused a reduction in our total feed supply, compared with normal, of some 50,000,000 tons, or about one-half. The corn crop alone was cut down by a billion bushels. The adjustments in corn and wheat acreage through the A. A. A. were negligible in comparison with the reduction due to the drought, and so far as feeds were concerned, these adjustments actually helped to improve the situation.

Those of you here today who had to buy feed at that time to carry your livestock through the emergency surely would not have chosen to bar out imports of these commodities which you yourselves needed. Yet those who now raise their hands in horror at the tables showing farm imports in 1935 invariably include these feedstuffs in their shocking figures, and they conveniently fail to mention that farmers were helped and not injured by the fact that moderate amounts of such products came in over the tariff wall.

Indeed, it is surprising that in the 18 months from July 1934 to December 1935, during which time the drought shortage was most felt, feed imports represented only about 7 percent of the drought reduction.

All of these imports, of course, paid the usual tariff duties—25 cents a bushel for corn, 16 cents a bushel for oats, 10 percent ad valorem for wheat unfit for human consumption, and so on. Only in the case of hay was the duty removed. But this free entry applied only to hay brought into the drought-affected area at the urgent request of farmers in the Northwest. The North Dakota Legislature, by the way, asked for removal of the duty on feed grains as well, but this was not considered necessary and the request was not granted.

The peak of imports caused by the drought was reached last year, the time varying with different products, depending on when the new crops were harvested. Since then, imports have greatly receded, and are now practically normal for most products. Imports of oats have been negligible since May 1935. Imports of corn have rapidly receded since last November; in March of this year they were 66 percent less than the same month last year. While rye tariffs are proportionately lower than tariffs on other grains, rye imports have been insignificant since August. Imports of butter reached their peak in the late winter of 1935; in the last half of the year they amounted to only a little over a million pounds, which is below the 10-year average. Imports of wheat have continued into 1936, because the drought shortage was not made up by our 1935 spring-wheat crop, which was greatly reduced both in quantity and quality by serious rust damage. The bulk of present wheat imports is hard spring wheat, brought in to meet our domestic requirements for this type of wheat. These wheat imports, of course, pay the usual duty of 42 cents a bushel.

One might go on to show the extremely small size of farm imports, even in the face of the terrible drought of 1934, as compared with our normal production. It is truly surprising that twice the worst drought since the Civil War should result in imports of corn representing only about 2 percent of our average production; wheat, a little over 3 percent; beef, including canned

beef, 3 percent of average slaughter; pork, one-tenth of 1 percent of average production; and butter, 1 percent.

The main facts to bear in mind, however, is that these increased imports were due to an absolutely unprecedented situation. I suppose the same situation is not likely to occur in the same degree for another 100 years, unless our climate is changing drastically. There is simply no point in viewing the farm imports of 1935, which were caused by the drought of 1934, as reflecting a normal situation facing the American farmer.

Of course, if one wants to compare the situation in 1935 with the situation in 1932, some rather striking facts can be brought out. Certainly imports were low in 1932; farm imports as well as industrial imports, in fact, were the lowest in a generation. When you start down near zero you can work up to some very handsome percentages, and this goes for other things as well as imports—farm prices and farm income, for example.

This leads us to consider the relationship between farm imports and prices and between farm imports and farm income. When farm prices drop following a period when imports have been coming in, it is sometimes thought that the imports caused the decline in domestic prices. This is almost never the case. When the price of oats dropped last summer the decline was not caused by the imports which previously had come in. It was caused by the sudden increase of domestic supplies with the harvesting of the new oats crop. Imports of oats amounted to less than 1 percent of normal production. Obviously their influence on the supply-and-demand situation affecting the domestic price was negligible compared to the coming in of a new crop of near normal size.

The same relationship holds true for other commodities, whether corn, wheat, beef, or butter. Imports are called in, over the tariff, by unusually high domestic prices, and to keep on attracting imports the price has to remain high. The tariff is really working for the farmer during such a situation.

But what about the tariff and its usefulness to farmers during a year like 1932? Well, in that year imports certainly were kept out, if that's the main thing we want. Imports of corn were 400,000 bushels, an amount which could be produced on a fraction of a Nebraska corn county. But corn was selling for as low as 10 and even 5 cents a bushel in Nebraska, and of what use was the 25-cent tariff on corn then? Wheat sold for 28 cents in Nebraska, and of what use was the 42-cent tariff in that situation? Butter sold as low as 14 cents, while being "protected" by a 14-cent tariff. Hogs sold for $3 a hundred and less, and of what use was the $2 tariff?

In 1935, following a year of extreme drought, it is true that some imports came in. But farmers also were receiving an average of 58 cents for corn, a dollar for wheat, over $10 for beef, $8 for hogs, over 30 cents for butter. Cash farm income stepped up from less than four and one-half billion dollars in 1932 to almost $7,000,000,000 in 1935. Back in 1932 I believe farmers would gladly have let in a few imports if at the same time they could have increased their cash income by 60 percent.

Whether the tariff for any farm product is at exactly the right point is another question. When there is excessive protection, so that prices rise to very high points, the result, of course, is either reduction in consumption or the coming in of more producers and eventual overproduction, so that the benefit is only temporary. The $2 tariff on sugar hurt the sugarbeet farmers in the continental United States by expanding production in Puerto Rico, Hawaii, and the Philippines. But in view of the hold the tariff system has in this country, and in view of the fact that sweeping downward adjustments in industrial rates cannot be made suddenly without causing dislocations in industry and consequent injury, I feel that moderate protection for agriculture, so that an unusual situation may be taken care of without undue harm to consumers, is a reasonable policy. Any protection ought to be applied equally to both agriculture and industry and in such a way as not to harm those branches of agriculture which have long been in the export market.

But even for those farm commodities on which import duties can help farmers at times, the tariff method as a solution for the problem of producers of those commodities is extremely unwieldy. Under our form of government it involves a great number of agencies and interests and cannot be used as promptly and efficiently as farmers might wish to meet a given situation. This cumbersomeness of method is one of the prices which we must pay for the privilege of having a democratic system.

The tariff question on farm products comes down to this. For most American farmers 90 percent of the time the farm tariff does not mean a thing either way. During the other 10 percent of the time, following unusual weather, the tariff works as shown by the coming in of a few imports, and it means farmers are getting good prices for their products.

The real question is not whether we want a tariff for farm products; we already have one. The real question is, Are farmers going to accept the high-tariff idea as a cure-all for agriculture?

If they do, I tell you frankly farmers are going to be sold down the river again. Need I remind you how often in the past American farmers were sold down the river on this tariff issue? All through the twenties farmers asked for a real program for agriculture, a program that would enable them to meet the situation of surplus acres following the war. And what did they get? They got high tariffs. That is, the industrialists dominating the Government gave agriculture whatever ineffective and meaningless tariff increases they thought necessary to induce the farmers to stand for stiff and effective boosts in industrial tariffs. The result was that agriculture was not helped but harmed. Farmers had to buy in a protected market and sell in an unprotected one. Again and again a real program for agriculture was shelved, and farmers got this fake one instead. We came down to 1932, with surpluses three times the normal amount, corn at 10 cents, hogs at $2, wheat at 30 cents, and what did our tariffs mean then?

The kind of program that farmers and those of us who were working for farmers' interests wanted was one that would really make the tariff work for agriculture. Farmers wanted a program that would protect their home market from the price-smashing weight of surpluses that could not be sold either here or abroad. They wanted an equivalent to industry's tariff. In 1933, I think they got at least a start toward the kind of program they really wanted, with adjustments in acreage financed by processing taxes that were somewhat the equivalent of industry's tariff. They began to see their way to a balanced relationship with industry, so that agriculture as well as industry might obtain just benefit from the home market. Though the processing taxes have been taken away from farmers, I think they are not going to stop fighting for a real program for agriculture.

The high protective tariff is not agriculture's baby; it is industry's baby. If industry is to keep its high tariff, farmers want equivalent help, but they can get it only by protecting themselves from excessive exportable surpluses. And no high tariff, or even an embargo will do that.

By all means, let us make the most of the home market. But I want you to think seriously about the fact that farmers have more to lose through nationalistic policies than any other group. In the present year, 1936, farmers are cultivating probably thirty-five to forty-five million acres that are going to produce things which will be sold abroad. The most additional land they could use by cutting out imports would be perhaps 10 million acres. It just wouldn't be good sense to risk having to leave thirty-five or forty-five million acres idle in order to try to gain a market for 10 million acres. I don't think farmers are foolish enough to trade dollars for quarters, no matter how strong the pressure may be by those who are busy grinding their own axes.

The situation caused by the drought of 1934 is now pretty well over, although the effect of the drought on livestock marketings will be felt for another year. Imports brought about by the situation are receding and will soon be back to normal. With normal producing weather this year and next, extraordinary things could happen to supplies and prices of farm products. This is the central farm problem, and I am confident that farmers will not be misled by side issues, but are resolved to deal with the central problem through a real farm program.

We don't want to give up our remaining foreign markets—rather, we should like to see those markets improved—but we are all anxious that great surpluses of exportable farm products are not going to wreck the domestic market in the future.

To take care of this situation, some are suggesting that we discard all checks upon production and adopt a two-price system, or export bounty, which would be a straight subsidy of production. This, they believe, would enable farmers to send surpluses abroad at lower prices, while selling the domestic part of the crop at home at higher prices.

I believe this plan can work for a given commodity when certain foreign conditions are favorable and for a short time. In 1933, we were able to promote the sale of a quantity of wheat in this manner. However, as a long-time policy applied on a large scale, the dual-price or export-subsidy system would be certain to bring more grief than benefit to farmers and to the Nation, particularly if the system were used in place of some sort of control over production. If the export market should be underwritten in this manner, it would surely bring into production an increasing acreage of the commodity affected. Increasing production would mean increased export surpluses which in turn would require higher and higher subsidies to maintain price. Finally, it would result in the economic insanity of virtually giving away to foreign nations a large part of our wealth and soil fertility—very much as we gave away our crops and our soil fertility during the 1920's by lending to foreign countries money which they could not repay. I don't think we want to return to that kind of insanity. The pain of heavy surpluses and low prices when the thing finally crashes is too great.

Besides, it is extremely probable that we could not get rid of huge surpluses in this manner, no matter how big the subsidy, especially if at the same time we refused to accept imports. And, in passing, let me call your attention to the fact that many of those who argue for an export bounty are also vociferous advocates of embargoing imports. Other countries do not want to accept our products if we will not accept some of theirs. They are able to put up trade barriers overnight to keep out any of our products that they do not want to accept. Let us face the fact that the use of export subsidies by the nations of the world is really international price cutting. It is a form of cutthroat competition which ruins everybody if it is carried far enough. The only kind of international trade which is worth anything, on a large scale and in the long run, is the kind which trades goods and services for goods and services.

We do want to increase in every sane way possible the chance to sell more farm products abroad. And, by the way, it is worth mentioning here that the trend in exports of cotton and tobacco is once more upward, both of these being products less affected by the drought than other export products. As supplies of wheat and pork and other export products increase with normal weather,

we should regain a part of our foreign trade in these products, too; the situation is far from hopeless.

Of course, to sell abroad we must buy abroad. We ought to buy particularly more industrial products on which tariffs now are so high as virtually to create domestic monopolies. It seems to me that farmers interested in the tariff situation, if they really want to work for a more intelligent arrangement that would react to their benefit, might well look into our tariffs on aluminum, electrical equipment, chemicals and dyes, and certain other industrial products. They will be interested, I think, in following the results of the resolution recently adopted by the Senate which, while asking for data on A. A. A. benefit payments over $10,000, also requests the Tariff Commission for data on the benefits obtained by corporations from the tariff on such industrial products as these.

The real tariff issue, so far as farmers are concerned, it seems to me, lies in the question of monopolistic privileges enjoyed by some corporations and groups of corporations shielded from competition by a tariff wall. The use of tariffs by such interests hurts farmers in two ways. It helps to cut them off from markets for their products abroad, and it makes them pay higher prices for the things they buy at home.

As you know, efforts are being made by the State Department to work out better foreign-trade conditions through the reciprocal trade agreement policy. I have been interested to see just how this new approach might compare with the old approach of congressional tariff making. My conclusion, on the basis of what has been done to date, is that it is a much fairer approach, from the standpoint of agriculture at least, than the old logrolling method. In the new approach careful and painstaking study is made of each and every item on which it is proposed to reduce our import duty. This study takes into account the significance and effects of any duty reduction from a national point of view as well as from the standpoint of the particular industry involved. Under the old approach the height of the duties on particular items was determined primarily by relative political strength and bargaining skill of the various contending interests. In such a set-up it is evident that agriculture is at a great disadvantage from the start since most of the major branches of agriculture are, in general, on an export basis or so close to it that they are not in a position, under ordinary weather conditions, to benefit from increased import duties.

I believe that agriculture has obtained real benefits through the reciprocal trade agreement policy. Though temporary adjustments may need to be made by certain producers, I believe that farmers as a whole have very much to gain from the policy. However, I can assure you that wherever it seems to me that farmers as a whole are not getting a square deal in proposed trade agreements. I hope to be the first to point that out and seek for a remedy.

Among other suggestions for bettering the market of farm products is that of encouraging greater industrial use of farm products. This is a program which any friend of the farmer wants to encourage in every way possible. Industry, of course, is a big customer of the farmer even now. It buys more than 40 percent of its raw materials from the farmer today. It buys cotton for making clothes, it buys tobacco, it buys some of our corn for starch, for sirup, and other products, it buys a certain amount of soybean oil for paints, varnishes, and other industrial uses. The Department of Agriculture has long been experimenting in new industrial uses for farm products and has made important discoveries in this field. The Department, in cooperation with experiment stations of the leading Corn Belt States, has recently established a soybean industrial utilization laboratory at Urbana, Ill. It is also supplying funds for experiments in the use of cotton in road building. It will continue to explore such possibilities, I hope, with even increased facilities. Mr. Chester Davis was engaged in exploring the possibility of blending of corn-made alcohol with gasoline just before he took up his duties with the A. A. A., and he has continued an alert interest in the subject. I, myself, as a farm editor in 1932, sought to stimulate interest in this particular plan. I believe that no avenue should be left unexplored that may add to the uses of farm products and the wealth of the American people.

I am sure that farmers welcome the interest of industrialists in this experimental work. Time and money spent by them in opening up new uses for agricultural products is a fine contribution to the general welfare. However, I believe that this industrial-use program is not in itself a solution to the farm problem. Experimental activities are slow; something may come of this this year, or next year, or maybe in 10 or 20 years. I do not think we should rely exclusively on the possibility of a sudden industrial discovery opening up the need for the products of 30 or 40 million acres as a solution to the farm problem overnight. Here again it is a question of putting first things first. I do not want to belittle industrial experiments, but I do want to be sure that American farmers count no chickens before they are hatched.

Grim experience has taught agriculture the necessity to be realistic about the problem of achieving and maintaining the home market for its products. A healthy market here among the 125 millions of our own people is the farmers' first consideration. Nothing could be more vital to them than that. It is so vital that farmers have learned to apply the test of practicability to all the new proposals touching the problem.

Applying this test, farmers have learned that they themselves and the industries directly dependent upon agriculture comprise a large part of the home market. They now know that nothing is gained but everything is lost by extreme tariff measures, which in the name of protecting the home market, actually bring retaliatory amputation of our export outlets. They know this backs up farm products at home, wrecks American farm prices, cripples farm buying power and instead of building up the home market actually ruins it.

Having applied the test of practicability to the suggested alternatives, I think we may fairly classify into two main groups the workable measures to permit agriculture to make the most of the home market.

The first of these two groups of measures includes those designed directly to maintain a balanced agricultural supply situation in this country, to avoid piling up price-breaking surpluses, and to substitute sound and economic land use for exploitative methods which exhaust the agricultural plant.

The second of the two groups, bearing on the demand side of agriculture's problem, includes those measures designed directly to build up and maintain the purchasing power of the people of the towns and cities.

I have already touched upon measures comprising the first group. Farmers know a great deal about them. They understood the functions of the Agricultural Adjustment programs. These functions included reducing surpluses, restoring balance to supply, raising farm prices and helping to restore a home market to American industry. I believe most of them understand that the reciprocal-trade agreements are part of the general effort to remove barriers to international commerce, to revive world trade, reopen foreign outlets for farm products and improve supply conditions for our basic farm crops.

In the present agricultural-conservation program of the A. A. A., farmers are making another approach to the supply problem, although from a long-time as well as an immediate point of view. Farmers know that the reasons for ruthless exploitation of soil have often been economic—that under pressure of extreme supply and price fluctuations they have been alternately forced by ruinously low returns and induced by boom conditions to mine and sell soil fertility, or to expand the farm plant by turning under millions of acres of grass lands which should have remained in sod. I believe that farmers understand the public and private importance of stabilizing production, stabilizing prices, and of maintaining the productivity of farm land for years to come.

I think they also appreciate that, while the A. A. A. conservation program will be of immediate help in stabilizing supplies, still the program is not a direct production-control measure. It is well fitted to present needs, because the drought helped to dissipate surpluses. But farmers know that normal weather would bring surplus problems again, and will look forward to utilizing the method which the Supreme Court left open to them. The year 1938 is sure to see an interesting experimental effort by farmers to meet their supply problem through cooperation of the States. The Supreme Court did not abolish the farm surplus problem, nor did agriculture's interest in a balanced supply situation evaporate with the Hoosac Mills decision. But farmers were forced to look forward to using the method of cooperating through the States that the Court has left open to them. Agriculure will fight against recurrence of the surplus condition that ruined farmers in 1932.

I spoke of a second great group of measures available to protect and increase agriculture's stake in the home market. These measures include those which bear heavily upon the demand side of the farm problem. They comprise all those means by which this country is attempting to extend buying power to vast groups of our citizens who now have little or no buying power.

I wonder if the farmers have an adequate appreciation of the size of the market which could be opened to them in this country if the 10 or 11 millions of our people who now are unemployed were working, had incomes, and could become buyers of the goods of farm and factory. Besides the jobless, vast numbers of others have incomes so low or so uncertain that they can buy only meagerly.

The great problem of an industrial nation is to find methods which will assure distribution of the fruits of industry back to the masses of workers. Mass producing industries can function steadily and successfully only on a basis of mass consumption. Otherwise goods pile up, purchasing power becomes concentrated in a few hands, and civilization is shaken by recurrent plagues of unemployment and depression.

Our people have not yet solved this crucial problem of distribution. They are not expecting that a utopian solution will materialize from nowhere overnight. But the terrifying experiences of 1932 convinced them that the time has come to make serious and constructive efforts in that direction. In 1933, our Government undertook to cope with the problem before it was too late.

There is not time here to recite details about all the Federal measures which have sought to distribute purchasing power among masses of people who had none in 1932. People hungry or starving for want of money to buy food were placed on relief rolls, and surplus farm commodities were distributed among them. Increase in employment has been sought through public works, stimulation of home building, and through encouraging resumption of industrial activity by lending. Other labor and social-security measures have sought to replace the children and the aged in industry with able-bodied and mature people out of jobs, and to increase and maintain workers' income. Agencies have been set up to protect the savings of the people from being drawn into

the hands of speculators by sale of shaky securities. And right now Congress is considering tax reforms which will encourage redistribution of profits among the people through wages and dividends.

Admitting frankly that such efforts as these will need modifying and improvement, and that the degree of future reliance upon them will wane or grow from time to time as activity in industry rises or declines, still it is clear that they serve a tremendously important function.

Such measures use some of the technique successfully employed by the A. A. A. We know that revival of the purchasing power of 30 million farming population has resulted in great improvement in activity and employment in a good many industries.

Farmers should be quick to appreciate the significance for themselves of the converse of that situation. For them, the successful revival of industrial activity, the distribution of the products of industry among the masses of the people, the protection of the people's savings, and the stabilization of employment mean a healthy and growing home market for the products of the farm.

Gains have already been made in this direction. I have often indicated the importance of this factor in current farm improvement. A year ago, in my annual report to the President, I said that with prices then at a relatively high level, due to the improved supply situation, further improvement in farm income would have to come chiefly from improved industrial activity and better buying power among city workers. Such improved purchasing power has come about, not so rapidly as we would like, but fast enough to have effects exceeding our expectations. National income, exclusive of agricultural income, was higher in March than for any month since the third quarter of 1931.

During the first 3 months of 1936, farm income from the sale of products was over a billion and a half dollars, an increase of 20 percent over the income for January, February, and March of 1935, not including benefit payments. The recession in farm income and rural retail business that followed the Hoosac Mills decision has been succeeded by new gains as farm confidence has been restored, as benefit payments have been resumed, and the price situation has been strengthened. This increase in farm income came about not through increased prices, but through the ability of consumers to absorb a larger amount of farm products at a reasonable price through increased purchasing power. Even so, the improvement in farm income was about twice as great as the improvement in consumers' income. This was due in part to the fact that farmers receive approximately half of the consumer's dollar spent for food, so that when a consumer benefits from 10 percent more income the increased expenditure on food, if it all goes to the producer, means a 20-percent increase in the receipts of farmers.

I have pointed out before how very closely the trend of income to farmers follows the trend of factory pay rolls in the cities. In the case of dairy and livestock products, the income of consumers and what they spend for these products follow an almost identical trend. Both reached a low point in 1932, and both had increased by approximately one-third by the beginning of 1936. The same general rule holds, though with variations, for other farm products. Now that factory pay rolls and consumer purchasing power are increasing, farmers are benefiting in a rather striking way, since the margin taken out by middlemen tends to remain fairly constant, and additional consumer expenditure therefore goes quite largely to the producer.

Now, I think we can all see where the real hope of attaining and maintaining a great home market for American agriculture actually lies. It lies in keeping a healthy farm supply situation; in opening and keeping open the channels of international trade, so that surpluses of our great basic commodities will not back up on the farm; it lies in conservation of soil resources by sound production of sufficient supplies, not in the waste of these resources by reckless production of price-breaking surpluses.

On the demand side, agriculture's interests are served by building up the home market. Agriculture benefits from increased industrial activity and from measures designed to put purchasing power in the hands of the large numbers of people who still have almost none. This is agriculture's great stake in the national welfare.

What agriculture wants is customers with money to buy the products of the farm. For we all know that farmers with large quantities of stuff which they can't sell for want of customers with money, may be nearly as poor as people who need that stuff badly but who can't buy it. We all remember the milk strikes in the Middle West at a time when millions of city people needed milk and butter. Their need of itself didn't help dairy farmers because it could not then become a real market demand for dairy products. Agricultural markets are much improved since the farm strikes of 1933. We want more improvement such as we have already had in the South's demand for dairy products and in the North's demand for cotton.

We want to have a chance to sell the products of those three additional million acres which could be used, on a basis of improved wage scales and employment, by New York City's potential customers of agriculture. Think of the home market farmers might have if the distribution system were improved to give buying power to the millions of people who now have little or none. Such considerations are a hundred times more important than imports as a factor in broadening agriculture's home market.

Of course there are some rich and powerful interests in this country which reject and obstruct every Government undertaking, whether it falls in the first or the second group of measures I have named.

These people fought the Agricultural Adjustment programs first in Congress and then in the courts. They have created subsidized organizations pretending to speak for the farmers in opposition to the farmers' adjustment and conservation programs, and to talk up regimentation, imports, chemical salvation, or anything else that happened to come in handy in their efforts to arouse the farmers, or persuade the country that the farmers were aroused against measures which, for reasons of their own, these interests disliked.

The attacks on agriculture's programs have been accompanied by assaults directed against every effort of the Government to provide relief, create employment, and spread buying power among more people. The technique already familiar to farmers has been used in creating and subsidizing organizations to speak, in the name of liberty, or Constitution, or independence, or Republic, but always to speak for those interests which are fighting the Government's reemployment, relief, and recovery efforts.

The welfare of American agriculture is inseparably linked with the national welfare. The long depression that beset agriculture in the decade of the twenties was an important factor in the national depression of the thirties.

Agricultural improvement from 1933 to 1936 has made an important contribution to national economic recovery. Conversely, the Government's employment and other measures for industrial revival have helped in the improvement of the domestic demand for farm products.

The interests which fight against the farmers' programs are really striking a blow also against industry's markets. Those which fight industrial reemployment and recovery measures are striking a blow at the farmers' home market, and retarding the development of that market to its full potentiality.

The outlook for agriculture is bright. But keeping it so will depend upon maintaining the present healthy supply situation, reopening further the channels of world trade, conserving the fertility of the farm plant, and developing the latent home market. This last can only come from increasing the buying power of the large groups of people who now have little or nothing to exchange for goods. To give them employment and earning power is a problem challenging the best leadership and the sincerest thought of industry, of agriculture, and of government.

To meet this challenge we need more than ever the spirit of interdependence and unity in which our Nation was founded. Without this spirit we will be defeated by selfish pressure groups and narrow legalisms. With it we can go forward to new national achievements securely founded on the general welfare.

REGULATION OF TEXTILE INDUSTRY

Mr. GUFFEY. Mr. President, an editorial appearing in the New York Post of Tuesday, April 21, forcefully calls attention to the action of an employers' association which is actively advocating adoption of certain regulatory measures for the textile industry which are contained in the National Textile Act introduced in the House of Representatives by Congressman ELLENBOGEN.

It is probably of some historical importance to note the declaration of one organization of businessmen supporting those legislative principles which are essential to natural economic recovery. I ask unanimous consent that the editorial may be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Post of Apr. 21, 1936]

WONDERS NEVER CEASE

Can business prosper by pulling down labor standards? It cannot. Is a certain measure of Government supervision a help or a hindrance to business? A help.

At least that's the opinion of the National Federation of Textiles, Inc., expressed by its president, Peter Van Horn. The federation is the trade association of the silk and rayon industry. It joins textile labor organizations in calling for enactment of the Ellenbogen bill to establish a little N. R. A. in the textile industry.

The federation hasn't suddenly gone altruistic. It isn't talking through its hat. It made a survey of what happened in 100 silk and rayon mills after the Supreme Court threw out N. R. A.

Hours of work were increased 13 percent. Employment was cut 13 percent. Wages were reduced 5 percent. Production was stepped up 30 percent.

Did that spell prosperity?

On the contrary Mr. Van Horn says that prices fell 5 to 7 percent and sales increased only 9 percent. The difference between that 9 percent increase in sales and the 30 percent increase in production raised the specter of new overproduction, further declines in employment, renewed deflation, more shrinkage in sales—the whole vicious pre-N. R. A. circle all over again.

So the federation wants the Ellenbogen bill. It speaks not the language of the past, but of the future. Its president talks of a 35-hour week as a desirable reform. He points to the estimated $67,000,000 increase in purchasing power if a $13-a-week minimum is established for a 35-hour week. He says that 100,000 new jobs

can be created and that the cost of maintaining 100,000 unemployed will thereby be saved to the taxpayer.

All this to the federation means stabilization of its market, an end of cutthroat competition, and some protection against unfair practices.

It sounds strange in a time of unrestrained and often irrational attack on the New Deal to hear businessmen acknowledge some of its basic principles.

The silk and rayon industry may be the first, but we hope it won't be the last to do so.

Business is waking up to the fact that in order to have a market it must maintain purchasing power and that to maintain purchasing power a certain measure of Government supervision over minimum wages and maximum hours is necessary.

LINCOLN, THE IDEAL PROGRESSIVE—ADDRESS BY DR. JOHN WESLEY HILL

Mr. McADOO. Mr. President, February 12, 1936, before the Los Angeles Lincoln Club, Dr. John Wesley Hill, chancellor of the Lincoln Memorial University, Cumberland Gap, Tenn., delivered an inspiring address on the subject of Lincoln, the Ideal Progressive. I ask unanimous consent to have Dr. Hill's address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Toastmaster and friends, in my last conversation with Uncle Joe Cannon I asked the retiring Congressman about his religious faith. Jerking a stogy from his lips and exuding a column of smoke from his vocal chimney, he exclaimed: "I believe that when God Almighty organized this big corporation known as Humanity and capitalized it, He became responsible for the maintenance of its parity, and I'll be hanged if I part with my holdings in a panic!"

That was the gospel of St. Joseph.

It was likewise the gospel of Father Abraham, who in a letter to his friend Joshua Speed, written amidst the political problems and prognostications of 1860, said: "My text just now is 'Stand still and see the salvation of God!' "

If Lincoln were here today, he would reaffirm the inscription on our coin, "In God we trust", and emblazon it on our economic sky, knowing that the slogan stamped there was so sacred that even the versatile Robert G. Ingersoll suddenly turned orthodox and declared, "A dollar is not worth the paper it is written on if it cannot take the witness stand and swear 'I know that my Redeemer liveth.' "

This confession of faith is still our most precious patrimony.

If we neglect this inheritance, it will fall into alien hands.

The representatives of agitation and revolution are attempting to appropriate it.

There are over 200 revolutionary publications continually invoking the words of Lincoln in justification of their un-Americanism.

Lincoln, anticipating this distortion, said: "If I should die tomorrow, my obscurity alone would protect my principles from distortion."

That prophecy is fulfilled today in shameful misuse of Lincoln's name, in fragmentary and mutilated quotations of his words, in misapplication of his principles, in grotesque imitations of his democracy, in demagogic strutting in his livery, and in shocking perversions of his character.

The hour is opportune for a Lincoln renaissance, a revival of his letters, a return to the principles for which he lived and died, the integrity of the Constitution, equality before the law, religious tolerance, racial amity, industrial and social justice, sound money, a "lasting peace among ourselves and with all nations", national preparedness, and the solution of every problem "With malice toward none and charity for all, and with firmness in the right as God gives us to see the right."

There is nothing Utopian or obsolete in these articles of faith. They are instinct with life, applicable today and adaptable through all time because truth is timeless, not irridescent baubles of political vacuity, nor preambulatory advertisements of political nostrums, but a body of faith, built upon the cornerstone of law, rather than tumult, expediency, or passion!

Lincoln was a constructive progressive; destruction had no place in his creed. His was a forward-looking program. He was not a dreamer nor a haloed illusionist.

He knew the difference between progress and motion.

The little boy on his hobby horse imagines he is making a two-ten record, when he is only wearing out the carpet. That is not progress but friction.

Lincoln was neither a reactionary nor a revolutionary. The reactionary would worship the devil on account of his antiquity; the revolutionary wearies of God because of His eternity.

Lincoln stood midway between the extremes.

In his address before the Historical Society of Connecticut, Charles A. Dana said, speaking of Lincoln: "He was never a step too late nor a step too soon."

If he were here today, he would not be a stand-patter but a steady-stepper.

Lincoln's progress was not in experiment, but by experience!

A surgeon advised his patient that an immediate operation was necessary.

The patient pled for time, insisting upon knowing whether the operation would be a success. "Certainly it will be a success", said the surgeon. "How do you know?" asked the patient. "Because", replied the doctor, "I always save 1 out of every 10, and the other 9 are dead!"

Lincoln knew how to bide his time.

He remembered the little couplet, "He who plants a seed beneath the sod, and waits to see it mount above the clod, he trusts in God!"

"A man", said Lincoln, "watches his pear tree day by day, impatient for the ripening of the fruit. Let him attempt to force the process, and he will spoil both fruit and tree, but let him patiently wait, and the ripened pear will at last fall into his lap."

Lincoln did not attempt to rebuild the world overnight. He built upon history; he likewise believed in posterity. If he were here today, he would plan for the protection of posterity from the unescapable burden of taxation awaiting future generations. In his zeal for the "forgotten man", he would not neglect the unborn.

To the radicals of his day, he said: "You are united in your determination to break with the past, but you are utterly divided among yourselves as to where you are going. You remind me of the little steamboat on the Sangamon, which had a boiler 3 feet long and a whistle 5 feet high, and every time it whistled it stopped. It exhausted its power in noise."

Lincoln did not mistake noise for growth, nor phosphorescence for illumination.

For a steady light a tallow dip makes a better light than a skyrocket.

Reason was the lamp by which he was guided. He was not controlled by impulse.

The impulsive man is the little chap who runs a private wire from the depths of his vacuity to the peak of his egotism, and because it is so high, he thinks he is talking with God, when he is only soliloquizing. Lincoln was not a soliloquist, but a syllogist.

If he were here today, he would make haste slowly! He would think problems out. He would not mistake a cerebral concussion for an idea! He would not be most undecided when he had made up his mind.

He would not mistake revolution for evolution!

He said, "Revolutionize through the ballot box", and again, "He would sooner have the fowl by hatching the egg than by smashing it."

To a committee from the Working Men's Association of New York, he said, "The strongest bond of sympathy outside the family relation should be one uniting all working people, nor should this lead to a war upon property, or the owners of property. Let not him who is houseless pull down the house of another, but let him labor diligently and build one for himself, thus by example assuring himself that his own will be safe from violence when built."

Lincoln had no room for Marxianism in his political philosophy.

Socialism is not reform.

Robert Hunter, the placid philosopher of Marxianism, in his book entitled "Socialists at Work", says, "No reforms satisfy them. Their ideals and aims are beyond any immediate attainment, and national, State, and municipal ownership, social insurance, the demolition of slums, the abolition of child labor, the reduction of hours of toil, receive scant approval from Socialists for the reason that socialism is not a reform, but a revolution."

When, therefore, it is proposed to transfer property from private to public ownership, the credulous devotees of this obnoxious doctrine are ignorant of the fact that this revolutionary program includes land, mines, tools of industry, the home, the school, the sanctuary, and the most sacred institutions of civilization.

Government ownership may be a capitivating program to the ignorant and indigent who feel that it is the duty of government to feed them; but to the thrifty and self-reliant who understand that government derives its rights and resources from the governed, and that its function is to protect these rights, the doctrine of the dole is abhorrent.

It is State slavery built upon the principle that the citizen is the ward of the State, thrusting its meddlesome nose into the most sacred rights and relations of the citizen, subjecting him to its belittling and bedeviling espionage.

No less authority than the versatile H. G. Wells declares that: "Socialism is the State family, and just as privately owned utilities must be changed from private to public ownership, so the home, which is an institution of private property, must be transformed into public ownership, resulting in a widely extended communism."

Ah, the secret is out! The socialistic scorpion carries its sting in its tail.

The widely extended communism advocated by Wells is the promiscuous sexuality acclaimed by Lenin and Stalin.

Marriage is no longer a sacrament but a sacrilege. The home is scrapped and the cradle is transformed into a bolshevistic eugenic incubator.

Against this proposed nationalization of the home, its scientific mating, eugenic breeding, and moral degradation, Lincoln directs every power and passion of his head and heart! "The home", he declared, "is the cornerstone of our civilization", and recalling the scenes of his childhood in his cabin home, he exclaimed: "All that I am, or ever hope to be, I owe to my angel mother. I remember her prayers. They have clung to me all of my life."

In the midst of the bewildering problems of the Civil War, he said: "I am driven to my knees over and over again because I have nowhere else to go."

In a letter commending his dying father to the mercy of God, writing to his stepbrother, he said: "Tell father to put his trust

in God. He notes the sparrow's fall, and numbers the hairs of our heads, and will not forget the dying man who puts his trust in Him."

Compare these sublime sentiments with the licentious doctrines of the Communist manifesto, and the putrid preachments of Stalin and his retained assassins.

Lincoln believed in individual initiative, freedom of conscience, and worship, the bill of rights, and representative democracy. He would not clothe Government with paternalistic functions. To Lincoln there was no twilight zone between public and private ownership. He boldly declared: "The legitimate object of Government is to do for a community of people whatever they need to have done, but cannot do at all, or cannot do so well in their separate or individual capacities. In all that people can individually do for themselves the Government ought not to interfere."

The wisdom of this utterance is seen in the debacle of every Government venture in the field of paternalism, notably Government control of the railways during the World War, which left the railroads in the condition of the old pawnbroker on the Bowery, who, having accidentally swallowed a dollar, threw up his hands in excitement and exclaimed: "I am a dollar in and a dollar out, and I cannot balance my books."

And the books are still unbalanced!

Upon the institution of private property civilization rests.

It has seen order and organization supplant savagery, anarchy, and disorder; freedom repress tyranny, and the principle established that a man's "home is his castle", and cannot be invaded except by due process of law.

"If there is any one thing", Lincoln insisted, "which can be proved to be the will of Heaven by external nature around us, without reference to revelation, it is the proposition that whatever a man earns with his hands, and by the sweat of his brow, he shall have the right to enjoy in peace."

When a man can no longer say of that which he has acquired through sweat of brain or brawn: "This is my own", when he becomes a nonproductive parasitical consumer, the mainspring of civilization snaps, incentive to progress ceases, life becomes a game of grab, and men will be reduced to beasts of prey.

The hour is at hand, therefore, for a reapplication of the principles which are fundamental to our national life: The Constitution without mutilation; liberty without license; equality without uniformity; prosperity without monopoly; ownership without communism; government without bureaucracy; patriotism without demagogism; business without regimentation; and progress without revolution.

The iconoclast has done his work, the burblers have exhausted their noise.

The hour for the builder has arrived!

We are surfeited with experimental legislation! "All kinds of twisting and turning done here" is the magic sign over the door of the new order of political prestidigitators!

The time is ripe for a return to sanity. Lincoln said: "True views are better than new views." Bills of lading should take priority over bills of legislation.

The Government should not make the fashion plate of the French milliner its model. That artistic genius goes into seclusion at the close of the season, and by some process of integral calculus, or special spectrum analysis discovers that changing styles cost our American ladies million of dollars for the shape of a crown, the color of a ribbon, or the attitude of a feather.

Business should not be regulated by political fashion plates.

It should not turn upon the attitude of a Government commission, the contortions of a shadow-dancing "brain truster", or a socialistic somnambulist.

Prosperity cannot be built upon the caprice of the moment; it cannot thrive in the dark.

Blind alleys are poor terminal stations for transcontinental systems.

Business should not be kept on the witness stand indefinitely.

If our Government is to continue as the embodiment of representative democracy, if it is to maintain constitutional authority, we must avoid everything that savors of bureaucracy, draw a line of demarcation between government by commission and government by constitution, and develop our national resources, genius, industry, and institutions through that personal initiative, private capital, sense of justice, and love of liberty as far removed from paternalism upon the one hand as it is from democracy upon the other.

Government by commission is headed toward despotism. It is only a matter of time when it arrives.

Bureaucracy is only another name for stagnation. Stagnation is the final step to damnation.

There are such bewildering contradictions between State and National commissions that business is frequently in the position of the two prospectors on the western plains in the early days.

They saw a buffalo bull charging upon them and fled for safety, one of them springing into a cave as the infuriated beast went by. Then the man in the cave jumped out and the bull rushed back, the man jumped in and the bull rushed by. The man in the tree shouted: "You infernal fool, while you are in the cave, why don't you stay there?" To which the man below answered: "What the dickens do you know about this cave? There is a bear in here!"

Between the bull and the bear of State and Federal regulations there has been naught for business but to jump in and out, backward and forward, in a vain attempt to escape the penalties of conflicting tribunals.

Constitutional government was the desideratum of Lincoln's statesmanship. He would not tolerate a dictator. Early in his career he depicted the dictator as one who "with towering ambition disdains a beaten path and thirsts and burns for distinction." He said: "When we as a people lose the genius of our own intelligence we become the fit subjects of the first cunning usurper arising among us."

In the midst of the chaos and confusion of world reconstruction, where militarism masquerades in the garments of peace; internationalism in the role of humanitarianism; preparedness is laughed to scorn by professional pacifists, and revolution stalks in the name of progress, we need to hear again the words of Lincoln: "I insist", said he, "if there is anything which it is the duty of the whole American people to revere and not to entrust to any hands but their own, that thing is the preservation and perpetuity of their own liberties and institutions."

Prior to this warning sounded by Lincoln, Washington warned us against "Entangling alliances with the Old World."

It was in our infancy that this advice was given, when our population along the seaboard was sparse, democracy was still on trial, the problem of self-government had not been solved, the American eagle had not been hatched. Today conditions are different, where Uncle Sam sits is the head of the table.

In our infancy, we were proud of our little antiexpansion bib and persisted in separation from the Old World, and living our own life. In the meantime, we continued to grow until the little antiexpansion bib looked like a cotton patch on the front of our blue uniform.

When the Maine blew up our bib was blown to tatters and America suddenly became a world power.

And now what do we propose to do with this power, utilize it as a monkey playing with a razor, dissipate it in muddling around without chart or compass, and permitting our institutions to perish, our flag to float at half mast, and our glorious heritage to suffer destruction through our failure to heed the words of Lincoln, when he warned us against "entrusting to other hands the preservation and perpetuity of our own liberties and institutions"?

Lincoln was not an isolationist. He recognized our accountability to the world. He saw beyond the Civil War a new era of democracy, the soul of which should be projected everywhere, and he would not tolerate the thought of provincialism.

His dream for America and the world was a "just and lasting peace among ourselves and with all nations", but he would recognize no international banner. He would not tolerate the red flag! He would not hang the American flag beneath the flag of the League of Nations.

His was not a program of self-surrendered rights and policies, the transfer of the power to declare war from Congress to an alien court, the submission of the Monroe Doctrine, our immigration policy, or any other question vital to our rights to a league of nations, but peace at home and "with all nations", characterized by such strength toward the strong and gentleness toward the weak that the world must recognize the source of our power in our devotion to justice, love of liberty, and consecration to humanity.

Standing for these ideals today at home and abroad, possessed of the greatest physical basis for an enduring empire the world has ever known; orphaned of the solemn instinct of antiquity; yet compensated in area for all that we lack in age; environed with mountains of silver and gold; boundless in resource, illimitable in energy and enterprise, a continental empire, threaded with a thousand lines of trade and commerce; a land of Edens and El Doradoes, it is not for us to carry our flag at half mast in any crisis, nor to surrender to dismay in the hour of darkness before the dawn.

Defeatism is not in our national vocabulary.

No, it is for us to develop that economic and spiritual supremacy, that faith in God and humanity, that courage to meet the greatest obstacles, and to face the greatest tasks unawed and unafraid, to meet it in a spirit worthy the ideals, institutions, and ancestry of which we boast.

Yes, worthy the immortal Lincoln, who, when Sumter had been fired upon, and the Nation itself was threatened with destruction, when the rock beneath his feet, called the Government, was turning into shifting sands, with faith incapable of bewilderment, took up his pen and wrote in his first message to Congress in 1861: "Having chosen our course without guile, and with a pure purpose, let us renew our trust in God, and go forward with manly hearts."

Brothers, the Lincolnian slogan for the hour is "Forward! Forward with manly hearts!"

THE TRADE AGREEMENTS PROGRAM AND WORLD PEACE—ADDRESS BY HENRY F. GRADY

Mr. POPE. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Mr. Henry F. Grady, Chief of the Division of Trade Agreements, Department of State, before the annual meeting of the Women's International League for Peace and Freedom, at the Chase Hotel, St. Louis, Mo., May 2, 1936. The address is entitled "The Trade Agreements Program and World Peace." I feel that the address is of so much value that I should like to have it printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am confident that the members of the Women's International League for Peace and Freedom, who have worked long and earnestly for peace, readily appreciate the bearing of the Government's present commercial policy upon international cooperation and good will.

It must be evident to all that peace and prosperity go hand in hand. The periods of greatest economic development in the history of the United States have been periods of good times at home and of flourishing international trade. Periods of great depression accompanied by an agitation for higher economic protection follow wars and have in them the seeds of future wars. Economic nationalism, self-sufficiency, autarchy, or buy-American campaigns—by whatever name it is called—is not new to us today. It is high protectionism developed into a new and extreme form.

Tariffs in themselves are not a cause of war. They make possible to a certain extent some control over our national economic development, but when they become instruments of national self-sufficiency and are used to obstruct and divert the natural courses of world trade, they lead to commercial warfare and unfriendly relations among nations.

Some persons believe that economic nationalism is the only basis upon which the prosperity of the United States may be restored and that our tariffs should be greatly increased and that our imports should be further restricted. Such a belief is for the most part based upon confused thinking and a lack of an understanding of the fundamental nature of trade. A comprehension of even the elementary principles of political economy should make clear to a reasonable person that national self-sufficiency leads to unemployment, a lower standard of living, and international friction.

Those who seek to convert the United States to a policy of national self-sufficiency do not appreciate the vital importance of our export trade to the economic well-being of the country in general. They point out that our exports account for only 10 percent, or even less, of our total production. They argue, therefore, that the volume of foreign trade could be substantially reduced without resulting in a dislocation of our domestic economy. Such persons fail to realize, however, not only that the 10 percent may represent the difference between profit and loss in many industries but that such an average is often misleading.

This average of 10 percent obscures the fact that foreign markets are especially important to many of our basic industries upon which the prosperity of the country is to a great extent dependent. For example, in 1929 our export trade absorbed nearly 55 percent of the cotton produced in this country, over 40 percent of the tobacco, 33 percent of the lard, 18 percent of the wheat, 30 percent of the office appliances, 28 percent of the printing machinery, 30 percent of the sewing machines, 25 percent of the agricultural implements and machinery, and 14 percent of the automobiles. Many of these industries are large consumers of raw materials and semimanufactured articles domestically produced. For instance, preliminary statistics issued by the automobile industry indicate that in 1935 that industry alone consumed 77 percent of the plate glass produced in the United States, 75 percent of the rubber manufactures, 39 percent of the lead, 33 percent of the nickel, 23 percent of the steel and iron, 22 percent of the copper, 20 percent of the tin, 16 percent of the aluminum, 15 percent of the zinc, and 8 percent of the hardwood lumber.

Trade, in the last analysis, consists in an exchange of goods or services for mutual benefit. This is true of international trade as well as of domestic trade. Payment for merchandise sold abroad may be made in gold or with credit for a time, but eventually goods and services must pay for goods and services; in other words, imports must in the long run pay for exports. If prosperity is in a large measure dependent upon export trade, it is therefore no less dependent upon import trade.

A large percentage of our imports consists of noncompetitive goods, products which complement rather than compete with domestic products. Many of them could not be produced here at all; others might be produced, but not on an economical basis. Their production would result in a decrease in the productivity of labor and capital and an increase in the cost of living to consumers. The range of imports which we cannot produce at home efficiently or at all and which do not compete to an appreciable extent with domestic products can be enlarged.

I may point out that Federal Reserve bank indices, covering a 16-year period from 1919 to 1935, show a close correlation between imports and employment. When imports have increased, employment, and to a great extent wages, have increased, and, on the other hand, when imports have decreased, wages and employment have decreased. I do not mean to imply, of course, that imports are directly a major factor in the creation of employment, although, as a matter of fact, it has been estimated that about four-fifths of our imports, three-fifths consisting of crude materials and foodstuffs, and one-fifth of semimanufactures, require the employment of American labor in being transformed into marketable products. I do mean to point out, however, that better times and employment accompany increased activity in international trade.

If our foreign trade which absorbs the surplus resulting from and necessary to the high level of our agricultural and industrial productivity should be cut off, what would the result be? Not only the workers directly engaged in export industries, but also those who indirectly produce for export markets would join the ranks of the unemployed. Furthermore, factories relying upon imported materials for production would have to close down, adding further to economic distress and unemployment. Without cargoes our ships would lie idle, and enterprises closely affiliated with foreign trade, such as banking, marine insurance, warehousing, and transportation would be seriously affected. The domestic market would be glutted with goods intended for foreign consumers. Prices would drop, purchasing power would shrink, business would stagnate. A great depression would settle upon us from which there would be no recovery, for economic activity would be reduced permanently to a lower level. This would be the price of economic nationalism.

The evils of economic nationalism are visited not only upon those countries which choose to be self-sufficient. The import barriers raised by the countries desiring economic isolation are a disrupting factor in world trade in general. The other countries, being thus deprived of foreign markets, must seek new markets elsewhere with the result that competition in international commerce is increased, and prices become depressed. As a result of the decline in world trade, the countries which have neither desired nor sought to become economically isolated find themselves so isolated nevertheless. Such conditions of world depression result in a desperate struggle among nations to grasp what foreign markets remain. Each country seeks special treatment of its commerce by the other. Those countries which are discriminated against by a regime of special privilege find their world markets further limited. They retaliate with discriminatory restrictions. Thus, economic nationalism imposes a strain on international good will. It leads to commercial warfare and finally, in all likelihood, to armed conflict. The competition in import restrictions is as dangerous to world peace as is the rivalry in military armaments. There must be economic disarmament if future wars are to be prevented. Peace and prosperity are hardly possible under conditions of aggressive economic nationalism.

Nations—much like human beings or other members of the animal kingdom in this respect—are motivated by considerations of self-preservation. They will fight for their existence. Prosperity is a condition under which the economic opportunities for existence are freely offered. In our highly integrated civilization no one country possesses within its borders all the resources necessary to modern existence, but by the development of the resources that it has it is able to produce goods for other countries in exchange for the raw materials, foodstuffs, or manufactures which it needs. War may be resorted to, of course, to gain control over resources which are needed at home, but aside from that means, the creation of purchasing power abroad by the development of foreign markets offers for the most part the only opportunity today for obtaining food and materials with which a country may not be adequately equipped or able to produce domestically. A country which is deprived of its foreign markets faces as serious a problem as one whose most valuable natural resources have been seized by force of arms. The very existence of modern civilization is based upon the institution of international trade. When that trade is restricted to an unreasonable degree or diverted into artificial channels by a regime of special privilege and discrimination, and when the means of a nation's livelihood is thereby threatened, the peace of the world is endangered.

The question is, then, How may the barriers to trade be reduced and international commerce be restored upon a fair and equitable basis?

The Government of the United States has taken the lead toward the rehabilitation of world trade as a result of the passage of the Trade Agreements Act of June 12, 1934.

The trade-agreements program, which was instituted by that act, has two objectives: First, the restoration and expansion of international trade by means of reciprocal reductions of trade barriers and, second, the securing of equality and opportunity for American goods in foreign markets. The program seeks to develop trade on the basis of most-favored-nation treatment.

The unconditional most-favored-nation principle is opposed to the system of preference and special advantage. Simply stated, the principle is this: Any favor granted to one country is extended unconditionally and automatically to all countries which likewise extend to us any favors which are granted to third countries. Thus we receive the same kind of treatment we give. In other words, we do unto other countries as we would have them do unto us. This is the golden rule of international relations.

Under the Trade Agreements Act, announcements of intention to negotiate have been made with respect to 18 countries, and agreements have been concluded with 12 of those countries. There are four agreements with European countries, namely, Belgium, Sweden, Switzerland, and the Kingdom of the Netherlands; seven with Latin American Republics, namely, Cuba, Brazil, Haiti, Colombia, Honduras, Nicaragua, and Guatemala; and one with our neighbor, Canada, which is our second most important customer and second most important source of imports. All of the 12 agreements concluded, except three, namely, those with Colombia, Nicaragua, and Guatemala will be proclaimed when they have received the legislative approval of the Governments of Nicaragua and Guatemala, respectively, and will come into force 30 days after their proclamation.

The trade agreement with Canada, which came into force on January 1, 1936, stands out as one of the major achievements of the trade-agreements program with respect to the number of concessions and the volume of trade involved. Canada undertakes, in this agreement, to accord to the United States the most favorable tariff treatment accorded to any non-British country.

The importance of such an undertaking cannot be measured by mere statistics of trade. It marks a revolution in the trade relations between the two countries. It means that Canada has adopted with respect to the United States the policy of nondiscrimination which we are seeking to advance in the interest of peace and prosperity.

To review in detail the many concessions which have been obtained in the trade agreements thus far concluded with a view to restoring and expanding our international commerce would require more time than is at my disposal. Such information, in carefully tabulated form is, however, available to anyone upon request. In brief, the 12 agreements which have thus far been concluded provide for the reduction of foreign duties on a long list of our export commodities, increases in quotas for American products, the removal or lowering of various types of restrictive taxes, the binding of certain existing duties against increase, and of certain existing quotas against reduction, and the assurance of most-favored-nation treatment of American commerce.

Regardless of the great amount of consideration which is given in tariff bargaining to the welfare of individual industries and the various regions of production, the purpose in view, which is never lost sight of, is the prosperity of the country as a whole. That prosperity is dependent upon the revival and development of international trade in which all countries are offered an opportunity to participate upon an equal basis. This is not possible, however, without conditions of peace. On the other hand, peace is not possible in our modern civilization unless world trade is allowed to grow and nations are offered an equal opportunity to participate in that trade.

Secretary Hull has said of the trade-agreements program, "Our program is essentially an effort to substitute the instruments of commercial peace for those of commercial warfare and thus to provide an important element in the maintenance of peace itself." A program which has for its purpose the gradual lowering of excessive barriers to trade and the establishment of commercial relations upon a nondiscriminatory basis is surely a step in the direction of international good will and world peace.

THE BATTLE OF SAN JACINTO—ADDRESS BY G. A. HILL, JR.

MR. SHEPPARD. Mr. President, I present for incorporation in the RECORD an address delivered in connection with the centennial celebration of the Battle of San Jacinto, by George A. Hill, Jr., of Houston, Tex., on April 15, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman and members of the Kiwanis Club, I am deeply sensible to the honor that you do me in inviting me to address you upon the eve of the celebration of the one hundredth anniversary of the Battle of San Jacinto. By heritage, by environment, and by long and appreciative contemplation, that occasion has sustained in me for many years a feeling of heightened pride of lineage, of race, and of country, and in the institutions of Anglo-Saxon freedom preserved by that epochal and heroic conflict.

With the Declaration of Independence at Washington on the Brazos on March 2, 1836, the colonists of Texas sealed their doom or their salvation. The swift march of events and an onrushing and conquering enemy made their action imperative—and the siege of the Alamo made all hope of a peaceful solution vanish. By action of the convention, Sam Houston was made the commander in chief of the army of Texas—a veritably nonexistent entity, and he proceeded at once, with an escort of three men, to Gonzales to recruit, equip, train, and maneuver his prospective command in such fashion as to serve his twofold purpose, viz:

First. To cover the flight of the women and children, the sick and the aged, and the official personnel of the Government before the armies of the destroying invaders; and

Second. To organize a strategic retreat, under the delay of which he might hope to deceive and divide the enemy, and develop an effective fighting force, capable of achieving victory whenever a fortuitous opportunity could be contrived.

The annihilation of the defenders of the Alamo on March 6, and the massacre at Goliad on March 27, spread terror and consternation, and Houston's retreat from Gonzales began, largely composed of an army of striplings of the average age of 20, from which there were defections and additions while marching to San Felipe de Austin, but which army numbered 783 on the fateful day at San Jacinto.

You will remember the burning of San Felipe, upon Houston's retreat; the delays on the Colorado and the Brazos; and the indescribable hardships from cold, rain, hunger, swollen streams, and sickness; also the arrival on Buffalo Bayou, opposite Harrisburg, on the day following the burning of the town by General Santa Anna, as he hurried on to Morgans Point in pursuit of President Burnet who had evacuated Harrisburg with his government none too soon. These events were replete with incidents marked by superb courage, inflexible purpose, heroic suffering, and uncanny vision, for indeed, the "Runaway Scrape", as the exodus of the civilians was called, had enjoyed the protection of Houston's retreating army, and Santa Anna's belief that the Texans were in full flight to Louisiana had caused him to mistake Houston's strength and purpose and to divide his own armies.

When Houston arrived at Harrisburg he comprehended Santa Anna's predicament. After providing for his sick and exhorting his troops to renewed efforts he followed Santa Anna's course as far as the Lynchburg Ferry, realizing that Santa Anna would have to return there from his camp at Morgans Point to effect a crossing, and that Houston's army could confront him there. Santa Anna, believing it to be Houston's purpose to also cross at Lynchburg in his supposed flight, and desiring to prevent this, hurried to Lynchburg to make his encampment and await reinforcements.

On the afternoon of April 20 there was skirmishing and brief but desultory firing, and Santa Anna's reinforcements under General Cos arrived during the night.

On the morning of the 21st Houston literally and figuratively burned his bridges. He sent Deaf Smith to destroy the bridge over Vinces Bayou, the only avenue of escape for either army, and then restrained his forces until midafternoon for the attack.

The remainder is history—unprecedented and imperishable!

Seven hundred and eighty-three Texans launched an attack upon the armies of Santa Anna and Cos, totaling 1,500 men, and in 18 minutes killed 638, wounded 208, and captured 738 in a devastating defeat and rout of the Mexican forces that, in its awesome finality, crushed and forever removed tyrannical sovereignty over Texas, achieved the independence of the Republic of Texas, made Santa Anna captive, and launched the movement for the territorial expansion of the United States and its constitutional Government unrivaled in the history of our country, and eventually added many millions of square miles to the area of the United States.

The attack of the Texans was like the scourge of holy wrath.

Its scorching fire was but one burst of avenging flame from the crucible of despotism into which had been poured the compound of a vicious tyranny, a stupid absolutism, a broken faith, and the excessive cruelties of insensate massacres by the unwanted masters of the Mexican people—they themselves the mere pawns of Santa Anna's ruthless dictatorship.

And so, with the coming of peace and the establishment of a beneficent government, the people of Texas progressed upon their way, enjoying the blessings of a bountiful nature and its yielding to the arts and the crafts and the sciences, until those who loved and revered its history realized that its priceless benefits might be lost if its people forgot how painfully and perilously such liberties were purchased.

And so it was that, as the years went on, only relatively few of our people realized the tremendous portent of the sufferings, the privations, the heroism, and the achievements of their pioneer forefathers and the glorious pages of history written in the lives and exploits of those who fought for and founded the Texas Republic—and a scant little band, from year to year, reviewed and revived the lessons of our history and, for its worth as a permanent lesson in patriotism, made countless pilgrimages to the battlefield of San Jacinto and urged its purchase and preservation by our State.

After 61 long years the efforts of this faithful band of pioneers and their descendants secured, in 1897, during Governor Culberson's administration, a legislative appropriation of $10,000 for the purchase of the battlefield. The newspapers of that day—40 years ago—record their meetings, their historical recollections, their hopes and plans.

I exhibit to you a photograph then taken of Capt. James Converse's ship upon which the veterans were taken to the battlefield, and I am having passed among those present a reproduction of the newspaper accounts of the meetings of the veterans, and their recollections of the battle, and their identification of landmarks on the battlefield, just prior to its purchase by the San Jacinto Commission appointed by Governor Culberson. From all of this, you will sense their aspiration for a worthy monument on the site of the battlefield, and their joy in its acquisition by the State, and their hope for what we are now upon the threshold of experiencing in worthy celebration and suitable recognition.

The great field Mass of the Catholic Church, commemorating a century of civil and religious liberty; the dedicatory and commemorative exercises of the great Masonic orders; the patriotic program of the Sons and Daughters of the Republic; and of the San Jacinto Centennial Association; the generous action of the State and Federal Governments—all of this is a fruition those blessed souls would have loved to live for.

My grandfather, James Monroe Hill, who was a veteran of the battle, and the chairman of the San Jacinto Commission, who purchased the battlefield for the State, in his letter of thanks on May 7, 1897, to the Governor and the legislature, was truly prophetic of this happy day, and with your indulgence, I shall conclude my remarks with a quotation from his letter:

"What character of man would withhold gratitude to his ancestry, or the placing of a shaft bearing evidence of the place of their interment? What character of man can today accept, by inheritance, the grand privileges wrought by those men on that sacred spot, and be so devoid of patriotism that he would withhold his support to commemorate such a glorious event? (Thank God, but few such men live in our State.)

"We have an abiding faith that you will see that the good work which you have so graciously commenced shall receive due consideration by succeeding bodies."

CONSERVATION AND CITIZENSHIP—ADDRESS BY HARRY G. VAVRA

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a very able address delivered by Mr. Harry G. Vavra, national president of the Educational Conservation Society, on April 4, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

On behalf of the American Conservation Week Committee, comprising various Government agencies charged with the protection of natural resources in their respective States, I extend greetings to you on the occasion of National Conservation Week.

It is altogether fitting and proper that this occasion is being observed with appropriate ceremonies in schools, churches, museums, parks, and other places throughout the country.

It is our duty to give adequate attention to the conservation of natural and human resources in order to protect ourselves from floods, droughts, dust storms, forest fires, and pollution.

Conservation in its present-day sense is not merely preservation or hoarding of natural or other resources, but means rather their careful, well-considered use, with the avoidance of waste and prodigality and with a due consideration of their exhaustibility, or the difficulties of their replacement. The proper practice of conservation may in many cases involve the obligation to take what measures are possible to replace what we consume or, more correctly, to enable the processes of nature to replace it.

The effective and continued practice of conservation is a patriotic obligation of the most important kind. The future responsibility and greatness of our Nation will largely depend on the extent and efficiency with which we carry out its principles during the present generation.

The idea that we can waste and prodigally consume important and valuable resources without regard to the future, and that "some substitute will be found when they are gone", is one of the most prevalent and most criminally stupid of the ideas that are held at the present day. It is the idea of the spendthrift who is running through his inheritance.

While the human race will no doubt accomplish many things in the future that we have not yet been able to do, it will, as far as science now tells us, apparently have to do them with much the same means and resources that we use.

The often-expressed opinion that we shall be able to obtain mysterious power in large amounts from new and undeveloped sources, "from the sun", "from breaking up atoms", from "harnessing the tides", from water power, etc., is eagerly seized on by thoughtless people who are ready to believe that which is pleasant, and to assume that we can waste the coal, the oil, etc., on which we are now dependent. It is likely to prove a fallacy fatal to our civilization.

The exhaustion of the present easily and abundantly obtainable supplies of oil, coal, and metals is going to put the human race face to face with problems which no scientist or economist likes to even think about. Will civilization survive that crisis? No one can predict. All that we can be sure of is that our present prodigality in the use, much of it wasteful use, of such resources is bringing the time when we shall be face to face with those problems much nearer than we like to realize. We still think of them as matters for "posterity", not for ourselves, to worry about. But every year we ourselves come nearer and nearer to being the "posterity" for whose welfare we show so little concern.

If civilization is to survive, man must enter into a harmonious relationship with nature. Unfortunately, this principle has often been disregarded and violated. Such folly has caused many calamities. Serious losses have been inflicted on present and future generations. The accomplishments of a lifetime of labor have often been wiped out through the unwise location of agricultural and other developments in regions subject to great floods and excessive droughts. Agricultural lands have been wasted by preventable soil erosion. Streams have been needlessly polluted by oil, sewage, and industrial wastes, thus endangering not only health and human life but wildlife and fisheries. Unnecessary clearing of forests has been partly responsible for droughts, dust storms, floods, and pollution. Unjustified drainage practices have destroyed lakes and marshes, increased the danger of floods, droughts, and forest fires, and promoted the destruction of much wildlife. Lack of conservation measures to protect the people against these calamities has largely contributed to undermining the health and prosperity of many parts of the Nation.

This spring we are suffering from the effects of unprecedented destructive floods. They have resulted in a tremendous loss of life and property. They have been destructive to human life through causing deaths, epidemics, and famine. They have wiped out the savings of many people. They have interfered with normal business operations. They have destroyed soils, crops, forests, and wildlife. They have paved the way for droughts and forest fires. They have endangered navigation. Unquestionably this situation is partly due to unusual conditions of weather and snowfall, but very largely to reckless deforestation. Experiences of China, Italy, and Spain, where the people have paid a great penalty for the destruction of their forests have not been heeded.

Like the droughts and dust storms, floods have been increased if not largely caused by unscientific cultivation of the soil, and unnecessary drainage of lakes, and marshes, as well as by deforestation.

In order to prevent floods, it is necessary to stop the wasteful practices by man which have caused them. Flood-control measures must make provision for a dense cover of vegetation as well as for engineering works such as reservoirs and levees. It is necessary to maintain a dense vegetative cover by means of grasslands and well-kept forests and to apply contour plowing and terracing to farm lands on slopes for the purpose of diminishing washing away of the soil by rain and melting snow. Furthermore, there is a vital need for the enactment of adequate laws providing for the necessary public regulation of private lands, particularly the forests, to prevent misuse where effects may be destructive in large areas belonging to others.

Water pollution is another serious public menace and is one of the greatest problems now facing the American people. If we do not put an end to pollution it surely will destroy us.

Pollution by sewage and industrial waste, of the lakes, rivers, and streams, renders the water unsuitable for human consumption, endangers public health and the health of animals by spreading disease germs, destroys fish or aquatic life, and results in an enormous loss of fertilizing elements. It aggravates the increasing difficulty of providing an adequate water supply for large communities. This pollution could be prevented and controlled to a large extent by scientifically utilizing the waste products and by means of sewage-disposal plants. Although pollution is of local origin, the control of it is an interstate problem, as it usually affects the stream for long distances, and all human interests depend on it. The discharge of sewage, chemicals, or noxious substances into a lake or stream should never be allowed whether it be done by a city or other community, a factory or an individual.

Oil pollution of coastal waters has become a very serious question not only of local but international character. It has been caused to a large extent by the great increase in the number of oil-driven and oil-carrying ships in the world, and by the thousands of motor boats. It has resulted not only in the waste of large quantities of oil but in the immense destruction of wild fowl and fish.

Unlike the other substances with which water is polluted, oil floats and pollution caused by its affects chiefly the surface of the water. A very small quantity of oil will spread out in a thin film over a large extent of water which wind and waves may cause to drift toward the shores, covering the beaches with filthy grease and rendering the coastal waters unfit for bathing or other recreation. More serious than this the film is poisonous to the eggs of fishes which mostly float near the surface and to the minute creatures on which the young fishes feed, as well as to the young ones themselves. If there are no young fishes there will be no large ones for man's use. The oil film is also extremely destructive to sea birds, including wild ducks and other aquatic game birds saturating and gumming their feathers so that they cannot fly and often resulting in their death. Tens of thousands of such birds are destroyed along our coast every year by oil.

Laws prohibiting the discharge of oil into the sea cannot be enforced because the guilty ship is usually outside the 3-mile limit at the time the deed is done. The logical remedy is to secure an international agreement among the powers for the compulsory use of an effective separator by all oil-burning ships.

There is no doubt that, had the American people been taught the importance and principles of conservation in the schools, many serious calamities, as pollution, floods, droughts, and forest fires, could have been mitigated or even prevented. We must now unite in a drive to destroy these great menaces or they will destroy us. We must make the public more conscious of this responsibility and we can accomplish this by impressing its importance on the minds of our boys and girls who will eventually have to deal with the problems. In other words, it is our duty to introduce conservation as a regular required subject into every school in America. To achieve this end, the Educational Conservation Society, with the cooperation of State departments of public instruction, has issued courses of study on the natural resources for the public elementary schools, high schools, colleges, and universities, and a program for the training of teachers, supervisors, directors, and Government workers in the field of conservation. This movement has already received the approval of the Department of the Interior, the Federal Office of Education, the United States Bureau of Biological Survey, State Departments of Education, State Departments of Conservation and Game and Fish, many State Governors, college heads, and superintendents of schools.

In a recent address delivered at the North American Wildlife Conference, Dr. John W. Studebaker, United States Commissioner of Education said: "It would seem that while the Federal and State Governments are engaged in the terrific and somewhat disheartening struggle to repair by direct methods the damages which have been done to our forests, lands, streams, and wildlife by the ignorance and indifference of our citizens, a small appropriation for education, through which there can quickly be put into the minds of millions of people the challenge to conserve what we have left and to rebuild our lost fortunes, would be the most profitable of all investments."

There is a vital need for the creation of an educational service on the conservation of national resources in the United States Office of Education and for Federal assistance to the States in the promotion of conservation education in the public elementary schools, high schools, colleges, and universities.

Educators and conservationists are now appealing to the National Government for the establishment of a division of conservation education in the United States Office of Education and for an annual appropriation to assist the States in paying for the salaries and preparation of teachers, supervisors, and directors of conservation subjects on the natural resources.

Citizens in every community of the United States can do their part in protecting natural resources from unnecessary waste and

destruction. The foundations of national prosperity and the happiness of present and future generations are dependent upon conservation.

It is your duty to obey the Federal and State conservation laws. Make your community a more beautiful place to live in by working for constructive education and legislation, by preventing forest fires and keeping the grounds clean, by planting trees, protecting the wild flowers, birds, and animals, and by taking part in the establishment and protection of forests, parks, and wildlife sanctuaries.

If all citizens will fulfill these obligations, outdoor America will be preserved for present and future generations.

FEDERAL THEATER PROJECT

Mr. WAGNER. Mr. President, about 10 days ago the senior Senator from Pennsylvania [Mr. DAVIS] in a forceful address to the Senate made what I regard as some very unjustified criticisms of and attacks upon the Federal theater project. I have received a telegram of protest which is signed by some of the leading actors and leading playwrights of our country, none of whom benefits by the project at all, and by some of our leading producers. I should like to have the clerk read the telegram for the information of Senators.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The Chief Clerk read the telegram, as follows:

NEW YORK, N. Y., *May 1, 1936.*

Hon. ROBERT F. WAGNER,
Senate Office Building:

Undersigned deplore recent aspersions on directors of the Federal theater project and point to careers of Hallie Flanagan, national director, and Philip W. Barber, New York City, director, as proving they particularly fitted to lead this worth-while American enterprise. Mrs. Flanagan, first woman granted Guggenheim fellowship, which given for her distinguished original work in theater production, Grinnell College and Harvard. Foundation specifically asked she study methods dramatic production foreign countries, which she did, to enrichment American theater. For 9 years she directed Vassar College experimental theater, which work brought her wide acclaim. She has long been exponent for production American plays in American way. Many Federal theater hits in New York are convincing answers to recent ridiculous charges of incompetence. Undersigned point also to Mrs. Flanagan's sympathetic understanding of unemployment problem as another prime requisite for position she holds. Mr. Barber long associated with progressive theater movement, and it was under his immediate supervision that New York Federal theater developed such outstanding theatrical successes as Macbeth, Murder in the Cathedral, Chalk Dust, and Triple A Plowed Under. Urgently request you read brilliant records to Senate and offset charges read by Senator DAVIS.

Helen Hayes, George Kaufman, Philip Merivale, Theresa Helburn, Brooks Atkinson, Lee Shubert, Clayton Hamilton, Sidney Howard, Henry Chanin, Raymond Massey, Heywood Broun, Joseph Wood Krutch, Dorothy Dunbar Bromley, Wollcott Gibbs, Kelcey Allen, Lawrence Langer, Arthur Pollock, Austin Strong, John Howard Lawson, John Chapman, Malcolm Cowley, Edward Reed.

Mr. DAVIS subsequently said: Mr. President, the junior Senator from New York [Mr. WAGNER] has today stated that, in his opinion, I have made some very unjustified criticisms of and attacks upon the Federal Theater project. I call attention to the fact that I have made no statement, publicly or privately, on the Senate floor or elsewhere, which could rightfully be construed as an attack upon the Federal Theater project. I wish to make this very clear. The remarks which I have made concerning the administration of the Federal theater project have been very carefully weighed, and I have not spoken upon this subject without careful consideration. I ask those who may chance to be interested in this subject to read with equal care the statements which I made on April 20 and April 24. I have written in some detail upon this subject to Mr. Frank Gillmore, president of the Actors' Equity Association, in New York City, and in the interest of the understanding in this matter of the Senator from New York. I should be glad to have him read the letter referred to, which is a part of the RECORD.

The Senator from New York had read into the RECORD a telegram signed by a number of prominent actors and playwrights stating of Mrs. Flanagan:

She has long been exponent for production American plays in American way. Many Federal theater hits in New York are convincing answers to recent ridiculous charges of incompetence.

I wish to say explicitly that at no time have I charged Mrs. Flanagan with incompetence. I have no personal knowledge of the project which she is conducting and therefore have no basis for forming a judgment of this matter. I ask that those who are interested in the right of American actors to work on the Federal theater project be careful not to misconstrue any statements which I may make so that the continuance of a work project for worthy actors shall not be jeopardized.

I wish to make very clear that if Mrs. Flanagan has long been an exponent of production of American plays in the American way I congratulate her on taking this position. Naturally this is rightfully the attitude which anyone who is appointed to lead an American national theater project should have. My only knowledge of Mrs. Flanagan comes from reading the books listed under her name in the Congressional Library entitled "Shifting Scenes", "The American Plan", and "Can You Hear Their Voices?" I should like to ask those who have any interest in this subject to read these plays to judge for themselves the impression which they give regarding the author's attitude toward communism and the American plan of life.

I do not know Mrs. Flanagan, and hence at no time, publicly or privately, have I ventured to make any statement about her whatsoever. I have simply called attention to the works which she has written and have introduced evidence concerning her administration presented by others. I made no comment whatsoever upon the evidence thus introduced.

I have no desire to misinterpret the remarks either of the Senator from New York [Mr. WAGNER] or of Mrs. Flanagan. The information concerning the Federal theater project transmitted to me was first sent to President Roosevelt. The matter was not acted upon for almost 30 days. I had previously attempted to gain information concerning the administration of the Works Progress Administration without success by writing to Mr. Hopkins. Desiring that this important matter should be brought to the attention of the Senate so that a full explanation might be given the taxpayers of the country, I introduced the available evidence.

I asked specifically that if Mrs. Flanagan did not write the books to which I had referred or if she had changed her mind concerning the principles which they expressed, she be given an opportunity to clarify her position. A number of messages have come to my desk concerning the Federal theater project and Mrs. Flanagan, but as yet no word has been received concerning the one issue to which I have called attention, namely, the books of Mrs. Flanagan. I should be glad to know from her or from some person whom she may authorize to speak for her if these books actually represent her point of view today.

NATIONAL FLOOD CONTROL

Mr. COPELAND. Mr. President, may I have the attention of our leader for a moment? The Committee on Commerce has had before it for a long time—I think I may say for almost a year, but certainly for the past 2 months—the omnibus flood-control bill. I should not feel myself true to my trust as chairman of the Committee on Commerce unless I made every possible effort to secure action on the bill.

I think it is one of the best-prepared bills we have ever had on the subject, if I may say so without taking any personal pride for that result. It contains a declaration of policy. The projects included in the bill and recommended by the committee have been considered by the appropriate committees of the two Houses, and every single project has received the full approval and endorsement of the Board of Army Engineers.

I am very anxious, and the other members of my committee and many Members of the Senate are very anxious, to have early action on the bill. Floods have occurred all over the country. Several hundred persons lost their lives and millions of dollars' worth of property were destroyed. Action should be taken on the bill in order that the two Houses may agree in conference as to the final form of the bill and that the Army Engineers may proceed with the work.

Mr. KING. Mr. President, will the Senator yield?

Mr. COPELAND. I yield to the Senator from Utah.

Mr. KING. Is it not a fact that large appropriations have been made by Mr. Hopkins' organization, and such appropriations have been expended in many States, for flood relief and for other activities which are comprehended in the bill to which the Senator refers?

Mr. COPELAND. Eight or ten or possibly a dozen such projects have been given some money out of the Emergency Relief funds. But, by and large, it is safe to say that all these projects—indeed, I may say all the projects in this bill—are projects which have not been provided for by relief funds.

Mr. KING. And is it not a fact that Congress has recently enacted a measure carrying more than $187,000,000 for rivers and harbors and for flood control, directly or indirectly?

Mr. COPELAND. Does the Senator refer to the lower Mississippi flood-control bill?

Mr. KING. No; not to that bill.

Mr. COPELAND. According to the final action just taken by the Senate, we have appropriated $121,000,000 for expenditure on rivers and harbors; but these are all projects having to do with the coast line, and not having to do at all with the control of floods on inland rivers.

Mr. KING. Is it not a fact—and I ask for information—that we recently passed a measure carrying $187,000,000 or $184,000,000?

Mr. COPELAND. For the lower Mississippi?

Mr. KING. No; the lower Mississippi bill carried $275,000,000.

Mr. COPELAND. To what measure does the Senator refer?

Mr. KING. My recollection is that we passed a bill for surveys of rivers and harbors projects, and that the bill carried an appropriation of approximately $184,000,000 for work upon accepted projects.

Mr. COPELAND. I think the Senator must have in mind the bill we brought here last year, which was defeated by the very efficient filibuster of the Senator from Maryland [Mr. TYDINGS]. The amount involved was not $175,000,000, however; it was about $775,000,000.

Mr. KING. My recollection is that there was one quite different from that.

Mr. COPELAND. No; the measures which have been adopted are the rivers and harbors items carried in the Army appropriation bill—$121,000,000—and the flood-control bill with reference to the lower Mississippi, which was passed by the Senate the other day. Those are the only ones which have been made effective by action of the Congress.

Mr. KING. In view of the appropriation for this purpose, according to the Senator's own statement, of over $300,000,000, perhaps three hundred and fifty or four hundred million dollars, and other enormous appropriations which have been made and will be made before Congress adjourns, does the Senator think we are justified now in seeking an appropriation of several hundred million dollars more to be expended during the next year?

Mr. COPELAND. I assume that it all depends upon what our attitude is toward the control of floods. We had a bill here last year which, as I said, was defeated by a very active and successful filibuster. That bill included projects around Pittsburgh, for example, on the Allegheny and the Monongahela Rivers, and projects on the Susquehanna and other Rivers, which, if the bill had passed and the works included in it had been installed, would have prevented the recent floods in Pittsburgh, Wheeling, Louisville, and Cincinnati, as well as in my own State, in Elmira, Binghamton, and other points in New York. There is no doubt in my mind that this country, because of its recent experiences, demands that something shall be done by the present Congress to make certain that we are going forward in this undertaking.

Mr. WALSH. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Massachusetts?

Mr. COPELAND. I yield to the Senator.

Mr. WALSH. I understand that the Senator is addressing himself to the leader on this side of the Chamber for the purpose of urging that a time be fixed for action on the flood-control bill.

Mr. COPELAND. The Senator is right.

Mr. WALSH. I wish to join the Senator in that course. I should like to ask him if his committee has had ample opportunity to learn from the Army Engineers the amounts of money which will be needed, and the measures which it will be necessary to undertake, in order to prevent floods in the regions where there were devastating floods this very year.

Mr. COPELAND. The bill to which I refer carries projects providing safety for every point where floods occurred this year, except a few in Maine and New York, where the surveys have not been completed. But provision is made in the Senator's own State with reference to the Merrimack River and the Connecticut River——

Mr. WALSH. And the Blackstone River.

Mr. COPELAND. And the Blackstone River.

Mr. WALSH. Yes; I know that. I desire to know whether the committee has gone further, and has made provision for sections of the country other than New England.

Mr. COPELAND. Oh, yes; every section of the country, from the Atlantic to the Pacific. Forty States having flood-control projects are included in this bill.

Mr. WALSH. I think there will be a great deal of disappointment in the regions mentioned if some action is not taken during the present session of Congress. I find that people of the recent flood areas are deeply interested, and are persistent in asking for action. Only this morning I received a communication from a group of leading citizens of the Connecticut Valley who have formed an organization, drafted resolutions, and express a desire to cooperate with the Federal Government to hasten action and to assist in undertaking whatever may be necessary to prevent future floods.

Mr. COPELAND. I will say to the Senator that there are protests coming from every part of the country because we have not already had action on the subject.

Mr. WALSH. That is in accord with my convictions.

Mr. COPELAND. And I have no question that it will be a campaign issue if we do not do something about it.

Mr. WAGNER. Mr. President——

Mr. COPELAND. I yield to my colleague.

Mr. WAGNER. I simply wish to add that, so far as our State is concerned, I know the situation is in very safe and competent hands in charge of my colleague; but he knows, as I know, that people who have suffered so much as the result of the flood last year and some floods this year are exceedingly concerned and disturbed by the reports that Congress may not act this year by appropriate legislation so as to prevent the recurrence of devastating floods in the future. I merely desire to add whatever humble efforts I may make to the efforts of my colleague to secure the enactment of legislation on the subject this year. It would be a great disappointment to the entire country if it should not be enacted.

Mr. COPELAND. Mr. President, I had not thought there would be any extended debate on this matter. My purpose in rising was simply to ask our leader if he thinks it possible for us to include in the program of bills to be considered the measure dealing with floods.

Mr. ROBINSON. Mr. President, I thought the Senator was advised that I have been conducting some conferences with a view to ascertaining whether and when the bill to which the Senator refers may be brought forward. Let me say to the Senator that I shall be glad to confer with him further about the matter in the hope that a conclusion concerning it may be reached in the early future.

Mr. COPELAND. I thank the Senator.

CHARLESTON ARMY BASE TERMINAL, CHARLESTON, S. C.

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 3789) authorizing the Secretary of Commerce to convey the Charleston Army Base Terminal to the city of Charleston, S. C.

Mr. BYRNES. I move that the Senate disagree to the amendments of the House of Representatives, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. COPELAND, Mr. SHEPPARD, and Mr. JOHNSON conferees on the part of the Senate.

BATHING POOLS IN THE DISTRICT—MOTION TO RECONSIDER

Mr. KING. Mr. President, on the last day before the recess the Senate passed Senate bill 4540, to provide for the operation of bathing pools in the District of Columbia under the jurisdiction of the Secretary of the Interior, and for other purposes. The bill has not been transmitted to the House, and I now enter a motion to reconsider the vote by which the bill was passed.

The PRESIDENT pro tempore. The motion will be entered.

REAL-PROPERTY TAX IN VIRGIN ISLANDS

The Senate resumed the consideration of the bill (H. R. 8287) to establish an assessed valuation real-property tax in the Virgin Islands of the United States, and for other purposes.

Mr. KING. Mr. President, I may say that this bill, now the unfinished business, passed the House several weeks ago, was referred to the Committee on Territories and Insular Affairs, of which the President pro tempore, now presiding over the deliberations of the Senate, is a member, was considered by that committee, and I have been authorized to report the bill with two amendments. I now desire to have the Senate act on the amendments.

The PRESIDENT pro tempore. The clerk will state the first amendment.

The first amendment of the committee was, in section 3, on page 2, line 9, after the word "value", to strike out "Until the President shall determine that adequate administrative authority and organization exist in a municipality under local law for levying, assessing, and collecting taxes imposed or authorized under this act, such taxes shall be levied, assessed, and collected under regulations prescribed by the President" and to insert in lieu thereof "If the legislative authority of a municipality shall fail to enact laws for the levy, assessment, collection, or enforcement of any tax imposed under authority of this act within 3 months after the date of its enactment, the President shall then prescribe regulations for the levy, assessment, collection, and enforcement of such tax, which shall be in effect until the legislative authority of such municipality shall make regulations for such purposes", so as to make the section read:

SEC. 3. Until local tax laws conforming to the requirements of this act are in effect in a municipality the tax on real property in such municipality for any such calendar year shall be at the rate of 1.25 percent of the assessed value. If the legislative authority of a municipality shall fail to enact laws for the levy, assessment, collection, or enforcement of any tax imposed under authority of this act within 3 months after the date of its enactment, the President shall then prescribe regulations for the levy, assessment, collection, and enforcement of such tax, which shall be in effect until the legislative authority of such municipality shall make regulations for such purposes.

The amendment was agreed to.

The next amendment of the committee was, in section 4, on page 2, line 23, after the words "deposited in the", to strike out the word "colonial" and to insert in lieu thereof the word "municipal", so as to make the section read:

SEC. 4. All taxes so levied and collected shall be deposited in the municipal treasury of the municipality in which such taxes are collected.

The amendment was agreed to.

The next amendment of the committee was, at the top of page 3, to strike out section 5, as follows:

SEC. 5. The Virgin Islands Co. is authorized to pay annually into the colonial treasuries of the Virgin Islands on account of lands in the Virgin Islands owned by the United States and in the possession of the Virgin Islands Co. sums which the corporation shall determine to be equivalent to the real-property taxes payable on such lands if they were in private ownership. The Virgin Islands Co. is authorized to pay annually into the colonial treasuries of the Virgin Islands such sums as the corporation shall determine to be equivalent to the several taxes which a private corporation similarly situated would be required to pay into the said treasuries.

And to insert in lieu thereof the following:

SEC. 5. The Virgin Islands Co. shall pay annually into the municipal treasuries of the Virgin Islands in lieu of taxes an amount equal to the amount of taxes which would be payable on the real property in the Virgin Islands owned by the United States and in the possession of the Virgin Islands Co. if such real property were in private ownership and taxable, but the valuation placed upon such property for taxation purposes by the local taxing authorities shall be reduced to a reasonable amount by the Secretary of the Interior if, after investigation, he finds that such valuation is excessive and unreasonable. The Virgin Islands Co. shall also pay into the municipal treasuries of the Virgin Islands amounts equal to the amounts of any taxes of general application which a private corporation similarly situated would be required to pay into the said treasuries. Similar payments shall be made with respect to any property owned by the United States in the Virgin Islands which is used for ordinary business or commercial purposes, and the income derived from any property so used shall be available for making such payments.

Mr. KING. Mr. President, this amendment was considered by the committee, as I have indicated, and it met with the unanimous approval of the members of the committee.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment of the committee was, in section 6, on page 4, line 16, after the word "real", to insert the words "and personal", so as to make the section read:

SEC. 6. Nothing in this act shall be construed as altering, amending, or repealing the existing exemptions from taxation of property used for educational, charitable, or religious purposes. Subject to the provisions of this act, the legislative authority of the respective municipalities is hereby empowered to alter, amend, or repeal, subject to the approval of the Governor, any law now imposing taxes on real and personal property.

The amendment was agreed to.

The PRESIDENT pro tempore. If there are no further amendments to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDENT pro tempore. The question now is, Shall the bill pass?

Mr. McNARY. Mr. President, the Senator from Vermont [Mr. GIBSON], who has taken a great interest in this measure, is unavoidably absent. I have not had time to confer with him concerning the various provisions of the bill, but I assume, from the statement of the Senator from Utah, that the bill is satisfactory to the Senator from Vermont.

Mr. KING. I make that statement.

Mr. McNARY. And has met the approval of the entire committee?

Mr. KING. There is only one member of the committee who has not been consulted, who did not happen to be present at the meeting when the bill was considered, the able Senator from Michigan [Mr. VANDENBERG], but I am sure he will not interpose any objection.

The PRESIDENT pro tempore. The question is, Shall the bill pass?

The bill was passed.

Mr. KING. Mr. President, I ask to have inserted as a part of my remarks a portion of the report which I submitted accompanying the bill.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

The Committee on Territories and Insular Affairs, to whom was referred the bill (H. R. 8287) to establish an assessed valuation real-property tax in the Virgin Islands of the United States, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

In the bill as it passed the House there was a provision that the real-property taxes provided for in the act should be levied, assessed, and collected under regulations prescribed by the President until he determined that there was adequate administrative authority and organization in a municipality under local law for that

purpose. The committee recommend that this provision be changed so that the regulations of the President shall not become effective unless the legislative authority of a municipality fails for a period of 3 months to enact laws for the levy, assessment, collection, or enforcement of the taxes imposed by the act. If such regulations are prescribed by the President, they are to remain in effect until the legislative authority of the municipality shall make regulations for such purposes.

The committee has also modified the provision of the House bill relating to payments by the Virgin Islands Co. to the municipal treasuries of amounts which the company determined to be equivalent to the taxes which it would pay if the lands of the United States in its possession were taxable, so as to provide that the valuation of such lands should be fixed by the local taxing authorities for the purpose of such payments. However, the Secretary of the Interior is authorized to reduce the valuation to a reasonable amount if he finds, after investigation, that the valuation so fixed is excessive and unreasonable. It is also provided that similar payments shall be made with respect to any property owned by the United States in the Virgin Islands which is used for ordinary business or commercial purposes, and the income derived from any property so used is made available for making such payments.

The purposes of the bill as it passed the House are set out in full in House Report No. 1559, Seventy-fourth Congress, which accompanied this measure, and in a so-called justification for the enactment of the bill prepared by a committee of Government officials appointed by the Governor of the Virgin Islands. This report and justification are incorporated herein and made a part of this report, together with certain data in the form of tables, and a memorandum from the Department of the Interior dated April 2, 1936.

JUSTIFICATION

Since the purchase of the Virgin Islands of the United States in 1917 there have been a number of investigations made into the social, economic, and fiscal affairs of those islands. Mr. Herbert D. Brown, then Chief of the Bureau of Efficiency, in his report in 1931 covering the fiscal affairs of the municipalities of the Virgin Islands, summarized the findings of previous investigators. The following quotations set forth the gist of Mr. Brown's summary relating to the fiscal situation of the Virgin Islands:

"Need for new tax system: One of the things that has impressed all investigators is that the tax system needs revision. The Joint Commission of 1920 chronicled the fact that they found 'the system of taxation in the islands unjust, inefficient, and archaic.' They recommended that the entire system be reformed with a view to securing a greater income and with a view to equalizing the burdens of taxation. In 1924 the Secretary of Labor's Federal Commission recommended that the Government 'send to the islands a tax expert to cooperate with the people and local authorities in the preparation of a system of taxation to replace the present system.'

"In 1925 Mr. Roswell F. Magill was accordingly designated to report on the tax system. He recommended that the tax laws for the islands be made uniform and that a single administrative unit be provided, charged with the duty of levying, assessing, and collecting the tax. He proposed a new system and recommended that it be adopted by Congress in lieu of the present Federal legislation and the local ordinances in conflict with the system, showing apparently by this proposal that he too recognized the futility of depending on the local councils to put through tax legislation. But no action was taken.

"Ground and building tax: Second in importance in the municipality of St. Croix, is the tax on ground and buildings. Buildings in the country occupied or used by the owner of the land or his employees are not taxed. In the towns, should any building which is intended to be rented out remain untenanted and not used for 2 or more consecutive months, a proportional reduction is allowed in the building tax. It would seem that taxes on buildings should be assesed, levied, and collected regardless of use or occupancy.

"Land tax should be increased: The ground or land tax should undoubtedly be increased. One way to turn the land back to the people, that is, to break up the large landed estates and give the poorer people a chance to become small land owners is to increase reasonably the tax on uncultivated land. The large land owners will be glad to sell in order to be relieved of their taxes where they cannot use the land profitably.

"Writing about the need for reform of Virgin Islands laws, Secretary of the Navy Josephus Daniels brought out in a letter addressed to the chairman of the House Committee on Insular Affairs, on October 24, 1919, the detrimental effect of the tax laws: 'The laws * * * are so drawn that land permitted to lie idle and unproductive is absolutely free [sic] from taxation, while the burden of taxation falls most heavily upon the land in cultivation and sustaining extensive improvements. Such laws discourage building and agricultural advancement and are, therefore, very detrimental to thrift and industry. A revision of these laws that would place a premium upon production and improvements and cause the burden to fall heaviest upon the idle estates of absentee landlords would soon render the islands self-supporting and thus serve to reduce the calls upon Congress for further appropriations to maintain the essential governmental activities therein.'

"Land tax necessary: But that is not the only service that the United States Government must perform, if the end desired is justice for the small farmer and general prosperity for the islands. Owners of land will continue to hold large tracts of it out of use as long as the tax on land remains as light as it is at present. We see no remedy except to make it unprofitable to hold out of use extensive areas of arable land.

"Since many of the persons who own the largest tracts are also members of the colonial councils, it seems unlikely that any remedial legislation of this kind can be obtained through the councils. This is one of the phases of taxation that we are studying. Our conclusions will be submitted in a supplemental report. It is our belief at this time that the difficulty can only be remedied by legislative action on the part of the United States Congress."

A commission of educators, appointed to report on the educational system of the Virgin Islands in 1929, makes the following observation:

"* * * American administrations have admittedly done little to date to correct some of the outstanding industrial abuses of the islands, such as land monopoly and a vicious taxation system * * *."

The present real property tax laws in the municipality of St. Croix are as follows:

(1) Ground and building tax enacted 1802, rates as amended Nov. 16, 1907): (a) For town properties—7⅓ bits ($0.0146) per square ell (24⅞ inches) of the "measurement of every story of a building"); (b) for vacant town lots—one-fourth bit ($0.0025) per square ell; (c) for country properties—all land used or laid out for cane or cotton cultivation, francs 3.50 ($0.70) per acre. All land used or laid out for cultivation other than cane or cotton, also pasture land, 66⅔ bits ($0.133) per acre. All useless land, 5 bits ($0.01) per acre.

(2) Percentage tax: 4 percent of actual or estimated annual rental value of buildings in town, or country buildings rented to persons other than laborers or employees of the estate. In the towns, buildings remaining vacant and not actually occupied for more than 2 months, pay no tax whatever for the time so vacant; neither ground and building nor percentage tax.

(3) Immigration tax (enacted Sept. 13, 1855; amended June 6, 1862); 50 bits ($0.10) per acre of land in cane cultivation, cotton cultivation, or pasturage.

(4) Road tax (enacted June 17, 1931; amended Sept. 30, 1932): Under the road ordinance of July 14, 1923, estate owners were compelled to make repairs on and to maintain a stated allotment of public road, whether first-class road or second-class road. By ordinance of September 30, 1932, all public roads are repaired and maintained by the Government and a tax, based upon an equitable allotment of all public roads in each of the eight quarters of the municipality among property owners in each quarter in accordance with their acreage in each quarter, is levied semiannually at an annual rate of 2 cents per foot of allotment for each foot of first-class road allotment, and of $0.0075 per foot of allotment for each foot of second-class allotment. An acre of land in cultivation is allotted 3 feet of road, whereas an acre of land not in cultivation is allotted 1 foot of road. One foot of first-class road is to be allotted for each 2 feet of second-class road allotment.

The present real-property tax law in St. Thomas is the real-property tax law of February 25, 1922, which provides for a tax on real estate, improved and unimproved, to be levied by a tax assessor and collected on July 1, for the preceding calendar year, at a rate not exceeding 1 percent of the assessed value of all real estate in the municipality not exempt from taxation. The maximum assessed valuation of cultivated land is fixed at $45 per acre; pasture land at $20 per acre; bush land at $10 per acre.

According to the 1930 census, the total value of farm lands and buildings in the municipality of St. Croix is $1,934,790. According to an unofficial office valuation, town buildings, exclusive of land, in the municipality of St. Croix, are valued at $733,000.

According to the 1930 census, the total value of farm lands and buildings in the municipality of St. Thomas is $465,921. The assessed valuation of all real property under the existing real-property tax law in St. Thomas and St. John for the fiscal year 1933 is $3,441,509.

The estimated yield of revenues for the fiscal year 1935, in the budget for the municipality of St. Croix for the property taxes listed above, is as follows:

Ground, building, and percentage tax	$21,000
Road tax	4,800
Immigration tax	4,200

The estimated revenue under the real-property tax law for the fiscal year 1935, in the budget for the municipality of St. Thomas and St. John is $33,000.

Under the laws in the municipality of St. Croix, fertility, location, and general productiveness of land is not a factor in determining the amount of tax to be paid on land. The same land may be taxed under the ground and building tax and immigration tax, 80 cents per acre, if it is in cane or cotton cultivation, but if not in cultivation, it will be taxed only 23⅓ cents an acre.

As an illustration of the manner in which the St. Croix tax laws work, there may be cited the case of a 30-acre tract of land purchased several years ago by the Government from a private estate owner at a purchase price of $1,200. Prior to the purchase by the Government this land was not in cultivation and on the whole tract a tax of only $7 per annum was collected. The Government resold this tract to three homesteaders, who immediately put the entire area into cultivation. They now pay a total of $24 per annum in real property taxes. Parenthetically, it is to be noted that an export tax of $6 a ton on sugar, levied by act of Congress of February 25, 1928, imposes an additional tax on the production of land in sugar cultivation which is estimated to increase the taxation on that land in the amount of approximately $4 an acre per annum.

Because of the operation of the property qualifications for suffrage in the Virgin Islands, the membership of the legislative bodies there is largely made up of large property owners. Mr. Herbert D. Brown and other observers have agreed that because of this situation there is little probability that an equitable assessed valuation property tax could be got through the local legislatures. For this reason the present bill is offered for enactment by the Congress of the United States, but in order to give as wide latitude as possible to the local legislatures, provision is made in it to make the Federal tax operative only in the absence of local legislation conforming to the Federal requirements. A flexible method of administration under the Federal law is provided to permit the development of a satisfactory administrative procedure based upon local requirements. Regulations governing the establishment of a board of appraisal, a board of review, of determining the relative weight of factors entering into valuation and administrative procedure generally, will be provided for in rules established by the President of the United States.

The rate of 1.25 percent of assessed value is considered a reasonable rate for land in productive use. Citing again the illustration given above with respect to a 30-acre tract in St. Croix, the annual real property tax under this law would be $15 instead of the $24 now levied under existing local law.

Each of the two municipalities of the Virgin Islands has its own local treasury and its own local budget. All funds collected in either of the municipalities under this law should be deposited in the colonial treasury of the municipality in which the tax is collected.

Specific grant of power is given to the local legislatures of the municipalities to alter, amend, or repeal existing real-property tax laws in order to remove the restriction imposed by section 4 of the act of March 3, 1917, providing for the establishment of a temporary government for the Virgin Islands of the United States, under which those legislative authorities are prohibited from altering, amending, and/or repealing any tax laws in effect at the time of the passage of that act.

LAWRENCE W. CRAMER,
Lieutenant Governor of St. Croix.
ROBERT HERRICK,
Government Secretary.
GEORGE S. ROBINSON,
Government Attorney.

Summary of taxes, Virgin Islands, fiscal year 1935

	Municipality of St. Thomas and St. John	Municipality of St. Croix	Total
Direct taxes:			
Real-property tax	$33,000		$33,000
Personal-property tax	4,400		4,400
Trade tax	6,000		6,000
Lamp tax	1,200		1,200
Horse, carriage, and boat tax	500	$2,800	3,300
Income tax	7,000	8,615	15,615
Ground, building, and percentage tax		21,000	21,000
Immigration tax		4,200	4,200
Quarter-percent tax		2,800	2,800
Automobile tax		4,400	4,400
Gasoline tax		6,000	6,000
Road tax		4,800	4,800
Indirect taxes:			
Customs dues	10,000		10,000
Vendue fees and percentages	50	300	350
Taxes on inheritances	3,600	1,000	4,600
Court fees and fees from police office	5,000	3,000	8,000
Stamp dues	1,600	2,000	3,600
Fees from steamer tickets	600		600
Fees from grants and dues on burgher briefs, etc	2,000	1,000	3,000
Internal-revenue tax	30,000	17,500	47,500
Import duty		17,500	17,500
Export duty		35,000	35,000
Ships' dues		2,000	2,000
Cranage and wharfage		1,600	1,600
Total taxes	104,950	135,515	240,465
Sundry revenues	24,312	21,860	46,172
Total revenues (estimated)	129,262	157,375	286,637
Total expenditures (estimated)	230,708	239,975	470,683

Estimated per-capita tax, Virgin Islands, compared with certain Southern States

[Population 1930, 22,012]

	Total per-capita tax
Virgin Islands	$10.92
Alabama	20.78
Mississippi	31.67
Tennessee	26.24
Kentucky	24.59
Virginia	33.60
North Carolina	31.44
South Carolina	26.08
Georgia	22.53
Florida	65.21

Deficits, Virgin Islands

1931	$221,412
1932	231,230
1933	218,435
1934	155,437
1935	172,600
Total direct taxes	106,715
Total indirect taxes	133,750
Grand total taxes	240,465

DEPARTMENT OF THE INTERIOR,
DIVISION OF TERRITORIES AND ISLAND POSSESSIONS,
Washington, April 2, 1936.

MEMORANDUM

H. R. 8287, a bill to establish an assessed-valuation real-property tax in the Virgin Islands of the United States, was passed by the Houseof Representatives on January 20 and referred to the Senate Committee on Territories and Insular Affairs on January 22. This bill is identical with S. 2838 with its amendment introduced by Senator TYDINGS on May 13, 1935. Although the two bills are identical, it is probable that the enactment of this legislation would be expedited by action upon the House bill, which has already passed in that Chamber.

The provisions of this bill which establish a real-property assessed-valuation tax in the Virgin Islands are, without question, sound and equitable and are necessary, because under existing prohibitions the local legislature is probably without power to repeal existing archaic real-property tax laws. Objection has been raised by the members of the colonial councils in the Virgin Islands to the enactment of this bill, but that objection must be considered in the light of the nature of the representative system in the Virgin Islands, which excludes all but propertied persons from the suffrage. It is believed that the mass of the people would thoroughly approve establishment of an equitable tax system whose effect would be to compel large property holders either to use their land or to sell it to others who might do so.

It is to be emphasized that the bill will not preclude the colonial councils from passing real-property tax laws. On the contrary, it makes clear their authority to do so, merely establishing a tax rate which shall obtain until the local legislature acts.

The most important and pressing problem for the municipality of St. Croix is for additional funds to maintain its existing institutions such as schools, hospitals, medical institutions, etc. Because the Virgin Islands Co. has been held to be a Federal agency, the local government can secure no revenue from land under its control or from its operations. It has been variously estimated that between $25,000 and $40,000 tax loss is sustained by the municipality by reason of the Federal character of the Virgin Islands Co. The situation is so acute that it has been necessary to request an additional appropriation for the present fiscal year as a contribution to the municipal deficit for the municipality. A deficit of $30,000 in excess of that anticipated at the beginning of the fiscal year has resulted from the tax-free status of the Virgin Islands Co. It is of immediate and pressing importance that action be taken at once to rectify the situation that has arisen as a result of the operations of the Federal Government in the island of St. Croix. The very meager resources of that community prevent the possibility of finding other sources of revenue locally which can supply the loss resulting from the operations of the Virgin Islands Co.

The urgency of action is further emphasized by the fact that assessments must be made within the next month for local taxes to be collected in 1937. Thus, unless this bill is passed immediately the municipalities will not receive the additional revenue therein provided until 1938.

Finally, it is to be pointed out that the provisions of this bill are wholly consistent with the provisions of both drafts of an organic act now before the Committee on Territories and Insular Affairs. The immediate passage of this bill would, therefore, in no way embarrass consideration of the organic act. On the other hand, any delay in the consideration of this bill until the proposed organic act shall have been reported may result in the serious financial embarrassment of the local government during 1936 and 1937.

It is therefore urgently recommended that the Committee on Territories and Insular Affairs give its prompt and favorable consideration to H. R. 8287, both because it rectifies gross inequalities in the real-property tax laws of the municipalities and because it makes provision for the payment by the Virgin Islands Co. of sums in lieu of taxes to the municipality of St. Croix.

NAVAL APPROPRIATIONS

Mr. BYRNES. Mr. President, I move that the Senate proceed to the consideration of House bill 12527, making appropriations for the Naval Establishment.

Mr. McNARY. Mr. President, personally I have no objection to the Senate proceeding to the consideration of the bill at this time. The bill was reported yesterday during the recess of the Senate in accordance with the unanimous-consent agreement entered into a day earlier, when I was absent from the Chamber. Ordinarily, as we all know, the bill would go over for a day under the rule, giving opportunity to

every Senator to study the provisions of the bill and to read the report. This morning several Senators have suggested to me the propriety of the bill going over and taking the usual course. I conferred with the Senator from South Carolina a few moments ago, and he said that, while the Senator from North Dakota [Mr. NYE] could not be present tomorrow, he was willing to proceed today. If that is agreeable to the Senator from South Carolina, and there is an agreement between the Senator from North Dakota and the Senator from South Carolina, I have no objection.

I wish to observe, however, that according to the RECORD 21 Senators are absent, and in view of that fact, the bill not having gone through the usual procedure of going over for a day, I am curious to know whether the Senator desires to drive forward today.

Mr. BYRNES. Mr. President, because of the noise in the rear of the Chamber, I did not hear the statement of the Senator. Did he state that he has no objection to the Senate proceeding with the consideration of the bill today, but that he does not want to have the consideration concluded today?

Mr. McNARY. I stated that personally I had no objection to the present consideration of the bill. I am speaking for some Senators on this side who have objected because the bill has not taken the usual course of going over for the day. Consent was given while I was absent that the bill might be reported during the recess, and I make no complaint about that, but on one other occasion when a similar course was followed I asked that the bill go through the usual formula and go over for the day. I am advised by the Senator from South Carolina that he has conferred with the Senator from North Dakota, and that it is the desire of the Senator from North Dakota that the Senate go forward with the bill today.

Mr. BYRNES. Mr. President, that is a correct statement.

Mr. NYE. Mr. President, if I may interject, the only thought I have to suggest is that it would be far preferable if the bill could go over until next Monday or Tuesday, but if the leaders feel that that is impossible, I should prefer that the Senate proceed with the bill today.

Mr. McNARY. One concluding observation, Mr. President. In view of the statement of the Senator from North Dakota, my pleasure would be served by the Senate considering the bill today. However, may I make the request that the consideration of the bill be not concluded today, and that the bill not be put upon its final passage today?

Mr. BYRNES. Mr. President, if the Senator makes the request, unless the Senator from Arkansas has some good reason to the contrary, I have no objection to agreeing to the request.

Mr. KING. Mr. President, I join with the Senator from Oregon in the request that the consideration of the bill be not concluded today. Some of us have had no chance to read it, because of attendance in committee hearings. The Senator from South Carolina knows a number of us are on the Committee on Appropriations and on the Finance Committee. I should like to have the bill go over until next week, if possible.

Mr. ROBINSON. Mr. President, I think it is a very reasonable suggestion that the bill be not finally disposed of today, but I do not see the pertinence in the last suggestion of the Senator from Utah that it go over until next week. I have no objection to laying the bill aside or deferring final action on it until tomorrow, if that meets with the requirements of Senators. But I think we should proceed with the bill today for the convenience of the Senator from North Dakota.

Mr. McNARY. Mr. President, that is agreeable to the suggestion I made a few moments ago.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Carolina that the Senate proceed to the consideration of House bill 12527.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 12527) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

The PRESIDENT pro tempore. The clerk will state the first amendment of the committee.

The first amendment of the Committee on Appropriations was, under the heading "Naval Establishment—Office of the Secretary—Miscellaneous expenses", on page 3, line 17, after the words "in all", to strike out "$1,132,500" and insert "$1,162,500", so as to read:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Navy Department and the naval service for the fiscal year ending June 30, 1937, namely:

NAVAL ESTABLISHMENT

OFFICE OF THE SECRETARY

MISCELLANEOUS EXPENSES

For traveling expenses of civilian employees, including not to exceed $2,500 for the expenses of attendance, at home and abroad, upon meetings of technical, professional, scientific, and other similar organizations when, in the judgment of the Secretary of the Navy, such attendance would be of benefit in the conduct of the work of the Navy Department; not to exceed $2,000 for the part-time or intermittent employment in the District of Columbia or elsewhere of such experts and at such rates of compensation as may be contracted for by and in the discretion of the Secretary of the Navy; expenses of courts martial, purchase of law and reference books, expenses of prisoners and prisons, courts of inquiry, boards of investigation, examining boards, clerical assistance; witnesses' fees and traveling expenses; not to exceed $15,000 for promoting accident prevention and safety in shore establishments of the Navy, to be expended in the discretion of the Secretary of the Navy; newspapers and periodicals for the naval service; all advertising of the Navy Department and its bureaus (except advertising for recruits for the Bureau of Navigation); costs of suits; relief of vessels in distress; recovery of valuables from shipwrecks; maintenance of attachés abroad, including office rental and pay of employees, and not to exceed $8,000 in the aggregate or $900 for any one person for allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., title 5, sec. 118a); the collection and classification of information; not to exceed $185,000 for telephone, telegraph, and teletype rentals and tolls, telegrams, radiograms, and cablegrams; postage, foreign and domestic and post-office box rentals; necessary expenses for interned persons and prisoners of war under the jurisdiction of the Navy Department, including funeral expenses for such interned persons or prisoners of war as may die while under such jurisdiction; payment of claims for damages as provided in the act making appropriations for the naval service for the fiscal year 1920, approved July 11, 1919 (U. S. C., title 34, sec. 600); and other necessary and incidental expenses; in all, $1,162,500: *Provided*, That no part of any appropriation contained in this act shall be available for the expense of any naval district in which there may be an active navy yard, naval training station, or naval operating base, unless the commandant of the naval district shall be also the commandant of one of such establishments: *Provided further*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed $515,000.

Mr. NYE. Mr. President, is not the Senator from South Carolina going to offer a statement in explanation of the general nature of the bill?

Mr. BYRNES. Mr. President, I do not desire to make any extended statement in explanation of the bill. In fact, I understood from the Senator from North Dakota [Mr. NYE] that he desires to discuss the measure, and I wanted to permit him to do so at the earliest possible opportunity.

The bill making appropriations for the Navy for the next fiscal year, as reported and as passed by the House, carried $531,068,707. As reported to the Senate by the Appropriations Committee it carries $529,125,806, a reduction of $1,942,901 in the amount of the appropriation. The bill as it is reported to the Senate is under the estimates of the Budget Bureau for the next fiscal year in the sum of $20,465,493.

The Senate Appropriations Committee has not made any very material changes in the bill. The few changes which have been made in the bill as passed by the House are set forth in the report in detail, and I know of no important change in the bill which would necessitate my detaining the Senate or making any extended explanation of it.

I have no other statement to make at this time.

Mr. KING. Mr. President, I suggest the absence of a quorum.

Mr. COPELAND. Mr. President, before the Senator insists on his suggestion of the absence of a quorum I should like to make a statement. Will the Senator withhold his point of no quorum?

The PRESIDENT pro tempore. Does the Senator from Utah withhold his suggestion?

Mr. KING. I do.

Mr. COPELAND. Mr. President, will the Senator yield to me?

Mr. KING. I yield.

Mr. COPELAND. The Senator in charge of the bill, who was chairman of the subcommittee considering the bill, will recall that I was called away from the committee meetings when the bill was under consideration by reason of my duties in connection with the conference on the District of Columbia bill. I did not bring to the attention of either the full committee or the subcommittee dealing with the Navy appropriation bill a matter which I promised to bring to their attention. That matter had to do with the pay of the civilian professors. Under the practice there has always been an increase of compensation within grades of $100 a year. I hold in my hand the announcement made by the Naval Academy on the 26th of June 1935. It is a printed announcement signed by the Superintendent, and says, among other things:

> The initial salary of an instructor is at the rate of $2,800 per annum, pay to begin on the date of appointment. Increases of pay are provided for longevity. Promotions are made on the basis of merit as vacancies become available.

The practice was to allow an addition of $100 a year to the pay of the civilian employees until they reached an outside limit of pay.

I am making an appeal to the Senator in charge of the bill to permit an amendment, on page 15 of the bill, line 21, as to pay of the professors and instructors, in order that it may go to conference and the subject be considered on its merits. I am making this unusual request because I am called away from the city, and must leave tonight, and will not be here again until Monday morning. I am very eager that his matter should be given consideration. I feel guilty because I was asked by the civilian professors to make this plea to the committee, and I was not able to do so.

Mr. BYRNES. Mr. President, I will state to the Senator from New York, that the matter to which he refers was never even mentioned in the committee. The committee had no information about it. Therefore, I am unable to answer the Senator. I will say, however, that we have given to the civilian professors to whom the Senator from New York refers, the provisions for retirement, which were the only matters that were presented in their behalf by the authorities at the Naval Academy, and, because that is so——

Mr. COPELAND. Please do not say that final word.

Mr. BYRNES. The matter to which the Senator refers not having been presented to the committee either by the Bureau of the Budget or by the Department or by anyone, the committee really has no information on the subject. Evidently the House committee has no information on the subject either.

Mr. COPELAND. Mr. President, may I say to the Senator that it was my fault that the committee did not receive the information. I brought up the matter of the retirement, and that had already been recommended, but the matter to which I am now referring, I did not bring up. I have a statement here of all the facts involved. I do not ask conclusive action, but I do ask that the matter go to conference, in order that it may be considered on its merits. It involves only $4,400.

Mr. BYRNES. Mr. President, let me say that I am advised that the matter was presented by the department to the Bureau of the Budget, and it was rejected by the Bureau of the Budget on the ground that they were not at this time recommending any increases in salary. That information has just been received by me from the clerk of the committee.

Mr. COPELAND. Mr. President, may I ask if it is not a fact, however, that promotions in grade in other branches of the Government, in relation to other employees, have been resumed?

Mr. BYRNES. So far as my information goes that is correct, but I do not know the status of civilian professors as compared with other employees in the departments of the Government. The Naval Affairs Committee may have had the matter under consideration.

Mr. WALSH. Mr. President, I hope the Senator from New York will not press the matter because at the present time there is, and for some time past there has been, some agitation to do away with all civilian instructors and to substitute naval officers as instructors and teachers instead of the civilian instructors; and I am afraid that if this matter is pushed, without going through the regular naval channels, there will be further efforts in that direction.

Mr. BYRNES. Mr. President, may I say to the Senator from New York that by reason of his action in the committee the employees in question at the Naval Academy have been benefited at this time, and it seems to me they ought to be satisfied with the improvement in their condition, and should present the matter to which the Senator has just now referred at some subsequent time when it can be considered by the House committee and by the Senate committee.

Mr. COPELAND. Mr. President, I ask unanimous consent that a memorandum which has been prepared by me may be printed in the RECORD in connection with my remarks, and also that attention be called to the fact that in the printed notice which is posted in the academy I find this language:

> The initial salary of an instructor is at the rate of $2,800 per annum, pay to begin on the date of appointment. Increases of pay are provided for longevity. Promotions are made on the basis of merit as vacancies become available.

The PRESIDENT pro tempore. Without objection, the memorandum will be printed in the RECORD.

The memorandum is as follows:

PROVISIONS FOR ANNUAL PAY INCREASES, CIVILIAN PROFESSORS, UNITED STATES NAVAL ACADEMY

In March 1919, under authority of an act of Congress (39 Stat. 607), the Secretary of the Navy established a schedule of annual salary increases for instructors and professors at the Naval Academy.

This schedule, with minor charges, has been effective since its inception in 1919, and Congress provided funds each year until 1933 to carry out its provisions.

During the "Economy Act" years, of course, no annual increases were made.

Annual increases were provided for and made in the fiscal year 1936, but no funds are provided in the pending Navy appropriations bill for pay increases during 1937.

As a matter of fairness and Government integrity, funds should be provided for pay increases for the fiscal year 1937.

The public notices, posted throughout the country, advertising vacancies in past years at the Naval Academy, contained statements that a definite schedule of annual salary increases was in effect. These statements were seriously considered by men who accepted positions on the faculty of the academy.

Most Government employees, who are entitled to regular salary increases, have not only had such increases resumed, but have had their rate of pay increased to what it would have been had there been no interruption by economy acts. (Public Act 480, 73d Cong., and Public Act 133, 74th Cong.)

In view of this, it would be fair to provide for civilian professors at the Naval Academy not only the scheduled salary increase for 1937, but to provide funds to raise their rate of pay to what it would have been had there been no interruption by economy acts.

The schedule of salary increases for the civilian faculty at the Naval Academy provides annual increases of $100 to eligible instructors and professors. There are at this time 44 men to be considered.

MAY 7, 1936.

Mr. COPELAND. Mr. President, I realize the force of what the Senator from Massachusetts [Mr. WALSH] has said. I feel guilty about the matter, however, in that I promised to present the matter in the committee but did not do so. Had I presented the matter in committee, I suppose the reply of the Senator from Massachusetts would have been the same as that he now makes in the Senate.

Mr. WALSH. Mr. President, a representative called upon me and asked me to interest myself in the pension appropriation for civilian instructors. However, the matter to which the Senator has just adverted was not called to my attention.

Mr. COPELAND. Mr. President, I am sorry it was not, but the reason is probably that I was expected to do what I failed to do.

I have made my plea. The matter will appear in the RECORD. I hope in the morning when it shall have been read by the chairman of the subcommittee he will give the question further attention, if he thinks it wise to do so.

Mr. BYRNES. I shall be glad to read the memorandum and consider it.

Mr. COPELAND. I should not wish that to happen which the Senator from Massachusetts suggests. I should not want to do something which would result in the detachment of these men from the service. However, I feel it is only fair to them that they should have promotion within grades.

TERM OF UNITED STATES DISTRICT COURT AT SHAWNEE, OKLA.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Utah yield?

Mr. KING. I yield.

Mr. THOMAS of Oklahoma. During the present session of Congress two identical bills were introduced, one in the Senate and one in the House, providing for the holding of a regular term of the District Court of the United States for the Western District of Oklahoma at Shawnee, Okla. The Senate passed the Senate bill on April 24 and sent it to the House. The House has passed a similar House bill and sent it to the Senate. The latter bill is now on our calendar, being Calendar No. 2059, House bill 11994. In order to adjust the matter I ask unanimous consent that the Senate proceed to the consideration of the House bill, and in event the House bill shall be passed, that the Senate bill be recalled and thereafter indefinitely postponed.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 11994) to provide for the establishment of a term of the District Court of the United States for the Western District of Oklahoma at Shawnee, Okla., which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That a term of the District Court of the United States for the Western District of Oklahoma shall be held annually at Shawnee, Okla., on the first Monday in October: *Provided*, That suitable rooms and accommodations for holding court at Shawnee are furnished without expense to the United States.

Mr. THOMAS of Oklahoma. I now ask unanimous consent that the Senate bill be recalled from the House and that the Senate bill be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

TERMS OF UNITED STATES DISTRICT COURT AT WILKES-BARRE, PA.

The PRESIDENT pro tempore. The question is on the first committee amendment to the pending Navy appropriation bill.

Mr. KING. I suggested the absence of a quorum and then withheld the suggestion.

Mr. ASHURST. Mr. President, will the Senator further withhold his suggestion of the absence of a quorum for a moment and yield to me?

Mr. KING. I withhold the suggestion and yield to the Senator from Arizona.

Mr. ASHURST. Mr. President, perhaps the hour of 1 o'clock has not as yet arrived, though it is 1 o'clock by my watch, and that is what controls me. There was a special order set for today, as will be perceived from the first page of the calendar, according to which at 1 o'clock the Senate should proceed to consider the bill (H. R. 11098) to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa.

Mr. ROBINSON. That order was made by unanimous consent; therefore, the Senate, at 1 o'clock, will proceed to its consideration.

Mr. ASHURST. I thank the Senator.

The PRESIDENT pro tempore. The Chair will state that is 1 minute's time before the bill will be laid before the Senate. Does the Senator from Arizona wish to discuss the bill in that interval?

Mr. ROBINSON. The Senator from Arizona wishes to proceed now.

Mr. ASHURST. If I may proceed now it will save some time.

The PRESIDENT pro tempore. Under the special order the Chair lays before the Senate House bill 11098.

The Senate resumed the consideration of the bill (H. R. 11098) to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa., which had been reported from the Committee on the Judiciary with an amendment, on page 2, after line 4, to insert a new section, as follows:

SEC. 2. That the President of the United States be, and he is hereby, authorized to appoint, by and with the advice and consent of the Senate, two additional judges of the District Court of the United States for the Southern District of New York.

So as to make the bill read:

Be it enacted, etc., That the terms of the United States District Court for the Middle District of Pennsylvania shall be held at Wilkes-Barre, Pa., on the second Monday of April and second Monday of September of each year: *Provided, however*, That all writs, precepts, and processes shall be returnable to the terms at Scranton and all court papers shall be kept in the clerk's office at Scranton unless otherwise specially ordered by the court, and the terms at Scranton shall not be terminated or affected by the terms herein provided for at Wilkes-Barre: *Provided further*, That this authority shall continue only during such time as suitable accommodations for holding court at Wilkes-Barre are furnished free of expense to the United States.

SEC. 2. That the President of the United States be, and he is hereby, authorized to appoint, by and with the advice and consent of the Senate, two additional judges of the District Court of the United States for the Southern District of New York.

Mr. ASHURST. Mr. President, the bill simply provides that the terms of the United States district court shall be held at Wilkes-Barre, Pa., without expense to the United States. The Senate Committee on the Judiciary added an amendment which proposes to authorize the President, by and with the advice and consent of the Senate, to appoint two additional district judges for the southern district of New York. I now ask that the Senate reject the amendment reported by the committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was rejected.

Mr. ASHURST. Mr. President, the vote just taken eliminates the amendment from the bill. The Committee on the Judiciary are unanimous in their opinion that the House bill should pass. There is a real need for holding terms of court at Wilkes-Barre and such terms of court are to be held without expense to the Government. I perceive both Senators from Pennsylvania are present, and I ask them to bear me out as to the necessity for holding terms of court at Wilkes-Barre.

Mr. DAVIS. Mr. President, I desire to say that I hope the bill will pass in its present form.

Mr. GUFFEY. Mr. President, I, too, hope this bill, which is similar to the measure introduced by me in the Senate, will be passed by the Senate for the following reasons: I know that 25 percent of the population of the court district live in the county where Wilkes-Barre is located, and the holding of terms of court at that place will be a great convenience to the people who live there and at the same time will reduce expense to the Government.

Mr. COPELAND. Mr. President, as I understand the parliamentary situation the amendment which was reported by the committee providing for the appointment of two additional judges in my city has been rejected?

The PRESIDENT pro tempore. That is correct.

Mr. COPELAND. Then the bill in its present form relates only to affording relief to Wilkes-Barre, Pa., by providing for the holding of terms of the district court at that place?

The PRESIDENT pro tempore. That is the parliamentary situation.

If there be no amendment to be offered, the question is on the third reading of the bill.

The bill was ordered to a third reading, was read the third time, and passed.

The PRESIDENT pro tempore. Inasmuch as the Senate has rejected the amendment reported by the committee, the amendment to the title will also be rejected and the title will stand in its original form.

NAVY DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 12527) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other purposes.

Mr. KING. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Logan	Radcliffe
Ashurst	Couzens	Lonergan	Reynolds
Austin	Davis	Long	Robinson
Bachman	Dieterich	McAdoo	Russell
Bailey	Donahey	McGill	Schwellenbach
Barbour	Duffy	McKellar	Sheppard
Barkley	Frazier	McNary	Shipstead
Benson	George	Maloney	Steiwer
Black	Glass	Metcalf	Thomas, Okla.
Bone	Guffey	Minton	Thomas, Utah
Bulkley	Hale	Moore	Townsend
Burke	Harrison	Murphy	Tydings
Byrd	Hastings	Murray	Vandenberg
Byrnes	Hatch	Norris	Van Nuys
Capper	Hayden	Nye	Wagner
Caraway	Johnson	O'Mahoney	Walsh
Carey	Keyes	Overton	White
Connally	King	Pittman	
Coolidge	La Follette	Pope	

The PRESIDENT pro tempore. Seventy-five Senators having answered to their names, a quorum is present.

The question is on agreeing to the first amendment reported by the committee.

Mr. NYE. Mr. President, it has been published that there was intent to resort to what would amount to a filibuster against the pending naval appropriation bill. I myself have been credited with threatening such a filibuster. Nothing of the kind was ever threatened. I have said, and I still feel, that there ought to be will in the Congress for those who so feel to stand up and speak their mind concerning a growth and development which in the end can lead to only the very situation that the proponents of large defensive order contend is to be prevented. We have an example before us at the moment in the form of the current naval appropriation bill of how futile would be an effort at this time to accomplish material reductions in the total of the appropriation.

The pending bill calls for an appropriation of $529,125,806. No other appropriation by the Government compares with the outlay that is called for by the Naval Establishment. Appropriation bills for the Commerce Department, the Interior Department, the Agricultural Department, and all of those, excepting only by chance the Military Establishment, occasion all the way from 3 or 4 days to 2 or 3 weeks of consideration before committees. I am not prepared to say how long the pending bill was considered before the House Appropriations Committee, but I know that only a single day of consideration was given to it on the floor of the House.

I know that many who wished to be heard on this bill were denied a hearing by the House committee, and I know that when the bill came to the Senate and was referred to the Committee on Appropriations the subcommittee appointed to deal with this measure for the Appropriations Committee spent the better part of 2 days considering the bill, and it took only a half hour for the entire committee to ratify what the subcommittee had reported, and now there is urge, or seems to be, to accomplish the greatest expedition in the passage of the bill through the Senate.

With respect to appropriation bills for other departments, we spend no end of time in quibbling about the appropriation of public funds, but it is to be observed that when it comes to dealing with appropriations for our Military and Naval Establishments there is eternally a will to proceed with all possible speed and to avoid, so far as possible, any reasonable debate upon the appropriations.

Last June the Senate committee investigating the munitions industry reported to the Senate, in part, as follows:

> In submitting this preliminary report on naval shipbuilding, the committee wishes to emphasize that it is interested mainly in two things:
>
> The first of these is that the naval defenses shall be provided for without profiteering or collusion.
>
> The second of these is that the national necessity for a purely defensive Navy shall not be confused with the private necessity of the shipbuilders for continuing profits as a consequence of the present close interdependence of the Navy Department and these private shipbuilders.
>
> The Navy is an instrument of national policy. Its growth and activities are watched abroad and take part in changing the foreign policy of the nations. Such changes work back to reshape our own national policy. The growth of a Navy contains within it the seeds of armament races and wars as well as the legitimate seeds of a purely defensive national life insurance.

Mr. President, as an example of how out of control all military appropriations have become, I think it would be well to indicate that, while we have before us at the present time the largest appropriation proposed for the Naval Establishment known in peacetime, there is very little that the Congress may do to eliminate any part of the expenditures called for unless we are ready to upset the existing order.

In other words, the pending appropriation is primarily one for maintenance and continuation of that which has already been authorized. The bill offers but one chance to accomplish anything in the way of economy. That chance is to be found on page 49, under the heading, "Replacement of naval vessels." The bill calls for appropriations to accomplish the completion of 32 vessels which have already been started by the Navy. It also calls for an immediate outlay to commence construction of 20 additional vessels. Therein, it would appear, lies about the only chance for Congress to accomplish an economy in this bill, by eliminating the item for new construction which involves approximately $115,000,000—that is, of course, unless we would prefer to disorganize what is now considered our Naval Establishment.

Mr. President, there can be no question concerning the influence and the effect of appropriations of this kind upon our international relations. I think none will deny that never yet in all the history of time has an armament race been followed by peace. We may go along generation after generation talking about the need in time of peace of preparing for war if we would make our peace secure; yet the fact remains that every large armament race has led to that which we sought to prevent, namely, war. Anyone who can view the step-by-step increase in our Naval Establishment during the last 12 or 15 years without discovering what it has caused other nations to do, and then can feel that we are pursuing a secure course, has a vision and a conception of things that is beyond my comprehension.

I read in the May 4 edition of the United States News a very interesting article under the heading "The world rearms. Uncle Sam keeps pace. Record-breaking naval fund approved by House. How nations are building up their war forces."

The opening paragraphs of this splendidly written article read as follows:

> Nations are beating their gold into battleships and their silver into cannon. Never before in time of peace has so much money been poured into machines of war, and oddly enough this same period has probably never been equaled for frequency of official proclamation of a desire for peace and good will.
>
> Compare the sums going into national defense today with those of another pre-war period, 1913–14, and what are the results? Roughly speaking, when changes in price and currency values are taken into consideration, the following is the picture.

Then follows the picture showing how virtually every power on earth has annually been increasing its outlay in preparation for war, to a point, I may add, where today the world is found spending more money getting ready for more war than was ever before spent in peacetime. Every power has been engaging in the program of increasing its military preparedness. While we may be inclined to point the finger of responsibility to other nations and blame them for setting the pace and for leading in this terrible armament race, the facts are that at this hour, this day, no

power upon earth is spending more money getting ready for more war than is being spent by the United States of America. Today we are spending in preparation for more war approximately three times as much as we were spending in the name of preparedness the year before there came to earth the war that was going to end war. This year is going to find the United States spending to maintain its Military and Naval Establishments more money than it cost to maintain every department of the Federal Government, including the Army and Navy, back in 1913 and 1914.

It is not at all surprising, in light of our own steps respecting this armament race, that able men, unprejudiced men, should be standing in their places wondering what it is all about. I have great regard, as has every Member of the Senate, I believe, for Maj. Gen. William C. Rivers, now retired. A letter from him addressed to me and dated the first day of this month appeals as being most significant. I read from his letter:

> It is not possible to see what the Navy (and also the Army) authorities are driving at—unless they propose to force Japan to submission by our superior resources; i. e., to build and to mobilize, as it were, with the idea that Japan, with less gold and other funds, will cry out for mercy?
>
> That is a strange supposition of mine, but what else can they have in mind when building up such great armed forces? No proud people were ever yet subjugated by any such means. In fact, it is an excellent way to drive a proud people to a desperation—or madness—that can make but war.

I think in those two well-written paragraphs Major General Rivers thoroughly sums up the threat that seems to be involved.

What is it at which we are driving and what is it that we are aiming to accomplish through these vastly increased appropriations for our Army and for our Navy from year to year? Annually we hear in this Chamber and in the House of Representatives and upon the public platform the urgings of men that there is grave danger of war with Japan. Just now we seem to be getting a new slant. It is not only Japan. Today's newspapers and today's spokesmen are rather clearly indicating that our present fear and the immediate occasion for our efforts to obtain more capital ships is the fact that Great Britain is planning to build more capital ships, the thought being that we have to keep pace with Great Britain; that we should not for a moment think of letting Great Britain have an ounce more of naval tonnage than we have.

All of this is rather in keeping with testimony which was offered by military advisers before the House Committee on Military Affairs a year ago when they were indicating what was readily concluded to be the need for larger appropriations for trouble, if and when it came, with Great Britain; the need for additional appropriations that were going to insure our being more adequately prepared for what might come—no one expecting it, but for what might come with Great Britain. We had then even a suggestion as to 4,000 miles of international boundary, which for over a hundred years has had no demonstration of military preparedness upon it, that the United States side of that boundary should be fortified; which led, as we all remember, to rather grave conditions abroad.

In Canada and in Great Britain statesmen demanded to know why, and to answer and to allay the suspicion that seemed to have been engendered by the testimony of military men before the House Committee on Military Affairs, the President saw fit to issue a public statement in which he said in effect that the military men testifying before the House Military Affairs Committee were not speaking for the Military Establishment but were speaking only for themselves.

Then it will be remembered that in his desire to chastise someone, and to show his keen displeasure with the consequences of this testimony, the President proceeded to chastise the chairman of the House Military Affairs Committee for having permitted that information to become public. The chastisement was not of the men who had given the testimony, as well it might have been.

Today we have injected into this urge for larger military preparedness the thought that we shall be unprepared in the hour when Great Britain may have more than we have in the way of an established military machine. Day after day we are told that Great Britain is planning to build two new capital ships and that we in turn must be prepared to do likewise. The provisions of the pending bill are rather clear to the effect that we are making it possible for the Navy to build these two additional capital ships if and when Great Britain, or some other power, builds its contemplated additional ships.

I believe there is little thought on the part of Americans of the possibility of trouble between Great Britain and the United States; and down underneath all this urge for larger military establishments one invariably finds the thought that we are rather unprepared for the hour that may come when we shall find ourselves at swords' points with a great nation of people across the Pacific—Japan.

Japan and the United States today are engaged in a wild, mad armament race, when I think there is pretty general conviction that if Japan's Navy were 20 times as large as it is, and we had only what we have, in this day of modern warfare and plans for national defense the Japanese Navy could not get within hundreds of miles of our shores. I think that is pretty generally agreed that if our Navy were 20 times as large as it is, and Japan had only what she has today, in this day of modern plans for national defense our Navy could not get within hundreds of miles of any part of the Japanese shoreline. Yet we are selling ourselves the conviction that our defense and our success in the future are wholly dependent upon a larger, ever larger, Naval Establishment.

When we ask those who lead in the fight for a larger Navy how many ships we must have before we may feel that our defense is adequate, the answer is never a numerical one. The answer is always and invariably, "More! More! More!" If there are persons in the United States who think the increased burden that has been sustained from year to year as a result of increased appropriations for the Navy can be indefinitely borne, if there are persons who think that such a naval race can go on indefinitely and leave America strong, they had better be taking stock of what the eventual result must certainly be.

The race between Japan and the United States today finds many in the United States declaring that we have to be looking out for Japan, while at the same time the people of Japan entertain the same degree of conviction that they have to be looking out for Uncle Sam; that there is danger of Japan being attacked by Uncle Sam. Annually the military men of Japan go forth selling the people of Japan the thought that the increased appropriations by the United States together with the speeches about the danger of war with Japan, are clear evidence that the United States is getting ready to make trouble for Japan; and the people of Japan at once are subjected to appeals for larger Japanese appropriations in the name of national defense.

I hold no brief for the element which has dominated in Japan for so long, namely, the military; and yet, if one will but take the pains to ascertain the facts, he will quickly discover that the people of Japan as a mass have little or no sympathy with the Japanese military.

It was my privilege last fall to spend a number of days in Japan. It was my privilege during that time to enjoy contact with some 15 or 20 very representative Japanese citizens, men whose names would be recognized in any capital anywhere on earth, men representative of virtually every walk of life in Japan, excepting only the Army and the Navy, but men who then declared that the Japanese military had led in a direction and had gone to an extreme where the people of Japan could not carry the burden any longer; that their frontiers had been so far-flung by the military that they could not hope to afford the kind of national-defense establishment that would be adequate or sufficient, and that the military dominance in Japan would have died of its own weight long ago except for the fact that at least once a year the United States gives the Japanese military some ground or other upon which to stand when they say, "We

have to be better prepared for the trouble that the United States is getting ready to make for us."

In my contacts with these Japanese citizens, there was prophecy last October on every hand that at the next popular election in Japan the people would show their keen displeasure with military dominance. Two months or three months after those personal contacts the elections in Japan occurred, with results which are known to us all today, results which substantiated the prophecies that had been made so early. The military in Japan were discredited, were clearly defeated, in those elections; and then we know, too, what an arrogant military establishment did in part in retaliation for its defeat at the polls. It went forth and murdered and slaughtered the public officials who had not taken so ardent a stand alongside the Japanese military as the military thought had been deserved.

Our expenditures for our Military Establishment are a constant source of concern in Japan, just exactly as the Japanese expenditures in the name of so-called national defense are a constant source of worry to the people of the United States. The race which is involved is one which certainly is not going to get us anywhere except into the very thing we are trying to prevent, except into the thing we are trying to avoid by the degree of defense we are building.

Our contribution to the establishment and to the continuation of the life of the military in Japan seems to me ought not to be overlooked. We are often apt and wont to place upon Japan the responsibility for the armament race that is going on today, when as a matter of fact we ought to be more carefully weighing what perchance may be our contribution to prolonging the dominance of the military in Japan. The race that is on between us now is a race that means much to everyone.

One hundred and twenty-five million Americans have much at stake in races which in the past have invariably led only to war. We have something else at stake. We have very largely at stake the expense that is entailed by reason of races of the present kind. But there are a few Americans who have something more at stake than do the great bulk of the American people, a few Americans whose prosperity is dependent upon a continuation of a mad armament race, with our own country a participant in the race.

Mr. President, we go forward from year to year appropriating moneys in the name of national defense when the actual preparation undertaken by reason of the expenditure of these public moneys is of plans not for national defense, but of plans for a national offensive.

The plans for the next war, under the existing National Defense Act, are not necessarily plans calling for the mobilization of forces upon acres of American soil, in our own harbors, or within a hundred miles of our own shores. In the main, our national defense plans call for the transportation again of 3,000,000 American boys across thousands of miles of deep blue ocean water in the name of national defense. And when it dawns, as it will, upon the people of America, that these appropriations are for something more than strictly national defense, the membership of this and subsequent Congresses is going to hear from home in no uncertain way. If I am not mistaken, if Members of Congress could be back at home at the present hour they would find there a degree of great displeasure with these increased appropriations.

Another thing is going to awaken the people of America ultimately. In the name of national defense we go forward perfecting armor plate, to make more secure our national defense. Within the last month in one nation of the earth there has been developed a new projectile which will pierce 12-inch armor plate, a projectile that, strictly speaking, makes every naval vessel on earth today obsolete, no longer of utility, easily subject to sinking, and to attack. It will not be long before spokesmen will be pointing out the need for substituting brand-new equipment for the present naval equipment and, of course, while we are doing that, other nations will be doing likewise.

In connection with the armor plate, we should never lose sight of the fact that all the armor plate that has gone into our present Naval Establishment has afforded a very profitable venture for the manufacturers of armor plate. They will not be displeased if there is substitution of something for the present equipment, something that will better protect against this new, powerful projectile, which can pierce the 12-inch plates.

We go on perfecting guns from year to year, and our military leaders buy these guns for our Army and our Navy. The purchase of those guns by our Government is a source of great satisfaction, of course, to the manufacturers of the guns. They want to sell more of them, and they do sell more of them. After they sell enough for our requirements, they go over the earth selling the same kind of guns to every other nation that will buy, including the same nations against which those very gun makers tell us we must be prepared to defend ourselves.

As an example, we may take the case of the Driggs Ordnance Co., producers of large ordnance, who perfected a new gun for mounting upon naval vessels, a very efficient instrument. Our Navy thought enough of it to buy a sufficient quantity to arm a limited number of our naval craft. With that sale consummated by the Driggs Ordnance Co., Mr. Driggs sent his salesmen to Europe to sell the same gun over there. The Europeans are not very quick in buying that which they do not have a chance to see, and the salesmen, without a sample of this new gun, weighing tons upon tons, decided that their best prospect lay in Turkey, and to Turkey they went, striving to sell this newly perfected American-made gun to the Turkish Government.

The salesmen wined and dined the Minister of War of Turkey and the admirals and the generals day in and day out, but the Turkish officials would not buy, feeling that they could not expend the public moneys for that which they did not see.

One day into the harbor of Constantinople came the good American battleship *Raleigh*, one of the very few equipped with this new type of gun, and onto this vessel were invited these salesmen and the emissaries of the Turkish Government. Accepting the invitation, they were shown what a fine instrument this new gun was, and before long the salesmen for this American corporation had an order for the sale to Turkey of guns like those which had been sold to our Navy in the name of national defense.

We go on perfecting gases, poison and otherwise, selling them to our Army and to our Navy in the name of national defense. Then the producers of those gases send their representatives into other lands to sell the identical gases there—of course, in the name of national defense.

Some things have been discovered by the Munitions Committee which I think reveal that the munition producers are not always the bad type they have been painted. For example, a few years ago an American gas producer desired to sell gas to the Turkish Government. The Turkish Government was considering producing its own gas, whereupon the American company offered to sell the plans and specifications for the erection of the kind of a plant suitable to the need of producing this gas. This American company was quite willing to sell the Turkish Government its formula for the production of the gas, so that they could produce their own gas. The American company's salesmen were at work striving to develop a line of business with Turkey, and during those very days and hours the same American company had its salesmen at work in Turkey undertaking to sell gas masks to the Turkish Red Cross—a very considerate lot of people; looking to the future, of course.

One must sense the motives behind a large part of this constant urge for more and more and ever more national defense with no enemy in sight. We go on perfecting our aircraft, and then selling the perfected aircraft not only to our own Army and Navy but to the military establishments of other lands, including Japan.

We go on perfecting our powder formulas, and then our private industry sells those formulas to other nations against whom we provide a national defense, to other nations, including Japan, that seems to be constantly on guard against us.

We go on perfecting radio to expedite and to make simpler the matter of communication among our naval craft in time of war, and then other powers come into possession of the same degree of improved equipment.

The fact is, Mr. President, that if there shall ever come the war between Japan and the United States, which is so much talked about just before the annual appropriation bills are acted upon, our forces, our own sons, somewhere out on the Pacific, are going to encounter their foe, and from underneath the waves the transports upon which they travel are going to be targets of torpedoes charged with explosives manufactured in the United States, or with explosives manufactured under formulas sold to Japan by producers in the United States; and the torpedoes will be discharged from submarines, which are built only because the American Electric Boat Co. sells the designs and the patent rights and specifications to other nations, including Japan.

From overhead, from out the zooming airplanes, will come bombs loaded with shrapnel that once knew its home to be the United States, sold to Japan to the great profit of some Americans.

Every one of the airplanes which attack our forces as we move across the Pacific will be powered by a motor either manufactured in the United States or manufactured in Japan under rights sold to Japan by American corporations.

Yet we continue shouting that we have to look out for Japan, and go on arming, to the profit of some few Americans, and over in Japan the people are thoroughly convinced that they have to be prepared for that war which the United States is getting ready to wage against them.

When the question is asked why they think we are getting ready to do anything of the kind, invariably they point to the increasing appropriations made from year to year, and they place the appropriations alongside the speeches which are made by Members of Congress indicating the need for a great national defense against the trouble which is coming from Japan. Here we are fooling ourselves while the Japanese are fooling themselves into believing that there is will to war between Japan and the United States.

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. CAPPER in the chair). Does the Senator from North Dakota yield to the Senator from Utah?

Mr. NYE. I gladly yield.

Mr. KING. I am sorry to disturb the Senator in the excellent presentation which he is making; but, having mentioned Japan, I am tempted to call to his attention a matter with which he is familiar; namely, that a number of years ago, when the United States announced a large naval program—one calling for several hundred million dollars—and also a program calling for several hundred million dollars for the War Department, an official of the Japanese Government who was a member of the Japanese Diet, interrogated a member of the cabinet as to the reason for such large naval appropriations being requested by the Japanese Government. In response to the interrogation, the official of the Government stated that "the United States has increased its appropriation, and we must take cognizance of the activities of the great power on the other side of the Pacific Ocean."

So, our increase in appropriations undoubtedly led Japan to demand larger appropriations. Our course caused fear on their part and precipitated their action. Lord Lothian recently said that whenever one nation arms ostensibly for the purpose of preparedness, other nations are led to arm; and he further said that these armaments led to periodic wars.

Mr. NYE. A rivalry which leads to the one thing that is most profitable to the few who engage in the production of materials for so-called national-defense requirements.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. SHIPSTEAD. I have been very much interested in trying to find out if any reasonable man can explain under what circumstances we can ever have any trouble with Japan. I cannot see any reason why there should be any fear of trouble with Japan. I have never met anyone who could explain to me why there should be any such fear.

Mr. NYE. I may say to the Senator from Minnesota that we have people who think Uncle Sam ought to be a policeman over in the Orient, and that when other nations do things over there which we do not like, even though toward people other than our own, we ought to be ready to move in and take a hand at straightening out unfair things that are being done. There are other people in the United States who are equally insistent that one morning we shall awaken to the discovery that the Japanese have seized the Philippine Islands. Then there are other Americans who ask the question, "If that shall come to pass, what are we going to do about it?" and I am at a loss to know what to do about it.

Mr. SHIPSTEAD. I do not think there is any ground for suspicion that Japan would take the Philippines.

Mr. NYE. I entertain no such suspicion; yet I think if Japan ever were inclined to take the Philippine Islands we could not successfully defend them, even though we had a Naval Establishment five times as large as it now is. To have so large a Naval Establishment is not to be thought of. We could not carry such a load. We could not afford that kind of defense.

Mr. SHIPSTEAD. My observation of the subject has led me to believe that the question is more one of interest in oil and oil markets in the Orient than interest in the Philippine Islands.

Mr. NYE. I think the Philippine controversy is little deserving of our consideration as respects our relations with Japan.

Mr. SHIPSTEAD. Of course there is propaganda going on all over the country, fostered to a large extent by persons and organizations who claim they are working for peace. They are spreading the propaganda that, of course, we cannot keep out of the next world war. They say we cannot keep out. Then there are other persons who think it is our duty to punish bad nations and help good nations punish bad nations. That propaganda is going on in this country all the time. I think it is just as dangerous a propaganda as that which brought us into the World War.

Mr. NYE. Decidedly it is. It is as dangerous, or even more so.

Mr. SHIPSTEAD. It is fostered by organizations which say they are for peace.

Mr. NYE. That is too often true.

Mr. SHIPSTEAD. Such organizations supported the London Naval Treaty, the treaty which makes possible the pending naval bill. Every Member of the Senate who voted for the London Naval Treaty ought to vote for the passage of the pending bill, because it would be perfectly consistent for him to do so. The London Naval Treaty was hailed as a disarmament treaty. However, it laid the foundation for just the kind of program we are now considering.

Mr. KING. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. KING. I apologize to the Senator from North Dakota for interrupting his speech. I am compelled to leave the Chamber to attend a meeting of the Finance Committee, which is trying to raise $600,000,000 or $700,000,000, a large part of which will be required to meet the $525,000,000 expenditure called for by the pending bill.

Mr. NYE. I venture to guess that it will take Congress much longer to devise ways to pay the bill than Congress will require to spend the money that has to be raised by taxation.

Mr. KING. Mr. President, I think the Senator may tell his constituents that Congress will increase the burden of taxation, now so heavily bearing upon them, and that our children and our children's children and perhaps our children's children's children will not escape some of the burden of taxation which we are now piling up.

Mr. NYE. Mr. President, I was making a point of the fact that a great many Americans who are eternally urging us into more adequate preparation for war are getting a large

profit out of preparations for war. I was making the point that Americans who are enjoying profits from our preparations for national defense are taking profits out of their sales of materials for national defense to other nations, including those which may some day be our foes in war. Of course, no one should conclude that I am alleging that such a practice is one which is wholly American. It is a practice which is common the world over, a practice which is as old as the game of war itself. It is a practice which 20 years ago made one European the richest man in all Europe. He went forth arming all Europe with the same identical instruments of warfare, and then, after the war was over, he was honored by all Europe for his great service to mankind during the war!

Right now, though, over across the Atlantic there is a picture which is constantly threatening the peace of the world. Right now the French are arming Germany. I have before me a very interesting item which was printed in a newspaper a month ago or less being a dispatch from Paris under the heading:

French steel trust piles up profits selling Hitler material for arms to menace France.

I read as follows:

FRENCH STEEL TRUST PILES UP PROFITS SELLING HITLER MATERIAL FOR ARMS TO MENACE FRANCE—16,000,000 TONS OF ORE A YEAR SENT TO GERMANY FOR WAR MACHINE

By Pierre van Paassen

PARIS.—France is arming Germany! Her munitions makers, like those of other lands, know no fatherland but profit.

If Herr Hitler felt strong enough March 7 to defy the world, tear the Locarno Treaty to shreds, and install himself on the Rhine with heavy artillery, monster tanks, mobile forts of steel, and bombing planes, this was made possible by the French mining trusts.

Seventy-five percent of the steel in Germany's artillery and other war equipment comes from France. Seventy-five percent of the shells and bullets which would kill French soldiers or the soldiers of nations allied with France in the event of war with Germany are of French origin.

STEEL FOR HITLER GUNS

An average of 60 freight trains loaded with iron ore left France for Germany every day in 1933, 1934, and 1935. The rate of export is even higher in 1936.

Germany has used 20,000,000 tons of steel a year since Hitler came to power to build up her gigantic war machine. Sixteen million tons of this ore came from France. If France is under the terrific pressure of a German army on her borders today, unable to maneuver and wondering if she must look on impotently as Germany attacks the allies of France in eastern Europe before turning against France herself, the French people may thank their own trust magnates. For these men are making a German victory discussable.

USE FRENCH MATERIALS

Those aerial torpedoes loaded with high explosives, those cylinders containing poison gas with which Goering's flying squadrons are loaded up, and the very bombing machines themselves which now lie ready at the ridiculously short distance of 180 miles from Paris, are made out of material that comes out of French soil. Hitler's giant Zeppelins could not be manufactured if France were not supplying the bauxite which is indispensable in the manufacture of aluminum.

The Socialist group in the Chamber of Deputies asked Premier Albert Sarraut before the adjournment of Parliament, March 18, what measure the Government intended to take to stop this colossal export which menaces the security of France. Sarraut did not reply.

USED FOR EXPLOSIVES

When I went to the Rhine recently—

The author of this article, Mr. Pierre van Paassen, said—

I saw a string of trucks being examined at the French custom station before passing over the international bridge into the Reich. These trucks contained cotton waste and silk waste, and the next day I learned that the Tourcoing mills in France exported to Germany in 1 month 1,700 tons of wool, cotton, and silk waste, 200 tons of cotton thread and 350 tons of silk waste. All this material is used to manufacture explosives.

An expert, Paul Allard, has figured out that of every two shells Germany fires off in the next war, one will be of French origin. That is to say, one out of every two shells fired by Germans to kill Frenchmen in the next war will represent a profit to the Comite des Forges, the great French Steel Trust.

The main reason why France doesn't put a stop to the export of war material is that French public opinion is dominated by great newspapers which are the property of the same Comite des Forges, the same steel and munition trusts which are piling up profits in supplying war material to Germany. And these same munition trusts gave financial support to Adolph Hitler before he came to power.

So, Mr. President, let us not assume that our American companies are the only ones engaged in the game of arming all the world with the same identical instruments of warfare which are to be used in our defense when the next emergency comes.

I think my colleagues in the Senate are not among those who have been free in declarations that there has been a purpose on the part of the Munitions Committee to undermine our own national defense. I think there are in the Senate no more insistent advocates of national defense than are the men serving upon the Munitions Committee. Yet when we stop to weigh and see what is being done in the name of national defense today, when we stop to think that the plans calling for these mad appropriations from year to year contemplate wars thousands of miles away from our own shores again, surely it is time that we exercise the liberty of criticising those things that are being done in the name of national defense.

Let us take a look at our need for national defense. Can it be said that there is any power upon the earth less likely to be attacked by a foreign foe than is the United States? I think not. I think there is no nation on earth so fortunately situated as are we with respect to having to deal with that fear and that danger; and yet here we are spending more money in the name of national defense than is being spent by any other nation on earth, leading the armament race that is with us today, a race which can hardly expect to encounter any other end than that which armament races have accomplished in the past. They are always followed by war. I do not know by what right we anticipate that another armament race is not going to be followed by the same result that has accrued from armament races heretofore. Even when set forth to wipe out depressions, as we have been trying to wipe out a depression for the last number of years, our very first consideration is our national defense. We appropriate billions of dollars, which is intended to start the wheels of industry again, which is intended to afford employment for men, and our very first allocation of public-works money to accomplish such a result is an allocation to our Navy, to be used in building more ships, getting ready for more of the same thing that gave us the depression we are fighting. And so we take the public-works money and build more ships and get ready for more war, knowing full well that, as in the case of every other war, another war will be followed by more depressions, so that we can have another public-works program, perchance, with which to build more ships and get ready for more war.

Mr. President, there is an element in this country that relishes the idea of keeping the American people fooled into the belief that they are not adequately defended, that they are not adequately prepared to defend themselves against what may come from foreign powers. Privately, among themselves, this element talks about these appropriations in terms that are unmistakable and not in the terms they use when the public is listening in. When we listen in, their urge for more ships and more men and more armament is an urge for a better and more adequate national defense; but among themselves, when they talk about such appropriations as the one now pending before us, they call it by its right name; they call it "plunder", and then they forget to destroy the letters. One such example is clearly revealed in a letter written right after the passage of one of our naval building bills by Mr. H. M. Southgate, representative of the Westinghouse Electric & Manufacturing Co., and written to the president of a great shipbuilding corporation. In the letter Mr. Southgate said:

I understand the morning after the bill went through every east coast yard had its representatives in Washington with their tongues hanging out and all teeth showing, ready to fight for their share of the plunder, and the only thing that stopped the west coast yards from being here was the fact that they could not come bodily by telegraph.

Among themselves, I repeat, when they consider the thing that we call national defense, they call it "plunder"; and if other Members of the Senate, with my colleagues and

myself, upon the Munitions Committee could have followed the revelations, they would have realized how tremendous is the plunder enjoyed under the big building programs by shipbuilders and others who have that which is needed to arm our ships with that degree of armament for which our national defense, according to their estimate, calls. There is tremendous profit in keeping the world fearful of itself. There is for some people tremendous profit in these mad armament races.

Mr. POPE. Mr. President, will the Senator yield?

Mr. NYE. I gladly yield to the Senator from Idaho.

Mr. POPE. Has it occurred to the Senator as being interesting that the National Economy League, from whom we hear constantly with regard to economy in all sorts of matters, never writes a letter protesting against naval appropriation bills or Army appropriation bills?

Mr. NYE. It has never struck me as being at all strange, and I know it is not a strange thing to have been encountered by the Senator from Idaho, because the Senator from Idaho, like myself, knows who are the sponsors of these so-called economy leagues and liberty leagues. The Senator from Idaho does not anticipate that the Du Ponts, for example, who go forth annually urging great economy, great cuts in appropriations for the Labor Department, for the Commerce Department, for the Interior Department, and other departments, are going to urge any reduction in appropriations for the Army and Navy when such appropriations are what have made the Du Ponts the power and force they are in the world today.

Mr. BONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Washington?

Mr. NYE. I yield to the Senator from Washington.

Mr. BONE. Mr. President, I am wondering if my friend from North Dakota has received any protests from chambers of commerce in the United States against the size of the military and naval appropriations this year and last year?

Mr. NYE. The Senator asks a question that is nearly a repetition of one that I asked my office force this morning; and they made search for any evidence of an appeal from chambers of commerce protesting against these Army and Navy appropriation bills. There were none.

Mr. BONE. The United States Chamber of Commerce has its headquarters here in Washington, D. C., and as I read in the newspapers, in an attempt to understand the position assumed by that dignified body, I gather the impression that it is violently opposed to the prodigal expenditures, as it charges and calls them, of the New Deal, and yet we now confront the fact that this year and last year this Government will have expended well over $2,000,000,000 for preparedness. I am wondering if that has excited or is going to excite a murmur on the part of the United States Chamber of Commerce, because $2,000,000,000 is a sizable portion or part of the money we have spent in rehabilitation, feeding the poor, trying to give the average poor fellow a break in these dreadful times.

Mr. NYE. Does the Senator from Washington anticipate that there will be any protest from the United States Chamber of Commerce?

Mr. BONE. I think the Senator from North Dakota is sufficiently familiar with my frame of mind and my viewpoint to know that I do not expect even a ripple out of the United States Chamber of Commerce although we should spend $5,000,000,000 a year in so-called preparedness.

Mr. NYE. Certainly.

Mr. BONE. I am merely trying to get from the Senator some expression of opinion, if he is willing to give an expression of opinion, as to why big business, typified by the United States Chamber of Commerce, does not see fit to murmur against the size of these appropriations but snarls all the time against appropriations for the W. P. A. and other necessary remedial operations of the Government.

Mr. NYE. I thank the Senator for his observations. I have been making the point that, as a Nation, we were so fortunately located that we perhaps needed to fear less than any other power on earth attack from abroad; and yet our outlay in the name of national defense and in preparation for war is greater than is the outlay of any other nation upon this earth.

Mr. NORRIS. Mr. President, will the Senator yield for what may be an unfriendly interruption?

Mr. NYE. I always gladly yield to the Senator from Nebraska.

Mr. NORRIS. I am moved to make this suggestion because of an observation made by the Senator from Washington and also by the reply of the Senator from North Dakota. It seems to me the Senator from North Dakota and other Senators who are opposed to large Navy appropriations assume that the purpose of the Navy and the Army is to defend our country against invasion. Has it ever occurred to the Senator that great armament might have another use?

We have just had an illustration in Ethiopia of what can be accomplished by modern armament by going into another country and capturing it and taking it over. That glorious victory which Mussolini has obtained over the Ethiopian Government fills all his countrymen here with pride and admiration. It seems to me that victory would not have been possible had not his Government made preparation for great armament and for a large Army and Navy. We find him going into Ethiopia, winning some glorious battles without the loss of very many of his men, without meeting a single defeat, but capturing the cities of Ethiopia and subjecting its people to his rule.

Not only do we find him victorious on the battlefield, but victorious in the air. He has gone over Ethiopia by airplane without meeting a single defeat, without losing a single airplane, I understand. Not only is he victorious in the air and on the land, but Mussolini has not lost a battle on the sea in this war. He comes out of the war victorious. Ethiopia comes out without any fleet. Ethiopia has not an armed vessel left. It was a great victory for Italy. It was an ignominious defeat for Ethiopia. By means of his preparation for war Mussolini has given an exhibition of how it is possible to destroy an armed people and to murder more babies than ever before in the history of the world in the same length of time.

Is not that sufficient glory to encourage us to go on and arm and rearm and arm again and build new battleships to get ready for that kind of emergency, which may come to us at any time?

Mr. NYE. The Senator prefaced his question with something in the nature of an apology for asking what might be an embarrassing question. In answer to the Senator's question I am going to ask him an equally embarrassing one. With the terrible Ethiopians put in their place, is there any longer need for us to make preparation to do for Mussolini what he has done for us?

Mr. NORRIS. I gladly answer the question. Ethiopia is not the only "pebble on the beach." There are several other African countries. There are some countries perhaps on our own continent that we may want to conquer tomorrow.

What about Liberia? Italy has not yet taken Liberia. Could we not use our Navy to go over there and capture that country? By the way, we loaned Liberia a lot of money during the World War because she was one of our allies and helped us in the great World War to bring about a victory for peace in a war against war when we made the world, including Liberia, "safe for democracy."

Mr. NYE. I thank the Senator from Nebraska. He and the Senator from Washington [Mr. BONE] are greatly concerned about our preparation for going away from home, if need be, to wage war. The Senator from Washington is eager to know what in the world it is that keeps the United States Chamber of Commerce from violently protesting these huge and ever-larger appropriations for our Military Establishment. I would not even insinuate it, I may say to the Senator from Washington, but I wonder if by any chance the chamber of commerce contemplates that the time may come when we will want to engage in some expedition, not necessarily into Ethiopia or Liberia, but, by chance, to Nicaragua,

where some few Americans have large interests at stake? Does the Senator from Washington think that might be at all an influence in that consideration?

Mr. BONE. Mr. President——

Mr. NYE. I gladly yield to the Senator from Washington.

Mr. BONE. I have, as has the Senator from North Dakota, rather definite notions about what some of those gentlemen would like to do if they deemed it necessary to do it. I do not want the Senator to think I am trying even to interrupt his speech. I hope he will be patient with me.

Mr. NYE. The Senator improves my speech.

Mr. BONE. I thank the Senator. I have been impelled to examine at some length some of the arguments advanced in behalf of an American merchant marine which seemed to be tied in with the argument for a national defense. I have saved not only dozens but hundreds of clippings from most highly vocal exponents of an American merchant marine. In examining and breaking them down to find the very heart and essence and soul of the argument for an American merchant marine, this one factor stands out, and I think the Senator from North Dakota might in his speech find it of advantage to the country to elaborate a little on the thought which I am about to suggest to him.

The leading argument for a great American merchant marine has this particular thought running through it like a red string through the warp and woof of a rug. It is that we must have ships capable of carrying large numbers of troops not for short distances but for thousands of miles, with a cruising radius and range running into thousands of miles. I am wondering what the American merchant marine, which is to haul troops thousands of miles, is really being built for? On the one hand is the argument for national defense. Obviously, we do not have to defend this Nation on the shores of Asia or Africa. I cannot imagine a defense of America on the shores of Africa, either the east or west coast. Therefore I am compelled to view that sort of argument with some misgivings.

Has the Senator any thought to give us in the way of enlightenment as to what this sort of argument for a merchant marine, which is to convey troops thousands of miles, might have to do with the picture he is now developing before the Senate?

Mr. NYE. I have tried to make the point during my argument this afternoon that, strictly speaking, the national-defense plans toward which we appropriate year after year are not plans contemplating war here at home. They are plans, as the Senator so well knows, contemplating the transportation of millions of American youth to other shores, to other lands, where they are to defend our homes, our wives, our sisters, our sweethearts, and our mothers from attack.

There, it seems to me, is the whole nub of the argument concerning the ever-increasing appropriations for military establishments. We are not content to plan strictly for national defense. We plan for a national offense, if need be. Our military leaders have often said that the best defense is a strong preparation for a strong offensive.

Mr. POPE. Mr. President, will the Senator yield?

Mr. NYE. Gladly.

Mr. POPE. A very interesting lesson has been brought out within the last few weeks concerning the value of national defense. France spends $630,000,000 a year for national defense. A considerable portion of that amount is expended in the building of a line of forts along the French-German border, the finest forts that have ever been constructed, with long lines of corridors, electric elevators, and all modern conveniences. When I was in France last summer I talked with a number of people who said that they felt secure now that they have these forts, because they believed Germany would not again come across that line.

In an issue of Time about a week ago it appeared that Hitler, since he has been operating the Saar coal mines, has dug a channel under each one of those principal forts and has mined them so that within a minute or two he can blow up the principal forts which, over a period of years, have been built by France for her defense.

It seems to me that is a very good illustration, after all, of the so-called "defense" that may be provided over a period of years. The difficulty is that as soon as a defense is built up, some counter defense will be built up which will destroy it, and that is one illustration of it.

Mr. NYE. Mr. President, to localize the same point, we have felt that today the larger part of our naval equipment, armed with 12-inch armor plate, was sufficient to withstand any modern guns that might operate against it; yet within the past month there has come the development of a new projectile which will pierce 12-inch armor plate, which at once, as I have previously today remarked, makes obsolete all of the world's present naval armaments. We shall never catch up with ourselves in these wild races. We never have done so; we never shall.

I come back to the point I was making: If we in the United States could content ourselves with providing an adequacy of national defense that would be sufficient easily to repulse a foe that might attack us, I venture to say that we could have that degree of national defense for hundreds of millions of dollars less cost each year; but we are not satisfied with that. At least, those who lead in our thought in the matter of national defense are not satisfied with that. I do not think 1 percent of the people of the United States have any fear of attack from a foreign foe upon our shores or upon our lands; and yet we go on making preparations on a scale that would let us meet a hundred wars, or a hundred attacks from a combination of foreign foes. There is no fear of attack from abroad. There has not been for many, many scores of years during the lifetime of this country.

Abraham Lincoln, in his day, asked the question:

> At what point shall we expect the approach of danger? Shall we expect some trans-Atlantic military giant to step the ocean and crush us at a blow?

Then he answered it:

> Never! All the armies of Europe, Asia, and Africa combined, with all the treasure of the earth (our own excepted) in their military chest, with a Bonaparte for a commander, could not, by force, take a drink from the Ohio or make a track on the Blue Ridge in trial of a thousand years.

He asked the question from what source we need fear attack, and he answered the question and said it could not come from abroad; that our undoing must come from within ourselves.

There is no danger of attack from abroad; and yet, I repeat, we go on spending more than is being spent by any other nation on earth in the name of national defense. We say to ourselves we are rather forced now to make this appropriation, for example, of half a billion dollars for our Navy for the new year. We did our best to accomplish understanding among nations. We tried to get out of this mad naval race. We had our delegates over at London more recently, earnestly striving to bring about an understanding which would let us reduce our naval budgets; but Senators know what the result was. Our representatives told us Japan would not agree, and this nation and that nation would not do as we wished to do; so we signed the treaty, which I rather suspect some day will come to be known as the famous Swiss cheese treaty, for it seems to eliminate the last vestige of any effort to control or to limit naval armaments. In any event, it is because of failures like that, after we have done our best, that we are obliged to engage in these mad naval races.

I wonder, as I often have wondered, whether there was really a sincere, honest desire at London last winter to bring about anything resembling a degree of disarmament. I seriously doubt it.

Only 3 weeks ago one of the American delegates to the London Conference returned home. When he landed in New York he was met by a bevy of newspapermen and photographers, all of whom were exceedingly anxious to know what he thought of the treaty that had been signed at London, and what he thought of the results of the conference. This spokesman of ours, our delegate to a dis-

armament conference, in answer to those queries by the press, said:

I do think we haven't lost a damn thing. We've still got our 10,000-ton cruisers.

That was the statement of the American delegate. That was the spirit of his report on accomplishments at London—"We haven't lost a damn thing", to use his own expression. Who was this delegate? Admiral Standley, who yesterday and the day before appeared before the Senate Appropriations Committee to support and to urge the enactment of the bill which at the present time is before us; Admiral Standley, one of our delegates at a conference which anticipated reduction in our naval force; Admiral Standley, whose training, whose whole background is one of preparation for war, whose whole background is one that dictates not disarmament but armament, one who is trained in those things. I suppose it is fair to assume that he went to London with an open mind; it is always fair to assume that; and yet I go back to a speech he made only last September at Atlantic City and also at Philadelphia in which he was deriding those who were opposed to these so-called national-defense programs; a speech in which he declared that opponents of the naval building program were—and I quote his words—

The greatest menace to the stability of our Government and to our national security.

So I take it that our national security and our stability as a government are dependent upon the prevention of any understanding that will let us get out from under these budgets which are increasing so terribly from year to year.

Mr. BONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from North Dakota yield to the Senator from Washington?

Mr. NYE. If the Senator will permit me to go one step further with this thought, I shall be glad to yield to him.

In support of Admiral Standley's great interest in accomplishing something that will let us get out from under this burden of naval armaments, I should like to point out, if I may, that there came before our Munitions Committee one day a character by the name of A. P. Homer, whom I am sure members of the committee will never forget. While he was before us there was produced from the files a letter which Mr. Homer, representative of the shipbuilding industry, had written back in 1933, in which he suggested to the shipbuilders that they might do well to come down to Washington and talk things over with "the gang." The Senator from Washington [Mr. BONE] has not forgotten that particular experience. I will read part of Mr. Homer's letter, pointing out that the public-works program which had just been enacted was going to permit large shipbuilding programs. He said:

We are on our way, and all of the nations had better watch their step, because we have found ourselves again. From what I can gather, we are going ahead to a full treaty-strength Navy, and we are going to do it quick.

I think it would be very wise for you to come down to Washington in the near future and talk to the gang.

For more than an hour our committee sought to get Mr. Homer to tell us whom he meant by "the gang", and he finally consented to tell; and among those he named was Admiral Standley, who, upon his return from representing our interests in London 3 or 4 weeks ago, declared that we did not lose "a damn thing" at the London Conference.

I now yield to the Senator from Washington.

Mr. BONE. Mr. President, I desire to suggest to the Senator from North Dakota that I have no quarrel, nor have I ever had a quarrel, with the principle of adequate national defense. The statements I have made on this floor, and the questions I have seen fit to ask other Members of the Senate who were discussing the subject, I think should have suggested to them my own attitude of mind.

I listened to the testimony before the Munitions Committee, to which the Senator has adverted, the statements of the most vigorous and highly vocal proponents of national defense, and I found myself in some measure agreeing with them. I thought we ought to have plenty of purely national defense; that we should adopt those tactics and that technique which would best lead to an adequate national defense. Therefore, at all times during my connection with the Munitions Committee I suggested the necessity of making very certain that we should have an adequate national defense, particularly in the Navy; and for that reason I desired to see our navy yards expanded to a point where they could handle this program.

By the expenditure of what is now a comparatively small, even a microscopic sum, something like $23,000,000, we could build graving docks and construction facilities in our Government navy yards that would handle our naval expansion program even in a so-called naval race. For that comparatively tiny sum we could put our Government in position to handle a program of national defense; and yet, for some obscure reason which perhaps the Senator from North Dakota may make plain, although I have never yet found anyone who has made it plain or attempted to do so, the Navy Department objected to that. They were highly vocal in insisting upon an adequate national defense, and yet apparently, for some obscure reason, desired to cripple our best defensive arm, the navy yards of the country, at a time when we were told—deliberately, coldly, purposefully told—that national defense was of most vital importance to the Republic.

I assume that to be true, and I cannot understand, and I never will be able to understand, why the Navy Department wishes deliberately to cut off its right arm and destroy the efficiency, in a measurable degree, of its navy yards, where it could, under pressure, build all the new ships called for under the new naval program.

If the Senator from North Dakota has any information which would enable him to shed any light on this peculiar attitude of the Department, in one breath saying we must have and insist upon an adequate national defense, and in the next breath as definitely asking the Congress to cripple the institution which would permit us to have an adequate national defense, I wish the Senator would make that obscure position plain, not only to the Senate, but to the country, because to me it is inexplicable that the Navy would send a man to London to make a fight for the right of the United States to have an adequate Navy, and come here and suggest to me, and to other Members of the Senate, the necessity for adequate appropriations for a Navy, and then deliberately cripple the one agency, which, with the expenditure of $23,000,000, could provide a naval defense which these gentlemen insist is necessary.

I repeat, I believe in an adequate national defense, and because of that, and because of my own patriotic impulses and my own love of country, I do not like to see any man in public life deliberately set his hand in a ruthless fashion against the instrumentalities which in themselves would ensure this Republic, which millions of men have died to preserve, not only the control, but the absolute, outright fee-simple ownership of facilities where ships could be brought into existence as speedily as men could build them.

I say again, there seems to be an obscure reason why we do obeisance always at the shrine of shipbuilders, at the shrine of private airplane agencies. A bill which came over from the other House contained a provision which deliberately struck down the naval-aircraft factory at Philadelphia, and I cannot understand that. Two years ago there was a fight on this floor, and by dint of the greatest efforts we wrote into the bill then before us, which came out of the Naval Affairs Committee, of which I am a member, a provision that the Government should expand a little plant in Philadelphia which was becoming obsolete, which had gone into a condition of innocuous desuetude, that it should breathe the breath of life into that plant, so that it should become a yardstick which might prevent ruthless profiteers from rooking the Government.

The Senator will recall the statement in bold type, by men interested in a private airplane plant, that in time of peace one plant had piled up profits of 1,142,000 percent, and

those profits, the Senator from North Dakota will recall, according to the estimates then made, and under the figures that were disclosed, represented profits of 11,420 times the entire capital of that plant in 6 years, in peacetimes, made out of the Senator's Government and mine. And men call that patriotism, and under that sort of black flag of business piracy they cheat this Government mercilessly, brutally.

Men who would do such a thing in wartime would be taken before a drumhead court martial, and would not be allowed to repeat it. But when we bring those men here, we meet with opposition, and I do not like that sort of attitude toward national defense.

Mr. NYE. I wonder whether the Senator's statement that had that occurred in time of war there would have been grave consequences is borne out by the facts.

Mr. BONE. It was suggested to those gentlemen that if they were guilty of one-millionth part of that sort of treason to this Government in time of war they would be shot. Men who do such things have the blood of treason in their veins.

Mr. NYE. But the Senator knows and remembers well that there were American corporations during the war, in the most critical hours during the war, that would not respond, that would not comply with the requests of their Government, until they could have a guarantee of a certain amount of profit.

Mr. BONE. I understand that. If the people of the Republic had been privileged to hear the testimony before the Munitions Committee, of course, there would be a change here. But we need not expect to have men who have no reverence for the flag, no innate love of country in their hearts, but who have only an insatiable greed for money, and are willing to strike the Republic a blow in the face of its enemy, actual or potential, to feel any other way. The time has come when we ought to serve notice on these men that while we are ready to pay legitimate profits, we cannot stand for such things as these.

I know the Senator is too familiar with this sort of thing, perhaps, to make necessary any comments, but I hope the time is coming when the Senate and the House will put an end to that kind of business. That is why I hope that when this bill goes to conference we will not permit the destruction, what would seem to me the wanton destruction, of the airplane plant in Philadelphia, which can, in its own feeble way, set up some sort of yardstick to protect the Government against men who would rook it. That is precisely what that sort of thing means, and I think the Senator and others should join with the rest of us—and I am sure he feels that way, because he joined us in the Munitions Committee—and make provision for the Government producing some of its own munitions.

Then, in the face of that sort of a proposal, we shall see how patriotic some of the flag-waving munitions boys in this country are. They want preparedness as long as they do the preparing, with the profit I have indicated, 1,142,000 percent in 6 years, the profit, or a substantial part of it, coming out of their Government.

I hope the Senator, feeling as he does about this question, will join with us who feel that preparedness is right and proper and patriotic, but who would get the hands of these men, who are almost racketeers, out of the Treasury of the United States.

Mr. NYE. I do not know why the Senator from Washington refers to them as "almost racketeers." I think they are the most clearly defined racketeers there are in this country.

The Senator asks why it is that the heads of our military establishments are so violently opposed to the Government going into the business of producing its own national defense requirements. I wish I could answer his question. I entertain the same thought that is in his mind. I should like to know, I should like to be informed, as to just why they feel that for the Government to manufacture its own munitions would be poor policy. We know, of course, their arguments, oft repeated, that we need private industry when war comes because, with the emergency of war on our hands, we could not hope to meet our own needs as a government, that we need private industry. By the same token our Army and Navy spokesmen declare that it is good policy for American corporations to sell American-made national-defense machinery to other lands, including those which might be our foes in another war, because only in that way can we build up that large capacity that will make it possible for us to meet our own needs when war comes.

They might better put it another way, and say that we should go on arming other nations because only in that way can we be adequately prepared, in capacity, when and if the other countries we have armed decide to use against us that with which we have armed them.

Mr. BONE. Mr. President, will the Senator yield again?

Mr. NYE. Gladly.

Mr. BONE. It is obvious, from the testimony before the committee, that for approximately the price of one 10,000-ton cruiser of the modern type we can expand our own Government navy yards and install the equipment to a point where they can take care of the program which gentlemen insist is so vital. I am assuming they are correct, and I am not challenging their conclusions in that regard but I cannot understand why they object to putting their own Government in position to protect itself and to do its own work in a great crisis. They tell us that in case of war we will have to strain every nerve and have to be bilked and robbed again by profiteers, as we were in the last war, because of lack of preparedness.

I have suggested to these gentlemen that the way to get prepared is to get prepared, and for $23,000,000 we could put our navy yards in such condition that they could do what was necessary. The navy yard in Philadelphia could be expanded so as to accommodate the new welding machinery and all the other modern, up-to-date machinery necessary to replace the now obsolete machinery in the yard.

I think the one great question that stands out is why men who are so highly vocal in demanding national preparedness, in the next breath decry the efforts of Senators and others with our viewpoint who want to afford the Government means of having an adequate national defense. Let us have an adequate national defense, but let us have it in the hands of our Government, where it belongs, instead of in the hands of the gentlemen who piled up enormous fortunes during the war.

I recall one volume I read during the war which showed one outfit reporting war profits of 299,000 percent in 1 year, which was 2,999 times the capital of that firm, though probably the figures were subsequently adjusted. It was like the Government going to a farmer in a moment of great national peril and saying to him, "Sir, we want your farm for 1 year", and taking that farm and raising thereon the commodities and the products necessary to sustain our Army in the field, and then turning the farm back to the man at the end of a year and saying to him, "For the use of your farm for 1 year we are now going to give you 2,999 farms just like it." That is what that picture means. Men did that sort of unholy, unhallowed, vicious thing to their Government, a Government preserved by the blood of the boys who died on the battlefield. The profiteers did that sort of thing to the flag that waves over them and protects their business; yet apparently we cannot get a hand raised against the repetition of that sort of thing. We loaned to Europe the money which came back to the profiteers in gigantic profits. Europe never has paid those debts, and today we are laying the lash of the taxmaster upon the shoulders of every American citizen and sweating him in taxes every year to pay the debt represented by the defaulted European bonds, which in turn represent the profits which went to the American profiteers and racketeers during the war; yet apparently we cannot get any relief of a substantial nature. A cold-blooded lawyer who knew his business would build a defensive legislative technique, but it seems we cannot stop the profiteering in time of war. We

are going along blindly, possibly headed into another war stripped of national defense, stripped of the means wherewith to put an end to war profiteering.

I wish the naval appropriation bill and the Army appropriation bill provided that the Government should manufacture enough of its necessary munitions of war to make it impossible for another outfit ever to do to our Government the sordid, vicious things which the record brought before the Munitions Committee showed were done by profiteers to the Government which now protects them with its police force. I think the record of what was done during the World War by profiteers smells to high heaven; it reeks. I think the nastiest chapter in American history was what these men did to the Government which protected them.

Mr. NYE. The Senator from Washington knows that I share fully the views and wishes he has expressed; but he leaves the question not fully answered, and I am afraid it will remain not fully answered. He asked why our Military Establishment stands up so unequivocally in opposition to Government manufacture of its own national defense requirements. I cannot answer his question. I wonder, however, if the same thought lurks in the mind of the Senator from Washington that I find often playing around in my own. As the result of the inquiry into the munitions industry, the Senator recalls how often it was revealed that executives of American companies were Colonel This-or-That, or Admiral Thus-and-So, men who had been in the service of their Military Establishment in years gone by, and who are now enjoying lucrative employment with private industry. Does that mean anything to the Senator, in answer to his own question?

Mr. BONE. I assure the Senator that it does. There is more than a lurking suspicion in my mind concerning the matter to which the Senator refers.

Mr. BENSON. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. BENSON. The Senator has partially answered the question I was about to ask; but does he not also think that possibly the economic philosophy which has been taught the young men whom we have sent to Annapolis and West Point may have a bearing upon the attitude which they now take as officials of the United States Government, whether it be at London or before Senate committees, in advocating certain ideas, and in opposing the program which the Senator proposes?

Mr. NYE. Mr. President, I am sure the Senator from Minnesota has put his finger upon a large responsibility for our general military frame of mind. We cannot train men in one direction and then expect them to operate in another direction. I am sure that if I had been trained at Annapolis or at West Point, one of my first desires would be to make the Navy or the Army a career, a profession as it were. I should, of course, hope for the earliest possible promotion. If I were out of Annapolis, I should hope for the day when I could command my own ship, and so would the Senator from Minnesota hope for the day of promotion which would take him up in the world. Then it follows that the man who makes the Navy his career would be destroying his own career if he by any chance argued against building more ships, because more ships always mean larger opportunity for promotion. If I were not anticipating staying in the Navy for a career, and if I felt that some day I should have to depend upon private industry to make a place for me, I think I should not oppose a private industry which might some day have a place for me when my time for retirement came. I think the Senator's reasoning is very logical.

Before the interruptions, which were altogether deserving, I was making the point of repeated failures of disarmament conferences. I told of what we received from the kind of representation Admiral Standley gave us over at London during recent months. It was not many years ago that we were undertaking the accomplishment of an understanding at Geneva.

We sent our delegation to Geneva, and while the delegation worked there our gun makers here in the United States were receiving letters from Europe, written upon stationery of the American Embassy, telling them not to worry; that nothing was going to be done at that conference to hurt their business. I think I have here one such letter. Yes; here is a letter written upon American Embassy stationery, saying:

> My secretary forwarded to me your letter with enclosure relating to the Geneva Conference which I am very glad indeed to have. It appears that I am to be designated either as a technical adviser or in some other capacity to attend this conference.

Remember, this is a letter written to gun makers here in the United States.

> I shall, therefore, be very glad to have any information that you may be able to give relating, either to the general subject, or to the interests of your company in particular. It is my desire to know as much as possible about the subject and I am sure that your advice will be helpful. Address me in care of the Military Attaché, American Embassy, 5 rue de Chaillot, Paris.
>
> My appointment to Geneva has not been announced, so far as I have seen, and in the letter to me from the War Department the matter was marked "confidential"—

Confidential, it would seem, to everyone excepting the business here that stood to lose money if real progress were made at Geneva—

> the matter was marked "confidential", therefore unless the publication of the matter had been made it will be best to say nothing about my connection with the Conference.

In other words, "If there is anything I can do here for you, just write me in care of the American Embassy. I am being appointed a confidential adviser to the American delegation." I suppose, for the purpose of the RECORD, it ought to be known who the man was who was going to see to it that no disarmament was accomplished. He was the leader in that day of the majority party in the House of Representatives, the leader of the Republican Party, my party, John Q. Tilson. We continue our efforts, anticipating that out of the services of such men we shall accomplish understandings in this world and break away from the increasingly terrible burdens which armaments are imposing upon us year after year.

Getting back to the immediate problems confronting us in the pending bill, I have before me a very interesting page taken from the May 4 issue of the United States News, formerly the United States Daily. I am going to read from an article appearing upon the front page of that issue under the heading:

THREE GREAT SEA POWERS RACE AHEAD IN RECORD PEACETIME NAVAL PROGRAMS

> Navies of the principal sea powers are building rapidly again.
>
> Limits on the size of fleets, established at Washington in 1922 and at London in 1930, come off next January 1.
>
> Japan today is pressing against those limits; the United States and Great Britain are striving hard to reach them in an unprecedented volume of peacetime naval building.
>
> To keep abreast of the race the American Congress this past week started to consider a $531,068,707 naval appropriation, the House quickly approving, and the British Parliament learned of plans to spend $396,336,200 on the British Navy. Both were without peacetime precedent for size.
>
> How, then, do the three biggest navies stand in tonnage at this stage?
>
> The answer is provided by the pictogram at the top of the page, with figures as of April 27, 1936.
>
> This shows the British Empire first, with 1,388,184 tons of ships built and building; the United States next, with 1,353,085 tons; Japan third, with 866,654 tons.
>
> Each of these navies was nearing its treaty limit, Japan barely 2,000 tons away, Great Britain and the United States, each 70,000 tons short. At this point they approach the well-known 5–5–3 ratio of tonnage that formed the basis of treaty strength. Insistence by Japan on a 5–5–5 ratio is bringing termination of the naval agreements.

I shall ask that the entire article may be printed as a part of my remarks; I am not going to bother the Senate to read it all; but I wish to move to the second column and read a little further from the article.

> At the moment the United States is found to be pushing ahead fastest with new building.

Meaning naval construction—

Under construction for the Navy of this country are 3 aircraft carriers, 12 cruisers, 52 destroyers, and 13 submarines, involving a total net tonnage of 274,670 for 80 ships. * * *

The United States is preparing to build two dreadnaughts of her own if—

If—

Britain builds hers. Plans call for ships to cost $51,000,000 each. This country, too, is increasing enlisted personnel of the Navy to 100,000 from the present 93,500, and of the Marine Corps to 17,000 from the present 16,000.

I read further from the article.

What steps Japan intends to take to keep up in the procession is not revealed at this time.

I am not reading from some pacifist organ; I am reading from the United States News, which no one would charge with entertaining pacifist tendencies.

What steps Japan intends to take to keep up in the procession is not revealed at this time.

Insistence by Japan that she be permitted to build up to parity with Great Britain and the United States led to a scrapping of present naval limitation treaties.

Then as to plans for next year we find in the article:

Japanese plans are undisclosed.

But the British intend to lay down two 35,000-ton dreadnaughts, and it is to keep abreast of that move that Congress is authorizing the President to start work on two American dreadnaughts.

I now ask that the article, in its entirety, may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the United States News of May 4, 1936]

THREE GREAT SEA POWERS RACE AHEAD IN RECORD PEACETIME NAVAL PROGRAMS

Navies of the principal sea powers are building rapidly again.

Limits on the size of fleets, established at Washington in 1922 and at London in 1930, come off next January 1.

Japan today is pressing against those limits; the United States and Great Britain are striving hard to reach them in an unprecedented volume of peacetime naval building.

To keep abreast of the race, the American Congress this past week started to consider a $531,068,707 naval appropriation, the House quickly approving, and the British Parliament learned of plans to spend $396,336,200 on the British Navy. Both were without peacetime precedent for size.

RANKING OF BIG THREE

How, then, do the three biggest navies stand in tonnage at this stage?

The answer is provided by the pictogram at the top of the page, with figures as of April 27, 1936.

This shows: The British Empire, first, with 1,388,184 tons of ships built and building; the United States next, with 1,353,085 tons; Japan, third, with 866,654.

Each of these navies was nearing its treaty limits, Japan barely 2,000 tons away, Great Britain and the United States each 70,000 tons short. At this point they approach the well-known 5–5–3 ratio of tonnage that formed the basis of treaty strength. Insistence by Japan on a 5–5–5 ratio is bringing termination of the naval agreements.

But figures show that today's navies do not tell the whole story of what has happened to sea power since January 1, 1919.

The British Empire, as the pictogram outlines, reduced its tonnage of ships built and building by 52 percent, as compared with January 1, 1919, or from 2,891,758 tons 17 years ago to 1,388,184 tons today.

The United States, in the same period, reduced its Navy from 2,056,276 tons built and building to 1,353,085, or by 34 percent.

Japan, instead of decreasing, actually increased her naval tonnage in the 17-year period from 642,801 tons to a present 866,654 tons—an increase of 35 percent.

The result is that the United States Navy, on the basis of official figures, is far behind both Japan and Great Britain in the number and tonnage of modern fighting craft. Almost all naval building in this country stopped in 1928 and has been revived only in the last 2 years.

Thus, the Japanese and the British each possess six times the tonnage of modern destroyers possessed by the United States. The Japanese have 50 percent more modern submarine tonnage and a tonnage of under-age cruisers approximately as large.

AMERICA BUILDING FASTEST

At the moment the United States is found to be pushing ahead fastest with new building.

Under construction for the Navy of this country are 3 aircraft carriers, 12 cruisers, 52 destroyers, and 13 submarines, involving a total new tonnage of 274,670 for 80 ships.

Great Britain is building 50 ships for a total of 164,435 tons, while Japan has 35 ships under way involving 95,257 tons.

None of these countries has built a capital ship or dreadnaught since the 1922 Washington Naval Conference. However, at this time Great Britain is planning to construct two new first-line fighters of the dreadnaught type as soon as the naval agreement expires at the end of this year.

ON WITH THE RACE

The United States is preparing to build two dreadnaughts of her own if Britain builds hers. Plans call for ships to cost $51,000,000 each. This country, too, is increasing enlisted personnel of the Navy to 100,000 from the present 93,500 and of the Marine Corps to 17,000 from the present 16,000.

What steps Japan intends to take to keep up in the procession is not revealed at this time.

Insistence by Japan that she be permitted to build up to parity with Great Britain and the United States led to a scrapping of present naval-limitation treaties.

In the matter of naval expenditures the United States is far ahead of other nations. The bill now going through Congress calls for outlays of $531,068,707, compared with planned expenditures of $396,336,200 for the British Navy and $169,000,000 for the Japanese Navy.

When the building now under way is completed the three leading navies will look like this:

	Great Britain	United States	Japan
Dreadnaughts	15	15	9
Aircraft carriers	7	7	6
Cruisers	67	38	40
Destroyers	204	251	122
Submarines	61	100	70

PLANS FOR NEXT YEAR

The above tabulation of fighting vessels covers those now built and building. It does not involve ships now in the paper stage and being appropriated for.

Congress is authorizing $168,500,000 for new construction during the next fiscal year. Involved will be 84 vessels of various types, including 12 destroyers and 6 submarines.

The British plan to build 38 new warships in the next year, including 5 cruisers, 9 destroyers, 1 aircraft carrier, 4 submarines, and a variety of smaller miscellaneous vessels.

But the British intend to lay down two 35,000-ton dreadnaughts, and it is to keep abreast of that move that Congress is authorizing the President to start work on two American dreadnaughts.

Important additions to the air strength of the navies also is called for.

Mr. NYE. Mr. President, we may say that we are not in any part responsible for this armament race which is so burdensome these days, but we are playing just as prominent a part, just as leading a part, as is any other nation upon the earth. We are giving just as much cause to others to fear that their defense is inadequate as others are giving us cause to feel that our defense is inadequate.

I go back to what I read from this article:

Plans call for ships to cost $51,000,000 each.

The bill now before us provides for two such ships. The President and the Secretary of the Navy, under this bill, will be at liberty to build those ships if and when the other countries do what we know they are going to do, build their dreadnaughts. Fifty-one million dollars apiece! Yet if the Senator from Minnesota [Mr. BENSON], who sits before me, when the appropriation bill for the State Department was pending, had suggested increasing the appropriations provided for that Department amounting, as I recall, to between thirteen million and fourteen million dollars, by an additional million dollars to enable the Secretary of State to further the cause of peace in the world, he would have been guffawed off the floor for daring to suggest such folly in times such as these when we cannot balance our Budget, and it would have been said, "It is no time to be throwing the taxpayers' money around like that"; but when $51,000,000 is proposed to be appropriated for one ship a Senator is unpatriotic if he does not agree that we ought to go ahead and build that ship, regardless of the cost. It indicates our frame of mind. Millions, yea, billions for preparation for war, but exceedingly few dollars for so worthy a cause as preparation for peace.

Mr. President, I think one of the finest compilations revealing what is happening to the American mind in dealing with the general militaristic question is an article written by Oswald Garrison Villard and published in the very recent issue of the Atlantic Monthly Magazine. I know it

will be felt that that might just as well be inserted in the RECORD, but a few Senators are here today listening, and to the end that they may hear and may know the facts set forth in this article, I am going to insist upon reading it, not in its entirety but some very important sections from it.

First of all, Mr. Villard sets forth a quotation from the President, as follows:

> On some occasions in our history we have reduced our Army to a level unjustified by a due regard for our own safety. It was in the conviction that we had again drifted too far in that direction that I have recently approved acts of Congress to accomplish a partial restoration of the Army's enlisted strength and increasing the enrollment of cadets in the United States Military Academy.

Then Mr. Villard proceeds:

> Thus spoke Franklin D. Roosevelt, President of the United States, to the cadets at the graduation exercises at West Point an June 12, 1935. Let us examine the facts as to the Army and see just how much basis the President had for the statements made to the young men to whom he had just praised West Point for teaching "honor, integrity, and the faithful performance of duty."
>
> Before the Congress met in its regular session on January 1, 1935, and passed the new military legislation, which Mr. Roosevelt signed, the Regular Army of the United States stood at 12,278 officers and 123,823 men, or a total of 136.101. These figures were naturally exceeded in the years immediately after the war—1920, 1921, and 1922—when the total of officers and men stood at 192,790, 226,116, and 144,874, respectively. In 1923 the figure fell to 129,871, rising in 1924 to 139,579. Since that time it has never fallen below 131,000. In 1934 there were 2,016 officers and men more than in 1933. Plainly there is nothing here to justify any assumption that the President's statement meant that there had been a recent reduction in our Army. He must, therefore, have had in mind the post-war figure of 1921—226,116 officers and men.
>
> He must also have been aware that never before in the history of the Republic has it maintained a Regular Army of so great a size—more than 130,000 men.
>
> Had he looked at the growth of the officer personnel alone he would have seen, for example, that in 1915, when the World War was raging, we had only 4,701 officers to 101,195 soldiers. Today we have two and a half times as many officers to an army which, when Mr. Roosevelt spoke, contained approximately only 124,000 enlisted men. Plainly, so far as officers are concerned, there has not only been no reduction to call for the President's "partial restoration" but an increase of 261 percent in 20 years. Two vital facts Mr. Roosevelt did not mention: The officers in our standing Army are practically at the maximum figure in our history, not excepting the World War years; secondly, we actually have more officers in our Army today than there were officers and soldiers in it during the entire peace years from 1789 to 1861—years when we were conquering the West and constantly waging our Indian wars. At the outbreak of the Civil War the Army stood at only 10,000, all told. It is true that the National Defense Act fixes the maximum strength at 18,000 officers and 280,000 enlisted men; but surely the President could not have had this maximum in mind, since it has only been approached, as previously stated, in 1921.
>
> Since the above figures show no justification for the President's assertion that we have been in one of those periods when we reduced our Army to an "unjustified level", let us look at some of the other branches of our Military Establishment. There is the National Guard. Perhaps the President had that in mind? But when we turn to the official figures we find that the State troops have been, since 1931, larger in number than ever before in our peacetime history. Today they total 184,593 officers and men, or a 100-percent increase since the beginning of the century. Actually there were, in 1934, 13,309 officers and 171,284 men as contrasted with 8,792 officers and 119,251 men in 1914, just 20 years previously. The President knows, of course, that since the federalization of the Guard, Federal payment for each drill attended, and huge additional national appropriations for the State troops, their actual military efficiency has increased not one hundred but several hundred percent over that of the period just before the War with Spain. As to this there is plenty of official testimony. Obviously the President could not have had the National Guard in mind when he assured the cadets and the country that we had reduced our forces to an "unjustified level."
>
> Well, when we look further over the Army organization, we come upon a startling fact—since the World War we have developed a reserve of officers and men such as never existed before in our entire history. Beginning with 8 soldiers in 1913, it comprised, in 1915, 4,648 honorably discharged soldiers willing to be recalled to the colors in the event of war, with no Reserve officers at all. In 1933 we had the astounding total of 132,773 Reserve officers and 5,028 reserve enlisted men, or just 11,000 more Reserve officers than we had enlisted regulars in that year. Now it is true that the 1934 figures showed a drop of the Reserve officers to 114,357, but this list is naturally subject to considerable fluctuation because of deaths, resignations, officers reaching the age limit, and so forth. Unusual as this decrease is, it cannot, however, be the reason for the President's concern for our military strength, since we have 114,357 more Reserve officers than in 1914, and no less than 58,267 more than in 1920, when there were so many experienced veterans to draw upon. Clearly we have not only had no recession in our military preparedness here, but a steady and amazingly rapid increase.

Mr. President, I have read enough to indicate that we, the people of America as a whole, have been fooling ourselves into the belief that we were fast receding from whatever had been a militaristic attitude of other days and getting away from it, when, as a matter of fact, as a reading of the complete article so clearly reveals, our progress year after year has been steady, just a tramp, tramp, tramp that was constant, in the enlargment of our Military Establishment. It is only fair to assume that enlargement of that establishment is but reflective of the development of our spirit of militarism in this country. While we are decrying the military spirit of other lands I wish we might cease losing sight entirely of what has been so decided a militaristic trend here in our own country.

Mr. President, I ask that the entire article from which I have just quoted may be inserted in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WE MILITARIZE

By Oswald Garrison Villard

I

"On some occasions in our history we have reduced our Army to a level unjustified by a due regard for our own safety. It was in the conviction that we had again drifted too far in that direction that I have recently approved acts of Congress to accomplish a partial restoration of the Army's enlisted strength and increasing the enrollment of cadets in the United States Military Academy."

Thus spoke Franklin D. Roosevelt, President of the United States, to the cadets at the graduation exercises at West Point on June 12, 1935. Let us examine the facts as to the Army and see just how much basis the President had for the statements made to the young men to whom he had just praised West Point for teaching "honor, integrity, and the faithful performance of duty."

Before the Congress met in its regular session on January 1, 1935, and passed the new military legislation, which Mr. Roosevelt signed, the Regular Army of the United States stood at 12,278 officers and 123,823 men, or a total of 136,101. These figures were naturally exceeded in the years immediately after the war—1920, 1921, and 1922—when the total of officers and men stood at 192,790, 226,116, and 144,874, respectively. In 1923 the figure fell to 129,871, rising in 1924 to 139,579. Since that time it has never fallen below 131,000. In 1934 there were 2,016 officers and men more than in 1933. Plainly there is nothing here to justify any assumption that the President's statement meant that there had been a recent reduction in our Army. He must, therefore, have had in mind the post-war figure of 1921—226,116 officers and men.

He must also have been aware that never before in the history of the Republic has it maintained a Regular Army of so great a size—more than 130,000 men. Had he looked at the growth of the officer personnel alone he would have seen, for example, that in 1915, when the World War was raging, we had only 4,701 officers to 101,195 soldiers. Today we have two and a half times as many officers to an Army which, when Mr. Roosevelt spoke, contained approximately only 124,000 enlisted men. Plainly, so far as officers are concerned, there has not only been no reduction to call for the President's "partial restoration", but an increase of 261 percent in 20 years. Two vital facts Mr. Roosevelt did not mention: The officers in our standing Army are practically at the maximum figure in our history, not excepting the World War years; secondly, we actually have more officers in our Army today than there were officers and soldiers in it during the entire peace years from 1789 to 1861—years when we were conquering the West and constantly waging our Indian wars. At the outbreak of the Civil War the Army stood at only 10,000 all told. It is true that the National Defense Act fixes the maximum strength at 18,000 officers and 280,000 enlisted men; but surely the President could not have had this maximum in mind, since it has only been approached, as previously stated, in 1921.

Since the above figures show no justification for the President's assertion that we have been in one of those periods when we reduced our Army to an "unjustified level", let us look at some of the other branches of our Military Establishment. There is the National Guard. Perhaps the President had that in mind? But when we turn to the official figures we find that the State troops have been, since 1931, larger in number than ever before in our peacetime history. Today they total 184,593 officers and men, or a 100-percent increase since the beginning of the century. Actually there were, in 1934, 13,309 officers and 171,284 men, as contrasted with 8,792 officers and 119,251 men in 1914, just 20 years previously. The President knows, of course, that since the federalization of the Guard, Federal payment for each drill attended, and huge additional national appropriations for the State troops, their actual military efficiency has increased not one hundred but several hundred percent over that of the period just before the

War with Spain. As to this there is plenty of official testimony. Obviously, the President could not have had the National Guard in mind when he assured the cadets and the country that we had reduced our forces to an "unjustified level."

Well, when we look further over the Army organization, we come upon a startling fact—since the World War we have developed a reserve of officers and men such as never existed before in our entire history. Beginning with 8 soldiers in 1913, it comprised, in 1915, 4,648 honorably discharged soldiers willing to be recalled to the colors in the event of war, with no Reserve officers at all. In 1933 we had the astounding total of 132,773 Reserve officers and 5,028 Reserve enlisted men, or just 11,000 more Reserve officers than we had enlisted Regulars in that year. Now, it is true that the 1934 figures showed a drop of the Reserve officers to 114,357, but this list is naturally subject to considerable fluctuations because of deaths, resignations, officers reaching the age limit, etc. Unusual as this decrease is, it cannot, however, be the reason for the President's concern for our military strength, since we have 114,357 more Reserve officers than in 1914, and no less than 58,267 more than in 1920, when there were so many experienced veterans to draw upon. Clearly we have not only had no recession in our military preparedness here but a steady and amazingly rapid increase.

This is all the more striking if one recalls that that magnificent German military machine which swept into Belgium in 1914 did not have more than 45,000 reserve officers to man the large number of regiments that came to life on the day of mobilization. We have now, perhaps, twice as many for field duty (not all of the Reserve officers are to serve with troops, many being commissioned for staff duty and to be in charge of manufacturing plants in wartime).

If we total the three forces—Regulars, Reserves, and National Guard—we find that, whereas we had 212,742 men in all in 1913, we had 436,696 in 1934 and 482,000 in 1935, when the newly authorized enlistments were complete—a growth of more than 100 percent. Never before have we had such manpower in our land forces. Mr. Roosevelt apparently was ignorant of this, and forgot that this increase has been steady ever since 1898, when Regulars and National Guard comprised together less than 125,000 men.

Where is the justification for the President's assertion that we are in a position of decreased armaments and unjustifiable weakness?

II

Possibly the President had the financial aspect in mind? Perhaps Congress has been niggardly in its appropriations?

Well, in this matter, too, the facts are available. In 1913 the War Department's military expenditures (nonmilitary carefully excluded) totaled $108,382,063. With the approach of war they had risen in 1917 to $401,418,217. After 1921, when they were at $439,485,095, they began to fall off with the post-war demobilization. In 1922 they were $329,050,896; in 1924 they reached the low-water mark of $250,714,592. They then steadily rose to $309,762,555 in 1933, and dropped again to $279,122,789 in 1934. Even this drop of a mere $30,000,000, however, could not in itself warrant Presidential perturbation, especially in view of the fact that prior to Mr. Roosevelt's speech the Congress had appropriated $341,348,204 for the fiscal year 1935–36.

Although this sum is just under the appropriation for 1932 and 1933, in reality the Congress and the administration have, as we shall see later, actually assigned far more money to the military branch than in any previous normal year of peace.

Again we are thwarted in our search for the reasons for Mr. Roosevelt's belief that we have reached one of those periods in which we have carelessly neglected to keep up our military strength. If here, too, he had looked back over our history he would have found it hard to defend his thesis. In 1880 our total Army budget was only $27,322,433. Not until 1908 did it go above $100,000,000. Even in 1916, with war in the offing, it was only $122,392,316. It has since been increased by nearly 300 percent—in 19 years. Surely no one can indict Congress for niggardliness toward, or indifference to, our Military Establishment. And now Congress has added 46,250 more men.

The President must also have overlooked our air force—a new branch of the defense forces which was hardly in existence when he became Assistant Secretary of the Navy. No one can assert that we have been letting our air defense deteriorate, for, as with the Regulars and the National Guard, its growth is steady and its appropriations regularly increased. Thus in the last fiscal year it received the sum of $26,376,490. The 1936 War Department appropriation bill carries a sum which exceeds last year's appropriation by $22,000,000. More than that, a group of Congressmen called upon the President to go even further and raise the number of airplanes to the figures recommended by the commission appointed by the Secretary of War and headed by Newton D. Baker. This committee recommended an Air Corps of 2,300 planes, which, with the Navy's 2,100, authorized by the Vinson bill, will give to the United States the largest air force of any country in the world (unless Germany or Russia should go further), although we are protected by both the Atlantic and the Pacific Oceans, and although the Baker Committee agreed with the Morrow Board of 1925 that "hostile air invasion" is "impractical." The Baker Committee felt that such an invasion might be possible in conjunction with land or naval forces, but not otherwise. The Morrow Board used these words: "Nor, indeed, is there any apparent probability of such invasion in any future which can be foreseen." Under the latest Army legislation additional air equipment is made available to the National Guard.

We still have another guess as to what the President had in mind. There are the Navy and the Coast Guard. Perhaps we have allowed these to deteriorate alarmingly? The records tell a totally different story. The Coast Guard, it is true, is only semimilitary, but is immediately taken over by the Navy on the outbreak of war, as in 1917. It has grown since 1915 from 53 ships, 255 officers, and 3,886 men, to 246 ships, 455 officers, and 8,950 enlisted men in 1935. Appropriations during that same time have risen fivefold, from $5,000,000 to $25,000,000 in 1934, going as high as $31,000,000 during the height of its warfare on rum smugglers during prohibition. It was not until 1890 that the appropriations for the Navy reached the sum of $22,000,000. No lagging here. Insofar as this force supplements the Navy and acts as a reserve, there is the same story—a steady increase in numbers and appropriations, with no basis for any Presidential complaint.

Now for the Navy. In 1913 we had 3,019 naval officers and 48,068 sailors in the service. Ten years later the figures had risen to 8,099 officers and 85,290 men. Last year, 1934–35, we had 8,087 officers and 81,411 men. This year, 1935–36, the enlisted strength appropriated for is 93,500, and for the fiscal year starting July 1, 1936, President Roosevelt has made it known that he recommends an average strength of 96,000, or a maximum of 100,000. Whereas in 1913 there were no reserves of any kind, officers or men, we have today a reserve of 9,571 officers and 33,102 men. The number of sailors actually authorized by Congress is 137,485, and 9,493 officers are also provided for. As there were only 51,500 enlisted men authorized in 1913, Congress is thus willing that the Navy should enlist two and one-half times as many today, though it has not yet appropriated pay for the total number of 137,485. If we turn to the financial side, President Roosevelt again has no cause for complaint, for the Navy's annual bill has risen from $133,262,862 in 1913 to no less than $460,000,000 in 1935, for the present fiscal year, which includes $100,000,000 for new ships and a sum sufficient to purchase 555 new aircraft.

But this is not the whole story of the astounding rise in the cost of our naval armaments. For the first time in our history, as a result of a national emergency, the Army and Navy are receiving sums from two sources—the regular appropriation bills voted by Congress and the huge sums awarded by the emergency branches of the Government which are seeking to create employment.

It is exceedingly difficult to find out just how much money has thus been ladled out. The P. W. A., for example, had in August only one copy left of its 23-page tabulation of allotments, and it is even more difficult to get figures from the $4,000,000,000 work-relief program. Moreover, the figures may be changed at any moment by additional awards of large sums. Here, however, are some figures which indicate what is happening. From June 1933 to April 1935, $279,780,459 was granted to the Navy and $100,600,755.50 to the Army, or a grand total of $380,381,214.50. Assuming that half of this will be spent in the fiscal year 1935–36, the total annual bill for the Army and Navy will reach the sum of $1,000,000,000—$190,000,000 from the P. W. A. plus the regular appropriation bills of $460,000,000 for the Navy and $341,348,204 for the Army. If anything, this is an understatement, as there are still other sources, such as deficiency bills, which grant money to Army and Navy. In 1865, the last and the most expensive year of the Civil War, the total Army and Navy bill was but little more—$1,153,936,306. It is also worth noting that the regular Budget of the Government for all purposes for the fiscal year 1916–17, during which we entered the World War, was but $1,178,908,963. The Regular Army and Navy appropriations for 1935–36, without counting in P. W. A. contributions, are higher than the total cost of running the Government in 1916.

When it comes to the Navy ships, here, too, no one can charge the present administration with failure to increase our forces, as it is building no less than 102 aircraft carriers, cruisers, destroyers, and submarines to bring the Navy up to the treaty strength authorized by the London Conference. The first installment of this program, which is almost unprecedented in our history in peacetimes, was paid for by $238,000,000 of the sums quoted above as having been allotted by the P. W. A. In July of this year there were under construction 2 aircraft carriers, 3 heavy cruisers, 7 light cruisers, 10 submarines, 41 destroyers, and 2 gunboats. In August contracts were awarded for one light cruiser, one aircraft carrier, three destroyers of 1,850 tons, five of 1,500 tons, and three submarines. There still remain, then, 11 more vessels, 1 cruiser, 7 destroyers, and 3 submarines to be built as part of the 1936 building program. Not even the wildest jingoes can charge that this is other than rapid progress toward the jingo goal—namely, the largest navy in the world.

Finally there is the Marine Corps. This, too, has shared the growth of the other branches of Army and Navy. In 1913 it had only 342 officers and 9,921 enlisted men. Ever since 1923 it has had 27,400 enlisted men authorized, with 16,000 appropriated for, and between 1,010 and 1,074 officers, the latter being the authorized strength for the current fiscal year. The United States Marine Corps Reserve was created in 1922, and its authorized strength, both enlisted and commissioned, is one-third of the strength of the active Marine Corps. The corps cost, in 1913, $7,558,233.78; in 1923, $25,495,948; and for the present fiscal year the appropriation is $23,768,110. Here again there has been no letting down of standards to cause the President or anyone else uneasiness. As more ships are added to the Navy, moreover, the Marine Corps will naturally be increased in proportion to the increase of the Navy.

III

When one reviews the legislation passed by the Congress in its last session and signed by President Roosevelt with the excuse

already cited, there is still further ground for astonishment. Never was a peacetime Congress so ready to hand out money for military and naval purposes. It not only gave to General MacArthur and the War Department everything they asked, but more besides. The number of West Point cadets was increased from approximately 1,374 to 1,960 until the year 1941, and $5,000,000 more was given to the Military Academy to take care of them—the Naval Academy at Annapolis received a similar increase of 531 additional midshipmen from the Naval Affairs Committee, and will have 2,391 in 1937. The House Military Affairs Committee's argument was simple enough. There are a number of universities which have 10,000 students, therefore West Point should have more students. The War Department backed this up by pointing out that the enlarged Army would need a larger annual number of graduates to fill the vacancies.

But the good will of Congress did not stop there. Being told that there was a "hump", or block, in promotions in the Army owing to the large number of officers taken in after the World War and the presence in the upper grades of relatively young men, Congress promoted by one act no less than 4,355 officers, or a third of the entire commissioned force, each one grade, despite the fact that there was a very considerable weeding out of officers with many consequent promotions in 1934.

There were on April 20, 1935, 174 colonels of Infantry to 40 regiments, and 77 colonels of Cavalry to 15 regiments; the disproportion is greater now because of the recent promotions. Congress authorized the drawing in of 1,000 reserve second lieutenants to serve 1 year with the Regulars, which custom, if continued, would increase the number of Regular officers by another thousand, and will inevitably lead to a new demand for more regiments to give these officers experience. By some oversight it failed to appropriate the money therefor, but doubtless this will be remedied in the next deficiency appropriation bill.

Congress also provided an annual 14-day training period for 20,000 instead of 16,000 Reserve officers. It provided 97 more planes for the Air Corps than were allowed in the President's Budget. It increased the National Guard by 5,000 enlisted men and, as already stated, added 46,250 men to the Regulars. It then appropriated $4,452,304, an increase of $1,000,000, for many additional units of the Officers' Training Corps in high schools and colleges. In 1913 there were 57 such institutions giving military training under War Department direction. By 1933 the number had risen to 399. In 1913 there were 85 officers and men on duty in such schools and colleges; today there are no less than 1,658. The citizens' military training camps also received an extra $1,000,000 to enable them to train 30,000 instead of 14,000 for 42 days each. Congress gave more money to the Quartermaster's Department for the upkeep of military posts than was allowed under the Budget, and it revived the national rifle matches, dropped in past years for reasons of economy.

But this does not include everything. On July 31 Congress voted a new promotion bill to hasten promotion by increasing the percentage of colonels, lieutenant colonels, and majors, and decreasing the percentage of company officers. The bill introduces a new principle in America, the promotion of every officer in the lower grades after a certain number of years' service. It also offers attractive retirement privileges in order that more men will retire, and it gives the President power to retire officers on their own application after 15 years' service. This means, of course, a further proportionate increase in the retired list of the Army, which, according to the latest figures, comprises 3,258 officers. Still Congress was not satisfied. It passed a bill creating six new huge air bases intended to cost $120,000,000, the money to be provided by the Public Works Allotment Board. While the location of these fields has not yet been decided, there was an immediate rivalry among various cities for the awards, which helps to explain why the enlarged Army program is welcomed in some quarters.

The first base is to be in Alaska, the second in the Pacific Northwest—both to protect us from the Japanese—a third probably in Denver, one in the Southeast—that is, North or South Carolina—one in New England, and one near the Caribbean, presumably at Miami. Could any Santa Claus have done more for the Army and Navy?

As a result of all this generosity, we get the following table of the number of Regular and National Guard soldiers and sailors in service in the current fiscal year:

Regular Army, officers and men	177,600
Navy, officers and men	103,000
National Guard, officers and men	190,000
Coast Guard, officers and men	10,500
West Point and Annapolis cadets	4,400
Total	485,500

In addition, the following table shows the number of Reserves drilled this year in schools or colleges, citizens' training camps, the Reserve officers' training camps, etc.:

Reserve officers	20,000
Citizens' training camps	30,000
School and college students, etc	150,000
Navy Reserves (estimated by Navy Department)	9,900
Total	209,900

Thus we have a grand total of 695,400 in uniform during the present fiscal year. These figures are obviously unprecedented in our history and to many will recall in these days of Facist dictatorships the warnings of George Washington and other founders of the Republic as to the dangers of a large standing Army.

So unusual was this attitude of Congress that it is no exaggeration to say that if the country were in imminent danger of war it could hardly be more lavishly determined to increase our armed strength. Why is this? There are several answers. First, accustomed to ladling out billions under the New Deal, Congress has acquired the habit of spending and accordingly authorized the new air bases, which the press reports will cost $120,000,000, with no more hesitation than it voted two or three millions of dollars a few years ago. Second, there is no question that Congress was much alarmed by the grave danger of another war in Europe. Third, all the bogies as to our "coming" war with Japan were trotted out. The minutes of the executive sessions of the House Military Affairs Committee, which by some slip were printed and published, contain all the same old yarns long since exploded. One was of a Japanese fishing fleet of 150 vessels based on an island near the mouth of the Panama Canal and being met from time to time by steamers from Japan with fresh replacements. Congressman DOCKWEILER, of California, rehashed all the familiar rumors. "Every time our fleet goes out from Los Angeles Harbor for target practice it never fails to meet in the open roadstead a Japanese oil tanker standing out there or a Japanese fishing boat. * * * It is always a Japanese boat that is out there, and one commander told me that when he went up to this [sic] craft to advise Mr. Japanese that the United States was having target practice he actually recognized a high ranking officer in civilian clothes of the Japanese Navy that he had met socially." This happens, he said, every time that our fleet goes to sea to practice; but he did not specify if it was always the same high ranking officer or the same high American officer who always met him and recognized him and whether the Japanese wore the same "civilian clothes of the Japanese Navy" or some other kind of clothes.

Mr. DOCKWEILER next told the horrified and obviously gullible committee that the Japanese fishing boats "are built in such a way that you can within a very short space of time erect a small cannon or machine gun on them", which is hardly surprising, since there is not a 30-foot yawl or tug in any American port or summer resort upon which the same thing could not be done in a couple of hours. Worse than that, he said, they "carry a pressure tank sufficient to contain pressure sufficient to launch torpedoes off those boats"; but this valiant Congressman plainly does not know that you cannot launch a torpedo from any craft without a most elaborate torpedo tube.

Mr. DOCKWEILER'S "seein' things" did not stop there. No, indeed. There is an equipped Japanese Army in California of 25,000 men "that could be under arms immediately if there was any disturbance." His authorities were not the government of California or of the United States and our Secret Service but "the American Legion and our chambers of commerce out there." The Japanese also "have gymnasiums under the German plan where at nighttime the school children may parade and go through all the motions of military training in the little halls."

Said the chairman, whose eyes were evidently starting from his head, "What do you mean by 'equipped'? Do you mean they have arms?" The dialog then continued:

"Mr. DOCKWEILER. How could we stop them from having them, Mr. Chairman?

"The CHAIRMAN. But do they have arms?

"Mr. DOCKWEILER. We think so.

"The CHAIRMAN. Well.

"Mr. DOCKWEILER. That is something that would bear further investigation.

"The CHAIRMAN. Now, living in that situation and being raised in it, I assume, Mr. DOCKWEILER.

"Mr. DOCKWEILER. Yes.

"The CHAIRMAN. What is your interpretation of the attitude of mind of the authorities—the controlling authorities of the Japanese?"

Mr. DOCKWEILER was not stumped. His own brother had been in the Diplomatic Service for 10 years. He was once stationed in Tokyo for a year and a half and was now able to say things he could not in those bygone years. "He has told me many of the stories that I am relating to you. The situation is this: The Japanese have never struck an enemy that was able to fight back." Which explains, of course, why the Russians never fought any battles in Manchuria in their war with Japan. And so on for pages and pages. Is it any wonder that the shocked Military Affairs Committee voted on the spot for the six new air bases?

IV

The pity of it is, from their own point of view, that these frightened gentlemen of House and Senate and the President who signed their bills never stop really to inquire (1) whether we now have an effiecient Army and Navy; (2) whether we are developing our services in accordance with a well-thought-out plan for the defensive wars which every President and every Congress insist are the only ones we shall hereafter fight; we never yet have fought a defensive one; (3) whether the measures voted make for an increased efficiency; (4) whether our actual armaments (aside from men) are efficient; and (5) whether this whole procedure is compatible with American traditions and our signing of the Kellogg Peace Pact.

As to the first, there is the greatest doubt. A former instructor at Annapolis has recently published a book which is so astounding an indictment of the Navy that in any other country it would have caused an immediate parliamentary inquiry and the disproving of the charges as mendacious and malicious or the complete overhauling and reorganization of the service. It has been entirely ignored

by Congress and the service, but not answered. It was followed by Admiral Sims' frontal attack in the Atlantic for September 1935 on the Navy promotion system, which the best officers admit is not bringing to the top men adequately trained to command squadrons and fleets.

As for the Army, probably the severest critic is not a pacifist nor a disgruntled civilian nor a carping Senator, but the commander of one of our four armies, the third, Maj. Gen. Johnson Hagood, whose headquarters are at San Antonio. Writing in the Saturday Evening Post, he has declared that our national-defense system could and should be four times as effective for the money we spend, which, as the figures above prove, is now $1,000,000 a day or more. Fortune, in a long study of the Army situation, has recently pointed out that the Army has no less than 67 generals to 165,000 men, where Henry Ford has 9 to 125,000 men; that there are actually only enough of the newly invented semiautomatic Garand rifles on hand to equip a single regiment; that there is only a "handful of tanks"—94 in all; and that our artillery is in large degree antiquated. Were Congress eager for the most efficient army they would certainly ask themselves why ours is proportionately the most heavily overofficered army of first rank in the world. They would inquire whether the reason given for this great superfluity of officers, who can obviously only take turn and turn about in service with combatant troops, namely, the need of suddenly officering in wartime an army of several millions, is an adequate one. As in the case of the Navy, they might also ask whether our officers are obtaining the best professional training possible.

As for the general military policy of the country, the Congress has largely been going on the theory that we must be prepared to duplicate our effort of 1917—that is, be prepared to raise, equip, and train an army of 4,000,000 men, although no competent military authority believes that even any combination of powers could launch a sudden attack upon American shores. Experts believe an attack could never take place unless England were among our enemies. Anyone who wishes can figure out how many ships it would take for the Japanese to land an army of even 500,000 men upon our shores, if there were no opposition to such a landing, by simply referring to the number of ships needed to transport the first half million of our men to France, plus all their stores, ammunition, artillery, airplanes, tanks, motor vehicles, huge motorized artillery, poison gas, and chemical-warfare utensils. Even that would not, however, give the true figure, as military men agree that the impedimenta of an army, the size of the guns, the proportion of airplanes, and so forth, have so largely increased since 1918. One of our ablest Navy officers believes that it would take one-third again as many ships as in 1917. Since the statistics of the Japanese merchant marine are quite available, anyone with a pencil and piece of paper can amuse himself by figuring out just how many troops with their necessary supplies could be transported by that entire merchant marine, and the same can be done for the French Army, or any other that our military men conceive to menace us. I have met a number of foreign officers, and I have never yet found one who believed that a large-scale invasion of the United States was practical.

Congress, which is so eager to develop our Army, ought to take heed of the remarkable statements of Maj. Gen. William C. Rivers, retired, a veteran of three overseas wars and a successful commander in France. He told the Military Affairs Committee that "we do not need a great force with our self-contained country, and without powerful aggressive neighbors, and with excellent systems of communication and the Navy as our first line of defense. * * * I do not visualize any mass invasion of us by any country—overseas or elsewhere." He urged, like many, many others, a single department of national defense, headed by a secretary, with three undersecretaries of army and navy and air. He severely criticized the training at West Point and the training in the Army, saying that both are dominated by Prussian ideals inherited from Frederick the Great—the methods "which were never suited to the American disposition and character."

Since General Rivers even went so far as to suggest the abolition of the absurd West Point uniform, he can hardly expect that he will be listened to. Yet he made the extremely sensible suggestions that there should be a national-defense council in Washington to coordinate the entire defense system and supervise it, and that there should be a Federal commission of civilians to study the whole problem as to whether this Nation needs an Army, and if so, for what purposes, and what the national military policy should be.

Of course, General Rivers put his finger on the blackest spot in the Army situation, and one that could be remedied almost overnight by Franklin D. Roosevelt as Commander in Chief, with or without the cooperation of Congress. That is the historic policy of scattering the Army all over the country in small posts—"small towns", General Rivers called them—and so frittering away the strength of the garrisons and making it impossible to bring together permanently large bodies of men for the tactical and strategical training of officers as well as men. General Rivers himself, although a graduate of West Point and a lifelong soldier, testified that he never saw a brigade together until he took one into action at Chateau Thierry. This evil of the small posts is purely political and it has existed inexcusably ever since the Civil War—as, for example, the location of the post at Helena, Mont., many years ago because of the political influence of Senator Carter, when there was no sound military reason for putting it there and every reason why it should not be placed there, the only purpose being to boost the town and give the shopkeepers another source of revenue.

There are 120 of these posts, and they average about 700 men each. The 10 army postgraduate schools are scattered in 10 different places, with total garrisons of 11,000 men. Were they brought together in one, there would obviously be vast economy, after the initial expenditures for additional barracks, and so forth, and the 11,000 concentrated troops could be utilized to give to higher officers experience in handling brigades, divisions, and a corps. General Rivers quoted General MacArthur, lately Chief of Staff, as saying that of the 90,000 soldiers stationed in the United States proper, some 30,000 are not available for military duty because they are drawn off to work as laborers in keeping the grounds of these posts in order and for repair and police and other work. General Hagood has pointed all this out and so have hundreds of others over a long period of time. Yet the President, who is so concerned over our having "neglected" our defenses, is utterly uninterested in the prospect of such a saving and such an increase in the Army's efficiency. It is safe to say that if this proposition were made to the House of Representatives every Congressman in whose district a military post is situated would fight to the last the proposal to remove his garrison—even if he were told that it meant increased danger of that fanciful Japanese invasion. This is an interesting illustration of the way the Army becomes a vested interest and a commercial asset.

V

The point is that we have completely swung away from our old American opposition to militarism and large military forces. For this the American Legion is partly responsible, but so are our patriotic societies, and so are those who really believe that the Republic is so menaced by subversive elements that they wish an increased Regular Army to "assure us domestic safety." One Congressman was reported in the press as saying that the reasons the Army bill passed the House so easily were, first, the disturbed conditions in Europe and, second, the need of more soldiers to keep industrial peace and to combat the reds. Since the reds succeeded in polling only 125,000 votes out of 39,816,522 cast in 1932 in the entire United States in the middle of our worst depression, with some 12,000,000 unemployed, and have as yet caused no symptom of revolution, it is obvious that the more important reason is the possibility of the use of the enlarged Army against our laboring fellow citizens.

In part our changed point of view is due to the fact that, with our entry into the World War, we in many respects aped foreign countries in things military. We copied their Sam Browne belts, their khaki, their uniforms, their numerous decorations, their trooping of the colors, their laying of wreaths upon dead men's graves. Somehow many Americans really believe that we cannot be a great, a powerful, or a noble country, or a leader among the nations, unless we can prove that we have a Nation in arms. One of the saddest fallacies in our entire handling of the naval disarmament problems has been the belief, even of as kindly and earnest a man as Norman H. Davis, that we must have a big navy in order to have "our share of the pack at the poker table"—to which they liken the disarmament conferences. Otherwise, our rulers thought, we could not be in a position to bluff the other nations into disarming.

The net result of that policy is that we are now burdened with the largest Navy in our history, which it is alleged will soon cost us $550,000,000 a year to maintain; and disarmament, like prosperity, is still in the offing. The worst of it all is that the American people have no means of expressing their wishes in the matter, any more than they could vote as to whether their sons should be drafted to die in a war which has nearly ruined us and netted us precisely nothing, except our worst depression.

One of the most serious phases of our rapid militarization is that arming is becoming identical with increased worship of the State and the inculcation of the cult of nationalism, which has reached its finest flower in Italy and Germany. Not a few of the most patriotic defenders of our Constitution and our Republic against the "subversive elements" are, by the way, quite outspoken in their admiration for the "efficiency" of the Nazis and the Fascists—like the late Elbert H. Gary, who denounced all reds but gave an interview in which he said that America should find a Mussolini at once and put him in the White House. Nothing subversive there! Soon after the war the War Department undertook a "patriotic day" in which all the militia, reserves, veterans, and so forth, were to don their uniforms and stand for an hour or two and salute—precisely as Mussolini summoned 20,000,000 of his loyal sheep to meet and listen the day before he began his unholy war in Ethiopia. But neither our nonregular uniformed men nor our veterans responded; the whole thing was a complete fizzle. Thereupon the newspapers carried a blunt dispatch saying that, as a result of that fiasco, the War Department was determined to put a Reserve officer into every hamlet and village, and many in the towns and cities, to act as a focus for patriotic and militarist propaganda. Since then, as pointed out, the Reserve officers have grown by as many as 20,000 and more a year, and they are scattered all over the country. While they are not paid, they are told to consider themselves representatives of the Army and to cooperate with the War Department. It is frequently stated that many are acting as "observers" of all liberal and radical movements and reporting constantly to the Military Intelligence in Washington.

For 4 years, 1928–32, the Army Training Manual No. 2000–25 carried this extraordinary definition of American democracy to hundreds of thousands of young Americans who were taking military instruction:

"Democracy: A government of the masses. Authority derived through mass meeting or any other form of "direct" expression.

Results in mobocracy. Attitude toward property is communistic—negating property rights. Attitude toward law is that the will of the majority shall regulate, whether it be based upon deliberation or governed by passion, prejudice, and impulse, without restraint or regard for consequences. Results in demagogism, license, agitation, discontent, anarchy.

When this choice bit of loyalty to our American democracy and institutions was exposed to public gaze in the press, it was promptly withdrawn. When I printed it a year ago Secretary Dern wrote me a kindly letter asking, "Why pick on a sinner after he has reformed?"

The reply, of course, is that it is an alarming state of affairs when, during four years, some officers in the War Department can put such a rank piece of disloyal, subversive anti-Americanism into a widely distributed Government handbook, and that the incident must be neither overlooked nor forgotten by those who cherish their country's democratic institutions.

Mr. NYE. Mr. President, something has been injected by the Senator from Washington [Mr. BONE] this afternoon concerning opposition of our Military Establishment to any thought of nationalizing any part of the American munitions industry. I shall not take the time to read it, but the St. Louis Star-Times of recent date, April 21, 1936, carried a most interesting editorial under the heading of "The Munitions Business", which it seems to me has proper place in this consideration at this house. Accordingly I ask that it may be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the St. Louis Star-Times, Apr. 21, 1936]

THE MUNITIONS BUSINESS

Senators NYE, CLARK, POPE, and BONE, comprising a majority of the Senate Munitions Investigating Committee, have recommended that the United States Government take over the war munitions industry of this country. A minority of the committee, Senators GEORGE, VANDENBERG, and BARBOUR, oppose the recommendation. It is a typical division of progressives against conservatives, not a division of Democrats against Republicans. The three dissenters were hostile to much of the investigation itself, and seldom attended committee meetings.

Those who signed the majority report did so knowing that an overwhelming majority of American citizens favor Government ownership of the munitions trade. There isn't any guesswork about it. A Nation-wide poll was taken on the subject last month by the Gallup Institute, and the result was—for Government manufacture, 82 percent; for private manufacture, 18 percent.

A person unfamiliar with democratic government would naturally conclude that the proposal by the Senate committee, backed as it is by a Nation-wide majority of more than 4 to 1, would be promptly enacted into law. But here's a strange fact. The four Senators know, and all students of government know, that the chance of early action along that line is small indeed.

The forces operating against Government ownership of the munitions trade are titanic in power. The entire American business world will throw its influence against it, not because it loves the munitions trade or has an interest in its profits but because it fears any extension of Government in business. The munition makers themselves have gigantic political resources. Congressional committees dealing with military and naval affairs are loaded with friends of the gun and warship makers. The Army and Navy contain generals and admirals who are virtual lobbyists for the munitions trade.

Senator BENNETT CHAMP CLARK, of Missouri, one of the signers of the majority report, does not in general favor putting the Government into business. He is in principle an individualist and a believer in private industry. His attitude in this instance is governed by the conviction that the munitions industry, in private hands, is a war-breeding institution and a corrupter of Government.

Senator CLARK has taken part in a 2-year probe of the business of making and selling guns, warships, etc., and in doing so has followed a trail of appalling intrigue and corruption, of extortionate profits, of cheating and chicanery. He has seen private firms, parading as patriotic, selling American military secrets to foreign countries. He has concluded that the incentive to profiteering is so strong and the opportunity so great that it is hopeless to look for anything else where the munitions trade is concerned.

But what chiefly concerns Senator CLARK and his associates is the warmongering spirit of the private munition makers and the financiers back of them. The Senate investigation has revealed their readiness to throw the United States into war to protect their business, without the slightest compunction. They have fought against international disarmament. They pursue trade policies which lead to war. In a choice between the munitions dollar and the lives of American youth the dollar wins and youth goes to slaughter.

When you have such an issue there is no other real issue. And that is what the American people are thinking of when they line up 82 percent to 18 percent in favor of Government ownership of the munitions business. They would much rather have the Government make its own guns, warships, and explosives than to have private profiteers drag us into another war.

So there is public opinion, experience, and common sense behind the proposal of the Senate Munitions Investigating Committee. Against it is the silly argument of the Senate committee minority that the Government would overbuild armaments to please local communities and the specious plea that munition making must be in private hands so that it can be expanded quickly in time of war. The truth is that Government ownership would be the surest avenue to quick expansion, for it would include what is now neglected, the manufacture of reserve supplies of jigs and tools for gun making. And, wasteful as Government business often is, it couldn't possibly exceed the wastefulness of Government contracts written for the express purpose of producing extortionate private profits.

Mr. NYE. Mr. President, I have alluded to my thought that all the talk in the world is not going to prevent the Senate pursuing its tramp, tramp, tramp of other years and enacting this appropriation bill without crossing a "t" or dotting an "i", which is precisely what our military sponsors want it to do. There is much that ought to be said. Indeed, there would be much—I think sufficient—to justify any small group of men, if they had the will to do it, to rise in their places here and resort to any and every possible means that might be available to prevent enactment of the pending appropriation bill. We know that is not going to be done. We know the bill is going to become a law. But, while we are acknowledging that to be the case, we ought to stand ready to indict ourselves, we ought to plead guilty to a course, my fellow Senators, that is going to lead your country and mine to one inevitable end. I care not how emphatically we may believe that these wild programs of appropriations for war are going to insure peace, we know that history, if it repeats itself, will find the present armament race bringing not peace but war. Such has always been the result, and I think it is reasonable to expect that it always will be. As one who wants his country adequately prepared to defend itself against any possible attack from any possible source, I say that we should be ready to indict ourselves.

A few days ago, April 5, the Philadelphia Record contained an eloquent editorial entitled "A Bulletproof Vest for the Dove?" We as Americans like to consider ourselves as the "dove" in this uncertain world. We are the leaders in the cause of peace. If the rest of the world would only follow our example there would not be any more war. Yet, knowing we are spending more than any other nation on earth in preparation for war, is it not fair to ask what would be the result if the rest of the world should actually follow our example in the matter of expenditures in the name of preparation for war?

The Philadelphia Record editorial is of such interest that I am going to insist upon reading it in its entirety, as follows:

A BULLETPROOF VEST FOR THE DOVE?

"United States delegates back from London Arms Reduction Conference with plans for bigger Navy."

That brilliantly ironic headline tells the story of the recent naval limitation parley—and the story of every disarmament parley since the World War.

Naval reduction is to be accomplished by building more battleships.

The high cost of an arms race is to be curbed by increasing our armament expenditures.

Black is white.

And we are tailoring a bulletproof vest for the dove of peace.

The question facing the American Government and the American taxpayer is this:

Can we afford any more such arms conferences?

The whole history of naval limitation treaties shows that they have increased rather than diminished the naval expenditures of this country.

The famous Washington Arms Conference rounded up its efforts in 1922. And its fruits show clearly in these figures on naval expenditures:

For 1923	$322,000,000
For 1924	332,000,000
For 1925	346,000,000

Now observe the fruits of the famous London Naval Treaty, concocted in 1930 and proclaimed effective January 1, 1931.

Naval expenditures during that period follow:

For 1931	$354,000,000
For 1932	357,000,000
For 1933	349,000,000
For 1935	467,000,000
For 1936 (estimated)	485,000,000

Of course, since the estimate for 1936 we have had laid upon our desks the naval appropriation bill calling for appropriations of $529,000,000, which considerably exceeds the estimate.

The editorial continues:

Bear in mind, too, that this monumental $485,000,000 figure was arrived at long before the delegates came home triumphant from this latest London Naval Conference.

What the actual 1936 expenditures will be, Heaven only knows.

The Record believes in a thoroughly adequate navy.

It may be that these later expenditures, high as they are, should be higher still, to give this country proper protection.

However, it is quite as likely that the figures should be lower.

The great trouble is, nobody, in Washington or out, knows whether they should be higher or lower. Nobody knows what our naval policy is. Nobody has even attempted to define it.

Without any intelligent conception of what our Navy is supposed to protect—there's no intelligent method of estimating how big our Navy should be.

At present, our policy seems to consist simply of building more ships. But are we building the right kind?

Are we building them to pull British irons out of the fire in the Far East, as Sir Austen Chamberlain suggested the other day?

Are we now in a virtual naval alliance with England, as many leading Britishers seem to feel?

Are we building new battleships to fight a "defensive" war in Japan's own waters—even though we pretend to be so strong for peace and minding our own business?

These questions are not idle. They concern the welfare and safety of 130,000,000 Americans.

Only the other day, at this very London naval parley, our naval experts, including Admiral Standley, objected to cutting the tonnage of our battleships below 35,000 tons, on the ground that lower tonnage would not make them useful for warfare in Japanese waters!

What the State and Navy Departments are thinking about we don't pretend to know.

But we do know that millions of Americans are thinking a great deal—and that their thinking will compel them to wonder why every conference to reduce naval expenditures ends up by increasing them.

Why it seems impossible to effect real neutrality legislation.

And why so many of the bigwigs at Washington are so eager to prepare for war with Japan when no sane cause for such a war is in sight today—assuming that this Nation has not been dragged into a secret alliance with England.

The London Naval Conference has been officially declared a "success."

Yet we immediately prepare to build more battleships.

Whose was the success?

England's?

Americans would like to know.

Mr. President, this editorial writer made the point that the people of America are beginning to manifest a genuine interest in these matters. I repeat what I have said earlier in the afternoon; namely, that every Member of Congress, when he gets back into his own bailiwick this summer, is going to find new knowledge, new intelligence, new understanding of these problems of national defense. I say this because I hope every Member of Congress may be prepared to answer sanely the questions that will be asked, for example, Why the appropriation of over a billion dollars this year for our Military Establishment? Why the appropriation now, in the name of national defense, of three times as much as we were spending in the name of national defense the year before we went into the "war to end wars"?

As I see it, there is but one thing the present Congress can do to accomplish any measure of economy in this bill. We have here an example of how an instrument may be built so large that it devours us and leaves us helpless.

Not more than $115,000,000 of this total of $500,000,000 involves new construction. We cannot avoid making the rest of the appropriations called for in the bill without disrupting the existing naval organization, without reducing its effectiveness. This has grown upon us in a few years. We have this to contend with, not only this year but every year to come, so long as we maintain the naval policy and the naval course that has been ours during recent years.

Mr. BONE. Mr. President, in connection with my statement a few minutes ago about war profits, I wish to direct the attention of the Senate and of my friend from North Dakota to some figures of costs and profits which indicate to me the necessity of the Government fortifying itself by its own preparedness instead of the preparedness of private munitions companies.

The records of the War Department show that the administration expended for artillery during the World War a sum total of $1,191,182,850; and yet General Pershing, in his final report as commander in chief of the American Expeditionary Forces, states that the only guns of large type produced at home which reached France before the cessation of hostilities were 109 75-millimeter guns and twenty-four 8-inch howitzers, making a total of 133 American-made guns which reached the front and were in use when the armistice was signed.

In the matter of aviation, Mr. President, General Pershing states that—

We were entirely dependent upon our Allies. From time to time we obtained from the French such planes for training personnel as they could provide. Without going into a complete description of aviation material, it will be sufficient to state that it was with great difficulty that we obtained equipment even for training.

In testimony taken by a committee of Congress right after the war, it was shown that the War Department entered into a contract with the Standard Steel Car Co., of Hammond, Ind., for the construction of 964 9½-inch howitzer carriages. The War Department agreed to pay for the cost of the buildings, material, and machinery, and the company was to be paid a commission upon the total cost of these carriages to the Government.

I am detailing these facts because they illustrate what I suggested a while ago—that when the Government does not fortify itself to do some of its own work of preparing for war, it merely makes itself, in the light of what we now know, the willing victim of the greed of the men who attempt to provide for us in a moment of great peril.

The Government paid for the buildings that were erected upon the Standard Steel Car Co.'s grounds, and which cost $2,987,200; and after the armistice was signed the War Department sold these buildings back to the company for $600,000.

The testimony taken at that time shows that at the time the armistice was signed the company had on hand material for which the Government had paid $5,558,000. The testimony further shows that representatives of the administration sold this material back to the company as junk for the sum of $300,000. That is, they sold to the company material worth over five and a half million dollars, classified as junk, for the tiny sum of $300,000—tiny as compared to its cost to the Government—because of the Government's lack of preparedness by its own agencies; and this was done in the face of the fact that arsenals of the United States were at that time needing and demanding material of practically the same character.

The testimony taken at that hearing shows that not a single howitzer carriage had been delivered to the Government prior to the signing of the armistice, but that after the armistice was signed the Ordnance Department had the company finish 200 of these carriages, and that the 200 carriages cost the Government the sum of $18,582,428.88, which sum was paid to them out of the Treasury of the United States.

Along about this time, in August 1918, representatives of the War Department entered into a contract with the Jones-Laughlin Steel Co., of Pittsburgh, Pa., for the manufacture of toluol and ammonium sulphate. It was estimated that the company could produce 24,000 tons of ammonium sulphate per year, and the War Department agreed to accept the company's entire output for a period of 2 years and to pay $90 a ton for it. It was estimated that the company could produce 810,000 gallons of toluol per year, and the War Department agreed to accept the company's entire output for a period of 2 years and pay $1.50 per gallon for it.

At the time of the signing of the armistice the company had not produced a gallon of toluol or a pound of ammonium sulphate; and, the war being over, the contract was canceled. The company put in a claim for the profits it would have earned if the war had continued and the company had

been permitted to carry out its contract. It was agreed between the representatives of the War Department and representatives of the company that the difference between the actual value of toluol and the price which the Department contracted to pay should be the profit upon each of the 1,620,000 gallons of toluol which it had been estimated the company could produce in 2 years. A board was appointed to determine the actual value of this product, and it was found that toluol was actually worth 17½ cents per gallon, leaving a profit to the company of $1.32½ per gallon upon 1,620,000 gallons of toluol which the company never manufactured because the war ended too soon. It was also found that the company was entitled to a profit of $30 per ton on each of the 48,000 tons of ammonium sulphate which the company never manufactured. It was decided that the company was entitled to profits in the aggregate sum of $3,330,040.39, and that was paid to them out of the Treasury of the United States.

The Secretary of War, at the beginning of the session of Congress at which the speech was made from which I am quoting these figures, reported that he had settled 5,000 claims growing out of war contracts. The committee of Congress appointed to investigate expenditures in the War Department declared that the examples I have given were a fair illustration of what was done to the Government as a result of its lack of preparedness on the part of its own agencies.

If I may go on for just an instant, and then I shall surrender the floor to the Senator from Kansas [Mr. CAPPER], when the Standard Steel Car Co. of Hammond, Ind., got through with this game of tag with the Government, it put in a claim against our Government, and I have mentioned some of the items in the claim. This is what happens to the Government when it leaves itself utterly defenseless and strips itself of the agencies with which it could protect itself, as any far-sighted citizen would do in the conduct of his own business.

Poor old Uncle Sam. We leave Uncle Sam defenseless in the face of these enemies. The boys want to rook the Government. Oh, well, it is of no great moment; it is only the Government. It is perfectly proper, perfectly patriotic, to rook the Government, and take it to the cleaner, and trim it. Nobody but the poor taxpayers suffer; and, anyway, they do not amount to very much. Nobody worries about the taxpayers when war profits are involved. It is only when we go to feed some poor devil who is out of work that some of us discover that that is very bad. The poor fellow might have gotten $2 too much.

Mr. Farley last night, in a radio speech, stated that some very amiable gentlemen rise and fairly tear their nether garments in the face of providence because, forsooth, some poor devil might have gotten $4.50 that he was not entitled to; but these amiable, flag-waving, superheterodyne patriots, in the sacred name of patriotism and preparedness, can rook our poor old Uncle Sam, and take the old boy to the cleaner, and nobody seems to think anything of it. In fact, it is considered almost vulgar for even a Senator to advert to it. Well, I risk the possible odium that attaches to saying a few perhaps unkind things about the boys who do this.

This was the claim put in against our Government by this outfit which charged the Government the amounts I have stated for howitzer carriages.

Loss of earnings due to delays	$1,000,000.00
Profits earned and accrued	2,134,215.02

The boys had a good bookkeeper. They got in the 2 cents.

Remuneration for special service rendered	$890,908.36
Reimbursement for approved commitments	1,948,837.81
Reimbursement for incidental losses	322,250.53

Purely incidental to the company's operations.

Reimbursement for depreciation of facilities	$314,019.40

Uncle Sam was paying for all the depreciation. He had to get rooked and trimmed and bilked for all this, and did not own the equipment when the war was over. It would be better if he had owned it and kept it and had been prepared, instead of allowing the boys in Pittsburgh, or wherever it was, to rook him again in case of another war.

The sad part of it is that we are paying income taxes because we got rooked. Even my good friend the Senator from Pennsylvania [Mr. DAVIS] is getting rooked, along with the rest of us, when he pays his income tax, because some of the boys in Pittsburgh had to get their hands into the Public Treasury clear up to the armpits.

We get rooked now, and are compelled to pay in income taxes this year for all this "rough stuff" put over by the boys back at the time of the war, because it is all written into Government bonds, now outstanding, which we are trying, rather vainly, to pay off.

Let us get back to the statement, however:

Compensation for plant occupancy after June 30, 1919	$300,000.00
Reimbursement for sums expended on Government buildings	65,760.32
Interest on profit and money borrowed	99,066.18

We had to pay interest on the profit they made. It really sounds like a story from Alice in Wonderland. It is a superheterodyne form of trimming the Government which was indulged in by those who did not want Uncle Sam to do the preparing himself. That is a fair example of the shocking things that went on during the war.

There is so much of this, Mr. President, that an attempt to put it into the RECORD would be an intrusion upon the time of the Senate. I have only been tempted to say what I have said for the reason that the Members of Congress and other officials of the Government must realize the necessity of their Government—not my Government alone but their Government—fortifying itself against the possibility of men doing this sort of thing to the Government again, and the only way to make certain that these things do not happen again is to have a club over the heads of these fellows. If we get into another war and do not take some preventive measure we will have a repetition of this thing.

I surrender the floor to the Senator from Kansas.

Mr. CAPPER. Mr. President, I have always favored reasonable and adequate national defense. I have supported every appropriation which seemed necessary to safeguard the interests of our country, but I am convinced that the pending measure, appropriating nearly $600,000,000 for big battleships and other naval defenses, is unreasonable and unnecessary. I shall vote against it. I find that the people of this country are shocked at the enormous appropriations Congress is making for war purposes. They can see no reason at all why the United States, situated as it is geographically and economically and strategically, should declare it necessary to spend more than is spent by any other nation in the world in preparation for taking part in someone else's war. We are breaking all peacetime records in making these enormous appropriations.

It cannot be maintained that we need this enormous Military Establishment to preserve order in the United States. It cannot be maintained that we need it to defend the United States against attack. It cannot be maintained that we need it for a war of conquest. I refuse to believe these huge appropriations are being made solely for the benefit of munitions makers and shipbuilders. Can it be that back of it all is the intention of being prepared to take part in the next world war?

Mr. President, the people all over this country are greatly disturbed over the rapidly increasing tax burden. We continue to pile up billions of public debt. The taxpayers cannot carry the load. I say the time has come to call a halt. These huge annual deficits must be stopped. The pending bill offers a fine opportunity for showing the taxpayers we are sympathetic to their appeal for economy in public expenditures. We cannot possibly explain why this Congress has spent a billion dollars for Military Establishment at a time when we claim to be the greatest peace-loving Nation in the world.

I wish to call attention of the Senate and the country to a recent editorial on this subject by the Honorable Charles F. Scott, of Iola, Kans. Mr. Scott is widely known as editor

and publisher of the Iola Register. He is a former Member of the National House of Representatives from the Second District of Kansas. He is well informed, patriotic, far from being a pacifist. Mr. Scott says:

MILLIONS FOR MEDDLING

"Defense Against What?" is the title to many editorials appearing these days in connection with the current appropriation of the largest peacetime fund in history for national defense. And it is a question which not a single protagonist of bigger and better armies and navies for the United States ever offers a word in answer.

There are four reasons why any country might need a military establishment; to preserve internal order, to defend the nation against attack, to carry on a war of conquest, or to be in a position to get into somebody else's war any time it might be of commercial or political advantage to do so.

The United States obviously does not need its Army to preserve internal order, at least it does not need a fraction even of its present entire Military Establishment. A well organized National Guard might always be desirable for this purpose, but that is about all.

It certainly must be equally obvious that to say our Army is needed for national defense is sheer hypocrisy. Is Canada—infinitely more American than British—going to attack us? Or impoverished Mexico? Is Japan or Germany or Russia going to sail ships across 2,000 miles of ocean to set landing parties on our shores? The line of suggestion is too preposterous to carry further. As far into the future as anyone can see now, the prospect of the United States having to carry on a war of defense from enemy attack is exactly zero.

Do we need an Army to carry on a war of conquest? We have needed one in the past for that purpose, but we certainly aren't looking forward to any such ventures in the immediate future. The United States has all the territory it wants or needs, probably for all time to come. No war of deliberate aggression need be prepared for.

That leaves one excuse for the billion dollars we shall spend on our Army and Navy this year—the possibility that we shall want it in order to get into somebody else's war. That's what we needed it for the last time and that's what we'll need it for the next time if we ever need it at all. National defense? Rubbish!

RELIEF OF THE STATE OF NEW JERSEY

The PRESIDING OFFICER (Mr. POPE in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 4395) for the relief of the State of New Jersey, which was, on page 1, line 10, after "1934", to insert a comma and "and providing for replacement, without cost to the State of New Jersey, of like articles for reissue to and the use of the National Guard of New Jersey."

Mr. MOORE. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

LOUIS H. CORDIS

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1075) for the relief of Louis H. Cordis, which were, on page 2, line 2, to strike out "1 year" and insert "6 months", and on the same page, line 7, after the word "act", to strike out the remainder of the bill.

Mr. McNARY. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

DAMPSKIB AKTIESELSHAP ROSKVA

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3645) for the relief of Dampskib Aktieselshap Roskva, which was, on page 1, line 13, after the name "France", to insert a colon and the following proviso: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. SHEPPARD. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

GEORGE RABCINSKI

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 3685) for the relief of George Rabcinski, which were, on page 1, line 7, to strike out "Regiment", and on the same page, line 7, to strike out "being" and insert "in full satisfaction of his claim against the United States for."

Mr. SHEPPARD. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

NAVY DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 12527) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the first amendment of the committee, found on page 3, line 17.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Navigation, Education, and Welfare, Navy", on page 7, line 18, after "Rhode Island", to strike out "$125,000" and insert "$130,000"; so as to read:

Newport, R. I., $130,000;

The amendment was agreed to.

The next amendment was, on page 8, line 9, after the word "literature", to insert "including such amounts as may be necessary to carry out the provisions of the act approved January 16, 1936 (Public Act No. 417, 74th Cong.),"; and in line 16, after the word "for", to strike out "$187,000" and insert "$190,379", so as to read:

Instruction: For postgraduate instruction of officers in other than civil government and literature, including such amounts as may be necessary to carry out the provisions of the act approved January 16, 1936 (Public Act No. 417, 74th Cong.), and for special instruction, education, and individual training of officers and enlisted men at home and abroad, including maintenance of students abroad, except aviation training and submarine training otherwise appropriated for, $190,379: *Provided*, That no part of this or any other appropriation contained in this act shall be available for or on account of any expense incident to giving special educational courses or postgraduate instruction to officers with view to qualifying them or better qualifying them for the performance of duties required to be performed by or in pursuance of law by officers of the Supply Corps, Construction Corps, or Corps of Civil Engineers, except present students and except such officers who are commissioned in such corps or who have not been commissioned in the line of the Navy more than 3 years prior to the commencement of such educational courses or postgraduate instruction.

The amendment was agreed to.

The next amendment was, on page 10, line 4, after the word "Navy", to strike out "$1,562,620" and insert "$1,570,999", so as to read:

In all, training, education, and welfare, Navy, $1,570,999: *Provided*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department, exclusive of temporary services, shall not exceed the following amounts, respectively: Naval War College, $77,000; Naval Training Station, San Diego, $7,500; Naval Training Station, Newport, $10,000; Naval Training Station, Great Lakes, $14,500; Naval Training Station, Norfolk, $5,500; instruction, $26,000; libraries, $24,000; welfare and recreation, $2,500.

The amendment was agreed to.

The next amendment was, under the subhead "Naval Reserve", on page 14, line 2, after the word "aircraft", to strike out "$7,868,469" and insert "$8,000,000", so as to read:

For expenses of organizing, administering, and recruiting the Naval Reserve and Naval Militia, including the designing, purchasing, and engraving of trophies; pay and allowances of officers and enlisted men of the Naval Reserve when employed on authorized training duty; mileage for officers while traveling under orders to and from training duty; transportation of enlisted men to and from training duty, and subsistence and transfers en route, or cash in lieu thereof; subsistence of enlisted men during the actual period of training duty; subsistence of officers and enlisted men of the Fleet Naval Reserve while performing authorized training or other duty without pay; pay, mileage, and allowances of officers

of the Naval Reserve and pay, allowances, subsistence, and transportation with subsistence and transfers en route, or cash in lieu thereof of enlisted men of the Naval Reserve when ordered to active duty in connection with the instruction, training, and drilling of the Naval Reserve; pay and allowances, including travel and other allowances as authorized by law (excluding clothing and small-stores issues and uniform gratuities), of aviation cadets of the Naval Reserve when ordered to active duty, including active duty undergoing training; pay of officers and enlisted men of the Fleet Naval Reserve for the performance of not to exceed 48 drills per annum or other equivalent instruction or duty, or appropriate duties, and administrative duties, exclusive, however, of pay, allowances, or other expenses on account of members of any class of the Naval Reserve incident to their being given flight training unless, as a condition precedent, they shall have been found by such agency as the Secretary of the Navy may designate physically and psychologically qualified to serve as pilots of naval aircraft, $8,000,000, of which amount not more than $150,000 shall be available for maintenance and rental of armories, including pay of necessary janitors, and for wharfage; not more than $81,000 shall be available for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department; not less than $3,125,471 shall be available, in addition to other appropriations, for aviation material, equipment, fuel, and rental of hangars, and not more than $397,914 shall be available, in addition to other appropriations, for fuel and the transportation thereof, and for all other expenses in connection with the maintenance, operation, repair, and upkeep of vessels assigned for training the Naval Reserve, and of such total sum $5,334,303 shall be available exclusively for and on account of Naval and Marine Corps Reserve aviation—

And so forth.

The amendment was agreed to.

The next amendment was, under the subhead "Naval Academy", on page 15, line 18, after the word "librarian", to strike out "$265,400" and insert "and such amounts as may be necessary to carry out the provisions of the act approved January 16, 1936 (Public, No. 417, 74th Cong.), $281,193"; and in line 22, after the word "than", to strike out "$22,100" and insert "$22,300", so as to read:

Pay, Naval Academy: For pay of professors and instructors, including one professor as librarian, and such amounts as may be necessary to carry out the provisions of the act approved January 16, 1936 (Public, No. 417, 74th Cong.), $281,193: *Provided*, That not more than $22,300 shall be paid for masters and instructors in swordsmanship and physical training.

The amendment was agreed to.

The next amendment was, on page 16, line 1, after the word "employees", to strike out "$585,623" and insert "$590,866"; and in line 7, to strike out "$236,000" and insert "$242,000", so as to read:

For pay of other employees, $590,866: *Provided*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules, in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department, shall not exceed $242,000.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Engineering—Engineering", on page 20, line 18, after the figures "$1,724,000", to strike out the colon and the following proviso:

Provided further, That not exceeding $600,000 of this appropriation shall be available for experiment, development, and test of diesel-type engines for ship propulsion.

The amendment was agreed to.

The next amendment was, under the heading, "Bureau of Ordnance—Ordnance and Ordnance Stores, Bureau of Ordnance", on page 23, line 8, after the name "West Virginia", to strike out "$21,700,000" and insert "$22,500,000", so as to read:

For procuring, producing, preserving, and handling ordnance material, for the armament of ships; for the purchase and manufacture of torpedoes and appliances; for the purchase and manufacture of smokeless powder; for fuel, material, and labor to be used in the general work under the cognizance of the Bureau of Ordnance; for furniture at naval ammunition depots, torpedo stations, naval ordnance plants, and proving grounds; for technical books; plant appliances as now defined by the "Navy Classification of Accounts"; for machinery and machine tools; for accident prevention; for experimental work in connection with the development of ordnance material for the Navy; for maintenance of proving grounds, powder factory, torpedo stations, gun factory, ammunition depots, and naval ordnance plants, and for target practice; not to exceed $15,000 for minor improvements to buildings, grounds, and appurtenances of a character which can be performed by regular station labor; for payment of part-time or intermittent employment in the District of Columbia, or elsewhere, of such scientists and technicists as may be contracted for by the Secretary of the Navy in his discretion at a rate of pay not exceeding $20 per diem for any person so employed; for the maintenance, repair, and operation of horse-drawn and motor-propelled freight and passenger-carrying vehicles, to be used only for official purposes at naval ammunition depots, naval proving grounds, naval ordnance plants, and naval torpedo stations; for the pay of chemists, clerical, drafting, inspection, and messenger service in navy yards, naval stations, naval ordnance plants, and naval ammunition depots, and for care and operation of schools at ordnance stations at Indianhead, Md.; Dahlgren, Va.; and South Charleston, W. Va., $22,500,000: *Provided*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed $1,300,000.

The amendment was agreed to.

The next amendment was, under the heading, "Bureau of Supplies and Accounts", on page 32, after line 9, to strike out:

NAVAL SUPPLY ACCOUNT FUND

For transfer to the credit of the naval supply account fund, $5,000,000, and not more than $5,000,000 of the naval supply account fund shall be available for the purchase of a reserve supply of prepared and processed strategic minerals of domestic production.

The amendment was agreed to.

The next amendment was, under the subhead "Public Works, Bureau of Yards and Docks", on page 38, line 3, before the word "which", to strike out $2,990,300" and insert "$5,000,000", so as to read:

For public works and public utilities, Bureau of Yards and Docks, $5,000,000, which, together with the unexpended balances of appropriations heretofore made under this head, shall be disbursed and accounted for in accordance with existing law and shall constitute one fund: *Provided*, That not to exceed 2½ percent of the aggregate amount available on July 1, 1936, shall be available for the employment of classified personal services in the Bureau of Yards and Docks and in the field service to be engaged upon such work and to be in addition to employees otherwise provided for: *Provided further*, That the Secretary of the Navy is authorized to commence, continue, or complete the construction of, or make provision for, by contract or otherwise, projects heretofore authorized and appropriated for under this head, and, in addition, the following-named public works and public utilities projects at a limit of cost not to exceed the amount stated for each project enumerated, respectively.

The amendment was agreed to.

The next amendment was, on page 38, line 24, after the word "harbor", to strike out "$900,000" and insert "including plant, $2,000,000", so as to read:

Navy Yard, Pearl Harbor, Hawaii: Improvement of channel and harbor, including plant, $2,000,000; mooring facilities and accessories, $225,000; purchase of land for range light, $100.

The amendment was agreed to.

The next amendment was, on page 39, line 10, after the figures "$410,000" and the semicolon, to insert "improvement of interior illumination, $270,000", so as to read:

Buildings and Grounds, Naval Academy, Annapolis, Md.: Increased facilities for midshipmen, including building extensions and accessories, $410,000; improvement of interior illumination, $270,000.

The amendment was agreed to.

The next amendment was, on page 39, after line 16, to strike out:

Naval Hospital, Washington, D. C.: Toward replacing, remodeling, or extending existing structures and the construction of additional buildings, with the utilities, accessories, and appurtenances pertaining thereto, as authorized by the act entitled "An act to authorize the Secretary of the Navy to proceed with certain public works at the United States Naval Hospital, Washington, D. C.", approved February 25, 1931, $295,000, to be paid from Naval Hospital fund and to be available for the expense of making necessary repairs, alterations, and moving equipment to temporary buildings.

The amendment was agreed to.

The next amendment was, on page 40, after line 14, to insert:

Naval operating base, Norfolk, Va.: Improvement of water front, $300,000.

The amendment was agreed to.

The next amendment was, on page 40, after line 16, to insert:

Naval Model Basin, vicinity of Washington, D. C.: Model basins, including buildings, facilities, and purchase of land, $3,500,000.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Aeronautics, Aviation, Navy", on page 42, line 21, before the word "from", to strike out "$24,000" and insert "$50,000", so as to make the further proviso read:

Provided further, That the Secretary of the Treasury is authorized and directed, upon the request of the Secretary of the Navy, to transfer not to exceed in the aggregate $50,000 from this appropriation to the appropriations "Pay, subsistence, and transportation, Navy", and "Pay, Marine Corps", to cover authorized traveling expenses of officers and enlisted men in connection with flying new airplanes from contractor's works to assigned station or ship, including travel to contractor's works and return of personnel to stations of duty, and the amount so transferred shall be in addition to any limitations contained in the appropriations "Pay, subsistence, and transportation, Navy", and "Pay, Marine Corps": *Provided further*, That no part of this appropriation shall be expended for maintenance of more than six heavier-than-air stations on the coast of the continental United States.

The amendment was agreed to.

The next amendment was, on page 43, line 8, after the name "United States" and the colon, to strike out the following further proviso:

Provided further, That no part of this appropriation shall be used for the construction of a factory for the manufacture of airplanes or for the construction or manufacture in a Government-owned factory or plant of airplane engines, other than experimental engines, or airplanes, other than airplanes for primary training purposes.

The amendment was agreed to.

The next amendment was, under the heading "Marine Corps", on page 43, line 24, after the word "exceed", to strike out "$201,177" and insert "$212,427", so as to read:

Pay of officers, active list: For pay and allowances prescribed by law for all officers on the active list—pay and allowance, $4,233,706, including not to exceed $212,427 for increased pay for making aerial flights, none of which shall be available for increased pay for making aerial flights by nonflying officers at a rate in excess of $1,440 per annum, which shall be the legal maximum rate as to such nonflying officers; subsistence allowance, $573,123; rental allowance, $766,154; in all, $5,572,983; and no part of such sum shall be available to pay active-duty pay and allowances to officers on the retired list.

The amendment was agreed to.

The next amendment was, on page 45, line 15, after the word "men", to strike out "$783,555" and insert "$793,095"; and in line 16, after the words "in all", to strike out "$1,210,508" and insert "$1,220,048", so as to read:

For pay and allowances of the Marine Corps Reserve (a) excluding transferred and assigned men, $793,095; (b) transferred men, $426,953; in all $1,220,048.

The amendment was agreed to.

The next amendment was, on page 45, line 21, after the words "In all", to strike out "$17,713,931" and insert "$17,723,471", so as to read:

In all, $17,723,471, and the money herein specifically appropriated for pay of the Marine Corps shall be disbursed and accounted for in accordance with existing law and shall constitute one fund.

The amendment was agreed to.

The next amendment was, on page 47, line 21, after the word "retirement", to strike out "$300,000" and insert "$319,600", so as to read:

For transportation of troops and applicants for enlistment, including cash in lieu of ferriage and transfers en route; toilet kits for issue to recruits upon their first enlistment and other incidental expenses of the recruiting service; and for transportation for dependents of officers and enlisted men, including travel had during the fiscal years 1935 and 1936, but not in excess of from the last duty station to home, in connection with retirement, $319,600.

The amendment was agreed to.

The next amendment was, on page 49, line 12, after the word "expenses", to strike out "$196,775" and insert "$219,308", so as to read:

Marine Corps Reserve: For clothing, including clothing for aviation cadets, subsistence, heat, light, transportation, and miscellaneous expenses, $219,308.

The amendment was agreed to.

The next amendment was, on page 49, line 13, after the words "In all", to strike out $7,623,042" and insert "$7,665,175", so as to read:

In all, $7,665,175, to be accounted for as one fund: *Provided*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civilian Employees in the Field Service of the Navy Department shall not exceed $80,000.

The amendment was agreed to.

The next amendment was, under the heading "Replacement of naval vessels", on page 50, line 12, after the word "that", to insert "the President determines as a fact that"; so as to read:

Construction and machinery: On account of hulls and outfits of vessels and machinery of vessels, including the re-engining and completion of submarines *170* and *171* (39 Stat. 616), heretofore authorized and appropriated for in part under "Increase of the Navy, Construction and Machinery", including (1) the expenses in connection with continuing the construction of 2 aircraft carriers, 1 heavy cruiser, 3 light cruisers, 20 destroyers, 4 submarines, and 2 gunboats which were commenced in the fiscal year 1934 under funds made available from the National Industrial Recovery Act, approved June 16, 1933, and (2) for the commencement of the following vessels authorized by the act approved March 27, 1934 (48 Stat. 503–505): (a) 12 destroyers and 6 submarines, and (b) not more than 2 capital ships, as replacements of over-age capital ships, to be undertaken only in the event that the President determines as a fact that capital-ship-replacement construction is commenced by any of the other signatory powers to the Treaty for the Limitation and Reduction of Naval Armament signed at London, April 22, 1930, $115,300,000—

And so forth.

The amendment was agreed to.

The next amendment was, under the heading "Navy Department Salaries", on page 54, line 14, to increase the appropriation for salaries under the Office of Judge Advocate General from $117,720 to $120,920.

The amendment was agreed to.

The next amendment was, on page 54, at the end of line 18, to increase the appropriation for salaries under the Office of Naval Intelligence from $60,080 to $61,660.

The amendment was agreed to.

The next amendment was, on page 55, line 7, to increase the total appropriation for salaries in the Navy Department from $3,983,929 to $3,988,709.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. BYRNES. Mr. President, on behalf of the committee I offer an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 50, line 16, after the sum "$115,300,000", it is proposed to insert the following:

And in addition the unexpended balances on June 30, 1936, of the appropriation "Increase of the Navy, construction and machinery" are hereby reappropriated and made available for the purposes of this paragraph, and the total sum herein made available shall remain available until expended.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina on behalf of the committee.

The amendment was agreed to.

Mr. BYRNES. On behalf of the committee, I offer another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 51, line 12, after the sum "$53,200,000", it is proposed to insert the following:

And in addition to the unexpended balances on June 30, 1936, of the appropriation "Increase in the Navy: Armor, armament, and ammunition" are hereby reappropriated and made available for the purposes of this paragraph, and the total sum herein made available shall remain available until expended.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina on behalf of the committee.

The amendment was agreed to.

Mr. BYRNES. Mr. President, on behalf of the committee, I offer one more amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 36, after line 6, it is proposed to insert:

The present incumbent as attending physician at the Capitol shall hereafter receive the senior rank of his grade, with full pay and allowances while so serving and as a basis for retirement.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina on behalf of the committee.

The amendment was agreed to.

Mr. BYRNES. Mr. President, the committee has no further amendments to offer.

Mr. McNARY. Mr. President, that being the case, is the Senator from South Carolina willing that the Senate should recess now until tomorrow?

Mr. BYRNES. I rose to say that, so far as I am concerned, I am willing that the Senate shall recess at this time.

EXECUTIVE SESSION

Mr. ROBINSON. Mr. President, pursuant to the understanding which was entered into earlier today, I move that the Senate proceed to the consideration of executive business, after which I shall move a recess until tomorrow.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. POPE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the Committee on Appropriations, reported favorably the following nominations:

Irl D. Brent, of Michigan, to be State director of the Public Works Administration in Michigan; and

Claude C. Hockley, of Oregon, to be State director of the Public Works Administration in Oregon.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nominations of sundry officers in the Diplomatic and Foreign Service.

Mr. COPELAND, from the Committee on Commerce, reported favorably the nominations of several officers in the Coast Guard.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Army are confirmed en bloc.

IN THE NAVY

The Chief Clerk read the nomination of Gilbert J. Rowcliff to be Judge Advocate General of the Navy, with the rank of rear admiral.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the calendar.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 58 minutes p. m.) the Senate took a recess until tomorrow, Friday, May 8, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 7 (legislative day of Apr. 24), 1936

PUBLIC WORKS ADMINISTRATION

George M. Bull, of Colorado, to be State director of the Public Works Administration in Colorado.

John Latenser, Jr., of Nebraska, to be State director of the Public Works Administration in Nebraska.

PROMOTIONS IN THE NAVY

MARINE CORPS

Maj. Roger W. Peard to be a lieutenant colonel in the Marine Corps from the 1st day of September 1935.

First Lt. John N. Hart to be a captain in the Marine Corps from the 1st day of May 1936.

POSTMASTERS

ALABAMA

Jack Vaughan to be postmaster at Cuba, Ala., in place of L. W. Vaughan. Incumbent's commission expires May 19, 1936.

CALIFORNIA

Earle Heath Stanley to be postmaster at Cedarville, Calif., in place of T. J. Wylie. Incumbent's commission expired March 29, 1936.

George P. Meek to be postmaster at Covina, Calif., in place of W. P. Nye. Incumbent's commission expired March 10, 1936.

Allie C. Cook to be postmaster at Montebello, Calif., in place of F. F. Darcy. Incumbent's commission expired March 10, 1936.

Daisy E. Platt to be postmaster at Rice, Calif. Office became Presidential April 1, 1936.

Ernest L. Finley to be postmaster at Santa Rosa, Calif., in place of J. P. Berry. Incumbent's commission expired December 20, 1934.

COLORADO

Richard D. Saunders to be postmaster at Alamosa, Colo., in place of J. E. Harron. Incumbent's commission expired April 27, 1936.

William D. Joyce to be postmaster at Antonito, Colo., in place of C. C. Hurst. Incumbent's commission expired April 4, 1936.

Daniel B. Venable to be postmaster at Ault, Colo., in place of Roy McWilliams. Incumbent's commission expires May 19, 1936.

Anthony J. Ricci to be postmaster at Georgetown, Colo., in place of L. D. Trimble. Incumbent's commission expired January 22, 1936.

Bernard C. Killin to be postmaster at Kiowa, Colo., in place of C. W. Elsner. Incumbent's commission expired June 20, 1936.

Ernest C. Norris to be postmaster at La Salle, Colo., in place of O. L. Morris. Incumbent's commission expires May 19, 1936.

Palmer V. DeWitt to be postmaster at Oak Creek, Colo., in place of F. A. McDaniel, resigned.

Ray L. Ford to be postmaster at Vona, Colo., in place of W. L. Butler. Incumbent's commission expired April 4, 1936.

George A. May to be postmaster at Windsor, Colo., in place of M. M. Gallagher. Incumbent's commission expires May 19, 1936.

CONNECTICUT

Mary Eleanor Michaels to be postmaster at Berlin, Conn., in place of A. A. Barrett. Incumbent's commission expired February 10, 1936.

George B. Moroney to be postmaster at Collinsville, Conn., in place of C. B. Reed. Incumbent's commission expired February 10, 1936.

Thomas H. Collins to be postmaster at Farmington, Conn., in place of S. L. Ruic. Incumbent's commission expired January 9, 1936.

William W. Fagan to be postmaster at Kensington, Conn., in place of S. M. Cowles. Incumbent's commission expired March 10, 1936.

John J. Scanlon to be postmaster at Meriden, Conn., in place of J. J. Fitzpatrick. Incumbent's commission expired January 25, 1936.

Charles W. Camp to be postmaster at Plantsville, Conn., in place of W. C. Bushnell. Incumbent's commission expired January 9, 1936.

FLORIDA

Wendell V. Gilbert to be postmaster at Dade City, Fla., in place of H. B. Spencer. Incumbent's commission expires May 23, 1936.

Bess W. Rowell to be postmaster at Trenton, Fla., in place of T. H. Milton. Incumbent's commission expired January 22, 1935.

GEORGIA

Leon DeLos Miller to be postmaster at Emory University, Ga., in place of T. J. Barfield. Incumbent's commission expired March 22, 1936.

Benjamin N. Walters to be postmaster at Martin, Ga., in place of B. N. Walters. Incumbent's commission expired January 7, 1936.

IDAHO

James V. Hawkins to be postmaster at Coeur d'Alene, Idaho, in place of G. F. McMartin. Incumbent's commission expired February 5, 1935. (Removed without prejudice.)

Lola H. Perkins to be postmaster at Eden, Idaho. Office became Presidential July 1, 1935.

George F. Walker to be postmaster at Hailey, Idaho, in place of A. A. Lambert. Incumbent's commission expired April 12, 1936.

Clyde H. Daugherty to be postmaster at Kendrick, Idaho, in place of E. H. Dammarell. Incumbent's commission expired June 17, 1934.

Ida J. Peck to be postmaster at Lava Hot Springs, Idaho, in place of W. W. Elledge. Incumbent's commission expired January 26, 1936.

Benjamin Y. Edwards to be postmaster at McCammon, Idaho, in place of C. L. Edwards, resigned.

Jesse J. Walling to be postmaster at Nampa, Idaho, in place of Ned Jenness. Incumbent's commission expired April 12, 1936.

Michael H. Donovan to be postmaster at St. Maries, Idaho, in place of C. W. Craney. Incumbent's commission expired January 26, 1936.

Frank A. McCall to be postmaster at Salmon, Idaho, in place of K. E. McBride. Incumbent's commission expired January 26, 1936.

Michael A. Stronk to be postmaster at Twin Falls, Idaho, in place of P. W. McRoberts. Incumbent's commission expires May 19, 1936.

ILLINOIS

Richard J. Ommen to be postmaster at Arenzville, Ill., in place of R. S. Beard. Incumbent's commission expired March 17, 1936.

Francis P. Ryan to be postmaster at Assumption, Ill., in place of E. W. Nichols. Incumbent's commission expired January 7, 1936.

A. Albert Moehle to be postmaster at Brighton, Ill., in place of R. S. Brown. Incumbent's commission expires June 1, 1936.

Edward A. Bauser to be postmaster at Bunker Hill, Ill., in place of C. M. Jacobi. Incumbent's commission expires June 23, 1936.

Royal E. Kern to be postmaster at Cisne, Ill., in place of C. L. Kiger. Incumbent's commission expired January 7, 1936.

Ellen M. Sherry to be postmaster at Congress Park, Ill., in place of G. W. Cooper, removed.

Herman H. Kattenbraker to be postmaster at Coulterville, Ill., in place of G. H. McKelvey, resigned.

Elizabeth K. Butler to be postmaster at Crystal Lake, Ill., in place of F. E. Rose. Incumbent's commission expired December 15, 1931. (Removed without prejudice.)

Eugenia Spaulding to be postmaster at Depue, Ill., in place of F. E. Peterson. Incumbent's commission expired January 28, 1936.

George J. Fruin to be postmaster at Dixon, Ill., in place of J. E. Moyer. Incumbent's commission expired January 28, 1936.

Oscar Ped Bonner to be postmaster at Fairfield, Ill., in place of E. P. Fleming. Incumbent's commission expired January 7, 1936.

Walter L. Reed to be postmaster at Galena, Ill., in place of W. J. Ehrler. Incumbent's commission expired January 28, 1936.

Tracy Earl Horrie to be postmaster at Gardner, Ill., in place of J. R. Scoggin, removed.

Henry C. Rathgeber to be postmaster at Girard, Ill., in place of C. A. Harlan, resigned.

Paul L. Wells to be postmaster at Grayville, Ill., in place of C. L. Jennings, removed.

Irwin H. Mitchell to be postmaster at Metropolis, Ill., in place of U. E. Smith, removed.

John Joseph Fedor to be postmaster at Mount Olive, Ill., in place of L. D. Fuess. (Appointee deceased.)

William H. Cain to be postmaster at Patoka, Ill., in place of B. N. Griffin. Incumbent's commission expired January 7, 1936.

Margaret D. Drummet to be postmaster at Prophetstown, Ill., in place of Leonard Ott. Incumbent's commission expired May 29, 1934. (Removed without prejudice.)

John Suddick to be postmaster at South Wilmington, Ill., in place of A. J. Berta. Incumbent's commission expired February 14, 1935.

Ernest Hunter Reynolds to be postmaster at Tiskilwa, Ill., in place of W. M. Repine, resigned.

Rufus B. Grissom to be postmaster at Toledo, Ill., in place of J. E. Hughes, removed.

INDIANA

Alonzo L. Rogers to be postmaster at Walkerton, Ind., in place of W. J. LeRoy. Incumbent's commission expired June 20, 1934.

George F. Bandeen to be postmaster at Westport, Ind., in place of J. C. Stott. Incumbent's commission expired May 3, 1936.

James D. Arnold to be postmaster at Winslow, Ind., in place of P. B. McCord. Incumbent's commission expires July 13, 1936.

IOWA

Arthur Joseph Claeys to be postmaster at Akron, Iowa., in place of M. V. Smith, resigned.

Orren W. Swartfager to be postmaster at Ankeny, Iowa, in place of C. O. McLean. Incumbent's commission expired March 17, 1936.

Mina N. Umbehaun to be postmaster at Arnolds Park, Iowa, in place of H. C. Walter. Incumbent's commission expired January 12, 1936.

Charles E. Malone to be postmaster at Atlantic, Iowa, in place of A. A. Emigh. Incumbent's commission expired April 27, 1936.

Otto T. Lamansky to be postmaster at Brighton, Iowa, in place of W. W. Jamison. Incumbent's commission expired April 12, 1936.

Anthony N. Huber to be postmaster at Calmar, Iowa, in place of S. T. Kittlesby. Incumbent's commission expired February 19, 1936.

Carl E. Jones to be postmaster at Cincinnati, Iowa, in place of Ella Yeager. Incumbent's commission expired March 29, 1936.

Boyd L. Yance to be postmaster at Coin, Iowa, in place of G. F. Mitchell. Incumbent's commission expired February 19, 1936.

Edith M. Reed to be postmaster at Delta, Iowa, in place of J. M. Jacobs. Incumbent's commission expired April 27, 1936.

Pauline K. Kraschel to be postmaster at Farragut, Iowa, in place of M. E. Perkins. Incumbent's commission expired April 27, 1936.

Clesson E. Woodward to be postmaster at Griswold, Iowa, in place of J. F. Dicus. Incumbent's commission expired April 12, 1936.

George R. Sawyer to be postmaster at Hawarden, Iowa, in place of W. F. Wolf. Incumbent's commission expired January 12, 1936.

Francis J. Spain to be postmaster at Kingsley, Iowa, in place of A. F. Ogren. Incumbent's commission expired February 19, 1936.

William E. Lovett to be postmaster at Lake City, Iowa, in place of Wesley Seufferlein. Incumbent's commission expired April 12, 1936.

August Sindt to be postmaster at Lake Park, Iowa, in place of E. E. Starr. Incumbent's commission expired January 12, 1936.

Wallace G. Strabala to be postmaster at Lohrville, Iowa, in place of W. W. Clover, resigned.

Edward J. Rutenbeck to be postmaster at Lowden, Iowa, in place of A. L. Mensing. Incumbent's commission expired April 27, 1936.

Frederick E. Mulholland to be postmaster at Malvern, Iowa, in place of I. L. Donner. Incumbent's commission expired January 12, 1936.

Irvin W. Machamer to be postmaster at Merrill, Iowa, in place of M. G. Irwin. Incumbent's commission expired January 12, 1936.

William H. Lucas to be postmaster at Nora Springs, Iowa, in place of C. C. Stoner. Incumbent's commission expired April 12, 1936.

Kathryn P. Thomas to be postmaster at Red Oak, Iowa, in place of E. A. Larson. Incumbent's commission expired March 17, 1936.

Ulysses G. Pedersen to be postmaster at Schaller, Iowa, in place of L. J. McLaughlin. Incumbent's commission expires June 1, 1936.

Charles Benesh to be postmaster at Toledo, Iowa, in place of F. C. McClaskey. Incumbent's commission expired April 27, 1936.

August C. Soer to be postmaster at Victor, Iowa, in place of L. E. Brown. Incumbent's commission expired January 12, 1936.

William J. Cash to be postmaster at Williamsburg, Iowa, in place of R. L. Parry. Incumbent's commission expired January 12, 1936.

KANSAS

John R. Neifert to be postmaster at Glen Elder, Kans., in place of L. S. Hadley. Incumbent's commission expired December 20, 1934.

Omar G. Beougher to be postmaster at Gove, Kans., in place of S. W. Rhine. Incumbent's commission expired April 27, 1936.

Goldie L. Blades to be postmaster at Independence, Kans., in place of E. C. Bittmann. Incumbent's commission expires June 10, 1936.

William D. O'Loughlin to be postmaster at Lakin, Kans., in place of C. S. Smith. Incumbent's commission expired January 8, 1936.

Glenn B. Hale to be postmaster at Mankato, Kans., in place of J. O. Rodgers. Incumbent's commission expired January 8, 1936.

Vernon K. Campbell to be postmaster at Merriam, Kans., in place of Ethel White. Incumbent's commission expired March 23, 1936.

Barton W. Wherritt to be postmaster at Montezuma, Kans., in place of N. J. Casteel. Incumbent's commission expired March 10, 1936.

Charles E. Canny to be postmaster at Mound Valley, Kans., in place of O. R. Linday. Incumbent's commission expires May 10, 1936.

George D. Brooks to be postmaster at Oil Hill, Kans. Office became Presidential July 1, 1935.

Ellen Rae Silvers to be postmaster at Preston, Kans., in place of Clyde Williams, removed.

Edward G. Behrhorst to be postmaster at Sylvan Grove, Kans., in place of J. B. Stewart. Incumbent's commission expired March 23, 1936.

Chester C. Chambers to be postmaster at Tescott, Kans., in place of Henry Christensen, removed.

Charles W. Hickok to be postmaster at Ulysses, Kans., in place of R. R. Bechtelheimer. Incumbent's commission expired February 19, 1936.

Clarence O. Masterson to be postmaster at Wilmore, Kans., in place of C. O. Masterson. Incumbent's commission expired February 5, 1936.

KENTUCKY

Wayne Damron to be postmaster at Catlettsburg, Ky., in place of H. M. Chatfield. Incumbent's commission expired April 5, 1936.

J. Hampton Burch to be postmaster at Fancy Farm, Ky. Office became Presidential July 1, 1935.

D. Lawrence Johnson to be postmaster at Owenton, Ky., in place of J. B. Hutcheson. Incumbent's commission expired February 5, 1936.

Philip B. Hyden to be postmaster at Russell, Ky., in place of C. S. England. Incumbent's commission expires May 19, 1936.

LOUISIANA

John H. Lyons to be postmaster at Lake Charles, La., in place of D. M. Foster, Jr. Incumbent's commission expired May 2, 1934.

Edgar O. Joynes to be postmaster at Newllano, La. Office became Presidential July 1, 1935.

MAINE

Tobias L. Roberts to be postmaster at Bar Harbor, Maine, in place of A. H. Hodgkins. Incumbent's commission expired January 7, 1936.

Argie S. Henderson to be postmaster at Brownville, Maine, in place of F. E. Jones. Incumbent's commission expired April 12, 1936.

Natt R. Hubbard to be postmaster at Kittery, Maine, in place of T. E. Wilson. Incumbent's commission expired March 10, 1936.

Marion Jordan Ricker to be postmaster at Lisbon, Maine, in place of Arthur Donkus. Incumbent's commission expired April 12, 1936.

Wesley R. Carver to be postmaster at Ridlonville, Maine, in place of C. O. Small. Incumbent's commission expired January 7, 1936.

Louis S. Marquis to be postmaster at Springvale, Maine, in place of L. W. Folson. Incumbent's commission expired February 17, 1936.

Harold T. Ricker to be postmaster at Stratton, Maine, in place of J. W. Knapp. Incumbent's commission expired April 14, 1936.

MARYLAND

Joseph F. Mattingly to be postmaster at Indianhead, Md., in place of E. W. Dement. Incumbent's commission expires June 1, 1936.

Cora E. Hopkins to be postmaster at Mardela Springs, Md., in place of S. E. Wilson, deceased.

Leonard Wilson to be postmaster at Millington, Md., in place of G. S. Stevens. Incumbent's commission expires June 1, 1936.

Maude Ringgold Toulson to be postmaster at Salisbury, Md., in place of R. H. Phillips. Incumbent's commission expired January 11, 1936.

Robert Kemp Hughlett to be postmaster at Trappe, Md., in place of N. T. Nelson. Incumbent's commission expired February 24, 1936.

MASSACHUSETTS

James Leo Mack to be postmaster at Ashburnham, Mass., in place of F. H. Green. Incumbent's commission expired February 9, 1936.

Michael J. Moriarty to be postmaster at Bondsville, Mass., in place of L. R. Holden. Incumbent's commission expired February 9, 1936.

Edwin C. Howe to be postmaster at Enfield, Mass., in place of E. C. Howe. Incumbent's commission expired March 17, 1936.

John Robert Crowley to be postmaster at Monson, Mass., in place of W. H. Anderson. Incumbent's commission expired February 9, 1936.

Alfred J. Peloquin to be postmaster at Southbridge, Mass., in place of E. L. Chapin. Incumbent's commission expired February 9, 1936.

John J. Nolan to be postmaster at Spencer, Mass., in place of H. S. Tripp. Incumbent's commission expired February 9, 1936.

Thomas Leo McCarron to be postmaster at Taunton, Mass., in place of S. D. Reed, deceased.

Joseph J. Baron to be postmaster at West Warren, Mass., in place of J. H. Herbert. Incumbent's commission expired January 9, 1936.

Lester J. Murphy to be postmaster at Wrentham, Mass., in place of H. W. Metcalf. Incumbent's commission expired March 17, 1936.

MICHIGAN

Alva C. James to be postmaster at Central Lake, Mich., in place of William Bowers. Incumbent's commission expired February 5, 1936.

Bert A. Dobson to be postmaster at Jonesville, Mich., in place of R. M. Powers. Incumbent's commission expired April 12, 1936.

Harry A. Newcomb to be postmaster at Kalamazoo, Mich., in place of F. C. Putnam. Incumbent's commission expired April 27, 1936.

George H. Walters to be postmaster at Laingsburg, Mich., in place of F. T. Swarthout. Incumbent's commission expired April 12, 1936.

William H. Coffin to be postmaster at Levering, Mich., in place of E. B. Sargent. Incumbent's commission expired February 5, 1936.

Matthew O'Toole to be postmaster at Merrill, Mich., in place of H. L. Barber. Incumbent's commission expired April 27, 1936.

Thomas W. Jackson to be postmaster at Pontiac, Mich., in place of J. W. Greenhalgh. Incumbent's commission expires June 10, 1936.

Nelson Joseph Coash to be postmaster at Romulus, Mich., in place of F. H. Buckberry. Incumbent's commission expired February 5, 1936.

Frank H. Lynch to be postmaster at Rosebush, Mich. Office became Presidential July 1, 1935.

MINNESOTA

Henry H. Lukken to be postmaster at Boyd, Minn., in place of H. H. Lukken. Incumbent's commission expired March 31, 1936.

Beatrice Perrizo to be postmaster at Delavan, Minn., in place of E. C. Wood. Incumbent's commission expired March 31, 1936.

Herbert G. Carlson to be postmaster at Gibbon, Minn., in place of H. G. Carlson. Incumbent's commission expires July 7, 1936.

William W. O'Malley to be postmaster at Le Sueur, Minn., in place of Jacob Gish. Incumbent's commission expired March 17, 1936.

Carl V. Hawkinson to be postmaster at St. James, Minn., in place of C. A. Larsen. Incumbent's commission expired February 17, 1936.

MISSISSIPPI

Viola E. Pentecost to be postmaster at Doddsville, Miss., in place of N. A. Murphey. Incumbent's commission expired January 25, 1936.

MISSOURI

Georgia A. Brammer to be postmaster at Buckner, Mo., in place of A. E. Larey. Incumbent's commission expired January 9, 1936.

Kelley Elza Jackson to be postmaster at East Prairie, Mo., in place of E. C. DeField. Incumbent's commission expired March 29, 1936.

William W. Scholes, Jr., to be postmaster at Granby, Mo., in place of S. H. Hudson. Incumbent's commission expired March 29, 1936.

Anthony Westhoff to be postmaster at Marthasville, Mo., in place of E. I. Kehr. Incumbent's commission expired February 24, 1936.

Elizabeth K. Black to be postmaster at Mound City, Mo., in place of H. W. Mills. Incumbent's commission expired April 14, 1936.

Theo J. Quinn to be postmaster at St. Joseph, Mo., in place of L. V. Anderson. Incumbent's commission expired March 29, 1936.

MONTANA

Orion A. Tellifero to be postmaster at Browning, Mont., in place of O. A. Tellifero. Incumbent's commission expires May 19, 1936.

Alfred T. James to be postmaster at Cascade, Mont., in place of Alfred Briscoe. Incumbent's commission expired January 18, 1936.

Robert S. Nicholson to be postmaster at Darby, Mont., in place of F. F. Fowler. Incumbent's commission expired February 17, 1936.

Jeanette Ross to be postmaster at Fromberg, Mont., in place of C. E. Parker. Incumbent's commission expired January 18, 1936.

William C. MacCallum to be postmaster at Geraldine, Mont., in place of A. F. Springer. Incumbent's commission expired January 18, 1936.

William Alfred Brown to be postmaster at Great Falls, Mont., in place of J. R. Lloyd. Incumbent's commission expired January 18, 1936.

John E. Brennan to be postmaster at Harlem, Mont., in place of J. R. Minugh. Incumbent's commission expired January 18, 1936.

Lewis H. Rutter to be postmaster at Hinsdale, Mont., in place of F. B. Gillette. Incumbent's commission expired January 18, 1936.

George H. Hidding to be postmaster at Hysham, Mont., in place of Q. B. Lyndes. Incumbent's commission expired March 17, 1936.

Henry Clay Patterson to be postmaster at Lima, Mont., in place of E. K. Smith. Incumbent's commission expired January 18, 1936.

Ferd W. Tucker to be postmaster at Victor, Mont., in place of G. I. Watters, deceased.

NEBRASKA

Lloyd H. Bulger to be postmaster at Arcadia, Nebr., in place of L. W. Doe. Incumbent's commission expires May 23, 1936.

Harry H. Burden to be postmaster at Axtell, Nebr., in place of A. S. Samuelson. Incumbent's commission expires May 23, 1936.

Charles R. Larson to be postmaster at Bertrand, Nebr., in place of W. R. Pedley. Incumbent's commission expires June 1, 1936.

Eli V. Balthazor to be postmaster at Campbell, Nebr., in place of D. L. Houser. Incumbent's commission expired March 29, 1936.

Alfred L. Hill to be postmaster at Ord, Nebr., in place of E. P. Clements, Jr. Incumbent's commission expired March 10, 1936.

Lester V. Kozel to be postmaster at Ravenna, Nebr., in place of J. H. Harrison. Incumbent's commission expired February 9, 1936.

George H. Woolman to be postmaster at Republican City, Nebr., in place of M. L. Anderson. Incumbent's commission expires June 1, 1936.

Frank E. Sullivan to be postmaster at Springfield, Nebr., in place of C. H. Olderog, transferred.

Charles M. Brown to be postmaster at Sutton, Nebr., in place of C. A. MacDonald, transferred.

Fred Shimerda to be postmaster at Wilber, Nebr., in place of L. J. Bouchal. Incumbent's commission expired March 29, 1936.

NEW HAMPSHIRE

Walter D. Cleary to be postmaster at Bennington, N. H., in place of R. E. Messer. Incumbent's commission expired April 27, 1936.

Fred R. Hutchinson to be postmaster at Canaan, N. H., in place of R. G. Hicks. Incumbent's commission expired April 27, 1936.

Thomas W. Kiniry to be postmaster at Walpole, N. H., in place of C. E. Sparhawk. Incumbent's commission expired December 20, 1934.

Fred L. Sargent to be postmaster at Woodsville, N. H., in place of M. E. Smith. Incumbent's commission expired May 19, 1936.

NEW JERSEY

Edwin Douglas Hill to be postmaster at Andover, N. J., in place of E. L. Phillips. Incumbent's commission expired February 9, 1936.

Isaac E. Bowers to be postmaster at Groveville, N. J., in place of I. E. Bowers. Incumbent's commission expired January 9, 1936.

Carl Shurts to be postmaster at Lebanon, N. J., in place of R. L. Hull. Incumbent's commission expired January 9, 1936.

Charles W. Nolan to be postmaster at Union City, N. J., in place of E. C. Francois, transferred.

NEW YORK

Kingsley D. Maloy to be postmaster at Clyde, N. Y., in place of J. F. Wickham, resigned.

Henry A. Stecking to be postmaster at East Northport, N. Y., in place of J. W. Cermak, resigned.

Sarah K. Gibbs to be postmaster at Glenfield, N. Y., in place of C. E. Snyder, resigned.

Wilmarth J. Tuthill to be postmaster at Goshen, N. Y., in place of Arthur Decker. Incumbent's commission expired February 17, 1936.

William C. McRorie to be postmaster at Milford, N. Y., in place of P. R. Bennett. Incumbent's commission expired February 17, 1936.

Kittie M. Lundergun to be postmaster at North Rose, N. Y., in place of T. H. Garlic. Incumbent's commission expired February 24, 1936.

Margaret E. Keating to be postmaster at Olean, N. Y., in place of D. W. Keating, deceased.

John V. Lynch to be postmaster at Pearl River, N. Y., in place of E. R. Harms. Incumbent's commission expired February 17, 1936.

Emma J. Claffey to be postmaster at Port Leyden, N. Y., in place of M. J. Coffey, deceased.

William A. Flanagan to be postmaster at Seneca Falls, N. Y., in place of W. H. Savage. Incumbent's commission expired January 27, 1936.

Amy B. Earley to be postmaster at Speculator, N. Y., in place of A. B. Earley. Incumbent's commission expired April 12, 1936.

Edward J. Fitzgerald to be postmaster at Troy, N. Y., in place of W. T. Williamson. Incumbent's commission expired January 27, 1936.

Mabel E. Fausette to be postmaster at Trumansburg, N. Y., in place of D. W. Messler. Incumbent's commission expired January 27, 1936.

Howard Bell to be postmaster at Woodstock, N. Y., in place of W. S. Elwyn, retired.

George M. Allen to be postmaster at Worcester, N. Y., in place of C. I. Henderson. Incumbent's commission expired January 27, 1936.

Mary Scesny to be postmaster at Yaphank, N. Y. Office became Presidential July 1, 1935.

NORTH CAROLINA

Millard T. Eatman to be postmaster at Bailey, N. C. Office became Presidential July 1, 1935.

John L. Cassell to be postmaster at Draper, N. C., in place of J. S. Mitchell, resigned.

John E. Creech to be postmaster at East Flat Rock, N. C., in place of R. J. Pace, removed.

Thomas Carlyle Pate to be postmaster at Gibson, N. C., in place of L. T. Gibson, resigned.

John Harmon Linville to be postmaster at Kernersville, N. C., in place of K. A. Whicker. Incumbent's commission expired February 24, 1936.

Thomas Mortimer Harris to be postmaster at Louisburg, N. C., in place of M. W. Yarborough. Incumbent's commission expired January 18, 1936.

James Kelly Bridgers, Sr., to be postmaster at Nashville, N. C., in place of R. J. Cooper. Incumbent's commission expired April 4, 1936.

Lacy F. Clark to be postmaster at Raeford, N. C., in place of G. W. Cox. Incumbent's commission expired April 12, 1936.

Albert Lee Herring to be postmaster at Snow Hill, N. C., in place of Evelyn Hill. Incumbent's commission expired January 18, 1936.

Walter Marsh Cavin to be postmaster at Stanley, N. C., in place of J. E. Wallace, resigned.

NORTH DAKOTA

William Anderson to be postmaster at Courtenay, N. Dak., in place of Arthur Nelson, deceased.

Robert E. Milligan to be postmaster at Hannah, N. Dak., in place of Duncan McLean. Incumbent's commission expired March 10, 1936.

Catherine T. Albers to be postmaster at Hazen, N. Dak., in place of R. E. Itskin. Incumbent's commission expired January 11, 1934.

OHIO

Clifton L. D. Hartsel to be postmaster at Ashland, Ohio, in place of A. L. Vanosdall, transferred.

Robert C. Young to be postmaster at Bucyrus, Ohio, in place of C. A. Brown. Incumbent's commission expired January 7, 1936.

Herman J. Kightlinger to be postmaster at Caledonia, Ohio, in place of K. H. Underwood. Incumbent's commission expired February 24, 1936.

William V. Goshorn to be postmaster at Galion, Ohio, in place of F. E. Cook. Incumbent's commission expired March 10, 1936.

Thomas C. Washington to be postmaster at Grafton, Ohio, in place of B. M. Rising. Incumbent's commission expired January 7, 1936.

John Hayden Kohn to be postmaster at Grover Hill, Ohio, in place of Jennie Pfeiffer. Incumbent's commission expired January 7, 1936.

Earle V. Miller to be postmaster at Hillsboro, Ohio, in place of C. F. Faris. Incumbent's commission expired February 5, 1936.

Harry H. Hart to be postmaster at Malvera, Ohio, in place of H. V. Buel. Incumbent's commission expires June 23, 1936.

Ansel C. Bidlack to be postmaster at Oakwood, Ohio, in place of J. M. Harmon. Incumbent's commission expired January 7, 1936.

Harry C. Stratton to be postmaster at Piney Fork, Ohio, in place of Victor Ferrari. Incumbent's commission expired January 7, 1936.

Clara L. Hewit to be postmaster at Seville, Ohio, in place of F. O. Foster. Incumbent's commission expired January 7, 1936.

Julius L. Snyder to be postmaster at Tiro, Ohio, in place of O. H. Hilborn. Incumbent's commission expired January 7, 1936.

OKLAHOMA

John E. Gwinn to be postmaster at Butler, Okla., in place of W. S. Wilhite. Incumbent's commission expired March 18, 1936.

Roy C. Grider to be postmaster at Byars, Okla., in place of F. A. Smith. Incumbent's commission expired March 18, 1936.

Ernest C. Morris to be postmaster at Drumright, Okla., in place of Aaron Drumright. Incumbent's commission expires June 10, 1936.

Fred R. Clement to be postmaster at Haskell, Okla., in place of J. O. Dowdy. Incumbent's commission expired March 18, 1936.

Ernest R. Davis to be postmaster at Keota, Okla., in place of N. B. Hays. Incumbent's commission expired April 5, 1936.

Grace A. Phillips to be postmaster at Maud, Okla., in place of R. P. Witt. Incumbent's commission expired March 18, 1936 (removed W. O. P.).

Joseph A. Waggoner to be postmaster at Mounds, Okla., in place of J. H. Sisson. Incumbent's commission expires June 10, 1936.

Guy E. McClain to be postmaster at Perkins, Okla., in place of J. T. Williams. Incumbent's commission expired March 18, 1936.

OREGON

Walter A. McHargue to be postmaster at Brownsville, Oreg., in place of W. H. Hays. Incumbent's commission expired January 22, 1936.

John W. Bubb to be postmaster at Huntington, Oreg., in place of J. W. Bubb. Incumbent's commission expired January 26, 1936.

Jay C. Freeman to be postmaster at Moro, Oreg., in place of G. B. Bourhill. Incumbent's commission expires June 10, 1936.

Percy Pope Caufield to be postmaster at Oregon City, Oreg., in place of W. R. Logus. Incumbent's commission expired March 10, 1936.

PENNSYLVANIA

Harvey F. Ecelbarger to be postmaster at Big Run, Pa., in place of W. O. Depp. Incumbent's commission expired April 4, 1936.

Arthur W. Kinsloe to be postmaster at Burnham, Pa., in place of O. J. Pandel. Incumbent's commission expired February 5, 1936.

Michael J. Hoban to be postmaster at Carnegie, Pa., in place of T. W. Greer. Incumbent's commission expired February 5, 1936.

Norman B. Gregory to be postmaster at East Stroudsburg, Pa., in place of F. A. Wyckoff. Incumbent's commission expired January 13, 1936.

Christian A. Jansen to be postmaster at Essington, Pa., in place of C. A. Jansen. Incumbent's commission expires June 10, 1936.

Earl H. Helms to be postmaster at Myerstown, Pa., in place of G. W. Schell. Incumbent's commission expires May 10, 1936.

Andrew T. Urda to be postmaster at Nemacolin, Pa., in place of A. P. Malkin. Incumbent's commission expired February 10, 1936.

Edward F. Lawler to be postmaster at Olyphant, Pa., in place of S. J. Matthews. Incumbent's commission expired February 24, 1936.

Charles C. Bernd to be postmaster at Red Hill, Pa., in place of H. X. Daugherty. Incumbent's commission expired January 22, 1935.

Paul H. Shaak to be postmaster at Sheridan, Pa., in place of C. S. Leitner. Incumbent's commission expired February 10, 1936.

Annis G. Lewis to be postmaster at Ulysses, Pa., in place of W. D. Lewis. Incumbent's commission expires June 1, 1936.

Edward J. Quinn to be postmaster at Wilkes-Barre, Pa., in place of J. J. Law, resigned.

Daniel Leger to be postmaster at Wilmerding, Pa., in place of J. M. Pollock. Incumbent's commission expired February 10, 1936.

RHODE ISLAND

Raymond L. Battey to be postmaster at Greenville, R. I., in place of M. B. Lamb. Incumbent's commission expired February 25, 1935.

Thomas D. Goldrick to be postmaster at Pascoag, R. I., in place of T. D. Goldrick. Incumbent's commission expires June 10, 1936.

SOUTH CAROLINA

Robert J. Aycock to be postmaster at Pinewood, S. C., in place of D. L. Tindal. Incumbent's commission expires June 15, 1936.

Mollie S. West to be postmaster at Tucapau, S. C., in place of A. H. Boiter. Incumbent's commission expired March 29, 1936.

SOUTH DAKOTA

Fred J. Foley to be postmaster at Olivet, S. Dak., in place of C. C. Asche. Incumbent's commission expires June 15, 1936.

TENNESSEE

Wilson L. Tollett to be postmaster at Pikeville, Tenn., in place of T. H. Hale. Incumbent's commission expired March 18, 1936.

Theron Myers to be postmaster at Sewanee, Tenn., in place of H. M. Ruef. Incumbent's commission expired April 15, 1934.

TEXAS

Peter Hilton Williams to be postmaster at Albany, Tex., in place of R. G. Sterrett. Incumbent's commission expired January 8, 1936.

Rena Hurst Cox to be postmaster at Bellevue, Tex., in place of H. L. Ford, resigned.

Oran L. Ferrell to be postmaster at Bullard, Tex., in place of Louise Sackett. Incumbent's commission expired April 4, 1936.

Alvin Henry Lohoefener to be postmaster at Burkburnett, Tex., in place of N. R. Vaught, resigned.

Emmett U. Reagan to be postmaster at Dilley, Tex., in place of F. V. Blesse. Incumbent's commission expired January 8, 1936.

James H. McClellan to be postmaster at Gatesville, Tex., in place of C. W. Ford. Incumbent's commission expired April 14, 1936.

Zora Harold Bonner to be postmaster at Hamlin, Tex., in place of C. B. Rowland, transferred.

Elvis E. Wallis to be postmaster at Iowa Park, Tex., in place of C. C. Burrows. Incumbent's commission expired February 19, 1936.

John C. Clayton to be postmaster at Kerens, Tex., in place of C. E. Smith. Incumbent's commission expired February 10, 1936.

Carl Little to be postmaster at Ladonia, Tex., in place of J. A. McFarland. Incumbent's commission expired March 10, 1936.

Alvin L. Allen to be postmaster at La Feria, Tex., in place of Harman Straub. Incumbent's commission expired February 5, 1936.

Owen C. Taylor to be postmaster at Lamesa, Tex., in place of J. D. Dyer. Incumbent's commission expired January 8, 1936.

Harry W. Moynihan to be postmaster at Miles, Tex., in place of Ewald Straach. Incumbent's commission expired April 4, 1936.

Cicero Harper to be postmaster at Moran, Tex., in place of J. M. Cottle. Incumbent's commission expired February 5, 1936.

Richard Pfeuffer to be postmaster at New Braunfels, Tex., in place of C. S. Witham. Incumbent's commission expired January 26, 1936.

Cephas V. Whatley to be postmaster at Palo Pinto, Tex., in place of B. E. Fairless. Incumbent's commission expired January 8, 1936.

Doris I. Rogers to be postmaster at Saint Jo, Tex., in place of K. R. Dort. Incumbent's commission expired January 8, 1936.

Floyd C. Platt to be postmaster at San Juan, Tex., in place of R. G. Hirth, resigned.

William A. Trotman to be postmaster at Trinidad, Tex., in place of B. M. Nicholson. Incumbent's commission expired January 8, 1936.

Jennie C. Jenkins to be postmaster at Tuscola, Tex., in place of T. W. McCormick. Incumbent's commission expired January 8, 1936.

Oliver Lee Lowry to be postmaster at Valley View, Tex., in place of A. S. Maddox. Incumbent's commission expired January 8, 1936.

Clifton Davenport to be postmaster at Weslaco, Tex., in place of M. J. Lovely. Incumbent's commission expired January 8, 1936.

Milton J. Gaines to be postmaster at Wichita Falls, Tex., in place of O. P. Maricle. Incumbent's commission expired April 27, 1936.

UTAH

William E. Woodbury to be postmaster at Hurricane, Utah, in place of J. H. Hall. Incumbent's commission expired January 7, 1936.

Kenneth H. Sheffield to be postmaster at Kaysville, Utah, in place of H. J. Sheffield, Jr., deceased.

Frank D. Atwood to be postmaster at Pleasant Grove, Utah, in place of Mary Cooper. Incumbent's commission expired January 7, 1936.

John Emmett Bird to be postmaster at Springville, Utah, in place of Charles Boyer. Incumbent's commission expired April 12, 1936.

VERMONT

Alice C. Carr to be postmaster at Derby, Vt., in place of J. E. Kidder. Incumbent's commission expires May 10, 1936.

Charles L. Bishop to be postmaster at Johnson, Vt., in place of R. H. Royce, deceased.

Charles J. King to be postmaster at Milton, Vt., in place of C. A. Robinson. Incumbent's commission expired April 12, 1936.

Alice G. Sheehan to be postmaster at North Troy, Vt., in place of W. W. Wright. Incumbent's commission expired February 9, 1936.

Lyman W. Sheldon to be postmaster at South Londonderry, Vt., in place of C. W. Landman. Incumbent's commission expired April 27, 1936.

Healy J. Bashaw to be postmaster at Stowe, Vt., in place of L. K. Oakes. Incumbent's commission expired April 27, 1936.

James P. Gilfeather to be postmaster at West Rutland, Vt., in place of E. H. Bishop, resigned.

VIRGINIA

Frances Glassell Beale to be postmaster at Bowling Green, Va., in place of R. C. Travis. Incumbent's commission expired April 12, 1936.

Claude Franklin Whitmer to be postmaster at Broadway, Va., in place of C. R. Whitmore. Incumbent's commission expired March 10, 1936.

John William Duncan to be postmaster at Onancock, Va., in place of A. B. Parker. Incumbent's commission expires June 17, 1936.

WASHINGTON

Otto N. Sorensen to be postmaster at Edmonds, Wash., in place of E. R. Scott. Incumbent's commission expired March 29, 1936.

William A. Bauman to be postmaster at Lynden, Wash., in place of C. B. Bay. Incumbent's commission expired February 9, 1936.

Edward N. Blythe to be postmaster at Vancouver, Wash., in place of A. W. Calder. Incumbent's commission expired January 8, 1936.

WEST VIRGINIA

Arling C. McGee to be postmaster at Elkins, W. Va., in place of T. W. Stalnaker. Incumbent's commission expired March 29, 1936.

Patrick J. Burke to be postmaster at McMechem, W. Va., in place of E. M. Zimmerman. Incumbent's commission expired January 7, 1936.

Alva O. Shelton to be postmaster at Peach Creek, W. Va., in place of Bonnie Hanshaw. Incumbent's commission expired February 9, 1936.

J. Leo Holsberry to be postmaster at Rainelle, W. Va., in place of W. T. W. Morgan. Incumbent's commission expired March 29, 1936.

Robin A. Hood to be postmaster at Rivesville, W. Va., in place of Rex Michael. Incumbent's commission expired January 7, 1936.

WISCONSIN

Quiren M. Groessl to be postmaster at Algoma, Wis., in place of J. J. Jerabek. Incumbent's commission expired January 18, 1936.

Stephen D. Balliet to be postmaster at Appleton, Wis., in place of E. A. Greunke. Incumbent's commission expired January 18, 1936.

Fred V. Starry to be postmaster at Barneveld, Wis., in place of A. G. Campbell. Incumbent's commission expired March 17, 1936.

Miles P. Tierney to be postmaster at Boscobel, Wis., in place of F. J. Scheinpflug. Incumbent's commission expired April 12, 1936.

John C. Kiley to be postmaster at Fond du Lac, Wis., in place of O. E. Born. Incumbent's commission expired January 18, 1936.

Paul W. Cornish to be postmaster at Fort Atkinson, Wis., in place of D. Q. Grabill. Incumbent's commission expired February 10, 1936.

Fred C. Wolff to be postmaster at Lakemills, Wis., in place of E. H. Moore. Incumbent's commission expired April 27, 1936.

Cora A. Thompson to be postmaster at McFarland, Wis., in place of T. B. Ottum. Incumbent's commission expires May 19, 1936.

Joseph R. Coyle to be postmaster at Menasha, Wis., in place of C. A. Loescher. Incumbent's commission expires June 10, 1936.

Kyle Sowle to be postmaster at Tomah, Wis., in place of H. G. Hoag, resigned.

Charles F. Kurtz to be postmaster at Two Rivers, Wis., in place of Conrad Baetz. Incumbent's commission expires June 1, 1936.

WYOMING

Orville R. Booker to be postmaster at Basin, Wyo., in place of H. E. Wise, resigned.

Cleo H. Massey to be postmaster at Parco, Wyo., in place of Frank Breitenstein. Incumbent's commission expired May 3, 1936.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 7 (legislative day of Apr. 24), 1936

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Maj. James Truman Menzie to Adjutant General's Department.

Capt. Harry William Miller to Cavalry.

PROMOTIONS IN THE REGULAR ARMY

George Burgess Foster, Jr., to be colonel, Medical Corps.

Joseph Casper to be colonel, Medical Corps.

Gordon G. Bulla to be captain, Medical Corps.

APPOINTMENT IN THE NAVY

JUDGE ADVOCATE GENERAL

Gilbert J. Rowcliff to be Judge Advocate General of the Navy with the rank of rear admiral.

POSTMASTERS

ALABAMA

Owen P. Anderson, Florence.

William B. Taylor, Mobile.

COLORADO

Mildred P. Wion, Granada.

Clinton C. Bell, Limon.

William C. Lowery, Sedgwick.

IDAHO

Clarence M. Friend, Elk River.

Gilbert G. Smith, Filer.

ILLINOIS

John J. McCarthy, Rock Island.

IOWA

George O. Smither, Anita.
Leslie H. Hughes, Cedar Falls.
Herman F. Volberding, Dike.
Walter W. Jacobs, Guttenberg.
J. B. Wood, Lenox.
John W. Zike, Jr., Lewis.
Wayne A. Staton, Marathon.
John P. Delaney, Marcus.
Frank G. Ferguson, Mechanicsville.
Grace Ryan, Neola.
Stacia E. Hartley, New Albin.
William R. Schmitt, Nichols.
Irene G. Gatton, Oakdale.
Verne L. Heskett, Pulaski.
Marcella E. Roeder, Rockwell.
Lewis Magirl, Ryan.
Dan Jerolaman, Shell Rock.
George R. Shipley, Thurman.
John J. Fink, Tripoli.
Eugene T. Alcorn, West Union.

KANSAS

Harriet M. McCauley, Burlingame.
Jack Comes, Burrton.
Ellis C. Logsdon, Grenola.
John T. Dowd, St. Paul.
Daniel P. McCormick, Scammon.
George W. Lank, Solomon.
Kenneth L. Lavender, Valley Center.
Ernest H. Hillman, Wakeeney.

MAINE

Ivadell Gaddis, East Machias.
William S. Holmes, Northeast Harbor.

MARYLAND

W. George Miller, Accident.
Earl T. Kelbaugh, Thurmont.

NEBRASKA

Edgar D. Collins, Ainsworth.
Erwin E. Gardner, Curtis.
Fred W. Schuman, Osceola.
John F. Webster, St. Paul.
Russell N. Linkswiler, Winnebago.

NEW HAMPSHHIRE

Carl E. Crowley, Ashland.
Homer J. Forcier, East Jaffrey.
Ernest E. Lefavour, Farmington.

OHIO

Stanley Lawrence Smith, Ashville.
Fred J. Tank, Elmore.
Frieda M. Lappen, Laurelville.
Frank A. Griebling, Lexington.
Fred E. Surgen, Murray City.
Clyde L. Weiser, Orrville.
Orion W. Kerschner, Trotwood.
George W. Kinzey, Wayne.

PENNSYLVANIA

Jennie Moran, Braddock.

PUERTO RICO

Agustin Carbonell, Caguas.

RHODE ISLAND

Catherine Louise Davis, Portsmouth.

VIRGINIA

Martin Rosenbaum, Glade Spring.
G. Frederick Switzer, Harrisonburg.
William T. Roberts, Nassawadox.
Levi E. Stephenson, Wakefield.

WASHINGTON

Frank Bryan Collins, Camas.
William G. Meneice, Carson.
Renee Houchen, Cathlamet.
Ralph Gildea, Garfield.
Edna Smith, La Center.
Quentin D. Mitchell, Long Beach.
Milton E. Waste, Morton.
Honora M. Connor, South Bend.

WISCONSIN

Walter F. Netzel, Crandon.
Clara A. E. Manion, Oregon.
Henry F. Schumacher, Stoughton.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 7, 1936

The House met at 11:30 a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty One, Thou who art all in all, as we meet in prayer may we cherish these sacred moments. Here help us to realize the highest tones and capacities of our spiritual natures. Heavenly Father, let us pass into that communion that blossoms more and more unto the perfect spring. Speak the final word, blessed Lord, that both men and nations may learn that it is right and not might by which they are to live and endure. We praise Thee that Thy love is commensurate with Thy power, Thy promises are as immutable as Thy holiness, and that humanity's hopes are to be realized in the dateless Christ. Deliver us all from that selfishness which will not stop or be warned, that disregards human happiness, and for a trustless independence of our fellow men. In the name of the Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On May 6, 1936:

H. R. 1963. An act for the relief of Edgar H. Taber;

H. R. 2936. An act for the relief of J. H. Taylor & Son;

H. R. 4159. An act for the relief of Anchorage Commercial Co., Inc.;

H. R. 4953. An act for the relief of Doris Lipscomb;

H. R. 4999. An act for the relief of Marie Linsenmeyer;

H. R. 5625. An act for the relief of Sperry Gyroscope Co., Inc., of New York;

H. R. 5827. An act for the relief of Elizabeth Wyhowski, mother and guardian of Dorothy Wyhowski;

H. R. 5874. An act for the relief of Hugh B. Curry;

H. R. 5974. An act for the relief of Thelma L. Edmunds, Mrs. J. M. Padgett, Myrtis E. Posey, Mrs. J. D. Mathis, Sr., Fannie Harrison, Annie R. Colgan, and Grace Whitlock;

H. R. 6520. An act for the relief of Preston Brooks Massey;

H. R. 6599. An act for the relief of Florence Helen Klein, a minor;

H. R. 6669. An act for the relief of Mrs. Earl Poynor;

H. R. 6698. An act for the relief of Mae C. Tibbett, administratrix;

H. R. 6821. An act for the relief of Alfred J. White, M. J. Banker, and Charlyn DeBlanc;

H. R. 6828. An act for the relief of George H. Smith;

H. R. 6999. An act for the relief of Frank Rottkamp;

H. R. 7031. An act for the relief of Georgiana Minnigerode, widow of Capt. Karl Minnigerode;

H. R. 7529. An act for the relief of Mariano Biondi;

H. R. 7861. An act for the relief of Mrs. J. A. Joullian;

H. R. 7867. An act for the relief of Adolph Micek, a minor;

H. R. 7963. An act for the relief of J. Edwin Hemphill;

H. R. 8113. An act for the relief of Louis George;

H. R. 8301. An act to authorize a preliminary examination of the Marais des Cygnes River, in the State of Kansas, with a view to the control of its floods;

H. R. 8414. An act to provide a preliminary examination of the Yakima River and its tributaries and the Walla Walla River and its tributaries in the State of Washington, with a view to the control of their floods;

H. R. 8486. An act for the relief of John A. Baker;

H. R. 8510. An act for the relief of John Hurston;

H. R. 8694. An act to provide a preliminary examination of Chickasawha River and its tributaries in the State of Mississippi, with a view to the control of their floods;

H. R. 8706. An act for the relief of Frank Polansky;

H. R. 9190. An act for the relief of J. P. Moore;

H. R. 9235. An act to provide for a preliminary examination of the Cosatot River in Sevier County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods;

H. R. 9236. An act to authorize a preliminary examination of the Red and Little Rivers, Ark., insofar as Red River affects Little River County, Ark., and insofar as Little River affects Little River and Sevier Counties, Ark., to determine the feasibility of leveeing Little River and the cost of such improvement, and also the estimated cost of repairing and strengthening the levee on Red River in Little River County, with a view to the controlling of floods;

H. R. 9244. An act providing for the establishment of a term of the district court of the United States for the northern district of Florida at Panama City, Fla.;

H. R. 9249. An act to provide for a preliminary examination of the Little Missouri River in Pike County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods;

H. R. 9250. An act to provide for a preliminary examination of the Petit Jean River in Scott and Logan Counties, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods;

H. R. 9267. An act to provide for a preliminary examination of Big Mulberry Creek, in Crawford County, Ark., from the point where it empties into the Arkansas River up a distance of 8 miles to determine the feasibility of cleaning out the channel and repairing the banks, and the cost of such improvement, with a view to the controlling of floods;

H. R. 9673. An act to authorize the recoinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1936;

H. R. 9874. An act authorizing a preliminary examination of Cadron Creek, Ark., a tributary of the Arkansas River;

H. R. 10135. An act to authorize the construction of a model basin establishment, and for other purposes;

H. R. 10487. An act to authorize a survey of Lowell Creek, Alaska, to determine what, if any, modification should be made in the existing project for the control of its floods;

H. R. 10583. An act to authorize a preliminary examination of the San Diego River and its tributaries in the State of California with a view to the control of its floods;

H. R. 10985. An act to repeal Public Law No. 246 of the Seventy-second Congress;

H. R. 10991. An act for the relief of Harry Wallace;

H. R. 11042. An act authorizing a preliminary examination of the Matanuska River in the vicinity of Matanuska, Alaska;

H. R. 11486. An act for the relief of Mary Hemke;

H. R. 11573. An act to amend the act entitled "An act for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey", approved August 19, 1935;

H. R. 11793. An act to authorize a preliminary examination of various creeks in the State of California with a view to the control of their floods;

H. R. 11806. An act to authorize a preliminary examination of Passaic River, N. J., with a view to the control of its floods; and

H. J. Res. 215. Joint resolution to amend Public Act No. 435, Seventy-second Congress.

JOSEPH GURNEY CANNON

The SPEAKER. Under the special order of the House time has been set aside for paying tribute to a former Speaker of the House, Joseph Gurney Cannon.

The Chair recognizes the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, we have set aside a brief few minutes today to pay tribute to one of the outstanding Speakers of this House, but the time is far too short in which to pay proper and deserving tribute to his memory—that of the Honorable Joseph G. Cannon, of the great State of Illinois, whom we honor on his one hundredth birthday anniversary.

He served in this House for 46 years—a longer period than any other man has ever served. It was my pleasure and privilege to have served with him for many years; and although I belonged to the opposite party and disagreed with him on many important policies, I nevertheless admired him for his ability, astuteness, courage, and fighting spirit.

I have served under seven Speakers—Cannon; Champ Clark, sometimes referred to as "the greatest Roman of them all"; the scholarly Gillette; the suave and affable Nicholas Longworth; the diamond-in-the-rough Garner; the genial and big-hearted Rainey; and the lovable and liberal Joseph Byrns.

They were all great men, but "Uncle Joe" Cannon, beyond any doubt, was one of the most outstanding and picturesque of them all. He was resourceful, able, and, as I said, fearless and courageous. Though a strong party man, he had as many warm friends on the Democratic side as on his own. In other words, in spite of all his faults, we loved him still.

While it is true many great men served in this body with and under Speaker Cannon, I must say in passing that we have just as fine and able a group of men here today. But as we all know, it is not the custom to pay tribute to the living but to reserve the flowers of praise and appreciation solely for the departed.

Cannon possessed great power, and knew how to use it, and did use it without stint. In fact, as Speaker he was the whole House, all by himself.

"Uncle Joe" ruled always with an iron hand. He determined what legislation should be passed and what defeated. He was able to do this through his power of appointment of committees. It was his custom not to appoint any Member to a committee until he ascertained from the Member himself how he stood on important legislation that would naturally have to be considered by such committee. If the Member could not satisfy "Uncle Joe" that he could be trusted implicitly to carry out his orders, he would not be appointed to that particular committee.

During his reign as Speaker, "Uncle Joe" was ably assisted by three powerful lieutenants, who, with himself, were known as the "big four", consisting of Sereno E. Payne, of New York; Sunny Jim Sherman, of New York, who became Vice President of the United States; John L. Dalzell, of Pennsylvania; and himself. The three held the big key positions, and were ever the trusted and loyal allies of the Speaker.

Although the Nation believed it was the "big four" who controlled the activities of this House in those days, I was always satisfied that it was the great Speaker, Joe Cannon, who himself and alone controlled the House, and controlled it even before he became the Speaker.

When he determined on a policy, the most influential and powerful opposition could not sway him, as the RECORD bears testimony. He was 86 years of age when he voluntarily retired from Congress.

Joseph Gurney Cannon was one of the most remarkable men of the ages. Even at the age of 86 his eyesight and hearing were remarkable, especially during the night sessions, as I can testify. I regret some of the other Members are not here who once joined in those famous night sessions, but, alas, most of them have gone with "Uncle Joe."

No one I have ever known has displayed the resourcefulness he showed during the turbulent and historical battle in 1910,

which carried on for 2 days and 2 nights, when he held the House against his opponents on this side, supported by some Republicans, endeavoring to take away certain powers of the Speaker and to liberalize the rules of the House.

Having had a small part in that contest, I hope that I will some day have an opportunity to review that memorable battle in my humble way, and to portray his wonderful parliamentary generalship, and how finally, as he was wont to say, "Any majority can do as it pleases", even to declaring the Speakership vacant.

Even when the motion was made by the gentleman from Nebraska [Mr. NORRIS] to declare the Speakership vacant, it did not faze him. He then stated: "You are now in the majority and you have the privilege to declare the chair vacant"—knowing full well they would not do so. He, indeed, was one of the most remarkable and outstanding legislators and statesmen I have ever read of, heard of, or had the privilege of serving with.

Joseph G. Cannon's life was a colorful one—from log cabin to high office and from poverty to wealth and affluence.

He was born 100 years ago today in the little town of Guilford, N. C. Four years later his parents journeyed in a covered wagon to the West and settled in the town of Bloomingdale, Ind., where Joseph grew to manhood. His early ambition was to be a lawyer, and this ambition was fulfilled upon his graduation from the Cincinnati Law School when he was admitted to the bar and commenced practice in the city of Terre Haute, Ind., in 1858. Foreseeing the advantages in the development of the State of Illinois and that better fortune and opportunity awaited him there, we find the young attorney established at Tuscola, Ill., in 1859, and within 2 years he became State's attorney for the twenty-seventh judicial district of Illinois, serving in that capacity until 1868.

Resuming private practice, he gained the confidence and good will of the people of his community; they recognized his ability and determination, and in 1873 he was elected to the Forty-third Congress, and was reelected eight successive terms. Defeated in the Fifty-second Congress, he was a candidate for election to the Fifty-third Congress, and again the people of his district honored him with the Congress seat. Then followed continuous service through the Sixty-second Congress. Defeated for reelection in the Sixty-third Congress, he stood for election to the Sixty-fourth Congress, and was successful.

His service in the House ended with his voluntary retirement at the end of the Sixty-seventh Congress—a total service of 46 years as a Member of Congress.

"Uncle Joe" was several times spoken for the Presidency. The farthest he ever got in that direction, however, was that in 1908 he received 58 votes as Presidential candidate at the Republican convention that nominated Taft.

"Uncle Joe" was of a type of the western pioneer of which there are no more. He was plain, honest, rugged, and old-fashioned, and remained so throughout his life. High position did not change him in the least.

With his unlit stogie, cocked at a saucy angle so that it almost touched the broad brim of his great black hat, always with him, he presented a picture that no one who ever saw him will ever forget. He was never cartooned without that famous stogie.

Joseph G. Cannon was a pioneer of the type that has passed forever. We shall never see his like again. [Applause.]

The SPEAKER pro tempore (Mr. SABATH). The Chair recognizes the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, when after nearly a half century of service in this House, longer than that of any other man, dead or alive, Joseph Gurney Cannon came down the main aisle, leaning upon the arm of a colleague, and passed out of yonder door never to return, it was amid silence and deep regret and with the affection and esteem of his fellow Members, regardless of party affiliations.

Soon thereafter he passed into the Great Beyond. Congress was not then in session to do him honor. But upon convening on December 7, 1926, the House of Representatives, in which were many Members who, like myself, had served with Mr. Cannon, adopted a resolution which expressed the true and sincere regard in which he was held, and adjourned in his honor. It was an unusual distinction accorded to an unusual man. That resolution so truly portrayed his character and was such a just and fitting tribute to his memory that I shall here quote it:

Hon. Joseph G. Cannon died in Danville, Ill., November 12, 1926. For 46 years he had been a Member of this House; for 10 years as chairman of the Committee on Appropriations; for 8 years its Speaker; and for several years chairman of the Committee on Rules. His service terminated with the Sixty-seventh Congress. Within this Chamber the scene of his life's greatest activities was laid. Here he rendered services to his country which placed him in the front rank of American statesmanship. Here he exhibited characteristics which compelled respect and won admiration. Forceful ability, intrinsic worth, strength of character, brought him popular fame and congressional leadership. In him, depth and breadth of intellect, with a full and well-rounded development, had produced a giant who towered above his fellows and impressed them with his power and wisdom. A distinguished statesman, a lofty patriot, a unique orator, an unmatched debater, a master of logic and wit, the great and representative citizen of the American Republic has gone into history.

Joseph Gurney Cannon, or "Uncle Joe", as he was affectionately called, was a North Carolina cracker, and, like Lincoln, went to Indiana, and, like Lincoln, settled in Illinois. He entered Congress when Blaine was Speaker. In his first speech in 1874 on a bill to reduce postage on books, periodicals, and papers, he said of himself that he had oats in his pocket and hayseed in his hair. In that speech he presented a standard for Congressmen, to which he always conformed. "No man", he said, "is a proper person to represent the people unless he has the honesty and the backbone to stand and do what is right and for the interest of the people, without reference to what anyone may say of him or what the action of the press may be in the premises."

This was "Uncle Joe's" creed, and he lived up to it. Courage was his dominant characteristic. He was an old-time economist. He hated and would fight any measure that looked like a raid on the Treasury. Withal he was constructive. Many governmental agencies had their genesis in his brain.

Mr. Cannon wielded greater influence upon the destiny of legislation than any other man in Congress in over four decades. But he was not an autocrat. When Speaker of the House he exercised no greater powers than had his predecessors; not as much as some. He never lost sight of the fact that he was the House's servant. The issue of "Cannonism", raised in 1910, was factious and fortuitous. "Uncle Joe" was a political target under a hot barrage of coalition fire, but he never flinched. His defy to oust him from the Speakership was magnificent and won even the admiration of his political enemies.

He was a stormy petrel throughout his long public career and loved a fight. He did not harbor animosities and was generous to friend and foe alike. Notwithstanding Speaker Clark's leadership in the memorable battle against "Cannonism", Clark and Cannon were very warm friends. Both men were much beloved for their rugged honesty and stalwart political convictions.

On the eve of his departure from Congress one of his friends said to him: " 'Uncle Joe', I am sad to think of your going." "Well, my boy", he replied, "it makes me sad, too. But I am an old man, and I ought to have gone out before, because I haven't been worth a damn around here for 2 years except to help make a quorum."

A statesman, a commanding figure, a great American, a unique character, a gentleman of the old school, a man of the people like unto Abraham Lincoln, of whom history will record:

He had the courage of his convictions and the approbation of his own conscience.

Upon the announcement of the death of "Uncle Joe" Cannon, an old employee, whose service in the House was contemporaneous with that of Mr. Cannon for many years, wrote what he styled a "parliamentary ode" to "Uncle Joe", which, in view of Mr. Cannon's eminent services upon the

floor and in the Speaker's chair, is peculiarly appropriate to one so long in the atmosphere of parliamentary struggles. The parliamentary ode is as follows:

Here the gavel fell.
The time of the gentleman from Illinois has expired.
The previous question is ordered.
Debate is exhausted.
The subject is closed to amendment.
Points of order cannot be made nor reserved.
The Speaker has left the chair and gone into the Committee of the Whole,
Where the point of "no quorum" is never raised,
Where the great majority rules, and
From whence no adverse report ever comes;
Where no dilatory motions are entertained, nor
Filibustering practiced;
Where minorities claim no rights,
Where rules are superfluous, decorum is preserved, and
Where politics is adjourned.

[Applause.]

The SPEAKER pro tempore. The Chair recognizes the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Speaker, since the gavel usually beats us to the last sentence, I want to say first what I would wish to reserve for the last.

Mr. Speaker, considering the disparity between Joseph G. Cannon and myself, at that time a disparity in age, in birth, in background, in politics, in association, in experience, a disparity in almost everything that could distinguish two men, and culminating in my induction into the House of Representatives under his iron rule, perhaps the most sincere tribute one such man can pay to another such man is to say that during the quarter century which has elapsed since I last saw him, I have always remembered him never with any feeling of rancor but always with a feeling of affection.

Emerson said that when we see a great man he explains his fame. Joseph G. Cannon was truly self-explantory. He was original, he was picturesque, he was colorful, he was dramatic, he was dynamic, he was courageous, above all things he was, as the minority leader has just said, highly courageous, and all these qualities were reflected in his personality.

To me it is a solemn and impressive thought that for a half century, one-third of the life of the Republic, with only two short intervals, these walls looked down upon the form and resounded to the voice of Joseph G. Cannon. I think it is highly fitting that the House of Representatives should pause for a half hour in its labors to pay tribute to this truly remarkable man.

I lay no claim to a monopoly of affection for Uncle Joe Cannon. It was general. What was the secret of this universal feeling toward a man who as Speaker won the title of "Czar" Cannon and made "Cannonism" a national political issue? My answer is this, that while in the chair he ruled with an iron hand, embodying in himself all the powers of the House and wielding that power as a partisan and even factional leader; out of the chair he was utterly democratic, approachable, and companionable, chatting freely with the newest and humblest Member of the House. If he was a hearty hater, he was also a hearty lover. He was a red-blooded man. He was a "natural." This, in my opinion, was the secret of his long, successful public career.

If I may, I should like to take him down out of the Speaker's station and relate an incident or two on the personal, the human, side. If I mention myself in one of these incidents, it is only for the purpose of showing that he was what I have just said he was, for certainly there was no mutual-admiration society existing between "Czar" Cannon at the height of his power and a young western Democrat serving his first term. The occasion was a House vote on the veto by President Taft of an immigration bill. The Senate had overridden the veto by 4 to 1. The House was expected to follow suit, though by a smaller margin. Debate was limited to 1 hour. I had been given 1 minute. Feeling was so high that I surrendered the minute, then, regaining my courage, I recovered the time and used it. I was for the veto; the Speaker was for it. When the roll was called, it lacked five votes of the necessary two-thirds, and the veto was sustained. "Uncle Joe" came down out of the chair, sat down beside me, placed his arm across my shoulders, and said, "Young man, your speech saved the President's veto. You knocked just enough of them off the fence."

I recall my first contact with him. I said, "Mr. Speaker, I am a new Member from Colorado." And he replied dryly, "They generally are."

Here is an instance of his tolerance and unconventionality. While it involved myself, I did not see it, as you will see. I walked into the Chamber while the House was in session, took my seat with my hat on, and sat there smoking a cigar and reading a paper. A Member on the other side signaled the Speaker, who looked down at me for a moment with an indulgent smile and then looked away. In a few minutes I got up and went to the cloakroom, where I was followed by two or three Members, who related what had happened. "Uncle Joe" overlooked a fine chance, which was not unappreciated by me.

It was my privilege once to hear an observation from him which showed his indifference to criticism. He was sitting on the Democratic side chatting with the Republican floor leader. They were just in front of my seat. A Member down in the well was flaying "Cannonism." The gentleman with Speaker Cannon said, "Mr. Speaker, you had better listen to that fellow; he is talking about you." "Oh, well," rejoined "Uncle Joe", "he might be talking about a damn sight worse subject", and continued with his conversation.

I have always remembered the little two-chair table in the House restaurant just at the left-hand side of the door. On the second morning of the historic struggle against the Speaker in 1910 I walked into the deserted restaurant and sat down at this table. In a moment the Speaker came in and sat opposite me. He knew that I was thirsting for his blood, politically speaking, but he chatted unconcernedly. I remember one thing he said, and that was that he answered every letter he received from a constituent, even if it was only two lines. Yes; "Uncle Joe" was a politician as well as a statesman.

If I could pick some one thing for every old man in the United States to read, including every man who thinks he is old, it would be this: In the Sixty-second Congress, after "Uncle Joe" had been "dethroned", and after he had lost the Speakership through change in party control of the House, and when he was 75 years of age, I saw him make a 3-hour speech in the House, during which he paced the center aisle from the Well to the main entrance many times, throwing his arms in characteristic fashion and never sparing himself. It was a truly remarkable performance.

Mr. Speaker, just before rising, I told my good friend the gentleman from Illinois [Mr. DIRKSEN] that I would not have time to give more than a sentence of a story I told him the other day about the culmination of that most dramatic struggle in the history of Congress, at the time Speaker Cannon was stripped of his power, when Congress remained in session continuously for 3 days and 2 nights. After the battle was over and he had been shorn of his power, and even his tenure of office was trembling in balance, with the threat running through the House that he should be unseated as Speaker, he took the Speaker's chair and breathed defiance to his foes. He uttered one word in his characteristic manner, which was the high light of that whole dramatic struggle and the high light of his character, when he drew himself to his full height and shouted "Courage!" [Applause.]

The SPEAKER pro tempore. The Chair recognizes the gentleman from Massachusetts [Mr. TREADWAY] for 5 minutes.

Mr. TREADWAY. Mr. Speaker, I consider it a great distinction to be one of those permitted to speak briefly on this one hundredth anniversary of the birth of Joseph Gurney Cannon. It is very fitting that the House of Representatives should pause from its daily routine to pay respect to the memory of one who for 46 years was such an important as well as unique figure in its life.

It is not necessary to make direct reference to his great contribution to American history; but as it is now more than 10 years since he retired from this body, those of us who were privileged to serve with him can perhaps contribute to this record by personal reminiscences.

My first contact with "Uncle Joe" was soon after his memorable fight in the House to retain his position as Speaker. He came to Massachusetts to deliver an address. It was my privilege to attend the dinner. I can see him now after the lapse of nearly 30 years, describing his experience in that disagreement with his party associates. The fire in his eye, the vigor of his speech, and the spirit of his remarks were typical of his strength here.

I first sat on this floor as a Member-elect to the Sixty-third Congress during the closing sessions of the Sixty-second when so many Members were retiring as the result of political upheavals. An ex-Speaker and a future Speaker were among that number, "Uncle Joe" Cannon and Nick Longworth. I can recount a most interesting experience during the Sixty-third Congress when "Uncle Joe" came to see us as a visitor and was a guest of honor at a dinner at the Army and Navy Club given by former Representative Chipperfield. Among the guests was James R. Mann. The dinner was about half over when Speaker Champ Clark came in, the only Democrat among 50 Republicans. The speeches that "Uncle Joe" and Champ Clark made that night are outstanding memories in my membership, both reminiscing not only of the old days here but of their days back home in Illinois and Missouri.

One other personal word about "Uncle Joe." One very hot summer afternoon I asked him to ride home with me. We drove around the Speedway. I said to him, "Uncle Joe", the time is coming when you should write your personal reminiscences of your remarkable public career. No one can do it for you, and you owe it to the country to make a record of your service." He turned to me and said, "Young man, I have always made it a rule to look forward, never backward." The wonderful impression left by that remark of a man then over fourscore years has never left me; and from it I learned a great lesson, that we should endeavor to keep ourselves young as he did and improve the future rather than have regrets for the past.

Another reminiscence is the memorable ride I had in the train from New York one day with Champ Clark, when he gave me the complete story of the effort to retire "Uncle Joe" and its failure. Many a delightful evening did I, as a new Member, spend with "Uncle Joe" during our summer sessions in the Sixty-fifth Congress.

One of "Uncle Joe's" most renowned speeches was that made in support of a bill to create the American Academy of Arts and Letters, in which he recalled the pioneer days of his youth, when he began his journey westward with his parents from North Carolina. Listen to these words, which typify his powers as an orator:

> Now, then, take art. I do not know how many of you have gone to the western end of the Capitol and seen on the wall that picture entitled, Westward the Star of the Empire Takes Its Way. A great artist, I cannot recall his name now, painted that picture on the wall. There it is. It represents the pioneer from the Atlantic coast on his way westward.
>
> There are the steer and the mule hitched up together; there is the woman with the babe in her arms, sitting in the wagon; there is the little grave by the side of the road; and there is the pioneer with his coonskin cap and the little boy with his coonskin cap, the grandson or the son, carrying a rifle, followed by the faithful dog; another stands upon the mountain and looks to the westward.
>
> Ah, Mr. Speaker, I was a part of that picture in a way, and by that I mean I experienced most of what it represented in the pioneer days; and as I looked upon that picture the first time, though I am not given much to tears, I caught myself crying. And during all the years since, I have never glanced toward it without saying to myself, "God bless the man who painted that picture."

May I close these personal remarks with a reference to the last session "Uncle Joe" attended, on March 4, 1923? Mr. Sisson, of Mississippi, made these remarks:

> It has been my pleasure to know "Uncle Joe" intimately. I have learned to love him deeply, and it will be a source of satisfaction all my life to be able to say that I have known intimately one of the greatest men and one of the greatest characters that America has produced. When the history of this House is written, as it will be, when the history of the Speakers has been written, "Uncle Joe" Cannon will stand out in bold relief as one of the greatest men who has ever occupied this position in the history of this country.

My colleague from Massachusetts [Mr. Gallivan], in the course of his remarks, inserted a story from the Baltimore Sun entitled "Shed a Tear for 'Uncle Joe' as He Is Leaving Us Today." A truthful title. Certainly there was many a wet eye in this Chamber when the good-byes were said to "Uncle Joe." How strange it is to read in that article that when "Uncle Joe" was chairman of the House Committee on Appropriations, Professor Langley, of the Smithsonian Institute, asked for an appropriation of $10,000 to experiment in flying. "Great heavens," exclaimed Mr. Cannon, "a flying machine to ride in the air. Whoever heard of such a thing?"

The article also contains many other interesting details, including a poem that "Uncle Joe" quoted when his length of service exceeded that of Mr. Morrill.

For the accuracy of history and the real judgment of the future, sufficient time has not elapsed in which to rate the character, personality, and service of "Uncle Joe" Cannon, but we can say that while America has produced many great men, to this day, in our judgment, it has not produced the like of "Uncle Joe." [Applause.]

The SPEAKER pro tempore. The Chair recognizes the gentleman from Illinois [Mr. MEEKS].

Mr. MEEKS. Mr. Speaker, it was not my privilege to have been associated with Joseph G. Cannon in any official way. I knew him better as a citizen of my home town, Danville, Ill., and as a neighbor. He was the first Congressman I ever saw. I remember the incident distinctly when I looked through a window of his bank and saw him with his arms folded, standing erect and alert, looking at a map on the floor and discussing something with a caller who was interested in what was shown on the map. I was a farm lad then. I thought he represented the power and majesty of the United States Government.

Shortly after I was admitted to the bar I was a guest in his home with other members of the county bar, and I considered that a great event. It was the first time a Congressman spoke to me. I felt greatly honored by this attention. I was interested in all his later political campaigns, not as an associate, of course, but often as a participant, and I know well his political history at home. He was a unique, picturesque character, a forceful individual. I never saw another like him.

His history, however, would not be complete without the mention of an associate who always aided and sustained him in his official career until he became Speaker of the House. I refer to his brother, William P. Cannon, who was an able businessman and an astute political general who managed his campaign battles and who always rallied to his support in every contest in which Joseph G. Cannon engaged. He lost his life as the result of an accident shortly after his brother became Speaker. The association of these two men was a remarkable business and political partnership of two brothers.

Joseph G. Cannon was a man of the soil. He came to the prairies of Illinois after he had lived in Indiana. In early life he was a district prosecuting attorney riding the circuit as did the judges in those days. He was somewhat Lincolnesque in thought and spoke the language all could understand. He came to Washington at the close of an epoch and the beginning of a new. His life was identified with much of the history of this country. I suggested to him once that he write his memoirs because of their great value as a contribution to the history of this country and the intimate glimpses it would give of unrecorded official acts in our national life. I know of no other man who could have written memoirs of so great value. [Applause.] He declined to consider the subject on the grounds that he was too old for such long and exacting labor. The history of our country would have been enriched by this contribution.

At home, although we recognize the fact that Mr. Cannon was a great figure in the Nation's life, yet it was not as such

that we thought of him mostly. He was a neighbor, a friend, a useful man in the community with simple habits and tastes and one upon whom we did not look with awe.

As a young man he settled upon the prairies of Illinois and was influenced by its expanse, its hard-working settlers, men and women who made a great State in a raw country. His travelings upon the circuit, his contacts with honest, earnest folks of the countryside, and small towns prepared him for his great usefulness and achievements in national affairs. He was a part of the community. He was usually called and referred to as Joe. It was not until he had lived the allotted span of human life that he was called "Uncle Joe." He cared little for the formalities and conventionalities of social life. There was nothing of show and glamor about him. His constituents understood him. They did not expect from him sonorous eloquent utterances. They expected him to speak the ordinary language which they all easily understood. He had no patronizing ways. He felt at home mingling with farmers and enjoying in their homes the ample meals which they served. He liked to talk with them about their problems and pleasures. He knew business in its various aspects. He knew farming. He knew about coal mining. He knew the country store, the country church, the country school. He soon became a familiar figure with his big black cigar and slouch hat. He was natural for he breathed the air of the expansive prairies. He upheld the majestic woodlands which abound in his district and the glories of abundant nature. He was inspired with the interests of his people.

Of course, we were all pleased when he became Speaker. It was at this point that he lost his brother William and at which another figure of importance came into his political life, his son-in-law, E. X. Leseure, whom I knew well and who was a friend of mine. His daughter, now Mrs. Abdill, occupies the old homestead on the principal street of the town.

It was the purpose of the people of Danville who knew him so long to hold memorial exercises on his one hundredth birthday. I am a member of the committee on arrangements. It has been decided to postpone the event until later in the year.

I have heard much about his courage, his determination to pursue a course which he wanted adopted against any opposition which might arise. His character was no enigma to those who knew him on the home ground. His struggle with early adversity on the undeveloped prairies of Illinois, where malaria, milk sick, and many other disorders prevailed, and where the hardest labor was necessary to wring from the soil sufficient crops to provide clothing and shelter for the large families, made him one of them.

These were elements which developed strong characteristics in individuals and Joseph G. Cannon was not exceptional as to these influences. They marked his life. When he came to Washington it was not with a polish acquired in society nor with the cultivated speech of the orator, which in those days swayed crowds, but with the sturdy traits natural to the individual qualified by hard knocks. They were necessary to one's survival and necessary for the achievement of great things.

Joseph G. Cannon came into notice immediately following the noted characters who made outstanding history in Illinois. These were Abraham Lincoln, Stephen A. Douglas, James C. Robinson, Usher F. Linder, Leonard Swett, Lawrence Weldon, David Davis, Oliver L. Davis, and among them but not the least of them, Daniel W. Voorhees, "The Tall Sycamore of the Wabash." These men were eminent lawyers in that period before many important decisions were made by our Supreme Court. Cannon and others took up the work where the former men left off. Necessarily, his name goes along with those in the annals of old Illinois and with its place in the Nation.

The narrative of these simple facts shows whence came those characteristics in the halls of Congress to which you have listened today. I saw him when I was a farm boy, and I saw him when the people of our city tendered to him, after his retirement—and to the Honorable Joseph B. Mann, the best all-around lawyer I have ever known—a memorial dinner and tribute. They were almost the same age, both retired and looking back upon earthly careers about to end. It was a notable event and scene. It was my privilege to see Mr. Cannon as a Congressman when I was a lad and my privilege to see him in my own office shortly before his death. There were intimate conversations. Although belonging to different political parties, this, on many occasions, was not a cause of differences between us. I shall always feel that it was worth something to have known him, that it was worth much to have him an important part of our national life, and to have had him in our community as a neighbor and as a friend. This sentiment cannot be erased nor obscured by any outstanding public career. After all, the great question is what kind of a man was one of whom we speak. I have attempted in these remarks to show something of the kind of man Joseph G. Cannon was, which, I think, will tend to explain the characteristics observed in him by his colleagues in this Chamber.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Speaker, if there ever served in this body a typical outgrowth of American ideals and institutions, it was the late Speaker Joseph Cannon, whom we have assembled to honor today.

This statesman whose memory we all cherish met every test and trial from his birth in North Carolina 100 years ago until the pale messenger approached his bedside at Danville, Ill., November 12, 1926.

It was my privilege and advantage to know him, to have voted for his reelection as Speaker of this House at the Sixty-first Congress, March 19, 1910. I have since served under Speakers Clark, Gillette, Rainey, and our own patient, able, and fair and esteemed Speaker, Mr. BYRNS. It was also my privilege to have served under Presidents Theodore Roosevelt, Taft, Wilson, Harding, and now President Roosevelt.

To be the only Republican now a Member of this body who voted in the Sixty-first Congress to elect Mr. Cannon Speaker, is an embarrassing distinction, for I feel my weakness in attempting to render in words such tribute to the grand old statesman as his memory deserves.

Although born in North Carolina, he had his mental and physical growth in the Middle West, at a time when men of the type of Lincoln and Grant and others who drew from the forest and plain that kind of rugged manhood and burning patriotism that has shown across the pages of history ever since.

Speaker Cannon was a type possessed of characteristics that grew and flourished on the broad philosophy of common sense.

It is yet too early in the march of time and understanding of this type of men who helped build the Republic strong and enduring, to set down a correct estimate of their contributions to our progress and civilization. When it is recalled that it was 250 years after the death of Cromwell that Thomas Carlyle ventured an estimate of Cromwell's purpose and accomplishments, our task today may be better understood, for aside from decapitating Charles I and destroying or making Ireland unhappy for many years, we see nothing of special note, with the return of Charles II, upon the failure of Cromwell's son to carry on.

It has been so as to the genius of Napoleon, which in military mastery and democratic progress and the immortal code, for it has been 115 years since he died and the recent book by Ludwig is the only fair estimate we have yet found excepting in a work by Thomas Watson, of Georgia, formerly a Member of this body.

Therefore we may not expect to have the virtues of Speaker Cannon portrayed or the value of his life to his country and the world understood and translated so soon after he passed from the stage of earthly activities, swift competition, and the asperities which hedge about us all, particularly in a life of political service which an economist has declared to be only a little less violent than war, hence politics must be encompassed by stern realities.

We have evidence of the fine judgment and confidence in him, and another grand old commoner, Champ Clark, when for their good judgment and honesty these two men were placed among those who erected the first House Office Building and the Lincoln Monument.

As an evidence of Speaker Cannon's good judgment in selecting advisers he had as his counselors, in what was characterized a "kitchen cabinet", Senators James Watson, of Indiana; James Sherman, of New York; James Tawney, of Michigan; James Mann, of Illinois; and James Heminway, of Indiana. The five Jims. And three of these Jims later became United States Senators and one a Vice President.

"Uncle Joe" Cannon freely extended the hand of fellowship to new men coming to Congress in form of sound advice. I sought his counsel on more than one occasion, and he directed me aright. I recall one instance when I was anxious to have a bill passed. I spoke to Mr. Cannon and he gave directions how to comply with the somewhat different rules than I had been familiar with in the Pennsylvania Senate and Assembly, but was afraid to ask that a motion to reconsider the vote by which the bill was passed and lay that motion on the table believing such action could not possibly be ethical. But "Uncle Joe" replied that that was the practice, and in fact is now.

Probably the climaxing triumph of his life came when he completely routed an element of the Republican Party which sought to divest him of his power as Speaker. This pursuit was carried across the country, and all Republicans had to meet the issue and win or lose for or against Cannonism. Truth is, the Cannon rules were the same as the Crisp, Randall, and Reed rules used before his advent. But the showdown came on March 19, 1910, and it was a day fraught with the most dramatic and truly thrilling situations I ever witnessed in conventions and legislative bodies. I was witness to it all and followed as I could the strategy of Speaker Cannon, James Watson, of Indiana, and William A. Rodenberg, of the Twenty-second Illinois District. Every minute was tense, but the House came out of every charge straight and erect under the rules that the motion to adjourn had to be first acted upon before the resolution offered by Congressman Burleson could be voted up or down.

Here I wish to insert Mr. Cannon's short speech, which time will mark and perpetuate as a classic defense of his position under the rules.

THE FAMOUS RESOLUTION DEFEATED

After prolonged and heated discussion on the resolution introduced by Congressman Burleson, of Texas, the Speaker pro tempore said:

The yeas and nays have been ordered on the resolution. The Clerk will call the roll. As many as are in favor of the adoption of the resolution will, as their names are called, answer "yea", those opposed will answer "nay"; and again the Chair cautions the House to keep in order during the roll call.

The resolution read as follows:

Resolved, That the office of Speaker of the House of Representatives is hereby declared vacant, and the House of Representatives shall at once proceed to the election of a Speaker.

The question was taken; and there were—yeas 155, nays 192, answered "present" 8, not voting 33.

The only present Republican Member of Congress who voted against the resolution was BENJAMIN K. FOCHT, of the Eighteenth Pennsylvania District.

SPEECH OF "UNCLE JOE" CANNON

The result of the vote was announced as above recorded.

Mr. NORRIS. Mr. Speaker, I move to reconsider the vote by which the resolution was adopted and to lay that motion on the table.

The SPEAKER. The gentleman from Nebraska moves to reconsider the vote by which the resolution was agreed to and to lay that motion upon the table. Without objection, it is so ordered.

There was no objection.

Mr. NORRIS. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. One moment. The Speaker asks the indulgence of the House for not exceeding 3 minutes to make a statement.

Mr. NORRIS. Mr. Speaker, I am willing to withhold the motion.

The SPEAKER (Mr. Cannon). Gentlemen of the House of Representatives, actions, not words, determine the conduct and the sincerity of men in the affairs of life. This is a government by the people acting through the representatives of a majority of the people. Results cannot be had except by a majority; and in the House of Representatives a majority, being responsible, should have full power and should exercise that power, otherwise the majority is inefficient and does not perform its functions. The office of the minority is to put the majority on its good behavior, advocating, in good faith, the policies which it professes, ever ready to take advantage of the mistakes of the majority party, and appeal to the country for its vindication.

From time to time heretofore the majority has become the minority, as in the present case, and from time to time hereafter the majority will become the minority. The country believes that the Republican Party has a majority of 44 in the House of Representatives at this time, yet such is not the case.

The present Speaker of the House has, to the best of his ability and judgment, cooperated with the Republican Party; and so far in the history of this Congress the Republican Party in the House has been enabled by a very small majority, when the test came, to legislate in conformity with the policies and the platform of the Republican Party. Such action, of course, begot criticism—which the Speaker does not deprecate—on the part of the minority party.

The Speaker cannot be unmindful of the fact, as evidenced by three previous elections to the speakership, that in the past he has enjoyed the confidence of the Republican Party of the country and of the Republican Members of the House; but the assault upon the Speaker of the House by the minority, supplemented by the efforts of the so-called insurgents, shows that the Democratic minority, aided by a number of so-called insurgents, constituting 15 percent of the majority party in the House, is now in the majority, and that the Speaker of the House is not in harmony with the actual majority of the House, as evidenced by the vote just taken.

There are two courses open for the Speaker to pursue—one is to resign and permit the new combination of Democrats and insurgents to choose a Speaker in harmony with its aims and purposes. The other is for that combination to declare a vacancy in the office of Speaker and proceed to the election of a new Speaker. After consideration, at this stage of the session of the House, with much of important legislation pending involving the pledges of the Republican platform and their crystallization into law, believing that his resignation might consume weeks of time in the reorganization of the House, the Speaker, being in harmony with Republican policies and desirous of carrying them out, declines by his own motion to precipitate a contest upon the House in the election of a new Speaker; a contest that might greatly endanger the final passage of all legislation necessary to redeem Republican pledges and fulfill Republican promises. This is one reason why the Speaker does not resign at once; and another reason is this: In the judgment of the present Speaker, a resignation is in and of itself a confession of weakness or mistake or an apology for past actions. The Speaker is not conscious of having done any political wrong. [Loud applause on the Republican side.] The same rules are in force in this House that have been in force for two decades. The Speaker has construed the rules as he found them and as they have been construed by previous Speakers from Thomas B. Reed's incumbency down to the present time.

Heretofore the Speakers have been members of the Committee on Rules, covering a period of 60 years, and the present Speaker has neither sought new power nor has he unjustly used that already conferred upon him.

There has been much talk on the part of the minority and the insurgents of the "czarism" of the Speaker, culminating in the action taken today. The real truth is that there is no coherent Republican majority in the House of Representatives. [Loud applause on the Republican side.] Therefore, the real majority ought to have the courage of its convictions [applause on the Republican side] and logically meet the situation that confronts it.

The Speaker does now believe, and always has believed, that this is a government through parties, and that parties can act only through majorities. The Speaker has always believed in and bowed to the will of the majority in convention, in caucus, and in the legislative hall, and today profoundly believes that to act otherwise is to disorganize parties, is to prevent coherent action in any legislative body, is to make impossible the reflection of the wishes of the people in statutes and in laws.

The Speaker has always said that, under the Constitution, it is a question of the highest privilege for an actual majority of the House at any time to choose a new Speaker, and again notifies the House that the Speaker will at this moment, or at any other time while he remains Speaker, entertain, in conformity with the highest constitutional privilege, a motion by any Member to vacate the office of Speakership and choose a new Speaker [loud applause on the Republican side]; and, under existing conditions, would welcome such action upon the part of the actual majority of the House, so that power and responsibility may rest with the Democratic and insurgent Members who, by the last vote, evidently constitute a majority of this House. The Chair is now ready to entertain such motion. [Loud and long-continued applause on the Republican side; great confusion in the Hall.]

In conclusion let me observe that, as Shakespeare made Marc Antony say in his majestic oration that his heart was in Caesar's coffin, I believe that on this day, the one hundredth anniversary of Mr. Cannon's birth, there will be countless thousands who will recall his life with admiration and affection. Solon, the Greek philosopher and codifier of the laws of his country, admonished Croesus that nothing which

might vanish can bring perpetual joy, and our departed friend of whom we have humbly spoken was free from all vain conceit, and we believe, with Solon, that "him only to whom the divinity has continued happiness unto the end we call happy."

The last days of Speaker Cannon were spent at his home at Danville, Ill., in the peace and quietude of the sear and yellow leaf of life, drawing solace and consolation from the philosophy and spiritual glow of the Holy Bible, and passing into the shadows beloved and lamented.

CONTRIBUTION BY HON. WILLIAM A. RODENBERG, WHO REPRESENTED THE TWENTY-SECOND ILLINOIS DISTRICT IN CONGRESS AT THE TIME, MARCH 19, 1910

Today is the one hundredth anniversary of the birth of a great American, who occupied a commanding position in national affairs for half a century. On May 7, 1836, Joseph Gurney Cannon was born at Guilford, N. C. His parents belonged to the Society of Friends, familiarly known as Quakers. In 1840, when Joseph was 4 years of age, the family moved to Bloomingdale, Ind., where some years later the father, who was a practicing physician, lost his life while attempting to ford a swollen stream on his way to call on a patient. The good doctor left his family in moderate circumstances, and at an early age Joseph secured employment as clerk in a country store, thus enabling him to contribute to the support of the family.

On one occasion, as a youth of about 20, he attended a famous trial in Bloomingdale, and so impressed was he by the eloquent arguments of the attorneys in the case that he resolved then and there to become a lawyer. By practicing the strictest economy he was able to save enough to spend a year at the Cincinnati Law School. In 1858, at the age of 22, he was admitted to the bar and commenced practice in Terre Haute, Ind. Not meeting with much success, he decided to migrate to Chicago, which then gave every evidence of becoming a great metropolis. The story is told—and I am sure that it is authentic—that his funds become exhausted long before reaching Chicago and that, upon the urgent solicitation of the conductor, he was compelled to leave the train at Tuscola, which had just been designated as the county seat of Douglas County, Ill. Undaunted and undismayed, the hero of this sketch proceeded to the only tavern in the new town, explained his predicament to the proprietor, and asked for "room and board" until such time as he might be able to pay. The proprietor was impressed by the earnestness of the young man's plea and consented to the arrangement. In later years Mr. Cannon was wont to tell with much relish that his first legal fee was 50 cents for writing a deed. In 1861, or 2 years after his arrival in Tuscola, he was elected State's attorney for the twenty-seventh judicial district of Illinois, which position he held until December 1868. His incumbency of the office of State's attorney covered the exciting days of the Civil War, and no civil officer in the great State of Illinois rendered more effective or patriotic service to the cause of the Union than Joseph G. Cannon. Douglas County was one of the hotbeds of southern sympathizers, and, despite threats of personal violence, the aggressive young State's attorney did not hesitate to prosecute them fearlessly and relentlessly. His activities in this crucial time in the Nation's history established a bond of undying personal friendship between himself and the immortal Abraham Lincoln.

In 1872, at the beginning of President Grant's second term, Mr. Cannon was elected to Congress, and with two intermissions he continued as a Member of Congress from 1873 to 1923, covering a period of 50 years of the most momentous history of the world. For 46 years he was a Member of this body, which up to now has established a record for all time.

For 8 years, from 1903 to 1911, "Uncle Joe", as he was known to every man, woman, and child in America, presided as Speaker of the House. There are only seven Members of the present Congress who had the honor and distinction of serving under his Speakership: The present distinguished Speaker, JOSEPH W. BYRNS, the beloved dean of the House; ADOLPH J. SABATH and JAMES MCANDREWS, of Illinois; EDWARD T. TAYLOR and JOHN A. MARTIN, of Colorado; WILLIAM A. ASHBROOK, of Ohio; and he who is now addressing you, Mr. FOCHT, of Pennsylvania.

I account it an honor and a privilege, which I am sure is shared by the others whom I have just mentioned, to pay tribute on this centennial anniversary of his birth, to the memory of the hero of a thousand legislative battles, a man of character, of courage, of integrity, of patriotism, who had justly endeared himself to posterity as one of the Nation's idols, "Uncle Joe" Cannon, of Illinois, born May 7, 1836, and called to his reward on November 12, 1926. [Applause.]

The SPEAKER pro tempore. The Chair recognizes the gentleman from Tennessee [Mr. BYRNS], the Speaker of the House.

Mr. BYRNS. Mr. Speaker, as one of those who served under the former Speaker of this House, Hon. Joseph G. Cannon, I cannot refrain from saying just a word with reference to my great admiration and my very real affection for him and his memory.

When I came to Congress he had begun his last term as Speaker. In the next Congress his party assigned him as a member of the Committee on Appropriations, of which I had the honor to be a member.

It was my privilege to sit beside him in one of the important subcommittees of that committee during the consideration of bills pending before it. Because of this close association I came to know him intimately during this time. As a member of that committee he showed the same courage, the same loyal regard for his country, the same earnest desire to protect the Treasury of the United States during this time that I am sure he had shown during the time he was chairman of that great committee before he was elected Speaker.

Mr. Cannon was one of the truly great men of his time. Some of us differed from him upon policies of government, but no one ever questioned his honesty, his sincerity, or his patriotism, and he wielded an influence second to none, not only in that committee but in the Congress. As we all know, he was known to his colleagues in the House as "Uncle Joe", a term of affection and endearment; in fact, he was so known all over this country, and when after many, many years of public service he felt it necessary to voluntarily retire, a short time before his death there was not a Member on either side of the Chamber who did not feel a sense of deep personal regret, and there is no Member who ever served with him who will not always remember him for his loyalty and his patriotism. He was one of the last of the Speakers who had the responsibility and the privilege of naming the standing committees of the House. He was the last of the Speakers who was chairman of the Committee on Rules, a committee, as I recall, consisting of five members, and the committee which shaped the policy and the program of the House. He exercised tremendous power, but he was always fair and just. Of course, he fought vigorously for those things in which he believed. He never surrendered a principle, but I feel that every man who ever served under him felt that "Uncle Joe" was anxious to see that every Member had all the privileges that he should have upon the floor of this House.

I will always remember and feel proud of the fact that it was my privilege to serve under him as Speaker for one term and then to serve with him in the Committee on Appropriations where I gathered wisdom from his earnest, patriotic, and sincere efforts to protect the Treasury of the United States and his great legislative experience. [Applause.]

Mr. SABATH. Mr. Speaker, I ask unanimous consent that not only those who have spoken but that all Members may have the privilege of extending their remarks in the RECORD with reference to the late Speaker Cannon for 5 legislative days, and may I make the observation, Mr. Speaker, that one of his oldest friends desired time, but, unfortunately, it was impossible for me to yield to him and, therefore, I especially desire that he should have the privilege of extending his remarks. I refer to the gentleman from Illinois, Mr. MCANDREWS.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MCANDREWS. Mr. Speaker, I had the honor of being a Member of the Fifty-eighth Congress, when Uncle Joe Cannon was first elected to the Speakership of the House. At that time he was 67 years of age, had already served more than a quarter of a century in Congress, but there was no Member of the House who was more vigorous, physically and intellectually, than Uncle Joe. He seemed to be in the very prime of life and towered like a giant among his fellow Members. He was a master of debate, forceful, courageous, and resourceful, neither asking nor giving quarter. With a wealth of knowledge gained in the

great school of human experience, the school that has given to the Nation many of its best and greatest statesmen, Joseph G. Cannon was thoroughly equipped for legislative work. His memory was most remarkable and he could draw on his wonderful store of knowledge of men and events without the slightest hesitation. Whenever he addressed himself to any subject of public interest he always commanded the rapt attention of the House, because every Member felt that Uncle Joe would throw real light and information on the subject under discussion. He never talked simply to be talking. He believed that the time of the House was too valuable to be wasted in idle chatter.

While an intense partisan of the old school, yet he was always so frank, so fair, and so disarming in his inherent honesty that he commanded the full respect of all of us who sat on the Democratic side of the House. When Uncle Joe was elected to his first term as Speaker, the brilliant and versatile John Sharpe Williams, of Mississippi, was elevated to the position of minority leader. Upon the end of the first day of the new Congress, John Sharpe called on the newly elected Speaker and, after extending his personal congratulations, observed, "Uncle Joe, now that you are our Speaker, I hope that during your incumbency you will always treat the Democratic side fairly and justly." Uncle Joe grasped the minority leader's hand and replied: "John Sharpe, I will be as fair and just as the exigencies of politics will permit me to be." Incidentally, there was never any interruption in the cordial personal relations between Uncle Joe and John Sharpe Williams, or his illustrious successor as minority leader, the greatly beloved Champ Clark, of Missouri.

It was my good fortune to come into close personal contact with Mr. Cannon, and the memory of that delightful friendship will abide with me until the end of time. I admired and loved him for his many kindly human qualities. He was the very soul of personal and political courage and integrity. While tenacious in his political opinions, knowing him as I knew him, I feel justified in saying that Uncle Joe never knowingly did an injustice to any human being. Broad in his sympathies and always tolerant in his views, he endeared himself to his legion of friends and commanded the respect and admiration of those who were politically opposed to him. "Of such is the kingdom of the heaven that I hope to inhabit."

DIGEST OF TESTIMONY—HOUSE HEARINGS ON $1,500,000,000 RELIEF PROPOSAL, APRIL 8–13, 1936

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain tables.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BACON. Mr. Speaker, President Roosevelt sent a message to Congress on March 18, 1936, requesting an appropriation of $1,500,000,000 for the continuation of the Works Progress Administration through the fiscal year ending June 30, 1937. Hearings were held on this proposal April 8–13 before a subcommittee of the House Committee on Appropriations.

At the hearings, the principal witnesses were: Harry L. Hopkins, Administrator of the Works Progress Administration, and Daniel W. Bell, Acting Director of the Budget. The principal points of the testimony at the hearings will here be summarized with interpretative comment.

GENERAL STATUS OF RELIEF FUNDS

The funds requested are in addition to balances from the $4,880,000,000 appropriated last year for the works program, to be available until June 30, 1937.

Mr. Bell testified that when the Emergency Relief Appropriation Act of 1935 was approved on April 8, 1935, $4,576,000,000 was actually available and the remainder had been used to repay transfers previously made to the Federal Emergency Relief Administration out of former appropriations. On March 31, 1936, all of this $4,576,000,000 had been allocated to specific projects with the exception of $68,000,000. Of the $4,508,000,000 that had been allocated, $3,466,000,000 had been obligated and $2,515,000,000 had been actually expended and thus on March 31, 1936, $2,061,000,000 was unexpended, of which $1,110,000,000 was unobligated. Monthly expenditures from this fund are being made at the rate of more than $229,000,000. Mr. Hopkins estimated that something over a billion dollars of the funds appropriated in 1935 for emergency relief would remain unexpended on June 30, 1936. Mr. Bell stated that he believed that approximately $1,780,000,000 would remain unexpended from funds appropriated by Congress during the period 1933 to 1935 for the purpose of relief.

It is to be noted that with the addition of the proposed $1,500,000,000 the administration would have nearly $3,300,000,000, the amount of the original N. I. R. A. appropriation in 1933.

In his message to Congress President Roosevelt estimated that there were at that time about 5,300,000 relief cases, of which 3,800,000 were being cared for by the works program and the remainder by the States. With all the funds available during 1937—the billion and one-half dollars requested, the unknown amount, exceeding $1,000,000,000, which will remain unexpended on June 30, 1936, from the $4,880,000,000, and the funds requested for the continuance of the C. C. C. and for the construction of regular Government public works—Mr. Hopkins estimated that only 2,843,000 relief cases could be taken care of through the fiscal year ending June 30, 1937. He stated also that he did not believe that the relief load would decline during the next fiscal year.

He went on to admit that he did not believe the funds requested by the President would be sufficient to carry on the work-relief program during the fiscal year 1937. He also stated that it was his personal belief that additional funds would have to be requested from Congress for the continuation of the program to June 30, 1937. Mr. Hopkins estimated that 2,000,000 people could be given work relief for 1 year with the $1,500,000,000 requested by the President. The cost would then be approximately $750 per man. At another point in the testimony Mr. Hopkins stated that at the present time work relief under the W. P. A. was costing the Federal Government approximately $792 per year per man.

All of the new funds requested are ostensibly to be utilized for the Works Progress Administration. This was not true of the $4,880,000,000 appropriated last year which was earmarked by Congress for certain classes of expenditure. Only $1,363,926,901 of that sum was allocated to the W. P. A. For the continuation of relief through December 1935, $938,530,085 was allocated to the F. E. R. A. To the Public Works Administration $447,476,447 was given. The Resettlement Administration received $230,308,400 up to March 31, 1936. Five hundred million dollars was allocated for the construction of public roads and grade-crossing elimination. The C. C. C. received $527,479,450. The rest of the sum was allocated to numerous other agencies.

NEW FUND NOT EXCLUSIVELY FOR W. P. A.

Mr. Hopkins stated on a number of occasions that all of the funds requested would be utilized for the continuation of the W. P. A. But this is not accurate, as his testimony at another point in the hearings demonstrates. He estimated that $90,000,000, or 8 percent of the requested fund would be used for rural rehabilitation and direct relief to farmers. When pressed on this point he admitted that this money would be expended through the Resettlement Administration.

(His reticence in admitting that any of these funds would be used for the Resettlement Administration is founded on an obvious reason. If the President or Mr. Hopkins made an outright admission that part of this appropriation would be used for the continuation of the Resettlement Administration there would be a very good reason for calling Dr. Rexford Guy Tugwell, the Administrator of the Resettlement Administration, to take the stand. Many Members of Congress, both Democratic and Republican, would like to see Mr. Tugwell put on the stand in an investigation. This does not seem to be desired by the administration leaders.)

The complete break-down of the proposed expenditure of this requested billion and one-half dollar fund is as follows: Highways and streets, 29 percent; public buildings, 11 percent; parks, 11 percent; public utilities, water supply, and sanitation, 12 percent; flood control and conservation, 9 percent; white-collar projects, 6 percent; women's projects, 6 percent; national youth administration, 5 percent; rural rehabilitation, 6 percent; and miscellaneous work projects, 5 percent.

In the absence of earmarking in the pending bill, Mr. Hopkins could allocate to the Resettlement Administration portions of the funds covered by other items in this break-down. Or, of course, for that matter, there probably would be nothing to prevent Mr. Hopkins from entirely disregarding this break-down in the expenditure of funds.

ALLOCATION AMONG STATES

When Mr. Hopkins was asked how W. P. A. funds had been allocated among the several States, he answered as follows:

Of course, our wage rate varies in various parts of the country, depending in part on the cost of living. Therefore, that affects, of course, the amount of money in dollars paid in a particular State for the same number of people. It takes fewer dollars to take care of the same number of people in Mississippi than to take care of them in New York. You will find that we have a larger work program in one State than we have in another with the same population, the reason being that the degree of unemployment is greater and the degree of need greater in one State than in another. The program must be adjusted to need (p. 180).

This statement does not indicate the existence of any standards that can be used in allocating funds, as the following data show: Per-capita allocation of W. P. A. funds were as follows (selected States):

New York	$20.63
Virginia	4.83
Colorado	17.25
Utah	13.71
North Carolina	3.84

These States received the following per-capita total allocations under the act of 1935:

New York	$43.61
Virginia	23.69
Colorado	56.92
Utah	56.93
North Carolina	18.28

The Works Progress Administration has allocated $1,113,271,212 to more than 80,000 works projects. Local sponsors will contribute $254,790,522 for these works projects. Thus the local contribution will average about 18.6 percent. Concerning the method used in determining the contributions to be made by sponsors, Mr. Hopkins had this to say:

Now, the extent of their contribution was determined by the type of work to be done, the financial condition of the local sponsoring agency, and the estimate of the locality's participation in other parts of the program. In that connection you could get a higher percent of contributions for one kind of work than you could for another. Our policy in securing local contributions was a policy of insisting that the local government put up as much as was reasonable. That varies, of course, in various places, and I have no doubt that some injustices were done as between one area and another and as between one State and another. We had to take into consideration the fact that one State had put up a lot of money for Public Works Administration projects. They had put up their money, whereas in another State they may have had no Public Works Administration projects, and consequently had put up no funds. We took all of this into consideration (p. 180).

Let us see what the picture is when the sponsors' contributions are considered by States. In Wyoming sponsors contributed 43 percent of the cost of all projects undertaken, whereas both in West Virginia and in the District of Columbia such contributions were only 8.2 percent. The figures for a few other States follow: Idaho, 40.6 percent; Georgia, 40.3 percent; Rhode Island, 34.1 percent; Vermont, 31.6 percent; and Kentucky, 30.8 percent.

Sponsors' contributions varied widely with the different kinds of projects. Twenty-six percent of the cost of sanitation projects was contributed by sponsors. On the following type of projects the sponsors contributed the indicated percentages: Public buildings, 22.5 percent; highways, 22.2 percent; parks, 11.4 percent; and goods (sewing, canning, etc.), 9.2 percent.

RELIEF STANDARDS NOT CLEAR

Supposedly the program under the Emergency Relief Act of 1935 is for the purpose of giving work relief to unemployed employables on relief. Mr. Hopkins admitted that he had no accurate information concerning the number of unemployed, the number of employables who are unemployed, or the number of people who are registered as being on relief at the present time. The determination of the question of who is and who is not to receive relief is left up to the States. The W. P. A. has not defined standards of what constitutes a person on relief, and no check is exercised over the States in determining who is and who is not to be put on relief. The determination of who is or who is not employable in the last resort is determined by the United States Employment Service or the United States Reemployment Service, which are Federal agencies. The formulation of standards to determine the employable character of a person then rests primarily with the Federal Government, but Mr. Hopkins admits that no such standards have been formulated. Concerning this problem he says:

"Employability is largely a question of the economic condition of the country. That is, when times are booming, almost everybody is employable, then all of a sudden there is a depression and then a lot of people are unemployable and all big industries change their standards of employability. The question of determining who is employable and who is not is a very difficult matter, and I think strict regulations about employability do a real injury to a lot of the people who may have slight injuries—competent, able people" (p. 225).

Yet, in another place in the same hearings, after admitting a lack of data concerning the exact number of those on relief and the number of employables on relief, he asserted that 85 percent of the employables on relief in January 1936 were being taken care of through Federal work-relief projects. How did he know? Of the 3,763,334 persons being employed on the entire work-relief program, exclusive of administrative employees, 364,928, about 9 percent, were not taken from the relief rolls, and 8.4 percent of the pay roll on work-relief projects is being used to pay persons who are not on relief. During March the total administrative staff being paid from this relief appropriation was 144,095.

ACTUAL BENEFITS TO UNEMPLOYED NOT SHOWN

Mr. Hopkins at no point states the man-years of work that will be secured from the $4,880,000,000 appropriation. In fact, no data are presented in the hearings on which anyone could compute the number of men that could be put to work for 1 year with this sum. There are no data presented in the hearings from which a person could determine how much of this vast sum of money is actually being expended for work-relief purposes and how much is being expended for such visionary purposes as land purchases.

All persons who are given employment on work-relief projects must have been on State relief rolls during the month of November 1935. Mr. Hopkins admitted that there was no logic behind the setting of the November deadline for the determination of who should or who should not be given work relief, and that probably it should be revised.

ALIENS ON RELIEF

Mr. Hopkins also admitted that aliens were receiving work-relief jobs. He did not seem to be able to see anything wrong in this situation. He could furnish no data on the number of aliens who are employed under the work-relief program. He also admitted that aliens illegally admitted to the country were being employed, and he did not appear to believe that this was an undesirable situation.

PROPORTION OF W. P. A. FUNDS SPENT FOR RELIEF LABOR

To employ one man for a year under W. P. A. costs an average of $972, of which $600 goes to the man as wages, while the additional $372 goes for materials and supervision. The Federal Government pays for approximately $192 of this overhead and the local sponsors contribute $160. This means that approximately 38 percent of all funds expended under the W. P. A. program are spent for other purposes

than for the wages of persons on relief, and it should be recalled also that approximately 9 percent of the nonadministrative staff on all works projects are persons who are not on relief.

The average monthly rate of pay on work-relief projects under the W. P. A. varies from $72.23 in New York City to $23.93 in North Carolina. The average for the entire country is $50.06. The differences in monthly wage rates supposedly is determined by differences in the cost of living, but the monthly-wage rate in Connecticut is $64.33, in Rhode Island $56.93, and in Massachusetts $59.38. Mr. Hopkins at no place stated how the cost of living is determined. The average hourly rate of pay on work-relief projects is 41.6 cents. In New York City it was 65.2 cents, and for the rest of the country it was 38.4 cents.

W. P. A. FUNDS TO BE EXHAUSTED SOON

Of the somewhat over a billion dollars that has been allocated to the Works Progress Administration, approximately $371,000,000 remained unobligated and approximately $583,500,000 remained unexpended on March 31, 1936. The W. P. A. is spending approximately $191,000,000 a month. If it is to continue in operation until July 1 approximately $150,000,000 will have to be transferred from other funds to it, according to Mr. Hopkins—but it will probably be more than that. Mr. Hopkins asserts that all projects undertaken under the W. P. A. will be completed on that date, but he did admit that many projects, such as highways, would only be partially completed on that date.

When Mr. Hopkins was asked for information concerning politics in the administration of the Works Progress Administration he assumed the general attitude that he was not responsible for such circumstances, if they existed. He seemed to feel that he had done his part when he had written to the local administrators informing them that campaign contributions were not to be solicited from employees on work-relief projects. He did not seem to realize that inasmuch as all officials of the W. P. A. are Federal employees, and not State or local officials, he was directly responsible for their actions.

F. E. R. A. COSTS OF ADMINISTRATION

These hearings brought to light some evidence previously unobtainable relative to the administration of relief under the F. E. R. A. For the first time figures on administrative expenditures incurred by the States and the Federal Government for the administration of relief under the F. E. R. A. were made public. During the entire period of 1933 to 1935, 10.7 percent of all funds expended for relief went for administrative purposes. Administrative costs were lowest in the State of Vermont, where they only accounted for 5.4 percent of the expenditures. They were highest in South Carolina, where they were 18.3 percent. The figures for the following States may be of some interest: Georgia, 17.7 percent; Virginia, 17.5 percent; Kentucky, 16 percent; Maine, 6.1 percent; and Massachusetts, 5.8 percent.

The trend of relief as shown by the figures contained in the appendix to the hearings is of some interest. In July 1933 there were 3,908,068 relief cases. By January 1935 the number had increased to 5,273,472, and in June 1935 there were 4,530,852 relief cases. (It is interesting to compare these figures with the estimates of unemployment prepared by the National Industrial Conference Board. According to these figures there were 11,809,000 unemployed in July 1933; in January 1933 the figure was 10,340,000; and in June of the same year it was 9,092,000.)

The cost of relief per family increased tremendously during the period from the inception of the F. E. R. A. to the present time. The monthly payments per family in May 1933 were $15.15, and in January 1935 the figure was $30.45.

HOW MANY COULD BE CARRIED ON DIRECT RELIEF?

When Mr. Hopkins was asked how many families could be taken care of under direct relief for 1 year through the utilization of all funds available to the W. P. A., Mr. Hopkins estimated the number to be 3,226,800. In arriving at this estimate Mr. Hopkins stated that the average cost of relief per family per month during the last fiscal year was $33.66 (p. 177).

ALLOCATION OF F. E. R. A. FUNDS TO STATES

These hearings contain no additional data concerning the method of allocating funds to the States for the purpose of relief under the F. E. R. A. In fact the data contained in appendix F to these hearings, covering pages 375 to 418, does not give even as lucid an explanation of the matter as did Mr. Hopkins in his letter to the Senate printed in Senate Document 56, Seventy-fourth Congress, first session.

In the appendix to the present hearings it is stated on pages 396 and 397 that the following considerations determined the size of the relief grants that were given to the several States: First. The extent of the program currently operated by the States. This supposedly meant the relief program that a State was willing and desirous of administering. Second. The general administrative policy of the Federal Government toward relief; that is, whether the Federal Government believed it desirable to raise or lower the general standard of relief for the whole country. Third. The number of relief cases in each State. Fourth. The cost of relief per case in each State. Fifth. The nature of the relief program of the State; that is, whether the State was operating on the basis of direct relief only or on the basis of direct relief and work relief. Sixth. Seasonal factors; that is, relief costs are lower in warm weather than in cold. Seventh. Emergency situations, such as floods, earthquakes, strikes, and so forth. Eighth. Administrative considerations. In a few instances where the Governor or legislature of a State failed to make adequate funds available the F. E. R. A. temporarily withheld funds or reduced grants until the situation was remedied. Ninth. The total funds available for the Nation.

It should be noted that this statement does not indicate that the financial abilities of the several States were taken into consideration when relief funds were allocated. Relative to the determination of the financial abilities of the States, Mr. Hopkins made the following remarks:

> Now, it is patently the case that we do not pay the same percentage in all States, for simple reason that the per-capita wealth in one community that may have a great deal of unemployment may be very low, while the per-capita wealth of another community with the same amount of unemployment may be twice as much.
>
> Now, obviously, one community is more able to pay than the other. We have been unable to find any criterion by which you can determine accurately and scientifically what a community can or cannot afford to pay or whether they can afford to pay a higher percentage than they have been paying.
>
> We have simply acted on the basis of the best advice and information we could get. If you will look at the figures of the money that was distributed, you will find that the most dollars were distributed to places where there was the greatest unemployment and heaviest relief program. The argument always centered around whether the percentage that goes to a State is too high and not whether the number of dollars is too great (p. 151).

Obviously, with such a long list of factors to be considered in the allocation of relief funds, and in the absence of any objective standard to determine the relative weight to be given each factor, no scientific basis seems to have been used for apportioning the funds among the States. The wide variations in Federal apportionments per relief family among the various States suggest the possibility that funds were given out arbitrarily according to the wishes of the administration.

Mr. Hopkins repeatedly said that more money is now being secured for relief purposes from States and local government than was being secured several years ago, but during the first quarter of 1933 the Federal Government paid 58.4 percent of the total cost of relief, and during the first quarter of 1935 it was paying 77.8 percent of the total cost of relief.

TESTIMONY CONFINED TO W. P. A.

Throughout the hearings on the requested relief appropriation the members of the House Committee on Appropriations were greatly hampered by the fact that Mr. Hopkins alone was called to give evidence. He repeatedly took the attitude that he was only to give evidence on the administration of the W. P. A. and F. E. R. A. rather than to give data concern-

ing the administration of the entire $4,880,000,000 appropriation of 1935.

There were a number of occasions when members of the subcommittee requested information concerning the administration of the entire work-relief fund, but to the question of these members Mr. Hopkins gave answers only concerning the Works Progress Administration. For example, he was asked for information concerning radio broadcasts. To this question he answered that the Works Progress Administration had no funds for such purposes. He did not tell the members that funds had been allocated to the Office of Education for the purpose of developing a program of radio broadcasts in connection with the Civilian Conservation Corps. It was also impossible to get from Mr. Hopkins data on the costs of work relief per man in agencies other than the Works Progress Administration.

The accompanying table compares the allocations from funds appropriated under the Emergency Relief Appropriation Act of 1935 with the relief case load in the several States for the month of June 1935—the latest obtainable complete figures.

It will be noted from the table that there are wide differences in the total amounts allotted to the various States per relief case in those States. Over $3,600 was allotted to Wyoming per relief case while in Pennsylvania $670 was allotted per relief case and in South Dakota $548 per relief case.

The allocation of funds only for W. P. A. as contrasted with allocations for all agencies indicates similar striking differences. Allotment was made to Maryland of $291 per relief case, $132 in South Dakota, $176 in Kentucky, while in New York $479 was allotted per relief case.

Allocation of funds under the Emergency Relief Appropriation[1] Act of 1935, compared with relief cases by States

State	Relief cases[2] June 1935	Total funds all agencies	Total W. P. A. funds	Total funds per case	W. P. A. funds per case
Alabama	83,832	$64,446,977	$17,421,545	$768.76	$207.81
Arizona	20,387	37,921,823	5,198,424	1,860.10	254.99
Arkansas	74,160	59,820,101	14,366,301	806.64	193.72
California	241,327	269,228,356	77,061,694	1,115.62	319.32
Colorado	62,889	58,961,687	17,863,127	937.55	284.04
Connecticut	42,310	38,996,427	14,026,505	921.68	331.52
Delaware	4,149	7,043,767	1,645,972	1,697.70	396.72
District of Columbia	18,603	24,488,834	6,594,933	1,316.39	354.51
Florida	64,747	60,158,797	14,789,117	929.14	228.41
Georgia	77,003	68,423,966	19,116,876	888.59	248.26
Idaho	20,776	39,711,106	4,862,907	1,911.39	234.06
Illinois	303,936	241,365,688	85,387,356	794.13	280.94
Indiana	114,857	86,566,102	40,040,009	753.69	348.61
Iowa	49,929	46,958,400	12,968,713	940.50	259.74
Kansas	79,935	56,029,798	16,327,388	700.94	204.26
Kentucky	107,556	62,851,211	18,949,291	584.36	176.18
Louisiana	64,051	53,820,041	17,052,315	840.27	266.23
Maine	22,169	26,947,502	4,743,244	1,215.55	213.96
Maryland	38,320	53,447,970	11,179,104	1,394.78	291.73
Massachusetts	186,528	149,407,527	50,670,372	800.99	271.65
Michigan	168,785	135,751,398	45,070,145	804.29	267.03
Minnesota	104,125	95,099,363	29,677,101	913.32	285.01
Mississippi	59,169	48,107,380	11,227,113	813.05	189.75
Missouri	146,826	98,882,133	32,557,031	673.46	221.74
Montana	26,257	55,152,689	7,365,238	2,100.49	280.51
Nebraska	44,404	49,019,832	10,206,349	1,103.95	229.85
Nevada	3,030	12,103,165	1,393,762	3,994.44	459.99
New Hampshire	14,322	13,978,178	3,589,440	975.99	250.62
New Jersey	157,092	120,792,564	45,386,890	768.93	288.92
New Mexico	30,868	39,822,407	5,556,104	1,290.09	180.00
New York	541,138	548,965,954	259,734,795	1,014.47	479.98
North Carolina	70,759	57,946,689	12,174,890	818.93	172.06
North Dakota	39,944	31,639,395	5,282,211	792.09	132.24
Ohio	323,178	221,539,879	91,018,680	685.50	281.64
Oklahoma	118,526	77,516,000	26,285,339	654.00	221.77
Oregon	30,035	41,951,111	8,970,389	1,396.74	298.66
Pennsylvania	473,040	317,721,910	123,431,402	671.66	260.93
Rhode Island	18,661	16,768,548	6,658,024	898.59	356.79
South Carolina	[3] 59,573	46,413,065	9,240,333	779.10	155.11
South Dakota	59,378	32,591,453	6,019,019	548.88	101.37
Tennessee	77,208	68,939,257	15,102,526	892.90	195.61
Texas	198,316	166,310,825	34,997,881	838.62	176.48
Utah	26,798	28,910,252	6,961,844	1,078.82	259.79
Vermont	8,410	15,879,899	2,146,025	1,888.22	255.18
Virginia	52,182	57,370,734	11,695,941	1,099.44	224.14
Washington	67,394	85,206,559	17,193,235	1,264.30	255.12
West Virginia	88,642	63,957,213	21,476,388	721.52	242.28
Wisconsin	107,250	98,307,120	30,697,576	916.62	286.22
Wyoming	7,282	26,750,498	2,798,526	3,673.51	384.31
Continental United States	4,800,056	4,173,989,570	1,334,179,370	869.57	277.95

[1] Data on allotments from House of Representatives hearings on first deficiency appropriation bill, 1936.
[2] Data from F. E. R. A. monthly report for June 1935.
[3] Includes some duplication of families or individuals who received relief under both the general relief and rural rehabilitation programs.

Assigned monthly wage rates of Works Progress Administration workers by States (excluding persons not assigned at the established monthly wage schedule) December 1935

(Average monthly wage rate by States)

United States	$50.03
Alabama	28.95
Arizona	49.65
Arkansas	26.40
California	59.83
Colorado	51.75
Connecticut	64.33
Delaware	48.47
District of Columbia	47.33
Florida	27.63
Georgia	26.63
Idaho	44.25
Illinois	54.20
Indiana	51.95
Iowa	49.42
Kansas	38.13
Kentucky	25.60
Louisiana	37.92
Maine	48.76
Maryland	45.75
Massachusetts	59.38
Michigan	54.87
Minnesota	55.95
Mississippi	24.33
Missouri	44.10
Montana	46.92
Nebraska	42.00
Nevada	46.95
New Hampshire	49.83
New Jersey	56.05
New Mexico	44.98
New York City	72.23
New York (excluding New York City)	60.90
North Carolina	23.93
North Dakota	44.35
Ohio	55.45
Oklahoma	26.75
Oregon	54.50
Pennsylvania	59.97
Rhode Island	56.93
South Carolina	26.22
South Dakota	43.80
Tennessee	28.38
Texas	30.40
Utah	51.45
Vermont	44.20
Virginia	29.80
Washington	54.82
West Virginia	41.15
Wisconsin	56.33
Wyoming	46.06

Estimated cost of Works Progress Administration projects selected for operation by States, through Mar. 16, 1936

State	Total	Works Progress Administration funds	Sponsors' contributions	Percent of total cost contributed by sponsors
United States	$1,368,057,734	$1,113,271,212	$254,786,522	18.6
Alabama	19,683,918	15,687,776	3,996,142	20.3
Arizona	5,771,483	4,352,860	1,418,623	24.6
Arkansas	15,976,209	12,161,166	3,815,043	23.9
California	85,137,622	68,041,733	17,095,889	20.1
Colorado	17,436,941	14,875,510	2,561,431	14.7
Connecticut	14,058,639	11,136,750	2,921,889	20.8
Delaware	1,360,316	1,136,544	223,772	16.5
District of Columbia	4,673,153	4,287,664	385,489	8.2
Florida	16,165,630	12,476,303	3,689,327	22.8
Georgia	26,537,625	15,840,011	10,697,614	40.3
Idaho	6,723,265	3,991,318	2,731,947	40.6
Illinois	82,160,762	69,928,044	12,232,718	14.9
Indiana	49,122,303	35,410,467	13,711,836	27.9
Iowa	11,407,847	9,229,220	2,178,627	19.1
Kansas	16,032,079	12,216,269	3,815,810	23.8
Kentucky	22,544,180	13,590,901	6,953,279	30.8
Louisiana	16,890,276	14,523,816	2,366,460	14.0
Maine	3,863,508	3,135,845	727,663	18.8
Maryland	10,068,852	8,452,551	1,616,301	16.1
Massachusetts	51,797,401	40,045,680	11,751,721	22.7
Michigan	42,977,812	36,344,331	6,633,481	15.4
Minnesota	26,307,722	23,218,322	3,089,400	11.7
Mississippi	10,576,469	8,706,484	1,869,985	17.7
Missouri	32,218,306	26,306,488	5,911,818	18.3
Montana	7,090,638	5,991,359	1,099,279	15.5
Nebraska	8,609,935	6,738,730	1,671,205	21.7
Nevada	1,539,808	1,177,183	362,625	23.6
New Hampshire	3,512,347	2,579,575	932,772	26.6
New Jersey	44,657,624	36,785,129	7,872,495	17.6
New Mexico	6,535,212	5,203,237	1,331,975	20.4
New York	248,043,259	217,201,632	30,841,627	12.4
North Carolina	10,887,215	8,648,890	2,258,325	20.6
North Dakota	4,198,935	3,413,975	784,960	18.7
Ohio	99,616,912	82,129,771	17,487,141	17.6
Oklahoma	27,104,106	22,743,015	4,361,091	16.1
Oregon	8,289,194	6,701,085	1,568,109	19.2

Estimated cost of Works Progress Administration projects selected for operation by States, through Mar. 16, 1936—Continued

State	Total	Works Progress Administration funds	Sponsors' contributions	Percent of total cost contributed by sponsors
Pennsylvania	$132,899,672	$114,521,621	$18,378,051	13.8
Rhode Island	7,956,102	5,241,075	2,715,027	34.1
South Carolina	11,472,069	7,197,166	4,274,903	37.3
South Dakota	6,109,207	4,571,896	1,537,311	25.2
Tennessee	16,055,700	11,542,780	4,512,920	28.1
Texas	38,687,252	29,331,412	9,355,840	24.2
Utah	7,966,923	6,000,569	1,966,354	24.7
Vermont	2,451,043	1,677,245	773,798	31.6
Virginia	10,080,626	8,726,173	1,354,453	13.4
Washington	18,290,089	14,746,286	3,543,803	19.4
West Virginia	18,759,489	17,225,512	1,533,977	8.2
Wisconsin	34,068,639	23,980,666	10,087,973	29.6
Wyoming	3,683,420	2,099,177	1,584,243	43.0

Allocation of funds provided under Emergency Relief Appropriation Act of 1935

State	Total all agencies	Total per capita	Total W. P. A.	W. P. A. per capita
Alabama	$64,446,977	$24.35	$17,421,545	$6.58
Arizona	37,921,823	87.06	5,198,424	11.93
Arkansas	59,820,101	32.26	14,366,301	7.75
California	269,228,356	47.42	77,061,694	13.57
Colorado	58,961,687	56.92	17,863,127	17.25
Connecticut	38,996,427	24.27	14,026,505	8.73
Delaware	7,043,767	29.55	1,645,972	6.90
District of Columbia	24,488,834	50.30	6,594,933	13.55
Florida	60,156,797	40.97	14,789,117	10.07
Georgia	68,423,966	23.53	19,116,876	6.57
Idaho	39,711,106	89.23	4,862,907	10.93
Illinois	241,365,688	31.63	85,387,356	11.19
Indiana	86,566,102	26.73	40,040,009	12.36
Iowa	46,958,400	19.00	12,968,713	5.25
Kansas	56,029,798	29.79	16,327,388	8.68
Kentucky	62,851,211	24.04	18,949,291	7.25
Louisiana	53,820,041	25.61	17,052,315	8.11
Maine	26,947,502	33.79	4,743,244	5.95
Maryland	53,447,970	32.76	11,179,104	6.85
Massachusetts	149,407,527	35.16	50,670,372	11.92
Michigan	135,751,398	28.03	45,070,145	9.31
Minnesota	95,099,363	37.09	29,677,101	11.57
Mississippi	48,107,380	23.94	11,227,113	5.59
Missouri	98,882,133	27.25	32,557,031	8.97
Montana	55,152,689	102.59	7,365,238	13.70
Nebraska	49,019,832	35.57	10,206,349	7.41
Nevada	12,103,165	132.92	1,393,762	15.31
New Hampshire	13,978,178	30.04	3,589,440	7.71
New Jersey	120,792,564	29.89	45,386,890	11.23
New Mexico	39,822,407	94.07	5,556,104	13.13
New York	548,965,954	43.61	259,734,795	20.63
North Carolina	57,946,689	18.28	12,174,890	3.84
North Dakota	31,639,395	46.47	5,282,211	7.76
Ohio	221,539,879	33.33	91,018,680	13.69
Oklahoma	77,516,000	32.35	26,285,339	10.97
Oregon	41,951,111	43.98	8,970,369	9.41
Pennsylvania	317,721,910	32.99	123,431,402	12.82
Rhode Island	16,768,548	24.39	6,658,024	9.68
South Carolina	46,413,085	26.69	9,240,333	5.31
South Dakota	32,591,453	47.04	6,019,019	8.69
Tennessee	68,989,257	26.35	15,102,526	5.77
Texas	166,310,825	28.55	34,997,881	6.01
Utah	28,910,252	56.93	6,961,844	13.71
Vermont	15,879,899	44.16	2,146,025	5.97
Virginia	57,370,734	23.69	11,695,941	4.83
Washington	85,206,559	54.50	17,193,235	11.00
West Virginia	63,957,213	36.99	21,476,388	12.42
Wisconsin	98,307,120	33.45	30,697,576	10.44
Wyoming	26,750,498	118.59	2,798,526	12.41
Administrative expense in Washington, D. C.	37,332,795		4,117,415	
Not allocated to specific States	233,778,758		25,630,116	
Continental United States	4,445,101,123	36.21	1,363,926,901	11.11
Alaska	3,621,137	61.09		
Hawaii	9,062,614	24.60		
Panama, Canal Zone	700,000	17.74		
Puerto Rico	48,738,159	31.57		
Virgin Islands	1,189,252	54.03		
Territories and possessions	63,311,162	31.14		
Grand total	4,508,412,285	36.12	1,363,926,901	10.93

Data from House of Representatives hearings on first deficiency appropriation bill, 1936.

EULOGY TO THE MOTHERS OF AMERICA

Mr. DUNN of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein my personal eulogy to the mothers of America, National Mother's Day being May 10 next.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. DUNN of Mississippi. Mr. Speaker, next Sunday, May 10, will be the Mother's Day, and, under the leave to extend my remarks in the RECORD, I include my personal eulogy to the mothers of America:

Perhaps the most important and widest-reaching of all influences which constantly bear upon us in this world are those which arise from the nature and relationships of our home. A combination of instincts and circumstances, some of which we hold in common with the lower animals and some of which are higher and quite peculiar to ourselves, make a home essential to our well-being and happiness. And it is home that has given unto us the goddess of love on earth, "Our Mothers." Home is the central spot on earth about which lodge three-fourths of the pleasant or sorrowful memories of life. The tendrils of the youthful heart wrap themselves around it so tightly that even the shock of years or the deadening strain of distance cannot pull them away. And there was never a home but what was spun from the gorgeous fabric of motherhood. There is no other such charmed word in the English language as that little word "mother." There is no other song that can thrill the soul with such magnetic power and can so surely melt the stony heart to tears as that song of life which has an unwritten melody in the heartstrings of us all—that song which mother sang in the crooning lisp to a babe upon her knee. God, in all His infinite majesty, sought out a monument on earth never to be destroyed by selfishness; He patterned his structure after His own beauty reflected in the garden of roses; He painted it with the iridescent colors of the mirrored lake at sunset overcome with its own serenity and reflecting the diadems of heavenly stars as they glitter their jealous sparkle into its bosom of softness.

He touches its finished texture with the sweetness of Mary Magdalene, and then to set it apart as the earthly masterpiece of things humanly divine, he added patience, kindness, and love, and no man shall ever put asunder amid humanity's afflicted masses, this monument of God erected on earth in the form of "Mother." And what is this motherly patience of which I speak? It is the angels who sit by man, holding out a full bowl of life's rich contentment. And what is this motherly kindness? It is the pleasant words, the gentle smile, the loving forethought which mothers never fail to lavish upon us and which overcomes despair to make life a dream of happiness. And motherly love—that something which knows no depth, no faltering, no conquering; that tenderness of care born of the heavens above; that pureness of care that rides the juggernauts on life's tempestuous sea as though on the calm of even'tide—in short, that which only a mother can give.

My mother, your mother, our mothers—God bless them all—sweet mother, kind mother, whose unjeweled hand smoothed the sweetness of baby fingers; whose sweet, tender voice was alike unto the echo of evening zephyrs hallowing the environment of home; with eyes in whose clear depths the love-light shone; soft, brown hair just threaded with silver, lying smoothly upon her cheek; dear old wrinkled hands, worn with toil, gently guiding our tottering steps in sickness; even reaching out in yearning tenderness to when her sweet spirit was baptized in the early spray of the river of hope. Ah, perhaps you who are listening to me, cherish with me the memory of the mother who has gone on to her great reward—a memory that floats to us now like the beautiful perfume from the flowered dells of our Southland. The music of other voices may be lost, but the entrancing memory of hers echoes to our soul forever.

Hundreds of stars in the silent sky,
Hundreds of shells on the shore together,
Hundreds of birds that go singing by,
Hundreds of bees in sunny weather,
Hundreds of dewdrops to greet the dawn,
Hundreds of lambs in the purple clover,
Hundreds of butterflies on the lawn,
But only one mother the wide world over.

And it seems so sad that human frailty causes such a serious neglect of appreciation of the living mother. I am wondering if you whose mothers are either by your side or elsewhere are fully cognizant of the tide of motherhood that is ebbing slowly but surely away—if you have considered the truth as it is, that she is the living friend who knows no end to save and sooth your pain; that bouquets and love baskets will best meet your hopes and wishes now while she might inhale the sweetness of their odor and bathe in the parental joy of your thoughtfulness? Give her that soft and caressing kiss that she so yearns for. Feed her upon the daily thoughtfulness that she so richly deserves but which most of us so negligently and carelessly fail to give her. Give her a moment of your time to listen to the sweet reminiscences of your early childhood which she holds so dear to her heart. Put aside the selfish ideas that only one day in the year is Mother's Day, because I tell you religiously that when the soft steps of her sacred feet shall have faded from earth and the shadows of death shall have enveloped her precious earthly soul, there will never be a day in your life but what will be filled with stern grief over the loss of your mother, because, when all is said and done and she has gone on to the Father of us all, you will find that—

You've lived to learn that friends grow weak
When trouble marks you for its own—
The ones you love oft turn aside
And leave the fight to you alone.

And, in the words of another:

When mother has gone, your supplications will be offered fourfold, only to find them too late.

I've stood on many scenes of strife, I've stood where care and pain assailed; and tho friends often turned away, yet, mother's hand has never failed.

As in childhood far removed, she smoothed my brow and dried each tear, still in young manhood's troubled hour with loving words she hovered near. Oh, fickle love and friendship false; Oh, glittering dreams and hopes bewailed, you weakened in life's darkest hour, but mother's love has never failed. Whatever God shall choose to do with this frail tenement of clay; whatever use he finds for it along life's dark and dreary way, that much shall be a monument to tell mankind, wher'er assailed, a mother's love, a mother's prayers, a mother's hand has never failed.

And how mortally true are these words—how many times when the tempter lures us on has the memory of that sacred hour, that mother's words, her prayers, saved us from plunging into the deep abyss of sin. Years have filled great drifts between her and us, but they may not take from our sight the glory of pure, unselfish love. And as I have said before, other faces may fade and be forgotten, but her's shall shine on until the light from heaven's portals will glorify our own. When the fitful pauses of busy feet wander back to the old homestead and cross the well-worn threshold, stand once more in the low, quaint room, so hallowed by her presence, how the feeling of childish innocence and dependence comes over us and we kneel down in the molten sunshine streaming in at the window covered by the morning glory, just where long years ago we knelt down by our mother's knee lisping:

Our Father, who art in heaven, hallowed be Thy name; Thy kingdom come, Thy will be done in earth as it is in heaven. Give us this day our daily bread and forgive us our trespasses as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil, for Thine is the kingdom, the power, and the glory, forever and ever. Amen.

FIRST DEFICIENCY APPROPRIATION BILL, 1936

Mr. BUCHANAN, chairman of the Committee on Appropriations, reported the bill (H. R. 12624) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes (Rept. No. 2591), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that all points of order against the bill be considered as waived.

Mr. SNELL. Mr. Speaker, I reserve the right to object to ask a question. Just exactly what does the gentleman have in mind in asking that all points of order be waived? Does the request apply also to any amendment that may be offered to the bill?

Mr. BUCHANAN. It would not apply to any germane amendment. The request simply waives all points of order against any provision in the bill and the bill is to be considered under the general rules for the conduct of business in the House.

Mr. SNELL. The request applies to nothing further than what is contained in the bill at the present time.

Mr. BUCHANAN. That is correct.

Mr. MICHENER. Mr. Speaker, reserving the right to object, this is an appropriation bill and the request is very unusual. It would be a bad precedent to establish, and I object.

Mr. TABER. Mr. Speaker, will the gentleman reserve his objection?

Mr. MICHENER. Yes; I will reserve the objection, but unless some good reason is given I shall object. A precedent is being set with respect to an appropriation bill which would make it impossible to raise a point of order if there was anything in the bill that would be subject to a point of order, and in this connection let me call attention to the fact that the bill has just been made available to the Members and there are over 2,000 pages of hearings which no one has had an opportunity to read and I do not think we should waive all points of order against something that no one has any information about except the members of the committee.

Mr. BUCHANAN. I will say to the gentleman from Michigan that we are trying to expedite the consideration of the bill as much as possible consonant with its intelligent consideration. We propose to be liberal in debate and to sit until midnight tomorrow night if necessary.

Of course, objection to waiving points of order on the bill will cause a rule to be brought in and consume that much more time. To refuse to waive them will not accomplish any good purpose, but will simply cause that much more trouble.

Mr. MICHENER. Does the gentleman mind stating the irrelevant matter in the bill that you will have to sustain by a rule?

Mr. BUCHANAN. I will state to the gentleman some of them. I do not know that I can state all of them, but I may say that the principal one is with respect to relief. There is no law authorizing an appropriation for relief and this provision would be subject to a point of order. This item amounts to $1,425,000,000.

Then, there is an item of $65,000,000 for public buildings throughout the United States and every congressional district will probably get one of them. There is no authorization of law for that and on a point of order this item would go out of the bill.

The Civilian Conservation Corps paragraph is subject to a point of order and there is a number of smaller things in the bill not so important. If points of order were made and sustained under the rule there would be no use in reporting the bill.

Mr. MAPES. Reserving the right to object, may I ask the gentleman a question?

Mr. BUCHANAN. I yield.

Mr. MAPES. As I understand it, the granting of the gentleman's request will have no effect whatever on amendments which may be offered outside of the provisions in the bill. The regular rules of the House will still prevail and amendments that are not in the bill will have to be germane if points of order are raised against them.

Mr. BUCHANAN. The gentleman's understanding is correct.

Mr. MICHENER. That was stated in reply to the gentleman from New York [Mr. SNELL]. If that is all there is to it, I shall withdraw my objection, but I do want it understood that in the future I shall object to any waiving of points of order, especially on bills of which the House has no information. The majority has the votes and the power; any objection on my part could accomplish nothing but would take up time.

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to ask the gentleman what is the total amount to be appropriated in this bill?

Mr. BUCHANAN. Less than $25,000,000 of actual deficiency.

Mr. RICH. We have just now received the hearings and bill under discussion, which I hold in my hand. This is the first opportunity Members of the House have had to know anything about this bill. It seems to me the chairman of this committee and the membership of the House should know something about the bill at least a day before they bring up appropriation bills and ask the membership to pass upon them, especially one appropriating over $2,000,000,000.

I do not think it is within rhyme or good reason or good sense to do things the way we are doing them. Then the gentleman asks us in 2 days to consider and pass a bill appropriating more than $2,000,000,000. I do not think we ought to do these things in this way. The Members of this House should have such a bill at least 1 week previous to its consideration, in order to study its contents; not a bill appropriating $2,000,000,000 given us 10 minutes before its consideration on the floor. The largest business in the world, the United States Government, conducting itself in very poor business procedure. Why, Mr. Speaker, do we do it?

Mr. LUNDEEN. Mr. Speaker, reserving the right to object—and I shall not object—I simply want to say that it is not conceivable to me that Members would object to relief appropriations or public works mentioned here. If that is the only two points that are waived, it is inconceivable to me that the waiver is necessary.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 12624) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes. And pending that, I would like to fix the time for general debate.

Mr. TABER. I suggest 7 hours' general debate confined to the bill.

Mr. BUCHANAN. And pending that, I ask unanimous consent that general debate continue for 7 hours, confined to the bill, one-half of the time to be controlled by the gentleman from New York [Mr. TABER] and one-half by myself.

The SPEAKER. The gentleman from Texas moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the deficiency appropriation bill. Pending that he asks unanimous consent that general debate be limited to 7 hours, to be confined to the bill, and to be controlled equally by himself and the gentleman from New York [Mr. TABER]. Is there objection?

Mr. PARSONS. Mr. Speaker, I reserve the right to object to ask the gentleman from Texas whether if there is to be a roll call on the bill the vote may take place on Monday next.

Mr. BUCHANAN. I have no authority to do that now, but I have no objection to such an arrangement.

Mr. PARSONS. Several Members are away who will be back on Monday.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. BUCHANAN. Mr. Speaker, if we happen to reach a final vote on this bill Friday night and the previous question can be ordered on the bill, as far as I am concerned, I have no objection to its going over until Monday to take the vote.

Mr. TABER. Or a final vote on a motion to recommit, provided the previous question is ordered.

Mr. BUCHANAN. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Texas that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the deficiency appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 12624, the deficiency appropriation bill, with Mr. MCCORMACK in the chair.

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BUCHANAN. Mr. Chairman, I yield 30 minutes to my colleague on the committee, the gentleman from Virginia [Mr. WOODRUM], who will relieve me somewhat because of my physical condition.

Mr. WOODRUM. Mr. Chairman, the bill (H. R. 12624) now being presented to the Committee of the Whole, is very comprehensive. It covers a great many subjects and appropriates a lot of money. However, in the years that I have served on the Committee on Appropriations I have never known a bill to receive more careful deliberation, consideration, and scrutiny than the one we bring to you today. In spite of the fact that our beloved and distinguished chairman has not felt well, he has labored long and hard in the preparation of this bill, oftentimes over the protest of his colleagues, and he would probably be down here now explaining the bill to you had it not been for some of us insisting that he keep his seat. Also, the minority of the committee, the distinguished gentleman from New York [Mr. TABER], the gentleman from New York [Mr. BACON], and the gentleman from Iowa [Mr. THURSTON], have attended the sessions of the subcommittee and have interrogated the witnesses. They have scrutinized the requests for appropriations in connection with this bill. We bring you comprehensive and voluminous hearings, 2,000 printed pages, which I believe will show that the subjects have been gone into very carefully. I say this merely as a prelude to this proposition, that we ask you to give consideration to the fact that your committee, minority as well as majority, brings you the result of their deliberations and consideration.

Very likely during the course of the bill there will be differences of opinion about certain items in the bill, but the issues have been narrowed. The facts are here, and the evidence is here, and you gentlemen will be the arbiters.

I do not want to consume a lot of time. It would be very easy to discuss this bill all afternoon. It has broad ramifications and covers many subjects. I shall hit the high spots, what I think to be the major items, and then endeavor as best I can to answer any questions that may be propounded.

The total Budget estimates sent to us for this bill amounted to $2,388,088,980.91. We bring you a bill totaling $2,364,229,712.53, after having deducted $23,859,268.38 from the estimates. Perhaps that does not seem to be a very great reduction in so large a total, but when you consider the fact that approximately a billion and a half dollars in one lump sum is the item for relief, that something like another half billion dollars goes for the social-security program, and over three hundred million for the C. C. C., I feel that we have made substantial reductions in the bill at points where it could and should be reduced. I call attention to the further fact that although this is called a "deficiency" appropriation bill, yet the real "deficiencies" carried in the bill are something like 1 percent of the whole amount, or less than $25,000,000, the remaining items being for the Tennessee Valley Authority, public buildings, and for regular

Federal activities. The following table gives a bird's-eye view of the estimates and appropriations:

Purpose	Budget estimates	Amounts recommended	Increase (+) or decrease (−), bill compared with Budget estimates
Works Progress Administration (1937)	$1,500,000,000.00	$1,425,000,000.00	−$75,000,000.00
Emergency Conservation Work (1937)	246,000,000.00	308,000,000.00	+62,000,000.00
Social Security:			
Social Security Board (1937)	195,800,000.00	187,800,000.00	−8,000,000.00
Treasury Department (1937)	270,831,860.00	270,831,860.00	
Public Buildings, Treasury Department:			
Outside the District of Columbia (1937)	53,350,000.00	63,350,000.00	+10,000,000.00
Within the District of Columbia (1937)	7,700,000.00	2,200,000.00	−5,500,000.00
Tennessee Valley Authority (1937)	43,000,000.00	39,900,000.00	−3,100,000.00
Post Office Department (40-hour week and increased business) (1936)	40,581,250.00	40,506,250.00	−75,000.00
All other purposes (supplemental amounts for 1936 and 1937 and deficiencies for 1936 and prior years)	30,825,870.91	26,641,602.53	−4,184,268.38
Total	2,388,088,980.91	2,364,229,712.53	−23,859,268.38

I shall talk now for a few minutes about the Works Progress Administration, because that is the largest item in the bill, and I have an idea it will be one of the items which will engage your interest during the consideration of the bill. The President's request for this appropriation was for a billion and a half. The committee brings it to you $1,425,000,000, and the reduction of $75,000,000 was occasioned in this wise: It will be recalled that there was a great deal of interest manifested when it was announced that a reduction in the Civilian Conservation Corps camps would be made about the 1st of April, and that many Members of the House, on both sides of the aisle, were interested in seeing that part of the recovery program continue as long as possible. After conferences it was agreed that the President should allocate to the C. C. C. program a certain sum of money which would carry them along during the remainder of this fiscal year, and that there would be supplied in this bill an additional $62,000,000 to bring the amount up from $246,000,000 to $308,000,000, which would continue the more than 2,000 camps, with 350,000 enrollees, during 9 months of the next fiscal year. So we have carried here the additional $62,000,000 for the Civilian Conservation Corps for the 9-month period, which will give an average of 2,066 camps during that period, with an enrollment of 350,000.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MAY. Does that mean the 9 months immediately succeeding June 30 next?

Mr. WOODRUM. It is the first 9 months of the next fiscal year.

Mr. MAY. And that begins June 30?

Mr. WOODRUM. That begins July 1. It runs from then to March 31, 1937.

Now, let me say this about the camps. We are all interested in the camps, but bear in mind that the entitlement to enrollment in the camps is that the enrollees be taken from the relief rolls, and you will find in your districts now that the camps are having a great deal of trouble keeping up their enrollments. So we feel that under this appropriation the camp work will be carried on as far as it is possible to carry it out for enrollees, so long as we keep strict entitlement to enrollment, which I think every Member approves.

So much for $62,000,000 of that $75,000,000 reduction. The Budget estimates provided for $50,000,000 for the regular public-works program under the Procurement Division. That is to say, these types of public buildings provided for which are built upon the recommendation of the Secretary of the Treasury and the Postmaster General. You will find in the hearings two lists of projects. One list totals about $59,000,000 and the other about $58,000,000. Under this bill the Secretary of the Treasury and the Postmaster General, acting jointly, have a right to select from these combined lists public-building projects in the United States, to the amount carried in the bill. I say the Budget estimate called for $50,000,000. We believe it would take at least $60,000,000 to carry forward that program—that is, the regular building program—and provide as near as possible one building project for each congressional district, bearing in mind always, of course, that the congressional district would have a qualified building project that was logical and needed and appropriate. So we put $10,000,000 on to that $50,000,000, raising that to $60,000,000 for that building program, and we took that $10,000,000 from the $1,500,000,000 relief fund.

That brings us to the $1,425,000,000 for relief. Statistics vary as to how many people are unemployed. Under this program it is estimated that during the next fiscal year the Works Progress Administration will be able to keep an average of approximately 2,000,000 at work. Let me direct your attention to this: We should do well to bear this fundamental fact in mind as we consider this bill, or as we consider any possible question of ear-marking funds: I believe we all agree that the Federal Government should withdraw from the field of relief as quickly as possible, and that it should be left to communities and localities just as speedily as they are able financially to take care of the load. There is no difference of opinion about that. The President of the United States is just as heartily in favor of that as any Member of the House or any citizen of the Nation. Therefore, the relief funds asked in this bill are to take care of one particular group, the destitute unemployed. When I tell you that the entitlement to get jobs under W. P. A. is that the person shall be upon relief rolls, you will answer that we penalize a group of citizens who have not applied for relief but who need jobs just as much as somebody else. That is true. That may be said in testimony to the patriotism and courage of that person who has not applied for relief, but bear in mind that it is the duty of a citizen not to apply for relief unless he has to do it.

While it is true that there may be people upon the relief rolls less deserving than some one who has not applied for relief, the fact remains that the man who is not on relief has been able to swim so far. The only yardstick, the only measurement you could possibly have as to the people who need it most—and that is what we are trying to find, the group who must have it—and unless they do have relief of some sort they are going actually to suffer, is the relief rolls that have been established by the communities, the cities, and the counties.

Let me say to you that when some constituent tells you he does not approve of the Federal program for relief because he knows Bill Jones down in some part of your district is on relief and he has no business to be there, you may answer by saying, "If that is true, it is not my fault. It is the fault of that community, because they put him there." The Federal Government so far has not undertaken in any sense to prescribe the entitlements for this relief. The people who are on relief are put there by the authorities, the associations, and organizations of the particular communities wherein they reside. Why? Because logically they are the ones, the friends, neighbors, and fellow citizens, are the ones who are best able to determine who is deserving of relief. So there is no way you can work out a program or a formula to find these people who just must have assistance, unless you leave it to the local authorities. Even then you will find people sometimes on the outside more deserving than those who are on relief.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MAY. Right on the subject which the gentleman is discussing is a matter of vital importance in connection with the Civilian Conservation Corps organization. It has been

known for some months that some of the camps were about to be retired for the reason that they were not able to fill their quotas. I believe, and I think each community would appreciate it, if it was made possible for them to employ in the camps what are known as "locals." That is, men who are idle without employment and not on the relief rolls, just the class the gentleman has been discussing, but who are not within the age limit. In that way you keep them from ultimately going on the relief rolls.

Mr. WOODRUM. Answering my friend, I want to say that the Federal Government wants to close the camps just as soon as it can be done; as soon as the need for them ceases to exist they should be closed. We could, of course, devise some formula to keep them open. We could relax the rules, but I want to say to my distinguished friend from Kentucky that once you relax the rules that a person has to be on relief to get in a camp, then your trouble begins, for any citizen in the gentleman's district who has an incorrigible boy he would like to get placed in some job for the summer will come to the gentleman and ask him to get him in. The gentleman will reply that it cannot be done, but his constituent will point to the fact that John Smith's boy got in, and he was not in need of it. Then the gentleman will come back at him with the statement that "it will only take a certain number of boys to bring up their enrollment to capacity, and we cannot get your boy in."

I may say to my friend that this situation has been given very careful thought. Neither the E. C. W. nor the President thinks this rule ought to be relaxed.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. WHITE. The gentleman made the statement that local authorities were responsible for the type of people on relief. Does the gentleman mean by "local authorities" these social workers sent in by this relief administrator? Are they the "local people" who determine who shall go on the relief rolls?

Mr. WOODRUM. Nobody dictates to anybody who shall be put on relief, I may say to my friend from Idaho. He knows the situation—that in each community there is a committee of the welfare society oftentimes or the mayor's committee, whoever it is, a local committee passes on qualifications for admission to these relief rolls. Oftentimes they do take on social workers, who go in and assist them; but, after all, it is the local people of the community who determine it; the Federal Government does not do it. We have never done that. If there is a single person on a single relief roll who should not be there he is there because his friends and neighbors have countenanced the fact that he is there; it is not the fault of the Federal Government.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MOTT. What would be the status of a person who has been dropped from relief because of shortage of funds? What would be his status under the present law and under this bill?

Mr. WOODRUM. That is the very question, I may say to the gentleman from Oregon, that I asked Mr. Hopkins, during the hearings, and he will find in the hearings that very question brought up.

The gentleman will recall that the relief rolls were frozen about November of 1935. Undoubtedly cases of the character the gentleman suggests have arisen since then, cases where very deserving people are in urgent need. Mr. Hopkins stated to our committee that if these additional funds are appropriated it is the intention of his administration to make a careful study of that, and, in some measure, relax that rule so as to add to the rolls cases which have arisen since that arbitrary date on which the present relief rolls were frozen. I believe the situation will be reached, and that these very deserving cases will be cared for.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. RICH. I notice in this bill there are additions for salary for the Department of Agriculture, $200,000; the Bureau of the Census, $200,000; for salaries and expenses, buildings and grounds, District of Columbia, $2,041,090; and increases for various other departments. Despite the remarks made by the gentleman from Virginia [Mr. WOODRUM] that Budget estimates were one thing, but what Congress appropriates is another, I wonder if the gentleman's committee has gone to the bottom of things to know whether these requests from the departments are absolutely necessary.

Mr. WOODRUM. I may say to the gentleman, answering generally, because his question is general, that the committee has gone into each departmental item carefully, as he will find from the hearings. In one department here the administrative expenses are reduced $8,000,000, or 20 percent, for the next fiscal year. This should gladden the heart of the distinguished gentleman from Pennsylvania.

Mr. RICH. I have the most profound respect for my friend the distinguished gentleman from Virginia, for the gentleman from Texas [Mr. BUCHANAN], for the gentleman from New York [Mr. TABER], gentlemen from both sides of the aisle, who wield much power in the Committee on Appropriations, because I know they stand for economy; but, even so, these departments make such extravagant demands that I sometimes wonder whether we ought to give them anything more this year, whether we ought not make them get down to real bare-bone economy in the operation of their departments.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. NICHOLS. I wonder whether when the Relief Administrator was before the committee, the committee ascertained what would happen to these people who are now on relief, and by reason of the forced reduction in relief rolls occasioned by the scarcity of funds, whether or not those people who were taken off of relief by reason of that fact would be prejudiced when they attempted to return to the relief rolls when more funds are made available.

Mr. WOODRUM. I understand what the gentleman has reference to, but I may say to the distinguished gentleman from Oklahoma that the relief rolls are being restricted and contracted in every county and in every State and in every municipality. With the approval of the Federal Government, the relief rolls are being carefully scrutinized and are being purged as fast as possible of those not needing relief, not only for the purpose of getting people off the relief rolls but in order to offer an additional inducement and incentive to private industry to take up the unemployed load. In other words, we are getting out of it just as fast as we can.

The specific question was whether a person taken off the relief roll may be prejudiced in coming back. I gave the answer to that question a few moments ago to another gentleman that the Relief Administration is trying to revise and revamp its rules with reference to the relief rolls in order to take in this group of people in the most equitable manner possible.

Mr. PARSONS. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Illinois.

Mr. PARSONS. On page 9 there appears an item of $400,000 for the Federal Communications Commission. May I ask the gentleman if any part of that $400,000 will be used to pay more than $3,600 a year to an attorney for the Commission, the $3,600 a year being the maximum amount paid attorneys for investigation committees at this time?

Mr. WOODRUM. The gentleman is asking whether any part of the $400,000 appropriated for the A. T. & T. investigation will be used to pay attorneys more than $3,600 a year?

Mr. PARSONS. The gentleman is correct.

Mr. WOODRUM. Yes; I imagine it will be used for such purpose. They have a list of attorneys who are receiving more than $3,600 a year; and, of course, this $400,000 will be used to take care of the pay roll. I am not debating whether that investigation should go on or should have been started in the first place, because we have started it, and it is going on. The Communications Commission have their attorneys sitting across the table from the best lawyers in the United States, the highest priced counsel of the country, and the gentleman from Illinois knows we cannot get lawyers to

represent the Government at $3,600 a year who would have the ability, experience, training, and background to cope with these high-priced gentlemen.

Mr. PARSONS. The gentleman will remember that the House decidedly defeated a bill that was brought in here sometime ago which would have appropriated $10,000 to pay an attorney for about 6 months' work.

Mr. WOODRUM. That had to do with an attorney for a special investigating committee of the Senate, and I do not think the situation is comparable to this at all.

Mr. PARSONS. This is to be used for the same purpose as provided in that bill which was defeated?

Mr. WOODRUM. No. This is an investigation of great magnitude by an executive organization, as the gentleman knows, and I may say it is showing some signs of accomplishing a great deal.

Mr. PARSONS. In order to get this thing straight, the $400,000 then is not to be used for the purpose of furnishing money or funds to cover the proposition involved in the bill that was brought in here a few weeks ago?

Mr. WOODRUM. Not at all.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Texas.

Mr. JOHNSON of Texas. The gentleman has made some remarks concerning relief rolls. I have received complaints, and I think every Congressman has, from parties who claim they have been removed from the relief rolls or have not been placed upon the relief rolls and requesting my assistance. As I understand it, the matter of determining who goes on or who goes off the relief rolls is not determined by a Federal agency. That is done by either a State agency or a local agency and the Federal Government has nothing to do with that matter. In other words, we simply contribute to the various States our pro-rata part of the funds as we do in connection with funds used for highway purposes, and then the State authorities determine the matter from then on.

Mr. WOODRUM. The gentleman is correct.

Mr. MAPES. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Michigan.

Mr. MAPES. Referring to the question of the gentleman from Illinois, I merely wanted to say that the limitation of expenditure of $3,600 per annum to employees of investigating committees applies only to the contingent fund of the two Houses and not to the agencies of the Government generally.

Mr. STUBBS. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from California.

Mr. STUBBS. May I make an observation with reference to the C. C. C. camps and the young men in my district? Seven young men came to my office and I took them down to see if I could get them placed. Because their parents were not on the relief rolls they were not permitted to get these jobs, even though some of them were the sons of widows. My objection is the rules and regulations that are placed upon these young men make it impossible for them to secure the jobs when the jobs are there, and my objection further goes to the administrative department that makes such rules and regulations. I think this Congress should take some notice of that very thing.

Mr. WOODRUM. May I say in answer to the gentleman that I believe he has not entirely taken into consideration the fundamental purpose of the Civilian Conservation Corps? It is not to provide jobs for people; it is not to provide jobs for estimable young men, but has one particular purpose, and that is where a family is on relief and it has a young man within the age limit, instead of giving the family cash, it permits the boy to go to work and have a useful employment and $25 a month of the funds to go to his family. Every Congressman here has had the experience that my friend has just related. There are fine young men in the community who have gotten out of school, or who have not anything to do. Time is hanging heavily on their hands, and in many cases, perhaps, the family needs the added revenue of a few dollars a month, but the family is not on relief. Somebody in the family is working, and they have been able to keep away from relief. Under those circumstances the boy cannot get into a Civilian Conservation camp. Now, that is the rigid, strict rule that the President inaugurated when he set up these camps. It is that fact that has kept the C. C. C. clean and above any scandal which we might have had if we had opened the door wide so that boys could have been jammed into the camps by some Congressmen picking them out and putting them in there.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Colorado.

Mr. MARTIN of Colorado. Did the gentleman's committee give any consideration to the need for a direct relief appropriation to care for those who are on relief but who could not get work because the work funds are not sufficient and who are in just as great need of relief as those who did get work?

Mr. WOODRUM. The gentleman refers to the billion and a half. The billion and a half is to give work to the destitute unemployed as far as we can take care of them.

Mr. MARTIN of Colorado. But it will not.

Mr. WOODRUM. No; it will not; but I want to say to the gentleman that some reference has been made to earmarking this fund. If there is any criticism of the one and a half billion, it is that it is not enough. We hope it is enough, and we are going to try to make it do, because we are trying to get out of the business. We are trying to close up shop as soon as we can and not cause reputable and honest American citizens to suffer too much. We are trying to pull away from it as fast as this can be done. The billion and a half will not give jobs to all the destitute who are now on relief, but it will go as far as it can—and bear in mind that every dollar you take away from this fund and put into something else, you are keeping some man from getting a job who does need it and needs it worse than the other fellow.

Mr. MARTIN of Colorado. For instance, in my district, there are at least three or four thousand on relief rolls who are qualified in every way and cannot get work because the funds are not sufficient. If we cut off direct relief, they are outside the pale of all forms of public relief.

Mr. WOODRUM. If this billion and a half does not reach them, then I will say to my friend from Colorado that the State government and the municipalities will have to assume the burden.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. RAMSPECK. What developed in the hearings as to the plan of the Works Progress Administration with respect to projects that cannot be completed by June 30 next? Do they plan to carry on and finish these projects?

Mr. WOODRUM. The gentleman means June 30 of this year?

Mr. RAMSPECK. Yes.

Mr. WOODRUM. The W. P. A. has just about enough money to run until the end of this fiscal year, and, of course, we are hopeful this appropriation will pass and permit them to go ahead. They figure they will spend this money in the next fiscal year.

Mr. RAMSPECK. But the question I have in mind is whether or not they will continue with projects that are uncompleted or whether such projects will have to be resubmitted and acted upon again.

Mr. WOODRUM. My understanding is they will continue with uncompleted projects as long as the relief load in such community requires them to keep it up. Of course, these projects are conducted on a cooperative basis with the local communities.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Chairman, I yield the gentleman from Virginia 10 minutes more.

Mr. PARSONS. Mr. Chairman, will the gentleman from Virginia yield for a brief question in that connection?

Mr. WOODRUM. I yield.

Mr. PARSONS. This appropriation will also enable the directors in the various districts to embark upon new projects that have already been approved?

Mr. WOODRUM. Yes; certainly.

Mr. PARSONS. Where the relief load in the community is sufficient to furnish the labor.

Mr. WOODRUM. That is correct.

Now, Mr. Chairman, I think we could discuss with profit and clearer understanding for quite a little longer period this one particular matter, but I want to make this statement to my colleagues. I commend to your consideration the hearings before our committee on the Works Progress Administration or the relief item. I ask you to look at the record, and in this connection I want to make a confession. I want to say to you that, like a good many citizens and like a great many Members of the House, I went into this hearing as a member of the committee very skeptical of the program as it was being conducted by the Works Progress Administration; but I believe I voice the sentiments of the members of the committee, or certainly most of them, when I say that that Administration came before our committee with a clear, frank, and open disclosure of its activities, gave all the information requested without evasion or any effort to conceal anything and frankly admitted shortcomings and failures and frailties that may have beset their activities, and, as one member of the committee, when the hearings were concluded I came to the conclusion that the Works Progress Administration was doing the very best job it could in a very bad situation for anyone to handle under any circumstances. I ask you to read the hearings. There is the record.

Mr. Chairman, I wish I had an hour to discuss with you the boondoggling propositions in the W. P. A. There are about 100 or 150 projects in the W. P. A. that have been singled out by the critics of the program in newspapers and by speeches and held up to ridicule. Of course, many of them seem utterly ridiculous and indefensible. Some of them, no doubt, are indefensible. There are between 100 and 150 of such projects. They affect probably 2,000 people out of nearly 3,000,000 people employed. If all of them were bad, if all of them were indefensible, and if each one of them had been thrown overboard and not undertaken, they would constitute one-seventeenth of 1 percent of the program, or one-seventeenth of 1 percent of the 170,000 projects carried on by the Works Progress Administration.

When you look at the matter in this light, it is so small and so infinitesimal that it is not worthy of consideration. When you look at the larger proposition and consider the fact that this program has actually put to work between two and three million people, who needed employment, you will see that it has met the load that had to be carried, and I say to you that I feel it has done a good job on the whole.

Mr. CARPENTER. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. CARPENTER. I realize there have been a good many criticisms and various aspersions cast upon the Relief Administration and upon Mr. Hopkins, and I regret that there have been a great many on this side of the House, and by certain members of the Democratic Party, but I wish to say that I believe Mr. Hopkins has had the hardest job of any one in the United States, not excluding even the President of the United States, and that all in all he has done a mighty good job. Most of these boondoggling projects have been advocated and promoted by the local communities and they are the ones that should bear the blame if any blame or criticism is due on account of them.

Mr. WOODRUM. I am glad the gentleman made that statement. Nearly all of these projects were sponsored by and paid in part by local residents.

Mr. CURLEY. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. CURLEY. I want to call attention to the fact that the word "boondoggling" was coined originally in an investigation by the Board of Aldermen of the City of New York in 1935. It was in connection with rhythmic dancing under the administration of the city of New York.

Mr. WOODRUM. I thank the gentleman for the contribution.

Mr. GIFFORD. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. The gentleman says only one-seventeenth of 1 percent is a very small matter. I am reading from the hearings:

> Mr. THURSTON. The Reedsville project was definitely turned down by Congress, but funds were allocated to that project in the face of that action by Congress.
>
> Mr. WOODRUM. That was a relatively small proposition.

Was there no policy involved there?

Mr. WOODRUM. I have said that mistakes have been made, but the gentleman from Massachusetts does not understand the situation. The gentleman is one of the group that wants 100-percent perfection.

Mr. GIFFORD. We are "too damned dumb."

Mr. WOODRUM. I would not put it that way.

Mr. GIFFORD. The man that the gentleman is defending did.

Mr. WOODRUM. I am not defending anybody. If the gentleman will read the hearings——

Mr. GIFFORD. I have just received the hearings.

Mr. WOODRUM. Well, read them tonight. Harry Hopkins was put on the stand and grilled by both minority and majority members, and asked for statement after statement.

Mr. GIFFORD. And made a statement one day and changed it the next.

Mr. WOODRUM. Nothing of the kind. There is no justification for a statement of that kind.

Mr. GIFFORD. I am glad the gentleman denies it if it is not true.

Mr. WOODRUM. It is not true. I have had an opportunity of hearing the witness and the gentleman has not. There was not a question by which Harry Hopkins was embarrassed at any time or where he refused to give a fair, honest, and definite answer. I do not say that you have to approve everything he does. The gentleman from Massachusetts belongs to that class that requires 100-percent perfection. According to his philosophy, if one-seventeenth of 1 percent is wrong, then the whole thing should be condemned.

The theory of those who criticize seems to be, if you make a mistake on a few boondoggling projects, all the rest is wrong. We, of the administration, admit that we are human and that we as human beings are liable to err. We do claim that we are trying to administer honestly and courageously and effectively.

But let us pass on. Another large item in this bill is for the Social Security Act, which appears for a full fiscal year for the first time. The Budget estimates for the Social Security Board amounted to $195,800,000 for the next fiscal year. That sounds like a large amount of money. It is a lot of money. Of that total $157,000,000 is for grants to States. Twenty-three million dollars of the $195,000,000 is for administrative expenses. The committee cut that to $18,400,000. Fifteen million eight hundred thousand dollars was the Budget estimate for securing the initial wage-record data of the beneficiaries of old-age benefits, which, of course, is the first step in that program, a step that almost staggers the imagination in its magnitude.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

Mr. BUCHANAN. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. WOODRUM. Mr. Chairman, I do not want to take this time. It is as hard on me as it is on the Members here, but I think this explanation should be made. This

list, it is estimated, will comprise 26,000,000 people. It is a gigantic undertaking. Our committee, without any partisanship, looked into the matter as carefully as we could and we made a 20-percent reduction in the administrative expenses. That is a substantial cut. And I say with deference to the members of that board that they took it on the chin. They believe that we have not given them enough money, but they are going ahead with what we have given them. If they need more later, that can be considered.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. MOTT. Did the gentleman say that there would be twenty-six-million-and-odd beneficiaries of the Security Act?

Mr. WOODRUM. That is in connection with old-age benefits under title II.

Mr. MOTT. But there are not more than half that many in the United States who are over 60 years old.

Mr. WOODRUM. That is under title II of the act—the old-age benefits.

Mr. MOTT. There are only 10,000,000 people in the United States over 60 years of age, and our present Social Security Act takes care of only a fraction of those, and how could there be 26,000,000 people involved?

Mr. WOODRUM. I think the gentleman does not understand the provisions of title II. That is the Federal old-age benefit scheme. Taxes are imposed upon employers and employees with a view to building up a reserve fund for the payment of old-age benefits commencing in 1942. No one is eligible until he reaches age 65, but the taxes are based upon wages and commence July 1, 1937, and continue until the wage earner reaches 65. It will be a big preliminary job to take the census and get the initial information concerning everyone affected by the title. This title should not be confused with other provisions of the act that have to do with grants to States for old-age assistance under State law.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. MAY. I have been under the impression that the administration of the Social Security Act in all its phases was under the jurisdiction of the State, and I am wondering why it is necessary, if that is true, to have such a large Federal Board.

Mr. WOODRUM. Title II, old-age benefits, is entirely a Federal project.

Mr. MAY. But the other features of the bill are all under the States.

Mr. WOODRUM. But the Federal Government must supervise the administration of the State plans after they have been approved to the extent of seeing that they conform to the requirements of Federal law. The total appropriation for the social security in this bill is $458,631,860. We did not make any cut in the grants to the States for old-age assistance, unemployment compensation, dependent children, or aid for the blind. We feel that perhaps in some instances the amounts were pretty liberally allowed; but, after all, if the States cooperate and comply, the money must be provided; and if they do not, the money will not be spent. So there will be no point in making an arbitrary cut in that item. We do make a cut of 20 percent in the administrative costs, which, after all, is where we have to try to save the money.

There is one other large item in connection with social security which comes under the Treasury Department. That is an appropriation of $265,000,000, which is the estimated amount of the first annual premium for payments required under title II of the act, to be placed in the old-age reserve account and to be invested by the Secretary of the Treasury for the account. The amount appropriated is based upon calculations made in connection with enactment of the Social Security Act. It is estimated that a sum adequate to provide this appropriation will be realized from the taxes imposed under title VIII of the act. The estimated collection of such taxes for the period from January 1 to June 30, 1937, is $305,000,000. Making an allowance of $40,000,000 for administrative expenses, leaves the figure of $265,000,000 as equal to the amount appropriated for the old-age reserve account for the fiscal year 1937.

I think the House will be interested in the itemization of the various appropriations on account of the Social Security Act in this bill. I will insert a table giving a recapitulation of them:

Social Security Board, salaries and expenses	$18,400,000
Grants to States for old-age assistance	85,000,000
Grants to States for administration of State unemployment compensation plans	29,000,000
Grants to States for aid to dependent children	35,000,000
Grants to States for aid to the blind	8,000,000
Securing and maintaining wage records for old-age benefits (nonrecurring)	12,400,000
Total	187,800,000
Treasury Department:	
First increment for old-age reserve account	265,000,000
Salaries in connection with maintenance and development of the old-age reserve account	31,860
Collection of taxes under titles VIII and IX by the Bureau of Internal Revenue	5,800,000
Total	270,831,860
Grand total, Social Security Act	458,631,860

I do not want to consume any more time. I have taken more than I intended already.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield for one question?

Mr. WOODRUM. Yes.

Mr. GIFFORD. And that has reference to the question of the gentleman from Texas [Mr. JOHNSON]. The Federal Government, the gentleman says, does not assume responsibility in the picking of employables. Will the gentleman tell us about the ruling that went from Washington on having to be on the relief roll in November in order to get a job. Was not that an edict from Washington?

Mr. WOODRUM. Oh, yes; to that extent it had the effect of freezing the relief rolls as of that date, but it has never undertaken to say who would be entitled to be on relief rolls. If more people were certified from relief rolls than could be employed on a project, the W. P. A. would exercise a judgment as to which of those certified would be employed. But that is all.

Mr. GIFFORD. But they undertook to say that unless they were on relief rolls in November they could not get a job.

Mr. WOODRUM. That is true.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. RICH. Is this total for the Post Office Department, forty-million-six-hundred-thousand-and-odd dollars a customary amount for a deficiency appropriation bill?

Mr. WOODRUM. Twenty-three million dollars of that is on account of the 40-hour law that was passed; the necessity for additional employees because of the 40-hour law. That law became effective October 1, 1935. This is the first appropriation made for that purpose. The rest of it is salaries for postmasters, costs of transportation, and additional employees on account of increased business. There has been a great acceleration in post-office business and that is a good omen of the progress of recovery.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MARTIN of Colorado. How did the committee arrive at the figure of $85,000,000 for grants for old-age pensions?

Mr. WOODRUM. It is figured out on the basis of the number of States that have qualified. Twenty-nine States have plans already approved for participation. Based on plans submitted but not yet approved and based upon sessions of legislatures that are expected to pass cooperative laws this winter, this $85,000,000 is the best calculation that can be made this far in advance. It is a pure estimate.

Mr. MARTIN of Colorado. I figured out that only about 416,000 persons would get $15 a month.

Mr. WOODRUM. Sixty million dollars might have been enough, or it might take $100,000,000. We thought that $85,000,000 would be about the right amount. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, at this time I am only going to discuss the Works Progress appropriation item in this bill. Whatever I have to say on other items in the bill I will say as the items are reached when the bill is read. I propose to have something to say with reference to the Tennessee Valley operation, because I believe that needs considerable attention. I propose to say something about several other smaller items in the bill.

With reference to the action of the committee and the report on the bill on the question of social security items, I would say that with reference to the allotments to States and the appropriations which are required to be made for the set-up for reserves, which were described by the gentleman from Virginia, I do not see how there is any possible way of disturbing those items. Undoubtedly there will be demands for most of the funds, if not all of them, that are set up in the social security appropriations with reference to allotments. Of course, the item for reserve is an item which no one can tell about, but it is based upon estimates of the Treasury Department, largely, with reference to the amount of taxes that will be received.

With reference to the administrative expenses there is one thing to say. I think the committee has been a little liberal; but it is a new agency, and with the 20 percent below the Budget estimates on operating expenses, probably that is as well as we can do for the time being. I am in hopes that when they take their census they will take it on a basis which costs much less than the $12,400,000 which has been allotted to them.

With reference to the Works Progress Administration appropriation, those of you who have a copy of the bill in front of you will find this item on page 21. It authorizes, roughly, the use of the whole of the $1,425,000,000 for relief, or it authorizes the expenditure of not to exceed 15 percent above a definite figure which is named in the bill for different projects.

For instance, for highways, roads, and so forth, $413,250,000.

For public buildings, $156,750,000.

For parks, $156,750,000.

For public utilities, including sewers, water supply, airports, and transportation facilities, $171,000,000.

Flood control and other conservation, $128,250,000.

Mr. PARSONS. Mr. Chairman, will the gentleman yield for a brief question?

Mr. TABER. I yield.

Mr. PARSONS. What is contemplated being used in the regulation to describe "other conservation" besides the flood control? The bill reads "and other conservation."

Mr. TABER. I do not know. No one has told us.

Mr. PARSONS. What do the hearings disclose in that connection, if anything?

Mr. TABER. The hearings disclose that $45,000,000 was to be used for water conservation. Page 142 of the hearings deals with that particular subject, and the item is particularly expected to be expended in the Mountain States, such as Wyoming, Colorado, Utah, Nevada, California, Oregon, the Dakotas, Montana, Texas, and Oklahoma. We have a big program of this character in Oklahoma. Those are local projects in contradistinction to the big national project, the whole idea being to raise the water level in all of those drought States.

Mr. PARSONS. There is nothing in the hearings to indicate that any part of that would be used for reforestation as a means in aid of flood control?

Mr. TABER. Nothing that I can remember.

Mr. PARSONS. Would this language, "other conservation", prevent this fund being used under the terms of this bill for the acquisition of forestry lands and reforestation as an aid in assistance of flood control?

Mr. TABER. I do not think it would. I think it would be possible to do that.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MARTIN of Colorado. May I say it would probably embrace soil erosion; the different methods of dealing with soil erosion.

Mr. TABER. Does the gentleman think it would embrace the methods of handling soil erosion? Frankly, I do not. I had never heard of that. I asked them to tell us what it would do, and that is what I got. I did not know that that was involved in this particular item.

Mr. MAVERICK. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MAVERICK. Where the gentleman was reading it gives $85,500,000 for rehabilitation and relief to farmers.

Mr. TABER. I have not gotten that far yet. The last item I read was "flood control and other conservation, $128,125,000."

White-collar projects, $85,500,000.

Women's projects, $85,500,000.

Miscellaneous, $71,250,000.

National Youth Administration, $71,250,000.

Rural rehabilitation and relief to farmers, $85,500,000.

Mr. MAVERICK. Will the gentleman yield right there?

Mr. TABER. I yield.

Mr. MAVERICK. Will the gentleman tell us in some detail what this money is to be used for, if it is to be turned over to Mr. Tugwell?

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 5 additional minutes.

Mr. MAVERICK. Is that going to be just turned over to Mr. Tugwell or is it going to be for real assistance to farmers?

Mr. TABER. I think this is going to be turned over to Mr. Tugwell. Frankly, I do not know any other way it can be done, or else Mr. Hopkins is going to take over the Tugwellian activities with reference to that subject. We were not told in the hearings, frankly.

Mr. MAVERICK. How much has Mr. Tugwell had annually; does the gentleman know?

Mr. TABER. I do not think he has had anything annually. Mr. Tugwell has had for the resettlement outfit out of the big appropriation of 1933, $23,000,000; out of the appropriation of 1934, $3,000,000; out of the appropriation of 1935, $227,900,000. This, in effect, cuts him down to $85,500,000. I do not know, frankly. There are several items that can be used for the Tugwellian activities. The resettlement activities can be carried on under two or three different items.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MAY. The chairman of the committee just advised me this morning, in answer to a question, that there were no funds here that could be used by Mr. Tugwell for resettlement.

Mr. TABER. But there are. This item for public buildings could be used on what they call the resettlement activity, $150,750,000. This item for miscellaneous projects, $71,000,000, could be used for that. It would have to be under the direction and supervision of the Works Progress Administration, but Tugwell could be designated to take charge of it. There is nothing in the world to stop it.

Mr. MAY. And the Administrator of the Works Progress Administration would have power under this bill to allocate it to Tugwell or any other bureau he wanted to?

Mr. TABER. He could put Tugwell in charge of it, certainly; there is no question about it. Frankly, I expect to offer an amendment when we get to that stage to prevent any funds being used for the effectuation of these foolish projects.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MARTIN of Colorado. Just a question about white-collar projects, $85,500,000. Would this cover such activities as the one known as Federal project no. 1? I have received many letters asking about that activity.

Mr. TABER. I do not know what Federal project no. 1 is, but it would cover eurythmic dancing, and it would cover this Baedeker book that the wife of the publicity agent of the Soviet Embassy has charge of, which has cost very nearly $3,000,000 and on which about 5,000 people are working.

Mr. MARTIN of Colorado. Can the gentleman say whether it covers music, painting, and the arts?

Mr. TABER. It does.

Mr. MARTIN of Colorado. It is for that classification of activities?

Mr. TABER. Yes; but it might be used for other projects, too; it might be used for bookkeeping, accounting, auditing, checking up on income-tax returns, almost anything.

Mr. MARTIN of Colorado. Is that an increase or decrease for this activity?

Mr. TABER. Oh, it is hard to tell. I would say there was not much difference.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. CHURCH. Even though specific items are mentioned in the bill I do not think there is anything under this heading "Works Progress Administration" that prevents this whole fund being turned over to Mr. Tugwell.

Mr. TABER. Nothing would prevent its being turned over to him any more than designating the amounts to be used by any particular type of project; but Mr. Tugwell could be put in charge of the whole performance, so far as that goes.

Mr. CHURCH. Not even a dollar could be spent for these special items?

Mr. TABER. Yes.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 10 additional minutes, and I shall be obliged not to yield during this time because there are a few things I want to say myself.

Mr. Chairman, beginning in 1933 when the Roosevelt administration came in, there commenced a direct control over relief expenditures, a direct Federal control over every operation of every Federal contractor. There has been appropriated for relief, exclusive of credit agencies in that time, $11,732,000,000.

Of this amount, in all probability about $1,200,000,000 to $1,300,000,000 will be left unexpended on the 1st of July. This estimate, of course, is more or less guesswork, and it might run up or down a couple of hundred million dollars.

Mr. Chairman, the gross national debt as shown by the daily Treasury statement at the present time is $31,425,000,000. The Federal guarantees amount to $5,000,000,000. The bonus liability is $2,500,000,000. This makes a total national debt of $38,928,000,000.

The deficiency for the current year to date is $2,637,000,000. The estimated deficiency for 1936 is $6,000,000,000. At the present time there are approximately 22,000,000 persons dependent upon relief and relief employment, with a national deficit rolling up and a national expenditure for relief of three and a half to four billion dollars. The number of Federal employees on the Federal roll has gradually increased until at the present time there are 800,000 under the civil service, which does not include the numerous other agencies.

Mr. Chairman, the whole situation is a delicate one. That amount of national debt disturbs me, and it disturbs every thinking American. This should not be a partisan question. It should be a matter of American patriotism. [Applause.] Unless we get to the point where we can reduce the expenses of the Government to the point where we can meet our bills by the taxes collected we will soon get to the end of our rope, and that day will come at some time when most of us least expect it.

Frankly, I do not believe we can afford either the W. P. A. performance or any P. W. A. performance to provide employment. I do not believe that carrying folks on relief is half as demoralizing as putting them to work on these W. P. A. projects where they are supported by their shovels all day, just as that crowd is over there in front of the Supreme Court Building at this moment. The Members may go over there and look. They do not have to take my word for it. I do not believe we can pay out from $1,000 to $1,200 a year, and that is what the hearings show it costs for these W. P. A. employees, when, as a matter of fact, we can take care of a relief case for an average of $33 per month or approximately $400 per year.

This Federal contribution to relief under Federal direction has been completely demoralizing. In some States no contribution is made at all. In one State it amounts to less than 1 percent, and in 13 States to less than 10 percent. Efficient relief cannot be had in any State unless that State contributes enough toward the relief so that it will be interested in seeing that the relief money is honestly and efficiently spent. I hope it may be possible for the Congress to appreciate these problems and to realize that regardless of our desire for buildings, regardless of our desire to have fine structures and fine roads built in our respective districts, we cannot afford to go on with this P. W. A. relief or work employment for the poor people at the rate we are doing.

Mr. BLANTON. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Texas for a question.

Mr. BLANTON. If every Member of this House will just cross the Capitol grounds here and go to the Congressional Library and look at that W. P. A. job over there, which has been going on for 2 weeks, and observe that army of lazy, indifferent colored men standing on the handles of their shovels all day long doing nothing, they would get disgusted with the whole W. P. A. work.

Mr. TABER. It is completely demoralizing.

Mr. BLANTON. Yes; it is completely demoralizing. They are doing nothing. They are lazy and indifferent and will not work when they have work to do.

Mr. TABER. It destroys any pride they may have.

Mr. BLANTON. I have been watching them for 2 weeks in going back and forth to the House Office Building.

Mr. TABER. That is the existing situation. When the proper point is reached in this bill, I am going to offer an amendment which will turn this money over to the States with the provision that they contribute a reasonably decent amount, the work to be administered locally by people who know the local situation, who will be required to do it honestly, and will be interested through a legitimate, reasonable, local contribution. Let us see if we cannot cut down this terrific expense of relief.

I do not see any other way out of the matter. This demoralizing work is worse than no work at all. This terrific expense puts heavy taxes on the people and demoralizes and prevents an increase in employment. In spite of the terrific taxes which have been imposed in recent years, industry has added a million men to its rolls in the last 2 years, and this in spite of every discouragement to business and industry. Why can we not give industry and the workingmen a chance?

Mr. Chairman, let us give the workingman a chance to look forward to a coming day when again the skilled workmen may receive $40 to $50 a week for his work instead of being on a dole or a dole job at $10 or $12 a week.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

OLD-AGE PENSIONS

Mr. BLANTON. Mr. Chairman, when the House of Representatives passed the Social Security Act, every Member of the House believed that act meant that where a State provided payment of $15 a month pension to its aged citizens, 65 years of age or over, the Federal Government would match the sum and pay, through the State, an equal amount of $15, so that each pensioner would receive $30 per month. That was understood by every Member of the

House. If I am incorrect, I yield to any Member to say he or she did not so understand it.

Mr. MAPES. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Michigan.

Mr. MAPES. As I understand the gentleman's statement, it is with the limitation that the States would comply with the provisions of the Social Security Act.

Mr. BLANTON. Certainly. Now, after some of the States have changed their constitutions and are providing to pay their $15 per month, a new ruling has been made. For instance, Texas on August 24, 1935, had a State-wide election and changed its constitution by an overwhelming vote to pay a pension of $15 to its citizens 65 years of age or over, to match a like sum of $15 to be paid through it by the Government. Now, in Washington they have construed that to mean every State must pay $30 and then be reimbursed $15 by the Government. Inasmuch as the State of Texas is authorized to pay only $15 per month, under such ruling, it would be reimbursed only $7.50 by the Government, and instead of the aged people getting $30 per month, as was intended by Congress, they will receive only $15 per month, unless this Congress rectifies the matter by passing a proper amendment.

Now, is there a Member of the Congress here on the floor who understood there was to be any such interpretation as this? No; we all believed it would be a question of 50–50, $15 from the State and $15 from the Government, with such $30 paid by the State, and we ought not to allow this interpretation to stand.

Mr. PIERCE. What is the difference?

Mr. BLANTON. There is just this difference, I will say to my friend. The State of Texas, thinking that this was the proper interpretation, passed a constitutional amendment authorizing a payment of only $15 per month. It does not authorize a payment of $30. The State cannot pay a pension of $30 and then get $15 back from the Government, because the Constitution does not authorize it, but that is what the Government is demanding of the State, and after passing a constitutional amendment whereby the State has authorization to pay $15 a month, the Government now says that the aged people of Texas will get only $15 a month, $7.50 from the State and $7.50 from the Government, paid through the State, because the Government will pay the State of Texas $7.50 of the $15 it pays to its people.

This is a fraud, not only upon the people, but a fraud upon the Congress of the United States. [Applause.]

Mr. MAPES. Mr. Chairman, will the gentleman yield again?

Mr. BLANTON. In just a moment, I will yield.

I understand the Ways and Means Committee is arranging now to bring in an amendment to cover this question and provide for a proper interpretation, that where a State has arranged lawfully to pay a pension of $15, the Government will come in and furnish its $15 in accordance with the understanding of the membership of the Congress. This matter ought not to be delayed. The provision ought to be brought in by the Ways and Means Committee right away and passed and signed and become a law before we adjourn.

I now yield to the gentleman from Michigan.

Mr. MAPES. In view of the gentleman's rather broad question to all the Members and the fact I asked him to yield before, I may say I did not fully understand the gentleman's position when I asked him to yield before. The question which the gentleman is now discussing has been considered by some of my colleagues and myself, and I understood the matter at the time, I will say to the gentleman, as the Federal authorities are now interpreting the law—that is, that the Federal Government would contribute one-half of what the States gave, or reimburse the States one-half of what they paid out in old-age pensions, up to $30 a month, but not that they would match the amount that the States gave. This was my understanding of the law.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. No; I am sorry, but I have only 10 minutes.

Mr. BOILEAU. The gentleman addressed a broad question to the Members of the House and should yield.

Mr. BLANTON. I regret that the few minutes I have remaining will not permit my yielding. There is one other matter that I wish to discuss.

ALIENS HERE UNLAWFULLY MUST NOT TAKE WORK FROM NEEDY AMERICANS

There has been a careful check-up by various organizations in the United States in behalf of American citizens, and it has been ascertained that there are in the United States right now at least three and a half million aliens who are here unlawfully and ought not to be here. Of this number there are at least 400,000 unlawful aliens who have been getting relief and who are now taking work under W. P. A. and under P. W. A. jobs all over the United States that American citizens are entitled to and should fill.

There is not another government in the world that would permit this except the United States. Great Britain will not allow an alien to hold a job as long as one of its nationals is without a job. The Government of France will not allow an alien to hold a job in France as long as one of its nationals is without a job. The Government of Germany and the Government of Italy will not allow an alien to hold a job as long as one of their nationals is without a job. Our country is the only one that will permit aliens to be cared for in this way when there is an American citizen wanting the job that the alien holds.

There is going to be an amendment offered from the floor to stop this, and the amendment will provide that no alien who has come here unlawfully since 1924 shall get paid out of the $1,425,000,000 provided in this bill.

I hope to see this amendment passed unanimously. Our friend the gentleman from New York [Mr. BACON] is going to offer the amendment. I am going to vote for it. It is a good amendment. It is an American amendment and one that ought to pass. The idea of taking care of aliens who have come here from other countries unlawfully when American citizens who were born here and whose families have lived here for generations are without work and with wives and little children starving! It is infamous to think of it. We ought to pass such an amendment without any hesitation whatever, and I hope there will not be a vote against it in this House. Such an amendment should become the law.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Kentucky.

Mr. SPENCE. Reverting to the Social Security Act, my State has made provision for an appropriation or expenditure of $7.50 to be matched by the United States Government.

Mr. BLANTON. Then your State will get only $3.75 from the Government, and you will be able to pay only $7.50 monthly pension to your citizens unless we pass an amendment. If that is the provision of law in your State, the old-age pensioners in your district will receive only $7.50 per month and your State will get back from the Government only $3.75 on each of them.

Mr. SPENCE. Is that the ruling they have made?

Mr. BLANTON. That is the ruling, but it is not what was understood by the membership of this House.

Mr. SPENCE. No; it is not.

Mr. BLANTON. And it ought to be straightened out right away. The people of this country are entitled to have the will of their Congress put into effect and not misconstrued or misinterpreted in this way.

Mr. SPENCE. It was not understood in that way by the people of Kentucky.

Mr. BLANTON. No; it was not.

Mr. SPENCE. Because since that time they have amended their constitution so that they could make the necessary appropriations.

Mr. BLANTON. Everyone here so understood it, and the entire debate indicated there would be a matching by the Government of the $15 provided by the State, though paid through the State. It was said here a hundred times on this floor that the State would give $15 and the Government would

give $15, all paid through the State, which would make up the $30 monthly pension to our aged people.

The Ways and Means Committee should bring in a provision which should be passed by unanimous consent to straighten this out.

Mr. WOODRUM. Mr. Chairman, I yield myself 2 minutes for the purpose of clarifying the RECORD and to relieve the apparent apprehensions of my colleague from Texas.

If there is any misapprehension of the Social Security Act, it is not due to ambiguity or lack of clarity in the act. There is nothing in the language of the act which with the wildest stretch of the imagination would allow the people of Virginia to believe that if they paid $15 the Federal Government would pay $15, that whatever Virginia paid they would match it with an equal amount.

It is unfortunate if some States have adopted a constitution under a misapprehension or changed their constitution under a misapprehension, for I do not believe that there are many Members on the floor who had a contrary understanding if they paid any attention to the debates at the time.

Mr. MAPES. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MAPES. This is a matter which has been discussed between some of my colleagues and myself. Did the gentleman speak advisedly when he said the Federal Government would match the allowance of the States?

Mr. WOODRUM. Reimburse the States.

Mr. MAPES. My understanding was that if the State agreed to pay $10 a month or $5 a month, or any amount up to $30, the Federal Government would contribute one-half of the sum, or reimburse the State to that extent.

Mr. WOODRUM. That is correct.

Mr. MAPES. But not that the Federal Government would match or duplicate the amount of the State contribution——

Mr. WOODRUM. The Federal Government would reimburse the State 50–50 up to $30 a month.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. BOILEAU. I agree with the gentleman entirely. That is my understanding of the law. Does not the gentleman believe, in view of the fact that Texas and perhaps some other States have changed their constitutions under an apparent misunderstanding, it would be easier for the Congress to change the law so that it would conform to the constitutional provisions of the States? I think we should do that at this session.

Mr. WOODRUM. I quite agree with that, and I hope that the Committee on Ways and Means can find a way to have it carried out in the way that Congress desired, but I don't think it is fair to say that any arbitrary decision of the Security Board or somebody else has altered the will of Congress.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. KENNEY. Under the ruling is a State required to pay every month, or could it pay every 6 months?

Mr. WOODRUM. The Federal Government advances to the States on a quarterly basis on the basis that they furnish data as to what they are paying on old-age assistance on a monthly basis.

Mr. KENNEY. The State must pay out every month?

Mr. WOODRUM. That is my understanding.

Mr. KENNEY. They could not pay out 1 month for 2 months?

Mr. WOODRUM. I do not think so. It is on a monthly basis.

Mr. TABER. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I want it understood that my remarks this morning will be made in the performance of my duties as a member of the Committee on Expenditures. As the ranking man on that committee, I feel that it is my responsibility to help the minority members of the Committee on Appropriations. They, however, have had somewhat the advantage of me. I cannot get my committee to function.

This report came out only this morning. The latter part of it consists of tables. I have been able to skim over fairly well the rest of the report in order to get the gist of it. This will be a difficult vote for me next Monday, after the criticisms which I now expect to make and the feeling I have about it, but it is the only relief bill that we will have brought here. I recognize the problem of relief, and I want to vote adequate money therefor, and in consequence I shall probably vote for this measure. But do not misunderstand me; do not think that is any surrender of my viewpoint on the manner in which relief has been, or should be, distributed. I have often spoken on these relief measures; and if any of us dare to criticize, our words are often misinterpreted and purposely so. The opponents will take one brief sentence out of our remarks and without further explanation use it for political purposes. I realize how dangerous it is to talk about relief, but my position here will not allow me not to do so.

The gentleman from Virginia [Mr. WOODRUM], who spoke for the committee today, said that he was won over after listening to Mr. Hopkins; that Hopkins had a hard job and boondoggling represented only one-seventeenth of 1 percent—too small to talk about. And the Reedsville proposition—that is also a small matter, too small to talk about! He was not asked regarding resettlement, about which I have much material which I ought to have time to read. It is an unfortunate thing that we have to search through all these periodicals and newspapers to get information which we have reason to believe to be authentic, because we cannot get it from the officials themselves, who ought to have appeared before my committee. I should like to have had Mr. Rex Tugwell before my committee to explain about resettlement matters. Perhaps he would win me over, as Harry Hopkins won over the gentleman from Virginia.

Then the gentleman tells me that I have not read the report and do not know anything about relief. Come into my office and let me show you my scrapbooks, gotten together over a period of 3 years and consisting largely of editorial criticism and general information telling of the failures which you yourselves now acknowledge. I took the floor here and suffered the weariness of the struggle for the truth concerning that C. W. A., which you are now only too anxious to forget. Then you switched to the F. E. R. A., but after a year of that you were again anxious to change the whole policy. It did not work either. Now you have the W. P. A., and Harry Hopkins told you there was no politics in it. You apparently fell for that, apparently believed it, and you did not question him very much about it after he had stated, "I will put into the record here the results of our investigations." Then you dropped the subject. You say that he did not change his opinion from day to day. Why, he had to. Questioned from day to day as to how he arrived at allocating the money to the different States, he was obliged to change his statements. After 3 long years of experience, 3 long years, you are no nearer to knowing how to spend the money than you were at the beginning. But no advice is wanted. Why did you set on that committee and let him tell you there was no politics in Pennsylvania or in New York? At least one gentleman from Pennsylvania—a real Democrat—will talk about this. There are going to be a few Democrats here who will have the courage to stand up and show where, even in the matter of nominations as between Democrats, the relief rolls were used to defeat candidates. We have such an abundance of that sort of thing that Harry Hopkins' words here are but a hollow mockery.

After 3 long years what I am particularly interested in is the policy of handling funds for relief.

An amendment will be offered that half of this money be given over for direct relief. That is becoming the really approved method of using such funds. Change the present policy. It does not work. I deeply regret that our Committee on Expenditures has not been permitted to function. It

is not the policy of this administration to have expenditures investigated. The matter is left wholly with the overworked Appropriations Committee, which has but little time for it. Their business is to look into future appropriations. We have to rely on getting our information from other sources, perhaps you think in devious ways. Although General Johnson's report was suppressed, I will quote what now seems to be admitted as true. General Johnson says they purloined his report. Somebody stole it. What a pity that you have to steal reports regarding public business!

Mr. WOODRUM. Mr. Chairman, would the gentleman care to yield for a moment?

Mr. GIFFORD. Yes; I yield.

Mr. WOODRUM. With reference to the question of whether or not the Appropriations Committee went into the question of relief carefully, I call attention to the fact that the hearings number 490 pages, and they consumed a number of days, and we had such distinguished and able members of that committee as the gentleman from New York [Mr. TABER], the gentleman from New York [Mr. BACON], and the gentleman from Iowa [Mr. THURSTON].

Mr. GIFFORD. Oh, that is the entire deficiency report.

Mr. WOODRUM. Well, that is on relief.

Mr. GIFFORD. That is on your C. C. C. and different credit agencies. I am talking about W. P. A., which is this separate report.

Mr. WOODRUM. This is the investigation of relief which the gentleman condemns and is going to vote for.

Mr. GIFFORD. I do not condemn relief. Let the gentleman get that into his mind. I will vote every dollar necessary for relief which is not wasteful, extravagant, and based on the wrong policy. I love my people who are poor, just as much as the gentleman loves his people who are poor, and I will match the gentleman in what I will do for those people at any time at any place.

Mr. WOODRUM. But how can the gentleman vote for such an iniquitous administration measure as he is now condemning?

Mr. GIFFORD. Mr. Roosevelt is the only President we have. This is seemingly the only way he will do it. If I do not vote for it, I get nothing. We well understand that. Why try to put me in that sort of position?

Mr. WOODRUM. The gentleman puts himself in that position. I did not put him in it.

Mr. GIFFORD. Oh, no. I began by telling you why I would vote for it. The gentleman knows why he would like to put the Republican Party in that position. We disapprove of your methods; but after our futile efforts are exhausted, you in the majority will have to take the responsibility, and there is nothing for most of us to do but to go along. We recognize that. General Johnson did say, and he tacitly admitted that he said it, "that 60 percent of this inventive work is unwholesome, wasteful, and a fatuous gesture." The only argument is that it preserves pride instead of creating the humiliation of home relief; yet to get on work relief the rules require that a man must go on home relief. And to get there he must submit to the equivalent of a pauper's oath and a most humiliating inquisition. If a man on relief earns a fugitive dollar in any private employment, he risks the loss of any kind of relief. Quoting further from General Johnson:

> More than half of all this effort is pretense, justified by nothing. I note that the Government relief plans will be all work and no dole. If it is, imagination must become more fanciful, and practical results more parsimonious.

What does Mr. Ritter, the present man in charge of New York City relief, say?—

> One of the main problems we face now is trying to adjust the situation so as not to make W. P. A. so pleasant, so interesting, and so secure that people just come here and stay.

He goes on to say that their relief rolls have increased 50 percent. Hopkins has made relief work so attractive that, where people were taking care of relatives heretofore, they are now going on relief. No wonder Hopkins says it is permanent. That has nothing to do with bringing the country back to prosperity. There are a million and a half on relief as a result of the scarcity doctrine of A. A. A. Now, you say you can take care of only 2,000,000 people. There are a million and a half to be taken care of right there. You have to take care of many, even in my section. Of course, I am to vote for relief. Our people are frightened. If they have a dollar, they will not spend it. It is frozen. We used to be able to live a good deal through each other. We would hand work back and forth and get along. Now everyone hesitates to risk anything. The wheels of industry are moving, but individuals all over the country are still afraid to risk whatever they may possess, no matter what this Government has done to allay such fears. It has guaranteed bank deposits; it has thrown the whole Government behind everything; yet the individual will not employ his neighbor, lest he be not employed in return. If he has a dollar, he is hanging on to it.

As an illustration: In my section there is a little summer community of 80 homes. They have a caretaker who is a carpenter, a plumber, a painter. He can do almost anything. There are 80 homes owned by summer people, supposed to be fairly well to do. Every winter heretofore he has had considerable work. He has not had 1 day's work from December 1 to March 1 this year. Yet you say prosperity has returned. Confidence has not returned. A million and a half of sharecroppers thrown on relief and other millions still out of jobs, because of this lack of confidence. Of course, relief is here to stay, no matter how prosperous industrial business may become. This relief business, in Mr. Hopkins' opinion, seems to be permanent. Our people have been taught that the Treasury of the Federal Government is inexhaustible. They appear to believe that we have plenty of money here, an invisible supply. They do not seem to understand that the funds we are now voting them must all be paid back by themselves, even with interest added.

What a time we had last November when men who had kept off relief could obtain no recognition for W. P. A. work. They saw others, who might need aid much less than they, taken on P. W. A. projects while they, simply because they were not on relief in November, were ruled out. By whom? By the edict from Washington.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. KNUTSON. Up to about 100 years ago it was the accepted practice in surgery to bleed the patient, no matter what the ailment was. We are now trying to bleed ourselves well.

Mr. GIFFORD. Apparently. We are giving ourselves presents that we shall have to pay for.

Boondoggling! I am not criticizing it per se, but we hear even dancing masters say they are forced to close their dancing schools and themselves go on relief because the Government is competing with them and teaching dancing without tuition cost. Many such legitimate private enterprises are going by the board, because of Federal interference with private business. Boondoggling! That is only one-seventeenth of 1 percent of it, they say; it does not amount to anything. But the policy amounts to something. It is so small a part of these relief expenditures, they assert. I wonder if resettlement plans are also regarded as too small a matter to discuss?

Mr. CURLEY. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. CURLEY. The gentleman mentioned boondoggling.

Mr. GIFFORD. I will call it "votedoggling", if the gentleman would prefer.

Mr. CURLEY. I call the gentleman's attention to the fact that the word "boondoggling" was coined by a Republican administration of the city of New York, and the man who coined it came from the gentleman's own State, Mr. John Marshall. This statement comes from the official record of the investigation of relief in the city of New York.

Mr. GIFFORD. Be he Democrat or Republican, he believes, undoubtedly with President Roosevelt, that this word "is to be enshrined in the hearts of the American people."

Mr. CURLEY. I would inform the gentleman also that eurythmic dancing also originated under a Republican administration in the State of New York.

Mr. GIFFORD. But all this is a small matter. I should not criticize it.

Mr. HOFFMAN. Is not that the only good thing about it?

Mr. GIFFORD. Now I come to a report of the situation in Pennsylvania. You must have read the criticism of the former director of relief of that State. Are we not going to be impressed by the reports of men who formerly had charge of these matters? I want a little of it to appear in the RECORD, and now I shall read an extract or two regarding Pennsylvania. There are no politics in relief in Pennsylvania, are there? Hopkins says he has investigated them and has fired anybody who played politics with relief. Of course it is now fixed up all right.

This former relief administrator of Pennsylvania stated:

I believe the sooner the present works program is given up the better it will be for President Roosevelt's political future and for the Nation at large.

Not only are the workers themselves, in the main, dissatisfied, but the taxpayers, watching thousands of workers on W. P. A. projects doing little more than killing time, are becoming embittered toward relief expenditures of that kind.

Originally, I felt that President Roosevelt and Harry Hopkins were dead right in starting the works-progress program, because I thought, as they did, that it would be possible to give municipalities needed improvements at a low cost and at the same time give workmen the self-respect that comes from earning what they are receiving.

But the sad fact is that municipalities are getting improvements that could be supplied much more cheaply under contract and with up-to-date equipment. The other side of the picture is that a workman does not gain in self-respect by knowing that he is doing with a shovel and a wheelbarrow what could be done 10 times more efficiently and economically by a steam shovel and a truck.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. FORD of California. Why is it, then, that mayors of all the cities of the country come to Washington to have the work-relief program continued?

Mr. GIFFORD. Oh, the gentleman knows full well that the mayors of cities, and many very wealthy cities, are very careful about the money from their own funds that they spend for relief. I know of municipality after municipality which do not owe a dollar, with a very low tax rate, that are begging for the money. Some of them say: "Why should we not take it, why should we not ask for it, we contribute largely, do we not?" Think of it! You may be assured that the people of New England, in their town meetings, watch the tax rate closely and watch very carefully how they pay money out for relief. Why should they not take the money from W. P. A. when they witnessed in 1933 the pressure put on Hopkins to spend the money by Christmas? He sent a check to every municipality, no matter how wealthy it was. You remember that. What a method of distributing funds for strictly "relief" purposes! And after 3 long years they still do not know how to spend money for real relief.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 additional minutes to the gentleman from Massachusetts.

Mr. GIFFORD. Mr. Tugwell has spent $46,000,000, but it cost $19,000,000 to spend it. Some explanation of that fact would seem to be in order. But in the hearings there seems to be none.

They spent this W. P. A. money largely for what, in your community and mine? They got us to put in water plants and all sorts of things. They baited us by stating they would give 45 percent, although in many of the States the Federal Government gave practically the entire amount.

Mr. WOODRUM. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Virginia.

Mr. WOODRUM. My friend has been speaking of politics and relief. I am wondering what my friend would think of the proposition of severely condemning the administration of relief as is now being administered, and then voting for it? What about a little politics in that?

Mr. GIFFORD. The gentleman seems to delight in bringing that matter up.

Mr. WOODRUM. No; but I would like to know what my friend thinks about that matter?

Mr. GIFFORD. We have to vote for relief, and this is the only relief bill that we shall have a chance to vote on. I want to provide relief just as much as the gentleman does.

Mr. MORAN. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Maine.

Mr. MORAN. The gentleman has referred to other States where relief has been mishandled, in his opinion. Does the gentleman intend to insert a list of projects in his own congressional district that he disapproves?

Mr. GIFFORD. I could insert a lot of them. I could name a long list, which involved our going in debt for something for which we could not afford to pay.

Mr. HOFFMAN. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Michigan.

Mr. HOFFMAN. In answer to the gentleman who spoke on behalf of the committee, are we to blame if they bring in a skunk with a litter of kittens and we have to take them?

Mr. GIFFORD. If the gentleman from Virginia has to resort to that sort of thing he cannot get very far. That does not excuse the bill or the failures in the bill.

Mr. LUNDEEN. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Minnesota.

Mr. LUNDEEN. I have the greatest respect for the gentleman's ability and earnestness, but I am wondering if he will not agree with those of us who believe in public works that now when we have great distress in the country we should engage in all possible public work which will build America?

Mr. GIFFORD. If the P. W. A. would help unemployment, all right, but it did not do that in England, and it has not accomplished its purpose here. It is too slow. We cannot seem to have projects planned and in readiness to proceed upon.

Mr. LUNDEEN. I may say that the group with which I have been associated has always advocated national planning—getting ready for adverse times in times of prosperity so that when famines and depressions come we are ready. That is the reason we have failed at this time. We were not ready when the depression came. There was no national planning in advance.

Mr. GIFFORD. You might make a report and hand it to Harry Hopkins, but he would say: "I should cry. Send that to the poor." That is what he said when he got a certain report from one group of real businessmen.

Mr. HEALEY. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Massachusetts.

Mr. HEALEY. I have been listening with interest to the gentleman's remarks, and I conclude from his remarks that the gentleman is in favor of a relief appropriation and recognizes the necessity for making a relief appropriation?

Mr. GIFFORD. I certainly do.

Mr. HEALEY. But the gentleman is criticizing the administration of the present relief program?

Mr. GIFFORD. I am.

Mr. HEALEY. The gentleman does admit, however, there is a dire necessity for a relief appropriation and he is going to vote for it?

Mr. GIFFORD. I would be very foolish not to do so, and there is no politics in my vote. I want to remind the gentleman who mentioned politics for voting for relief that no one can suggest that I have shown any lack of courage in my votes on the floor of this House.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from New York.

Mr. MARCANTONIO. Will the gentleman, or anyone else, explain to us what justification there can be for the sum recommended in this bill while 700,000 W. P. A. employees are being thrown out and discharged? What provisions are being made to take care of them except private business?

Mr. GIFFORD. The gentleman well knows this sum does not take care of them. In New York City unemployment has grown 50 percent, and yet the gentlemen on this side get up here and praise God for the way industry has come back.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. GIFFORD. Mr. Chairman, we love to hear those speeches on prosperity. Certainly industry is coming back. But the number on relief rolls is growing greater on account of the Soil Conservation Act, on account of the continuation of the A. A. A., and the punitive measures adopted affecting industry. What are we going to do with this army that has been deliberately thrown out of work?

Mr. BANKHEAD. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Alabama.

Mr. BANKHEAD. Is it not true that while industry is coming back the dividends of many of the great corporations are constantly increasing, and that the reason for the continuance of a vast amount of unemployment is those corporations are not willing to divide their profits with the men who work in their mills and factories?

Mr. GIFFORD. No; that is not the answer. The answer is the A. A. A. and the Soil Conservation Act and other punitive measures directed at industry. With this fund we can take care of only 2,000,000. The gentleman was not here a few minutes ago when I stated the answer to his question. It is a country-wide proposition, not an industrial one. The ordinary country person will not pass his money about as he used to. That is the answer. Industry itself has to a large degree recovered, but free interchange of labor is almost entirely lacking over the entire Nation outside of the industrial districts.

Mr. WITHROW. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Wisconsin.

Mr. WITHROW. The gentleman criticizes spending money for rural resettlement. Does the gentleman realize that the money spent by Mr. Tugwell's department for rural resettlement in the State of Wisconsin has been money very well spent; that they have received back a dollar for every dollar that has been spent; and that there is a real demand as well as a real need for additional allocations in the State of Wisconsin?

Mr. GIFFORD. Well, has the gentleman read the story of Jasper County? Has he read many other stories that I could furnish him; and why should Wisconsin or any other State be picked out, or any particular locality selected, to carry on such an experiment when any relief expenditures should be universal? What right have we to select any special community to put over something of that kind?

Mr. WITHROW. There has been nothing pulled over in Wisconsin. The project is being administered properly there.

Mr. GIFFORD. All these expenditures should be used in such a way that every community would be treated according to its needs; and it should be done under State and local supervision and by direct relief. You will learn that this is the only answer, and 1 year from now you will come to it yourselves. There is an absolute demand that everybody who is now suffering shall be taken care of, and it cannot be done by trying to scheme out some form of made-work relief. Why can you not recognize this now and confess that your present plan is a failure? It is a failure, and everybody knows it. Your President said he would recognize failure and he would invite criticism, but he never recognizes a mistake and never stands for criticism.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. KELLER. How would you do it?

Mr. GIFFORD. By direct relief. That would be the easiest way and would do away with all this bureaucracy. I do not know that I pronounce the word correctly, but it is a word that is causing concern in the minds of the people of the country generally.

Mr. KELLER. How would you get away from that?

Mr. GIFFORD. With respect to your people in Missouri, I do read occasionally about St. Louis, Mo., and the Pendergast machine. Perhaps politics would get into it even there, would it not?

Mr. KELLER. I do not think so.

Mr. GIFFORD. If politics would not get into it in St. Louis, then it would not get into it anywhere; but direct relief is the answer. The present method has failed to provide adequate relief to those in need thereof, because it is a wrong method.

Mr. KELLER. I am asking for the gentleman's remedy.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MAVERICK].

W. P. A. O. K., BUT SO IS PUBLIC WORKS AND RURAL RESETTLEMENT

Mr. MAVERICK. Mr. Chairman, I am somewhat in the same position as the gentleman from Massachusetts [Mr. GIFFORD], who preceded me. I am a little bit confused, and I am going to make a few criticisms as I go along, and, like the gentleman from Massachusetts, I am going to vote for the bill. I say nothing, however, in bitterness.

I just want to converse on this question of legislation in general for a moment. The manner in which this bill is brought to the floor has been customary, I presume, for a hundred years. But, Mr. Chairman, this bill comes in here without anybody except a subcommittee knowing anything about it. And the first thing we all do, by unanimous consent, including our opposition over here [Mr. MAVERICK indicating the Republican side], is to make a waiver by which we absolutely abandon our legislative processes as applied to all the other committees. The Appropriations Committee offers their bill, and I presume there is considerable legislation in it, and we have waived all points of order. So the result is going to be there will only be one committee of any importance in the House of Representatives, and that will be the Appropriations Committee. If this is true, I hope I get on it.

In any event, we gave up our legislative rights in this particular case, and I have no particular criticism, because I could have objected but did not. But neither did the Republicans; it is merely an example of Congress abandoning legislative processes and railroading ourselves out of our rights.

PRINT OF BILL NOT EVEN AVAILABLE TO CONGRESS

Another thing is that the bill was not available, and this is customary and has been the custom for years. But how can a man make an intelligent talk on this bill or a constructive talk when we are handed the hearings of probably 1,000 pages on which these other gentlemen have worked for 2 months, and then we are supposed to get up here and debate the bill and vote with deliberation. In fact, the bill is not even available at this time. I tried to get a bill for about half an hour, and finally I borrowed one from the courteous chairman of the subcommittee [Mr. WOODRUM], the gentleman from Virginia. This is the only way I was able to get a copy of the bill.

It would seem to me that we should adopt a policy of getting out reports at least a week ahead on ordinary legislation like this. With reports gotten out ahead we could inform ourselves and legislate more carefully, and certainly with more knowledge.

ARMY AND NAVY—DO WE DISCUSS FUNDAMENTALS?

Let us talk about legislation in particular reference to this matter, because it is more or less relevant. When we are talking about the Army and the Navy we talk about battle cruisers and cruisers and battleships, and we bandy statistics around. But we say nothing about the economic background in reference to these huge appropriations.

I come from the biggest military district in the United States and, I think, the biggest one in the world. My district probably profited financially from the World War. We suffered a break-down afterward, of course. My people are assisted, to a large extent, by military appropriations. But

I do not think that my district or this Nation can have permanent prosperity entirely by military and naval appropriations. I just do not think we can do that. We must develop our interior and our exterior, world trade, and promote peace. I think some day we ought to get down to it and discuss whether it is really necessary to have one of the biggest navies in the world, which is to go all over the world in some sort of fantastic empire.

You know civilization has always been destroyed when there is a great concentration of wealth, along with the building pyramids or nonproductive buildings of all kinds, developed side by side with a royal military force. It seems to me that we are headed somewhat in that direction. I voted for the Navy appropriation bill, and I voted for the Army appropriation bill, but I wonder if we are solving our problems in this way.

POLITICS IN W. P. A.?—NOT MUCH, BUT THEY ARE HUMAN

Now, let us get down to this W. P. A. appropriation we are debating today. As far as I am concerned, I am willing to say publicly or privately that Harry Hopkins is one of the ablest men in the United States, and he is doing a fine job. Has there been any politics? Of course, there has been politics in the W. P. A., just like there was politics in the Republican days, and just as there will be if that party comes into power again; or just as there will be if a third party comes into power.

But I will say this, that there has been a minimum of politics, and Hopkins has been doing a fine job under the most difficult conditions.

I am wondering this: Is there any permanent recovery under the W. P. A.? Are we going to put people back to work permanently by the W. P. A. appropriations? Personally I do not think so. I think the W. P. A. is absolutely necessary, but there is no permanent benefit coming from it.

RURAL RESETTLEMENT SHOULD BE CONTINUED

Let me say a word or two about the rural resettlement. That is criticized to a large extent because it is under Mr. Tugwell, called both doctor and professor, who went to college and got more than one degree. They say there is something wrong in a man that gets two degrees from college.

The rural resettlement is doing just about the most important work in the United States today. Suppose you put aside Mr. Tugwell—suppose you send him back to college—the work will have to go on just the same. Soil erosion, destruction of forests, the poverty of the rural people, tenants, and sharecroppers everywhere—something must be done about it, and we should not abandon our program.

Now, what is Mr. Tugwell, or rather the Rural Resettlement Administration doing? The Administration has taken 600,000 farmers off relief and put them back into self-respecting productive work. That is a substantial accomplishment, and more must be done, whether Tugwell lives or dies.

When you put a man on relief you have to keep feeding him forever. When you get him back on the land and back in the economic system, you have done something worth while. And that is what rural resettlement is doing.

As I understand, last year he got something like $250,000,000. This year, although his Department is not mentioned here, he is to get something like $85,000,000. If we appropriated $250,000,000 last year, $85,000,000 this year is not sufficient.

SHALL WE EARMARK $700,000,000 FOR W. P. A.?

Take the W. P. A.—there are a large number of Congressmen who want to earmark $700,000,000 of that for the Public Works Administration under Secretary Ickes.

I have been talking about that thing, and I have been studying it. One billion five hundred million dollars does not appear to be enough; at least, last year we appropriated $4,800,000,000. I make bold to say that and I am willing to vote an increase in the appropriation if the expenditure can be invested intelligently and conservatively, as I think has been done under the Public Works Administration.

MONEY PROPERLY INVESTED IS NOT WASTED

They say, "Where are you going to get the money?" When you take money and put it into permanent economic programs you get the money back, and then you are not wasting money, but you are investing money wisely. Let us say that the P. W. A. has about a billion dollars worth of work that they can start now. They make a grant on that of 45 percent, or $450,000,000. That money all practically comes back to the Federal Treasury, because P. W. A. charges a rate of interest of something like 3½ or 4 percent, and the Government borrows the money at a much lower rate. This may be stretching a point, but it is true P. W. A. is legitimate, sound business.

I believe some way should be found, if possible, to increase this appropriation for the P. W. A., because the P. W. A. is doing a permanent, high-class piece of work in this country.

P. W. A., they say, has been slow. Possibly that was for the best; Ickes is a cautious man and has been careful from every angle. But slow or not, the P. W. A. is ready now with legitimate, self-liquidating projects that run at least seven hundred million and probably a billion dollars.

P. W. A. AND RESETTLEMENT OUTSTANDING AGENCIES

In a general way the Rural Resettlement and the P. W. A. are really the outstanding agencies in the Government today that are doing work which is of a permanent nature, from the viewpoint of rehabilitating rural people and agricultural land and city people and industrial business, in an economic structure. For that reason we ought to do something about keeping these agencies going.

Ickes and Tugwell and Hopkins get a lot of criticism, and largely because they have hard jobs to fill. I asked a colleague a minute ago which he like the best, Tugwell or Hopkins, and he said he liked one just about as much as he did the other, and he meant by that that he did not like either one of them. He has never met either of them, but has had some pleasure in hating them at a distance. We get a lot of criticism from the other side of the House on our Administrators, and some from our own side. The Republicans are constantly talking about "Tugwellian philosophy" and about "boondoggling", which, in my opinion, is entirely superficial criticism, because no sensible substitute or program is offered.

Some day we must get down to the fundamental question of what we—and I here mean Republicans and Democrats, Progressives and Farmer-Laborites, all of us—are going to do. And let us discuss some of the things that we have not done. We have not even gotten the Bankhead Tenant Act on the floor, which is to rehabilitate sharecroppers, tenants, and landless agricultural workers. We have not gotten out any housing bill, and we have not gotten out any real conservation bill. All these matters concern permanent recovery, and those matters I mentioned must be faced. As far as I know, we have not any particularly well-integrated or definite plan of what we are going to do.

This is not an anti-Democratic speech. I am for the Democratic Party. I am for President Roosevelt. I am for what we are trying to do, but sometimes I am not sure that we are doing everything that we should. Sometimes I think we wince under superficial criticism of the Republicans and our reactionary enemies—and they have not any program, nothing to offer, or anything sensible to say. I have heard the Republicans talk today, and all they have done is stand in this well and criticize what the Democratic Party is doing. They make absolutely no constructive suggestions whatever. They say we are doing wrong, and that we have to stop this relief program, this, and that, with some talk of alphabets, although no more talk about the "brain trust." What the Republicans think does not seem to be much. The question is, What are we going to do?

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. I gladly yield to the distinguished leader of my party.

Mr. BANKHEAD. Does not the gentleman have some hopes that the new Republican "brain trust" may evolve some policy for the Republican Party very soon?

Mr. MAVERICK. I am afraid not. I have found out that they have one man in the Republican "brain trust" who is a Socialist from way back, and I have walked the floor at night a great deal about that. Then there is something else that I have heard. Last night there was a red flag hung on the Supreme Court flagpole, and they found a Harvard magazine under it, and I think that must have been Professor Carver, of the Republican "brain trust", who did that. I understand that he was in the neighborhood just about that time.

TUGWELL TRADES CAP AND GOWN FOR STEEL HELMET AND RHINOCEROS HIDE

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. Yes.

Mr. KNUTSON. No matter what the Republican "brain trust" does, it cannot hope to equal the Democratic "brain trust" in damn foolishness——

Mr. MAVERICK. Brains—you mean in brains. You cannot hope to equal the Democratic "brain trust" in brains. You know that you are jealous.

Mr. LUCAS. The gentleman spoke something about Mr. Tugwell leaving his office and what might or might not happen should that come to pass. Does the gentleman believe that perhaps we may be able to go to the Republican "brain trust" and find somebody to take his place?

Mr. MAVERICK. No, and I will tell the reason why you cannot. You cannot do it for two reasons. One of them is that the Republican "brain trust" has not as much brains as the Democratic "brain trust", and the second is that Tugwell has been in for 3 years now, and he has gotten a good deal of the doctorate worn off him, he has been kicked around so much, and has now become a pretty good administrator. He has traded his cap and gown for a steel helmet and a rhinocerous hide.

Mr. GIFFORD. And what the gentleman is trying to say, paradoxically, is that a "brain trust" is an asinine thing anyway.

Mr. MAVERICK. The Republican one; yes. Our "brain trust" is a good one. But I want to say in conclusion that I really believe, instead of voting for this bill as it is, that we ought to do something for the P. W. A. and the Rural Resettlement.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. Yes.

Mr. CRAWFORD. The gentleman made one observation that I am very much interested in and I want to see if I understood him correctly. I understood the gentleman to say that Tugwell had been given $250,000,000.

Mr. MAVERICK. Last year.

Mr. CRAWFORD. With which he had cared for 600,000 farm families.

Mr. MAVERICK. That is what I understand the figures show, and he has not only cared for, but has rehabilitated many of them.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. TABER. I yield the gentleman 1 minute more.

Mr. CRAWFORD. Then if that is so, if my figures are correct, that, of course, would be $411.66 per family.

Your observation startles me. It is some information I have overlooked. I want to ask where I can get the details on this statement.

Mr. MAVERICK. From the Rural Resettlement; and you can also find that there has been comparatively more permanent rehabilitation per dollar than there has been through any other agency. I cannot give statistics, but from a viewpoint of principle the idea is right.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. HOFFMAN. Does the gentleman know of any Republican in the House who claims any interest in that "brain trust" and who is not willing that you should take over whatever they may have down there at Republican headquarters?

Mr. MAVERICK. But you know they hired that "brain trust."

Mr. HOFFMAN. Who hired him?

Mr. MAVERICK. Your own leaders, of course; BERT SNELL and your other leaders. You know very well you agreed on that "brain trust." You cannot deny that.

Mr. HOFFMAN. The gentleman is mistaken. We do not have any "brain trust." You have a patent on the "brain trust."

Mr. MAVERICK. You have what purports to be one; the fact remains you complained of a Democratic "brain trust" for 3 years, then studied the matter over and hired one yourself.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. TABER. Is it not a fact that what Tugwell is doing is paying relief to 200,000 farmers, and that he has not taken any off of relief?

Mr. MAVERICK. No, no. Mr. Tugwell—that is, the Rural Resettlement Administration—is rehabilitating some 600,000 farmers, many of whom to all intents and purposes are rehabilitated permanently.

Now, let me conclude with a short review or with some repetitions. First, legislatively, either we are all passing the buck, both Republicans and Democrats, or giving up many of our legislative processes such as in the waiver we unanimously passed today. That is a bad precedent. Second, the idea of bringing in a bill which no one has had a chance to read seems to me to be a bad policy, and that a better one would be to bring in a bill ahead of time and give the Members a chance to study and therefore legislate intelligently. Third, W. P. A. is absolutely necessary, and we must pass at least the $1,500,000,000 bill. But, aside from that, the Rural Resettlement and Public Works Administrations are both essential to the economic set-up of this Nation and should be carried on as absolutely necessary on the part of our economic system. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. MAIN].

Mr. MAIN. Mr. Chairman, on January 14, 1936, I made a speech on the floor of the House in which I made some comments on President Roosevelt's message of January 3 on the state of the Union. I did not expect any reaction or comment from the President or members of his Cabinet. I did not suppose that any of them had time to read speeches of a new Congressman of the opposite political party. A portion of my speech was intended as a challenge to the members of the President's party, who constitute a majority of the membership of the House.

Under date of March 14, 1936, I received a communication from the Honorable Harold Ickes in which he calls my attention to the fact that I made the following statement in that speech:

> The misfeasance—and I may add the malfeasance—in the administration of W. P. A. and P. W. A. projects as partisan enterprises for political profit has reacted against the administration and its sponsors.

And the Secretary of the Interior concludes his communication as follows:

> If I have been guilty of anything in the administration of the Public Works program it is that I have been overzealous in my insistence that the program be administered without scandal and without regard to partisan politics. I feel so strongly on this point that I must challenge the truth of your charges and demand their proof.

Evidently the Administrator of Public Works is particular about the company in which his alphabetical symbols are found. Most of us who make up the membership of this House commenced our educational processes by learning the alphabet. Today pursuant to some strange pedagogical theory, children learn to read without learning the alphabet. Until the advent of the administration of "Roosevelt the

Lesser" there was grave possibility that our youngsters would grow up without learning the alphabet. It is an amazing but somewhat serious fact, that our young people are at quite a disadvantage in their efforts to locate words in the dictionary. They have trouble finding names in the telephone directory because of their lack of familiarity with the alphabet. Many of our youngsters are rusty on the sequence of the letters of the alphabet.

Now we have the confusion of youth complicated by the difficulties of the older generations. In the midst of this alphabetical uncertainty in the schoolrooms, along come Tugwell, Hopkins, and Ickes with 57 variations of alphabetical readjustment. Out of this maze of letters come the familiar symbols "W. P. A." and "P. W. A." As a new Congressman I am not embarrassed to admit that I was quite unacquainted with the fine distinctions connected with the order of arrangement of these mystical letters. I knew that regardless of the order of arrangement they emanated from the bureaucratic satellites of Franklin Delano Roosevelt. And I was, and still am, of the opinion that any political reaction that may accrue because of the activities of any division of the governmental program will affect Mr. Roosevelt and his chances for reelection. The average voter, like your new Member of Congress from the Third Congressional District of Michigan, will be hazy in his distinction between P. W. A. and W. P. A. And if the management or administration of either department produces what may be fairly designated as "malfeasance" or "misfeasance", the reaction will be against the Democratic ticket in November. And no one will stop to consider whether Mr. Ickes is the Simonpure nonpartisan, or whether Mr. Hopkins is to be the scapegoat for all the partisan patronage that is being dispensed under the cloak of human relief.

It is probably true that P. W. A. had nothing to do with the circumstances occurring in my district in the months of November, December, and January, on which my remarks were based and for that reason I retract the reference to P. W. A. in my speech of January 14, page 399, of the CONGRESSIONAL RECORD, and ask to have, "and P. W. A." stricken from the permanent record.

Mr. Chairman, when this Committee rises it is my intention to ask unanimous consent that the RECORD be corrected in that respect.

As a matter of fact there were five or six projects just getting under way in my district in November, December, and January under the auspices of the P. W. A. and I am only too glad to state that the methods of administration in those particular cases appeal to me as infinitely superior to the methods adopted by W. P. A.

But, Mr. Speaker, I cannot resist the opportunity of pointing out the very obvious fact that from the very nature of the circumstances, so long as the abbreviations, P. W. A. and W. P. A. are used, there will continue to be confusion and uncertainty as to the history, background, and responsible governmental agency connected with a given project.

The newspapers supply ample proof that there is much confusion as to whether the $25,000 municipal dog kennel at Memphis is a W. P. A. or a P. W. A. project. I understand that this particular dog house is a public building but perhaps that does not bring it under Public Works Administration, and I am of the opinion that that particular project might better be designated as a W. A. P. project. And it might even be advisable to insert the letter "S" and make it W. A. S. P., as I am quite sure somebody is going to get "stung" as a result of that item of public works.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. MAIN. I yield.

Mr. CRAWFORD. What kind of a house did the gentleman refer to?

Mr. MAIN. A dog house.

Mr. CRAWFORD. Is it really true that such a house has been built?

Mr. MAIN. Yes; at a cost of $25,000.

Mr. CRAWFORD. The gentleman used the initials "W. A. P."

Mr. MAIN. Yes.

Mr. CRAWFORD. I would call that "wash all pups."

Mr. MAIN. I thank the gentleman. That is a very practical suggestion.

While I am perfectly willing to smooth the ruffled feelings of Secretary Ickes by asking to have the reference to P. W. A. withdrawn from my speech of January 14, I cannot refrain from reminding our Democratic colleagues that the President has a curious assortment of advisers and coworkers. Of course, we cannot blame Mr. Ickes for being anxious to see that his Department is absolved from all criticism. But the fact remains that the Democratic candidate in November will be Franklin Roosevelt and not Harold Ickes, and if there has been misfeasance and malfeasance in scattering the spending power of this Nation broadcast across the land, regardless of the alphabetical sponsorship under which such program is carried on, it will be the Democratic Party that must suffer the consequences.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. MAIN. I yield.

Mr. FORD of California. I wonder if the gentleman read the returns from California?

Mr. MAIN. I read the returns from California; yes. If the gentleman gets any particular consolation out of those returns, he is welcome to it.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. MAIN. I yield.

Mr. HOFFMAN. For the benefit of the gentleman I think there were 25,000 McGroarty-Townsend votes in California.

Mr. MAIN. Now, if the gentleman is interested in Townsend votes, I would like to know why his Townsend investigating committee is acting like the pup that I used to know about that was always chasing the cat, but he always regulated his speed so that he never quite caught up with the cat. Why this 2 weeks' postponement in completing the examination of Dr. Townsend?

Mr. MAVERICK. Mr. Chairman, I insist on order among the Republicans.

Mr. KNUTSON. Mr. Chairman, in fairness to the gentleman from Michigan, I think the RECORD should show that Mr. HOFFMAN is not responsible for the 2 weeks' adjournment, and that that should be laid at the door of the chairman of the committee.

Mr. MAIN. Mr. Chairman, I do not yield further. I am devoting these remarks to Mr. Ickes and not to Mr. HOFFMAN. [Laughter and applause.]

So far as I am concerned, the Honorable Mr. Ickes and his Department are relieved of any and all charges of misfeasance and malfeasance or discrimination in the selection of employables on projects in the Third District of Michigan during the months of November, December, and January last. But let it also be said that the wise and judicious spending of certain millions from the Federal Treasury under the banner of P. W. A. will not eclipse or justify the unwise squandering of other millions from the Federal Treasury, regardless of the manner in which the alphabet is juggled. It is difficult for the people of my district to comprehend any good reason for failing to approve the proposed addition to the school building in the township of Comstock, Kalamazoo County, costing less than $50,000, with the local contribution in cash ready for use, while Federal money was being spent in providing shower baths for stray dogs in the city of Memphis. The fact that Mr. Roosevelt is following the suggestions of Harry Hopkins, instead of accepting the counsel of Harold Ickes, will not satisfy the school children of Comstock who are denied the benefits of a gymnasium, even though the homeless hounds of Memphis are bedded down in sanitary kennels.

Mr. Roosevelt may be well pleased with the personnel of his official advisers, but in my opinion his administration will come to an abrupt end because of his indiscriminate and flagrant disregard for the laws of party tradition. The

performance of the party in power appears to have followed the platform of the Socialist Party for 1932 instead of the Democratic platform adopted in Chicago 4 years ago. The appointees and responsible advisers of the President lack regularity in their political ancestry and in their political outlook. Some of their program seems to bear the stamp of foreign origin. Like the Government mule, who, because of too flagrant violation of the laws of animal husbandry, can have neither pride of ancestry nor hope of posterity, so some of the political cross-breeds in the Roosevelt administration family suggest some unholy alliance of the Democratic donkey with one of the nightmare delusions from Russia. Hybrid advocates of political experimentation, like the mule, may be tough and hardy while they last, but can boast neither of political ancestry nor can they have reasonable hope for political posterity. [Applause.]

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, in answer to the question asked by the gentleman from Michigan [Mr. MAIN], who just had the floor, as to the reason for the adjournment of the investigating committee, of course, as the gentleman well knows, I do not know why an adjournment was had, because I am only one member of a committee of eight, and, unlike the gentleman who just preceded me, I do not assume to know all that the others know, and I do not assume to speak for anyone but myself. However, I have learned somewhat indirectly that the adjournment was had to enable counsel for the committee to have here in Washington some of the information which they have obtained in California, so that they might accurately quote documents which were put in evidence there.

Personally, I am somewhat hasty, somewhat abrupt at times, and somewhat inclined to form quick conclusions. But I can say to the gentleman that from the day that committee first met it was my understanding that they were to meet and question Dr. Townsend and Mr. Clements on the following Friday, and I have been willing and am now as a member of that committee to go through with that examination. I did learn while up in the gentleman's district last week that it was being represented up there to the voters, to those who were asked to contribute their dimes and quarters, that if they would pay, not $1.20, because the district manager said he did not put forth that statement, but that if people would contribute $1.45 a year to the Townsend organization, which claims credit for the gentleman's election, there would be paid to everyone eligible a $2,400 annuity each year, or $200 a month.

Let me quote from the instructions to all area managers under the jurisdiction of the central regional office at Chicago.

> If every member will pay his or her 10-cent quota promptly each month during 1936, and we win the next Congress, that means the 12 monthly quotas plus the 25 cents membership fee, a total of $1.45, is all it costs to win an annuity of $2,400 a year—$200 per month and assured employment at living wages for every worker. Do you know of any investment anywhere that will yield such value that costs so little? No matter what any club member's circumstances may be, it would seem the part of wisdom to make a real sacrifice to pay this small monthly quota of 10 cents. It is the lifeblood of your organization; it is practically all we have to use in the fight against the powerful and abundantly financed groups and individuals who are spending so freely to defeat our purpose. Please, please, please get this thought before every Townsend club in your area, because we are falling behind other regions in meeting our club quotas.

Now, if it takes a little bit of time to demonstrate that that has been the course the country over, that the people have been deceived, that they have been defrauded out of their dimes and quarters, that they are to be induced to vote for someone as a candidate for Congress upon his promise that if they would give their $1.45 a year and elect him that he in return would assist in enacting legislation which would give this annuity of $2,400, I think the adjournment is a good thing, because it is well they should know that not only in Michigan but everywhere such promises have been put forth.

Mr. MAIN. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield for a question.

Mr. MAIN. I wonder if the gentleman found out that a statement over my signature stating my platform in that campaign contained the announcement that I would vote for the McGroarty bill, H. R. 7154, and that was the limit of my statement with regard to promises as to Townsend-plan legislation? I am glad to stand by that promise when and if the opportunity comes to vote on that bill.

Mr. HOFFMAN. I did not inquire as to the gentleman's platform, because it was in the papers at the time of the campaign. I did not, I do not, consider the gentleman's platform conclusive on this matter. As these questions were asked of different witnesses they informed me—they volunteered the information—that the gentleman from Michigan was the standard bearer, being the first man in Congress, the first congressional candidate who had been elected by them, by the Townsend organization; and I learned that he, the gentleman from Michigan, had appeared on the platform with Dr. Townsend or Mr. Clements and with Townsend speakers during the campaign. I know also, from all the Townsend publications, the Townsend plan as set forth, for instance, in this month's issue of their paper that they, the Townsend organization, stand without compromise for $200 a month; and we know there is no such bill before this Congress at the present time. I know also that the McGroarty bill, according to the testimony of the man who was called as an expert by Dr. Townsend—I refer to Dr. Robert R. Doane—will not produce more than $33.33 per month, and he finally testified under oath that if the amount raised by the McGroarty bill was distributed among 10,000,000 pensioners it would give approximately $30 per month. These figures do not allow for any administrative costs, which, of course, would make a material reduction in the amount actually received by the pensioner.

He concluded his testimony on this subject with the statement that the pension which would be received under the McGroarty bill would purchase about $6 worth "of our present goods."

The doctor further testified that the Michigan pension law, as it now exists, would produce more in actual purchasing value to the pensioners than would the pension under the McGroarty bill.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Chairman, I am in favor of appropriating $1,500,000,000 for work relief, as provided in this measure, largely because a great deal of the money will be used in the so-called boondoggling program; and I will state my reasons: In the so-called boondoggling program the money has been spent on what type of person? On the white-collar individual. What does he comprise? He comprises a class of persons whom it would be impossible to utilize in any kind of a P. W. A. project because of the fact that they have had no training or experience with manual labor.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. FORD of California. I yield.

Mr. CHURCH. Is that the reason they lean on their shovels instead of using them to raise material?

Mr. FORD of California. Possibly so; but they do not do that. You see, I am talking about the white-collar people. Who are they? They are artists, singers, musicians, actors, dancers, school teachers, and persons engaged in all the finer forms of artistic endeavor. Of course, if we do not want to help the artist who has no work, we can take him out, as some of the opponents of this bill would do, and shoot him. How about the vocal artist? We would still the singer's voice; we would numb the harpist's fingers; would we leave those whose gifts are along artistic and cultural lines to starve, freeze, and go naked?

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. FORD of California. I yield.

Mr. LUNDEEN. These musicians and artists must live like other citizens; they should have an American standard of living.

Mr. FORD of California. Absolutely.

Mr. LUNDEEN. I can see no reason for not helping them. I think the administration deserves credit for doing something for them.

Mr. FORD of California. The distinguished gentleman is correct, and I thank him for his contribution. He, of course, has a great heart, like all his progressive neighbors, and he believes in things that have for their purpose the bettering of human beings.

The gentlemen who are so much opposed to these boondoggling projects—who are they? They are the gentlemen who sit in palatial offices, who have a dozen secretaries at their command; they are the gentlemen who control the destinies of the railroads, the banks, and the great industrial corporations, and all the rest of it. They would leave the artists, the musicians, the singers, the dancers, and all that great mass of people whose aims and ambitions are concerned with the finer, the higher, the more artistic things of life—they would leave them out, they would leave out the school teacher who is unemployed to starve, the dancing teacher and any other class of people whose activities and training and background and experience disqualify them for the pick or the shovel or the maul or any other implement that is used in manual labor. That is what I like about Harry Hopkins.

Harry Hopkins has a broad comprehension of human needs, which is not confined to any one single class. He has done a courageous and splendid job.

Mr. Chairman, I would vote for adding another $700,000,000 for W. P. A., but I shall not vote to take $700,000,000 from the present appropriation. I am opposed to that from the start, and I am going to fight it with all the strength and ability I have at my command, because I want this money to use for the creation of jobs that may be started quickly and which will put the maximum number of people to work for the maximum length of time. It is beyond my understanding how Members of this House can oppose the use of this money for the type of project contemplated by the Works Progress Administration. In doing so they are unconsciously joining with the interests that oppose everything and would adopt a do-nothing policy.

The "old guard" reactionary opposition to the New Deal has been one of attack, with the only alternative a return to laissez faire. Nothing constructive, nothing that squarely faces the spectacle of poverty in the midst of plenty, of unemployment, while industrial profits mount, of the sweatshop and the slum, of child labor and the destitute aged, has come from the reactionary leadership which controls the G. O. P. But now, at last, the Republican National Committee has realized that some alternative plan must be offered, if the ever-growing tide in favor of the New Deal is to be stemmed.

Hence we read of the Republican "brain trust", headed by Dr. Thomas Nixon Carver, professor emeritus of political economy, Harvard University. Dr. Carver is noted as a dry-as-dust economist of the old school, who interprets political economy in terms of capital, wages, profits, supply and demand, and who excludes all reference to human welfare, to widening opportunity for all the people, to methods of securing a higher standard of living for the multitude. He, of course, is opposed to W. P. A.

For the Republican National Committee Dr. Carver has evolved a plan, which for cold-blooded calculation, for gross materialism, for a repudiation of every principle of democracy, cannot be matched in the known world.

Here it is, as given in the press:

1. Easing or elimination of Government regulation and restraint on business.

2. Reduction of the supply of labor by sterilization of the "palpably unfit"; widespread use of birth control; exclusion of all immigration; checks on marriage. Marriage would be barred until the parties could afford to buy and operate an automobile.

3. Organization of the "substantial people of America" in a national party to stamp out radicalism.

4. Curtailment of unemployment relief by forcing idle off rolls by "severe regulations."

The central idea of this plan is to reduce as rapidly as possible the supply of labor, looked upon not as human beings, but as instruments to create profits for the substantial people of America, who are to unite to stamp out what the pundits choose to brand as radicalism. America is thus envisioned as a closed corporation, owned and controlled by the capitalistic few, and conducted as a great industrial and business organization, producing enormous incomes for those in control. All who dare to oppose such an order, once it is established on what was once free America, are to be dealt with as radicals. There is no thought of so adjusting our almost unlimited power of production as to enable all our people to enjoy an increasingly high standard of living; there is no recognition of the fact that this is an age of plenty and that it is only a complete failure in distribution that makes want and privation, lack of opportunity, unrest, and despair rampant.

There is in Dr. Carver's document this pregnant sentence: "Possibly Mussolini and Hitler are more farseeing than the rest of us." Certainly Hitler is, if by this we mean that he is succeeding in regimenting the German people, in depriving them of the freedom of speech and of the press, of a free parliament elected by the people, of the right to worship according to their convictions, of justice under the law, regardless of race or creed or political opinion. All these sacred rights, which we Americans cherish as we do our own souls, Hitler has taken from the German people. And to this a respected professor from a university that has long stood for American ideals gives his implied approval.

I do not believe that Republicans generally approve such doctrine. It is only that small group of reactionaries, backed by limitless money, who accept these Fascist theories, who advocate such an un-American and un-Christian plan as Dr. Carver's. The rank and file of the Republican voters will repudiate it, along with all the other free-minded Americans who still insist that the welfare clause of the Constitution means precisely what it says, and that America was meant to be, and shall continue to be, the land of opportunity for the great common people, whether they be artists, musicians, actors, or writers, and not a bonanza for the money grabber.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent to revise and extend the remarks which I made earlier in the day and to insert a few brief abstracts from the hearings.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, the first deficiency appropriation bill for 1936, which is presented here, I shall support in its entirety. There are, however, some phases of the bill with which I am not in entire agreement, and therefore I should like to make certain suggestions to the Committee with reference to modifications and changes.

Insofar as the W. P. A. is concerned, this agency of the Government presents certain definite problems which affect the Members of this House coming from various districts throughout the Nation. This is particularly true and applicable as far as the big cities are concerned, where larger W. P. A. projects are necessary. Where the unemployment problem is large it is natural that the individual project should be large. I have in mind, for example, an artillery armory in my district. The War Department is very anxious to locate a motorized unit in the city of Detroit because it is the heart of the automobile industry. The University of Detroit has a very fine engineering school with a campus that is very attractive for this purpose, but the W. P. A. does not seem to be able to decide on going through with the project.

In the first instance, when the application was made, the ruling of Mr. Hopkins was that the per-man-unit costs were too high. These were later restudied and reduced to conform with the general outlined requirements of the Department. Then the ruling was made that because of the size of the project it could not be finished before July 1 and, accordingly, was definitely disapproved.

The Members of the House know that the W. P. A., and P. W. A. for that matter, will not cease at the expiration of the month of June. We know that unemployment at least to a certain extent will still be with us. I fail to see why a worthy conforming project of the kind I just mentioned in a large community, such as I represent, cannot be given approval and a continuing cash allowance made for its commencement, with further allowances until it is finally completed, instead of saying: "Since we cannot start and finish the project before July 1, it must be disapproved and rejected." We know that small armories of $60,000, $70,000, and $80,000 have been and are still being built in the smaller communities and smaller cities and towns. A small project of that kind in my district would be absolutely worthless and could not be considered. It is absolutely essential in a community where the unemployment problem is greater to have a project correspondingly larger. The only way to solve that sort of problem is to have a continuing appropriation. I shall expect appropriate remedies to be incorporated in this bill before the final vote upon adoption.

Another phase of the first deficiency appropriation bill I should like to discuss has to do with the salary increases for deputy United States marshals. Here is a group of men throughout the Nation that render a splendid service. Some very fine men are connected with the United States marshal's offices throughout the United States. They receive approximately two-thirds of the amount ordinarily paid deputy sheriffs and in many instances less. The only reason the salaries of these people have not been increased commensurate with their service is because they are not an organized group and not in a position to force their demands. The Attorney General states in a written communication to me that he is willing and anxious to have these increases made. Why the Appropriations Committee does not do something about it is a matter I cannot understand. Perhaps the committee spokesman will tell me and the Members of the House that the Bureau of the Budget refuses to make the recommendation; however, regardless of who is to blame, something should be done to correct the situation. The Attorney General is favorable; Members of this body, upon whom rests the responsibility, know the claim of these faithful employees is just; so let us tell the Director of the Budget what he must do. He is the servant, not the master, of the Congress. I think it is high time that the Appropriations Committee assume its full duty and correct the situation. These men are giving of their best effort in the Government service. They work all hours of the day, serving summons as late as 10 or 11 o'clock at night. When they serve two or three summons in distant cities and towns of a judicial district jurisdiction, they receive but one fee for this additional work. When using their cars they are not even allowed an amount of money for mileage commensurate with the expenditure involved. As a consequence, it is frequently necessary for them to abandon their automobiles and use streetcars. This costs the Government a great deal more in the long run, because a deputy cannot cover enough territory or get service in as many instances as he would if he used his automobile. In other words, where they could make six or seven or more calls by the use of an auto they can only make a half of that number, using streetcars. This is false economy, and the Department of Justice knows this condition exists and is anxious to correct it.

Mr. Chairman, I should now like to refer to my colleague from Michigan [Mr. MAIN]. I have heard him spout on this floor about as much as I care to without some reasonable reply. The only thing I now remember of his partisan abusive speeches is the word "wolf", which he used three or four times in every breath. Where and for what purpose that word came into his speech, I do not know, but I remember it very distinctly. He is still shouting "Wolf" or, rather, perhaps, talking about dog houses down in Kentucky.

Fortunately the gentleman has seen the light. He comes before the committee now and makes a public and abject apology to Mr. Ickes and admits having made a serious mistake in connection with his unfair attack upon the Secretary of the Interior. One thing the gentleman will learn, if he is here long enough, is if he wants to be right, he should pay some attention to what he is talking about. He had not been here long enough to get his feet wet when he started to attack the present administration.

Now, this gentleman came to the House elected as an advocate of the Townsend plan. Two hundred dollars per month and no less. Here he talks for the McGroarty bill, but he fails to make clear to his people the distinct difference between the Townsend plan and the McGroarty bill. He should have done so when my friend, the gentleman from Michigan [Mr. HOFFMAN], stated here that the McGroarty bill is different from that which our people believe is the Townsend plan.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. DINGELL. I advocated and worked for adequate old-age pensions long before I ever came to Congress. I have worked with the fraternal order of Eagles and with their national chaplain for adequate pensions. So there is not any question about where I stand regarding pensions. Let me point out the simple difference between the McGroarty bill and the Townsend plan. In dollars and cents it amounts to $167 per month less per individual pensioner than he expects, or has been led to expect, under the Townsend plan.

It is doubtful if the McGroarty bill could possibly pay over $33 per month per pensioner.

Mr. MAIN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I cannot yield at the moment, but I will be pleased to yield in a few minutes.

We, the Members from Michigan, regardless of political affiliation, have something to work for. I was led to believe that the Michigan old-age-pension law allowed a maximum for pensioners of $30 per month. I figured that by adding the Federal allowance of $15 per month, an aged pensioner could receive a sum of $45, or $90 for an aged couple. Now I find that the Michigan law will pay the maximum of $30, including the Federal allowance. Michigan's law should be amended to pay by itself not less than $30, to which should be added the allowance from the social security funds.

I will discard all politics and work with any and all Michigan Congressmen for these and other liberalizations in accordance with a plan which I will discuss upon this floor at the first opportunity.

I invite your nonpartisan cooperation. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. AMLIE].

Mr. AMLIE. Mr. Chairman, according to recent figures put out by the American Federation of Labor, we have had something over 12,000,000 unemployed during the past 5 years and something over 11,000,000 unemployed during the past 6 years. Throughout the country the feeling is growing with the people that the situation we face is a chronic one; that we may expect to see a continuation of this degree of unemployment for an indeterminable period into the future. Here in the House the feeling still persists as it did 4 years ago that this is a temporary depression and that before long prosperity will return, everyone will be given employment, and the necessity for relief will end.

I do not believe there is any justification for this hope, and I believe we should begin to take general notice of the fact that what we are facing today is what we are going to face next year and the year after that.

Since the depression began we have had an increase in output per man-hour in manufacturing, generally conceded

to be in excess of 30 percent. This means we could return to the industrial activity of 1929 and still have eight or ten million people unemployed. As a matter of fact, we could return to that degree of industrial activity and instead of employing the seventeen and a half million workers that were employed at that time, we could turn out the same quantity of manufactured goods with 12,300,000 workers.

If we assume that the technological advance will go on during the next 6 years as it has during the past 6 years, we could then achieve the industrial output of 1929 with only 8,610,000 workers.

This situation, it seems to me, presents a problem that is going to remain with us a long time. These 11,000,000 or 12,000,000 people are unemployed today, and they are going to be unemployed indefinitely into the future, even though we have a return to the industrial activity of 1929. As a matter of fact, last December, January, and February we had achieved substantially the normal industrial activity that prevailed during the years 1923, 1924, 1925, and 1926.

So, in a sense, prosperity has returned, but we still continue to have 11,000,000 or 12,000,000 people unemployed.

Prosperity has returned from another standpoint. Not long ago, a financial writer, John T. Flynn, gave the figures of profits covering some 388 corporations.

During the first 6 months of 1933 these corporations earned $77,000,000.

During the first 6 months of 1934 they earned $380,000,000.

During the first 6 months of 1935 they earned $435,000,000.

I have a brother-in-law who returned recently after spending a year in England, and he tells me that the economists he met there were all talking about one thing, and that was the great American boom.

These economists are perfectly right. We are in this country having a boom through increased industrial activity and increased profits; and, as a result, the securities listed on the New York Stock Exchange have increased from $32,000,000,000 to $51,000,000,000 in the course of a year and a half.

But we still have 12,000,000 people unemployed at the present time, and barring another world war, these people are going to remain unemployed. It seems to me high time that the Congress of the United States, both parties represented here—the two major parties—ought to recognize that this unemployment will remain with us indefinitely into the future.

I recall the first session of the Seventy-second Congress. We had up to that time proceeded on the theory that if we let nature take its course, eventually we would snap out of the depression.

The philosophy was abandoned when we enacted the Reconstruction Finance Corporation law. Those of you who were here at that time remember the tremendous amount of pressure that was brought to bear by the business interests, who were unwilling, apparently, to take the same medicine which they had insisted upon for the unemployed, when they realized that the deflationary process was injuring them also. Under President Hoover the Reconstruction Finance Corporation loaned almost $3,000,000,000 to bail out "busted" bankers and businessmen.

The election of 1932 gave the answer of the American people to the effect that they did not intend to work out of the depression by following the policy of deflation to its logical conclusion.

Under Mr. Roosevelt we have abandoned the idea that we can work out of the depression by following a deflationary course. Outside of a few responsible men like Senator CARTER GLASS and H. Parker Willis, I really cannot think of anyone who at that time believed that we could go on with a program of deflation.

Since the decision was made, made with the agreement of a great majority of the American people, to embark on a program of spending, it seems to me the thing to consider is how can we spend money. The Government could, for instance, have gone ahead and built permanent buildings of one kind and another, such as is proposed by the Public Works Administration, but this kind of program of course encountered objection by business for the reason that every expenditure for permanent buildings today adds to the tax load in the future in the form of maintenance expense for those buildings. Probably 10 or 20 percent of the money expended now would be reflected in permanent carrying charges each year in the future. For that reason we find business quite generally opposed to permanent expenditures of this kind.

There is another thing which I have advocated and which I believe should be done. In February a year and a half ago, I inserted in the CONGRESSIONAL RECORD the figures from the F. E. R. A., showing the cost of giving relief on various bases. In December 1934, it cost $165,000,000 a month to take care of the unemployed, with 42 percent of the people at made work. That was the figure of the F. E. R. A., that if we would but do away with made work and put people on the straight dole, which has now become the Republican program, the same kind of relief could be given for $130,000,000 a month; or if we were to do away with retail purchasing and buy everything on a wholesale basis and distribute it to the unemployed through a commissary system, it could be done for $92,000,000 a month, but if the unemployed were to be given the opportunity to go to work supplying their own needs, the figures of the F. E. R. A. indicated that they could then be given the same standard of living for $60,000,000 a month, that now costs $165,000,000 a month. This report went on to say that if that amount were increased from $60,000,000 a month to $78,000,000 a month, it would be possible to increase the living standard of the people on relief by 35 to 40 percent, bringing people on relief a higher standard of living than that normally enjoyed by people employed in industry.

Mr. THURSTON. Mr. Chairman, will the gentleman yield?

Mr. AMLIE. Yes.

Mr. THURSTON. The gentleman made some reference to the Republican policy, which of course is not admitted or supported by the Republican organization, but I ask the gentleman if he believes that the policies and remedies of the Democratic Party of free trade, low tariff, or reciprocal tariffs will serve to employ these ten or twelve million people who are unemployed.

Mr. AMLIE. I do not believe it is possible to reduce tariffs during a period of economic retraction, regardless of what my viewpoint might be in time of prosperity. I think we are all agreed that it is impossible in times like these to do any such thing.

Mr. THURSTON. Then the gentleman is in favor of tariffs in distressed times, but not in fair weather?

Mr. AMLIE. I would want to take more time than we have now to answer such a question, but it is impossible to reduce tariffs in times like these, regardless of what my philosophy might have been 20 years ago under different circumstances.

The figures I have given were also put in the CONGRESSIONAL RECORD by Senator Bronson Cutting shortly before he died; in the form of a letter written by Jacob Baker, Assistant Relief Administrator.

But when the proposal is made to put the unemployed to work, business immediately objects upon the ground that it is interfering with business. The point I make is that if we can give people on relief the same standard of living for $60,000,000 that is costing $165,000,000 a month, then let us be frank and recognize that at least $105,000,000 a month is a dole to business and not to the unemployed. I am willing to defend the proposition that of the money that has been spent up to this time either as charity expenditures or in the form of loans of one kind and another, aggregating almost $20,000,000,000—some has been repaid—the great bulk of that has gone as a dole to business and not to the unemployed. Business has gotten more out of this administration than the unemployed; and if people here are really sincere in saying that boondoggling demoralizes the unemployed—and I am inclined to agree with them—none of us would get any satisfaction in going out and doing with a

pick and shovel what we know could be done for one-tenth of the cost with a steam shovel; still, if we really believe these people are willing to work, why not give them this opportunity to contribute their own labor toward their own support? I am sure the unemployed would get great satisfaction out of that, and we could reduce the amount of relief expenditures by more than half. In the meantime I think we should also recognize that most of this money is going as a dole to business and is not going as a dole to the unemployed.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. AMLIE. Yes.

Mr. MARCANTONIO. Beside the benefit that business is getting as a dole, would the gentleman make some observation as to the standards of living on which the unemployed are maintained today?

Mr. AMLIE. I can give a statement by Dr. Walter R. Campbell, of the department of medicine of the University of Toronto, at the American Medical Association convention at Atlantic City last year, in which he said:

> Twenty-five million of the unemployed in Canada and the United States are in danger of becoming unemployable by eating a relief diet too high in carbohydrates and too low in proteins for reasons of economy. Much emphasis has been placed on the economy of starch calories as opposed to fat calories, which are relatively expensive. Unemployment diets are tending to run high in carbohydrates. * * * The apparently inevitable degradation from unemployment to unemployable should not be accelerated by a falsely economical provision of foodstuffs.

I notice in the gentleman's own city last fall there was a report by Dr. Smith, assistant director of health education, stating that lack of sufficient food had wasted bodies and sapped the mental vigor of more than a hundred thousand school children until they can no longer keep up with their better-fed classmates in school work. In the elementary schools on Manhattan Island there are 125,000 seriously undernourished youngsters.

Incidentally I might say that the percentage of sickness among people on relief ranges anywhere from 25 to 60 percent higher than among people who are not on relief. So it is only too apparent that people are not getting enough to maintain their health.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. AMLIE] has again expired.

Mr. TABER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. AMLIE. Because business objects to the spending of money for permanent public works, and objects to spending money for permitting the unemployed to contribute their own labor toward their own support, there remain only two possible alternatives, and they are the dole on the one hand and boondoggling on the other. I think it is a disgrace in the year 1936 if the American people are going to be given the opportunity merely to choose between those two alternatives represented by the Republican Party and the dole on the one hand and the Democratic Party and boondoggling on the other. As a choice between those two evils, and that is apparently the choice, I want to say that under the old deal the average relief was only $8 a month per family. By October 1933 it had gone up to $17.22. In January 1935 it had reached a high of $30.30. Then it began to slip. In September 1935 it was back to $25.90. Under the W. P. A. approximately three and one-half million people last year, during the current year, were working at $50 a month. A million and a half more could have qualified, but the appropriation was not sufficient to take care of them.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Chairman, I take this time to make a suggestion to the Committee on Appropriations. This bill was reported today. I hold in my hand the hearings covering 2,000 pages and more. The bill itself contains over 100 pages. There is much information in these hearings. We are sitting as a jury, presumed to decide a case, and the evidence is found in 2,000 printed pages which was not available—not obtainable by a single member of the jury—until we commenced consideration.

We talk about debate, and much is said about debate not being confined to the bill. Who is going to be able to talk about what is in these 2,000 printed pages when he has had no opportunity to know what the evidence is? It seems to me that the Committee on Appropriations, which follows this custom continuously, should change the custom. In other words, a bill is brought in appropriating hundreds of millions of dollars, yet the facts which are known only to that committee, cannot be obtained by a Member of the House who must pass upon the bill before we vote.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. MICHENER. It does seem to me that common sense would dictate that if Congress is to render anything approaching deliberate judgment, it should at least be given the evidence in printed form, possibly 24 hours, in any event, before they begin consideration. It may be said, of course, that we will have time to read the hearings before we vote, but it is a physical impossibility to read the hearings and remain on the floor. In other words, if a Member of the House took the hearings which were delivered to us at the very hour when this bill was called up for consideration, and retired to his room and read all day and all night continuously, he might have digested, in a general way, this information.

Mr. WOODRUM. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. Yes; I yield.

Mr. WOODRUM. I do not understand just what the gentleman's complaint is. What are we doing that the gentleman thinks we should not do?

Mr. MICHENER. I do not think you should bring a bill of this importance before the Congress without any information available to the Congress. The rules of the House and the custom of the House contemplate that the committee in charge shall hold hearings. Those hearings are printed for a purpose, and the purpose is that the House may read them and know what they are going to be asked to vote upon. The hearings are printed to be used by the House in reaching a conclusion and not to be filed away on a shelf.

Mr. WOODRUM. The gentleman knows the bill is here by the unanimous consent of the House?

Mr. MICHENER. That is another thing. The bill is here by unanimous consent of the House. We did an unusual thing today. The chairman of the committee did a very unusual thing. He asked that all points of order be waived. When I had the temerity to suggest it was unusual, I was advised that the majority had the power, that you had the Rules Committee upstairs, and that if we did not consent to the unanimous-consent request, you would use the Rules Committee, you would use the power, and you would do it anyway. Therefore, any consideration asked for would only mean delay. Of course, not wanting to delay, I withdrew my objection, and we are here by unanimous consent.

We have a bill here that has many things in it which violate the rules of the House and we are estopped from raising points of order because we consented not to raise them under a threat of the use of power if we did not consent.

Mr. WOODRUM. That is no different from what the custom has always been. The gentleman knows the bill is here in the regular course that every appropriation bill has been introduced here for years.

Mr. MICHENER. No.

Mr. WOODRUM. The gentleman should recall this fact——

Mr. MICHENER. I cannot yield to the gentleman, for I have such limited time.

Mr. WOODRUM. I will yield the gentleman some time if he wants more. The gentleman has colleagues on the Appropriations Committee—and we all rely on our colleagues—who are distinguished, able, vigorous, and active gentlemen. They are entirely satisfied with what is being done. It seems to me the gentleman's complaint is rather farfetched.

Mr. MICHENER. I do not agree that the distinguished, able—I forget the other adjectives the gentleman applied to the minority members of the committee—are entirely satisfied. If they are entirely satisfied, then I think it is time the House assert itself.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield for a question?

Mr. MICHENER. I yield.

Mr. TREADWAY. Does the gentleman know how many millions of dollars are involved in this bill?

Mr. MICHENER. No; I cannot say; and I would like to ask the chairman of this committee why it is no bills are available. Since 12:30 this afternoon, 1 hour after the House convened its session, I tried to get a copy of the bill, the bill I am to be asked to vote on and that all Members are to be asked to vote on. It is not obtainable now and has not been since 12:30 this afternoon. I do not know whether a lesser number than usual was printed—I do not know what became of the bills, but I do know that I have no bill and that other Members have been unable to get copies of the bill.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield the gentleman 2 minutes.

Mr. MICHENER. I thank the gentleman.

Mr. WOODRUM. Is there any doubt in the gentleman's mind that he is going to vote for the bill?

Mr. MICHENER. Yes.

Mr. WOODRUM. There is doubt in the gentleman's mind?

Mr. MICHENER. Yes; I happen to be one of those Members who, as a rule, wants to know what is in a bill before he votes for it. I have just told the gentleman I have not seen the bill. I do not know what is in it. I cannot get a copy of the bill, yet the gentleman asks if there is any doubt that I am going to vote for it.

Mr. WOODRUM. I hand the gentleman a copy of the bill right now.

Mr. MICHENER. I thank the gentleman; but I do want to call the gentleman's attention to the fact that a custom has apparently grown up in the House, at least on the majority side, that majority Members are expected to follow these vigilant leaders to whom the gentleman referred; and the gentleman is surprised that I have the boldness to say I have not made up my mind whether I am going to vote for a bill which I do not know anything about. The custom of which I speak has become entirely too common. Too many Members are voting for bills they never read, bills they have no opportunity to read. They follow their distinguished leader, my good friend; and he is a very splendid gentleman, an affable gentleman, a good leader, but I sometimes pity him in the position he is in. At times he blushes, but he goes along; but the time is not far distant when the back of the gentleman will be calloused by the party Whip to such an extent that the sting will not be felt longer and he will again exert himself in the splendid manhood which he heretofore has displayed.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, would the gentleman like a little more time?

Mr. TABER. I yield the gentleman 2 additional minutes.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield for a question?

Mr. MICHENER. I yield.

Mr. TREADWAY. I did not get a definite answer to the last inquiry I made of the gentleman from Michigan, namely, whether he knew how many millions were involved in this bill; and if he does not know, can he tell us how we may find out?

Mr. MICHENER. Answering the gentleman from Massachusetts, I would say that I have finally succeeded, through the generosity of the chairman of this committee, in getting a copy of the bill which I hold in my hand.

Mr. TREADWAY. Does it say in it how many millions of dollars are involved?

Mr. MICHENER. I do not know. I am going to retire to the cloakroom and look at the bill and find out how much is in it; and I suggest to some of the other gentlemen who have not been able to get a copy of the bill, but who want to know what is in it, if they will come to me I will lend them this bill so they can find out what they are going to be asked to vote for in a little while.

Mr. TREADWAY. What I want to know from the gentleman from Michigan, Mr. Chairman, if he does not know how many millions are involved, whether it is not a fact that more millions are involved than there are Members on the floor at this moment.

Mr. MICHENER. There are about 50 Members here at the moment.

Mr. TREADWAY. No; about 25.

Mr. MICHENER. I do not know. Let us say 25 to 50.

Mr. MILLARD. Mr. Chairman, will the gentleman yield for a question?

Mr. MICHENER. I yield. I would like to look at the gentleman's bill. I have been trying since 12 o'clock to get a copy of it, but have not got one yet.

In conclusion let me remind you of the importance of this measure. It furnishes the money to carry on the social-security program. It provides relief for the destitute and the unemployed for the coming year in addition to the usual deficiency appropriation bill items. Yet as the Members of the House, we are now debating the merits or demerits of this proposed legislation; and yet as Members of the House, we are unable to secure copies of the bill. Of course, intelligent debate cannot be indulged in by any excepting the few members on the Appropriations Committee who are familiar with the facts. This whole practice is wrong, and I for one shall continue to protest against such procedure. There is no legitimate reason why hearings containing the facts, which are the basis for the appropriation, should be withheld from the membership until this late hour. Possibly knowledge of the contents of the hearing will provoke debate. Surely the Members will have more knowledge about the provisions of the bill. The responsibility for this legislation rests on the individual membership, and that membership should not be denied access to all of the facts, even though those facts are available to the committee members.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman I yield 10 minutes to the gentleman from Pennsylvania [Mr. FADDIS].

Mr. FADDIS. Mr. Chairman, in common with the gentleman from Massachusetts, of course, we all realize that in times like this, some provision must be made to care for those within our Nation who are unfortunate enough to be unemployed. We realize that we cannot cut off appropriations to care for those people, and I am sure that very few, if any, of us have any desire to do so. But when I look over this bill, which is called a deficiency appropriation bill, to my mind it is badly deficient with respect to that part of the appropriation which is made in order to provide work for the unemployed. It is sadly deficient in the fundamental principle which should be back of legislation of this kind.

Mr. Chairman, we all realize that under present conditions we must provide a public-works program for the relief of our unemployed. During the past 3 years we have been reemploying men at a rapid rate, but labor-saving machinery has been almost as effective in displacing labor as we are at reemploying it. We all agree that we cannot allow our unemployed to go hungry or be in want for clothing or shelter. The dole is unthinkable. We must provide work until industry can absorb our unemployed.

Mistakes are, of course, inevitable. The disgrace in a mistake is making the same one twice. We must not repeat our mistake in W. P. A. We must not make the mistake of allowing this appropriation to go as we did the last one—unearmarked into the hands of a professional spender of other people's money.

Unemployment may be a national problem, but reemployment is a local problem. To solve it requires something more than bureaucratic theory. It requires a practical consideration of the conditions in each locality. Conditions vary so greatly in different localities that no blanket set of administrative rulings can apply effectively. Spring, summer, and fall in a rural community, when farm labor is in demand, offers much more chance of seasonal employment than does

the same season in a city. In order to function effectively and economically a reemployment program must be flexible, otherwise a great deal of money will be spent for useless projects. In my district under the W. P. A. a great deal of money has been unwisely spent which should have been wisely spent. Too much of it has gone to useless projects and the taxpayers are grumbling. They have a right to grumble. Let no one believe that they do not pay their share of taxes, whether they pay them directly or not. Even the W. P. A. worker pays these taxes, and the smaller the income the greater proportion of it goes for taxes.

Gangs of W. P. A. workers were used to scrape down the slopes of the banks along the roads. In many places the sod was taken off the banks above back as far as the fence posts. The hard winter and the rainy spring brought these slopes down onto the berme. The money had been so foolishly spent as to make necessary the spending of more to repair the damage caused. If the program had been elastic enough, this money could have been applied to building roads of native stone, which would have gone a long way toward taking the farmers out of the mud. I venture to say that the money wasted upon useless projects and that which has been paid out in doles in my district would have done away with every dirt road in my district. Then it would not have been wasted and would still have furnished employment.

In another section of my district the Monongahela River is carrying away much valuable land at certain spots. Not far away are cliffs overhanging the road from which rocks fall and menace all traffic. If the W. P. A. program was as flexible, as it should be, these cliffs could be sloped back and the stone taken from them could be used to revet the river banks at those places where the serious erosion is taking place.

The ideal way to provide for relief and reemployment is to do so locally.

Mr. AMLIE. Will the gentleman yield?

Mr. FADDIS. I yield to the gentleman from Wisconsin.

Mr. AMLIE. In 13 States which cannot raise money this would amount to a death sentence so far as the unemployed are concerned?

Mr. FADDIS. I cannot see why one State cannot raise money the same as other States. The unemployment load is practically the same within States. It is a fact that the constitutions of the States prohibit them from raising money. These States where the constitution does not prohibit them from raising money do raise their share of it. Until we put relief back into the hands of local authorities the problem will never be solved. [Applause.]

If the taxes were imposed locally, the taxpayers would be more conscious that they come from their pockets and would therefore be more vigilant in watching for racketeering and unwise spending. Every taxpayer would then be an inspector. That system under present conditions would be impossible, as there are many communities which could not raise the taxes. The next best system would be to establish a closer contact between the Federal and local administrators. The best method of doing this is to follow the system of P. W. A. Under P. W. A. we are leaving something behind in the way of permanent improvements which improvements will lessen the local tax burden of the future. The P. W. A. has been the most valuable agency of the Government when it comes to aiding real recovery. It has helped to bring back the so-called heavy industries and has assisted in putting men to work in the natural fields of employment. We are trying to get this Nation back to normal times and as soon as possible discard emergency measures. Let us, therefore, do everything possible to get the unemployed back on industrial pay rolls, where they belong and where they wish to be.

I am quite certain that there is no taxpayer in my district who objects to providing for the unemployed. They do, however, object to spending money upon useless projects, where useful ones can be provided. They, as taxpayers, have the right to object to such practices, and I, as their Representative in Congress, have the right to voice their objections. In fact, it is my duty to do so and to fight for correction of abuses. If I did not do so, I would be false to their trust in me.

This is a nation of representative government, but for years it has been drifting toward a government by bureaucracy. Representatives of the people come to this body and vote taxes to finance the appropriations which they make. The administration of the agencies which handle these appropriations is placed in the hands of bureaucracies over which neither we nor the people have any control. These bureaucracies are not the result of emergency legislation but have been steadily gaining in power for many years. We are held responsible by our constituents for the manner in which this money is spent. It is our responsibility to see that proper restrictions are imposed to insure the wise spending of this money, and if we refuse to shoulder this responsibility, our constituents should defeat us and replace us with those who will do so. [Applause.]

Mistakes will be made, of course, but let them be made by the representatives of the people. The people can talk to their Representatives and through the ballot have a check on them every 2 years. Not even a Representative or a Senator can talk to these arrogant, theoretical, bureaucratic, professional, spenders of other people's money. Drunk with power, they delight in being contemptuous and even insulting toward the duly elected representatives of the people. They are able to prostitute acts of the Congress to their bureaucratic desires and are leading us hell-bent into a bureaucratic dictatorship. If we have no voice in their appointment we have no check upon their actions. We are not legislators but mere writers of checks, with no voice as to the amount.

It is not only our right but our duty to see that, while furnishing employment for the needy, the money shall be expended in a wise manner. It is our duty to throw restrictions around these theoretical bureaucrats. There must be closer contact between Washington and the community in which the money is spent. More responsibility must be placed upon the local administrators.

The administration of the money wrung from the taxpayers must be placed in the hands of men whose training consists of something more than the administration of the affairs of relief agencies for the last 24 years. A man to be qualified to administer relief should have had experience in life which has trained him in the application of practical solutions of the problems of the Nation. To that kind of man, and to that kind only, can we look to to solve our difficulties. These theoretical professional bureaucrats are only interested in bureaucratic expansion and usurpation of more bureaucratic power. They have no notion of solving the problems of the day, because when these problems are solved their bureaucratic power and grandeur is gone.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. LORD].

Mr. LORD. Mr. Chairman, I have listened with a great deal of interest to the gentleman from Pennsylvania [Mr. FADDIS], who has just spoken, and it takes my mind back to the early days of relief in New York State before the Federal Government attacked the problem. We made appropriations for relief, and we carried on relief by nonpartisan boards. It was not made a political proposition at that time, and we received from the Red Cross flour, clothing, cotton goods, and almost all kinds of food, and with a small amount of money we were able to take care of our people very well.

When the Democrats came into power they plowed under the wheat, plowed under the cotton, and the people go hungry, or we have to borrow from the Government to take care of them.

To my mind it would have been much better if we had continued to raise wheat and cotton and had taken care of our poor people and not left them starving and cold. I believe now the Government should turn over to the States grants or allotments and let the States administer relief on a nonpartisan basis and carry on the work as we did before the Government took hold of it.

After the Government came in to take care of relief the expense was greater. In some instances as much as 50 percent went for administration. Up in my district they distributed seed potatoes in a country where every farmer had more potatoes than he needed. They brought into one village 400 cases of condensed milk where there were two condenseries right in sight of the place where they unloaded the milk. We also had a Democratic candidate for sheriff, who lost out in election, and they made him the head of the distribution of these foods. They are now paying around $2,500 a year to distribute these commodities that come from the Government, which we had distributed for nothing. I hope we may get away from this political angle and take care of these projects by local nonpartisan committees and that we may have flour distributed by the Red Cross for our people to use and that we may have clothing distributed by the Red Cross. It was always done efficiently then and without expense to the people. The partisan distribution has not been efficient or satisfactory.

Mr. GOODWIN. How about pork?

Mr. LORD. The pigs and sows were destroyed, so we cannot distribute pork any more.

A few days ago I was up in my district and I visited one of our silk mills. The man who is running that mill I have known for some time and he told me he was going out of business in about 4 days. I asked him what the trouble was and he said:

> I am the last of a number of silk mills in the city of Binghamton to go out of business, and the N. R. A. is what put me out of business. We were doing a good business up until the time when the N. R. A. came into vogue and then we raised our prices according to the N. R. A. schedule. Our customers took the orders we had on hand, but when it came to renewing them or reordering from us, we could not get such orders, because they said, "Your price is too high", and they looked elsewhere for the products.

So all of the mills in this one city have gone out of business and many more have gone out of business at other points throughout my district. The President demands that industry put more to work and then hampers and drives business to the wall with legislation like the tax bill that was just passed.

While over in Japan this past fall I visited the textile mills there and I think I found out somewhat the reason for our textile factories going out of business. Over there they work eight and a half hours a day with two shifts a day in these mills. Where they work only one shift, they work ten and a half hours. They work every day in the week, not stopping for Sunday. The wages of the girls who work in these factories amount to about 15 cents a day in our money, or about 50 cents in their money. If our girls were paid 50 cents a day for 8½ hours, it would about compare with their wages. The highest-priced man in these factories receive a yen and a half a day, which would amount to about 45 cents in our money, or $1.50 in our mills. So when they bring this product to this country, as they are doing, we have to compete with these prices, which we are not able to do. They are just flooding the country with their goods and as time goes on we will keep selling less of our goods.

I know there is great agitation in this country for a shorter work week of 30 hours. To my mind if we should establish a 30-hour week, we would be just that much worse off and our customers would buy more and more from Japan. Their business will go along better and we will have less people at work than we have at the present time, the higher prices are, the less people will buy.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. LORD. In a moment.

Every time we increase the cost of an article, that article does not meet with as great a demand and there is not as much of it sold. This is the case with silks and with other textiles that come from that country.

I met a buyer for one of the large dry goods stores and he told me that they keep buyers in Japan all the time purchasing for their stores in this country, and that they could buy over there and pay the tariff and get the articles for very much less than they can buy similar goods in this country.

I am for relieving the workingmen in our Nation, but we cannot do it by shortening the hours of labor, so long as Japan and other countries paying much less wages and working nearly twice as many hours have almost free access to our markets.

In Japan everybody works, everybody is doing something. The wages are very small and we do not want our workers to come down to their level of wages; but unless we give business more than a breathing spell, textile industries will continue to go out of business and we will have more and more unemployed.

Mr. LUNDEEN. Will the gentleman yield?

Mr. LORD. I yield.

Mr. LUNDEEN. Would the gentleman advocate some degree of greater protection against these imports? I think we should protect American industry, the American workmen against the bringing in of such a flood of imports.

Mr. LORD. The only way that I can see that we can protect American industry is by some tariff law high enough to make up the difference in wages between the countries. We have got to give our workers more protection, not shorter hours. Shorter hours increase prices. If we increase the cost of an article, we lose that much business for the trade goes to where the prices are most favorable. For the good of our workers, we should protect our own markets.

Japan is supplying us at the present time. It is only 3 or 4 years that we have been getting so large a production from that country, and it is, to a great extent, on account of the difference in exchange and living conditions.

The reciprocal agreement with Canada is affecting the farmers of this country adversely and especially the dairy farmer.

Mr. LUNDEEN. I want to say to the gentleman that I opposed the reciprocal tariff.

Mr. LORD. I realize that the gentleman opposed it. I think all of my party are opposed to it, and all those who have the welfare of the dairy farmer at heart. Reciprocal agreements that President Roosevelt has made with Canada, on dairy products, applies alike to all countries and is ruining our farmers. If we could have protection from a country like Japan, especially the manufacturers, we could protect our industry and until such time as we give protection to the farmers and manufacturers we are going to continue to lose business and will have more unemployed on the relief rolls. [Applause.]

Mr. THURSTON. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, three incidents closely allied in a program whose purpose is practically identical, and of menacing importance to the people, occured in Washington today.

FIRST EPISODE

Early this morning people who were awake found the red Soviet communistic flag of Russia floating over their Supreme Court Building just across the grounds from the Nation's Capitol. Of that the Washington Evening Star says:

> The red flag of Communist Russia threw its lurid reflection over America's Capital this morning as the rosy-fingered dawn tinted the eastern skies, but a swift marshaling of all the orderly processes of American Government repulsed the threatened upheavel.
>
> The unfurling, in explanation, occurred on the 80-foot mast of the new Supreme Court Building sometime between 4 and 4:30 a. m. Discovery of this subversive attempt to undermine our great Democracy came as an inquisitive sun peeped over the horizon and inquisitive newsmen responded to a mysterious telephone query as to why the emblem of the hammer and sickle should be casting its benediction over the sacred home of the Nation's highest tribunal.
>
> Decisive action followed and, after some tall climbing by a fireman armed with a blow torch, the flag went up in smoke and the Republic was returned to a sound basis.
>
> Capitol Police examined a copy of the Harvard Lampoon discovered at the base of the flagpole. In the magazine, in addition to a few jibes at Yale and Princeton, was an article entitled "Down With Capitalism."
>
> Discovery of the emblem raised a real problem as building guards found the halyards so skillfully and completely knotted that they resisted all attempts at disentanglement. As in most emergencies

of an unusual nature, reliance was placed in the fire department—and not in vain.

A careful investigation is under way, the captain said, in hopes of apprehending ringleaders of the "revolution."

That was one occurrence. That was the way Communists had of showing their contempt for law and orderly government.

SECOND EPISODE

Then the House met at noon, and shortly thereafter there was introduced a report of what is called the Sisson bill, which now is much better known as the "sissy" bill to repeal the law that prevents communism from being indoctrinated in our public schools, which Communists call the "red rider." I want you to read that report. There are more misstatements in it than otherwise. One gross misstatement in it is the assertion that the House and Senate conferees put the "red rider" in the bill in conference. Everyone who knows about legislation or about parliamentary rules and procedure know that that is untrue. That so-called "red rider" never went into the bill until the House itself on this floor by a unanimous vote voted it into the bill, after it had been offered from the floor by Chairman CANNON, and read by the clerk, and until the Senate by a unanimous vote voted it in the bill, after it had been offered from the Senate floor by Senator THOMAS, and read by the Senate clerk, and then voted into the bill by the unanimous vote of the Senate. The conferees had no right to put it in, because it was legislation, and did not put it into the bill. It had to be put in from the floor of the House and the floor of the Senate by the House and the Senate, which was done both by the House and the Senate.

That is the second occurrence. How did the Communists know that the "sissy" bill would be reported today? I did not know it. The Speaker did not know it. It could have been reported any day during the past 20 days.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. In a minute, if I have time. I want to show you that Communists in New York knew that the "sissy" bill would be reported today, so that you may realize just how closely allied these matters are that are happening here today.

THIRD EPISODE

Here is a mimeographed document that just reached Washington, just came here a few minutes ago, from New York City, and it is not for release until tomorrow in the press. It is "for release Friday, May 8, 1936." It is issued by "The American Civil Liberties Union, of 31 Union Square West, New York City, Roger N. Baldwin, director", at the top, and it is for the press to put in their papers tomorrow.

Mr. MARCANTONIO. Mr. Chairman, I make the point of order that debate is to be confined to the bill and the gentleman is not confining himself to the bill.

Mr. BLANTON. Oh, the gentleman from New York ought not to be so critical. I have allowed the gentleman on several occasions to speak out of order whenever he desired.

Mr. MARCANTONIO. Mr. Chairman, inasmuch as I believe in free speech, I withdraw my point of order.

Mr. BLANTON. I knew the gentleman would, because free speech is one of the main things for which he stands. I will quote from this "red" document, mimeographed in New York by Roger N. Baldwin's "red" organization, and sent here to go in the newspapers tomorrow. Listen to this:

SUPPORT FOR REPEAL OF THE "RED RIDER" URGED

All organizations and individuals interested in education were urged last week by the academic freedom committee of the American Civil Liberties Union through its secretary, Ellen Donohue, to write at once to the Speaker of the House, JOSEPH W. BYRNS, urging him to permit a vote on the Sisson bill to repeal the so-called "red rider" attached last year to the District of Columbia appropriation bill, and forbidding "all teaching of communism" in the Washington schools.

In other words, this was timed to reach Washington on the day that that report was put into the basket, to be printed in the press on the same day—tomorrow—that the report then comes from the Government Printing Office as a printed document available to Members. I ask again, how did these "reds" in New York know this "sissy" bill would be reported today? Who is keeping them posted? Why did all three of these episodes happen today? Communists hoisted their flag over the Supreme Court to flaunt what they call their contempt for this Government, to show their contempt for law and for orderly government, and they had the audacity in the nighttime to put up over the Supreme Court Building of this Nation their infamous red flag of communistic Russia.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WOODRUM. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. BLANTON. These three episodes today were so closely allied that none of you can laugh them off. This is a vital question that menacingly concerns the home and loved ones of every citizen of the United States. Just this week the great Government of France was taken over by Communists, and people in France who have worked a lifetime acquiring property are turning their property into gold and money and sending it from France across the ocean as fast as they can get it out of France. Do not you think it cannot happen here.

Roger Baldwin, this man at the head of this American Civil Liberties Union, that sends out this infamous document at this time, has served his sentence in the Federal penitentiary during the war, and he is the man who appeared before your Fish committee and testified, without a blush of shame, that he is in favor of taking this Government over by force and violence. He testified that he was willing to commit wholesale murder if it was necessary to do it.

Do not slumber peacefully on in imagined security, gentlemen, until this Government is taken over sometime overnight. Do not wait until your Army and Navy can be communized, before taking action, which would cause the sacrificing of the lives of 100,000 of the flower of American manhood to take this Government back. America must awake. Let us awake, America! [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. BEITER].

Mr. BEITER. Mr. Chairman, I have listened with a great deal of interest to the speakers who have preceded me, and I notice that a great many of the remarks have been of a political nature. Probably for that reason many Members of the House have left the floor. I regret this, not because they will probably miss a mighty good speech, but because of the facts I am about to present to them relative to the Public Works Administration and their program.

Mr. Chairman, when we voted for the first $3,300,000,000 public-works appropriation in June of 1933 we did so under the impression that most of it would be used to finance local public works in our home towns, counties, cities, and States. I know there was nothing in the law providing that the money should be used for that purpose but that is what we believed.

When we voted for the second appropriation in June of 1934 we were under the same impression.

And when we voted for the $4,880,000,000 appropriation in the spring of 1935 we still believed that a large share of it would go to make loans and grants on local public projects through the Public Works Administration; but it has not turned out that way at all.

I have been so much interested in this matter that I have given considerable time to studying the records of the Public Works Administration to determine just what use has been made of the money we appropriated in the belief that a large proportion of it would be used to aid our home communities in building the local improvements that they so badly needed.

I found that only $421,728,000, or between 12 and 13 percent, of the first $3,300,000,000 appropriation for Public Works construction was used for loans and grants on 3,925 public improvements built by cities, towns, counties, and States.

The remaining $2,878,272,000 was used for other purposes.

One-half of it, or $1,442,348,000 to be exact, was allocated to the departments of the Federal Government and used for purposes for which Congress always had in the past appropriated money in the regular appropriation bills.

Another $1,187,630,000 was divided among C. W. A., C. C. C., the Farm Credit Administration, the A. A. A., N. R. A., and many other alphabetical agencies. The Emergency Relief Administration got $114,000,000 in the spring of 1935 to augment funds appropriated to it for direct relief.

Most of the remaining $248,294,000 was used for loans to railroads.

Now, I realize that this $2,878,272,000 out of the original $3,300,000,000 public-works appropriation that was allocated to the Federal departments and for the other purposes I have named all went to create employment and increase purchasing power. I do not complain against it on the ground that it did not accomplish those purposes.

But I am complaining that only $421,728,000 of it was used for loans and grants to enable the local communities in our districts to build the things they so badly need.

I know that warships, for which $238,000,000 was allotted to the Navy Department by the President from the first public-works appropriation, are essential for our national defense. But I also know that school houses are just as essential for promoting the general welfare of my constituents as warships are necessary to provide for their national defense.

And I have found in my study of the statistics of the Public Works Administration that only $88,504,000 was loaned and granted to local communities from the first public-works appropriation to build 830 secondary-school projects.

Considering the danger of war that everybody recognizes today, I do not think the $238,000,000 allocation for warships was excessive, but I do think the amount of money loaned and granted for school construction was too small. We ought to remedy that now by making further appropriations to continue the making of loans and grants.

Lighthouses and channel markers are essential for the safety of travelers at sea and on our lakes and rivers. More than five and a half millions of dollars was allotted to the Bureau of Lighthouses of the Department of Commerce from the first public-works appropriation. But garbage and rubbish disposal plants help to promote the general welfare of our constituents. And I find that only $4,762,000 was allotted for that purpose by the Public Works Administration from the first appropriation.

In the beginning, Secretary Ickes himself anticipated that a much greater amount of the first appropriation would be used for loans and grants to our local communities to help them build the things they need and want. In a speech made shortly after he was named Public Works Administrator, he said that he expected approximately $1,750,000,000 would be used for that purpose.

But the whittling down process of allocating the money to the regular departments and alphabetical agencies of the Government went on and on. The stick got shorter and shorter. And now we find that Mr. Ickes' estimate of $1,750,000,000 for loans and grants for public-works projects for our constituents has dwindled down to $421,728,000.

When we passed the $4,880,000,000 appropriation last spring we thought that at least $900,000,000 of it would be used for loans and grants made through the Public Works Administration to the local communities in our districts. And what happened? The records of the Public Works Administration show that only $328,345,465 was used for grants on 4,110 projects in our home communities. This was about 6 percent of the total appropriation.

P. W. A. received applications for thousands of loans and grants that it could not make. Only the other day Secretary Ickes sent up to the Senate, in response to a resolution requesting the information, a list of 6,801 applications for loans and grants totaling $2,659,000,000 for which no funds are now available.

Some communities in my district are on that list. I know the need of the citizens of those communities for the projects for which they have applied for loans and grants. They made their application in good faith, believing that they had a chance to get the money. They went to considerable trouble to make up their applications, and undoubtedly have been put to considerable expense in getting up plans and making other preliminary preparations.

Other communities in my district have received loans and grants, and it looks unfair to me to say to those whose applications have not yet been acted on that we will now stop appropriating money to aid in the construction of local public works. That looks like discrimination to me.

It not only looks like discrimination to me but it is discrimination.

The first to last, out of the money made available to it by congressional appropriation and the operation of its revolving fund, the Public Works Administration has made loans and grants totaling $1,250,092,000 on 8,035 local projects in our home communities. I do not know how many communities have projects, but it is less than 8,000 because there are many projects in each of a considerable number of towns and cities. Perhaps if a count of communities instead of projects was made, there would be between six and seven thousand of our towns, cities, and counties where projects are being built.

The P. W. A. has been of tremendous assistance to industry. The construction dollar has a gigantic effect. It reaches practically every niche and corner of our country. It multiplies the business created two and a half to three times that of the original transaction and furnishes a tremendous amount of indirect as well as direct labor. The abrupt discontinuance of this program would be like kicking the props out from under a bridge before the foundation had properly set.

States, cities, counties, villages in your districts and mine demand the approval of their projects.

Besides furnishing employment for men in occupations for which they have been trained, construction work offers a great source of income to Government. You are all familiar with the revenues received from the many industries furnishing material for construction, but I wonder if you realize the large amount of taxes paid by the contractor. I know I did not until recently. For instance, I have the figures of a highway contract let by the State of Ohio on August 13, 1935, for the sum of approximately $74,000. These show that the contractor paid $4,075.86 in compensation and taxes of one form or another for that job alone. This amounts to 5½ percent of the contract. Furthermore, it does not include the levy for old-age pension and unemployment insurance, which amounts to approximately 2½ percent for the coming fiscal year and subsequently rises to 9 percent.

This represents an important income to Government from contractors which few people realize, and which would be lost if the Federal Government prosecuted the work by force account rather than the P. W. A. system on a contract basis. Assuming the same percentage applies to other States, a $700,000,000 P. W. A. program, resulting in $1,550,000,000 in construction, would result in approximately $73,000,000 income to Government agencies of one form or another from contractors alone.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. BEITER. I yield.

Mr. JOHNSON of Oklahoma. I notice the gentleman mentioned a figure of $70,000,000. Is that the figure that he has in mind for the P. W. A.?

Mr. BEITER. Yes, sir.

Mr. JOHNSON of Oklahoma. Does the gentleman propose that Congress at this time appropriate $700,000,000 additional funds for P. W. A.?

Mr. BEITER. No.

Mr. JOHNSON of Oklahoma. Or would he earmark the relief bill that is to come before the House this week?

Mr. BEITER. I propose to earmark the bill that is before the House.

Mr. JOHNSON of Oklahoma. I had understood that a movement was started in that respect, but that the gentleman had changed his mind and would offer an amendment to provide for additional funds instead of earmarking the relief funds.

Mr. BEITER. No.

Mr. JOHNSON of Oklahoma. I am very much interested in the gentleman's statement. There are several P. W. A. projects in my own district that have been tentatively approved. P. W. A. projects with which I am familiar are splendid projects.

Mr. BEITER. And probably that same community has gone to considerable expense to prepare plans and specifications, hire architects, and possibly pay attorneys to present the matter.

Mr. JOHNSON of Oklahoma. That is true, and such communities are left in a very embarrassing position, because my people were led to believe they would get the P. W. A. funds and at least in one or two instances went to the expense and trouble of voting bonds.

Mr. BEITER. And probably in an adjoining community or town a Public Works project has been in operation and that community has already had allocation made to it.

Mr. JOHNSON of Oklahoma. Well, there are several such places, I would say.

Mr. BEITER. In addition to this, social security taxation for the fiscal year on direct and indirect labor amounts to approximately $32,000,000. This brings a total income from contractors and social security taxation of at least $100,000,000. This is one-seventh of the amount requested for P. W. A. and is returned indirectly to the Government. If the work were conducted other than by contract, however, most of the fund would be lost, as the Government does not tax itself.

Right along this same thought comes that of compensation. When the Government prosecutes relief work directly through force-account methods, it is responsible for personal liability and property damage. It is estimated by the United States Employees' Compensation Commission that compensation for workers alone, excluding the vast amount of claims for property damage, amounts to $1 per $100 of the estimated pay roll, or $18,000,000 for the present program. At the same rate this would equal another $15,000,000 for the proposed relief program. In contract work, however, compensation and property-damage insurance is carried by the contractor, relieving the Federal Government of all liability and incidentally creating an additional market in insurance values.

It is no wonder that our constituents and our vast industries request P. W. A. support. Particularly so because, in spite of this, the contractor, by reason of his experience, organization, and efficiency, can do a piece of work cheaper than can be done by inexperienced Government agencies. Furthermore, the savings in contract work is not lost to labor—it is passed on—making possible the construction of other jobs which in turn employ workers directly and indirectly. Instead of having one piece of work completed inefficiently and in an unworkmanlike manner, more work is done in an efficient manner. Men are placed to work in their proper trades, and projects are completed which are of great benefit to the sponsor and a credit to the Federal Government.

As a further proof of the indirect beneficial effect of public works, I have secured a break-down of the construction cost of a group of buildings for the Department of Labor, Interstate Commerce Commission, and Post Office Department, Washington, D. C. I have purposely taken these buildings as they are constructed in a community of few industries and have given rise to the question, by some who have not studied the problem, as to what material benefits the construction of these works has been to labor.

The buildings cost $21,000,000. The surprising part of this is that only $3,000,000 was actually spent in the District of Columbia; the remaining $18,000,000 went to 28 different States and placed men to work furnishing the material and equipment for these buildings, as, for example:

Indiana received	$2,500,000
Michigan received	1,100,000
New York received	1,125,000
Virginia received	1,000,000
Pennsylvania received	2,500,000

With your permission I shall include in the Appendix a complete break-down by States, showing the far-reaching facts of this local expenditure.

In addition, since these sums only represent direct orders for finished products, there were still further transactions necessary for the securing and transportation of raw materials. These transactions spread throughout the United States like the branches of a mighty river and extend back through many smaller rivers, streams, and brooks to a multitude of individual sources. And, as the water passing through these various channels does work on the way to the resultant river, so the various feeders of industry supply work in converting and transferring the raw materials to the finished product.

It is such a natural course of events that I fail to see how anyone can be unappreciative of the value of indirect employment in stimulating recovery and relieving the unemployment situation.

In regard to the employment directly on the site, I would like to leave this important thought with you. Given a definite job to do, a contractor or a Government agency can only efficiently employ a certain number of men, and in either case this number is approximately the same. The truth in this statement lies in the word "efficiency." It may be justifiable in some cases to sacrifice some efficiency on the site in order to create additional employment, but there is, or at least there should be, a definite limit to this sacrifice. Otherwise our citizens become disgusted with the manner in which the work is prosecuted and the morale of the men on work relief becomes completely broken, not only while they are on that particular work but for the future as well. They see in a force account job their fellow workers doing one-half to one-quarter of what should be done in a day. Then immediately say to themselves: "Why should I work, either? No one else is taking interest in this work. This project when completed is certainly going to be of no credit to me. They have been trifling with that rock excavation for weeks, just throwing money away, when a shot of dynamite and a power shovel for a day or two would complete the excavation and make way for us to get down to doing the real job at hand." This soon makes a shirker and a slacker out of a man; in addition, through lack of proper practice in his trade his skill is lost and a lackadaisical attitude implanted in him soon becomes a habit. The ultimate effect of this demoralization of our former industrious workers is at the present time unknown. Only the future will divulge the effects.

It is things like this which are easily eliminated in contract work. No one wants them to occur. You and I do not, and neither does the W. P. A. Nevertheless, it does happen in thousands and thousands of cases which are not under contract.

The difference of 36 percent between the sponsors' contribution of 55 percent for P. W. A. projects and 19 percent for force account work is more than adequate to care for any justifiable inefficiency in construction procedure. Certainly the evidence has been submitted to you regarding the definite benefit to indirect labor and industry warrants the purchase of additional material for durable public works.

The permanency of the projects and their future benefits to society should be an important consideration when computing the man-year cost. It is perfectly obvious that a slightly higher man-year cost for a project which is going to benefit society for 30 years is warranted over other proj-

ects, the life of which is 5 years. For example: The average life of P. W. A. projects is from 30 to 70 years. This would make the yearly amortization cost per man-year for the principal investment equal to one-thirtieth of the original man-year cost, or $615 for direct and indirect labor divided by 30, or only $20.50 per year. In order to get a comparison with this for less permanent work let us take the example of a low-class roadway. The road may be rough, graded by hand, and the roadbed built of local run-of-bank gravel obtained from a public-owned pit. The construction of this road would require practically no other material and consequently furnish no indirect labor. Eliminating foremen, the road could be built with all common labor. Now, for a simple example, assume that labor receives $50 per month, which equals an annual cost to Federal Government of $600.

The life of this project would hardly exceed 1 year. The first winter and spring thaws would probably render the surface impassable. But, for the sake of argument, say the life is 5 years. Now, by dividing 600 by 5 years, the cost per man-year is computed as equally as $120 compared with $20.50 for the average P. W. A. project. In other words, this poor-class road having a 5-year life, requiring all common labor at $600 per year, cost on the yearly basis nearly six times as much as the average P. W. A. type of construction.

That certainly is proof enough that P. W. A. projects which cost practically the same as other types of projects when direct and indirect labor is considered are ultimately vastly more reasonable. [Applause.]

The estimated cost of $21,000,000 for the architectural service, and construction of the group of buildings for the Department of Labor, Interstate Commerce Commission, and Post Office Department Building in Washington, D C. It is estimated the distribution of expenditures for the District of Columbia and various States from which the supply of material is derived and fabrication is in accordance with the following:

Alabama	$30,000
Arkansas	160,000
California	500,000
Connecticut	600,000
Delaware	40,000
Georgia	100,000
Illinois	400,000
Indiana	2,500,000
Maryland	850,000
Maine	50,000
Massachusetts	300,000
Michigan	1,100,000
Minnesota	600,000
Missouri	200,000
New Hampshire	400,000
New Jersey	890,000
New York	1,250,000
North Carolina	100,000
Ohio	850,000
Oregon	50,000
Pennsylvania	2,500,000
South Dakota	10,000
Tennessee	650,000
Vermont	300,000
Virginia	1,000,000
West Virginia	170,000
Wisconsin	400,000
Transportation (various States)	2,000,000
District of Columbia	3,000,000
Total	21,000,000

MATERIALS USED IN THE CONSTRUCTION OF THE DEPARTMENT OF COMMERCE BUILDING

Structural steel, ore from Minnesota, 16,400 tons. Rolling and fabrication, Pennsylvania.

Limestone from Indiana, 2,000 carloads.

Granite, quarried in Connecticut, sawed, cut, and milled in Massachusetts, 150 carloads.

Marble from Missouri, 900 tons.

Mankato stone from Minnesota, 800 tons.

Base marble from Vermont, 470 tons.

Domestic travertine from Colorado and Georgia of which 500 tons of travertine chips from Georgia were used for terrazzo floors.

Cafeteria, serving rooms, and kitchen floors: tile from West Virginia, 35 tons.

Toilet rooms: Wall and floor tile from Ohio, 300 tons.

Common brick from District of Columbia, 10,000,000.

Face brick from Pennsylvania and Virginia: 1,500,000.

Gray brick for boiler room from Pennsylvania, 200,000.

Terra cotta from North Carolina and West Virginia, 27,000 tons.

Reinforced-concrete piling supporting the building, 80 miles or 14,000 piles, Raymond Concrete Pile Co. of New York.

Plastering on walls and ceilings, 99 acres.

Base of building, up to sill of first floor windows is of granite; balance of walls is of Indiana limestone except four courts of brick.

Roof, 95,000 square feet or 400 tons of promenade tile and 160,000 square feet or 1,200 tons of mission tile. Two tons of copper nails were used in the roof.

Bronze hardware used, 25 tons.

Structural steel:	
Pennsylvania	$1,050,000
Minnesota	400,000
Ohio	30,000
West Virginia	20,000
Total	1,500,000
Cement:	
Maryland	450,000
Virginia	450,000
Pennsylvania	50,000
West Virginia	50,000
Total	1,000,000
Limestone, Indiana	2,500,000
Total	2,500,000
Marble:	
Vermont	300,000
Tennessee	650,000
Missouri	50,000
Total	1,000,000
Granite:	
Massachusetts	400,000
New Hampshire	400,000
Total	800,000
Clay products:	
New Jersey	500,000
Ohio	400,000
Virginia	300,000
Maryland	300,000
Pennsylvania	100,000
Total	1,600,000
Lime and gypsum products:	
Michigan	500,000
Ohio	100,000
West Virginia	100,000
Total	700,000
Electrical products:	
Ohio	70,000
New York	300,000
Michigan	300,000
Pennsylvania	450,000
New Jersey	100,000
Alabama	30,000
Connecticut	200,000
Total	1,450,000
Bronze products:	
Michigan	100,000
Connecticut	100,000
Pennsylvania	100,000
Minnesota	50,000
Arkansas	50,000
Wisconsin	100,000
Total	500,000
Metal products:	
New York	100,000
Ohio	100,000
Wisconsin	100,000
Minnesota	100,000
Illinois	100,000
Maryland	100,000
Pennsylvania	100,000
Arkansas	50,000
Missouri	50,000
Total	800,000

Lumber products:	
Oregon	$50,000
Virginia	100,000
Wisconsin	200,000
Georgia	100,000
Michigan	100,000
North Carolina	100,000
Maine	50,000
Total	700,000
Glass:	
Pennsylvania	50,000
Ohio	50,000
Total	100,000
Paint:	
Missouri	50,000
South Dakota	10,000
Arkansas	10,000
New Jersey	40,000
Delaware	40,000
Total	150,000
Asphalt products:	
New Jersey	50,000
Ohio	50,000
Total	100,000
Asbestos products:	
Pennsylvania	50,000
New York	50,000
Total	100,000
Plumbing, heating, ventilating, air conditioning:	
Illinois	300,000
Minnesota	50,000
Arkansas	50,000
Missouri	50,000
Michigan	100,000
Pennsylvania	300,000
Connecticut	300,000
Ohio	50,000
New York	300,000
Total	1,500,000
Elevators:	
Pennsylvania	500,000
New Jersey	200,000
Total	700,000
Sand and gravel: Virginia	400,000
Railroads	2,000,000
Architecture:	
New York	500,000
California	500,000
Total	1,000,000
Materials used in the construction of the Post Office Department Building, Interstate Commerce Commission, Department of Labor and connecting wing building, Washington, D. C.	
Combined cost	$20,000,000
Spent in Washington	3,000,000
Spent in States	17,000,000
Structural steel	1,500,000
Fabrication: Pennsylvania	850,000
Materials: Minnesota, Ohio, and West Virginia	450,000
Cement:	
Maryland	450,000
Virginia	450,000
Limestone: Indiana	2,500,000
Marble: Vermont, Tennessee, and Missouri	800,000
Granite: Massachusetts, New Hampshire, and North Carolina	500,000
Terra cotta: New Jersey and Ohio	425,000
Clay products: New Jersey and Ohio	410,000
Brick: Virginia, Maryland, and Pennsylvania	650,000
Lime and gypsum: Michigan, Ohio, and West Virginia	350,000
Electrical products: Ohio, New York, Connecticut, Michigan, Pennsylvania, New Jersey, and Alabama	1,200,000
Bronze and hardware: Minnesota, Michigan, Connecticut, Pennsylvania, and Arkansas	220,000
Hollow metal: New York, Ohio, Wisconsin, and Minnesota	270,000
Lumber: Oregon, Virginia, Georgia, North Carolina, South Carolina, Wisconsin, and Michigan	630,000
Plumbing, heating, ventilation, and air conditioning: Minnesota, Arkansas, Michigan, Pennsylvania, Connecticut, and Ohio	1,580,000
Paint: Missouri, the Dakotas, Arkansas, New Jersey, and Delaware	$110,000
Glass: Pennsylvania and Ohio	95,000
Ornamental iron: Wisconsin, New York, and Illinois	130,000
Asphalt products: Ohio and New Jersey	115,000
Metal windows: Maryland, Illinois, New York, and Minnesota	150,000
Asbestos products: Pennsylvania and New York	115,000
Elevators: Ohio, New York, Connecticut, Michigan, Pennsylvania, New Jersey, Alabama, and Minnesota	710,000
Sand and gravel: Maryland and Virginia	450,000
Reinforcing steel: Pennsylvania	250,000
Freight	1,300,000
Sculpture: New York	400,000
Piling, metal shells: Ohio	470,000
Bonds: New York, Connecticut, Maryland	150,000
Sheet metal: Colorado	85,000
Vault doors: Pennsylvania	10,000
Cork floors: Pennsylvania	10,000
Flagstones: Kentucky	15,000
Total	16,300,000
Balance representing money spent in Washington, contractors' profit, and miscellaneous items	3,700,000
Total	20,000,000
Total number of States directly benefited	28

Materials used in the construction of the Post Office Department Building, Interstate Commerce Commission, Department of Labor and connecting wing building, Washington, D. C.—Continued

Freight item of $1,300,000 of benefit to great number of railroads. The employment population benefited covers many classes, not only those occupied in various building trades and in manufacture of building materials, but also many of the "white collar" type, such as clerks, salesmen, draftsmen, etc.

The CHAIRMAN. The time of the gentleman from New York [Mr. BEITER] has expired.

Mr. THURSTON. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. COLE].

RESETTLEMENT ADMINISTRATION

Mr. COLE of New York. Mr. Chairman, on May 1 there was laid on our desks the first report of one of the New Deal agencies which has quietly been going about its business of making over America by bringing to us the Utopia that is the promised goal of those who are most outspoken in their attacks upon the American system. Although the agency has been in existence for a full year, the report is termed an "interim report" and not a full report as many of us would like to have had and feel entitled to have received. The explanation given by the Administrator for not giving a complete report to Congress is that "we should prefer not to stop in such a busy time for reporting; we should prefer to wait until the program is more complete."

I speak of the Resettlement Administration, headed by that most energetic and well-known but impractical and visionary thinker of the New Deal, Rexford G. Tugwell. He it was, you will recall, who once wrote, "I shall roll up my sleeves and make over America" and, as recently as the fall of 1935, said, "We must make irrevocable political commitment to disciplined democracy, to calculated change of institutions." Perhaps in his latter statement he took his cue from Mussolini, who told the world 13 years ago that the first thing he would do as head of the government would be "to enforce discipline, discipline, discipline."

"Disciplined democracy"—what could Mr. Tugwell have meant when he used that expression? Being the highly educated person that he is we must believe that he uses words which will express his thoughts as accurately as our language will permit. An examination of the word discipline reveals that it is to instruct, to educate, to inform, to train the mind by instruction, and also means to regulate, to govern, and to keep in subjection. Surely if Mr. Tugwell had intended to say that our objective in government was an "instructed" or an "educated" or an "informed" democracy, he would have said so and no one would have taken exception to it. In fact, an enlightened democracy has been the goal of our people since the beginning of our Government and its achievement is one of the most wholesome characteristics of a sound and secure Government of and by the people. We have not quickly forgotten the memorable words of George Washington who said, "In proportion as the structure of a government gives force to public opinion, it should be enlightened." But Dr. Tugwell did not

mean that the desired accomplishment was an informed democracy or an educated society; it was to be a disciplined democracy.

Most of us have a pretty fair idea of the meaning of democracy, although the word in recent years has been greatly abused. We understand that democracy is a system of government under which all of us have the same rights and privileges and opportunities, and we know that it is a government of persons selected by ourselves who are committed to work for us and protect our rights and interests. With this understanding of democracy, it is rather difficult to absorb in our minds the full meaning of a disciplined democracy, a regulated democracy, a subjected democracy. How, we ask, can we continue to be democratic but at the same time be regulated and regimented and controlled as Mr. Tugwell seems to say we must be? The term is self-contradictory; democracy and the kind of discipline Mr. Tugwell has in mind cannot travel along the same course, and, unless I am greatly mistaken, the American people prefer their freedom of government and in government than to live under the restrictive rules and regulations of a paternalistic government.

Let us take a look at this agency through which Dr. Tugwell is going to remake America. Certainly Congress had nothing to do with the creation of the Resettlement Administration, has no control over it, and the Administration is not accountable to Congress for any of its activities. Small wonder that the "interim report" to Congress is so full of generalities and reports so little. Even though the representatives of the people had no voice in its creation, yet we find that it directs the lives of hundreds of thousands of our people whose income and outgo and whose activities of everyday life are planned for them by the managerial staff of the Resettlement Administration.

It will be recalled that the President was given $4,000,000,000 with which to relieve unemployment by the exercise of almost unlimited powers. He in turn, by Executive order, gave to Dr. Tugwell broad and unlimited powers and a considerable portion of the fund with which to carry out Dr. Tugwell's ideas. The first Executive order, dated April 30, 1935, gave the Resettlement Administration these powers:

(a) To administer approved projects involving resettlement of destitute or low-income families from rural and urban areas, including the establishment, maintenance, and operation, in such connection, of communities in rural and suburban areas.

(b) To initiate and administer a program of approved projects with respect to soil erosion, stream pollution, seacoast erosion, reforestation, forestation, and flood control.

(c) To make loans as authorized under the said Emergency Relief Appropriation Act of 1935 to finance, in whole or in part, the purchase of farm lands and necessary equipment by farmers, farm tenants, croppers, or farm laborers.

In September of that year a further Executive order was issued repeating the paragraphs just given but adding to the second paragraph these four seemingly harmless but highly significant words, "and other useful projects." Thus Tugwell was empowered to initiate and administer almost any kind of program under the sun, and, what is more, he was given the wherewithal to do it.

According to the "interim report" the functions of the administration are segregated into six divisions. The first of these is that of land utilization designed to acquire large areas of unproductive or submarginal land which are to be devoted to recreational parks, game preserves, forests, and grazing. On April 1, 1936, there were 206 such land acquisition projects to include a total of nearly 10,000,000 acres of land, of which 2,000,000 have been bought and the Government committed to the purchase of the remaining 8,000,000 acres.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I prefer to finish my statement, and then I will be glad to yield.

Mr. LUNDEEN. I just wanted to ask the gentleman if he was opposed to this resettlement?

Mr. COLE of New York. The gentleman will see my position before I have concluded.

For the use of this division there was made available over $48,000,000 for land acquisition and $18,000,000 for development and conservation. The amount needed for complete development is over $40,000,000, instead of the $18,000,000, making a total cost of this one experiment approximately $90,000,000, or, roughly, $10 per acre for every acre of land thus taken out of production, a rather dear price to pay for land that admittedly is worthless and unproductive.

The second division is that of rural rehabilitation, for the purpose of lending money to distressed farmers to permit them to carry on their work. Under the established rules, any farmer is ineligible for a loan if he could obtain it from any of the commercial banks, the Federal land bank, Production Credit Corporation, or any other private or governmental agency. In other words, a farmer's credit must be absolutely exhausted before he can get relief. The total amount of public money loaned or granted and committed to be loaned and granted to these persons is $106,000,000 in the first year of activity. Of course, it is expected by those in charge that the bulk of this sum will be repaid by the farmer, including the grants he received. As it is so naively expressed by the "interim report", "it was estimated, when the program was formulated, that 70 percent of the total loans would be repaid." Considering the type of risks involved in these loans, there are few persons whose thoughts are not directed by their wishes who will agree that 70 or even 50 percent of these advances will be repaid. We can easily anticipate the procedure that will come in the future concerning these loans: First, through sympathy for those who are unable to pay, the interest on the loans will be waived by the Government; then, after a bit, the same generous attitude of those controlling the public money will cause them to cancel the farmers' obligations entirely. Indeed, the Government will be extremely fortunate if 30 percent of the principal of these loans is recouped, to say nothing of the carrying charges. Through the farm-debt-adjustment program of this division of the Resettlement Administration, a seemingly worth-while service has been rendered to the overburdened farmer. Acting as the negotiator, the Government has brought the farmer and his creditors together in an effort to not only scale down the principal but also to reduce the interest rates on the debts and to extend the dates of maturity. The adjusments that have been accomplished by his method have been estimated to amount to approximately $30,000,000 by June 30 of this year. The unfortunate part of this debt-adjustment program is that once the Government has succeeded in lightening the debt load the farmer has to carry, the Government has immediately put that same indebted farmer back into debt to the extent of an aggregate of over $53,000,000.

The next function of this "little entente" is the Rural Resettlement Division, which establishes communities of farmers who have been economically unable to make a living or who have been moved from unproductive land bought by the Government.

If all of the 196 projects were to be developed they would provide locations for approximately 25,000 families, require the purchase of approximately 1,400,000 acres of land, and require a Budget of approximately $95,000,000.

So says the report—or a cost of $3,800 per family. We are told that there are more than 500,000 rural rehabilitation families on farms that should be abandoned, who are worthy resettlement clients. At the above rate per family, the total costs of resettling these needy families will be nearly $2,000,000,000 and involve the acquisition of nearly 30,000,000 acres of land. Curiously enough, the report is strangely silent on the amount of money that has been allocated to it or the cost of its activities for rural resettlement to date. Can it be that this studied failure to give even a partial explanation of the per family costs to date is an indication that the ultimate cost of the homes far exceeded their expectations and the ability of the homesteaders to finance? From other sources we learn that the

homes of one of the projects, in Georgia, have averaged nearly $6,000 each, while, in the opinion of the management, $4,000 is the largest debt these selected homesteaders might reasonably be expected to pay off in 30 years' time and at the low interest rate provided.

Besides the management and construction divisions, which are of relative unimportance at this time, except that each of them contain hundreds of administrative and clerical positions and have but very little work to do, the final division is that of suburban resettlement, which has undertaken the construction of houses on the outskirts of industrial cities for use by low-income families whose heads work in the cities. To date, four of these projects have been inaugurated in Maryland, Michigan, New Jersey, and Ohio. For this purpose $31,000,000 has been allocated. The communities are to be complete in every respect, with stores, garages, post offices, theaters, and other business establishments. Small garden areas and facilities for rearing cows and poultry are to be included for each home. Because of the feature of being located in the country with lots of green grass growing all around, these resettlements have acquired the title of Greenbelt, Greenhills, Greendale, and Greenbrook.

When one looks at the ultimate costs of the respective projects and realizes the impossibility of the Government ever recovering the investment it has in them, the conclusion is inescapable that the greenness of the name given these settlements comes not from the verdure of the surrounding countryside but the impracticability of the utopian visionaries sponsoring the program.

Greenbelt is to have 1,000 homes at a total cost of $6,950,000; Greenhills to have 1,000 families at a cost of $8,750,000; Greendale will contain 750 homes with an aggregate investment of $7,050,000; and Greenbrook 750 dwellings at a cost of $7,150,000. The average cost of these 3,500 homes and settlements will be approximately $8,500 each.

Imagine a worker of low income being able to buy and pay for a house that costs him around $8,000 and at the same time to pay taxes on it, keep it in repair, carry the necessary insurance, and with it all to feed, clothe, and educate his children! It is unthinkable that this can be done. In the report is this very significant statement:

> The question of ability to pay is a major consideration in arriving at the sales price, and it is felt the maximum amount a person may be able to pay for shelter is 25 percent of his income, and on very small incomes the percentage will, of course, be lower.

Assuming that a person from this class of workers, receiving an annual salary of $2,000, pays at the rate of 25 percent of his income, it will require 30 years in which to pay off the purchase price of the house at the very low rate of 4 percent, and when he finally completes payments on the purchase price he will have nothing but an old, worn-out house. There can be no doubt that the Government does not expect to be repaid its complete investment in these projects. That this is true is inferentially admitted by Dr. Tugwell, for in a speech at Cincinnati on February 3, in discussing suburban housing, he said:

> Let me frankly admit that there may be some element of subsidy if we are to maintain building and maintenance standing and keep rents down.

The most that the average urban worker would be able to pay for his home is from $2,000 to $4,000, and if the Government is to subsidize the worker as Dr. Tugwell says it must, the most it can be expected to recover from the cost of these four projects, alone totaling $31,000,000, is from 25 to 50 percent. Perhaps there might not be much basis for complaint if the program of suburban resettlement were to stop with the projects now undertaken, but this is not the case, for Tugwell has said that—

> If private industry persists in its refusal to exploit the possibilities which are clearly there, the pressure of public opinion may force the Government to enter this field on a very wide scale.

Certainly private industry is not going to enter this field of building houses at a cost of from $8,000 to $9,000 and selling them at a price from $2,000 to $4,000. If the public is fully informed of the nature of these projects and the tremendous loss to the Government which must be borne by the taxpayers, public opinion will demand that these experiments be not carried further.

Of all the homesteads, rural and suburban, which have been created by Tugwell, not a single one has yet been sold. True, many of them are occupied by tenants who are there under a licensing agreement, paying a rental of approximately $10 per room per month. In these licensing agreements the licensee agrees to—

> Cultivate and farm the land included within the homestead to the best of his ability, and to adopt and adhere to any cropping program and tillage practice stipulated by the licensor (the Government).

In this way the Government exacts from the homesteader an obligation to follow any program relating to the use of the homestead which the Government may see fit. Here we have the same regimentation of our people that was the basis of the popular complaint against the codes of the N. R. A. and the cropping rules laid down by the Government under the A. A. A. and the Potato Act. It will be interesting to observe how long the homesteaders of these settlements will submit to governmental dictation in their everyday life.

The costs of these various divisions of the Resettlement Administration as set forth above do not include the expense of administration. In some 19 separate buildings in the city of Washington are offices harboring the administrators of this expensive socialistic program. An employee of the Resettlement Administration says that the Administration pay roll is $2,000,000 per month, and that nearly a third of the employees are receiving salaries in excess of civil-service ratings, with hundreds on the pay roll at salaries from $2,500 to $5,000 per year. A recent series of articles in a local newspaper discloses that Tugwell has employed nearly 17,000 persons to administer his work, at an aggregate expense of over $24,000,000 per year for salaries alone. There has already been allocated to this alphabetical effort to produce "more abundant life" out of funds given the President under blanket authority over $278,000,000, and within the past month we have heard that Tugwell is asking for $200,000,000 more to complete his program, making a total of nearly one-half billion dollars for the purpose of planning and "building 20,000 new homes and work places for the people who are on the land we have purchased", and yet within the past 3 days we hear Tugwell say that—

> This—
>
> The 20,000 new homes—
>
> is the merest fraction of the numbers who would like to be relocated, but it is all we could do with our time and money.

There seems to be no bottom to the pit in which Tugwell is pouring the taxpayers' money, all for the purpose of carrying out his one-time threat of rolling up his sleeves and making over America, and this at the expense of the taxpayer who does have a home and has paid for it through his own hard work, thrift, and self-denial, and further at the expense of a broken morale and initiative on the part of those who accept the paternalism of our benevolent Government. If America needs to be "made over", it can only be done by those processes which have been tried and found true, namely, thrift, sobriety, morality, and industry, and an adherence to the true principles of a Republic under our written Constitution. [Applause.]

The CHAIRMAN. The time of the gentleman from New York [Mr. COLE] has expired.

Mr. WOODRUM. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Chairman, I arise to express my regret at the remarks of the gentleman from Maine [Mr. BREWSTER], made in yesterday's RECORD, in which he impugns the honesty, sincerity, and instincts of fair play of our most wholesome neighbor to the north, the Dominion of Canada. He says:

> The recent action of the Canadian Government suggests strongly that from their standpoint the Canadian agreement is to a substantial extent a scrap of paper binding still upon our Government and our people but with myriad loopholes through which they can vary their trade policies as they please.

That statement is as unfair as anything could possibly be, and is only equalled in lack of knowledge by the contents of the rest of the speech.

To understand the utter baselessness of the entire argument of the gentleman from Maine, a few remarks as to the Canadian classification of tariff schedules would be a point. They have four different types of rates. The lowest is the rate prevailing among the members of the British Empire. Next are the intermediate rates prevailing among the most favorable nations outside of the British Empire. Then the so-called countervailing rates, which cannot be lower than the intermediate rates, but equal the rates imposed by the tariff of other countries selling the same commodities to Canada which Canada sells to that country.

In other words, the countervailing rate is designed to impose the same burden on the same commodities which Canada buys and sells. The last and highest Canadian rates are the general tariffs which apply to all other countries.

Following the adoption of the Smoot-Hawley tariff and up until January 1, 1936, our trade with Canada was taxed under the general tariff schedules of that country. With the reciprocity treaty a number of our items of export to Canada received special rates, of mutual advantage to both countries and approximately 600 items not mentioned in the treaty were allowed entrance under the intermediate rates.

There was no agreement of any kind with Canada prohibiting her from changing her intermediate tariff rates at any time she desired. Our State Department made a definite effort to get these commodities bound to the intermediate rate, but without success. Canada clearly reserved her right to change these rates at will.

The State Department, in its press release dated November 23, 1935, expressly says of these items on the intermediate list:

> Although the duty reduction on these items, unlike the items in schedule I, are not bound as to duration, they become effective immediately when the agreement enters into force.

Nevertheless, the gentleman from Maine states:

> It remained for our Canadian neighbors, however, very promptly to educate our State Department and our people to some of the possibilities inherent in this agreement.

If there is anyone needing education concerning the Canadian reciprocal treaty, it is the gentleman from Maine. As another evidence of his abyssmal want of information on this subject, he says:

> Canada was left free to make any tariff concessions that might at any time seem advisable to any of the British commonwealth of nations, and the United States was left helpless.

The United States reserved to itself the right to make any change in its tariff schedules on all items not listed in the treaty just the same as the Canadian Government. It is just as helpless as the Canadian Government, no more or no less.

The increase in rates which the Canadian Government has made on potatoes, eggs, flour, cut flowers, and raisins simply raises the duty on those commodities to equal the duty which the United States places on the same commodities coming from Canada.

If the gentleman from Maine desires these duties lowered going into Canada, he ought, in all fairness then, to advocate that we reduce our duties on the same commodities. If we do, Canada will at once respond.

The Canadian Minister of Finance, in referring to these countervailing rates, states:

> This means that other countries who both buy from and sell to us these commodities have it in their own power, by reciprocal action on their part, to enable us to reduce to the level of the rates stated in our tariff * * *. May I make it clear that our attitude continues to be * * * we do not desire nor intend to raise tariffs; we do by the countervailing duties invite other countries to bring their tariffs down to the level of ours.

The apparent obsession of the gentleman from Maine that we should maintain a duty of 75 cents a hundred pounds on potatoes coming from Canada to us and then have the privilege of selling potatoes to Canada free of duty is just about as juvenile and impossible as is the theme of his whole speech to the effect that the people in Maine can prosper by high tariff duties while the rest of the country is suffering from it.

The gentleman professes interest in potatoes and uses that as a basis for his high-tariff arguments. On May 1, 1935, No. 1 grade potatoes were selling at 39½ cents a hundred. May 1, 1936, the same potatoes were selling at $2 a hundred. In 1935, on an ad-valorem basis, potatoes carried a tariff rate of almost 200 percent. In 1936 the tariff on an ad-valorem basis was 37½ percent.

The prosperity of the country will raise the prices of Maine potatoes, as well as the prices of Wisconsin dairy products, many times more effectively than any tariff duties.

Our records for 1934 and 1935 show that foreign trade increased with countries having reciprocal treaties in a ratio six times as great as with nonreciprocal countries. What an utterly asinine suggestion it is for local representatives to come before this body and attack reciprocity treaties because they imagine some of their local interests may be injuriously affected.

The gentleman seems to complain of the tariff reduction that Canada has extended to us since the treaty even as loudly as he does of tariff increases. He says:

> Canada lowered the duties on things they desired to buy from us for the benefit of their customers.

The inference is that, according to his idea, Canada ought to have lowered her duties for the benefit of our exporters. Such a contention would not be any more childish than his idea that Canada ought to submit to our potato tariff of 75 cents and let us sell in Canada duty free. Certainly Canada is interested in her own people who are buying these commodities. She realizes that it is just as desirable to make a profit in a purchase as it is in a sale. To that extent she is just a little better informed on the question of political economy than our high-tariff advocates.

Canada, in her last budget, granted us lower duties on a great many more commodities than she raised and has informed us that she will lower the duties on those raised commodities if we will do the same thing in our tariff.

Could anything be more fair and decent? And yet the gentleman from Maine accuses the Canadian Government of bad faith.

Another statement of the high-tariff gentleman from Maine reads as follows:

> We are trading a market of 100,000,000 consumers in this country for a market of 10,000,000 consumers in our neighbor to the north.

Did it ever occur to the gentleman that Canadians at the same time are submitting their market to the pressure of 100,000,000 producers, while we are only subject to that of 10,000,000 producers? As long as the people in a foreign nation pay their bills they are good customers, regardless of the population involved. They can only consume in proportion to what they produce, and if they are few in number with low production they will sell just that much less to us.

The Canadian people have been excellent customers of ours under reciprocity. In the first 3 months of this year we sold them $14,299,000 in commodities more than we purchased from them. Their increased purchases per capita from us during reciprocity has amounted to 72 cents, while our increased purchases per capita from them has amounted to but 14 cents.

If anybody has any basis to complain, it rests with the people of Canada—not with us.

The struggle of a high-tariff group of antiadministration forces is so utterly impotent that it has taken on a somewhat humorous stage. The great majority of the Republican press has deserted them; the leadership of the United States Chamber of Commerce has seen the light; and even their "brain trust", which they have recently been forced to employ, has backed up on them in their efforts to strangle foreign trade. At least three members of that learned organization—the Republican "brain trust"—Prof. Niles Carpenter, of Buffalo; Prof. Frederick Bradford, of Lehigh; Prof. Rufus S. Tucker,

of Harvard; were all signers of the original protest against the Smoot-Hawley tariff.

Colonel Knox, one of their Presidential aspirants, has openly approved reciprocity. Even the irreconcilable gentleman from Massachusetts [Mr. TREADWAY] has recently become mysteriously silent.

Another outstanding member of their advisory board is Prof. Asher Hobson, of Wisconsin. He is generally credited with having been responsible for a large part of the Canadian reciprocal treaty. Yet as a "brain truster" he is now trying to inject enough intelligence into the antiadministration groups to keep them from being ridiculous in the coming campaign.

The unfortunate part about this whole business is that foreign nations cannot get the humor generated by the feeble remarks of the high-tariff bloc, and when a Member of this body spreads on the record ill-advised, baseless, and unfair charges against one of our friendly neighbors there is a danger of these remarks being taken as having some weight, and therefore they ought not to go unanswered. [Applause.]

Mr. WOODRUM. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. LUNDEEN].

Mr. LUNDEEN. Mr. Chairman, we seem to be without a plan. We came into this panic without intelligent planning. We, in Minnesota, in the midst of prosperity and during the years when things were riding high, told the folks that a panic and a depression was impending. Now, in this bill we are appropriating millions of dollars and we seem to have no real plans. Are we ever going to do intelligent national planning in this country? This experience we are now having ought to teach us that.

I think it is all right to have this rural resettlement. Why not build these homes for the people? Let us have resettlement in the rural areas. They are tearing down a slum area in my home city, in my district, and building houses there. I cannot see anything wrong with that. Why should not homes be built there? Why should not folks be given an opportunity to live in better homes and pleasant places? Why not?

I believe in these T. V. A.'s. I voted for Muscle Shoals during the War, and I see some distinguished gentlemen before me who were here at that time and who voted for that project. Now, why not continue that? I cannot see why we should just put out money for relief. Why not furnish self-respecting work of some kind. Why not put it into public works of some kind, so that a man is not just given a certain sum of money to enable him to eat today when he will be just as hungry tomorrow. Why not have some work done at union wages, giving an American standard of living—something constructive that adds to the capital of the country. That is what we believe in; that is what we want; that is intelligent national planning.

A lot of folks find fault with the administration. I am not an administration spokesman. I am probably critical of both major parties, but it seems to me some errors are bound to be made no matter who handles the work. I believe we should have an American standard of living at all times, and where the American standard of living has not been adhered to I do find fault; but where they are seeking to build in this crisis, and construct, and resettle, certainly there the administration ought to be encouraged.

I want to see more construction. I want to see the streams harnessed in order that we may afford light, current, and power to the whole country of the United States. I want to see a blaze of electric light and power throughout these United States of ours so that electric current becomes available at cost to every American home. I want to see woman emancipated from the slavery of the kitchen. I want the farmer lifted from his back-breaking toil. We have the resources, we have the men, we have the money to do this; and if we would only forget this saving of the world and this nonsense about going to war to end war and stop spending money in absurd foreign adventures, and build our own resources for our own people in this America of ours, we would get along better. We should spend our money here on something for our own people. That is constructive statesmanship, proposed by our Farmer-Labor Party; that is good Minnesota doctrine, and I ask your attention now before it is too late.

I have not written my speech; I am just talking straight from the shoulder and right out of my heart, just the way I feel about these things. So far as the administration is moving along these lines I say it deserves credit. Where the administration makes mistakes it should be corrected. I have no sympathy with those who just criticize and criticize and want to save some money for millionaires and billionaires. There are plenty of men who have huge incomes in this country. Let them be patriotic and pay this bill without whining. Let this money be expended for the people. And now there is talk about investigating the Townsend plan—a few thousand dollars spent for salaries and expenses in the interest of old-age pensions. Why do they not investigate J. P. Morgan and Eugene Grace, or some of these men who have billions of dollars and millions of income every year. Investigate them. That would be more to the point. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I move the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCCORMACK, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee, having had under consideration the bill (H. R. 12624) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes, had come to no resolution thereon.

HOUR OF MEETING

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow; and in explanation, Mr. Speaker, if I may be permitted, I will say it is the hope of those in charge of the bill, as well as of the minority members of the committee, that if we finish debate tomorrow, we may proceed with the consideration of the bill under the 5-minute rule, and take it up to the point of the motion to recommit, in which event it will be the purpose to adjourn over until Monday.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendment of the House to the amendment of the Senate no. 58 to the bill H. R. 12098, entitled "An act making appropriations for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 4, 9, 20, 25, 29, 35, 42, and 45 to the bill H. R. 11035, entitled "An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes."

The message also announced that the Senate disagrees to the amendments of the House to the bill S. 3789, entitled "An act authorizing the Secretary of Commerce to convey the Charleston Army Base Terminal to the city of Charleston, S. C.", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. COPELAND, Mr. SHEPPARD, and Mr. JOHNSON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill S. 381, entitled "An act for the relief of the Confed-

erated Bands of Ute Indians located in Utah, Colorado, and New Mexico."

ALBERT THESING, JR.

Mr. DUFFY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3823) for the relief of Albert Thesing, Jr., with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate amendment, as follows:

Amend the title so as to read: "An act for the relief of the parents of Albert Thesing, Jr."

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

THE CENTURY OF PROGRESS CELEBRATION OF THE ANCIENT ORDER OF HIBERNIANS IN AMERICA

Mr. KENNEDY of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of The Century of Progress Celebration of the Ancient Order of Hibernians in America.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KENNEDY of New York. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following:

THE CENTURY OF PROGRESS CELEBRATION OF THE ANCIENT ORDER OF HIBERNIANS IN AMERICA

The founding of the first American chapter of the Ancient Order of Hibernians and the memory of its members who defended old St. Patrick's Cathedral, Prince and Mulberry Streets, in New York City against the Know-Nothings mob in 1844 were commemorated in that city on Saturday and Sunday, the 2d and 3d of May 1936.

"Be ever patriotic and live by the Constitution," Cardinal Hayes declared in an address to more than 2,500 persons of Irish birth or ancestry gathered at St. Patrick's Cathedral on May 2, 1936, for a pontifical Mass in celebration of the one hundredth anniversary of Ancient Order of Hibernians in America.

"The flag of our country stands very much in need of loyalty today," the cardinal said, "and I feel that the men of this order will lay down their lives for this country."

The cardinal addressed the gathering after a sermon in which the Most Reverend James A. Griffin, bishop of Springfield, Ill., praised the religious courage of the Irish spirit. Referring to the bishop's sermon, Cardinal Hayes said the Irish spirit in this country and in this city was "the very spirit for which the cathedral stands. The Irishman has a reputation for being a good soldier. It springs from his faith—fighting for God first, last, and always."

The one hundredth anniversary of the founding of the order in the United States was observed with a 2-day celebration. More than 1,600 persons attended a dinner at the Hotel Astor Saturday night, at which Gov. James M. Curley, of Massachusetts, was the principal speaker.

Every State in the Union was represented in the gathering of the order for the ceremonies in the cathedral. The delegates marched to and from the cathedral escorted by a uniformed contingent of the One Hundred and Sixty-fifth Infantry—old Sixty-ninth—and a band that played Irish airs. A color guard carried the emblem of the order, gold over green, with the Irish and American flags crossing and two hands, representing the two countries, clasped firmly in a gesture of friendship.

Irish music filled the cathedral. Cardinal Hayes presided on his throne. The opening march, played by Pietro Yon, organist, was O'Donnell Aboo.

A bronze tablet commemorating the founding—near the site of St. James' Church in May 1836—of the New York chapter of the A. O. H. was installed at St. James' and another tablet at St. Patrick's. The dedication ceremonies closed the order's centennial celebration, which started Saturday.

One thousand members marched from St. James' Church and then to old St. Patrick's. More than 10,000 other persons lined the route of march. An escort of six mounted policemen was followed by the green and tan costumed County Tyrone Pipers' Band.

Speaking of old St. Patrick's, Monsignor McIntyre recalled how a band of Know-Nothings had came to New York in April 1844 to burn that edifice. Members of the New York chapter of the A. O. H. assembled there, however, and repelled the invaders.

Monsignor McIntyre also spoke of the gifts of religion and patriotism that Irishmen have brought to other lands, notably to the United States.

John J. Sheahan, chairman of the St. Patrick's Day committee, said that religion and patriotism had been inextricably joined through Ireland's history, and that these qualities had been handed down to Irish-Americans.

In his sermon, Bishop Griffin recalled the spirit displayed by the early members of the Hibernians and pointed to their courage and that of the Irish race as an example of endurance that might be emulated now in countries where religious freedom is threatened.

President Roosevelt sent a letter to Edward J. McCullen, secretary of the centenary committee, in which he praised the contribution made to New York and the United States by persons of Irish blood.

"In peace and war they have been in the forefront of all activity", the President wrote. "New York has not forgotten, nor can ever forget, the old Sixty-ninth Regiment of Infantry—the 'fighting Irish' of song and story. With deep appreciation do we recall the services of the successor of the old Sixty-ninth, the One Hundred and Sixty-fifth Infantry Regiment in the Rainbow Division. And that brings to mind a gallant figure whose name is forever associated with the One Hundred and Sixty-fifth Regiment. I counted him among my dearest friends. He was in our midst but a few short years ago; his passing brought sorrow to all hearts; his memory is in benediction.

"Father Duffy was characteristically Irish in the apostolic zeal of his ministry, in the fervor of his patriotism, and in his love and good will toward all men. I know he will have a place in the hearts of all who take part in this celebration. I like to think of Father Duffy as typical of the great race which has given so much to America."

The Ancient Order of Hibernians claims descent from the Ancient Irish Orders of Knighthood, from the Knights of the Golden Chain and the Bardic Order, the Feni Erin of Leinster, the Knights of the Red Branch of Ulster, the Clan Deagha of Munster, and the Clanna Morna in Connaught.

The modern organization traces its beginning to Rory O'Moore, who revived the ancient orders in the Catholic Confederation of Kilkenny in 1642.

In penal times as defenders of the priests, in the celebration of the holy sacrifice of the Mass in secret hiding places in the mountains and in the bogs of Ireland, the members of the order preserved the faith of their fathers for their posterity.

The priest and the schoolmaster alike were proscribed and a price was set upon their heads, and the Hibernians of that day provided shelter and protection and transport from village to village so that the national ideal and the national religion would not perish. For almost 200 years these bands of men were necessary for the protection of priest and people against religious persecution.

The lodge system which had existed in a loose form for generations was perfected in the latter years of the eighteenth century, and the method of collecting funds for the burial of the dead was in use.

In May 1836 a charter was sent from Ireland to New York City authorizing the organization of the order in America. One of the members, who was employed on a sailing vessel engaged in trade between America and British ports, was delegated to bring the charter to America. The charter they received was from the chief officers in those counties which had been hallowed by generations of conflict for faith and fatherland. This beginning of the order in America cannot be better described than by using the words of the late Bishop Shahan, rector of the Catholic University, who so eloquently said, "The first page of the order in America is beautiful for its simplicity and straightforwardness, touching for its candid Catholicism. It is as good a patent of nobility as was ever conferred by king or kaiser, for there is wanting in it no element of our liberal modern humanity. I can almost see these honest and sturdy representatives of the Irish race in Ireland, England, and Scotland handing over to ship-worn and tearful exiles of Erin the sacred sparks of liberty and faith, of chivalry and tolerance, of kindly humanity and large brotherly charity that, thank God, have ever since been cherished by the members of this organization."

The charter sent from Ireland reads as follows:

"From the Brethren in Ireland and Great Britain to the Brethren in New York, Brothers, Greeting:

"Be it known to you and to all it may concern, that we send to our few brothers in New York full instructions with our authority to establish branches of our society in America. The qualifications for membership must be as follows:

"First. All members must be Roman Catholics, and Irish or Irish descent, and of good moral character, and none of your members shall join in any secret societies contrary to the laws of the Catholic Church, and at all times and at all places your motto shall be 'Friendship, unity, and true Christian charity.'

"You must love without dissimulation, hating evil, cleaving to good. Love one another with brotherly love, without preventing one another; let the love of brotherhood abide in you, and forget not hospitality to your emigrant brother that may land on your shores, and we advise you, above all things, have natural charity among yourselves.

"Also be it known unto you that our wish and prayer is that when you form your society, in many cities and towns, you will do all that is in your power to aid and protect your Irish sisters from all harm and temptation. As the Irish woman is known for her chastity all over the world—some of them may differ from you in religion—but, brothers, bear in mind that our good Lord died for us all. Therefore be it known unto you that our wish is that you do all that you can for the Irish emigrant girls, no matter who they may be, and God will reward you in your new country, and in doing this you will keep up the high standing and honor of the Irish in America.

"We send these instructions to you, hoping that you will carry them out to the best of your ability. Be it known unto you that you are at liberty to make such laws as will guide your workings

and for the welfare of our old society, but such laws must be at all times according to the teachings of the holy Catholic Church, and the obligation that we send you and all your workings must be submitted to any Catholic priest when called for.

"We send you these instructions, as we promised to do, with a young man who works on the ship and who called on you before. Send a copy to our late friend whom you spoke of and who is now working in Pennsylvania. Hoping that the bearer and this copy will land safe, and that you will treat him right, we remain your brothers in the true bonds of friendship, this 4th day of May, A. D. 1836.

"Patrick McGuire, County Fermanagh; Patrick McKenna, County Monaghan; Patrick Reilly, County Meath; John Farrell, County Meath; James McManus, County Antrim; Patrick Dunn, County Tyrone; Daniel Gallagher, Glasgow; John Reilly, County Cavan; Patrick Boyle, County Sligo; John Derkin, County Mayo; Thomas O'Rorke, County Leitrim; John McMahon, County Longford; Patrick Hamill, Westmeath; John Murphy, Liverpool."

Division no. 1, of New York County, met in the basement of old St. James' Church, at New Bowery and James Street. Every parish had at least one division, and their chief beneficence was in aiding the newly arrived immigrants to find work, in comforting the bereaved, and in extending every kind of helpfulness to the sick and destitute. The emigration contributed greatly to the membership of the order, for in 1838 the Irish Catholic population of New York City was about 70,000, while in 1840 it was 90,000.

From New York City the order spread to Philadelphia, Newark, the coal-mining regions of Pennsylvania, and westward with the tide of Irish emigration.

In New York the order was encouraged by the great John Hughes, first archbishop of New York, who saw in the sturdy catholicism of its members a source of strength to the church and a wall of defense against its enemies.

The early years were stormy. These were the days of anti-Catholic, and particularly anti-Irish bigotry. There were small riots throughout the city, windows of Catholic churches were broken, and ignorant and intolerant anti-Catholic mobs had attacked Catholics in the streets of the city.

In 1844, when the Know-Nothing fanatics held a meeting in city hall park, after the election of their candidate for mayor of the city, to welcome the church-burning Know-Nothing Party from Philadelphia, the members of the Ancient Order of Hibernians were summoned to the defense of the churches of the city by Archbishop Hughes, and, armed, they garrisoned the churches of the city, ready to defend them with their lives.

Again, in 1855, it was necessary for a brief time for the members of the order to guard the churches of the city, and at that time the members of division 1, of Brooklyn, who were guarding St. Paul's Church, at Court and Congress Streets, were threatened by a Know-Nothing mob, but the defeat of the Know-Nothings in a fight at the Catherine Street Ferry ended forever the threat of mob rule and the destruction of church property in New York.

It might be well to mention that the first St. Patrick's Day parade in the city was held under the auspices of the Ancient Order of Hibernians in 1838, and in 1853 there were 12,000 men in line and Mayor Westervelt and the common council reviewed the parade from the steps of the city hall.

A military company was organized chiefly from among the members of the Hibernians which later became the Ninth Regiment of the State militia. A second regiment, the Sixty-ninth, was organized soon after, and its first colonel was Charles S. Roe and its lieutenant colonel Michael Doheny.

In 1861, with the outbreak of the Civil War, whole divisions of the Ancient Order of Hibernians joined the Army in defense of the Union.

The Hibernians of New York, after the Battle of Chancellorsville, equipped a hospital tent and ambulance and offered it to General Meagher, and they were delivered to the Irish Brigade at Warrenton, Va., by Dr. E. D. Connery, the coroner of New York County, who was one of the most prominent Hibernians in the city.

At the close of the war the members of the order lay on every battlefield, and the Civil War, with its sacrifice of Catholic Irish blood, showed the Know-Nothing fanatics that the members of the order, which had defended the churches from the attacks of mobs, were just as willing to defend the flag of their country.

In the 1890's when the American Protective Association, commonly known as the "A. P. A." raised its head, the Ancient Order of Hibernians again led in stamping out this revival of the bigotry of the Know-Nothing.

It should be remembered that through the observance of St. Patrick's Day by the Ancient Order of Hibernians, through the veneration offered the patron saint of Ireland through the ritual and other customs of the order over a long period of years, that this national Irish feast has become a day of universal celebration in all parts of the United States. These celebrations have made popular the Irish customs and the Irish themselves among the varied races which have flocked to America.

Since my father was a member of the Ancient Order of Hibernians and since I had the honor of taking part in this wonderful celebration, with pride I call the attention of the House of Representatives to the Century of Progress Celebration of the Ancient Order of Hibernians in America.

LETTER FROM A FORMER MEMBER OF CONGRESS

Mr. DELANEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter which I received from a former Member of Congress, a Republican.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DELANEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter received by me from Hon. Montague Lessler, a former Member of Congress from the State of New York:

NEW YORK, *February 13, 1936.*

MY DEAR CONGRESSMAN DELANEY: The death of Charlie Curtis brought to mind that on the 2d of January 1902 (34 years ago) I was elected to the House from the then Seventh New York District. The election was the result of a special election held to fill the vacancy upon the resignation of Nicholas Muller, who had been a Member of Congress from the downtown and Staten Island district for a number of years. It was an interesting, lively campaign, conducted without the aid of the usual party management, and was, if I may use the term, a "solo" affair.

The district ran on the west side of the city from about Fourth Street, embraced the Battery, and curved around to go up the east side to somewhere in the neighborhod of Canal Street. It also included Staten Island.

Of course, in the Wall Street section there were not many voters. However, the election took place, and in a section that had never been represented before by a Republican, gave me 7,677 votes to 7,283 votes for my opponent. Some other time the story of that canvass may be of interest. At present I just want to tell you of some of the men I met in my brief term and some of the matters of interest viewed in the light of 34 years after the events.

The final canvass by the State board was not completed, but, nevertheless, on the motion of "Bill" Sulzer that was waived by the Democratic minority, and accompanied by him on the one side and Lucius Littauer on the other, I took the historic oath from Speaker Henderson in the Well of the House. I had been accompanied to Washington in a special car by a collection of politicians, saloonkeepers, ward helpers, ladies, and gentlemen as could be gathered; men and women who had helped me and who had been good to me, and so I felt that it was a kind of noble gesture to wind up the campaign by bringing them with me to Washington, where they were a noisy aggregation in the gallery and had a grand time at the old Arlington Hotel. I may add in passing that it is a sort of grateful recollection to me that my mother and father were both there to witness the swearing in. Of course, there was a great mass of flowers to mark the occasion. What to do with them was a problem, until it was finally suggested that they be sent to the hospitals, which was done. As a further mark of distinction, the House adjourned at once, and so I had a job, drawing a salary and nothing to do.

It is of interest to remember the men who were in the House and in the Senate when I came there. I do not think there is any man remaining today who was in either body in 1902.

I was promptly assigned to seat 399 in the back row. Each man then had a desk. I sat next to Beidler, of Cleveland, Ohio, and on the other side my nearest neighbor was Sutherland, of Utah, now Supreme Court Justice. There was a very interesting set of men at the House at this time. The New York delegation was headed by Senators Platt and Depew. Among the Republicans in the House were Tompkins, who has lately retired as justice of the supreme court; Littauer, who was later to make such a place for himself as chairman of Appropriations; Sherman, of Utica, who became the Vice President with Taft; George Ray, of Norwich, N. Y., who became United States district judge; Payne, of Auburn, N. Y., head of the Ways and Means Committee; General Wadsworth, of Geneseo, N. Y., a delightful gentleman of real influence in the House and father of the present Congressman; James Breck Perkins, of Rochester, N. Y., a scholar, litterateur, and historian whose books on the Louis XV period of French history are still read and remain standard; Colonel Alexander, Buffalo, N. Y., whose work on the political history of New York State is as fine as anything that has been written on the subject. He was also the author of a work on parliamentary law. On the Democratic side were a number of men it was a delight to know and remember—Fitzgerald, of Brooklyn, now judge and then, while in the minority, usually recognized as one of the best parliamentarians in the House; Goldfogle, of New York City, a delightful little man who died in harness as one of the tax commissioners of the city; Amos J. Cummings, of newspaper fame, recognized as outstanding among journalists and a real figure in the history of journalism in New York; William Sulzer—what can one say about him except that he became Governor of New York State and thereafter faded away; George McClellan, of New York City, later professor of Princeton, who was twice mayor of New York City; dear Jake Ruppert, a kindly, sweet, helpful man, who has continued his public career as head of the Yankee baseball team.

I wish I had time to tell you more about the New York men—Storm, Bristow, Hanbury, George Lindsay—but you must remember that New York had 37 men, and I want to speak of other men.

The general focal point of all the young men in the House at that time was Jim Sherman, called usually "Sunny Jim." There was a kindness to the man, a helpfulness that can be remembered better than described. He had been in the House so long and was so acquainted with everything connected with it that it seemed the natural thing to turn to him and ask for his help in any predicament. He was head of the Indian Affairs Committee. The committee room was the meeting place of a number of men, and all their work was done there under the efficient supervision of the secretary of the Indian Affairs Committee, dear Harry Devendorf. Sherman, Knapp, Littauer, Emerson, Stewart, New York Congressmen, made their headquarters there, and by some sort of arrangement had their work done there also. It was in that room among those men that I first met Charlie Curtis, who was then the Member from the First District of Kansas and serving his fifth term in the House. I remember him very well. Of course, I got to know him and kept my acquaintance up after I left the House and went down to Washington to dinners and other celebrations. He was courteous, kind, helpful, and interested. Everybody, as I look back at it now, and especially on the Republican side, was keenly interested in my progress with the thought that possibly there might be a chance of a return from that district and a fooling of the constituents once more.

There were a number of other interesting men in the House on both sides of the Chamber. To me, the veteran Uncle Joe Cannon seemed a survival right out of the Lincoln antebellum days. There was a quaintness about him that certainly appealed. He had a power of expression in public, on the floor and in private, that made a lasting impression on those who came in contact with him. You must remember that at that time Mr. Cannon was 66 years of age, and had been in the House since the Forty-ninth Congress. He had been head of the Appropriations Committee for many years and had gradually become the leader of the majority. His main opponent was John Sharp Williams, later Senator from Mississippi, a man of extraordinary educational achievement, a fine scholar and a splendid linguist. It was indeed a treat to hear Uncle Joe and "Sharp" as Joe called him, in the center aisle fiercely encountering each other and then when it was all ended, to see them go out arm in arm. They not alone had a respect but an affection one for the other, and they were two outstanding men it was a joy to know. There were so many men in the House of real worth that it is difficult to try and remember all of them in the confines of this rambling letter and do credit to their many excellencies. It was a time of real debators. Hepburn, of Iowa; Tawney, of Minnesota; De Armond, of Missouri; Champ Clark, of Missouri; Grosvenor, of Ohio; and Dalzell, of Pennsylvania, were men who took the greater burden of the political debate. In fact, it was currently believed that Clark and Grosvenor used to stage a debate preliminary to their excursion on the Chautauqua circuit. There were several others who were really powerful speakers. A new man, Littlefield, of Maine, always got the ear of the House by his earnestness and beauty of delivery and speech. It was said of him at the time that his name never disgraced a majority report and that he was always in the opposition.

We had a couple of humorists, too. There was a man, Cushman, of Washington, whose speeches brought together a full House, and who had the power of saying witty things without hurting. This was also the case with Bob Nevins, of Dayton, Ohio, a magnificent talker and really a sound lawyer.

There were two men in the House and it was a real rough-and-tumble to debate. One was De Armond, of Missouri, and Hepburn, of Iowa. They were afraid of nothing and had a blistering invective that took the hair and hide off the fellow who opposed them. There were some really charming gentlemen in the House. I recollect with real pleasure Adams, of Philadelphia, and Morrell, of Torresdale, Philadelphia, and, above all, Gillett, subsequently Speaker of the House and Senator from Massachusetts.

The man who was most attractive to me and whose knowledge of his work on the committee was monumental was Burton, of Ohio, who later became Senator. Congressman Burton was head of the Rivers and Harbors Committee. Everyone left the work to him. He gave to this work all his attention so that it was impossible to tell him anything about any mud creek in the United States, to say nothing of the great rivers and harbors, and, with it all, he was kindly and helpful with the thought in mind that he wanted to do the right thing to every man who had a creek for which he hoped to receive an appropriation.

Of course, the same kind of human beings were in the House then that are there now. We divided very sharply on politics. We had our man who did nothing but talk and who could not be shut up. We had the great objector and we had a man who knew everything and we had others who looked upon a seat in the House as a pleasant extension of their home success, possibly along business or banking lines. A great deal of hard work was done, and some play went on too. I think I should like to tell you about that sometime. But, all in all, it was without any doubt the finest aggregation of men that could be brought together. It represented every shade of variance in our great country. All races, conditions, and beliefs were there, and while intensively they were Democrats and Republicans, with very rare exceptions, I should say they were gentlemen. I have not been able to discover why a man cannot be a gentleman as well as a politician or statesman.

I wish I could tell you more of other men I got to know and how interesting Southern Democrats were. I think the man who charmed me most, outside of Williams, was Oscar Underwood. There was something so charming about this man; there was such a bonhomie about him; he looked so much the gentleman that it was a pleasure to know him and a real treat to listen to him.

While I seemingly have omitted a great number of men, not with any idea that they were not fully worth remembering, because I hold every one of them very dear insofar as I got to know them. Some of these men made a great impression on me. Their weaknesses—and we knew that they were there and what they were—endeared them to us to an extent, and yet there was always a courtesy and a pleasant relation established. Rarely, if ever, did the men become vehement to each other. I only remember one such episode.

It was a great training to have had contacts of this kind as a very young man. While living in the past brings very little, yet I think to hold recollections of the men I met in the Fifty-seventh Congress is something to retain. I have no doubt that it was a training and experience that was the equal of any college course that a young man might have. Not the least of those memories were my contacts with Curtis, and as I really started out with that in mind more than anything else, I have always had the feeling that it was his generous pleasantness with a crowd of youngsters who commenced in the House and then in the Senate who brought to him allegiances which in the end made him Vice President of the United States. This was true of Sherman as well, and remains true of any man who pledges himself in the generous desire to lend his experience to others coming into this great arena and to be a delightful personable gentleman in every sense of the word.

With kindest personal regards and apologies for this long letter, I remain,

Very sincerely yours,

MONTAGUE LESSLER.

Hon. JOHN J. DELANEY,
House of Representatives Office Building,
Washington, D. C.

MOTHER'S DAY

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania.

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker: Amidst the strife and turmoil of national problems and international conflict, we pause to pay our respect and our solemn tribute to God's noblest creation.

The second Sunday in May is at hand, and we forget the differences that divide us in every field of human activity and join in a general, world-wide observance of Mother's Day.

MOTHER'S DAY WAS FOUNDED BY MISS ANNA JARVIS, OF PENNSYLVANIA

Mother's Day was founded by Miss Anna Jarvis, a native of my neighboring State of West Virginia and now a resident of my own State of Pennsylvania. She inaugurated this day of thanksgiving, remembrance, and of gratitude. It is one day that has not been commercialized and has continued to be a day wholly devoted to tributes of gratefulness and remembrance—a day of rededication to the spiritual forces that inspired our mothers to teach us to follow the right, to seek the truth, and to act humbly and justly.

It is beautiful to set aside one day to an ideal, one day apart for generous deeds, for good will—for who can think of mother without being kinder and more generous? It is a day in which we are absorbed with the thoughts of mother and unmindful of the shadows, rains, and storms of life; for when we remember mother, we remember the sunshine and happiness of youth; we forget ourselves and think kindly and lovingly of others. We recall our mother's abiding faith in our inherent goodness and her inspiration to us to go forward to better and nobler things. For the opportunity to observe such a glorious day and the fulfillment of such a noble and inspiring ideal, we are thankful to Miss Jarvis.

MOTHER'S DAY RECOGNIZED ALL OVER THE WORLD

Her devotion to an ideal has helped to bring more joy and sunshine to the lives of millions than any other idea born in the mind of any of our noblest citizens. From a modest beginning it is now universally observed; in every climate and in every language the message of Mother's Day is heard around the globe. It is given official recognition by England and her colonies. Mexico, Brazil, and numerous South American countries observe this solemn day. Even Asia and Africa lend their tributes to the mothers of the world.

Since May 1914 Mother's Day is officially recognized and proclaimed by the Government of the United States. For nearly a quarter of a century, through proclamation by the President of the United States, the American flag has been displayed on all Government buildings in tribute to the mothers of America. American consulates throughout the world are ordered to unfurl the Stars and Stripes in honor of American homes and mothers. Official orders of the State and Army and Navy Departments decree that the flag be displayed and proper observance be held of the solemn annual tribute to motherhood.

MOTHER'S DAY IS OBSERVED BY THE MILITARY AND NAVAL FORCES

Commanding officers of the military and naval forces of the United States regard the observance of Mother's Day as a potent force for strengthening the morale of the enlisted personnel. They realize that when soldiers and sailors, many, many miles from their native land, think of home and mother, they cannot help but be overwhelmed by the noble sentiments, and then and there resolve to be a great and glorious force for home and country.

OLD GLORY IS PROUDLY DISPLAYED

It is a rare exception for Old Glory to be displayed on Sundays, but on the second Sunday in May this general rule is disregarded, and the national emblem displayed on the Nation's Capitol and on all other Federal buildings. For, on Mother's Day, Old Glory takes on a new significance as it waves heavenward in its solemn tribute to the American home—the foundation of American society and presided over in queenly fashion by the great American mothers.

Annually, Miss Jarvis cooperates with Cabinet members, the military and naval forces, and other governmental dignitaries in making the Mother's Day celebration esteemed as a day of tribute to our mothers and as a day of rededication to those motherly virtues of righteousness and truth.

THE CELEBRATION OF A DAY DEVOTED TO OUR MOTHERS MAKES US A BETTER NATION

No other country in the world anticipated this country in thus recognizing our homes and mothers as the national standard bearers of patriotism. America not only leads the world in resources and material wealth but in patriotism, sentiment, and those spiritual resources that make of this country the glorious world leader that it is, and has been for a generation.

It is indeed most fitting that this annual Mother's Day which originated in America should be acclaimed by the American Congress as a day of gratitude to the beloved living and as a day of remembrance for the honored dead. Miss Jarvis originated this day in her earnest and sincere desire to serve her home and her community. May God bless her and watch over her for many, many years to come.

WRITE HOME TO MOTHER

"Write home" is the injunction to all sons and daughters who have wandered far from home and whose daily lives are filled with material cares. This is an appeal that is answered by every son and daughter in every walk of life. On Mother's Day they forget all the cares and worries of the daily grind and write a letter home to mother, or send a telegram in which in a few words they convey those endearing sentiments of love and devotion. Some send a gift of flowers; others a gift for the home, or candy, or some other token of love and esteem. But, whatever the form or substance, the hearts of millions of mothers are made glad. They rejoice that their efforts have not been in vain. Every one remembers his mother in a special, particular, and even selfish sense. But here selfishness becomes a virtue, for the nobility of selfishness is in making others happy. Here they repay a debt of gratitude in remembering that their mothers took a selfish pride in making them better and happier.

"ALL IS WELL"

"All is well" is heard from far and wide as the children of mothers of the world send their message of cheer and hope. Mothers everywhere are thrilled and inspired by these messages of hope, for hope still springs eternal in the human heart—in the hearts of mothers as well as children—hope in the future and its blessings. "All is well" is a divinely sweet melody that cheers the hearts and souls of motherhood; it is like a shaft of sunshine that gilds the rugged mountain peaks of life. Happy are those children who can send a cheery message to mother on Mother's Day and most divinely happy are they who can look at their mother's silver hair and say that not one single silver hair had been caused by a misdeed of theirs.

As the years roll by Mother's Day takes on greater importance and added significance to those still fortunate in having the guidance of their "gray-haired" mother. But to those whose mothers have gone to their eternal reward, the day is heightened and their devotion to the ideal of mother is increased.

WE REMEMBER THE MOTHERS OF THE WORLD, LIVING AND DEAD

As on Memorial Day, our hearts blossom in gratitude and we remember the brave men upon whom fate placed the laurel wreath of patriotism and sacrifice, so on Mother's Day we lovingly remember those dear departed mothers who, too, had made the supreme sacrifice so that the family and its noble institutions may be perpetuated and enriched. When we place a wreath on the grave of mother on this solemn day, the rich, fresh flowers and the green grass carry us off in fancy where we know that those mothers are serenely walking in green pastures by the calm blue waters. As we gaze heavenward through sapphire skies we feel certain that mother has seen, that she knows we did not forget. For there is nothing nobler than to remember the mothers of the world—living and dead.

Honor thy father and mother stands written among the laws of the most revered righteous. It is the very essence of life and the keystone of human relations. It is the commandment that is dutifully accepted by every creed. Mother's Day thus makes of the sacred commandment a living, throbbing reality.

THE RESOLVE TO GO THE RIGHT WAY

"For all her sorrows and her tears; for all her pains and fears, there's an overpayment of delight, when mother hears—that sons do right." Mother's Day would not have the universal appeal were it merely observed as a day of tribute and gift giving to mothers. Its real importance and value lie in making mothers happy by our doing right—in realizing that mothers would not want us to do otherwise. Its real achievement lies in dedicating ourselves on Mother's Day to so conduct our daily lives throughout the year that we should not cause mother an anxious moment, an unjust fear, or a needless tear. On Mother's Day we resolve to do everything mother's way, which is always the right way, through honor, justice, and humility.

OUR MOTHERS WANT PEACE ON EARTH

In this world of strife and turmoil, Mother's Day is also a day of dedication to the ways of peace. While mothers are not on the fields of battle nor in the trenches, they suffer more than their sons in the shell holes. War's greatest indictment lies in the suffering, agony, and fears endured by the mothers of the world. She had gone down to the valley of the shadow of death to bring forth the son who is perhaps being ruthlessly slaughtered. She had endured untold agonies in bringing the child safely through the helpless years of childhood into manhood. She had bestowed upon him all of her energies, love, and devotion. It breaks her heart to see him torn from her side and sent forth to be maimed or killed. No gift on Mother's Day, no tribute or manifestation of love and devotion to the mothers of the world, can have a fraction of the significance to mothers as the gift of universal peace—the resolution that every mother's son dedicate his very all to the advancement of peace.

THIS CONGRESS HAS MADE THE LIFE OF OUR MOTHERS EASIER

This Congress has done more than any other legislative body in the world to bring peace, comfort, and contentment to the American home and mother by its passage of the Social Security Act. Mother's Day is real and vibrant to us. We have recognized our obligation to the mothers of America

in making available adequate appropriations for maternity care. Mother is the holiest thing alive, and motherhood is the holiest of all divine gifts. We have made motherhood for the poor less agonizing and have made it easier for these noble women to raise their children.

THIS CONGRESS HAS BROUGHT SECURITY AND PEACE TO OUR AGED MOTHERS

"Over the hill to the poorhouse" was the usual epilogue to the drama of motherhood. But this, too, has been changed since we have recognized that our tribute to mothers must also take a more material form, and that our mothers are deserving of a better fate than the county home or some charitable institution. The Social Security Act which this Congress enacted has taken a great step forward in abolishing the despicable poorhouse. Its appropriations for pensions for the aged will make it possible for all mothers in America to spend the evening of their lives in their own homes which they cherish—among the children they love.

Mr. Speaker, this is the tribute to mothers that I wish to leave with you on Mother's Day. It is a recognition of our solemn obligation to our mothers, not only on this day but every day of the year. Not only gifts, flowers, telegrams, and letters on the second Sunday in May, but peace, comfort, contentment, and security for mothers every day.

LET US BE WORTHY OF OUR MOTHERS

It is impossible to measure the boundless love of a mother for her child; it is impossible to repay, in a material way, a son's or daughter's debt to a mother. It is needless to give water to the sea or light to the sun; we can never repay for mother love, for it gilds the cradle and illumes the grave. All we can do is hope constantly and pray fervently that we may be worthy of such boundless love and devotion; that all of mother's energies and cares shall not have been spent on us in vain; that we shall have followed her footsteps and leave this world far better and happier than we found it.

CORRECTION OF RECORD

Mr. MAIN. Mr. Speaker, I ask unanimous consent to correct the permanent RECORD in accordance with the specific language inserted in my speech delivered on the floor of the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. WOODRUM. Mr. Speaker, reserving the right to object, I heard the speech the gentleman mentions and, of course, I have no objection to the gentleman's changing his remarks in the manner indicated, but the thought occurs to me that such correction as can be made has already been made. The gentleman in the speech he made today retracted certain remarks he made in another speech. I do not understand that a Member can correct the RECORD by taking out things actually said. The gentleman made the speech that is in the RECORD on the other occasion, and I do not understand that you can correct the RECORD by going back and changing a speech previously made.

Mr. Speaker, the point I make is that the speech which appears in the permanent RECORD was actually made by the gentleman. There is no denial of that fact. Now, he says he made the statement under a misapprehension. It seems to me, under the circumstances, the RECORD is complete.

Mr. SNELL. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. SNELL. The gentleman has the right to correct the RECORD.

Mr. WOODRUM. I do not think so.

Mr. SNELL. Of course, he cannot correct what is already in the RECORD.

Mr. WOODRUM. That is what the gentleman is asking to do.

Mr. MAIN. Mr. Speaker, I am asking to strike out one word and three letters in the speech made on January 14, which appears on page 399 of the RECORD.

The SPEAKER. The Chair thinks the request of the gentleman comes too late for that purpose. The speech referred to is already a part of the permanent RECORD.

COINAGE OF 50-CENT PIECES IN COMMEMORATION OF THE ONE HUNDREDTH ANNIVERSARY OF THE FOUNDING OF ELGIN, ILL.

Mr. REED of Illinois. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8234) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the founding of the city of Elgin, Ill., and the erection of a heroic pioneer memorial.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, in commemoration of the one hundredth anniversary of the founding of the city of Elgin, Ill., and the erection of the heroic Pioneer Memorial, there shall be coined by the Director of the Mint (not more than) 10,000 silver 50-cent pieces of standard size and weight, and of a special appropriate design containing a replica of the "Pioneers" to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury: *Provided*, That the United States shall not be subject to the expense of making the models for master dies or other preparations for this coinage.

SEC. 2. The coins herein authorized shall be issued at par and only upon request of the chairman of the coinage committee, Elgin Centennial Monumental Committee.

SEC. 3. Such coins may be disposed of at par or at a premium by said committee, and all proceeds shall be used in furtherance of the erecting of the Pioneer Memorial.

SEC. 4. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same; regulating and guarding the process of coinage; providing for the purchase of material, and for the transportation, distribution, and redemption of coins; for the prevention of debasement or counterfeiting; for the security of the coin; or for any purposes, whether said laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein directed.

SEC. 5. The coins authorized herein shall be issued at such times as they shall be requested by the chairman of the coinage committee, Elgin Centennial Monumental Committee, and upon payment to the United States of the face value of such coins.

With the following committee amendment:

On page 1, line 6, strike out "ten" and insert "twenty-five."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUBVERSIVE ACTIVITIES IN THE UNITED STATES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech recently made by me.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by me at a luncheon of the United States Chamber of Commerce on April 30, 1936:

At the outset it must be borne in mind that communism is not merely a school of political or economic science. In its fuller aspect it is a philosophy of man. It is materialistic in its concept and impracticable in its operation. The purpose of communism is the establishment of a dictatorship of the so-called proletariat—through the medium of class appeal and class groupings. It seeks control of government and then, through the medium of a dictator, to put into operation the principles and policies of communism.

It is unnecessary to discuss in detail the manner in which they are attempting to accomplish their objective. They openly admit the use of any and all means, legal or illegal, or a combination of both, to bring about the objective that they seek. Their efforts in this country are not confined to mere expression or academic discussion. Practical efforts are being made in every conceivable way to create dissatisfaction and discontent and to capitalize on it wherever it exists in order to produce emotional results that will aid them in furthering their cause. They employ the "boring in" policy in labor, educational, religious, fraternal, and other organizations in order to obtain a position of advantage therein so as to influence the policies of such organizations. They employ the "united front" policy, where they join with other organizations in the agitation or furtherance of some program. They are not interested in any such program except as a means of using such organizations in the furtherance of their cause. They join with others, not because they believe in what others fight for, but to use the strength of their organizations for their own advantage. To them, anything in which they engage is simply a means to the end that they seek—the overthrow of government, not through the Constitution, but by force and violence.

At the present time they have a school in New York City with over 2,000 students in attendance each night, receiving instructions in the philosophy of Marx and Engels, and particularly being trained for the practice of sabotage and the exploitation of emotional situations. They are also taught methods which will prolong strikes that might properly be started in an effort to obtain higher wages or better working conditions or shorter hours of labor. In such cases they step in, not to assist in a fair settlement, but to prolong them as long as possible and then abandon the cause, leaving behind them misery and suffering. They are not interested in settlement; they are interested only in prolongation of a strike, exploiting existing conditions as a part of the means to an end. Their training is to enable them to induce others with whom they have nothing in common, to unctiously play their game. They are enemies of all existing governments, except sovietism. They do not owe allegiance to any flag but the red flag of revolution. They are unscrupulous in their demands and in their consideration of the rights of others. They have been making a determined effort for years to bore in on the American Federation of Labor. In one or two cases they have been successful in obtaining control of a union. I have in mind a union in New York City. The leadership of the American Federation of Labor, under President Green, are militantly fighting such efforts. President Green realizes the danger. In the past, little outside attention has been given to the great fight that he and his colleagues have been waging against communism. His great work should receive the attention and praise to which it is entitled. Businessmen should cooperate with President Green. It is to the advantage of business, when dickering with unions, to deal with men of the type of Green—men who stand for his kind of leadership in meeting this problem.

I have referred to a Communist union, originally a part of the A. F. of L., located in New York City. The special committee of which I was chairman investigated this union and found that it forced certain businessmen of New York City to pay tribute to them in order to continue in business. The union imposed a so-called unemployment tax of 3 percent of the total pay rolls of over 200 businessmen in the furrier business, also exacting a similar amount from the employees after forcing them to join the union. This money was used for communistic purposes. This evidence was the sworn testimony of businessmen who had paid the toll. We also received evidence that employees were forced to join this union, and when they resisted force was employed. American businessmen were then forced to pay tribute to this un-American union, and such money was and is being used in an effort to destroy the American Government, including the very business of these men. Some who had resisted testified that their goods were destroyed, their employees attacked and assaulted, finally compelling them to capitulate to the terms imposed. The evidence also shows that no employee had ever received a penny from this fund. The head of the Communist squad of the New York Police Department testified that this union maintained out of the funds received a gangster squad to intimidate employer and employees. Whenever any one of them was arrested, the same attorney always represented them. The lieutenant testified about many attacks on employer and employees, and also that there are at least two murders unsolved of employees who refused to join this union, being killed by the gangster squad of this Communist union. The police know who did it, but they cannot obtain the legal evidence.

Persons of this type should be shown no consideration. They know only the policy of force and violence. Their idea is to instill fear in the minds of others. Whenever such efforts, which disregard the rights of others, are employed, action by the police and courts should be rapid. About a year ago, in a city just outside of Boston, similar methods were employed. The police acted quickly, arresting those involved. The district attorney in charge acted quickly, prosecuting the cases and sending the offenders to jail. Raising of various funds for lawbreakers is simply a part of their program.

They are not interested directly in such persons or their cases, but simply in using a particular situation as a medium of exploitation. They are not interested in legislation except as a means to an end, to agitate and induce good Americans to become confused, or to exploit them, and to have them unconsciously play their game in politics. The Communist movement is not a political party. That is where the Columbia Broadcasting Co. made its mistake recently in allowing Earl Browder, head of the Communist Party of the United States, to use their facilities. If a Communist should be elected President of the United States, he could never take office. I have noted their recent statements about a Farmer-Labor Party, urging others to join with them in this movement. There are persons in this country who believe in such a party but who are opponents of communism. To them such a party is intended as a means of obtaining changes in the Government by the enactment of legislation in a constitutional manner. That is not the purpose of the Communists. Their purpose is to use such a political party as a part of their revolutionary program. This fact should be borne in mind by Americans interested in the formation of such a party. They should not permit themselves to be deceived by the Communists. The Communists' purpose, so far as such a party is concerned, is to obtain control of and use it as a means of furthering their objective. It is simply a part of their scheme. While under our law one can become a member of any political party that he desires to join, such action is voluntary. Nevertheless, the organizers and leaders of a Farmer-Labor Party, if one is organized nationally, either now or later, should not permit Communists to obtain control or even obtain a position of influence therein.

The Americans are a patient people. We have been for years the fertile field of foreign propagandists. However, when we awaken, we act, and usually, effectively. I remember several years ago when a European country was spreading propaganda in this country. We tolerated it for some time, and then became disgusted. An aroused public opinion asserted itself, in consequence of which the State Department acted. If it had not, a congressional committee would have been appointed to make an investigation. That kind of propaganda stopped.

Only a few years ago the committee of which I was chairman was appointed to investigate the Nazi, communism, and other un-American activities in this country. We obtained and gave to the American people such evidence that an aroused public opinion demanded that the efforts emanating from abroad cease. They have ceased.

For years we have listened to the prattle of these avowed haters of our country and their ideals, blasting the peace and quiet of our land with their advocacy of communism, by force and violence, as a panacea for all economic and social ills. We are getting tired of it. It is about time that we passed legislation that will make the members of this antisocial movement respect the rights of American citizens. It is about time that we passed legislation making it a crime to knowingly and willfully advocate the overthrow of government by force and violence. Such a bill is pending in the House of Representatives, having been reported from the Committee on the Judiciary. It is now before the Rules Committee. The Rules Committee should report a rule in order that this bill might be considered by the House. I have tried to obtain such a rule, but have not been successful to date. That bill will pass overwhelmingly if brought out on the floor.

The people of the United States should demand that the Rules Committee bring this bill before the House. I urge all who are listening to demand the members of the Rules Committee to bring out this bill. Legislation should also be passed this session providing for the deportation of alien Communists. Over 50 percent of the members of the Communist Party are aliens. They advocate the destruction of our Government, and at the same time claim its protection. They earn their living under the protection of the Government that they hate and seek to destroy. They are not entitled to any sympathy or consideration. Drastic legislation along such lines should be passed at once. While this malignant theory of communism can never find any substantial support among the liberty-loving people of our Nation, nevertheless we must work to eliminate the evil results which proceed from their doctrine of force and violence. I do not recognize the advocacy of force and violence as constituting freedom of speech. It is license. One might just as well argue that the offering of human sacrifice as a part of a religious belief constitutes freedom of religious conscience.

I recently read a book written by Earl Browder, secretary of the Communist Party of the United States, who is the leader of the movement in this country, wherein he admitted that such conditions as would constitute a revolutionary situation do not exist in this country. Despite that fact, he urges his followers to direct their efforts toward effecting such a situation. That shows completely their insincerity, their duplicity, their hypocrisy; that demonstrates that their philosophy cannot stand up under the light of reason. That is why they appeal to the unfortunate who is distressed; to those who are discontented; to those who are emotionally moved. They are trying to use those who can be swayed through emotion to obtain their objective. It is a sinister plot. They dare not resort to the constitutional method for bringing about changes. They have the opportunity under the Constitution to try to obtain their end, if they desire. They can advocate communism within the law by appealing to the people to vote for candidates pledged to the changes they advocate. If they are successful in influencing the people and electing enough legislators, they can change the Constitution. That is the constitutional way. But they dare not employ the method created by the framers of the Constitution. To do so they must appeal to reason. Lacking logical principles for an appeal to reason, they resort to the use of force and violence.

To again show their hypocrisy and the insincerity of their position, the same author, in an attempt to defend the use of force and violence, very blissfully states that the Communist Party advocates such drastic action only when the existing Government refuses peaceably to transfer to them control of its functions. He emphasizes the fact that force and violence are unavoidable in the United States because the people of this Nation do not desire communism. Therefore, they must be forced to accept it. They admit that the Government cannot be made into a soviet nation under the present constitutional processes which require the sanction of the people. Hence the great majority of our people who are peace-loving citizens must endure the wild and irrational acts of a small anti-American, antisocial group.

Earl Browder, in his recent book, What is Communism?, presents one of the best arguments against communism that I have ever read. In his attempt to further communism he exposes its hypocrisy—its weakness—he presents its true picture.

Of course, everyone knows that communism is opposed to every ideal that we stand for. It is opposed to the family life as it exists among religious people. It is opposed to religion in any form. It openly advocates the destruction of religion. It is opposed to religious freedom; to the freedom of speech and of the press; to the right of trial by jury. It stands for the confiscation of property. It is opposed to personal liberty in every form.

Yet Browder, in his book, What Is Communism, urges Communists to associate with religious groups and to organize them under the guise of the "united front." He states in no uncertain language that prospective Communists need not sever their religious affiliations before joining the movement, but after they join they will be subjected to a very rigorous educational process, in which the author expects the novice to see, as all Communists should, that religion must be destroyed. He talks about liquidation if the objective should be obtained. By liquidation he means what happened in Russia—the murder or imprisonment of all who oppose. In his book he also boasts of certain ministers who are cooperating with Communists under the "united front" policy. He ridicules and scorns them. I wonder how those he mentions feel after reading his book in the realization that he boasts of their use and then condemns them for believing in God and a hereafter. If such men have any judgment at all they will at once withdraw from any "united front" alliances that they now have with the Communists. Their efforts are to obtain the changes they advocate and which they believe are for the best interests of the people and to continue as ministers their work of God as their religion dictates. That is not so with the Communists. To them their "united front" efforts with others are simply a means to an end, using others in any way that they can, but intending to suppress them as well as all others if communism should be successful. How can they work with such men as Browder? Although I do not hold the same religious beliefs as these minorities, yet my respect for the freedom of religious worship urges me to warn them of the pitfalls to which their association with the Communists will inevitably lead. They are jeopardizing their own freedom of religious worship along with the freedom enjoyed by all others by permitting these scoffers and enemies of all religions to masquerade under their banner. What I have said also applies to a small group of professors.

In his book, Browder admits that Communists owe no allegiance to the United States. He states that Communists will not serve in any conflict in which our country might be engaged. He attempts to justify such action by declaring that communism is opposed to all wars. However, he boasts of the allegiance of Communists to the Soviet Union, urging all to join with Russia in defense of the Soviet Union. In other words, Communists will not fight for the United States but will fight for Soviet Russia. His hypocrisy is exposed. This is a valuable lesson to real Americans who believe in peace and who are doing all that they can to bring about permanent peace, but who will fight in the defense of our country. I warn you not to become allied with Communists under another phrase of the united-front policy. I particularly refer to the League Against War and Fascism, a communistic organization, and to certain college-student organizations.

The Constitution of the United States provides for any kind of a change the people desire. But communism is not content to proceed in the way provided for by the Constitution.

Under communism, personal liberty, which can exist only in a democracy, would be destroyed. It is suppressed under all forms of dictatorship. It is not necessary to mention history to support this statement. I call your attention to the countries of the present day wherein dictatorships exist. Personal liberty has been destroyed; persecution, fear, and force exist. The state is supreme. The individual has no rights. This is what communism stands for. It goes even further than most forms of dictatorship in its destructiveness of human rights. It does not even tolerate the existence of religion in any form. In fact, it makes war on religion and religious freedom—one of the great cornerstones of personal liberty.

Let the Communists renounce their advocacy of force and violence in trying to obtain their objective, a dictatorship of the proletariat, with its destruction of every ideal that America stands for. Let the people decide the issue in the manner provided by the Constitution; and while I will disagree with their objective and oppose their efforts, as is my right, I will fight to preserve their constitutional rights. In this way they will be acting within the Constitution and the law. I do not recognize the right of any movement to willfully and deliberately advocate the overthrow of government by force and violence.

We have plenty of problems confronting us. Fortunately, we have the means of peaceably determining our problems. They will not be solved by dictatorship of any kind, particularly of communism, nazi-ism, or fascism. This movement, guided and directed from abroad, international in its character, claiming the protection of our institutions and at the same time hating them, and trying to destroy them, should be exposed for the alien, un-American movement that it is.

Communists are using a new line of defense by branding those who attack their activities or who make speeches along American lines as Fascists.

The passage of legislation making it a crime to willfully and knowingly advocate the overthrow of government by force and violence, and the strengthening of the deportation laws relating to alien Communists will, from a legislative angle, meet their efforts. No American fears such legislation. Such legislation does not affect the right of anyone to advocate any change that they believe in, provided they do so within the law. Society is justified—in fact, it is its duty—to protect itself and its law-abiding people against those who disregard the Constitution and the existing law.

VETO MESSAGE OF THE PRESIDENT OF THE UNITED STATES—CAPT. PERCY WRIGHT FOOTE (H. DOC. NO. 489)

The SPEAKER laid before the House the following message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 7092, a bill for the relief of Capt. Percy Wright Foote, United States Navy.

Briefly stated, this bill provides that in recognition of his having been wounded in line of duty and of his exceptionally meritorious service in combat with the enemy during the World War, the line-selection board of the Navy in its consideration of officers eligible for consideration for selection for promotion to the grade of rear admiral may base its recommendation in the case of Capt. Percy Wright Foote upon his comparative fitness for the shore duties of the grade of rear admiral; that he shall remain on the active list of the Navy in his present rank until the report of the next senior selection board of the Navy shall have been approved; that if selected for promotion he shall be retained in his present rank on the active list until promoted to the rank of rear admiral; and that in the event of his selection and subsequent promotion he shall be carried as an additional number in grade.

The records of the Navy Department show that Captain Foote was appointed a naval cadet on May 20, 1897; commissioned ensign from June 6, 1903; promoted to the grades of lieutenant (junior grade) and lieutenant from June 7, 1907; promoted to the grade of lieutenant commander from March 10, 1914; promoted to the temporary grade of commander from August 31, 1917; commissioned regular a commander from July 1, 1919; and promoted to the grade of captain from January 1, 1924, in which grade he is now serving.

In 1916 the system of promotion by selection was initiated in the Navy, with the object of insuring that only those officers deemed best fitted would reach command rank. Captain Foote has failed of selection before three selection boards, namely, those convened in 1933, 1934, and 1935, and under existing law he will be retired, because of service ineligibility for promotion, on June 30, 1936. Because of the provisions of the act of March 4, 1925, as amended by the act of March 3, 1931, the terms of which permit retirement in the next higher grade of those officers specially commended for their performance of duty in actual combat with the enemy during the World War, Captain Foote would, if retired on June 30, 1936, do so in the grade of rear admiral.

On September 27, 1934, a special board of medical examiners pronounced Captain Foote physically qualified to perform all his duties at sea; and on his annual physical examinations on January 15, 1935, and December 19, 1935, he was found physically qualified to perform all his duties at sea or on shore. Because of the terms of the bill specifying that he shall be considered by the line-selection board of the Navy on a basis of comparative fitness for shore duty, approval of this bill would result in his being singled out for special consideration, as the other officers under consideration by the board would be competing on a basis of ability to perform all the duties of the higher grade.

At the present time the Navy is operating under a promotion system considered necessary to its efficiency. Medical records indicate Captain Foote's physical qualifications to perform all the duties of his grade, and he has been afforded ample opportunity for selection. In the absence of special circumstances sufficient to warrant his being placed in a class by himself the Navy Department feels that this legislation tends to break down the laws relating to promotion by selection. In the judgment of three selection boards Captain Foote was not one of those best fitted for promotion to the grade of rear admiral, and the Navy Department has never had reason to question these recommendations.

Justification for the enactment of this bill is based on the recital in the bill that it is "in recognition of his having been wounded in line of duty and of his 'exceptionally meritorious service' in combat with the enemy during the World War." It follows that the bill is calculated to bestow upon Captain Foote a benefit in addition to that to which he is entitled by virtue of the law providing for his retirement in the next higher grade.

The Navy Department is of the opinion that his service was not of such outstanding character as to warrant the unusual preferment this bill would extend to him alone, and to the exclusion of other officers whose records of service are equally meritorious; and that existing law is adequate to fully reward Captain Foote for his service during the World War.

For the above-stated reasons and because of the effect this legislation would have on existing law governing promotion by selection, I do not feel justified in approving this bill. I have come to this conclusion with great personal reluctance because of my knowledge of Captain Foote's war service.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 6, 1936.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. DREWRY. Mr. Speaker, I move that the bill and message be referred to the Committee on Naval Affairs and ordered to be printed.

The motion was agreed to.

MESSAGE OF THE PRESIDENT OF THE UNITED STATES—RODMAN CHEMICAL CO. (H. DOC. NO. 490)

The SPEAKER laid before the House the following further message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, House Joint Resolution No. 223, entitled "Joint resolution conferring upon the Court of Claims jurisdiction of the claim of the Rodman Chemical Co. against the United States."

This resolution is designed to accomplish a fourfold purpose, to wit:

(a) It would confer jurisdiction on the Court of Claims to entertain a suit against the United States by the Rodman Chemical Co., of Verona, Pa., assignee of Hugh Rodman, for recovery of compensation for the use (prior to the issuance of a patent) of an invention by Hugh Rodman, covering a process for making activated carbon, notwithstanding the Commissioner of Patents had issued no order to keep such invention secret under the provisions of the act of October 6, 1917 (40 Stat. 394; U. S. C. 35–42), entitled "An act to prevent the publication of inventions by the grant of patents that might be detrimental to the public safety or convey useful information to the enemy, to stimulate invention, and provide adequate protection to owners of patents, and for other purposes."

(b) It would entitle the Rodman Chemical Co. to claim reasonable compensation for the alleged use of the Rodman process, made by the United States prior to issuance of the patent thereon, to the same extent as if the Commissioner of Patents had issued an order to keep the invention secret, prior to such use; and further, such compensation would begin from the date of such use by the United States.

(c) The transcript of record of the interference proceedings between John C. Woodruff, appellant, and Hugh Rodman—No. 46630, District of Columbia Court of Appeals, April term 1925, Patent Appeal Docket No. 1815—would be made competent and admissible evidence before the Court of Claims on the issue of use by the United States of the Rodman inventions.

(d) The statute of limitations would be waived, provided the suit in question is brought within 1 year after the date of the passage of this resolution.

Proceedings in such suit are to be similar to claims filed in the Court of Claims under section 145 of the Judicial Code, as amended. The Government may plead any defenses set forth in title 60, Revised Statutes.

The relief that would be afforded by this resolution extends to the Rodman Chemical Co. and not to the inventor of the subject matter of the patent as an individual. The Rodman Chemical Co. has heretofore filed suit in the Court of Claims based on the provisions of the act of October 6, 1917, or, in the alternative, under the act of June 25, 1910, as amended by the act of July 1, 1918. The latter statute gives patent owners the right to sue the United States for infringement of their monopoly. The act of October 6, 1917, relates to the publication of inventions during the war and the granting of compensation under certain conditions for wartime use of inventions tendered to the United States. The court held that the case did not fall within either of the acts relied upon by the claimant, and dismissed the petition on February 20, 1928. The plaintiff's petition for a writ of certiorari was denied by the Supreme Court on May 14, 1928 (277 U. S. 592; U. S. C. Cls. 772).

In view of the foregoing, it is apparent that awarding relief in this case would constitute a discrimination which would be unfair to other potential claimants in a similar situation. It would, in effect, tend to nullify essential provisions of the act of October 6, 1917. It would encourage a multiplicity of similar bills and result in the revival of many old war claims in that class of cases, heretofore dismissed by the Court of Claims because of failure to comply with certain express provisions of the act of October 6, 1917. For the above reasons, I do not feel that I would be justified in giving my approval to this legislation.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 7, 1936.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. BEITER. Mr. Speaker, I move that the bill and message be referred to the Committee on War Claims and ordered to be printed.

The motion was agreed to.

"THE PLOW THAT BROKE THE PLAINS", RESETTLEMENT FILM, LAUDED HIGHLY, SHOWS NEED FOR CONSERVATION

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

UNITED STATES GOVERNMENT LAGS IN MOVIES—RESETTLEMENT ADMINISTRATION MOVIE SETS NEW STANDARD

Mr. MAVERICK. Mr. Speaker, I have just had the pleasure of seeing a number of documentary films arranged in a program by the Museum of Modern Art Film Library. On this program was a film The Plow That Broke the Plains, which tells the story of the destruction of natural resources in the grasslands.

The headlines of the Washington Post say this morning, front page, double column, right on top, "Tugwell farmers' lot is sad compared to Soviet film ideal." It is true that a Russian film was shown, but so were films from France, Great Britain, and Germany. The tone and statement of the Post article omitted the fact that other countries were represented. Moreover, the article virtually snubbed the Film Library as well as the Embassies of France, England, and Germany.

GERMAN, ENGLISH, RUSSIAN, AND FRENCH FILMS

The Russian film showed immense cooperatives and hard-working people, smiling faces. The German film showed its work camps for men; solemn faces. Whether Stalin had ordered a smile or Hitler had demanded solemn looks, I do not know. It may all have been propaganda.

England was shown as being once a country of hills and beautiful farmlands; then its process of industrialization and uglification was depicted, with its present policy of slum clearance and cheap public power. The French film showed the beauty of the country, and the progress of its railroads;

handsome waiters passed out cool drinks to up-and-coming tourists. Trains slid through the French countryside at 200 kilometers an hour. The American film showed the tremendous waste of natural resources in the United States of America, principally of the Great Plains, which is the Middle West of the United States, starting in Montana and going through the Panhandle of Texas.

The American film showed a most important phase of American life: It showed that in this plains country 40,000,000 acres are now completely destroyed, with topsoil gone; another 200,000,000 acres are badly damaged and likely to be lost, unless something is done at once—and this out of only a total of 400,000,000 acres in the whole area.

The Film Library in arranging this program of documentary films from five nations is doing a real service. I think that as many of the foreign films should be shown as possible. For instance, certainly Swedish, Norwegian, and Danish films should be shown. Especially of Sweden, if Marquis Childs' book is correct—and I am sure it is correct in most of its factual aspects. Sweden has made tremendous advances in planned villages, in its cooperatives, in slum clearance, and in bettering life in general. Hence, a Swedish film would have been instructive.

MEN AGAINST DUST

While criticisms may be made of the Resettlement film because it shows the horrible waste of our natural resources, I think that films of that character must by all means be shown to awaken our citizens to the necessity for immediate steps in conservation. Moreover, the whole field of documentary films, which show the real problems of American life, offers a tremendous opportunity of development on the part of private companies.

Personally, however, I think a picturization of our forests, lands, waters—everything we have which is natural—also showing the hideous waste that we Americans have practiced should by all means be done. I do not object to the private film corporations, and it is entertaining to see Groucho Marx do his stuff; it is sometimes stimulating to see a love affair; while Walt Disney's Silly Symphonies and Mickey Mouse are outright grand. But thus far there has been no private film devoted to a serious treatment of saying we must be thrifty in the preservation of our own natural resources. Why do not the private film companies show unemployment, poorly planned cities, lack of sanitation—something about the plight of the sharecroppers and farm tenants who have no purchasing power?

It takes all kinds of people to make a world—and it takes all kinds of films to show what is really going on. We can sit around and gaze at love films and gasp and groan; we can shed a few tears and bust loose with lots of laughter—but we should also use our brains.

UNITED STATES LAGS IN EDUCATIONAL MOVIES

Mr. Speaker, this country is the furthest advanced of all nations on earth in movie technique, production, and equipment. But that is not true of the Government. In the production of films some progress has been made, but not much in comparison to other nations. In England the General Post Office has completed over 400 documentary films. In France the finest musicians and technical workmen are employed by the Government to dramatize its work. Even in smaller nations, such as Mexico, the motion picture is recognized as an important medium for Government information. We are the most backward government of any civilized, first-class nation in our utilization of the motion picture.

As a government, we are far behind and we might as well face the fact that it is a perfectly proper thing and quite desirable to have the best type of movies to be used for educational and informational purposes by the Government. I favor the full development of the movies by the United States Government for the purposes mentioned.

I wish to make it clear that I do not believe in Government competition with private industry, but the Federal Government should produce its own educational films.

FAMOUS DIRECTORS PRAISE

The Resettlement picture has aroused highly favorable comment not only from public officials but from high figures in the motion-picture industry. I should like at this point to read telegrams from two of the leading directors in Hollywood. One is from King Vidor, who produced Our Daily Bread, awarded an international prize for producing the finest picture of 1934; he also directed The Big Parade, The Crowd, The Champ, and is now doing The Texas Ranger. Mr. Vidor says:

Please accept my congratulations for the splendid picture you have made The Plow That Broke the Plains. Not only does it drive its point forcefully and graphically but it utilizes the motion-picture medium in its purest form; something that pictures made solely for entertainment purposes barely have an opportunity to do. I feel that in spite of its moderate length, no one who sees this picture can help but be impressed by the broad scope it embraces.

Lewis Milestone, who has praised the Resettlement picture, is also one of the top directors in Hollywood. He directed The Front Page, All Quiet on the Western Front, and is now doing The General Died at Dawn, which was written by Clifford Odets. Mr. Milestone says:

I saw The Plow That Broke the Plains, Resettlement Administration production written and directed by Pare Lorentz. I have also seen a great many documentary films of all nations and regard Mr. Lorentz's by far the best. It has more emotion and drama without the use of human characters than most plays can provide with living beings, because it is based on the truth. In my opinion the Government would gain its aims for the people with much more surety by releasing this and other such intelligent documentary films for general public education.

CRITICS PRAISE FILM

The newspaper critics and commentators who have no ax to grind have been unequivocal in their praise.

Bob McCormick, of the Scripps-Howard Washington News, says, among other things, in lauding the film:

The photography is indescribable. It is a series of magnificent scenes, flowing together in continuity sufficient to carry the story. It may have been equaled in other pictures shown in Washington, but it is doubtful if it has been excelled. * * * Movie experts in the Federal service here say the production, a three-reeler, is perhaps the finest ever turned out by a government. This includes the artistic efforts of the Russians and the Germans.

Betty Hynes, dramatic critic for the Washington Herald, says, in commenting on the entire program of documentary films:

Most dramatic of all was the contribution of Mr. Lorentz, who took America's tragic dust storms and graphically told their history. * * * An amazing, stirring picture. * * *

Under the headline "The New Deal's First Major Movie Effort Packs a Terriffic Punch", Mr. Fredrick C. Othman, United Press staff correspondent, says:

Before the final fade-out it had diplomats, Congressmen, and New Dealers holding to the edges of their gilt chairs. It may have been preaching a sermon, but it surpassed many a Hollywood epic for sheer drama and technical excellence.

OFFICIALS LAUD PICTURE

A number of public officials have praised The Plow That Broke the Plains in no uncertain terms. Time will not permit quoting all of them, but I should like to give just a line or two from each one:

Secretary Wallace has said:

* * * It is a moving record of what happened where farmers encouraged by their Government plowed lands which should never have been taken out of grass. * * * The combination (musical score and photography) is a thrilling example of what is almost a new art. The picture is an astonishingly graphic portrayal of land use history of the Great Plains. * * *

Senator ROBERT M. LA FOLLETTE, of Wisconsin, says:

The Plow That Broke the Plains is one of the finest pictures I have ever seen. Simply, yet dramatically, it tells the story of the havoc wrought by the improvident use of our soil resources. I wish every one in this country could see it, because to do so is to

be impressed with the urgent need for national action to restore the balance nature demands in the use of her resources.

Senator PAT HARRISON, of Mississippi, says:

This film in my opinion is an agricultural Cavalcade.

Senator ALVA ADAMS, of Colorado, says:

The film is a vivid dramatic presentation of the unplanned cooperation of land-hungry men, war, drought, and wind in the destruction of the grasslands of the West. It is a remarkable film production.

THE PROGRAM

At this point I should like to include a copy of the program of the documentary films shown at the Mayflower last night.

THE MUSEUM OF MODERN ART FILM LIBRARY PRESENTS A PROGRAM OF DOCUMENTARY FILMS

May 10, 1936, Grand Ballroom, Mayflower Hotel

Color Box, 1935–36. Designed and executed by Len Lye. Produced by the General Post Office Film Unit (Great Britain).

Harvest Festival, 1935. Directed by M. Kapchinsky. Photographed by Alexander Lavrick. Produced by Ukrainfilm, Kiev, U. S. S. R.

The Face of Britain, 1934–35. Directed by Paul Rotha. Photographed by George Pocknall, Frank Bundy. Produced by Gaumont-British Instructional.

The Triumph of the Will (excerpt only), 1934. Directed by Leni Riefenstahl. Produced by the German Government.

Midi, 1935. Supervised by Marcel l'Herbier. Directed by Jean Gréville. Produced by the French State Railways.

The Plow That Broke the Plains, 1936. Written and directed by Pare Lorentz. Photographed by Ralph Steiner, Paul Strand, and Leo Hurwitz. Musical score by Virgil Thomson. Produced by the Resettlement Administration.

THE PLOW THAT BROKE THE PLAINS

An American musical documentary movie produced by the Resettlement Administration

PRODUCTION CREDITS

Written and directed by Pare Lorentz.
Supervised by John Franklin Carter.
Photographed by Ralph Steiner, Paul Strand, and Leo Hurwitz.
Narrated by Thomas Chalmers.
Special score composed and arranged by Virgil Thomson.
Conducted by Alexander Smallens.
Technical supervision, Leo Zochling.
Musicians from the Metropolitan Opera Association and the New York Philharmonic Orchestra.

FOREWORD

The Plow That Broke the Plains is a saga of the land of the Great Plains area of the United States. Dramatized in 10 principal sequences, the film traces the story of the plains country during the last 50 years. This panorama of American history surveys the successive movements in the Great Plains area—the passing of the buffalo, the successive invasions of range cattle, the homesteader, and the large-scale wheat farmer. Dramatized, too, are the disastrous dust storms which whip across once fertile acres, carrying away rich topsoil and bringing tragedy to the Great Plains. The production also shows in pictorial and graphic detail the work which the Resettlement Administration is doing in the Great Plains area.

THE SCENARIO BY SEQUENCES

Sequence 1. Grass: "First there was grass * * * a treeless wind-swept continent of grass * * * a country of high winds and sun * * * without rivers, without streams, and with little rain."

Sequence 2. Cattle: "Then came the cattle. Up from the Rio Grande * * * in from the rolling prairies. * * * Down clear from the eastern highways the cattle rolled into the old buffalo range. * * *

"An empty, inexhaustible pasture—an unfenced, uncharted range, a thousand miles long. * * * With the southern plains for winter grazing and the mountain sweeps for summer grazing it was a cattleman's paradise. * * *

"Fortunes in beef! Railroads brought the markets to the edge of the plains * * * land syndicates poured cattle into the grasslands from the world over. * * * Cattle syndicates and land speculators followed the steers into the grasslands * * * by 1886 not an acre was unclaimed. * * *

"More cattle * * * the railroad brought the market closer and it brought the sheepman and dirt farmer * * *."

Sequence 3. The Homesteader: "* * * the plowman followed the herder * * * and the pioneer found the plains.

"Land in the West! * * * land in the last frontier * * * new land for new populations.

"* * * 160 acres of Government land * * * free homesteads for farmers—by steamship, rail, and wagon trains they poured in * * *.

"The first fence—and the last of the free range."

And came the reaper as the plowman harvested. "Free land in the West * * * 320 acres of Government land * * * 100,000 new farmers in a year—a half million settlers in a decade. * * * Progress came to the plains." And with rains the harvests were bountiful.

Sequence 4. Warning: "Many were disappointed * * * as the rains failed and the sun baked the light soil * * *.

"They fought the loneliness and the hard years—but the rain failed them and they moved on.

"There was fresh land in the West * * * there was more grass farther on—new homesteads—new land for the taking * * * and there was a new day coming * * * a golden day for the plains—a day of new causes—new profits and new hopes."

Sequence 5. War: "Wheat will win the war! Plant wheat! Plant the cattle ranges * * * plant your vacant lots * * * plant wheat! Wheat for the boys over there! Wheat for the Allies! Wheat for the British! Wheat for the French! Wheat for the Belgians! Wheat will win the war!"

Sequence 6. Speculation: "Then we reaped the golden harvest * * * then we really plowed the plains. We had turned under millions of new acres for war wheat. We had the manpower. We invented new machinery. The world was our market! And the rains held on. By 1923 the old grasslands had become the new wheatlands * * *."

But speculation led to a crash, while * * *.

Sequence 7. Drought: "* * * once again the rains held off and the sun baked the earth. But this time no grass held moisture against the winds and the sun * * *. This time millions of acres of plowed lands lay open to the sun.

"1930—the worst drought in the history of the plains!

"1931—the rains held off—and the machinery rusted * * *.

"1932—no seed to plant—no land to put it in * * *.

"1933—and still the rains held off * * * and then the high winds and the sun took toll from the plowed acres turned to the sun * * * and then the high winds came."

Sequence 8. Dust storms: "High winds whipped across once fertile acres, bringing death and disaster * * * bringing havoc to farms, tragedy to human beings."

Sequence 9. Devastation: "Baked out—blown out—and broke! For 6 years the cattleman, the sheepman, and the dirt farmer fought the worst drought in the history of the country * * * their cattle starved on the barren land—or died in sandstorms. Their homes turned to a nightmare of swirling dust day and night—their farms were buried under tidal drifts and their lands turned to desert wastes.

"Many left, but many stayed until stock, machinery, homes, credit, food, and, finally, even hope were gone.

"For 6 years they fought sun and wind and watched their homes blow away until finally they left the plains by thousands. * * *

"Once again they headed west—in 1935 over 30,000 refugees hit the road out of the drought country every summer month and headed for the last border—the Pacific. * * *

"Nothing to stay for—nothing to eat—nothing to hope for. Homeless—penniless and bewildered—looking for a stopping place * * * they joined the great army of the highway.

"No place to go—and no place to stop—no more frontiers—no more land—their homes on four wheels * * * their work in the fields—in the towns—along the highways.

"No more frontiers—except the great new frontier of reconstruction. Frontier of rehabilitation for damaged lands and for damaged lives.

"* * * 400,000,000 acres—the Great Plains seemed inexhaustible, but in 50 years we turned the grass lands into the dust bowl * * *."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. RAMSEY, for Monday and Tuesday, on account of important business.

To Mr. HARLAN, for 10 days, on account of official business.

To Mr. HENNINGS, indefinitely, on account of personal illness.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 4524. An act to provide a permanent government for the Virgin Islands of the United States; to the Committee on Insular Affairs.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 158. An act authorizing the President to present a medal in the name of Congress to Johannes F. Jensen;

S. 427. An act authorizing the reimbursement of Edward B. Wheeler and the State Investment Co. for the loss of certain lands in the Mora grant, New Mexico;

S. 1494. An act to amend an act entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims", approved May 14, 1926 (44 Stat. L. 555);

S. 2040. An act to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, and acts in amendment thereof;

S. 2517. An act to provide for the advancement on the retired list of the Navy of Walter M. Graesser, a lieutenant (junior grade), United States Navy, retired;

S. 2611. An act to authorize the Utah Pioneer Trails and Landmarks Association to construct and maintain a monument on the Fort Douglas Military Reservation, Salt Lake City, Utah;

S. 2849. An act to provide funds for cooperation with Wellpinit School District No. 49, Stevens County, Wash., for the construction of a public-school building to be available for Indian children of the Spokane Reservation;

S. 3241. An act authorizing adjustment of the claims of F. L. Forbes, John L. Abbott, and the Ralph Sollitt & Sons Construction Co.;

S. 3372. An act to provide funds for cooperation with the public-school district at Hays, Mont., for construction and improvement of public-school buildings to be available for Indian children;

S. 3460. An act to authorize the Secretary of the Interior to ascertain the persons entitled to compensation on account of private claim 111, parcel 1, Nambe Pueblo grant;

S. 3516. An act for the relief of Alice D. Hollis;

S. 3544. An act authorizing adjustment of the claim of the Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans;

S. 3581. An act for the relief of Henry Thornton Meriwether;

S. 3687. An act to validate payments and to relieve the accounts of disbursing officers of the Army on account of payments made to Reserve officers on active duty for rental allowances;

S. 3688. An act to validate payments and to relieve disbursing officers' accounts of payments made to Reserve officers promoted while on active duty;

S. 3737. An act to authorize the Secretary of War to acquire, by donation, land at or near Newburgh, in Orange County, N. Y., for aviation field, military, or other public purposes;

S. 3747. An act for the relief of Maizee Hamley.

S. 3748. An act to authorize the Bureau of Mines to conduct certain studies, investigations, and experiments with respect to sub-bituminous and lignite coal, and for other purposes;

S. 3769. An act for the relief of Marcellus E. Wright and Lee, Smith & Vandervoort, Inc.;

S. 3797. An act to amend an act entitled "An act authorizing certain tribes of Indians to submit claims to the Court of Claims, and for other purposes", approved May 26, 1920;

S. 3859. An act to authorize the procurement, without advertising, of certain War Department property, and for other purposes;

S. 3932. An act for the relief of Ann Rakestraw;

S. 3950. An act to aid in defraying the expenses of the Sixteenth Triennial Convention of the World's Woman's Christian Temperance Union to be held in this country in June 1937;

S. 3977. An act to authorize the Washington Gas Light Co. to alter its corporate structure, and for other purposes;

S. 4135. An act for the relief of Helen Curtis;

S. 4214. An act to provide for a preliminary examination of the Sabine and Neches Rivers, with a view to controlling their floods and regulating, conserving, and utilizing the waters thereof, and for other purposes;

S. 4416. An act for the relief of Josephine Russell; and

S. J. Res. 231. Joint resolution to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the landing of the Swedes in Delaware.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 567. Joint resolution to provide an additional appropriation for expenses of special and select committees of the House of Representatives for the fiscal year 1936.

ADJOURNMENT

Mr. WOODRUM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 3 minutes p. m.) the House adjourned to meet, in accordance with its previous order, tomorrow, May 8, 1936, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 1391. A bill to authorize and direct the United States Commissioner of Fisheries to undertake fish-cultural and related activities in Puerto Rico, making appropriations therefor, and for other purposes; with amendment (Rept. No. 2592). Referred to the Committee of the Whole House on the state of the Union.

Mr. KENNEDY of Maryland: Committee on the District of Columbia. H. R. 11375. A bill to repeal a proviso relating to teaching or advocating communism in the public schools of the District of Columbia, and appearing in the District of Columbia Appropriation Act for the fiscal year ending June 30, 1936; without amendment (Rept. No. 2593). Referred to the Committee of the Whole House on the state of the Union.

Mr. TERRY: Committee on Interstate and Foreign Commerce. House Joint Resolution 212. Joint resolution to investigate corporations engaged in the manufacture, sale, or distribution of agricultural implements and machinery; without amendment (Rept. No. 2596). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MAAS: Committee on Naval Affairs. H. R. 681. A bill for the relief of James Philip Coyle; without amendment (Rept. No. 2594). Referred to the Committee of the Whole House.

Mr. KING: Committee on Immigration and Naturalization. House Joint Resolution 504. Joint resolution to authorize the issuance to Sekigo Takahashi of a permit to reenter the United States; without amendment (Rept. No. 2595). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUCHANAN: A bill (H. R. 12624) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936 and June 30, 1937, and for other purposes; to the Committee on Appropriations.

By Mr. HOUSTON: A bill (H. R. 12625) to amend paragraph IV, Veterans' Regulation No. 9 (a), promulgated by the President pursuant to Public Law No. 2, Seventy-third Congress; to the Committee on World War Veterans' Legislation.

By Mr. FLETCHER: A bill (H. R. 12626) for the purchase of a site and the erection of a public building thereon in the city of Ada, State of Ohio; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 12627) to provide for the purchase of a site and the erection of a public building at Crestline, Crawford County, Ohio; to the Committee on Public Buildings and Grounds.

By Mr. HEALEY: A bill (H. R. 12628) to waive any exclusive jurisdiction over premises of Public Works Administration slum-clearance and low-cost housing projects, to authorize payments to States and political subdivisions in lieu of taxes on such premises, and for other purposes; to the Committee on Ways and Means.

By Mr. McFARLANE: A bill (H. R. 12629) to provide the Congress with information on the state of the development of the aerial war craft of the United States in comparison with that of other nations; to the Committee on Military Affairs.

By Mr. RUSSELL: A bill (H. R. 12630) to waive any exclusive jurisdiction over premises of Public Works Administration slum-clearance and low-cost housing projects, to authorize payments to States and political subdivisions in lieu of taxes on such premises, and for other purposes; to the Committee on Ways and Means.

By Mr. STEFAN: A bill (H. R. 12631) to amend section 11 of the act of March 1, 1919 (40 Stat. 1270); to the Committee on Printing.

By Mr. CELLER: Joint resolution (H. J. Res. 582) granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 12632) granting an increase of pension to Florence A. Clarkson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12633) for the relief of George J. Zeigler; to the Committee on Military Affairs.

By Mr. FLETCHER: A bill (H. R. 12634) for the relief of M. Leslie Martin; to the Committee on the Civil Service.

By Mr. KRAMER: A bill (H. R. 12635) granting a pension to Milka N. Robbins, and minor child; to the Committee on Pensions.

Also, a bill (H. R. 12636) for the relief of Harry Francis Zeller; to the Committee on Naval Affairs.

By Mr. LUCKEY: A bill (H. R. 12637) granting an increase of pension to Susan A. Westbrook; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 12638) for the relief of Patricia Swan; to the Committee on War Claims.

By Mr. McCORMACK: A bill (H. R. 12639) for the relief of Marcello Milani; to the Committee on Immigration and Naturalization.

By Mr. ROGERS of New Hampshire: A bill (H. R. 12640) for the relief of Harold King Boyce; to the Committee on Naval Affairs.

Also, a bill (H. R. 12641) granting a pension to Joseph Dion; to the Committee on Pensions.

Also, a bill (H. R. 12642) granting a pension to Bertha C. Keith; to the Committee on Pensions.

Also, a bill (H. R. 12643) granting a pension to Ida B. Hunt; to the Committee on Invalid Pensions.

By Mr. SABATH: A bill (H. R. 12644) to refund income and profit taxes erroneously collected on storage batteries; to the Committee on Claims.

By Mr. SOMERS of New York: A bill (H. R. 12645) for the relief of David Leo Lieb; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10846. By Mr. BLOOM: Petition of the United Upholsterers' Union of New York, Local No. 44, U. C. L. M. I. U. of N. A., endorsing and requesting the enactment of legislation for the creation of a court of appeals for civil-service employees with a set-up of national and local machinery and with employee's representation thereon through his recognized union representative as outlined in the Pearson bill (H. R. 9258); to the Committee on the Civil Service.

10847. By Mr. CONNERY: Petition of the Massachusetts State Board of Housing, urging the enactment of Senate bill 4424 and House bill 12164; to the Committee on Banking and Currency.

10848. By Mr. LUNDEEN: Petition of the Associated General Contractors of Minnesota, urging Congress to take such steps as may be necessary to provide Federal-aid funds sufficient to conduct Federal-aid highway work during the fiscal year 1937 without interruption; to the Committee on Appropriations.

10849. Also, petition of the Central Labor Union, Minneapolis, Minn., urging enactment of House bill 8293, pertaining to the Longshoremen and Harbor Workers' Compensation Act; to the Committee on the Judiciary.

10850. By Mr. MILLARD: Petition signed by residents in Rockland County, N. Y., urging the enactment of House bill 5051, which proposes the repeal of section 213 of the Economy Act; to the Committee on the Civil Service.

10851. By Mr. NICHOLS: Petition of the National Rivers and Harbors Congress; to the Committee on Flood Control.

10852. By Mr. O'CONNELL: Resolution of the General Assembly of Rhode Island, petitioning the President of the United States and Congress to maintain the Civilian Conservation Corps at its present quota of 500,000 men for another year; to the Committee on Appropriations.

10853. By Mr. PFEIFER: Petition of the conference of mayors and other municipal officials of the State of New York, Albany, N. Y., concerning the George bill (S. 2883); to the Committee on Education.

10854. By Mr. TERRY: Petition of the northwest district of the Catholic Union of Arkansas, in the interest of the program of the Arkansas Valleys Association for the construction of flood-control reservoirs on the Arkansas and White Rivers, tributaries of the Mississippi River; to the Committee on Flood Control.

SENATE

FRIDAY, MAY 8, 1936

(Legislative day of Friday, Apr. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, May 7, 1936, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 3823) for the relief of the parents of Albert Thesing, Jr.

The message also announced that the House had passed a bill (H. R. 8234) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the founding of the city of Elgin, Ill., and the erection of a heroic Pioneer Memorial, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the President pro tempore:

S. 158. An act authorizing the President to present a medal in the name of Congress to Johannes F. Jensen;

S. 427. An act authorizing the reimbursement of Edward B. Wheeler and the State Investment Co. for the loss of certain lands in the Mora grant, New Mexico;

S. 1494. An act to amend an act entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims", approved May 14, 1926 (44 Stat. L. 555);

S. 2040. An act to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, and acts in amendment thereof;

S. 2517. An act to provide for the advancement on the retired list of the Navy of Walter M. Graesser, a lieutenant (junior grade), United States Navy, retired;

S. 2611. An act to authorize the Utah Pioneer Trails and Landmarks Association to construct and maintain a monument on the Fort Douglas Military Reservation, Salt Lake City, Utah;

S. 2849. An act to provide funds for cooperation with Wellpinit School District No. 49, Stevens County, Wash., for the construction of a public-school building to be available for Indian children of the Spokane Reservation;

S. 3241. An act authorizing adjustment of the claims of F. L. Forbes, John L. Abbot, and the Ralph Sollitt & Sons Construction Co.;

S. 3372. An act to provide funds for cooperation with the public-school district at Hays, Mont., for construction and improvement of public-school buildings to be available for Indian children;

S. 3460. An act to authorize the Secretary of the Interior to ascertain the persons entitled to compensation on account of private claim 111, parcel 1, Nambe Pueblo grant;

S. 3516. An act for the relief of Alice D. Hollis;

S. 3544. An act authorizing adjustment of the claim of the Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans;

S. 3581. An act for the relief of Henry Thornton Meriwether;

S. 3687. An act to validate payments, and to relieve the accounts of disbursing officers of the Army on account of payments made to Reserve officers on active duty for rental allowances;

S. 3688. An act to validate payments, and to relieve disbursing officers' accounts of payments made to Reserve officers promoted while on active duty;

S. 3737. An act to authorize the Secretary of War to acquire by donation land at or near Newburgh, in Orange County, N. Y., for aviation field, military, or other public purposes;

S. 3747. An act for the relief of Maizee Hamley;

S. 3748. An act to authorize the Bureau of Mines to conduct certain studies, investigations, and experiments with respect to sub-bituminous and lignite coal, and for other purposes;

S. 3769. An act for the relief of Marcellus E. Wright and Lee, Smith & Vandervoort, Inc.;

S. 3797. An act to amend an act entitled "An act authorizing certain tribes of Indians to submit claims to the Court of Claims, and for other purposes", approved May 26, 1920;

S. 3859. An act to authorize the procurement, without advertising, of certain War Department property, and for other purposes;

S. 3932. An act for the relief of Ann Rakestraw;

S. 3950. An act to aid in defraying the expenses of the Sixteenth Triennial Convention of the World's Woman's Christian Temperance Union to be held in this country in June 1937;

S. 3977. An act to authorize the Washington Gas Light Co. to alter its corporate structure, and for other purposes;

S. 4135. An act for the relief of Helen Curtis;

S. 4214. An act to provide for a preliminary examination of the Sabine and Neches Rivers with a view to controlling their floods and regulating, conserving, and utilizing the waters thereof, and for other purposes;

S. 4416. An act for the relief of Josephine Russell; and

S. J. Res. 231. Joint resolution to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the landing of the Swedes in Delaware.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	La Follette	Robinson
Ashurst	Davis	Lewis	Russell
Austin	Dieterich	Logan	Schwellenbach
Bachman	Donahey	Lonergan	Sheppard
Bailey	Duffy	McAdoo	Shipstead
Barbour	Frazier	McGill	Smith
Barkley	George	McKellar	Steiwer
Benson	Gerry	McNary	Thomas, Okla.
Black	Glass	Maloney	Thomas, Utah
Bulkley	Guffey	Minton	Townsend
Burke	Hale	Moore	Tydings
Byrd	Harrison	Murphy	Vandenberg
Byrnes	Hastings	Murray	Van Nuys
Capper	Hatch	Overton	Walsh
Caraway	Hayden	Pittman	White
Clark	Johnson	Pope	
Connally	Keyes	Radcliffe	
Coolidge	King	Reynolds	

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Nevada [Mr. MCCARRAN], and the junior Senator from Florida [Mr. TRAMMELL] are absent because of illness, and that the Senator from New Mexico [Mr. CHAVEZ] is absent because of a death in his family.

I further announce that the Senator from Mississippi [Mr. BILBO], the Senator from Washington [Mr. BONE], the Senator from New Hampshire [Mr. BROWN], the Senator from South Dakota [Mr. BULOW], the senior Senator from New York [Mr. COPELAND], the senior Senator from Florida [Mr. FLETCHER], the Senator from Oklahoma [Mr. GORE], the junior Senator from West Virginia [Mr. HOLT], the Senator from Louisiana [Mrs. LONG], the senior Senator from West Virginia [Mr. NEELY], the junior Senator from Wyoming [Mr. O'MAHONEY], the Senator from Missouri [Mr. TRUMAN], the junior Senator from New York [Mr. WAGNER], and the Senator from Montana [Mr. WHEELER] are unavoidably detained.

Mr. AUSTIN. I announce that the senior Senator from Wyoming [Mr. CAREY], the Senator from Iowa [Mr. DICKINSON], the Senator from Vermont [Mr. GIBSON], and the Senator from Rhode Island [Mr. METCALF] are necessarily absent.

Mr. LA FOLLETTE. I announce that the Senator from Nebraska [Mr. NORRIS] is detained from the Senate by official business. I ask that the announcement stand for the day.

The VICE PRESIDENT. Sixty-nine Senators have answered to their names. A quorum is present.

RANDALL KRAUSS

Mr. JOHNSON. Mr. President, there is on the desk a message from the other House in respect to Senate bill 3839. I ask the Chair to lay the action of the House before the Senate.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3839) granting a pension to Randall Krauss, which were to strike out all after the enacting clause and insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Randall Krauss, a minor, of Yakima, Wash., the sum of $60 per month until he attains the age of 21, in full satisfaction of his claims against the United States for the death of his father, mother, and sister, who were killed when struck by a United States Army airplane which crashed at Griffith Park, Calif., on June 20, 1935: *Provided*, That payments hereunder shall begin on the first calendar day of the month following the approval of this act: *Provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary

notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

And to amend the title so as to read: "An act for the relief of Randall Krauss, a minor."

Mr. JOHNSON. I move that the Senate concur in the House amendments.

The motion was agreed to.

PETITIONS AND MEMORIALS

Mr. WALSH presented the memorial of Acushnet Grange, No. 285, of Acushnet, Mass., remonstrating against the enactment of the so-called Pettengill bill, being the bill (H. R. 3263) to amend paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4), which was referred to the Committee on Interstate Commerce.

He also presented resolutions adopted by the Worcester County Christian Endeavor Union and the Woman's Christian Temperance Union, of Holliston, both in the State of Massachusetts, favoring the enactment of legislation to include not only the elimination of unfair trade practices in the motion-picture industry but also higher moral standards of production, which were referred to the Committee on Interstate Commerce.

He also presented petitions and letters in the nature of petitions from Boston Terminal Lodge, No. 1089, B. R. C., of Boston; Bunker Hill Lodge, No. 1099, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, of Somerville; Railroad Lodge, No. 487, International Association of Machinists, of Springfield; Division No. 571, Brotherhood of Locomotive Engineers, of West Springfield; E. A. Smith Division, No. 146, Order of Railway Conductors, of Fitchburg, and sundry citizens, being railroad workers, all in the State of Massachusetts, praying for the enactment of the bill (S. 4174) to foster and protect interstate commerce by authorizing the Interstate Commerce Commission to approve or disapprove of the consolidation or abandonment of carrier facilities of public service, which were referred to the Committee on Interstate Commerce.

He also presented letters in the nature of petitions from Local Union No. 799, International Longshoremen's Association, of Boston, and Local Union No. 42, Chauffeurs', Teamsters', and Helpers' Union, of Lynn, both in the State of Massachusetts, praying for the enactment of legislation amending the Longshoremen's and Harbor Workmen's Compensation Act, which were referred to the Committee on the Judiciary.

PROTECTION OF DOMESTIC SUGARBEET AND SUGARCANE PRODUCERS

Mr. OVERTON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter from Mr. Chester H. Gray, Washington representative of the American Farm Bureau Federation, and a telegram signed by Hon. Richard W. Leche, Governor-elect of Louisiana, and Hon. Allen J. Ellender, Senator-elect from Louisiana. The communications have to do with proposed legislation designed for the protection of domestic producers of sugarbeets and sugarcane, which is of vital importance to such producers.

There being no objection, the letter and telegram were ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., May 8, 1936.

Senator JOHN H. OVERTON,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR OVERTON: I have examined your measure, S. 4560, a measure to protect domestic producers of sugarbeets and sugarcane, and find it very much in accord with Farm Bureau policies.

This is a very satisfactory measure, as are the two measures of Congressman KNIFFIN, of Ohio, recently introduced. We seem now to be approaching a time, after considerable experimentation on the sugar question, in which we are getting back to the sound principle of having no quotas on domestic sugar. Whatever quotas may be necessary should be applied exclusively to off-shore products, and such quotas should be variable from year to year so as to admit into continental United States only those amounts of cane and beet sugar which domestic producers do not supply.

It may be reasonably stated that the policy of the last 2 years in regard to sugar has been one which adequately has protected American investments in Puerto Rico, Cuba, and the Philippines. It cannot be denied, also, that cane and beet producers in continental United States during the last 2 years have made more money, owing to the benefit payments, but they have made that money on the unsound basis of surrendering three-fourths of the great American sugar-consuming market to the foreigners. Such a solution of the domestic farm problem cannot be tolerated as a permanent proposition. The bills now under consideration by yourself and Congressman KNIFFIN should receive the support of all who believe in expanding production of a crop like sugar, which is capable of great expansion, and when expanded, will serve, among other purposes, the useful function of reducing production in other staple crops.

It is hoped that your measure and its companion bill before the House can be immediately considered before proper committees of the House and Senate.

Please feel free to command me in any way in which the Farm Bureau Federation can help in presenting the merits of the measure.

Very respectfully,

AMERICAN FARM BUREAU FEDERATION,
CHESTER H. GRAY,
Washington Representative.

BATON ROUGE, LA., *May 7, 1936.*

United States Senator JOHN H. OVERTON,
Washington, D. C.:

Representatives of the American Sugar Cane League, which comprises 9,000 cane growers of Louisiana, have had a conference with us today, and we are convinced that their plight under the 220,000 quota for Louisiana sugar production prescribed in S. 4413, now being discussed in Congress, is extremely serious. The quota offered Louisiana is not only 100,000 tons less than actually produced last year, but it is less by considerably more than 100,000 tons than the average production of the State in the 1909–14 period, which was 350,000 tons, and that is the period the Government uses as its yardstick of parity in fixing the farmers' purchasing power. In the division of quotas among all the sugar areas based upon 1909–14 parity years the quota given Louisiana flagrantly discriminates against our State, and we must seriously protest such unfair treatment accorded our people. The avowed purpose of the administration has been repeatedly declared by its spokesmen in authority to be to restore the farmers' purchasing power by bringing about a parity between the price he received for his produce and the price he has to pay for the things he has to buy. The principle of parity income is obviously defeated if he is not allowed to raise the complete crop produced during the 1909–14 parity period. We trust that you and all the other members of the Louisiana delegation in the Senate and House will vote against the Harrison-Costigan sugar bill, now known as S. 4413, unless the quota provision is so amended as to give Louisiana a quota of 450,000 tons, which is the minimum necessary for the survival of one of Louisiana's most important industries. Please introduce and fight for amendment to this effect. If unsuccessful on amendment, please use every effort to kill this discriminatory legislation. Please convey to the President and the Secretary of Agriculture our serious protest against such unfair legislation as is proposed.

RICHARD W. LECHE, *Governor-elect of Louisiana.*
ALLEN J. ELLENDER, *United States Senator-elect.*

CONSERVATIVE AMERICA

Mr. WHEELER. I ask unanimous consent to have printed in the RECORD and to lie on the table an editorial from the Great Falls (Mont.) Tribune of April 27, 1936, the leading newspaper of the State of Montana, entitled "Conservative America."

There being no objection, the editorial was ordered to lie on the table and to be printed in the RECORD, as follows:

[From the Great Falls (Mont.) Tribune of Apr. 27, 1936]

CONSERVATIVE AMERICA

Alarmists wailing over radical innovations in the United States, whenever any change is proposed in the customary methods of government, only bear out the truth of a statement made by Senator WHEELER in an interview in St. Paul recently. The Senator declared the United States has the most conservative government on earth today, by which he meant "one which has upset accustomed procedure and policy to a lesser extent than any other in the world."

It is a peculiar trait in Americans that they are radical in some matters and concern is expressed by very few national leaders over that form of radical innovation, but if the slightest change is proposed in political set-up or policy, there is an immediate outpouring of vehement protests from high quarters.

In business and industrial affairs we have been going through a period of the most fundamental changes, and the man who expresses fear at that process is scoffed at as ignorant of sound

economics. Great industrial organizations closely linked to or controlled by tremendous financial institutions, rapid development of the chain system of business, growth of the holding company system, development of a management interest in great corporations disassociated from ownership of the property by powerless scattered stockholders, are all radical changes in our American life whose ultimate effects we cannot foresee clearly and which certainly raise serious questions. Regimentation of the individual by the State, which is pictured as a serious menace by conservative leaders, is relatively insignificant beside the economic regimentation to which the common individual is subjected by great business organizations, and yet that is passed over as a natural condition.

In our adoption of mechanical devices and industrial processes we have been bold and unhesitating, scrapping whole industries, tremendously changing the lives of great groups of people, and remodeling the environment in which we all live without any attempt to measure the ultimate effects of radical changes of this nature on society.

But if the slightest change is proposed in a rule of government, the least restriction on a court power, or the most obvious alteration in customary political procedure, eminent gentlemen, who are enjoying great advantages, cry darkly about "Moscow" and radicalism. And many humble people, who do not have a very clear idea of what the issue is, take up the cry because of their habitual conservatism in matters political.

Policies that other countries will adopt as a matter of course to meet some immediate need send us into spasms of discussion and the old ghost of radicalism is trotted out to scare the voters away from the innovation.

Our cosmopolitan population, with diverse racial strains and origins; our many sections, with conflicting economic interests; and our Federal system, with its division of responsibility, which is difficult to adapt to new industrial and scientific developments, are some of the reasons for that political conservatism which marks us as a nation. Our political system has remained without fundamental alteration for a longer period now than that of almost any great power.

To recognize this trait is not necessarily to criticize it, but that recognition does point out the proper direction for our concern. It is not innovation in government that is our most constant danger, but the undirected and rapid changes in industrial and business methods.

REPORTS OF COMMITTEES

Mr. HATCH, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 9009) to make lands in drainage, irrigation, and conservancy districts eligible for loans by the Federal land banks and other Federal agencies loaning on farm lands, notwithstanding the existence of prior liens of assessments made by such districts, and for other purposes, reported it without amendment and submitted a report (No. 2008) thereon.

Mr. BARBOUR, from the Committee on Military Affairs, to which was referred the bill (H. R. 9042) to provide for the sale of the Port Newark Army Supply Base to the city of Newark, N. J., reported it without amendment and submitted a report (No. 2009) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3921. A bill authorizing the Secretary of War to bestow the Silver Star upon Michael J. Quinn (Rept. No. 2014); and

S. 4425. A bill to relinquish all right, title, and interest of the United States in certain lands in the State of Connecticut (Rept. No. 2010).

Mr. LOGAN, from the Committee on Military Affairs, to which was referred the bill (S. 4078) to authorize the award of the Distinguished Service Cross to John C. Reynolds, reported it with amendments and submitted a report (No. 2011) thereon.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 9496) to protect the United States against loss in the delivery through the mails of checks in payment of benefits provided for by laws administered by the Veterans' Administration, reported it with amendments and submitted a report (No. 2012) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the bill (S. 4558) for the relief of Gladys Hinckley Werlich, reported it without amendment and submitted a report (No. 2013) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHITE:

A bill (S. 4608) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of York County, Maine; to the Committee on Banking and Currency.

By Mr. THOMAS of Utah:

A bill (S. 4609) to correct the description of certain land granted to the University of Utah; to the Committee on Military Affairs.

By Mr. BENSON:

A bill (S. 4610) to make it a criminal offense to disseminate false information designed to incite participation by the United States in foreign wars; to the Committee on the Judiciary.

(Mr. BENSON also introduced Senate Joint Resolution 263, which was referred to the Committee on Military Affairs, and appears under a separate heading.)

By Mr. KING:

A bill (S. 4611) to amend an act entitled "An act to provide for a tax on motor-vehicle fuels sold within the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

By Mr. SHEPPARD:

A bill (S. 4612) extending the benefits of the Emergency Officers' Retirement Act to Guy Lester Brotherson; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma:

A bill (S. 4613) for the relief of Bell Oil & Gas Co.; to the Committee on Claims.

HOUSE BILL REFERRED

The bill (H. R. 8234) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the founding of the city of Elgin, Ill., and the erection of a heroic Pioneer Memorial was read twice by its title and referred to the Committee on Banking and Currency.

CHANGES OF REFERENCE

Mr. GLASS. Mr. President, I move a reconsideration of the action of the Senate in discharging the Committee on Banking and Currency from the further consideration of Senate bill 4511 to amend the act entitled "An act to provide for the incorporation of credit unions within the District of Columbia", approved June 23, 1932, and the bill (S. 4512) to amend the act entitled "An act to establish a code of laws for the District of Columbia", approved March 3, 1901, and referring them to the Committee on the District of Columbia. Those bills were introduced by the chairman of the Banking and Currency Committee, and properly referred to the Banking and Currency Committee, because they relate to banking matters.

Mr. KING. Mr. President, I was advised by the clerk and others that the bills properly belonged in the District Committee. I made no investigation and assumed that they were properly referred to that committee.

Mr. GLASS. They were properly referred to the Committee on Banking and Currency, the chairman of which committee is now ill at his home, and it is at his request, and in conformity with my own judgment, that I ask that the action be reconsidered and that the bills be returned to the Committee on Banking and Currency where we are now conducting hearings on them.

Mr. KING. I have no objection to that action being taken.

Mr. McNARY. Mr. President——

The VICE PRESIDENT. Is there objection to the motion of the Senator from Virginia that the Committee on the District of Columbia be discharged from the further consideration of the bills referred to by him and that they be rereferred to the Committee on Banking and Currency?

Mr. McNARY. Mr. President, I now understand the parliamentary situation. I could not hear the request of the Senator from Virginia.

The VICE PRESIDENT. There were two bills introduced and referred to the Committee on Banking and Currency, as the Chair understands. Subsequently the Committee on

Banking and Currency was discharged from their further consideration, and they were referred to the Committee on the District of Columbia. The Senator from Virginia now asks that the Committee on the District of Columbia be discharged from their further consideration and that they be referred again to the Committee on Banking and Currency. Is there objection? The Chair hears none, and the bills are referred to the Committee on Banking and Currency.

INTERNAL-REVENUE TAXATION—AMENDMENTS

Mr. LA FOLLETTE submitted several amendments intended to be proposed by him to the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

REGULATION OF ELECTIONS IN PUERTO RICO—AMENDMENTS

Mr. TYDINGS submitted amendments intended to be proposed by him to the bill (S. 4528) to regulate the conduct of elections in Puerto Rico, which were referred to the Committee on Territories and Insular Affairs and ordered to be printed.

AMENDMENT TO DEFICIENCY APPROPRIATION BILL

Mr. OVERTON submitted an amendment intended to be proposed by him to House bill 12624, the first deficiency bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place in the bill to insert:

DEPARTMENT OF AGRICULTURE

Payments for agricultural adjustment: To enable the Secretary of Agriculture to meet all obligations and commitments under the Louisiana sugarcane administrative ruling no. 6, exclusive of subparagraph (d) thereof, pursuant to the provisions of the Agricultural Adjustment Act, as amended, $1,231,000.

RECOMMENDATIONS OF THE COMMISSIONER OF INDIAN AFFAIRS PURSUANT TO ACT OF JULY 1, 1932 (S. DOC. NO. 207)

Mr. THOMAS of Oklahoma. Mr. President, under the act of July 1, 1932, the Secretary of the Interior is authorized to make report to Congress relative to the adjustment or elimination of reimbursable charges of the Government existing as debts against individual Indians or tribes of Indians, cancelations, and so forth, mostly on irrigation districts in the southwestern portion of the United States. I ask unanimous consent that the report submitted on December 1, 1934, be printed as a Senate document, as has been customary heretofore.

The VICE PRESIDENT. Without objection, the report will be printed as a Senate document.

INTER-AMERICAN CONFERENCE

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the joint resolution (S. J. Res. 248) to provide for participation by the United States in an inter-American conference to be held at Buenos Aires, Argentina, or at the capital of another American republic, in 1936, which was, on page 1, line 6, after the word "conference", to insert "in pursuance of and for the purposes set forth in a letter from the President of the United States dated January 30, 1936."

Mr. ROBINSON. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

FEDERAL RECLAMATION—ADDRESS BY SENATOR HATCH

Mr. McGILL. Mr. President, I ask unanimous consent to have printed in the RECORD an able and interesting address delivered by the senior Senator from New Mexico [Mr. HATCH] before the Rivers and Harbors Congress at its recent meeting in the city of Washington.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Much has been said and much will be said during the progress of your meeting, I am sure, about the problems of conservation, the evils which have resulted from the exploitations of our lands and natural resources. Events of the past 3 years, droughts, dust storms in the West, tornadoes in the South, and floods and disaster in the East, have brought these subjects to our attention in a most striking manner. The people of the Nation are awake today to these problems as they have never been before. You gentlemen of the Rivers and Harbors Congress have long been aware of the various aspects of the entire situation.

I do not come from a country which is supposed to have floods, nor do the rivers of my State present any great problems of navigation. Seagoing vessels, merchant ships, or armored fleets rarely visit the ports of Albuquerque or Santa Fe. But yet, even in our semi-arid regions, floods are not unknown, and entirely too frequently waste and destruction of crops and lands result from disastrous floods. Lives have been lost in the flood waters of New Mexico, and the waters from my own State do contribute, as many of you know, to the serious problems of streams and rivers of other States. But it is not of floods nor of primary problems of rivers and harbors I shall speak today, although floods, excess waters and regulation thereof are a part of the general problem of reclamation and irrigation.

It happens, all my life has been spent in regions which have been affected by a lack of water, by droughts and windstorms. As a small boy, I recall the hot winds which destroyed corn and wheat and products of the farm within a few short days. In later years, in another State where I grew to maturity, I have seen vast fields of cotton wilt, wither, and die because the rains came not and the hot winds blew. I have seen men and women struggle year after year against the adversity of climatic conditions, of insufficient rainfall in sections of the country where the annual precipitation was sufficient to have raised ample crops, but the rains did not come at the right time and seasons of the year.

In my own State of New Mexico, where I have resided many years, I have seen the sand and dust and the dry winds do all the things which bring disaster and ruin to an earnest, industrious, and intelligent people trying to make their own way, trying to be independent and seeking to live by their own efforts, as American citizens should live. In addition to all this, I have seen land itself practically destroyed. I know of farms in various parts of the country, which 20 or 25 years ago were rich, fertile farms, but which today do not produce enough to pay the taxes.

Therefore, when I speak of reclamation, I speak not from an academic standpoint of one who has read and considered the ill effects of dry winds and lack of moisture, but I speak of these things with the voice of one who knows whereof he speaks from personal observation and actual experience. When I say to you that the waters of my State, in certain sections, go uncontrolled, down mountain side, over valley lands into streams and rivers, impoverishing the soil over which they flow, and destroying other lands below, when at the same time that water, by proper control, conservation, and impounding, could be applied to the growing of useful crops, to the prevention of the hardship of insufficient rainfall, and to the building of independent, self-supporting, honest citizenry, I speak exactly what is true, and I speak with vigor and earnestness about it, because to my mind, there has long been a misconception and a misunderstanding of reclamation, its purposes, its ends, and its accomplishments.

In the past, many people unfamiliar with actual conditions have viewed reclamation from a standpoint which is entirely incorrect. They have thought of it as a local issue, beneficial only to the community where the project is located. Some have been so blind or so unkind as to think of it in terms of pork-barrel politics. Some have even thought of reclamation projects as a form of waste and extravagant use of Federal funds in aid and assistance to communities whose citizens would better return to labor in shop and factory. With those who so believe, I am, of course, in sharp disagreement. The waste and extravagance have not been in the storage and impounding of our excess waters, and the application of such waters to practical and beneficial use, but the waste has been these many years in permitting those excess waters to escape and run wild and rampant throughout the country, laying low, wasting and destroying valuable crops, food supplies, property, and even human beings. Here lies extravagance.

I believe in reclamation as a national policy; it is not only of local interest. The preservation of lands, the conservation of our water, the control and regulation of our rivers, are things which constitute the life and blood of America. In that program, reclamation plays a most important part; it walks hand in hand with all efforts for soil conservation and for the regulation and control of the stream system of the country.

When you have builded dams and reservoirs, such for instance as are located at Elephant Butte or Carlsbad, N. Mex., and have made thousands of acres of dry land fertile, crop-producing lands, you have not only conserved excess waters, but you have made it possible to establish a community of thousands of American citizens, prosperous, happy, and contented; you have removed the fear of drought, flood, and disaster; you have builded, in every way, not only for today but for the years to come. Further, the activities under the Federal reclamation policy create an endless chain of benefits to the Nation as a whole. Direct benefits occur in the arid and semiarid region which covers one-third of the United States. Indirect benefits, in the form of taxes and the creation of purchasing power, affect every State in the Union. It might be surprising to you to know it is estimated that about one-half of all funds for construction of irrigation structures goes to industry for the purchase of material and supplies, and that for every man engaged on the job, 1.8 persons are given indirect employment. Funds spent on Federal

reclamation have, therefore, been a major factor in relieving unemployment, both at the site of construction and in the industrial centers of the East.

BUREAU OF RECLAMATION MAJOR CONSERVATION UNIT

Federal reclamation as a national policy is now 34 years old. It is an important factor in the Federal Government's conservation program, accomplishing as it does the control of floods, improvement of navigation to meet the needs of irrigated agriculture, domestic requirements of cities and towns, and the generation of hydroelectric power as an adjunct of irrigation development. The Federal reclamation policy was adopted by Congress in 1902 only after it was demonstrated that larger and costlier works for conservation of the unregulated flow of western rivers for irrigation purposes could not be constructed from private funds.

NEED SPURS ACTIVITY

Great impetus has been given to the construction program of the Bureau of Reclamation by the generous allotment of emergency funds and the money so allotted during the past 2 years nearly equals the amount set aside by Congress in 30 years. Twenty-one dams have been completed or started with such funds since 1933, in comparison to 125 dams constructed during the 30-year period. It may thus be seen that the interests of the West are being given sympathetic aid by the Federal Government to carry out a program of conservation most vital to the West.

IRRIGATED AGRICULTURE CREATES OPPORTUNITIES FOR HOMES

Every farmer settled with his family on a Federal reclamation project is tendered the means under provisions of good soil and a regulated flow of water to go about the business of irrigated agriculture as a livelihood for his family. As I have before pointed out, this means economic independence—that security of which so much is said today. I am one of those who believe that many of our economic problems today arise from an unwise congestion of human beings in cities and towns of the land.

A large part of our population is altogether dependent upon the fruits of daily wages from industry and business, and susceptible to all the ills and evils which arise from wide fluctuation of business and industrial activity. The problem of unemployment constantly menaces not only the happiness and well-being of the individuals so living and so dependent, but it constitutes a menace to the welfare of the country itself. Men were never designed to live in crowded, congested, unhealthy, unsightly, and disagreeable tenement and slum districts like ants in a heap or bees in a hive. Man is essentially a creature dependent upon the land; from it he came, to it he returns. Between the Alpha and Omega of his existence, all his life, his wealth, prosperity, and happiness depend upon the earth.

If we can so extend our agricultural program so that thousands and millions of our citizens can return to the soil and farm under a regulated program of the West, a large portion and part of our present perplexing, yes, some say terrifying, problem of unemployment will be solved in a way that will bring not only independence and happiness to the individual, but will add material wealth to America.

RECLAMATION, A GOOD FEDERAL INVESTMENT

No other policy of the Government has added more to national prosperity than the Federal Reclamation projects. The benefits are endless. During construction, they put people to work at the site. The purchasing of materials and supplies helps to keep the factories of the East going, thereby supporting the families depending on work in these fields. The settlement that follows irrigation development takes care of families on the land, creates purchasing power, and brings into the treasury of county and State governments such needed revenue in the form of taxes. The National Government also is a beneficiary by income tax, inheritance tax, and Federal taxation on purchases. Everyone receiving a part of the appropriation made for construction, whether it be in the form of wages or payment for materials and supplies, keeps the money moving to the best possible advantage, and best of all, dwindles the line of the unemployed and helps business to help itself.

RECLAMATION FUNDS REIMBURSABLE

Money spent on Federal reclamation projects is covered by contract with the water users benefited for repayment of the cost over a period of years. The maximum permissible under the law is 40 years, but in some cases repayment of cost is aided by application of power revenues created by Federal development. The repayment record is an enviable one. Of the amounts that have become due the Government, 98.9 percent have been repaid.

WHAT ABOUT FEDERAL RECLAMATION ADDING TO THE SURPLUS?

There is a widespread misconception that Federal reclamation contributes to the agricultural surplus and should be curtailed until such time as the demand increases. Informed people know that this is a mistake. The greater part of the crops grown on these lands are noncompetitive. Long-staple cotton, the products of the orchards, sugar beets, and our winter gardens of the Southwest are all outstanding examples of the noncompetitive character of irrigated lands. Do you realize that because of favorable climatic conditions, soil, and water, the delicacies enjoyed in New York, for instance, during the winter months, come from these favorite spots? They are noncompetitive because they cannot be grown elsewhere except at prohibitive cost. The steadily growing population of western cities is absorbing the increasing products of the irrigated territory.

OPPORTUNITIES FOR IRRIGATED AGRICULTURE ARE LIMITED

Let me make this surprising statement—that there are few opportunities left for good storage sites on western rivers to serve good, fertile soil under them. Probably the largest remaining compact body of land which can be economically irrigated with a plentiful water supply is the Columbia Basin project in the State of Washington, where 1,200,000 acres of fertile soil are awaiting water for irrigation from the storage created by Grand Coulee Dam.

I have but hurriedly mentioned some of the outstanding features concerning Federal reclamation, but I must say this program of reclamation and of irrigation, of soil conservation, of wise and expedient protecting and safeguarding of the natural resources, of which mother nature has so richly and bountifully endowed us, is to my mind, one of the most, if not the most important contribution we of this generation are making to the welfare of America as a whole, and I must reiterate and declare that it is a program which must be carried on and must be further developed and expanded. We of today have no right to waste, neglect, and destroy the land and thereby impoverish and pauperize the generations which are to follow us. The richness of our lands, the fertility of our soil, the protection and regulation of our streams mean the protection, the development, and enrichment of America and American citizens for all time to come. Reclamation has its share, its contribution, and its part in this great national program.

Again, and in conclusion, may I stress that while reclamation has been considered almost altogether in connection with the West, this idea is entirely erroneous. Reclamation and its program dovetail exactly into the general plan of conservation of both land and water. Problems of river and stream regulation and control, from the Mississippi and all its vast region to its smallest tributary, including the prevention of devastating floods east and west of that mighty stream, and the building and developing of great reclamation and irrigation projects from the far reaches of the Pacific and the great Northwest, and all the arid and semi-arid districts, constitute, in reality, but one program, all linked together and all a part of the general plan for the conservation of land, water, property, and even human lives. I repeat, it is not local; it is national in scope, character, and effect.

INCREASING EMPLOYMENT AND PRODUCTION—ADDRESS BY SECRETARY ROPER

Mr. BULKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Secretary Roper, of the Department of Commerce, before the twenty-fourth annual meeting of the Chamber of Commerce of the United States, on April 28, 1936, on the subject "Increasing Employment and Production."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President and members of the United States Chamber of Commerce, it is a pleasure for me to meet with the members of the United States Chamber of Commerce at your twenty-fourth annual meeting. In the 3 years which have passed since I last addressed you the people of the United States have passed through one of the most challenging periods in our economic and social history.

When I met with you on May 5, 1933, the country was beginning the long and gradual climb from the depths of the depression which had begun with the financial collapse in 1929.

The status of conditions at that time was well and forcefully expressed by Mr. Henry I. Harriman, then president of your organization, in his testimony before a congressional committee in May 1933. He said:

"We have seen the national income fall from $84,000,000,000 in 1929 to approximately $40,000,000,000 last year (1932), and if the decline were to continue uninterrupted at the same rate during the present year (1933), the national income would not be over $30,000,000,000. That is a most appalling situation and it indicates that remedies which in normal conditions we would look at with great hesitation we can well consider in times like these.

"I believe that the exigency which faces the country is far greater than the emergency of the war, and that the damage resulting from 4 years of depression to our people is much greater than the damage that came in the years that we were in the World War."

For more than 3 years the people had been waiting for the depression forces to run their course. Yet, the situation grew cumulatively worse. More and more people were being forced out of work; bank suspensions had been increasing at an alarming rate; farm and home mortgage foreclosures were rising; business activity continued to decline; profits were replaced by deficits; and the hope and confidence of the people were undermined. As long as these conditions continued there could have been no solid basis for recovery.

By March 1933 so many employees had been eliminated from the pay rolls of private industry that private charities, municipalities, and States were confronted with a relief burden which, in many instances, they were absolutely unable to meet. A recently published survey by a nationally known non-Government organization shows that the percentage of tax delinquencies in 190 cities of over 50,000 population was two and one-half times greater in 1933 than in 1930. From these concrete figures it is

easy to understand why the larger cities where the unemployment problem was most acute were forced to turn to the National Government for aid. Tax delinquencies in the smaller cities were often far more drastic than in the larger cities. Also in many States there were legal restrictions to prevent increased bond issues for necessary unemployment expenditures.

As the depression deepened private business could not draw further on reserves to maintain employment in the face of decreasing markets and purchasing power. It was necessary for the Federal Government to assume the responsibility of halting the economic and social-erosion processes and of building a foundation upon which gradual and sound recovery could be based.

ALTERNATIVES FOR ACTION

The Nation in March 1933 had two alternatives. The deflation forces could have been permitted to run their full course until costs and prices had been brought into balance at some low level or sound, constructive action could be taken to halt the downward spiral and restore the proper balance during the progress of recovery. To have allowed the process of complete liquidation to run its course, after which the country once more might have begun an upward trend toward another high peak of prosperity would have meant an unbearable burden of want and suffering. We were dealing with the human factor as well as the economic. There were millions of unemployed and an increasing social unrest. Our country could not have withstood the shock of any further liquidation or deflation at that time. The destruction of the people's confidence in their economic system, and in their Government was in itself a far more serious challenge than financial deflation.

Today, in retrospect we may easily say what should have been done that was not done; what should have been done differently; and what should not have been done, but we cannot deny the fact that the action taken was necessary to halt the depression and to provide a basis and impetus for sustained economic progress. Furthermore, your Government has taken corrective steps to eliminate or minimize those elements in our system which tend to aggravate and deepen such cycles of depression.

RECOVERY RESULTS

Today, in place of the thousands of business failures, the millions of dollars of financial losses in form of profits, and the vast amount of local and State tax delinquencies in 1932 and 1933, business profits have returned in substantial volume, tax collections have improved, production and distribution of goods have increased with a consequent employment gain. The credit of the Government was used to bolster private, local, and State financial structures. Through loans to business and industry, benefit payments to farmers, and the placing of millions of dollars in circulation through work-relief payments production activities were continued, buying power was expanded, and business profits were made possible for private enterprise.

The striking economic improvements that have taken place since I last addressed you in the spring of 1933 are reflected in the following figures: Industrial production has increased 42 percent; factory employment has gained 41 percent; factory pay rolls have risen 95 percent; cash income from farm marketings, exclusive of benefit payments, has increased 45 percent; department-store sales have risen 38 percent; freight-car loadings have increased 25 percent; stock prices (421 companies) have risen 129 percent; the total value of foreign trade has increased 104 percent; construction contracts awarded have advanced 236 percent. One of the most indicative measurements of the improved economic conditions of the Nation is the increase in the national income. It is estimated that the national income produced increased by approximately $15,000,000,000, or more than one-third from 1932 to 1935.

In 1932 business enterprises of the Nation paid out $9,000,000,000 more than they produced. Obviously, this condition represented a barrier to expansion in an economy where the profit motive is such an important basic factor. Today, for the first time in 6 years, business enterprise as a whole is maintaining current operations and paying dividends without drawing upon capital or other resources to make up for deficits. The rising trend of our national income, therefore, not only reflects the marked improvements which have taken place but also reveals that there is a sounder basis for further economic gains. During this period there has been a real gain in reemployment. It has been estimated that the average number employed during the first 3 months of 1936 was 4½ millions more than the average for the first quarter of 1933. Notwithstanding this improvement, unemployment and relief constitute the major economic and social problem confronting business and Government.

THE REEMPLOYMENT RESPONSIBILITY OF BUSINESS

It is fitting, therefore, that you have chosen for discussion at this meeting the question of how business can increase employment and production. A fundamental consideration of this discussion must be how private enterprise can put more people to work. There can be no escape from this, for if it is not the responsibility of private enterprise to employ the millions of people now out of work, then it becomes the responsibility of private charity, and of local, State, and the National Government to care for them until gainful work is secured. Many industries are to be complimented upon the gains which have been registered, and the advantage which has been taken of the improved economic and social conditions to carry forward constructive programs. Today in some industries there are more people employed than before the depression and further gains are constantly being made. But our efforts must be increased upon all fronts through cooperative study and action. Even though one industry may show highly encouraging gains the sound position of that industry is not assured until national unemployment has been greatly reduced.

There is no greater assurance for successful and profitable operations in the future, and, thus, for decreased governmental expenditures, than the employment of labor. Therefore, it is the responsibility of all business and industrial enterprise, and not of one particular segment or of the Government, to increase its efforts for greater employment. If a substantial measure of increased reemployment does not take place the taxation for relief purposes will come largely from business earnings. Thus, facing the problem frankly, there must be reemployment or a longer period of increased taxation.

RESEARCH REQUIREMENTS

We cannot develop a long-term approach to the entire problem of unemployment properly and realistically in the light of present-day conditions and trends without more specific and dependable knowledge about the nature, scope, and intricacies of unemployment. But I believe that a mere "head count" of the totals represents only a small part of the problem. We must know more about the specific causes behind the situation; in what segments of our economic activity the major part of the unemployment problem falls; what percentage of the total are unemployable because of disability, physical, mental, or moral; what is the distribution of those who are properly employable but now unemployed among the different occupations; the nature and scope of the problem created by new employables who have never been gainfully employed; in what fields are there prospective skilled and unskilled labor shortages; and what the ultimate relationship between all segments of our economic life properly should be when the satisfactory solution is found.

The Department of Commerce is now securing a great deal of valuable data concerning employment as well as some aspects of unemployment through the Census of Business and Census of Manufactures, which are now being taken concurrently. As soon as these censuses are completed we shall then know how much and what type of supplementary and additional data are required to give an adequate and intelligible picture of employment and unemployment. As soon as this information is available steps should be taken immediately to secure this additional needed data and to that end I propose at that time an occupational and unemployment census.

I believe that it is the responsibility of business to take stock of its employment assets as well as its unemployment liabilities. Constructive and aggressive reemployment must not and should not have to await the taking of a full, technical census. Business should survey its own needs and its own conditions from the viewpoint of employing as many persons as current improvements and future programs demand. In this manner a concrete picture of employment potentialities will be secured, immediate employment for those not now on pay rolls will be found and a proper and necessary basis for future employment and production adjustments will be provided.

THE PROBLEM OF TECHNOLOGICAL UNEMPLOYMENT

During the past 25 years we have increased our productive efficiency to such an extent that the number of workers employed in the physical production of goods increased only approximately 6 percent while the number engaged in producing services increased approximately 66 percent. As we have become more efficient in our production facilities, more of our energies have been utilized in satisfying other needs. One of the fundamental reasons for the great progress which we have made in raising our standards of living has been our ability to develop more efficient methods of production. This has been made possible through technological development based upon years of research and study.

Our problem today is not to restrain nor destroy the ability to increase productive efficiency or to produce upon a large-scale basis, but rather it is a question of how we can properly utilize these national attributes for providing further opportunities for gainful employment and lower costs to the consumer, without recourse to wage reductions or lengthened hours of employment. I believe that business should give further study to this question of technological development to determine what the labor displacement is, and how the workers can be more quickly transferred to other productive channels.

It is a responsibility of business to speed up this transition period so that men thrown out of work by technological innovations may more rapidly than at present be transferred into new fields. To this end, I suggest that each major industry, through proper mechanisms and as a part of the survey I have suggested, set up what may for descriptive purposes be called "technological unemployment committees." Such committees would study and review reports from all members of the industry, setting forth on a confidential basis, if necessary, the probable replacement of employees through new machinery installations. With such information available, considerably in advance of resultant employee reductions, early efforts could be made to translate these employees into other work.

OPPORTUNITIES IN THE DURABLE GOODS FIELD

We know that during the past 5 or 6 years industry has withdrawn from production much of its old equipment, with the

result that further increased production on an efficient basis will require new capital replacements. Today inventories are low, outworn and outmoded machinery needs to be replaced, buildings as well as equipment need repairing and new construction can well be undertaken. Thus, there has accumulated a need for new agricultural and industrial machinery, for railroad and electrical equipment and for new construction in excess of normal replacement requirements.

Upon the basis of the concrete and realistic recovery which has taken place there is a sound foundation for increasing capital expenditures and replacing obsolete equipment. If production efficiency is to be maintained and increased, these deferred demands must be fulfilled. A further permeation of recovery into the durable goods field is essential for a more complete consolidation of economic gains and consequent large-scale employment.

I believe that one of the outstanding opportunities which private enterprise, with Government cooperation, can meet today is that of a well-founded and wisely guided home-building program, based not only upon the immediate demands but also upon a long-term need. A program of this nature will not only furnish significant impetus for further recovery through increased economic activity but will establish a basis upon which enlarged economic and social security and independence will be brought to millions of our people. The type of program which must be initiated is reflected in the market which must be provided for the millions of people in the lower-income groups. This illustrates the vast potential economic and social possibilities existing in this field in the United States of which immediate advantage can be taken. We need to utilize our vast resources, our research facilities, and our productive equipment to enter the field of mass production of homes in order that this lower-income group may be properly and adequately housed.

As this program is initiated especial emphasis should be placed on utilizing local facilities for local building programs. For example, local financing, at proper interest rates, should be used whenever possible. Furthermore, it is the responsibility of business to see that this program is soundly developed and wisely guided so that there is not a sudden speculative boom period, followed by an early return to depressed and deflated building and real-estate conditions.

REEMPLOYMENT THROUGH FOREIGN TRADE

Another aspect of our national economy which should receive more careful attention by business with reference to reemployment is that of foreign trade. We know that millions of our people are either directly or indirectly dependent upon foreign trade for their livelihood.

It is significant to note that from 1929 to 1933, the period of decline in domestic business activity, foreign trade of the United States decreased from nine and one-half billion dollars in 1929 to less than $3,000,000,000 in 1932. Since 1933, when sustained economic recovery began, foreign commerce as a correlative and contributing factor has been increasing. In 1935 our total foreign trade, on a value basis, totaled more than $4,000,000,000. To sustain a well-balanced recovery, an increased volume of trade with other countries is essential.

Through its reciprocal trade agreement program, the present administration has taken direct and constructive action to readjust the destructive foreign-trade barriers which contributed to the decline of domestic business activity. With the trade channels with other nations now being opened upon a reciprocal basis, business and industry have new opportunities for markets in foreign countries. It is the responsibility of business and industry to take advantage of these opportunities for increased production and increased employment.

BUSINESS PLANNING FOR PUBLIC WORKS

I believe that business, in cooperation with communities, States, and the National Government, should give careful study to the development of a broad useful public-works program which would serve as a reservoir for employment in periods of depression. If such a well-developed program had been available at the beginning of the last depression period, a channel would have existed into which those workers who were thrown out of employment could have been placed without delay. Much constructive work could be accomplished in conserving and rebuilding our natural resources, in developing parks, water fronts, and making other public improvements which add materially to our national wealth and progress. The success of such a program would depend primarily upon planning ahead of time so that when conditions demanded it the program would be put into immediate operation by localities and States whenever any large measure of unemployment threatens business stability. Even under the hurriedly constructed program of the past 3 years, we have found that public works do provide a reservoir of employment and serve to stimulate private enterprise toward sound recovery. I believe that any such public-works program, to succeed, must have the cooperation of business and industry. Therefore, business should, through its properly constituted organizations, begin immediate research studies concerning long-term and long-range public works.

One of the dominant elements of success in American business and industry has been the trend toward higher wages and lower costs. It is obvious that hours and wages should differ according to industries. Business has never analyzed fully what the economically proper and sound working hours and wages should be. We know that in certain industries, for example, costs of production have decreased while wages paid have increased and hours of labor declined. But business has not approached this question from a standpoint of national economic conditions to determine the exact relationship between production, wages, and hours. Each industry should give careful study to the question of how improvements in productive operations will result in lower prices, increased consumption, and hence additional employment. It is the responsibility of business to formulate definite and concrete programs that will assure the most effective results in the maintenance of proper wages and hours.

Prompt and vigorous action in this connection will serve to decrease bureaucracy in the National Government that comes from carrying responsibility which should be reassumed now by business, other private organizations, States, and localities. The best way to take bureaucracy out of government is to place more responsibility on nongovernmental agencies.

THE CHALLENGE OF "DEFEATISM"

While it is true that during the emergency period the Federal Government assumed many of the responsibilities of individuals, industries, and municipal and State governments, it does not mean that these responsibilities properly belong to the Federal Government. The release of these obligations during the depression has led to an attitude on the part of these units that they can or should no longer have to bear these proper responsibilities. This attitude of "defeatism" must be replaced with the attitude that it is the duty of individuals, industries, and local and state governments to resume these obligations as rapidly as possible. If this approach is accepted in spirit and translated into action, Government expenditures will decline and bureaucracy will decrease.

Recently a businessman was heard to say: "I'm too busy, working every day of the week, including Sunday, keeping my own fences in order, to give any time to these national problems." Another businessman spoke up and said: 'If all of us businessmen feel and act that way, we soon may not have any fences to keep in order." That illustrates an attitude that I find too prevalent among businessmen. They have come to the conviction that as long as they take care of their own affairs then by some mysterious process their interrelationships will be taken care of automatically. Yes; we need straight thinking, as a distinguished member of this organization has said, but we must think comprehensively and sympathetically in order to think straight. Today, with large amounts of fixed capital in use, with centralized organizations controlling a large portion of business enterprise, and with a complicated interdependence throughout industry, more coordinated planning by business is essential.

IMPROVING GOVERNMENT AND BUSINESS RELATIONSHIPS

There has never been a greater need for a mutual understanding between Government and business than there is today. The attainment of this objective should be a distinctly crystallized endeavor on the part of both. Early in 1933 I felt the need of a constructive approach of this nature and recommended the formation of the Business Advisory Council for the Department of Commerce. In the formation and in the functioning of this council the method is just as important as the results. In the interrelationships between Government and business, attitudes are just as important as actions. If such a council had been formed 15 years ago and had functioned continuously up to the present time, I am certain that many of the misinterpretations that have grown out of the depression and emergency period would never have existed. The council, through its many reports and studies and its continuity of contacts with the Department of Commerce and other Government agencies, has had a splendid opportunity to register the business viewpoint while becoming familiar with the problems and processes of the Federal Government. I urge that business take advantage of every opportunity to bring about a further extension of this thoroughly democratic principle.

A letter received recently from a leading manufacturer contained this significant statement: "Differences of opinion may easily exist as to the best ways to reach our goals, but as to essential goals themselves, few will disagree. These serious questions of our time must be faced with the utmost possible mutual understanding and good will—without political motives, for the problems transcend all political interests or lines—without rancor, for the ills to be healed are of no individual's making—and without bias, for none of us is great or wise enough to have a ready answer to these problems that still challenge the utmost spiritual energy of our Nation." I believe that this statement expresses the proper attitude. When business and Government fail to create and maintain those educational attitudes and endeavors which clarify national problems and establish a mutual working basis for the solution of such problems, the confidence of the general public is weakened and the vital factor of a favorable public opinion is lost. Let us in all cases have constructive and definitive criticism, but let us insist that this criticism be practicable and realistic in the light of changed conditions and the enlarged responsibilities of business.

Certainly, it should be clear to everyone that it is not the desire or purpose of your Government to destroy those fundamental concepts and principles of American business and industry which have made possible our national wealth and progress. These basic principles and objectives have proven sound and constructive down through the years of our national growth and progress. They must and will remain as the ideals by which American business and industry should be guided. But, business must inspire public confidence and justify its belief in these ideals by its actions. The fulfillment of the responsibilities involved in these

fundamental objectives rests with business itself. They can only be fulfilled by the concerted action of business with the support and cooperation of the Government. This assistance and cooperation is promised by your Government. As an educational responsibility, business must translate its ideals into action as a concrete proof that it is vitally concerned with the welfare and security of the people of the Nation.

A 10-POINT PROGRAM FOR BUSINESS

I have endeavored to emphasize the fact that since business enterprise must pay the bills it should submit the plans to cope with the unemployment situation. With this in view I have indicated some of the fields for study as I see them. Let us now summarize these.

1. Business should survey its own needs and its own conditions from the viewpoint of employing as many persons as current improvements and future programs demand.

2. As improvements in productive efficiency are secured, business should pass on to the consumer the benefits of the lower costs of production which result.

3. Business should form and launch industrial committees to study in a comprehensive way technological unemployment and methods for speeding up the transfer into other fields of earning capacity of workers replaced by machines.

4. Business should stimulate the durable-goods industries by early action that will provide for capital goods and machinery replacements due to obsolescence, depreciation, and other causes.

5. Business should develop effective and wisely engineered home-building programs, privately financed and managed and adapted to local needs, to foster better American home standards.

6. Business should launch more aggressive endeavors to expand our foreign trade all along the line and especially in cooperation with the administration's reciprocal trade agreement program.

7. Business should have a research program, conducted by industry and business, for the purpose of informing business on a long-term useful Public Works plan looking to the coordination of proper National, State, local, and private endeavors.

8. Business should make intensive research study of the relationships that should be maintained with respect to production, wages, and hours of labor and the necessary methods and mechanics to be utilized in maintaining this balanced relationship.

9. Business must recognize and apply its best endeavors to a fundamental educational program involving methods and efforts to get the States and subdivisions to reassume their social responsibilities as soon as possible, to study economies in Government, and the prompting of self-respect and mutual responsibility in the individuals and in the groups and organizations of our citizens.

10. Business should utilize every possible channel of approach that will result in the most effective cooperation between business and Government.

It is my firm conviction that as business fulfills these responsibilities employment will increase, relief demands decrease, national income will further expand, and safe and secure recovery will be attained.

THE MARCUS WHITMAN CENTENNIAL

Mr. SCHWELLENBACH. Mr. President, during the month of August of this year, the people of the State of Washington will celebrate the centennial anniversary of the coming to our State of Marcus Whitman. I ask unanimous consent to have inserted in the RECORD an editorial appearing in the Walla Walla Daily Bulletin on May 1, 1936, discussing the centennial, and its national nature and scope.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From The Walla Walla (Wash.) Daily Bulletin of May 1, 1936]

CENTENNIAL SCOPE

Dr. S. B. L. Penrose rendered the Whitman Centennial an outstanding service in his address before the Walla Walla Rotary Club Thursday when, in clear, concrete fashion, he sold the idea of this being an event with Nation-wide significance on many counts.

There are many in this community, without doubt, who have failed to view this coming 4-day celebration as something different. There have been anniversaries observed by many communities, and they have consisted of various forms of entertainment, largely with a commercial background.

The Whitman Centennial commemorates several outstanding events, however, and Dr. Penrose made clear that it has significance to the medical profession of the Nation, to the missionary life of America and to the women of our land.

Marcus Whitman, who was a doctor, was the first white man in the United States to come into the Pacific Northwest and practice his profession, being a medical missionary among the Indians of this region. The American Medical Association has so recognized this and is participating in one day's program of the centennial.

Mrs. Whitman, young bride from New York State, was one of two women who were the first American women to journey overland into this region and establish homes. She was the first mother of a white child born in this new homeland.

Dr. and Mrs. Whitman were the first missionaries sent by the American Board of Commissioners for Foreign Missions into the region to establish an American home and set up a civilization that has grown into a high type in the century since their coming. As Dr. Penrose said, they were not the first missionaries into the Northwest, but their predecessors were unmarried men, and "civilization comes when woman comes to a region."

If any Walla Wallans view the forthcoming celebration, August 13 to 16, as a purely local matter, they may well cast aside such views. The Old Oregon Trail Association of New York City is recognizing the event, the D. A. R., the General Federation of Women's Clubs, the A. A. U. W., and the National Federation of Music Clubs are among other great Nation-wide groups which are making decided contributions to the observance.

The Whitman Centennial is an event of genuine interest in the State that gave us the Whitmans, it is going to be of interest wherever there are people with an appreciation of the pioneer. And that, by the way, will take in a lot of territory, too.

ACTIVITIES AND EXPENDITURES OF RESETTLEMENT ADMINISTRATION

Mr. BARBOUR. Mr. President, it will be recalled that on April 27, at the time when the Senator from Michigan [Mr. VANDENBERG] was pressing his resolution seeking information in connection with A. A. A. benefit payments, among other Senators, I suggested an amendment to that resolution. That amendment was tabled, as is recorded on page 6194 of the CONGRESSIONAL RECORD of that date, the vote to table it being 32 to 30.

On the following day I spoke at some length with respect to my undertakings in this connection and my reasons for them. In the meantime I have accumulated a very considerable amount of additional data in respect to the necessity and justification of seeking information from the Resettlement Administration.

I now ask unanimous consent to have immediately considered a resolution which I send to the desk and ask to have read. The resolution is a verbatim copy of the instrument which was originally offered as an amendment to the so-called Vandenberg resolution and which was tabled, as I have mentioned.

The PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 295), as follows:

Resolved, That the Resettlement Administration is requested to report to the Senate, at the earliest practicable date, (1) the nature and extent of all expenditures made or proposed to be made by such Administration; (2) the nature and extent of projects undertaken by it, and the advisability of undertaking future projects; (3) the effect of each such project on States and local taxation and on local real-estate values; (4) the extent to which such projects have benefited and will benefit labor; and (5) the circumstances relating to the securing of persons as tenants or purchasers in connection with such projects, and the effect on such persons of becoming such tenants or purchasers.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. ROBINSON. Mr. President, the Senator from New Jersey now presents as a separate resolution the substance of an amendment which he proposed to what we know as the Vandenberg resolution. When that amendment was offered, as is recalled, having had no opportunity to consider it and regarding it as unrelated to the subject matter of the resolution then under consideration, I objected and moved to lay the amendment on the table, which action was taken, and which I think was the course the Senate should have pursued in the matter.

I have no objection to the consideration of the resolution now presented. Upon consultation with the head of the Resettlement Administration, I am informed that much of the information called for is available in reports already made and the remainder of it will be very promptly supplied. I have no objection to the resolution.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

Mr. BARBOUR. Mr. President, I am very grateful to the Senator from Arkansas for his cooperation in this connection.

I desire to submit for the guidance of the Resettlement Administration a list of questions which I had in mind at one time offering in the form of a resolution. I realize these suggestions or questions are not binding on the administration,

for I do not pretend that they come within the scope of the resolution which has just been adopted. However, to save time, I should like to suggest that the Resettlement Administration at least give consideration to this list of subjects, though, as I have pointed out, I do not want any Senator to feel that I am attempting to go beyond the limitations recited in the resolution just adopted.

Mr. ROBINSON. Mr. President, I had understood that if the resolution was presented in the form in which the Senator offered it this morning and was agreed to it would meet the Senator's requirements for information. In view of that fact, I think the Senator ought not now to attempt to supplement his resolution by submitting additional questions. I call for the regular order.

Mr. BARBOUR. Mr. President, I am perfectly willing not to pursue the matter at this time, and I am content to await such information as we may get from the Resettlement Administration, and then see if there is anything additional that will be required.

NAVAL APPROPRIATIONS

The Senate resumed consideration of the bill (H. R. 12527) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other purposes.

The PRESIDENT pro tempore. The bill is before the Senate and open to amendment.

Mr. CLARK. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 14, line 21, it is proposed to strike out the word "nineteen" and insert in lieu thereof the word "twenty", so as to make the proviso read:

Provided, That no appropriation contained in this act shall be available to pay more than 20 officers of the Naval Reserve and 1 officer of the Marine Corps Reserve above the grade of lieutenant or captain, respectively—

And so forth.

Mr. CLARK. Mr. President, the amendment has to do with the personnel of the Naval Reserve. I understand the Navy Department recommended 23 officers and the Budget recommended 20. For some reason with which I am not familiar the number has been reduced to 19. I should like to ask the Senator from South Carolina [Mr. BYRNES] whether he would be willing to accept the amendment in order that it may go to conference and we may learn the reason why the number was reduced?

Mr. BYRNES. Mr. President, I have no objection to taking the amendment to conference in order to afford opportunity to ascertain the reason why the change was made.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Missouri.

The amendment was agreed to.

The PRESIDENT pro tempore. If there are no further amendments, the question is, Shall the amendments be engrossed and the bill be read a third time?

Mr. FRAZIER. Mr. President, the appropriation bill for naval purposes provides for more than half a billion dollars of total expenditure. Included in that sum is an amount for beginning the construction of several additional destroyers, submarines, and battleships. On page 50, line 7, is a provision reading:

For the commencement of the following vessels authorized by the act approved March 27, 1934: (a) Twelve destroyers and 6 submarines, and (b) not more than 2 capital ships, as replacements of over-age capital ships, to be undertaken only in the event that the President determines as a fact that capital ship-replacement construction is commenced by any of the other signatory powers to the Treaty for the Limitation and Reduction of Naval Armament signed at London April 22, 1930, $115,300,000.

I am not quite sure what the latter part of that provision means as applied to two battleships. I should like to ask the Senator in charge of the bill just what the language means.

Mr. BYRNES. Mr. President, as the Senator no doubt will remember, we scrapped a number of ships in order to bring our strength of capital ships within the number fixed by the Washington Treaty. At this time, under the treaty, we might provide for the laying down of as many as eight battleships, but the committee believed that no such construction should be undertaken. In the hope that we might induce other governments not to engage in or commence the construction of capital ships, we have provided, even though one of our capital ships is 29 years of age, that the keel of no new battleship shall be laid down unless the signatories to the treaty shall undertake to commence the construction of battleships.

We are putting this Government in the position of saying: "We have sought to limit the construction of battleships. We have recently made another effort. It has not been as successful as we should have liked it to be. We want to make still further efforts. Even though after December 31 of this year there is no limitation at all upon the construction of battleships, we hold out the hope and the request that the signatory powers will not engage in the further construction of battleships."

Congress says, as evidence of that spirit on our part, that no replacement shall be undertaken at all unless the other signatory powers shall begin the construction of battleships. That is what the language means.

Mr. FRAZIER. Then, as I understand, the provision about the two battleships is just a bluff to try to keep other nations from starting to build. It is serving notice on other nations that if they start to build we will do likewise.

Mr. BYRNES. The first statement of the Senator is his own interpretation. I have stated the effect of the language. The language is plain that notwithstanding the fact that three battleships of our treaty Navy are over age—one is 29 years old and the other two are 26 years old, as I recall—and notwithstanding the fact that under the language of the treaty we could build eight, we prefer to build none. We are appropriating for no replacements and will continue with the Navy we have, without such replacements, unless the signatory powers which have heretofore agreed to the limitation of armaments shall undertake the construction of battleships, in which case, if the President finds it to be a fact, he may commence the construction of ships, but in no case may he begin the construction of more than two.

Mr. BENSON. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield to the Senator from Minnesota.

Mr. BENSON. I desire to ask the Senator from South Carolina a question.

How many battleships of the type mentioned does the United States Navy now have?

Mr. BYRNES. Mr. President, I do not recall the number. I shall be glad to give the Senator a statement, found in the hearings, showing in detail the present number of each type of craft, the number now building, and the number that could be built under the treaty. In view of the Senator's interest in the subject, I imagine he would like to have it; and it would be far more accurate than my recollection would be.

Mr. BENSON. Do the naval experts or the military experts of this country agree that these so-called battleships are the type of ship we should build at this time to defend our country?

Mr. BYRNES. I will say to the Senator that I asked that very question. The General Board of our Navy are of the opinion that the treaty navy which was agreed upon in 1922, at the conference presided over by Chief Justice Hughes, constitutes an adequate Navy for our defense. They are firmly of the opinion that the program which has heretofore been adopted by the Congress in what is known as the Vinson-Trammell bill provides all the program of construction that should ever be undertaken by us.

The question the Senator has in his mind we developed before the committee to find out who constituted the general board, which determines this question for the Navy of the United States. That Board is constituted of officers selected mainly from ships afloat who are called in. The personnel does not always remain the same; it is changed from time to time; but the members of the Board are unanimously of the opinion that the program which has been advocated by

them and adopted by the Congress will provide the best and most adequate defense for the United States.

Mr. WALSH. And the members of the Board are selected by the Secretary of the Navy.

Mr. BYRNES. That is a correct statement.

Mr. BENSON. Does the Senator from South Carolina know whether or not any experts in military defense or naval defense other than those actively engaged in the military service at this time were called before the committee to testify in regard to these matters?

Mr. BYRNES. Two separate matters have been discussed. The policy which has heretofore been adopted by the Congress was adopted only after very extensive hearings conducted by the Naval Affairs Committees of both Houses. The Appropriations Committee is, of course, simply supplying the appropriations for ships which have been authorized; but in this case, making an exception to the ordinary rule, it is not supplying appropriations for expenditures which have been heretofore authorized by the Congress. It is the policy of the Congress to do so, as laid down in the Vinson-Trammell bill, which is now the law; but instead of appropriating for these two ships we have put in the condition that the construction of the ships shall not be begun except in a certain contingency in the hope that we may offer an inducement to other signatory powers to continue the limitation we have advocated in previous years, and which we still favor, and which I should say to the Senator the officials in charge of our Navy favor. Their position is that the Navy which was agreed upon in 1922 is amply adequate for our defense, and they do not even ask for the construction of ships that would bring the Navy up to treaty strength.

Mr. BENSON. Was the Senator from South Carolina present yesterday when the Senator from North Dakota [Mr. NYE] spoke, and made some reference to the statement of Admiral Standley regarding his attitude toward naval armaments and treaties?

Mr. BYRNES. I was. What the Senator from North Dakota said in quoting Admiral Standley was really a newspaper statement as to what Admiral Standley said upon his arrival in this country from the Limitation of Armaments Conference.

My conclusion was that if the admiral was correctly quoted it is unfortunate that the Senator from North Dakota has not the sense of humor that the Chief of Naval Operations has. Sometimes it is a blessing to a man to have a sense of humor; sometimes it is a little unfortunate; but, as I listened to the statement, knowing the Chief of Naval Operations, the conclusion I reached was that the Chief of Naval Operations had reference only to a very celebrated statement of a very celebrated citizen of this country, Will Rogers, whose statement all over this Nation was that "we never lost a war and we never won a conference."

The newspaper quoted Admiral Standley as saying, in response to many questions propounded to him by correspondents, "Well, I do not think we have lost a damned thing." I was satisfied that the admiral, not wishing to discuss what had occurred at the conference, and wondering, as all of us have sometimes wondered, what to tell the newspapermen, decided that he would answer Will Rogers by saying he was returning from the conference, but all he would say was, "I do not think we have lost a damned thing."

Mr. BENSON. I hope the Senator's interpretation is correct.

Mr. BYRNES. I may say to the Senator that if he knew the attitude of the present Chief of Naval Operations he would feel that I am entirely correct in the statement I have made as to what he said.

Mr. BENSON. Let me ask the Senator from South Carolina a further question: If we should find it necessary to build the two battleships which are provided for in this bill, how many additional auxiliary craft would we have to build in order to defend those two battleships, and how much money, if any, would that cost?

Mr. BYRNES. Mr. President, it does not follow that any additional auxiliary craft would be constructed other than the planes which accompany battleships; that is all. The construction of two additional battleships would not call for the construction of any additional auxiliaries.

Mr. BENSON. I mean, would it call for the construction of any additional auxiliary craft if the battleships were to be of any value in our national defense?

Mr. BYRNES. When we come to that, it would not, if we are to rely upon our General Board; and they have no program for the construction of any craft other than those provided for in the bill.

Mr. BENSON. When the Appropriations Committee met and considered the bill, the Senator says they took into consideration some former plan of the Congress.

Mr. BYRNES. No; not a plan, but the existing law.

Mr. BENSON. The existing law?

Mr. BYRNES. Yes.

Mr. BENSON. Is it not quite possible that recent modern inventions have made these battleships unnecessary?

Mr. BYRNES. The law to which I refer is the law passed at the last session of the Congress, if my recollection is correct, providing for the construction not only of these but of many more ships. It is not something in the remote past, but the last word as to the policy of the Government as to construction. Following, though, what I have heretofore said as to the opinion of the General Board as to what should be done, this recommendation comes to us from the General Board; and the Senator and I must rely upon the recommendations of the experts of the Navy as to such matters.

I think it should be said at some time, and I should like to say it now, that the men who constitute our Navy are selected in about the most democratic manner of which I can possibly conceive. They do not come from a militaristic caste. Whatever may be said of other governments, in this country we should remember that the men who constitute the Navy come from the country, from Kansas, California, Minnesota, or Carolina. They are selected by Senators and Representatives.

I think they reflect credit upon the Senators and the Members of the House who selected them; but they come, not from the coast but from every section of the country, and constitute as good a cross section of the American people as we could possibly find, because they cannot enter the academy until they pass the examination; and their character, their loyalty, and their patriotism are passed upon by the Senators and the Members of the House, who have an opportunity to know them intimately and to make inquiries regarding them. If we cannot rely upon the patriotism of those men to make the best possible recommendations that they can make for the best defense of their country, then we are at a loss to know how we could proceed.

Mr. BENSON. I think everything the Senator has said regarding the midshipmen and the cadets is absolutely correct. Nevertheless, I think we should all bear in mind the fact that the midshipmen and the cadets enter Annapolis and West Point at a very young and immature age; and it is quite possible that the philosophy they are taught at these schools has something to do with their present attitude. Probably the fact that some of them, after they leave the academy, have command of great battleships, and are able to demand of the men under them service, and have great authority in the command of these great ships, may have something to do with their attitude toward the naval program.

Mr. BYRNES. Mr. President, I think the Senator will agree that when the young man becomes a midshipman, he is taught by men who were appointed to the Navy by some gentlemen who may now be Members of the Senate, who came from the same source from which the midshipman came, from the various States, from the country, and I do not believe that the Members of the Senate or of the House have exercised bad judgment in selecting the men who compose our Navy, and who dominate it.

Of course, we often hear it said that in order to get a promotion a man might be influenced in his judgment. That might be so in the case of some individuals; but as I look around the Senate I see many men who make sacrifices in order to serve the public, and I believe the men they

select to go to the Naval Academy have just as much patriotism as those who come here, and while there may be some selfish human beings there, as there may be here, still, on the whole, we have reason to rely on the patriotism of these men, and to have confidence that they would not, for the sake of promotion, make a recommendation that was not for the best interest of their country.

Mr. FRAZIER. Mr. President, it has been repeatedly stated that the additional armaments provided in the bill are just for defense. The term "adequate defense" is used frequently, and there seems to be a wide variation of opinion as to what that term means. I have here a clipping from one of the local papers, the Washington Herald of April 21, referring to a message the President sent to the D. A. R. convention being held in this city at that time. The paper quotes the outlines and aims of the President as follows:

One. An adequate defense to protect the Nation against foreign aggression.
Two. An increase of armament only to keep pace with the increases of other countries.
Three. Pursuit of the "good neighbor" policy in our relations with other nations.
Four. A reiteration of the Briand-Kellogg Treaty obligations renouncing war as an instrument of national policy.

Mr. President, in the discussion yesterday it was quite conclusively shown, it seemed to me, that there was no likelihood at present of any other nation attacking this country, and that if we were not trying to plan for aggressive warfare there would be no need of building two more big battleships and the cruisers which are mentioned in the bill.

The President in his message to the D. A. R. convention referred to the Briand-Kellogg Pact, and, lest some have forgotten what the Kellogg Pact was, I desire to read it. It is short; it consists of two short articles:

ARTICLE I. The high contracting parties solemnly declare in the names of their respective peoples that they condemn recourse to war for the solution of international controversies and renounce it as an instrument of national policy in their relations with one another.

Of course, that means that we are absolutely against aggressive warfare.

ART. II. The high contracting parties agree that the settlement or solution of all disputes or conflicts, of whatever nature or of whatever origin they may be, which may arise among them shall never be sought except by pacific means.

A representative of our country was instrumental in getting this pact adopted by 62 other nations, and some of us thought that our own Government meant what it said when it influenced 62 other nations to adopt this pact. Yet when we stop to consider what our own country did to carry out this treaty, and what we are doing to carry it out, it seems amazing, to say the least.

The President refers to the Briand-Kellogg Treaty. His fourth article, as outlined here, was, "A reiteration of the Briand-Kellogg Treaty obligations renouncing war as an instrument of national policy."

Yet in the War Department appropriation bill this year, and in the Navy Department appropriation bill, before us now, we appropriate the largest amount ever appropriated in peacetimes in this Nation or in any other nation, and it seems to me that that is not carrying out the Kellogg-Briand Pact in good faith. In fact, we have never carried it out in good faith, because beginning immediately after the adoption of the Kellogg-Briand Pact, in the next appropriation bill that came along, the very next year, we appropriated more money than we had appropriated before for military and naval purposes, and we have continued to increase almost every year since that time, until now we have reached the peak of well over a billion dollars, and we are providing in this bill for $115,300,000 to lay down more battleships, more cruisers, and more submarines.

I suppose it might be argued that submarines are necessary to protect our shore lines against foreign ships which might attempt to attack us. But I can see no possible defense for the appropriations for the cruisers provided for or the other two battleships.

The President says we want to carry out the provisions of the Kellogg Peace Pact renouncing war as an instrument of national policy. Yet we are leaving it up to the President in regard to these two battleships, and article 2 of his outline as quoted in the press is "An increase of armament only to keep pace with the increases of other countries."

We were the Nation instrumental in the adoption of the Kellogg Peace Pact, and now it is said we are going to ask for new construction only to keep pace with other nations. Because it has been stated in some of the press that Great Britain is about to begin the building of two more battleships, it is thought to be necessary for the United States also to begin to build two more battleships to keep pace with Great Britain, merely in order to have our Navy a little bit larger than that of Great Britain.

Mr. President, as I understand, the new battleships are expected to cost $51,000,000 apiece, if they are built, and it will cost $2,000,000 a year to operate them after they are built. It has been stated by men high in Army and Navy circles, who know, I believe, what they are talking about, that these great dreadnaughts would be absolutely useless in the event of another world war. A very noted general made the statement 2 or 3 years ago before one of the committees of Congress that in the event of another world war the battleships of the United States Navy should be run just as far up the Mississippi River as they could go, because one well-directed bomb would sink one of these $50,000,000 battleships to the bottom of the ocean. It is now proposed to build two more of these floating arsenals, costing $51,000,000 each to build, in order, I suppose, that in case of war they may be run up the Mississippi River as far as they can get in order to keep them from being sunk to the bottom of the ocean.

We are pledged to economy and are trying to cut down expenses. Only a few short weeks ago the Agricultural Committees of the House and of the Senate reported out bills providing for seed and feed loans to take care of unfortunate farmers who, by reason of drought and crop failures, were unable to provide seed for the spring planting and feed for their farm animals. We passed a compromise bill carrying $50,000,000 for that purpose. The bill was vetoed by the President on the ground that we could not afford an appropriation of that kind because it would unbalance the Budget, or, at least, prevent getting closer to a balance. In the pending bill we are now providing $115,000,000, over twice as much as the feed and seed loan bill provided, for the beginning of construction of new battleships and other warships. What are we doing that for? Just to keep pace with Great Britain. Just to have a navy a little larger than Great Britain's Navy.

Mr. President, I cannot see any other answer to the question as to why so much money is being provided for naval purposes. If anyone can give any other reason, I should like to have it.

The seed-loan bill was vetoed, and an Executive order was issued, as will be recalled, to furnish money from other funds for the seed loans. The situation of the farmer developed into a terrible one. Seed loans could not be provided. Seeding time was rapidly passing, and, finally, a little over a week ago, some arrangements were made to take care of at least a large part of the requests for seed loans. There will be thousands of farmers throughout the great agricultural States of the Northwest who this year will not have enough seed to put in a sufficiently large crop to provide for themselves, their families, and their livestock during the coming year until another crop shall have been grown, to say nothing about paying their running expenses, taxes, and interest on loans.

Thousands of farms are being foreclosed. Farm foreclosures are being made at the rate, we are told, of over 2,000 a month, with the Federal land banks themselves foreclosing on farmers unable to pay their loans. Yet we are appropriating for the coming year for our war system $1,000,000,000, which amounts to more than two and one-half million dollars every day of the year, for this war

system. Let our farmers have their farms foreclosed! Let their homes be taken away from them! Let people be driven out of employment and into the bread-lines, and let children go hungry to school every day, but we must prepare for adequate defense! Adequate defense for what, Mr. President? Adequate defense for what? The only answer I can see to the question as to what is meant by the phrase "adequate defense", as it is regarded by the President and others who are advocating the passage of this big naval bill, is to have our Navy and Army just a little larger and a little more powerful than that of any other nation on earth and to spend a little more money for that purpose than is spent by any other nation on earth.

Mr. President, it seems to me the Navy bill might be cut down a great deal. At least the provision for the laying down of new battleships and cruisers, and so forth, might well be cut out of the bill. I propose to offer an amendment to strike that provision from the bill.

We are supposed to be a peace-loving nation, and we call ourselves a highly civilized and even a Christian nation. Yet we are preparing for war. The pending naval appropriation bill and the War Department appropriation bill which was passed during the present session of Congress mean nothing less than preparation for war. Last year, out of every dollar spent for general expenses of the Government, 61 cents went to pay for wars past, present, and future. Judging from the preparations we are now making, the percentage will be larger for the coming year than it was last year.

Mr. KING. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. KING. I think the ratio for war purposes exceeded the figure given by the Senator. I recall that when Andrew Mellon was Secretary of the Treasury he submitted a statement to the effect that 70 percent of all taxes received by the Federal Government was expended for wars—past, present, and future.

Mr. FRAZIER. I recall that very well. I think at one time 71 cents out of every dollar expended by the Government went for war purposes, but during the last year the difference in the figures has not been so great; not because we are not spending more money for war, because, as a matter of fact, we are, but we are spending more money for other government purposes than we did a few years ago.

Mr. KING. Mr. President, let me say to the Senator from North Dakota, that in view of the recent appropriation of more than $2,000,000,000 for the bonus, plus more than $1,200,000,000 which we will appropriate this year for the Army and the Navy, the figure which the Senator has indicated must be increased from 60 percent to approximately 70 percent.

Mr. FRAZIER. Yes; undoubtedly the figure will be raised for the coming year. Of course, the payment of the bonus to the soldiers is a part of our war expense. We drafted those boys and sent them to war. I believe they are entitled to be taken care of when they come back from the war, and the bonus is a part of that care of those boys.

Mr. KING. Mr. President, will the Senator further yield?

Mr. FRAZIER. I yield.

Mr. KING. I think the Senator's statement is a little too broad. We did not draft all who served in the military forces. The Senator will remember that there were hundreds of thousands, if not several million young men who volunteered, and many of those who were drafted would have volunteered except for the reason that the Government desired that they should delay their entrance into the armed forces of the United States.

Mr. BENSON. We did pass the draft act.

Mr. KING. Yes, Mr. President.

Mr. FRAZIER. It was held, of course, that the fairest way was to draft the young men to go to the Army. Of course, we made the mistake of not drafting wealth along with drafting the boys in order to pay for the war as we went along. Had we done that we would not have had the immense debt burden of thirty some billion dollars hanging over us. Practically the whole of the debt is directly or indirectly war debt, because the depression was brought on as the result of the World War. We cannot get away from that conclusion.

The President in his recent message to the D. A. R. conference intimated, or at least implied, that we were preparing for adequate defense because adequate defense will keep us out of war. That is a term which has been used by the preparedness people for years and years—that we must prepare in order to keep ourselves out of war. Germany with her compulsory military training system was armed for adequate defense at the beginning of the World War. Did her adequate defense keep Germany out of the war? No. France was also adequately prepared, and so was Austria, and so was Great Britain, and their adequate preparedness did not keep them out of the World War. They were the first countries to get into it.

The Honorable William Jennings Bryan, in 1915, after the war had started, but before we got into it, in a speech said he hoped that the World War would at least do away with that old saying that preparedness would keep us out of war because, he said, the nations which were best prepared were the first ones to get into it. Mr. Bryan further said that if the United States had been as well prepared as some of the preparedness people had demanded that we should be, that we would undoubtedly have gone into the World War much earlier than we did.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. MINTON. Would the Senator do away with an army and a navy altogether?

Mr. FRAZIER. I certainly would. I have pending before the Judiciary Committee of the Senate a joint resolution to provide for an amendment to the Constitution to outlaw war and preparation for war. If we are going to have disarmament and peace, Mr. President, I believe we must go the limit. We cannot talk about adequate defense and at the same time talk of disarmament or peace. The people of the other nations of the world are anxious for disarmament and world peace also, and I believe that if the United States were to set a shining example by carrying out the principles set forth in the Kellogg-Briand Peace Pact, other nations would follow suit at once and we would have disarmed nations and world peace.

Mr. MINTON. Mr. President, will the Senator further yield?

Mr. FRAZIER. I yield.

Mr. MINTON. President Wilson did attempt to set a shining example through the establishment of the League of Nations which would set up some kind of law and order in international affairs in place of a condition of anarchy, but the United States would have none of it and, of course, we were perforce thrown back upon our own self-defense, because we would not have law and order in international affairs but chose rather to perpetuate anarchy.

Mr. FRAZIER. Other nations went into the League of Nations. Would the Senator from Indiana say that the League of Nations has kept the other nations that are members of the League of Nations and of the World Court, out of war, and kept them from anarchy?

Mr. MINTON. If we are to outlaw war we must have something to take the place of the anarchy which exists in international affairs today.

Mr. FRAZIER. I agree with that.

Mr. MINTON. If war is not outlawed through the League of Nations it can only be outlawed by some organization of similar nature.

Mr. FRAZIER. I voted against our entrance into the League of Nations, because I did not like the way the League of Nations was set up. I did not think it was honestly intended for a peace organization, and I have not changed my mind about it, because of the occurrences which have taken place in recent years in the League of Nations.

Mr. KING. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. KING. I have a high regard for my friend from North Dakota and for his views and hesitate to dissent from some of his expressions. However, I do not agree with the statement which he made respecting the purposes back of the League. The Senator will recall that the idea of a league or concert of nations was not new. It had been advocated for centuries. William Penn, Abbe Pierre, and others advocated a league or organization of nations along the line of the frame of the League of Nations contained in the Versailles Treaty.

Gen. Jan Smuts, of South Africa, one of the greatest statemen of this age, was largely responsible for the draft of the League which was presented to the Paris Conference. Undoubtedly, President Wilson played an important part in framing and securing the adoption of the covenant of the League of Nations. General Smuts had from experience in wars learned of their devastating effects. He was a lover of peace, as was President Wilson, Lloyd George, Clemenceau, Lord Cecil, and others who participated in the Versailles Conference. They believed the time had come for the establishment of an international organization which would provide collective security and set up some instrumentality that would prevent war, or at least remove many of the causes of war. They believed it necessary to create a tribunal to which reference might be made for the settlement of international controversies, such controversies which otherwise would be settled upon bloody battlefields.

I have no doubt that those who drafted the Versailles Treaty, which embodied the League Covenant, sincerely believed that it would prevent many international conflicts. They were actuated by the highest motives and sought only the good and welfare of the world. Unfortunately, for the League, our Nation did not ratify the Versailles Treaty; unfortunately Japan and Germany have withdrawn from the League. This Nation, with its great resources, with its power, physical, moral, and spiritual—and I emphasize the two latter; I believe we have moral and spiritual power—would have strengthened the League and would have given to it a permanency, a potency, and a prestige of which it was deprived. It is believed by many that our country, in part at least, is responsible for the failure of the League to reach those heights that it would have attained and which would have brought the results which it was anticipated would be realized under the provisions of the Covenant.

Mr. FRAZIER. Mr. President, I ask the Senator from Utah how he thinks we would have accomplished the result of keeping Japan, for instance, and Germany and Italy in line? Would the Senator have favored raising an army and using it and our naval forces to keep Japan in line and to keep Germany and Italy in line?

Mr. KING. No; but I believe that if the United States had joined the League and sat down at the council table, as it would have done—at the head of the table, may I say?—that the current of the world's history would have been different. If that had been done, it is reasonably certain that Germany and Japan would not have left the League. The failure of the United States to enter the League undoubtedly led other nations to doubt its effectiveness or the possibility of realizing the ideals which it was understood the League represented and to attain that for which it was organized.

I cannot but believe that if the United States had been a member of the League it would have been a great factor and a pervasive influence for peace and security in a troubled world.

Let me make one further observation. When President Wilson came back from the Versailles Conference with the Covenant of the League of Nations, and presented it to the Senate, I had the opportunity of conferring with him in his room in the Capitol a few minutes after he had delivered his message. I asked him why he had been so insistent upon the acceptance of the covenant, before the treaty was completed. He said to me, in substance—I shall not attempt to quote him literally—that he believed, with the smoke of battle in the eyes of the representatives of the belligerent nations no treaty could be drawn that would be free from imperfections, if not injustices. He referred to the invasion of France and Belgium and to the loss of lives of the allied forces.

He said that under such conditions it could not be expected that the people of the suffering nations would forget and forgive the wrongs to which they believed they had been subjected, and therefore he regarded it as necessary that some agency should be established to which appeals might be made for rectification of such injustices as might develop in the enforcement of the treaty. He said further that if an instrumentality was not set up to meet developments then violence would be resorted to and upon the battlefields efforts to obtain redress would be made. I believe, Mr. President, the views of President Wilson were those of a great patriot, a sincere lover of justice and peace among all nations. If his high ideals had been carried out by this and other nations the whole face of the world now would be different.

Mr. FRAZIER. Mr. President, I am pleased to have the opinion of the Senator; I appreciate his earnestness in looking toward world peace; but I wish to ask the Senator from Utah if he does not think if a small part of the money we are now spending for war preparation could be used to promote peace—honestly to promote peace—that it would be money well spent and would be very helpful in promoting world peace?

Mr. KING. I answer that unhesitatingly in the affirmative. I agree with some of the observations made by the Senator a few moments ago when he was criticizing this enormous appropriation carried in this bill. I do not justify it. I think that when we arrange to build two battleships it will compel other nations to revise their naval and military programs and invite them to larger expenditures. When this Nation, impregnable as it is, is willing to spend and does spend from $100,000,000 to $200,000,000 per annum more than does any other nation in the world for military purposes, other nations will inquire as to the purpose of such apparent military preparedness; they will be inclined to perceive in our activities sinister motives and say that the United States is arming in order to commit some aggression upon other lands.

Of course, that is not true; but the very fact that we spend so much money for military purposes will result in other nations augmenting their military expenditures and will intensify the suspicions, if not the hatreds, that may be developed in other nations against the United States. We should spend more for peace and less for war. We should do more to organize for peace and less to organize for war.

Mr. FRAZIER. The fact, of course, that we continue to increase our appropriations for war purposes has resulted in other nations increasing their appropriations for war purposes.

Mr. KING. Undoubtedly.

Mr. FRAZIER. And will have the same result in the future.

Mr. KING. That is correct.

Mr. BENSON. Mr. President, may I ask the Senator from Utah a question?

Mr. FRAZIER. I yield.

Mr. KING. I will be glad to answer the Senator, if I can.

Mr. BENSON. It being true, as the Senator says, that we are spending more than a billion dollars on military preparedness, and that we are spending annually $200,000,000 more than is spent by any other nation in the world, if we are not spending that money for the purpose of aggression, why are we spending it?

Mr. KING. Well, Mr. President——

Mr. BENSON. It seems to me those who are managing the large appropriations for the Military and Naval Establishments, amounting to more than a billion dollars should come here prepared to tell us what they are for, if they are not for aggression.

Mr. KING. Perhaps it is paradoxical, but I do not believe, of course, that my country has in view any aggression against any other country. We have indicated by our course by withdrawing our sovereignty over Cuba and the Philippine Islands—or at least have permitted the Filipinos to set up a government of their own and agreed to withdraw our own sovereignty entirely within a few years—and by indicating recently to another island that came to the United States as the result of the Spanish-American War our willingness to surrender sovereignty. So the United States has no purpose to wage war against any other nation, either a strong nation or a weak nation. We want the friendship of Latin American as well as the friendship of all other nations; but when we expend these huge sums, I fear that our action will excite fears and apprehensions upon their part and lead some to believe that the United States meditates some aggressive movement against other powers. Therefore I believe in part with my friend that this Nation could make no finer gesture for world peace, for limitation of armaments in the world, than to say, "We will reduce our military expenditures to a minimum; we propose to indicate to you that we have no purpose to infringe upon any nation; we desire to be leaders in a great world movement for the peace and happiness of all peoples and to secure the abolition of war."

Mr. FRAZIER. Mr. President, I agree with the Senator. Our officials talk about disarmament and world peace, but continue to prepare for war. That is the situation. This makes us wonder whether or not our officials mean what they say and say what they mean.

Throughout history the nations which were adequately armed were the ones which went to war. Preparation for national defense and not for conquest sounds very plausible, but thinking people, of course, realize, because they have heard the same argument year after year repeatedly and must know by this time if they have not found out before, that so-called adequate defense has not kept nations out of war. No thinking citizen will agree that the building up of a great Navy, as we are undertaking to do now, is necessary in order to defend ourselves against Great Britain, that it is necessary for us to have a little bit larger navy than Great Britain in order to defend ourselves against that nation. I do not think anyone will contend there is any likelihood of Great Britain attacking the United States. For that matter, I think there is no danger of any other nation attacking the United States.

Let us analyze just a little the term "adequate defense." What does it mean? It might be possible that we could adequately defend our Nation against any one great nation. That might be possible. I doubt it very much as to any one of the great nations, but conceding that we could adequately defend ourselves against Great Britain, what would be the situation if we should get into a war with Great Britain and the other great nations of the world should join as allies of Great Britain against the United States? Would it be possible for us to arm adequately against the rest of the world? I do not believe it could be done by any means, by the United States or any other nation.

It is further conceded that so-called up-to-date scientific methods of warfare make it impossible for anything like adequate defense to be had. With modern war appliances, remote control of airplanes, bombing planes with explosives and poison gas and disease germs and other so-called civilized devices for the annihilation of humanity, there is no such thing as adequate defense.

In recent months there have been so-called sham battles of the air in several countries, the principal ones of which were held a few months ago over London, over Paris, and over New York. In each instance the enemy's planes have succeeded in getting back of the defensive plans and coming in over the cities. The official board of the sham battle of the air over London reported—and it was after a continuation of the air battle for 5 days—that it was absolutely impossible to keep out the enemy planes. They also stated that one of the big bombing planes with explosives and fire bombs and poison gas and disease germs could annihilate the greater part of any other city—just one plane! The New York situation and the Paris situation were the same. So when we talk about adequate defense, if we mean to protect ourselves and the lives of our people against the attack of any other country or all the other countries, there is no such thing.

When the Senator from Utah [Mr. KING] was talking about the League of Nations it recalled to my mind the fact that the United States was instrumental in getting us into the Kellogg Peace Pact and getting the nations of the world to sign that pact. Yet we have not lived up to it by any means, and no one can truthfully say we have. It is true we have not declared war or gone to war with any other nation, but we have spent more money than we ever did before in peace times for war purposes and we have spent more money than any other nation has spent for similar purposes. It cannot be said in truth that we have lived up to the Kellogg Peace Pact ourselves.

It seems to me the great question confronting us is whether we really want disarmament and peace or whether we want war and preparation for war. We have had disarmament conferences. As was pointed out yesterday by my colleague the junior Senator from North Dakota [Mr. NYE], Army officers were appointed to the Disarmament Conference, one of them being an Army officer, whose sole training had been toward more and greater preparedness for war. Undoubtedly every Senator knows personally some of the men who were named as official delegates to the Disarmament Conference, so-called, and knew when they were appointed that they did not stand for disarmament but favored a bigger navy and a bigger army and were in favor of the so-called preparedness program. So it seems to me that even our own officials who are backing this great program do not really believe in what they are giving out to the public—that preparedness is for adequate defense and for defensive purposes only.

An interesting question was suggested about total disarmament. I am frank to say that at one time I introduced a joint resolution proposing to amend the Constitution of the United States to outlaw war. We had some hearings on the proposed amendment, and some very good evidence was submitted to the committee. The proposed amendment was sponsored by the Women's Peace Union, with headquarters in New York City. At the first hearing we held upon the proposed amendment we invited other peace organizations to come before the committee to give their views. None of them would come. Not a representative of any peace organization came before that committee except the Women's Peace Union, with headquarters in New York City. Later we held another hearing, and at that hearing a few more peace organizations were represented. At the last hearing we held—April 14, 1934—so many peace organizations made application to be heard that we could not take care of all of them.

Only a few weeks ago there was a national peace conference held in the city of Washington with practically all of the great peace organizations joining in it. One of the speakers at the banquet said that up until that time the peace organizations had contented themselves largely with preparing resolutions asking for disarmament and peace and sending them to Congress or to the President. He said:

> Now is the time to get together and cooperate and work along the same line.

I believe they will accomplish something by such a course. The speaker even went so far as to say the peace organizations should take some consideration of the political situation; in other words, that they should think something about electing men to office who honestly advocated disarmament and peace, and not content themselves with electing big Army men and big Navy men or preparedness men who were in favor of these immense appropriations for so-called preparedness. I think that was another step in the right direction.

I wish to read just a brief statement from the hearings on the resolution to which I have just referred proposing to outlaw war. It was made by Miss Byrns, an attorney of New

York City, who was one of the officials of the Women's Peace Union of that city, who were instrumental in backing the resolution to outlaw war. Before the Committee on the Judiciary, April 14, 1934, she said:

Nothing has been done. Nothing fundamental, honest, direct has even been attempted. Several Presidents have sent delegates to disarmament conferences, but the delegates have not even talked of genuine, complete disarmament. The country favored the Kellogg Pact because it was advertised as outlawing war. The Senate, with its tongue in its cheek, ratified this pact and voted for battleships.

That is the truth, Mr. President.

However, even had the pact been taken seriously by the Government, it could not prevent such war preparations as the Vinson bill provides for.

That was a naval bill which was pending at that time.

The war powers are still in the Constitution—a constant threat to life, liberty, and the pursuit of happiness; a constant menace to beauty, to human dignity, to civilization itself.

This amendment will take the war powers out of the Constitution. There is no other legal method of getting rid of them.

War is the slaughter of human beings on as large a scale as possible. It is organized, deliberate mass murder.

For what purpose? To protect trade and investments; collect debts and seize territory. To enrich munition makers and war profiteers. To satisfy the egos of little men, cover up the weakness and folly of ignorant, inept politicians.

War is never for the protection of life, the defense of human beings. You know that. We know it. Let us then have done with all the hypocritical, lying talk about self-defense. I believe the American people are weary of being duped and deceived by this false appeal to their finest as well as their basest emotions.

As a veteran of that great nonviolent revolution by which the women of the United States won freedom, I am convinced that any just cause can be won by peaceful methods and hard work.

As a lawyer, I bear witness to the fact that the best, the only satisfactory way, to settle disputes is by the use of constructive nonresistance.

As a citizen of the United States, I will not support war and I will not tolerate the fact that the Government of which I am a part shall longer have the power to prepare for, declare, or carry on war.

I am convinced that violence and bloodshed are always wrong in principle, disastrous in practice.

I urge an immediate report of Senate Joint Resolution No. 24.

Mr. President, those words were spoken by a woman who for years has been an attorney in the city of New York, who has also been interested and has taken a leading part in movements for world peace and real disarmament. I agree that if we are going to have disarmament, if we are going to have world peace, we shall have to go the limit. We cannot have disarmament or world peace and talk about adequate defense, because adequate defense means preparation for war if it means anything.

Mr. President, I realize that it does very little good to talk against this bill. The skids are all greased and ready to slide, and the bill will go through carrying the big appropriations; but I wish to offer the amendment, which I send to the desk. The amendment provides for striking out the provision on page 50 which makes available $115,300,000 for starting the construction of new battleships and other war paraphernalia.

The PRESIDING OFFICER (Mr. McKELLAR in the chair). The Senator from North Dakota offers an amendment, which will be stated.

The LEGISLATIVE CLERK. On page 50, beginning with the word "and" in line 7, it is proposed to strike out down to and including line 16.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota.

Mr. FRAZIER. Mr. President, I should like to have the yeas and nays on this important amendment. It will save $115,000,000 to start with, and several hundred other million dollars afterward, if it shall be agreed to.

Mr. KING. Mr. President, I think the Senator from Minnesota [Mr. BENSON] desires to submit some observations; and it might be well to have that done before calling for a vote.

Mr. FRAZIER. Very well.

Mr. WALSH. Mr. President, may we have the amendment restated?

The PRESIDING OFFICER. The amendment will be restated.

The LEGISLATIVE CLERK. On page 50, in line 7, beginning with the word "and", it is proposed to strike out down to and including line 16.

Mr. WALSH. I ask the Senator just what that will do.

Mr. FRAZIER. It will strike out the provision for starting the construction of 12 destroyers, 6 submarines, and not more than 2 capital ships as replacements of over-age capital ships, to be undertaken only in the event that the President determines as a fact that capital-ship replacement construction is commenced by any of the other signatory powers to the treaty for the limitation and reduction of naval armament.

Mr. WALSH. I understand.

The PRESIDING OFFICER. The Senator from North Dakota asks for the yeas and nays on the adoption of the amendment.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is upon agreeing to the amendment.

Mr. BENSON obtained the floor.

Mr. WALSH. Mr. President, what was the ruling on the request for the yeas and nays?

Mr. FRAZIER. That is what I wish to know.

The PRESIDING OFFICER. The ruling was that the yeas and nays were not ordered, as only five Members held up their hands.

Mr. FRAZIER. That is more than one-fifth of those present.

Mr. WALSH. I suggest that the request be resubmitted, and I am sure it will be granted.

Mr. FRAZIER. I appeal from the ruling of the Chair, because five Members held up their hands, and I believe that is more than one-fifth of the number present.

The PRESIDING OFFICER. Of course, the Chair assumes that a quorum is present.

Mr. CONNALLY. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. I submit that five is not one-fifth of those present, because presumptively there is a quorum present.

The PRESIDING OFFICER. The Senator is correct about that.

Mr. CONNALLY. Therefore, since 5 is not 20 percent of 49, the call of the yeas and nays is not in order.

Mr. McNARY. Mr. President, no presumption whatsoever is indulged in a case of this kind.

The PRESIDING OFFICER. The present occupant of the chair is advised by the parliamentarian that it is.

Mr. McNARY. I disagree with the parliamentarian. That is not correct practice and it has never been followed. The number necessary to order the yeas and nays is one-fifth of those present, and it is the duty of the Chair to count the number present.

The PRESIDING OFFICER. The Chair will state that the custom has been to go back to the last roll call. On the last roll call 69 Senators were present, and 5 is not one-fifth of 69; so the ruling of the Chair will stand.

Mr. McNARY. I insist that the ruling is wrong, and I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Minnesota yield for that purpose?

Mr. BENSON. Certainly.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Byrnes	George	La Follette
Ashurst	Capper	Gerry	Logan
Austin	Caraway	Glass	Lonergan
Bachman	Clark	Guffey	McAdoo
Bailey	Connally	Hale	McGill
Barbour	Coolidge	Harrison	McKellar
Barkley	Couzens	Hastings	McNary
Benson	Davis	Hatch	Maloney
Black	Dieterich	Hayden	Minton
Bulkley	Donahey	Johnson	Moore
Burke	Duffy	Keyes	Murphy
Byrd	Frazier	King	Murray

Overton	Robinson	Smith	Tydings
Pittman	Russell	Steiwer	Van Nuys
Pope	Schwellenbach	Thomas, Okla.	Walsh
Radcliffe	Sheppard	Thomas, Utah	White
Reynolds	Shipstead	Townsend	

The PRESIDING OFFICER. Sixty-seven Senators having answered to their names, there is a quorum present.

Mr. FRAZIER obtained the floor.

Mr. CONNALLY. Mr. President, will the Senator yield to me briefly?

Mr. FRAZIER. I gladly yield.

Mr. CONNALLY. On the point of order that there must be a demand by one-fifth of those present in order to secure a yea and nay vote, I desire to set down in the RECORD my own view, without speaking for anyone other than myself.

I state as a matter of fundamental parliamentary law, whether there is any rule on the question or not, that the presumption always exists that there is a quorum present in the Senate unless a point of no quorum is made and the Senate by having the roll call determines that there is not a quorum present. Therefore, when a demand is made for the yeas and nays, unless one-fifth of the presumptive quorum present hold up their hands, the Chair is under no compulsion to order the roll called for a yea and nay vote.

The PRESIDING OFFICER. The Chair has so held.

Mr. CONNALLY. Why is that true, Mr. President? If any other rule obtained, acts of Congress could be made to fall by the proof aliunde, in the courts, that there was not in fact a quorum of the Senate present when some particular action, either the passage of a bill or some other official action of the Senate, was taken. So it is absolutely and imperatively necessary for a legislative body to indulge the presumption, and for the courts and everyone else to be charged with knowledge of the presumption, that what is done is done in the presence of a quorum, unless that particular issue is raised, and the body affirmatively determines that there is not a quorum present. Otherwise, there would be legislative chaos.

It was merely for the purpose of maintaining that theory that I desired to set down in the RECORD the basis upon which I made the point of order that five Members of the Senate were not one-fifth of those present. It may not be written in the rules of the Senate, and I understand there is nothing in Hinds' Precedents on the question, but it is one of those absolutely fundamental things inhering in the very fiber of a legislative body.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Oregon?

Mr. FRAZIER. I gladly yield.

Mr. McNARY. I entertain a very high regard for the distinguished Senator from Texas as a statesman, but I do not think he knows much about the rules of the Senate. This question does not lie within the language of a rule, and we have no precedents to guide us, but it has been the practice of the Senate—and I speak as one who has been here nearly 19 years—that if one-fifth of those actually present ask for a roll call, a roll call is ordered.

The reason underlying the practice is plain. Much of the time we transact business without a quorum present. A quorum simply initiates a session. Whether we can proceed or not is not necessarily determined by the presence of a quorum. Therefore we do not indulge in any presumption whatsoever. The practice has been unbroken. This mode of procedure is based upon solid, substantial reason. When the yeas and nays are demanded the Chair must decide whether one-fifth of those present support the demand.

Let us take as an illustration what has happened today. The call of the roll this morning disclosed 72 Senators present. If thereafter 15 Senators had been on the floor, and 14 of those present had held up their hands demanding a yea-and-nay vote, under the theory of the distinguished statesman from Texas, the Chair could not have ordered the yeas and nays, because there would have to be 15 to make one-fifth of 72. The mere recital of the figures shows the absurdity of the position taken by the Senator from Texas. The practice has been, and properly so, that the Chair must determine whether one-fifth of those actually present hold up their hands in support of the demand for the yeas and nays.

I think I have covered the subject completely, and in a way which I think is explicable and understandable, and my position is based on the long, unbroken practice of this body.

Mr. FRAZIER. Mr. President, I think the Senator from Oregon has explained the situation very clearly, as he generally does explain anything about which he speaks.

Mr. CONNALLY. Mr. President, will the Senator from North Dakota yield to me?

Mr. FRAZIER. I yield.

Mr. CONNALLY. Mr. President, I am very grateful to the Senator from Oregon for his kind and generous remarks about my ignorance as a parliamentarian. I make no pretense of being a parliamentary sharp. I think a parliamentary sharp in the Senate is somewhat of a nuisance. But I suggest to the Senator from Oregon that in my position I have respectable support in the parliamentarian of the Senate. The parliamentarian of the Senate has probably not been here 19 years, as has the Senator from Oregon, but the parliamentary precedents have been here much longer than has the Senator from Oregon. I respect the Senator's long service, and when I shall have been here 19 years I shall hope to know some small percentage of what the Senator from Oregon knows about parliamentary practice.

Let me illustrate, however. The Senator from Oregon contends that if 15 Members of the Senate were present and 14 held up their hands and demanded the yeas and nays, they could not get it. On the other hand, if only five Senators were present, and one of them held up his hand demanding the yeas and nays, the Chair would have to order the roll called, according to the theory of the Senator from Oregon. Is not that just as ridiculous as the example which he has cited, when he said that if 14 out of 15 actually present demanded the yeas and nays, they could not get them? According to the contention of the Senator from Oregon, one Senator could hold up his hand and have the yeas and nays, under the rule that one-fifth of those present can demand them.

I beg to differ from the views of the Senator from Oregon when he says that all that is necessary is that we have a quorum when we start business, and that then we can go ahead. The Constitution, speaking of the two Houses, provides:

> A majority of each shall constitute a quorum to do business.

The Senate cannot do a thing on earth legally unless a quorum is present. Therefore it has to indulge the presumption that a quorum is present until the question is raised and determined. That does not necessarily mean that the quorum has to sit in the front row or in the choice places. Some of the quorum may be out in the cloakroom. It usually is. Some of it may be here in the wings, reading newspapers. The presumption is that when a quorum first is established, the quorum continues to exist until the Senate itself determines that there is no quorum present. Any other theory or any other assumption would be absolutely destructive to legislative procedure and legislative processes.

The PRESIDING OFFICER. The Chair has ruled, and there has been no appeal from that ruling. The Senator from North Dakota [Mr. FRAZIER] is entitled to the floor.

Mr. FRAZIER. Mr. President, I am not going to appeal from the decision of the Chair, but I agree with the Senator from Oregon that it is rather unusual to have a ruling of that kind. So far as I can remember since I have been a Member of the Senate this is the first time I have heard of a ruling of the kind that was made.

What the Senator from Texas says about a quorum is correct. Of course, no one is contending that business can be done officially without a quorum. Mr. President, we oftentimes transact business without a quorum on the floor. I think it is the intention to have a quorum on the floor at all times. However, that is not the practice. Oftentimes there are only a few Senators in the Chamber while business is being transacted. If yeas and nays are ordered when less than a quorum is present, of course, when the vote is taken there must be a quorum present or there is no official

vote. So I think the Senator's argument is not a very good one.

The PRESIDING OFFICER. The Chair will state that he recognizes the Senator from North Dakota so that no injustice shall be done to him. The Chair now recognizes the Senator to renew his request for the yeas and nays on his amendment.

Mr. FRAZIER. Mr. President, I offer an amendment on page 50 of the pending Navy bill to strike out, beginning with the word "and" in line 7, down to and including all of line 16. That is, I propose to strike out the provision for an appropriation of $115,300,000 to begin the building of 6 submarines, 12 destroyers, and 2 battleships. On my amendment I ask for the yeas and nays.

Mr. BYRNES. Mr. President, I have only a few words to say with reference to the proposed amendment. The effect of the Senator's amendment would be to stop the construction of all ships of the Navy now under construction.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. FRAZIER. Do I understand the Senator to say that it would stop the construction of those ships which have been started?

Mr. BYRNES. Yes.

Mr. FRAZIER. I do not so understand.

Mr. BYRNES. Mr. President, I am going on to explain to the Senator that the estimate of the Navy Department includes only $12,000,000 for expenditure upon vessels not under construction, but the balance of the $115,000,000 provides for the construction of all the vessels referred to in the section under consideration, beginning in line 21, on page 49, which includes submarines, the aircraft carriers which are now under construction, the destroyers, and cruisers. The effect of the Senator's amendment would be to stop the construction of all vessels now being constructed for the Navy.

The PRESIDING OFFICER. The question is on the amendment of the Senator from North Dakota, on which the yeas and nays have been demanded. The yeas and nays were ordered.

Mr. BENSON. Mr. President, do I understand from the statement made by the Senator from South Carolina regarding the $115,000,000 clause that the United States Government can build 12 destroyers, 6 submarines, and 2 battleships for $115,000,000.

Mr. BYRNES. No, Mr. President; it would be utterly impossible to do so. The Navy knows that $12,000,000 would only be sufficient to enable them to do the preliminary work which must always be done. It takes 3 years to construct a battleship. The money which would have to be appropriated to pay the cost of construction of a battleship would be carried in appropriation bills over a period of 3 years in the future. The bill provides $12,180,000 for the 1937 program. There would be no hope on the part of the Navy to do more than to prepare the plans. It takes many months to draft the plans for a battleship. If the Senator will look at the paragraph beginning on page 49, line 21, he will see that it winds up in line 16, on the following page, with $115,000,000, and it provides for aircraft carriers, destroyers, cruisers, and several gunboats and other craft.

Mr. BENSON. Am I to understand from that statement that the $529,125,806 provided in the bill carries nothing other than the $12,000,000 which the Senator has mentioned for the construction of the two battleships?

Mr. BYRNES. Twelve million dollars.

Mr. BENSON. Twelve million dollars for the construction of the two battleships?

Mr. BYRNES. No; I will say to the Senator that it does not even include that. Should the contingency provided for in the bill arise and should the President see fit so to order, the Navy Department knows that out of this lump sum which is made available for the payment for ships now under construction they could do such preliminary work as could possibly be done. The $12,000,000 for new construction really provides for the submarines and the other craft mentioned, and there is no appropriation specifically designated for commencing the construction of any battleship.

Mr. BENSON. Then I must understand that should the President order the construction of the two battleships for which the bill authorizes the drawing of plans——

Mr. BYRNES. Then appropriations would have to be made.

Mr. BENSON. Appropriations would have to be made for $104,000,000 more to construct the two battleships?

Mr. BYRNES. Appropriations would have to be made if they were commenced. The next naval bill would have to carry the appropriation for so much of the construction as in the opinion of the Navy Department would be completed during that fiscal year. The following fiscal year a similar appropriation would be carried.

Mr. BENSON. The cost of these battleships is estimated at approximately $51,000,000 each; is that correct?

Mr. BYRNES. That estimate has been made.

Mr. BENSON. Then with the authorization to commence the construction of plans for two battleships costing $51,000,000 each, we are in a measure obligating ourselves to the further appropriation of $104,000,000 additional which is not provided in the pending bill?

Mr. BYRNES. The language is plain. I should say to the Senator in answer to his question that the estimate of cost includes armor and armaments and is not solely for the construction of ships.

Mr. BENSON. Yes; and the Senator might also say that the estimate of the cost of $51,000,000 each does not provide for the auxiliary craft which are always provided to protect the battleships.

Mr. BYRNES. It does not provide, of course, for anything except the battleships.

Mr. SHIPSTEAD. Mr. President, I find a qualification on page 50, line 12, of the bill, as follows:

> Only in the event that the President determines as a fact that capital-ship-replacement construction is commenced by any of the other signatory powers to the Treaty for the Limitation and Reduction of Naval Armaments signed at London.

Under that language certain construction would be started, provided the President finds certain facts. If he does not find them, will that limit the construction?

Mr. BYRNES. If he does not find them, the construction of the battleships could not be undertaken at all.

Mr. SHIPSTEAD. That limitation only refers to the two battleships?

Mr. BYRNES. That is correct.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. BYRNES. I do not have the floor.

Mr. FRAZIER. Then, I desire to ask the Senator a question if I may. I wish to know how much of the $115,300,000 in line 16 is to commence work on the two battleships which are spoken of?

Mr. BYRNES. I will say to the Senator that I have already answered the question in the last 2 minutes, that not a dollar is in contemplation for that purpose. The $12,180,369 to which I referred is the estimated cost of beginning the 12 destroyers and 6 submarines.

Mr. FRAZIER. That is for the beginning of construction of the 12 destroyers and submarines?

Mr. BYRNES. Yes.

Mr. FRAZIER. I do not see why they need to be begun.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from North Dakota [Mr. FRAZIER]. On that question the yeas and nays have been demanded and ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BULKLEY (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is necessarily absent from the Senate. I am advised that if present he would vote as I intend to vote. I am, therefore, free to vote, and vote "nay."

Mr. BYRNES (when his name was called). I have a pair with the Senator from North Dakota [Mr. NYE] on the passage of this bill. I do not know whether the Senator would construe that pair as applying to the pending amendment, but I transfer the pair to the Senator from New York [Mr. COPELAND], and will vote. I vote "nay."

Mr. LA FOLLETTE (when his name was called). On this vote I have a pair with the junior Senator from Pennsylvania [Mr. GUFFEY]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "yea."

The roll call was concluded.

Mr. HAYDEN. My colleague the senior Senator from Arizona [Mr. ASHURST] is necessarily detained from the Senate. If present, he would vote "nay."

Mr. LOGAN (after having voted in the negative). I am advised that my general pair, the senior Senator from Pennsylvania [Mr. DAVIS], would, if present, vote as I have voted. Therefore I let my vote stand.

Mr. ROBINSON. The junior Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Nevada [Mr. MCCARRAN], and the junior Senator from Florida [Mr. TRAMMELL] are detained from the Senate on account of illness.

The senior Senator from Alabama [Mr. BLACK] and the Senator from Mississippi [Mr. HARRISON] are detained in the Committee on Finance.

The Senator from Mississippi [Mr. BILBO], the Senator from Washington [Mr. BONE], the Senator from New Hampshire [Mr. BROWN], the Senator from South Dakota [Mr. BULOW], the Senator from Massachusetts [Mr. COOLIDGE], the senior Senator from New York [Mr. COPELAND], the senior Senator from Florida [Mr. FLETCHER], the junior Senator from Oklahoma [Mr. GORE], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from West Virginia [Mr. HOLT], the Senator from Illinois [Mr. LEWIS], the junior Senator from Louisiana [Mrs. LONG], the Senator from Wyoming [Mr. O'MAHONEY], the senior Senator from West Virginia [Mr. NEELY], the senior Senator from Oklahoma [Mr. THOMAS], the Senator from Missouri [Mr. TRUMAN], the Senator from Maryland [Mr. TYDINGS], the Senator from Indiana [Mr. VAN NUYS], the Senator from Montana [Mr. WHEELER], the junior Senator from New York [Mr. WAGNER], and the senior Senator from Louisiana [Mr. OVERTON] are unavoidably detained.

Mr. HATCH. I wish to announce that my colleague [Mr. CHAVEZ] is detained on account of a death in his family.

Mr. AUSTIN. I announce the following general pairs:

The Senator from Iowa [Mr. DICKINSON] with the Senator from Mississippi [Mr. BILBO];

The Senator from Rhode Island [Mr. METCALF] with the Senator from Maryland [Mr. TYDINGS];

The Senator from Oregon [Mr. MCNARY] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Delaware [Mr. HASTINGS] with the Senator from Illinois [Mr. LEWIS]; and

The Senator from Oregon [Mr. STEIWER] with the Senator from New Hampshire [Mr. BROWN].

I am not advised as to how any of the Senators mentioned would vote on this question if present.

I also announce that the Senator from Vermont [Mr. GIBSON] is paired with the Senator from Washington [Mr. BONE]. I am advised that if the Senator from Vermont were present he would vote "nay."

The Senator from Oregon [Mr. MCNARY] is detained on official business.

The PRESIDING OFFICER (Mr. MCKELLAR in the chair) (after having voted in the negative). The present occupant of the chair has a pair with the Senator from Delaware [Mr. TOWNSEND]. He transfers that pair to the Senator from New York [Mr. WAGNER] and allows his vote to stand.

The result was announced—yeas 12, nays 40, as follows:

YEAS—12

Benson	Donahey	McGill	Pope
Capper	Frazier	Murphy	Shipstead
Clark	King	Murray	Thomas, Utah

NAYS—40

Adams	Caraway	Hayden	Pittman
Austin	Connally	Johnson	Radcliffe
Bachman	Couzens	Keyes	Reynolds
Bailey	Dieterich	Logan	Robinson
Barbour	Duffy	Lonergan	Russell
Barkley	George	McAdoo	Schwellenbach
Bulkley	Gerry	McKellar	Sheppard
Burke	Glass	Maloney	Smith
Byrd	Hale	Minton	Walsh
Byrnes	Hatch	Moore	White

NOT VOTING—44

Ashurst	Copeland	La Follette	Overton
Bankhead	Costigan	Lewis	Steiwer
Bilbo	Davis	Long	Thomas, Okla.
Black	Dickinson	McCarran	Townsend
Bone	Fletcher	McNary	Trammell
Borah	Gibson	Metcalf	Truman
Brown	Gore	Neely	Tydings
Bulow	Guffey	Norbeck	Vandenberg
Carey	Harrison	Norris	Van Nuys
Chavez	Hastings	Nye	Wagner
Coolidge	Holt	O'Mahoney	Wheeler

So Mr. FRAZIER's amendment was rejected.

The PRESIDING OFFICER. The bill is still before the Senate and open to amendment.

Mr. BENSON. Mr. President, very briefly, I wish to make a few observations regarding the pending bill.

Four years ago, at its national convention, the Democratic Party deplored the fact that this country was fast approaching a time when a billion dollars would be spent in preparation for war. Just a few weeks ago, with very few dissenting votes, we passed an Army appropriation bill providing for an expenditure of more than $600,000,000. We now have pending before us in another appropriation bill, supposedly for national defense, the staggering sum of $529,000,000.

I wonder if it is not about time that we make a survey, as was suggested in the platform of the Democratic Party 4 years ago at Chicago, into the purposes for which these extravagant sums are being spent? Is it not about time that we look into the purposes for which this money is being spent and try to find out just what we are getting for the millions and billions of dollars we are spending in Army and Navy equipment?

It has been stated here on the Senate floor today that battleships costing many million dollars become obsolete in less than 30 years; in fact, in less than 25 years; and yesterday it was stated that, because of modern inventions, practically our entire Navy is obsolete. The statement that present capital ships become obsolete after 20 or 25 years was made by those in charge of this bill which undertakes to appropriate $529,000,000 for the very purpose, among others, of building more such ships.

The amendment which was just offered by the Senator from North Dakota [Mr. FRAZIER], and rejected, it seems to me was not very adequately explained to the Members of the Senate by those opposed to the amendment and those in charge of the bill. As I see it, the clause it was attempted to strike from the bill by the amendment would have prevented Congress from committing itself to the expenditure of $104,000,000 or possibly $208,000,000 not provided for or contemplated in the bill at all, but merely on the order of the President of the United States to commence work on the capital ships.

Mr. President, I desire to introduce at this time a joint resolution bearing upon this question. It is suggested to me by a paragraph in the platform adopted at the Democratic National Convention 4 years ago in Chicago. I send the joint resolution to the desk and ask that it may be read and appropriately referred.

The PRESIDING OFFICER (Mr. CLARK in the chair). Without objection, the clerk will read as requested.

The joint resolution (S. J. Res. 263) to establish a policy of national defense was read the first time by its title, the second time at length, and referred to the Committee on Military Affairs, as follows:

Joint resolution to establish a policy of national defense

Whereas the Democratic Party, in party convention in Chicago, June 1932, submitted this platform:

"National defense: A navy and an army adequate for national defense based on a survey of all facts affecting the existing estab-

lishments, that the people in time of peace may not be burdened by an expenditure fast approaching $1,000,000,000 annually."

And

Whereas the appropriations for the Army and the Navy during the 1937 fiscal year total more than $1,000,000,000; and

Whereas there is no established policy for national defense, and therefore no guide as to what is needed by way of Military or Naval Establishments to assure such defense; and

Whereas the Government of the United States under the Pact of Paris renounced war as an instrument of national policy; and

Whereas the Government of the United States has declared its neutrality in the event of war between or among foreign nations; and

Whereas a fundamental principle of our democratic government as embodied in the Constitution is control of the military branches of the Government by the civilian authorities; and

Whereas the absence of a policy of national defense leads to inefficiency, uncoordinated activities of our Army and Navy, growing demands on the National Treasury to support an Army and Navy for unknown purposes, and results in misunderstanding both at home and abroad of the purposes of our Army and Navy: Therefore be it

Resolved, etc., That a special committee of civilians be appointed by the President of the United States and that the committee is hereby authorized and directed to make a survey of all the facts affecting the existing establishments of the Army and the Navy, to hold public hearings, and to recommend to the Congress of the United States a policy of national defense that shall be—

In harmony with our agreement to renounce war as an instrument of our national course in international affairs;

Designed only to defend the boundaries of the Nation against invasion;

Actually as well as theoretically in keeping with our neutrality laws;

Instrumental in insuring our peaceful relations with other nations of the world;

Conducive to the elimination from the defense establishments of all agencies designed, or primarily useful, for aggressive purposes; and

Determinative of a basic policy to guide expenditures for national defense so that the people in time of peace may not be burdened in the future by war appropriations fast exceeding $1,000,000,000 annually.

SEC. 2. No member of the committee shall have any financial or economic interest in the production, distribution, or sale of materials used by the Army, Navy, or air forces of the United States; nor shall he hold any interest directly or indirectly in the sale, exchange, or transportation of articles, goods, or commodities to foreign nations; nor shall he have any financial or economic interest directly or indirectly in any foreign country.

SEC. 3. The committee shall be authorized to expend a sum of up to $10,000 and to employ needed clerical help.

SEC. 4. A report shall be prepared not later than March 1, 1937, and presented to the President of the United States, the Speaker of the House of Representatives, and the Vice President of the United States.

Mr. BENSON. Mr. President, one of the things that has been criticized in the Senate very frequently during the past few weeks has been the attitude of the newspapers of the country, their editorial policy and the unfair manner in which they handle news in their news columns. Newspapers have attacked Members of the Senate officially and unofficially. I recall reading Wednesday of this week an editorial which appeared in the Chicago Daily News, which apparently endeavored to convey to its readers the idea that this country of ours is in grave danger of being attacked by some of our foreign neighbors.

It seems to me the fact that we have been appropriating large sums of money, hundreds of millions, yea, even billions of dollars for preparation for war, and that we continually read in the newspapers stories of the possibility of foreign countries, now at peace with us and friendly to us, attacking us sometime in the immediate future, is one of the reasons why it is very easy for the Congress to appropriate these huge sums of money. It seems to me it would be quite appropriate for the Congress to enact a law which would make it unlawful for newspapers or private citizens to disseminate false information with intent to incite our people to war or which would tend to lead our Government into war with other nations now at peace with us and friendly toward us. The violation of such a law should of course be made punishable in some appropriate manner.

Despite the fact that I know I shall be subject to criticism on the part of newspapers, I intend to introduce a bill to make it unlawful for a newspaper or an individual to disseminate false information which would tend to incite our people to unfriendly relations with other countries or which would tend to incite our Government to war with such nations, and to make a violation of such law punishable by fine and imprisonment. The criticisms which probably will be leveled at the Congress for considering such a measure would involve the right of free speech, but I contend that, while we are at peace with other nations, it is just as vicious for a person to talk in such manner or print articles in such manner as to cause other nations to be unfriendly toward us and which would tend to lead us into war as it is during time of war for a citizen to talk against our own country while we are engaged in war. It seems to me the same penalties should be inflicted in each case.

Such a law is not without precedent. We have in this country laws protecting financial institutions against the issuance of false and untrue information, against the printing of such false and untrue information in newspapers when intended to harm such institutions. We even have laws in many of the States to protect the newspapers against persons who give them false information. So it seems to me it is entirely proper that our Government should have a law to protect it against those selfish individuals who would like to publish or print false information which would tend to stir our people or arouse our people to hatred toward other countries now on friendly terms with us.

I realize that it is useless to talk against the extravagant appropriation bill which is now before the Senate, but since next Sunday will be Mother's Day, and since it is a fact that the ladies of America are practically the only organized force in this country against war and for peace, it seems to be entirely appropriate for me to close my remarks with the ironic prayer for war of that great American, Mark Twain. I send to the desk, and ask permission to have read, the quotation from Mark Twain to which I refer.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

MARK TWAIN'S IRONIC PRAYER FOR WAR

O Lord our God, help us to tear their soldiers to bloody shreds with our shells; help us to cover their smiling fields with the pale forms of their patriot dead; help us to drown the thunder of guns with the shrieks of the wounded, writhing in pain; help us to lay waste their humble homes with a hurricane of fire; help us to wring the hearts of their unoffending widows with unavailing grief; help us to turn them out roofless with their children to wander unfriended through wastes of their desolated land. For our sakes, who adore Thee, Lord, blast their hopes, blight their lives, protract their bitter pilgrimage, making heavy their steps, water their way with tears, stain the white snow with the blood of their wounded feet. We ask of One who is the spirit of love and who is the ever-faithful refuge and friend of all that are sore beset, and seek His aid with humble and contrite hearts. Grant our prayer, O Lord, and Thine shall be the praise and glory, now and forever. Amen.

Mr. SHIPSTEAD. Mr. President, before the vote is taken on this bill I wish to mention the gratitude I feel to the committee investigating the munitions industry. I think they deserve a word of commendation at this time, when we are about to pass this great naval appropriation bill.

The members of the Munitions Investigating Committee labored long and arduously; and yet they must feel that in the present condition of the world, and the present warlike attitude of this country and its leadership, their work has been in vain. I cannot believe that it has been entirely in vain; but they have a right to believe it has been in vain when we see the present condition of the world, when we recall that men in public life in this country advocated sanctions and embargoes long before any government which had signed the Covenant of the League of Nations had agreed to sanctions, and when we see propagandists throughout the country, as we saw them from 1914 to 1917, spilling the poison that the people of the United States must continue, as they did in the last war, to meddle in the affairs and the squabbles of all European countries under the guise of asserting our moral leadership to help the good as against the bad.

Evidently, the world has learned nothing from the tragedy of the last war. As a matter of fact, the only tragedy many

persons saw in that war was the fact that a few laboring men were able to buy some silk shirts!

Mr. WALSH. Mr. President, I ask unanimous consent to insert in the RECORD a brief statement from an address made by me as to just what is the condition of our Army numerically compared with the armies of other countries, and the exact status of our Navy compared with the navies of other countries.

As the Senate is ready to vote, I do not care to take the time to answer some of the views expressed here, which I think, in view of the facts, are somewhat exaggerated. The figures submitted will speak for themselves.

The PRESIDING OFFICER. Without objection, the statement will be printed in the RECORD.

The statement is as follows:

How can we consider the broad questions of national defense in their concrete application to our own Government and our own Army and Navy and air forces today without dealing with actual facts rather than with theories?

The facts are that adequate national defense means today (1) a strong Navy and (2) a peacetime Army in terms of both Regulars and Reserves, which shall constitute a real basis of defense, and (3) a largely augmented air force in keeping with the tremendously expanding air forces of other nations. We are forging no weapons of attack, but we are urging potent weapons of defense. We are adhering to the doctrine that the way to insure peace is to be prepared against war—that by being strong to resist we shall have immunity from attack. Without taking further time in discussion of the reasons and circumstances which shape our present policy of national defense, I desire to tell you precisely where our Army and Navy stand today in comparison with those of other nations and precisely what it is proposed to do with respect to their further strengthening.

First, let us consider the United States Army, which is composed of three elements—the Regular Army, the National Guard, and the Organized Reserves. The Regular Army consists at present of 12,000 officers and 140,000 enlisted men. These are our professional full-time soldiers. For reasons of economy the size of the standing Army has been kept at the lowest possible minimum. For a number of years up to last July there were only 118,000 enlisted men in the Army. The new Budget proposes an increase of 7,000, to 147,000, for the next fiscal year. The duties of the Regular Army include the defense of Hawaii, the Philippines, the Panama Canal, Puerto Rico, and Alaska. Nearly one-third of the Army is absent from the homeland on this duty. The Regular Army also must provide garrisons for our coast and harbor defenses, furnish a nucleus for rapid expansion in time of emergency, take charge of training our National Guard and Organized Reserves, and provide a force sufficiently strong to hold or repel an invader in the initial phases of war.

Our standing Army is one of the smallest of any country. It ranks about on a par with that of Turkey, and is smaller than the armies of such countries as Yugoslavia, Czechoslovakia, and Spain. Russia, for example, has a standing army of about a million and a quarter. Our National Guard is a civilian force organized under the States, and subject to call into the service of the Nation in time of emergency. The National Guard at present has an aggregate strength of approximately 200,000, which is less than half that authorized by the National Defense Act. In addition to the National Guard there are 85,000 civilians composing the Officers' Reserve Corps, who hold Reserve commissions in the Army and may be called to active duty in time of need.

Now, turning to the Navy, we find that it was not until 1933, 11 years after the Washington Naval Disarmament Conference, that we initiated any substantial naval building program. During these 11 years, while we were striving for disarmament by treaty, our own Navy stood still while all the other nations were strengthening and increasing their navies. During the period between 1922 and 1933 the British Navy laid down 394,000 tons of new naval craft and Japan laid 360,000 tons for her Navy, while the United States' total was 173,000 tons. As a consequence of this slowing down of our own naval building program in 1933 we had 351,000 tons of ships yet to be built under the London Naval Treaty of 1930. Our Navy, instead of being the equal of any navy in the world, was distinctly inferior.

But even our substantially inferior naval tonnage, compared with other naval powers, fails to reflect the inadequacy of our Navy. An actual comparison has to take into account a nation's merchant marine, which is available in case of war as a naval auxiliary. Much has been said about the development of an American merchant marine. I myself have been an earnest advocate of the development of a large merchant marine under the American flag, not simply for considerations of national defense, but as an agency for the promotion of American foreign trade. The fact is that we have no merchant marine worthy of the name, whereas Great Britain and other maritime nations have a large merchant marine, which is an additionally important element of their naval strength.

Our organized military forces comprise only one-third of 1 percent of our total population, and Italy has close to 15 percent of her population in arms, and even Sweden, a peace-loving nation, has organized military forces of 15 percent of her entire population.

The British Empire has 390,000 soldiers in active service and 632,000 in trained reserves and 46,000 in its separate air force. Germany has 426,000 soldiers in active service and trained reserves reported as 1,850,000. France has 600,000 men in her Regular Army and 5,500,000 in trained reserves and 34,000 in her separate air force. Italy has approximately 1,200,000 soldiers in active service and more than 5,000,000 in trained reserves and more than 200,000 in its separate air force. Japan has a standing army of 280,000 and active reserves of nearly 2,000,000. Spain reports a standing army of more than 200,000 and more than 2,000,000 in reserves. Poland, a standing army of more than 260,000 and nearly 1,500,000 in reserves.

Turning now to the Navy, President Coolidge, following the failure of the Geneva Disarmament Conference in 1926, took steps to correct appalling difficiencies in our own naval defense. Under President Hoover there was a suspension, but President Roosevelt has pushed forward new naval construction with the result that during 1933, 100,000 tons of ships were provided for. In 1934 there was laid down a total of 66,660 tons. There remains to be built a total of 51 vessels, comprising 36 destroyers and 15 submarines. But even at the present increased rate in naval building, it will not be until 1942, 6 years from now and 6 years after the expiration of and consequent abandonment of the existing naval disarmament treaties that the United States will have a Navy of treaty strength. In addition to the treaty strength, there is still a general class of ships required to round out the fleet and to make it a balanced whole, namely, tankers, repair ships, submarine tenders, hospital ships, and marine transports, which our own merchant marine is inadequate to supply.

Here are some interesting naval figures. As of today the United States has 16 large cruisers, Great Britain 19, and Japan 14. We have 10 small cruisers, Great Britain 36, and Japan 22. Italy has 11 battle cruisers and 17 smaller cruisers. Great Britain has six aircraft carriers with a 22,000-ton vessel now in process of construction, we have four, Japan has four.

Comparative total naval tonnage by no means accurately measures comparative naval strength. The speed of ships, their armament, and their obsolescence are all matters that have to be taken into account, and as matters now stand we still have some distance to go before we can truly say our own naval strength is second to none.

Mr. FRAZIER. Mr. President, I have been informed that a committee representing the organization known as the People's Mandate to Governments called on the Senator in charge of the naval bill this morning to appeal for the immediate stopping of all increase of armaments and of armed forces. Of course, that applies to this bill. The heading of the petition is:

PEOPLE'S MANDATE TO GOVERNMENTS

We, the people, are determined to end war. War settles no problems. War brings economic disaster, needless suffering, and death to us and our children.

To meet the present threat of complete world chaos we demand that our Government, having renounced war in the Kellogg-Briand Pact, stop immediately all increase of armaments and of armed forces.

The ladies of the committee representing this organization claim to have a million signers to this petition.

Mr. BYRNES. Mr. President, yesterday I offered an amendment, which was adopted, at page 36, line 6. I move to reconsider the vote by which that amendment was adopted, and offer as a substitute for it the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from South Carolina moves to reconsider the vote by which the amendment, on page 36, line 6, was adopted.

The motion to reconsider was agreed to.

The PRESIDING OFFICER. The Senator from South Carolina offers an amendment, which will be stated.

The LEGISLATIVE CLERK. In lieu of the amendment heretofore agreed to it is proposed to insert:

The present incumbent, as attending physician at the Capitol, shall hereafter, while so serving, receive the pay and allowances of a rear admiral of the lower half and when retired his retired pay shall be computed on that basis.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

FEDERAL AID FOR ROAD CONSTRUCTION

Mr. HAYDEN. Mr. President, I move that the Senate proceed to the consideration of House bill 11687, to amend the Federal Aid Highway Act, and so forth.

The PRESIDING OFFICER. The question is on the motion of the Senator from Arizona.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 11687) to amend the Federal Aid Highway Act, approved July 11, 1916, as amended and supplemented, and for other purposes, which had been reported from the Committee on Post Offices and Post Roads with amendments.

Mr. HAYDEN. I ask unanimous consent that the formal reading of the bill be dispensed with, and that it be read for amendment, the committee amendments to be first considered.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the first committee amendment.

The first amendment of the Committee on Post Offices and Post Roads was, at the end of section 1, page 3, after line 11, to insert a new paragraph, as follows:

(d) If within the fiscal years 1936 or 1937 the Secretary of Agriculture shall find with respect to any State that the proceeds of all special taxes on motor-vehicle transportation, as referred to in section 12 of the act of June 18, 1934 (48 Stat. 993), are applied to highway purposes as defined in said section, and shall further find that after having so applied such proceeds to such highway purposes other than construction there will be insufficient balance remaining for construction with which to match all, or any part, of the regular Federal-aid road funds apportioned to such State for either or both said years, respectively, in accordance with the provisions of the Federal Highway Act of 1921, as amended and supplemented, all, or such portion, of such apportionment as the State is unable to match shall be available for expenditure in such State in accordance with said Federal Highway Act without being matched by the State with State funds.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I believe it would be proper to make a brief explanation of the terms of the bill.

I have taken the trouble to prepare a rather elaborate report which explains in detail each section and provision of the bill and the purpose of all the amendments. At the conclusion of the report the situation is summarized as follows:

The total annual expenditures from the Federal Treasury as authorized by the bill are $244,000,000 for each of the fiscal years 1938 and 1939, made up as follows:

Regular Federal aid, $125,000,000.

Which is the amount carried for the current fiscal year.

Forest highways, roads, and trails, $20,000,000.

Which is twice the amount carried for the current fiscal year; but the evidence submitted to the Committee on Post Offices and Post Roads clearly demonstrates the necessity for the increase. Even with appropriations at this higher rate, it will take more than 15 years to construct the planned system of forest highways and approximately 30 years to complete the road and trail work to be done within the national forests.

The next item is:

Nontaxable public-land highways, $2,500,000.

Which is the amount carried in the current law.

National park roads and trails, $7,500,000.

That is the amount authorized for the present fiscal year.

There follows a new provision for national parkways, and the amount is $10,000,000 a year. To date two great parkways have been established—one to connect the Shenandoah National Park with the Great Smoky Mountains National Park, extending through Virginia and North Carolina; another is known as the Natchez Trace in Tennessee and Mississippi. This is a new but a highly desirable activity of the National Park Service.

Indian reservation roads, $4,000,000.

Which is the sum at present authorized.

Secondary or feeder roads, $25,000,000.

This is a new departure, but entirely justified if a serious and sustained effort is made to get the farmer out of the mud. In the years to come work on the secondary or farm-to-market roads will undoubtedly be expanded as the trunk-line highways are completed. There is a necessity for change in the statutes of the various States to permit a number of the State highway departments to supervise the construction of that type of roads. This bill authorizes a modest appropriation, with the idea that the need for changing State laws may be brought to the attention of the State legislatures when they convene next year.

The next item is for the elimination of grade crossings—$50,000,000. Unlike the appropriation for primary or secondary roads, this sum need not be matched by the States, and properly so, because the States are put to a great burden of expense in acquiring property rights and paying property damages in the centers of population where underpasses or overpasses are built. In addition to that, the railroads provide valuable engineering assistance and rights-of-way.

The total sum is $244,000,000, authorized by the bill to be appropriated for each of the fiscal years 1938 and 1939.

It is interesting to note that since the Federal Government undertook to aid the States in the construction of highways, 20 years ago, under the Federal Aid Highway Act of 1916 there has been expended from the Federal Treasury over $1,987,000,000. Within that same period there has been collected by Federal taxation from those who use the roads a sum total of $2,033,000,000. In other words, in the past two decades those who use the roads have paid Federal taxes amounting to more than the total Federal expenditures for highway purposes.

At the close of the report is shown an even more remarkable set of figures for the past three years and a half. For the fiscal years 1933, 1934, and 1935, and for the present fiscal year up to March 31, 1936, there have been expended the largest sums of money ever appropriated by Congress toward highway construction, a total of $829,000,000. Yet, during the same period there has been collected from those who used the highways a total of $958,000,000. In other words, there has been collected $128,000,000 more than has been disbursed, even at this highly accelerated rate of expenditure.

It may therefore be properly asserted that if a principle is to be followed which we all believe to be sound, that moneys collected from the users of the highways should be expended upon the highways, there has been diversion of Federal funds to the extent of $128,000,000 from 1933 to date.

There is great complaint throughout the United States respecting the diversion of highway funds, which has taken place at an increasing rate, not upon the part of the Federal Government but by the States. A rule was established when the gasoline tax was first imposed by the States, that practically all of the collections from that tax, the tax on oil and on motor vehicles of all kinds, should be expended on building or maintaining highways. In 1925 only $14,000,000 was diverted for other than highway purposes in all of the States. Within the next 10 years the policy of diversion was so advanced that by 1934 over $125,000,000 was diverted to other than road uses. In other words, the diversion increased tenfold in 10 years. On the authority of the National Highway Users Conference, I make the statement that there was enough money diverted from the gasoline tax and like sources to other uses in the States in the year 1934 to build a high type of highway from New York to San Francisco, another from Chicago to New Orleans, and a third from New York to Jacksonville, Fla. Three great highways of that type could have been constructed with the money that was taken away from the users of the roads and diverted to other than highway purposes by the States.

It is a sound proposition that if the Federal Government is to tax the users of highways, Congress should direct that what is collected from that source shall be used on the highways. If the revenue so obtained is not spent upon the highways, it should not be diverted to other uses, but the Federal taxes upon gasoline and motor vehicles of every kind should be correspondingly reduced.

The report shows the sources of the revenue collected from those who used the roads during the calendar year 1935. They are as follows:

Lubricating oils, $28,000,000; gasoline, $172,000,000; transportation of oil by pipe line, $9,000,000; crude petroleum, $1,600,000; automobile trucks, $6,600,000.

The tax on automobiles and motorcycles produced $42,000,000; the tax on parts and accessories produced $7,000,000; on tires, $22,000,000; on inner tubes, $5,000,000.

The total collection for the calendar year 1935 amounted to $296,000,000.

The bill authorizes expenditures for the fiscal years 1938 and 1939 amounting to $244,000,000. While it is true that all of the money collected in the form of the gasoline tax and other taxes on motor transportation does not come from the users of the roads, because a certain amount of gasoline and oil are used in stationary engines and elsewhere, yet there is a margin of between 50 and 60 million dollars a year between what may be clearly anticipated as the total revenue, and the total expenditures authorized by the bill. I say that advisedly, because the records show there are being purchased each year about 3,000,000 new automobiles and trucks. Some of them, of course, are to replace machines now being worn out, but each year there is an increase in the number of motor vehicles on the roads.

There are at present about 26,000,000 automobiles and trucks in use in the United States, and with a continuous increase in the number of motor vehicles on the roads, we have every right to expect that at the present rates of Federal taxation over $300,000,000 a year will be placed in the Treasury. The bill authorizes expenditures to the extent of $244,000,000.

Therefore, it can be truly said that the bill represents a fair return to the motorist, to the user of the road, for the money he pays in taxation to the Federal Government.

The PRESIDING OFFICER [Mr. POPE in the chair]. The clerk will state the next amendment of the committee.

The next amendment of the committee was, in section 2, on page 4, line 10, to strike out "$10,000,000 and to insert in lieu thereof "$20,000,000"; on line 11, to strike out "$10,000,000" and to insert in lieu thereof "$20,000,000"; and on line 12, after the numerals "1939", to insert the following proviso: "*Provided*, That one-third, but not less than $3,000,000, of the appropriation made for any fiscal year for carrying out the provisions of said section 23 may hereafter be expended for the purposes enumerated in the first paragraph of clause (a) of said section 23: *And provided further*, That on or before January 1 of each year the Secretary of Agriculture shall apportion and prorate among the several States, Alaska, and Puerto Rico, as provided in said section 23, the sum authorized for the fiscal year immediately following and the Secretary of Agriculture is authorized to approve projects under any such apportionment, and to incur obligations or enter into contracts under his apportionment and prorating of the authorization, and his action in so doing shall be deemed a contractual obligation on the part of the Federal Government for the payment of the cost thereof", so as to make the section read:

SEC. 2. For the purpose of carrying out the provisions of section 23 of the Federal Highway Act of 1921 there is hereby authorized to be appropriated for forest highways, roads, and trails the following sums, to be available until expended in accordance with the provisions of said section 23: The sum of $20,000,000 for the fiscal year ending June 30, 1938; the sum of $20,000,000 for the fiscal year ending June 30, 1939: *Provided*, That one-third, but not less than $3,000,000, of the appropriation made for any fiscal year for carrying out the provisions of said section 23 may hereafter be expended for the purposes enumerated in the first paragraph of clause (a) of said section 23: *And provided further*, That on or before January 1 of each year the Secretary of Agriculture shall apportion and prorate among the several States, Alaska, and Puerto Rico, as provided in said section 23, the sum authorized for the fiscal year immediately following and the Secretary of Agriculture is authorized to approve projects under any such apportionment, and to incur obligations or enter into contracts under his apportionment and prorating of the authorization, and his action in so doing shall be deemed a contractual obligation on the part of the Federal Government for the payment of the cost thereof.

The amendment was agreed to.

The next amendment of the committee was, on page 6, line 1, to insert a new section, as follows:

SEC. 5. For the construction and maintenance of parkways, to give access to national parks, or to become connecting sections of a national parkway plan, over lands to which title has been transferred to the United States by the States or by private individuals, there is hereby authorized to be appropriated the sum of $10,000,000 for the fiscal year ending June 30, 1938, and the sum of $10,000,000 for the fiscal year ending June 30, 1939: *Provided*, That the location of such parkways upon public lands, national forests, or other Federal reservations shall be determined by agreement between the department having jurisdiction over such lands and the National Park Service.

Mr. HAYDEN. Mr. President, I wish to offer an amendment to the committee amendment, on line 2, after the word "parks", to insert the words "and national monuments", so as to read:

For the construction and maintenance of parkways, to give access to national parks and national monuments—

And so forth. I offer the amendment so that the bill may conform to the report.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment of the committee was, on page 6, after line 12, to insert a new section, as follows:

SEC. 6. For construction and improvement of Indian reservation roads under the provisions of the act approved May 26, 1928 (45 Stat. 750), there is hereby authorized to be appropriated the sum of $4,000,000 for the fiscal year ending June 30, 1938, and the sum of $4,000,000 for the fiscal year ending June 30, 1939.

Mr. HAYDEN. Mr. President, at the end of section 6, page 6, I desire to offer an amendment to the committee amendment.

The PRESIDING OFFICER. The clerk will state the proposed amendment to the committee amendment.

The LEGISLATIVE CLERK. On page 6, line 18, after the figures "1939", it is proposed to add the following proviso:

: *Provided*, That hereafter the location, type, and design of all roads constructed under the provisions of said act of May 26, 1928, shall be approved by the Bureau of Public Roads before any expenditures are made thereon, and all such construction done by contract shall be under the general supervision of said Bureau.

Mr. HAYDEN. Mr. President, the text of the amendment I am offering is a reproduction of a proviso contained in the Interior Department appropriation bill for the fiscal year 1935, where the appropriation for Indian reservation roads was made. The idea is that there should be the same supervision afforded and the same advice given to the Bureau of Indian Affairs in the construction of roads on Indian reservations as the Bureau of Public Roads extends to States in making their expenditures.

Mr. ROBINSON. The amendment, then, applies to the construction of highways on Indian reservations?

Mr. HAYDEN. Yes; and only to that.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment of the committee was, in section 7, on page 7, line 3, after the word "routes", to strike out the words "*Provided further*, That there shall be established in the Bureau of Public Roads a section of rural roads, subject to the direction of the Chief of the Bureau of Public Roads", so as to make the section read:

SEC. 7. In addition to any other authorizations which have been made, there is hereby authorized to be appropriated to the several States to be apportioned and expended under the provisions of the Federal Highway Act of 1921, as amended and supplemented: The sum of $25,000,000 for the fiscal year ending June 30, 1938; the sum of $25,000,000 for the fiscal year ending June 30, 1939: *Provided*, That the sums herein authorized shall be applied to secondary or feeder roads, including farm-to-market roads, rural free delivery mail roads, and public-school bus routes.

The amendment was agreed to.

The next amendment of the committee was, in section 8, on page 8, line 3, after the numerals "1939", to insert the following proviso: "*Provided*, That no part of the appropriations hereafter made for the purpose of carrying out the provisions of the Federal Highway Act, or any acts amenda-

tory thereof or supplementary thereto, shall be approved for expenditure on any highway unless proper safety protective devices shall be installed or be in operation at any highway and railroad grade crossing or drawbridge on that portion of the highway with respect to which such expenditures are to be made and said devices shall comply with the safety standards determined by the United States Bureau of Public Roads at that time as being adequate", so as to make the section read:

SEC. 8. For the elimination of hazards to life at railroad grade crossings, including the separation or protection of grades at crossings, the reconstruction of existing railroad grade-crossing structures, and the relocation of highways to eliminate grade crossings, there is hereby authorized to be appropriated, to be apportioned on or before the 1st day of January of each year preceding the fiscal year for which it is authorized among the several States (including the Territory of Hawaii and the District of Columbia) in accordance with the provisions of the Federal Highway Act of 1921, as amended and supplemented, except that such apportionment shall be one-half on population as shown by the latest decennial census, one-fourth on the mileage of the Federal-aid highway system as determined by the Secretary of Agriculture, and one-fourth on the railroad mileage as determined by the Interstate Commerce Commission, and to be expended in accordance with said Federal Highway Act, as amended and supplemented, except that no part of such funds apportioned to any State need be matched by the State: The sum of $50,000,000 for the fiscal year ending June 30, 1938; the sum of $50,000,000 for the fiscal year ending June 30, 1939: *Provided*, That no part of the appropriations hereafter made for the purpose of carrying out the provisions of the Federal Highway Act, or any acts amendatory thereof or supplementary thereto, shall be approved for expenditure on any highway unless proper safety protective devices shall be installed or be in operation at any highway and railroad grade crossing or drawbridge on that portion of the highway with respect to which such expenditures are to be made and said devices shall comply with the safety standards determined by the United States Bureau of Public Roads at that time as being adequate.

The amendment was agreed to.

The next amendment of the committee was, in section 9, on page 8, line 17, to strike out "1, 5, and 6" and to insert in lieu thereof "1, 7, and 8", so as to make the section read:

SEC. 9. With the approval of the Secretary of Agriculture, not to exceed 1½ percent of the amount apportioned for any year to any State under sections 1, 7, and 8 of this act may be used for surveys, plans, engineering, and economic investigations of projects for future construction in such State, either on the Federal-aid highway system and extensions thereof or on secondary or feeder roads.

The amendment was agreed to.

Mr. HAYDEN. I ask that the section numbers may be changed to conform to the amendments made.

The PRESIDING OFFICER. Without objection, the clerk will make the necessary changes.

Mr. HAYDEN. Mr. President, that concludes the committee amendments.

Mr. CAPPER. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 8, after line 14, it is proposed to add a new section, as follows:

SEC. 10. Every contract for the construction or repair of any highway growing out of an appropriation of Federal funds made under this act, heretofore made or hereafter to be made, shall contain a provision that in the performance of the work the contractor, subcontractors, materialmen, or suppliers shall use only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States. The fact that articles, materials, or supplies have been produced or manufactured in this country from articles, materials, or supplies which have been imported into this country shall not make them eligible for use in the performance of any such contract. This section shall not apply to articles, materials, or supplies which are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality: *Provided, however*, That before the use of any such imported articles, materials, or supplies is authorized under any contract the head of the department or the independent establishment making a contract for such imported supplies shall give public notice that such an exemption is being contemplated, and after due opportunity has been given for domestic suppliers of such articles, materials, or supplies to be heard, a public record shall be made of the findings which justify such exemption.

Mr. CAPPER. Mr. President, the pending Federal-aid highway bill, being House bill 11687, providing for appropriations aggregating $236,500,000 for each of the years 1938 and 1939, will provide important markets for asphalt. Most of the asphalt used in highway construction is made from petroleum. The United States produces about 60 percent of the total world production of petroleum. In spite of this, the United States is importing about 50 percent of the asphalt or asphalt-bearing oils used in this country from other nations whose total production is slightly over 10 percent of the world production. These imports are brought into this country by a small number of importing concerns.

From the various types of crude oil produced in this country, asphalts of almost every quality are manufactured. Road asphalt made from domestic petroleum is available in large quantities. Evidence submitted to the Fact Finding Committee of the Planning and Coordination Committee under the Petroleum Code meeting with the representatives of the Administrative Board has shown that road asphalt produced from this domestic oil is of the highest quality. Such difference in prices as might exist between the domestic and foreign products is very small; and since the cost of the asphalt in any mile of highway is not one of the major items, this slightly increased cost would not greatly increase the total cost of the road built from this asphalt.

The cost of the domestic product is not entirely due to the production nor the manufacturing cost, but is also due to royalties and lease payments made to farmers and landowners and distributed to large numbers of persons in this country. Another portion of the slightly higher cost of the domestic product is due to the American wage scale, which does not prevail in Mexico nor in Venezuela, from which come nearly the entire importation of foreign asphalt or foreign asphaltic oils.

The intent of Congress in the adoption of many emergency construction or relief measures has been clearly expressed. The purpose has been announced to give the largest amount of employment to American labor and to give the largest amount of opportunity to American industry, in order that the purchasing power of the American people might be increased. If an industry like the domestic asphalt industry is to be penalized through loss of potential Government contracts to the slightly cheaper foreign asphalt because of its higher labor costs, then seemingly the only remedy would be to reduce wages and increase hours of labor. Such a suggestion reduces to an absurdity the argument that the lower-priced product should be used even if it is of foreign origin. If this theory were generally adopted, much of the labor which has been put to work during the past 3 years would still be unemployed, since great quantities of the various materials used in the various kinds of construction work undertaken by the Federal Government or with its aid could have been obtained in foreign countries at lower cost than the domestic product.

A large number of petroleum refineries have closed their plants and gone out of business during the past few years. Many of these would still be in operation if imported asphalt, or asphalt made from imported petroleum, had not taken the place of domestic asphalt which could have been produced at these refineries. On the other hand, those refineries which are today producing asphalt in this country from foreign petroleum would still use the same employees if domestic crude oil instead of foreign crude oil were used. The same operations would be required and the same amount of labor would be necessary. All the difference would be that American companies and American workers would produce the crude petroleum from which the asphalt is made. Of course there would be one other difference. Those importers who are today bringing in the cheaper foreign petroleum would not make such large profits if they were forced to use the domestic petroleum.

Since the asphalt of the domestic petroleum industry has suffered because of foreign asphalt, or asphalt produced from foreign oils, being granted exemption from the provisions of acts requiring the use of domestic materials or the products of domestic manufacture, the Independent Petroleum Association of America, which includes nearly all the small producers of the Middle West and Western States, urges this amendment to the Federal Highway Act now before the Senate. This amendment is intended to make effective an intent which Congress has several times expressed in the past, that domestic industry and domestic labor shall be aided and encouraged in the expenditures of these large Federal appropriations whose primary intent, it is generally understood, is to increase employment and to enlarge the purchasing power of the American people.

The suggested amendment follows the general language of the so-called Domestic Origins Act, except that the following sentence has been added:

The fact that articles, materials, or supplies have been produced or manufactured in this country from articles, materials, or supplies which have been imported into this country shall not make them eligible for use in the performance of any such contract.

The language used in the Domestic Origins Act has also been altered so that when exemptions are made, the head of the department or independent establishment making such exemption can do so only in the case of articles, materials, and supplies which are not mined, produced, or manufactured in the United States in sufficient or reasonably available commercial quantities and of a sufficient quality. This amendment also provides that when such an exemption is being contemplated public notice shall be given and domestic suppliers shall be given due opportunity to be heard, and a public record made of the findings deemed to justify such exemption.

The domestic asphalt industry has suffered severely because of various exemptions made to most of the regulations requiring the use of domestic material in construction work under emergency Federal appropriations.

Russell Brown, representing the Independent Petroleum Association, recently made a statement to the House Committee on Roads in which he said:

No convincing information has to date been given defining the question as to how it was not practicable to require the use of asphalt produced from domestic crude; neither have any figures been offered. to the best of our information, showing how or where the use of domestic asphalt would unreasonably increase the cost of highway construction. This exemption in favor of the foreign asphalt and discriminating in effect against the domestic product has continued in force to this time. The Domestic Origins Act, so-called, is actually title III of the Treasury and Post Office Departments appropriation bill, approved March 3, 1933. This title specifically requires the use of "only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies, as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States."

In spite of this clear provision of the law, the Procurement Division of the Treasury Department in its Procurement Bulletin SPO–20, issued September 4, 1935, cited a certificate signed by the Secretary of the Treasury under date of August 27, as follows:

"* * * authority is hereby given to purchase, when required, asphalt made from foreign crude oil, the processing of which is done in the United States of American companies employing American citizens and using American capital."

Under this ruling of the Treasury Department, bids have been awarded to contractors using foreign asphalt where the difference in price between the foreign and domestic product was very slight. It has been stated a number of times without any contradiction that in at least one instance, this difference of cost, presumably an "unreasonable difference", was one-hundredth of a cent.

Mr. President, the United States has an abundance of petroleum capable of making any and all petroleum products necessary to domestic consumption; and the injection of foreign petroleum into our market must of necessity reduce the amount of oil that can be consumed domestically in proportion to the amount that is imported. The domestic petroleum industry carries a very heavy burden of both State and Federal taxes, from which the foreign industry is free, and is thus contributing materially to the welfare of our Government. It is not fair that the laborer employed in this industry should be forced to remain idle while foreign labor is employed to produce petroleum products to enter into competition with our domestic oils.

For these reasons, I respectfully present the amendment to the Senate for its consideration, and urge that it be incorporated in the Federal-aid highway bill for the promotion of domestic industry and the employment of American labor.

Mr. McKELLAR. Mr. President, the Committee on Post Offices and Post Roads, after careful consideration of the amendment offered by the Senator from Kansas, decided not to report it favorably. The amendment has been before the Senate for some time in the shape of a bill presented by the Senator from Kansas.

A few days ago I received a letter from the Department of State. It is dated May 7, 1936, is signed by the Secretary of State, and is as follows:

MAY 7, 1936.

The Honorable KENNETH MCKELLAR,
Chairman, Committee on Post Offices and Post Roads,
United States Senate.

MY DEAR SENATOR MCKELLAR: I wish to transmit herewith a copy of a memorandum dated May 5, 1936, which has been presented to the Department of State by the Mexican Embassy, with reference to an amendment introduced by Senator CAPPER on the calendar day April 29, 1936, to the bill H. R. 11687.

This amendment would require a provision in every contract for construction or repair of any highway growing out of an appropriation of Federal funds made under the Federal Aid Highway Act that there shall be used only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States. It is my understanding that this amendment would mainly affect the use of asphalt produced from imported crude petroleum.

I assume that the Committee on Post Offices and Post Roads, to which this amendment has been referred, will wish to give full consideration to its possible effects upon our trade relations, particularly with Mexico, Venezuela, Colombia, and Peru, as well as to aspects of domestic policy which may be involved.

Sincerely yours,

CORDELL HULL.

Attached to the letter which I have just read, which was addressed to me, is the memorandum to which the Secretary referred, which is as follows:

MEMORANDUM

The Mexican Embassy presents its compliments to the Department of State, and takes the liberty of calling the attention of the Department to the following situation:

The Federal Aid Highways Act, now being considered by the Senate, provides large appropriations for the construction of highways in 1937 and 1938.

At present and for many years past the highways of the United States have been constructed of asphalt made from the crude oil imported from Mexico. In fact, all imports of crude oil from Mexico are converted into paving asphalt.

The western producers of domestic crude oil have tried to prohibit the use of this superior grade of asphalt in public works without success. Their last attempt is incorporated in the amendment presented by Senator CAPPER (copy attached), which in lines 3 to 7, of page 2, provides that no materials manufactured from imported products shall be used in roads.

The result of the enactment of this amendment would be that asphalt manufactured from Mexican crude oil could not be used in public works in the United States. Importations of Mexican crude oil would naturally be diminished or probably terminated.

Furthermore, the amendment would constitute a barrier against commerce of exactly the nature which Secretary Hull deplores.

The Mexican Embassy thanks the Department of State for the attention it might give to this matter.

WASHINGTON, D. C., *May 5, 1936.*

Mr. President, I think it should be said that about half of the crude oil used for roads comes from abroad and about half from this country. Some petroleum fields, I am informed, produce a crude product that is fit for making asphalt used in the construction of roads, while that is not true of the product of other fields. I am informed that the product of the Kansas oil field does not furnish much asphalt for use in road construction. There are differences in oils throughout the country. At any rate, under these circumstances, your committee thought that it was proper not to adopt this amendment, and I hope it will not be adopted by the Senate.

Mr. VANDENBERG. Mr. President, I am not opposed to this amendment for any of the reasons indicated by the Senator from Tennessee [Mr. McKELLAR], for I heartily concur in the basic thesis of the Senator from Kansas [Mr. CAPPER] respecting complete and absolute preference for American production wherever possible; but there seems to be another question involved in this particular amendment, and, after all, this is a road bill, as I understand, and not a tariff bill.

The State Highway Commissioner of Michigan, Mr. Murray Van Wagoner, telegraphs the senior Senator from Michigan [Mr. COUZENS] and myself as follows—and I call the attention of the Senator from Kansas to this statement:

> Defeat of this amendment is essential for the continued use of high-quality asphalt products in the State of Michigan.

Apparently it appears to be the opinion of the State highway commissioner—and he also asserts in the telegram that this is the experience both of his administration and the preceding State highway administration in Michigan—that he cannot build the kind of roads he wants to build unless he can have what he calls high-quality asphalt which apparently the terms of this amendment would proscribe. What has the Senator from Kansas to say about that?

Mr. CAPPER. I know that large quantities of domestic asphalt are being used, and I have heard no complaint as to the quality of the asphalt. The domestic producers insist they can supply a material that will meet every requirement.

Mr. VANDENBERG. So far as the oil factor of the equation in Michigan is concerned, I think I should probably add from the State highway commissioner's telegram the following:

> This does not affect Michigan oil industry, as asphalt made from Michigan crudes is not suitable for paving purposes.

This is apparently another of those situations such as the one to which the Senator from Tennessee is referring.

Now, I should like to ask the Senator from Arizona, who is the best authority I know of not only on the subject of getting appropriations [laughter], but also on the subject of building roads, whether there is any dependable information conclusively available on the question raised by the State highway commissioner of Michigan?

Mr. HAYDEN. Mr. President, the best information that I have is based upon data furnished by the chief of the Bureau of Public Roads, and a report from the Secretary of Agriculture, both adverse to this proposal.

This same question was before the Bureau of Public Roads on another occasion, and was decided adversely to those who favor this amendment. The findings of the Bureau were:

> That a requirement that all asphaltic material for highway work be produced from domestic crude will unreasonably increase the cost of such materials in a considerable portion of the United States.
>
> * * * * * * *
>
> That with the exception of the importation of some foreign crude by certain east-coast refineries, asphaltic highway materials are largely byproducts of the oil refining industry.

In other words, the materials are byproducts of American industry.

> That asphaltic materials constitute only a minor fraction of the output of the oil industry considered as a whole.
>
> That approximately 60 percent of the asphalt manufactured at refineries in the United States in 1932 was used for road and street work.
>
> That approximately 55 percent of the asphalt manufactured in the United States in 1932 was from foreign crude.
>
> Refineries on the Atlantic seaboard accounted for between 85 and 90 percent of the asphalt produced from foreign crude. This asphalt was used principally in supplying the territory adjacent to the eastern seaport, and it is this territory which would be most adversely affected by a requirement to use only asphaltic highway materials produced from domestic crude.

In support of the statement made by the chairman of the Committee on Post Offices and Post Roads that midcontinent crudes do not provide a material satisfactory for road-making purposes, I should like to read a paragraph from a letter from Warren Bros. Roads Co., the largest independent organization engaged in street paving in the United States, which states:

> This company, the most extensive user of petroleum asphalt for paving, has for 30 years conducted research into the quality and uses of asphalt. The results of our laboratory research make it necessary that we require on our guaranteed pavements the asphalt produced from full asphaltic base oils and cannot accept paraffin or semiasphaltic base oils for construction. California, Mexico, Colombia, and Venezuela produce decidedly superior crudes as compared with the now so-called midcontinent fields, and it is essential that sufficient high-grade crudes be made available at the refineries to localize production of these best grades and to head off high price advances and long transportation costs.

The same statement is repeated by the Granite Bituminous Paving Co. of St. Louis, Mo., from whose letter I quote, as follows:

> We have found that there are some domestic asphalts that are of high quality, such as asphalt refined from California crudes, but we also know that there are midcontinent crudes which do not produce a high-grade asphalt material.

The Corps of Engineers also finds that in the use of asphalt in connection with river and harbor work midcontinent crudes cannot be depended upon to supply a binder that is as satisfactory as the California or Mexican or Venezuelan crudes. General Markham says:

> While there appears to be some difference of opinion as to the relative merits of asphalt produced from domestic and foreign crudes in highway construction work, there is a consensus of opinion that asphalts manufactured from Mexican and South American crudes possess superior qualities particularly desirable to the exacting requirements of river revetment work.

There is no question that if a specification requires the use of the best kind of a binder for highway work, as should be the case if we want to build the best kind of roads, probably the only place in the United States where suitable asphaltic material can be obtained is California. The Pennsylvania and midcontinent fields cannot supply the kind of asphaltic highway materials desired.

Mr. VANDENBERG. Then, as I understand the Senator, he thinks the protest of the State highway commissioner of Michigan is probably justified?

Mr. HAYDEN. The protest read by the Senator from Michigan is fully verified and sustained by the information furnished by the Bureau of Public Roads.

I therefore hope, Mr. President, that the amendment may not be adopted.

I should like to include in the RECORD, if I may, a protest against the amendment signed by the American Motorists Association, which goes into the matter in some detail.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *May 7, 1936.*

Hon. CARL HAYDEN,
United States Senate, Washington, D. C.

MY DEAR SENATOR HAYDEN: The American Motorists' Association wishes to protest the adoption of the amendment to H. R. 11687 by the distinguished Senator CAPPER, for the following reasons:

1. It is a tariff proposal and not germane to the Federal Aid Highway Act.
2. It would prohibit the use of asphalt manufactured in the United States from imported crude oil.
3. It is not in the interest of the conservation of our natural resources.
4. It will create an asphalt monopoly. The United States Treasury Department reports that the Standard Oil Co. of California controls the only American wells pumping the heavy grade crude oil convertible into asphalt, economically marketable in the East.
5. The use of asphalt manufactured from domestic crude oil only will greatly increase the cost of asphaltic materials, resulting in a greatly reduced road-building program and the consequent employment of fewer men.
6. The forced increase in asphalt prices will serve to justify increased cement prices.
7. It would create delays, confusion, and other dangers attendant to a change in the accepted and established highway specifications of many municipalities, counties, and State highway departments.

The American Motorists' Association is composed of automobile clubs representing many thousands of automobile owners. These members and other highway users through direct taxation have financed the entire Federal highway building program since its inception in 1916, and we respectfully urge that the United States Senate do not enact the amendment proposed.

Sincerely,

AMERICAN MOTORISTS ASSOCIATION,
THOMAS J. KEEFE, *General Manager.*

Mr. AUSTIN. Mr. President, I should like to go on record as opposing this amendment for another reason—namely, that it seems to me to involve a very narrow national policy and one which, if carried out to its logical conclusion, would establish the complete isolation of the United States. This is not a tariff, this is not a protective measure or a revenue measure. It appears to be an absolute embargo; and if other countries should assume a similar attitude, the workmen in the United States would pay the bill, because, of all countries in the world, the United States possesses the greatest abundance of resources, materials, and manufactures, and the ultimate penalty would fall upon the American workmen.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. CAPPER].

Mr. McADOO. Mr. President, I should like to make a few observations on this amendment. It seems to me that at a time when we are trying to create employment for the unemployed in this country it would be a great mistake not to protect as far as possible, by legislation, American industries engaged in producing the very things that must be absorbed in this country to carry on necessary public works.

It has been suggested that only California produces the kind of crude oil from which these necessary materials for road building are made. Suppose that should be true; California is a part of America, and the production of the materials in California, involving a large amount of employment, will result in taking off the relief rolls just that many more men. I feel that we ought in all these cases to give preferential treatment to what is produced in the United States, especially in the present emergency.

Mr. DUFFY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Wisconsin?

Mr. McADOO. I yield.

Mr. DUFFY. Does the Senator think that California produces enough of a superior quality of crude to supply the normal demand in this country for the higher grade of asphalt used for road improvements?

Mr. McADOO. I have not the present figures of production in California, but I will say that if California does not produce enough, she can do so if given a chance. We have plenty of reserves, ample reserves to supply all that may be needed in this country for road building. I am not making this argument solely for California; I am making it for every American industry involved. I think our first duty is to give our own people the opportunity to get employment instead of keeping them on the relief rolls.

Which is cheaper in the actual money cost involved, I do not know, because I have not the figures, but, in my humble judgment, it will cost much more to keep the unemployed on the relief rolls than it will to pay a little higher price for the necessary materials used in road construction and thereby employ American labor and American enterprise.

Mr. President, the amendment relates not only to oil, but to manufactured articles of all kinds required in the construction of roads and highways. There are many collateral things required in such construction. I think the amendment would be of pronounced benefit for the country in stimulating the production of other things required in road construction, which would cause an additional demand for labor and would take that many more people off the relief rolls. The amendment ought to be adopted. I am in favor of giving America the preference. I am not in favor of giving foreign nations a superior opportunity to American enterprise in the matter of things needed for domestic construction and for domestic use.

Mr. GEORGE. Mr. President, I merely wish to say a word or two on the amendment. My distinguished friend from California [Mr. McADOO], who was born in Georgia and now lives in the great State of California, seems to overlook the fact that there are sections of the country which would be very heavily penalized if the amendment should be adopted. It is referred to as an amendment which includes materials other than asphalt, but the Senator from Kansas [Mr. CAPPER] made no mistake about it. He confined his remarks to American asphalt or petroleum.

Mr. President, along the Atlantic seaboard there are a number of valuable and highly capitalized enterprises employing large numbers of men who would be thrown out of employment and forced to go on the relief rolls if we had to import our asphalt or the material for it from the far distant State of California, particularly if we had to pay the price which would induce a volume production twice as great as the present production.

Mr. McADOO. Mr. President, will my distinguished friend from Georgia yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from California?

Mr. GEORGE. I yield.

Mr. McADOO. May I ask the Senator if he does not think that, so far as expense is concerned, it would cost practically the same to bring petroleum, for the purposes we are considering, in ships or tankers from California as from Venezuela and Mexico?

Mr. GEORGE. No; it would not.

Mr. McADOO. Does not the Senator think the amount of oil which could be shipped in that way from California would keep just as many men employed in the factories along the eastern seaboard as if the oil were brought from Mexico or Venezuela or from some other foreign country?

Mr. GEORGE. No; I do not. The crude oil produced in this country suited for a high-grade asphalt will supply only about 50 percent of the demand. If we should adopt measures of this kind, tacked on to a road-building-program bill, without any consideration of its effect upon the commerce and trade of the Nation, if we should pursue this piecemeal, illogical method of dealing with the vital question of the commerce of the Nation without regard to the hardships put upon half of the country, necessarily it would, of course, increase the price of this character of oil, because, if we are now producing only one-half of the crude oil which will make the high-grade asphalt demanded and necessary for use in this country, it stands to reason, in an industry which is already overproducing and which has been here time after time asking for higher tariffs and restrictions on production, that we would again overstimulate the production of crude oil.

Mr. McADOO. Mr. President, will the Senator yield further?

Mr. GEORGE. Certainly.

Mr. McADOO. I should like to correct the Senator's impression that California is at present overproducing oil. California has been on a quota for some time under regulations which have heretofore been prescribed and which have been observed voluntarily. I repeat that if California had the opportunity of supplying the demands of this country undoubtedly they could be supplied, and at prices which would be less for the American people to pay, and Georgia in particular, than to continue to import a large part of this necessary product and keep men on the relief roll of the Federal Government.

Mr. GEORGE. Mr. President, I am surprised at my distinguished friend. There is no possible argument on its merits for this proposal. In the first place, the adoption of such an amendment would throw out of employment more men and more families by closing up the refineries on the eastern seaboard. In the second place, the present supply will not meet more than one-half the demand. Everybody knows the producers are on a quota and are repeatedly coming here for tariffs. We have given them tariffs and higher tariffs until now all along the seaboard we are paying a great tribute to the oil-producing States.

Mr. McADOO. Mr. President, may I interrupt the Senator again?

Mr. GEORGE. I am glad to listen to my friend from California.

Mr. McADOO. We are paying tribute to the cotton States, too. The Senator was good enough to say I was born in Georgia. Naturally, I am in sympathy with cotton planters in that section of the country. But why should not that

principle apply just as well to oil in California as to cotton in the cotton-producing States? The same principle should work both ways. We have to pay more in California for the cotton goods we consume because we want to help Georgia. I think Georgia ought to help California by giving us an opportunity to produce a sufficient amount of oil, as we have the capacity to do, to take care of their needs along the Atlantic seaboard.

Mr. GEORGE. Mr. President, I am not aware of any special favors being shown cotton, and I am not asking for any, so far as that is concerned. I am only asking that special favors be not shown to a material which is needed to make our improvements, which would be greatly advanced in cost if this provision should be included in the bill, where it has no possible proper place, as it seems to me, because, if it is inserted at all, it is without consideration of those very much broader questions which affect so vitally so many people of the country, and without any regard as to how it affects them.

I am not unwilling to help California or any other American community, but the facts are that California has no difficulty in selling her crude oil from which is produced the high-quality asphalt used in this country. In fact, she supplies approximately one half of the demand. The other half comes from Mexico or some of the nearby South American countries. We have found from actual experience that we must have this crude oil either from South America or from California, which can only meet one-half of the present demand. It seems to me there should be no just complaint when we consider the size of the tariff we have permitted to be imposed or helped to impose on the oil imports from other competing countries. I very well remember when the last tariff bill was under consideration it was made to appear here that the average competitive advantage of imported crude oil was about 19 cents, and we put on a tariff of 21 cents, as I recollect, which certainly ought to have wiped out that competitive advantage to the foreign producer.

The situation is simply that we do not produce in this country sufficient crude oil from which can be made the high-quality asphalt to meet more than one-half of our consumptive demands. It so happens that production is on the west coast. It so happens that even if California produced enough, the cost of freight to the eastern seaports would, of course, be disastrously high.

While the water transportation would be somewhat cheaper, yet, considering the total transportation costs, from the field to the ports and from the ports on the eastern seaboard to the inland places, towns and cities and country roads where the asphalt must be used, we would still be at a very great disadvantage on the eastern seaboard, and we would suffer actual displacement of American labor if this amendment were incorporated in the bill.

Mr. President, I sincerely hope the amendment will not be adopted. If there is not an adequate tariff on foreign oil, let us consider that subject in some measure having to do with our trade and commerce, and the proper protection of American commerce. Let us not vastly increase the cost all along the eastern seaboard of the necessary work of paving our streets and highways, at the same time displacing and throwing into idleness quite a large number of laborers, and jeopardizing quite a large investment in refineries along the seaboard.

Mr. HAYDEN. Mr. President, for the RECORD I think I should read a letter written by the Acting Secretary of Agriculture to the Senator from Tennessee [Mr. McKELLAR], chairman of the Committee on Post Offices and Post Roads, with respect to this amendment. It is as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., May 6, 1936.

Hon. KENNETH MCKELLAR,
Chairman, Committee on Post Offices and Post Roads,
United States Senate.

DEAR SENATOR: Receipt is acknowledged of your letter of May 1 to which was attached a copy of an amendment intended to be proposed by Senator CAPPER to H. R. 11687.

This proposed amendment would add a new section to H. R. 11687 as it passed the House on April 16, 1936, to be designated section 8, and would require every contract for the construction or repair of any highway growing out of an appropriation of Federal funds to contain a provision which would practically exclude the use of any other than domestic materials in the performance of such contract.

The provision which the amendment proposes would be much more stringent than the so-called buy-American provisions contained in title III of the Treasury-Post Office Appropriation Act for the fiscal year 1934, approved March 3, 1933 (47 Stat. 1520).

It is the Department's view that the existing law on this subject affords adequate protection to the domestic producers of materials for use in the highway-construction field, and that the enactment of the amendment is not only unnecessary but would constitute an unwarranted discrimination against the manufacture and use of road materials. The Department therefore recommends against favorable action on the proposed amendment.

Sincerely,

W. B. GREGG, *Acting Secretary.*

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. CAPPER].

The amendment was rejected.

Mr. HAYDEN. Mr. President, if there are no further amendments to be offered, I desire to bring to the attention of the Senate a resolution adopted on April 30 at a meeting held in Phoenix, Ariz., of the Western Association of State Highway Officials, representing the 11 Western States. The resolution is as follows:

RESOLUTION ADOPTED BY THE WESTERN ASSOCIATION OF STATE HIGHWAY OFFICIALS AT THE ANNUAL MEETING IN PHOENIX, ARIZ., APRIL 30, 1936

Whereas this conference views with alarm the continued sale of motor vehicle fuels on Government military and other reservations, upon which no State tax has been collected, such tax-free fuel being used on the public highways; and

Whereas the various States have no remedy under existing laws: Now, therefore, be it

Resolved, That this conference pledge its support to a bill now before Congress (H. R. 3660) sponsored by the North American Gasoline Tax Conference, which, if enacted, will confer upon the several States authority to collect motor vehicle fuel taxes on all sales made on such reservations other than to the United States Government or its agencies.

The bill, House bill 3660, to which the resolution makes reference was introduced by Mr. WOODRUM, of Virginia. I obtained a copy of it, and submitted it yesterday to the Chief of the Bureau of Public Roads. He tells me that there is complaint in many parts of the country about the inability of the States to collect revenue on gasoline sold on Government reservations not for governmental use. I desire to submit the matter to the Senate by offering an amendment which is the exact text of the House bill.

I send the amendment to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 8, after line 22, it is proposed to insert the following new section:

SEC. 10. (a) That all taxes levied by any State upon sales of gasoline and other motor-vehicle fuels may be levied, in the same manner and to the same extent, upon such fuels when sold by or through post exchanges, ship stores, ship-service stores, commissaries, or other similar agencies, located on United States military or other reservations, when such fuels are used for other than governmental purposes. Such taxes, so levied, shall be paid to the proper taxing authorities of the State within whose borders the reservation affected may be located.

(b) The officer in charge of such reservation shall, on the first day of each month, submit a written statement to the proper taxing authorities of the State within whose borders the reservation is located showing the exact amount of such motor fuels sold for other than governmental purposes during the preceding month.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona.

The amendment was agreed to.

Mr. RUSSELL. Mr. President, on behalf of my colleague [Mr. GEORGE] and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 7, line 3, before the period, it is proposed to insert a colon and the following:

Provided further, That in carrying out the provisions of this section the Secretary of Agriculture may, in his discretion, during the fiscal years 1936 and 1937, deal directly with the authorities in the counties or other subdivisions of the several States having

supervision of the construction of roads of the classes specified in this section, and for such purpose to approve projects, make contracts, and exercise any other functions performed through the Bureau of Public Roads under the Federal Highway Act of 1921, as amended and supplemented.

Mr. RUSSELL. Mr. President, as appears from the reading of this amendment, it is purely permissive, and leaves in the hands of the Secretary of Agriculture the matter of dealing with any agency of the State government other than the highway departments of the several States. The amendment relates only to the section of the bill which appropriates funds for the construction of secondary or feeder roads.

Unless this amendment be adopted, there is likely to be considerable confusion in the administration of the fund provided for improvement of secondary or feeder roads. In a great many of the States it would require action by the legislatures of the several States to confer on the State highway departments any jurisdiction or power over any roads other than those already embraced in the State highway systems. A great many legislatures do not meet until next year or the year following. The title to all these local secondary and feeder roads in most of the States is at present in the local administrative bodies.

Occasions might arise where some States would be delayed for a year or more in the expenditure of their portion of this secondary road fund unless this amendment should be adopted, and the Secretary of Agriculture should be permitted to deal with the local bodies. As I said, the State highway departments in several States, including my own State, have no jurisdiction whatever save over roads that have already been taken into the State highway system by act of the general assembly; and that condition would at least delay the application of this bill for paving and improving these secondary or feeder roads.

I feel quite sure that we are all concerned to see this movement succeed. I think this is the first time the proposal has appeared in a measure of this kind for secondary or feeder roads. We have expended huge sums of money on various State highway systems, and as a matter of fact the Federal Government is paying for the greater part of that construction today. This is an effort to reach out on the farm-to-market roads and benefit not only those who are tourists, and who move from State to State over our highways but to give passable roads, all-weather roads, to the farmers and others who live in the rural sections.

I hope this amendment will be adopted in order that there may be no delay in carrying out the purpose of section 7 of the bill. The title to the roads is in the county authorities. If the Secretary of Agriculture should see fit in any case under the provisions of this amendment, he could deal with and through the county authorities rather than through the State highway departments. That is all the amendment provides.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Vermont?

Mr. RUSSELL. I do.

Mr. AUSTIN. I observe that the amendment, as printed, refers to page 6, line 3. Is not that a mistake?

Mr. RUSSELL. The amendment was changed with pencil in the copy I sent to the desk. I intended to propose its insertion on page 7, line 3.

Mr. AUSTIN. Does the Senator intend to have it follow the words "public-school bus routes"?

Mr. RUSSELL. That is the proper place for the amendment, to follow the words "public-school bus routes."

Mr. GEORGE. Mr. President, I merely wish to emphasize what my colleague [Mr. RUSSELL] has said, that this amendment is merely permissive. It gives the Bureau of Public Roads the permissive power, wholly within its jurisdiction as to the particular $25,000,000 appropriated by the bill, to deal with the county authorities rather than with the State highway boards.

My colleague has called attention to the fact that in Georgia, and, I have no doubt, in many other States, the State highway board has no jurisdiction whatever over the farm-to-market or feeder roads unless they happen to constitute a part of the State highway system or the Federal-aid system. The State highway boards have jurisdiction, of course, over both the State highway and the Federal-aid systems.

There is another matter which it seems to me might be taken into consideration. This amendment might well go to conference, and the matter be there considered; and I think it would be quite proper to limit it, perhaps, to the 2 years covered by the bill.

Mr. McKELLAR. Mr. President, I will say to the Senator that so far as I am concerned, I see no reason why the amendment cannot be taken to conference and worked out there if there is any trouble about it.

Mr. HAYDEN. Mr. President, I suggest to the junior Senator from Georgia that if the amendment were limited to the fiscal years 1936 and 1937 it would not be permanent legislation.

The section which the Senators from Georgia are seeking to amend applies to the fiscal years 1938 and 1939, and is merely an authorization for future appropriations. The situation the Senators are seeking to improve is one that exists during the present fiscal year and will probably exist during the fiscal year beginning July 1 next. Can the Senator suggest how to change the amendment so as to provide, as is the case of paragraph (d) of section 1 of the bill, that the exception to the regular procedure shall be applicable only within the fiscal years 1936 and 1937?

Mr. GEORGE. Mr. President, I think my colleague and I would have no objection at all to making the amendment applicable to those years, because if in the meantime it seemed desirable to continue it, of course, it could be continued.

Mr. HAYDEN. Let me suggest that the amendment be modified, in line 4, so as to read:

That in carrying out the provisions of this section the Secretary of Agriculture may, in his discretion, during the fiscal years 1936 or 1937—

And so forth.

Mr. GEORGE. That would be quite agreeable to me, if it is to my colleague—we offered the amendment jointly—because it will all be in conference anyway.

Mr. RUSSELL. Mr. President, I know of no reason why the change suggested by the Senator from Arizona should not be made, but I am of the opinion it could be done as well in conference as on the floor of the Senate.

Mr. HAYDEN. It would be preferable to be able to say that what we are trying to do is to meet an existing emergency, rather than to anticipate future difficulties.

Mr. RUSSELL. I shall be glad to modify the amendment as suggested by the Senator from Arizona.

The PRESIDING OFFICER. The question is on the amendment of the junior Senator from Georgia, as modified.

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time and passed.

LUCILLE M'CLURE

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1827) for the relief of Lucille McClure.

Mr. SCHWELLENBACH. I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon,

and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. LOGAN, Mr. SCHWELLENBACH, and Mr. CAPPER conferees on the part of the Senate.

AMENDMENT OF CANAL ZONE CODES OF CRIMINAL AND CIVIL PROCEDURE

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1379) to amend section 103 of the Code of Criminal Procedure for the Canal Zone and section 542 of the Code of Civil Procedure for the Canal Zone.

Mr. ASHURST. Mr. President, the Senate passed a bill relating to the disposition of fees received by marshals, clerks, and other officers in the Panama Canal Zone. The House struck out all after the enacting clause and inserted a provision a little different from that adopted by the Senate. I suggest that the amendments of the House be read.

The PRESIDING OFFICER. The clerk will read.

The legislative clerk read as follows:

Strike out all after the enacting clause and insert:

"That section 981 of title 4, Canal Zone Code, approved June 19, 1934 (48 Stat. 1122), is amended to read as follows:

" 'SEC. 981. It shall be lawful for the clerk of the district court, referees, and commissioners appointed by the district court, the marshal, magistrates, constables, and other officers and persons hereinafter mentioned, together with their assistants and deputies, to demand and receive the hereinafter-mentioned fees and no more. All fees collected by officers drawing a salary or compensation from the Government, other than those collected by the clerk of the district court and the marshal, shall be paid over to the collector of the Panama Canal. The clerk of the district court and the marshal shall receive, deposit, and account for all public moneys collected by them in accordance with the laws, rules, and regulations governing the receipt and disposition of moneys by clerks of United States district courts and United States marshals, respectively, in the continental United States, exclusive of Alaska.'

"SEC. 2. That section 843 of title 6, Canal Zone Code, is amended to read as follows:

" 'SEC. 843. The clerk shall receive, deposit, and account for all public moneys collected by him in accordance with the laws, rules, and regulations governing the receipt and disposition of moneys by clerks of the United States district courts in the continental United States, exclusive of Alaska.' "

Amend the title so as to read: "An act to amend section 981 of title 4, and section 843 of title 6 of the Canal Zone Code."

Mr. ASHURST. Mr. President, I move that the Senate concur in the House amendments.

The motion was agreed to.

DIRIGIBLE "SHENANDOAH" MEMORIAL

Mr. BARKLEY. Mr. President, I ask that the Senate proceed to the consideration of House bill 10544, authorizing the erection of a memorial to those who met their death in the wreck of the dirigible *Shenandoah*.

Mr. McNARY. What is the amount involved?

Mr. BARKLEY. Mr. President, this is a bill authorizing the erection of a tablet at the spot where the heroes of the *Shenandoah* lost their lives some years ago.

Mr. McNARY. I recall the tragic occurrence. What amount of money is involved?

Mr. BARKLEY. Two thousand five hundred dollars. It is a House bill, and it is desired that action be taken on it at once.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. POPE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations (and withdrawing a nomination), which were referred to the appropriate committee.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination on the calendar.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service.

Mr. ROBINSON. I ask unanimous consent that the nominations in the Diplomatic and Foreign Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

PUBLIC WORKS ADMINISTRATION

The legislative clerk proceeded to read sundry nominations in the Public Works Administration.

Mr. McKELLAR. I ask unanimous consent that the nominations in the Public Works Administration be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

COAST GUARD

The legislative clerk proceeded to read sundry nominations in the Coast Guard.

Mr. ROBINSON. I ask unanimous consent that the nominations in the Coast Guard be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Coast Guard are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE ARMY

Mr. SHEPPARD. Mr. President, I have about 500 routine nominations in the Army to report. It would be quite an expense to print the names, and I ask that I may report the nominations without having them printed, and I ask that they be confirmed at this time. As I have said, they are routine nominations.

Mr. McNARY. Mr. President, this is rather a unique request.

Mr. SHEPPARD. We took this action with about 4,000 nominations soon after the promotion bill was enacted. This is another batch of promotions under that act, principally of first lieutenants and second lieutenants, and one or two higher officers, and a few transfers.

Mr. McNARY. These are nominations of officers who automatically reach the respective grades?

Mr. SHEPPARD. That is correct.

Mr. McNARY. Has the committee passed on all of them?

Mr. SHEPPARD. It has.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and the reports are received, and the nominations are confirmed en bloc.

RECESS TO MONDAY

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 3 o'clock and 45 minutes p. m.) the Senate took a recess until Monday, May 11, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 8 (legislative day of Apr. 24), 1936

APPOINTMENTS AND PROMOTIONS IN THE NAVY

The following-named midshipmen to be ensigns in the Navy, revocable for 2 years, from the 4th day of June 1936:

John M. Alford
Carl H. Amme, Jr.
Ralph W. Arndt
Henry A. Arnold
Joseph H. Barker, Jr.
Harry A. Barnard, Jr.
James H. Barnard
John Baumeister, Jr.
Walter B. Bayless
Fred G. Bennett
Warfield C. Bennett, Jr.
Paul H. Bjarnason
William Blenman
John D. Blitch
John N. Boland
Robert A. Bonin
Walter W. Boyd
Warren W. Bradley
Alfred W. Brown, Jr.
David S. Brown
James A. Brown
Richard S. Bull, Jr.
Ronald E. Burcher
Herbert von A. Burkart
Ovid McM. Butler
Robert H. Caldwell
John H. Carmichael
Frederic A. Chenault
James A. Coddington
Otis R. Cole, Jr.
Walter V. Combs, Jr.
David R. Connole
Joseph A. Coppola
John M. Court
Earl R. Crawford
Logan Cresap, Jr.
Joseph A. Crook
Jack R. Crutchfield
Thomas B. Dabney
John J. Daub, Jr.
Harlan R. Dickson
Donald G. Dockum
Charles R. Eisenbach
William A. Ellis
Ralph A. Embree
Daniel McE. Entler, Jr.
Joseph L. Evans
Allen R. Faust
Allan F. Fleming
Parker L. Folsom
Gordon Fowler
Richard L. Fowler
Philip H. Fox
Albert B. Furer
John K. Fyfe
Norman C. Gillette, Jr.
Frank C. Graham
James S. Gray, Jr.
Richard Gray
Francis A. Greenup
George W. Grider
William T. Groner
Louis J. Gulliver, Jr.
Donald G. Gumz
Arthur L. Gustafson
Willard M. Hanger
James R. Hansen
Mark Hattan
Frank E. Hayler
Jack "W" Hays
John D. Hewitt, 3d
Carl W. Heywood
Robert M. Higginson
Edward E. Hoffman
Edmund J. Hoffman
William G. Holman
Harry F. Holmshaw, Jr.
Charles E. Houston
William T. Hulson
Ralph R. Humes
Ernest W. Humphrey
Gould Hunter
John C. Hunter
Charles H. Hutchins
Edward J. Huxtable, Jr.
Joseph B. Icenhower
Johns H. Janney
Billy Johnson
Webster C. Johnson
William J. Johnston
Seymour Karasyk
William M. Kaufman
Robert F. Kelly
Thomas K. Kimmel
Ed R. King, Jr.
Thomas S. King, Jr.
John J. Kircher
Harlan G. Kirkpatrick
John K. Knapper
Otto F. Kolb, Jr.
Roy J. Krogh
Edwin L. Kyte
Dallas M. Laizure
Frank G. Law
William E. Lewis
Frederick I. Lincoln
David A. Lindsay
Everett M. Link, Jr.
Kenneth C. Lovell
Theodore C. Lyster, Jr.
Hoyt D. Mann
Charles S. Manning, Jr.
Porter W. Maxwell
Ray W. Mayhew
James W. McCauley
Jasper N. McDonald, Jr.
Robert "W" McElrath
Malcolm C. McGrath
Richard W. Meyers
Fred D. Michael
Sydney R. Miller, Jr.
John R. Millett
Jack C. Moore
Robert C. Morton
Richard L. Myers
Willard E. Neve
Robert L. Neyman
Roscoe F. Nicholson
Chester W. Nimitz, Jr.
John V. Noel, Jr.
Robert E. Odening
Bennett C. Oelheim
James W. O'Grady
Ellis B. Orr
John M. Oseth
Fitzhugh L. Palmer, Jr.
Nicholas A. Pananides
William B. Parham
Joseph H. Patterson
Van O. Perkins
Jewett O. Phillips, Jr.
Dale F. Pinkerton
Richard R. Pratt
John P. Preston
William N. Price
Delmer F. Quackenbush, Jr.
John B. Rawlings
Charles I. Raymond, Jr.
Marion J. Reed
Joseph E. Rice
David C. Richardson
Eugene V. Riewe
Frank M. Robinson
Henry A. Romberg
Leroy W. Ross
James B. Rutter, Jr.
Paul B. Ryan
John F. Ryder
Thomas W. Samuel
Merrill M. Sanford
Walter F. Schlech, Jr.
Henry C. Schwaner, Jr.
David S. Seaman, Jr.
Dayton A. Seiler
James L. Semmes
Ormond G. Sexton
Frederick C. Seyford
James C. Shaw
William H. Shea, Jr.
Sydney S. Sherby
Philip E. Shetenhelm
Samuel G. Shilling
Forrest W. Simoneau
Robert C. Sleight
Gilven M. Slonim
William A. Small
Millard J. Smith
James J. Southerland, 2d
Herbert D. Sprenger
Frank G. Springer
Harry B. Stark
Paul C. Stimson
Paul E. Summers
Archibald E. Teall
Richard A. Teel
James H. Terry, Jr.
Robert A. Thacher
Wilbur W. Thing
William B. Thomas
Floyd T. Thompson
Marshall F. Thompson
Ray S. Thompson, Jr.
Francis M. Traynor
Stanton M. Trott
John H. Turner
Renfro Turner, Jr.
Alexander K. Tyree
Raymond W. Vogel, Jr.
George A. Wagner, Jr.
Raymond A. Walsh, Jr.
Bruce R. Ware, 3d
August F. Weinel
William H. Wendel
George H. Whiting
Phillip G. Wild, Jr.
Robert J. Williams
Donald E. Willman
Donald W. Wilson
George M. Winne
Jonathon L. W. Woodville, Jr.
Sherman "E" Wright, Jr.
William H. Wright.
Jud F. Yoho, Jr.
David Zabriskie, Jr.
Charles M. Holcombe
Ted E. Pulos

Capt. Julius C. Townsend to be a rear admiral in the Navy from the 1st day of May 1936.

Commander Edward J. Foy to be a captain in the Navy from the 3d day of January 1936.

Lt. Comdr. Frank D. Wagner to be a commander in the Navy from the 1st day of January 1936.

Lt. Harley F. Cope to be a lieutenant commander in the Navy from the 1st day of May 1936.

Lt. (Jr. Gr.) Walter C. Ford to be a lieutenant in the Navy from the 1st day of January 1936.

Lt. (Jr. Gr.) William Kirton, Jr., to be a lieutenant in the Navy from the 1st day of February 1936.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 1st day of June 1936:

David L. Martineau
Charles W. Travis

Naval Constructor Ralph D. Weyerbacher to be a commander in the Navy for aeronautical engineering duty only from the 6th day of February 1922, in accordance with the act of Congress approved June 5, 1935.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 8 (legislative day of Apr. 24), 1936

DIPLOMATIC AND FOREIGN SERVICE

Robert Frazer to be secretary in the Diplomatic Service.

Douglas Jenkins to be secretary in the Diplomatic Service.

Arthur Garrels to be secretary in the Diplomatic Service.

Charles M. Hathaway, Jr., to be secretary in the Diplomatic Service.

Thomas D. Bowman to be secretary in the Diplomatic Service.
Arthur C. Frost to be secretary in the Diplomatic Service.
Philip Holland to be secretary in the Diplomatic Service.
Charles L. Hoover to be secretary in the Diplomatic Service.
Walter A. Adams to be secretary in the Diplomatic Service.
Joseph W. Ballantine to be Secretary in the Diplomatic Service.
Charles R. Cameron to be secretary in the Diplomatic Service.
Monnett B. Davis to be secretary in the Diplomatic Service.
Lowell C. Pinkerton to be secretary in the Diplomatic Service.
Kenneth S. Patton to be secretary in the Diplomatic Service.
Ray Atherton to be consul general.
Ferdinand L. Mayer to be consul general.
G. Howland Shaw to be consul general.
Alexander C. Kirk to be consul general.
Edwin C. Wilson to be consul general.
Louis Sussdorff, Jr., to be consul general.
Hallett Johnson to be consul general.
Herschel V. Johnson to be consul general.
Edward L. Reed to be consul general.

PUBLIC WORKS ADMINISTRATION

Irl D. Brent to be State director of the Public Works Administration in Michigan.
Claude C. Hockley to be State director of the Public Works Administration in Oregon.

COAST GUARD OF THE UNITED STATES

Harvey F. Johnson to be engineer in chief.
Oscar C. Rohnke to be lieutenant (junior grade).
William R. Kenly to be chief machinist.
Frank F. Crump to be chief machinist.
Olaf G. Tobiason to be chief carpenter.

APPOINTMENTS IN THE REGULAR ARMY

TO BE MAJOR GENERAL

Herbert Jay Brees.

TO BE CHAPLAIN WITH THE RANK OF FIRST LIEUTENANT

Martin Carl Poch
Wallace Irving Wolverton
Paul Judson Maddox
William Lewis Cooper
James Corey Bean
Charles Irving Carpenter
James Thomas Wilson
Silas Edward Decker

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

First Lt. Joseph Edward Gill.

TO CORPS OF ENGINEERS

Second Lt. Howard Elwyn Webster.

TO FIELD ARTILLERY

Second Lt. Edwin Gantt Hickman.
Second Lt. Oliver Prescott Robinson, Jr.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Condon Carlton McCornack, Medical Corps.
Glenn Irving Jones, Medical Corps.
Charles Carroll Demmer, Medical Corps.

TO BE CHAPLAIN WITH RANK OF COLONEL

Louis Augustus Carter.

TO BE CAPTAINS

William Albert Todd, Jr., Medical Corps.
James Bowdoin Stapleton, Medical Corps.
Floyd Lawrence Wergeland, Medical Corps.
Robert Stultz Brua, Medical Corps.
William Clyde Baker, Jr., Corps of Engineers.
William Livingston Bayer, Signal Corps.
Herbert William Ehrgott, Corps of Engineers.
Turner Ashby Sims, Jr., Air Corps.
Francis LeRoy Ankenbrandt, Signal Corps.
William Hunt Mills, Corps of Engineers.
Keith Richard Barney, Corps of Engineers.
Elvin Ragnvald Heiberg, Corps of Engineers.
Francis Xavier Purcell, Jr., Corps of Engineers.
Harold Anthony Brusher, Coast Artillery Corps.
Raymond Coleman Maude, Signal Corps.
Samuel Wallace Van Meter, Air Corps.
Richard Wyman Pearson, Corps of Engineers.
Irving Arthur Duffy, Field Artillery.
William Preston Corderman, Signal Corps.
Clerin Rodney Smith, Corps of Engineers.
Fiorre John Stagliano, Finance Department.
Parker Montrose Reeve, Corps of Engineers.
Harry Warren Johnson, Cavalry.
Rufus Leonidas Land, Cavalry.
James Norvell Krueger, Corps of Engineers.
Robert Kinzie McDonough, Corps of Engineers.
Donald Prentice Booth, Corps of Engineers.
Arthur August Gerhart Kirchhoff, Corps of Engineers.
William Murlin Creasy, Jr., Chemical Warfare Service.
Alfred Henry Johnson, Air Corps.
Ralph Morris Osborne, Field Artillery.
Norman Arthur Matthias, Corps of Engineers.
Lincoln Jones, Jr., Infantry.
Malcolm Raymond Kammerer, Infantry.
Robert Eugene Mousseau Des Islets, Corps of Engineers.
William Edward House, Ordnance Department.
James Roy Andersen, Ordnance Department.
Benjamin Easton Thurston, Infantry.
Harold McClure Forde, Cavalry.
William Alexander Walker, Field Artillery.
John Colt Beaumont Elliott, Corps of Engineers.
Samuel Russ Harris, Jr., Air Corps.
Lewis Sherrill Griffing, Field Artillery.
Waldo Eugene Laidlaw, Ordnance Department.
Hamer Pace Ford, Infantry.
John Ensor Perman, Field Artillery.
George William Hickman, Jr., Infantry.
Earl Jerome Murphy, Field Artillery.
Holger Nelson Toftoy, Coast Artillery Corps.
Harold Doud, Infantry.
David Louis Van Syckle, Ordnance Department.
Wallace Hayden Barnes, Cavalry.
Shelton Ezra Prudhomme, Air Corps.
John Paul Doyle, Jr., Air Corps.
Leon William Johnson, Air Corps.
Richard Walden Mayo, Field Artillery.
Earl Lewis Ringler, Infantry.
George Voegele Ehrhardt, Cavalry.
Walter Clement Stanton, Field Artillery.
Frank Sayles Bowen, Jr., Infantry.
Malcolm Dudley Jones, Jr., Cavalry.
William Peirce Ennis, Jr., Field Artillery.
Guy Beasley Henderson, Air Corps.
Richard Keith McMaster, Field Artillery.
Charles Dutton McNerney, Infantry.
Clair McKinley Conzelman, Coast Artillery Corps.
Samuel Pickens Collins, Field Artillery.
John Cline Strickler, Field Artillery.
Edwin Howard Feather, Infantry.
Theodore Charles Wenzlaff, Cavalry.
William Jesse Deyo, Jr., Infantry.
Benjamin Peter Heiser, Field Artillery.
John Lawrence Ryan, Jr., Cavalry.
Egon Rowland Tausch, Cavalry.
Alexander Randolph Sewall, Field Artillery.
Prentice Edward Yeomans, Cavalry.
Paul Hamilton, Infantry.
Charles Clifford Sloane, Jr., Infantry.
Charles Winchell McGeehan, Coast Artillery Corps.
James Russell Wheaton, Field Artillery.
Basil Littleton Riggs, Cavalry.

Malcolm Hobson Harwell, Coast Artillery Corps.
Henry Raymond Baxter, Air Corps.
Roy Silverman, Infantry.
Tyler Calhoun, Jr., Field Artillery.
Richard Hanson Grinder, Coast Artillery Corps.
Edwin James Van Horne, Infantry.
Robert Charles Ross, Field Artillery.
Harry Purnell Storke, Field Artillery.
Thomas Edward Pickett Barbour, Infantry, subject to examination required by law.
Joseph Halversen, Infantry.
Marvin Westlake Peck, Infantry.
George Albert Smith, Jr., Infantry.
Eugene Charles Smallwood, Coast Artillery Corps.
James Robert Davidson, Infantry.
Frank Freeman Miter, Coast Artillery Corps.
John Prichard Woodbridge, Field Artillery.
Thomas Edward de Shazo, Field Artillery.
Kenneth Frease March, Infantry.
Frederick Francis Scheiffler, Coast Artillery Corps.
Robert Sylvester Nourse, Infantry.
Richard Edward O'Connor, Field Artillery.
John Sieba Roosma, Infantry.
John Anthony McFarland, Field Artillery.
Morris Robert Nelson, Air Corps.
Kenneth Perry McNaughton, Air Corps.
John Harvey Kane, Infantry.
Russell Potter Reeder, Jr., Infantry.
Merson Leon Skinner, Coast Artillery Corps.
Charles Draper William Canham, Infantry.
Edward Harold McDaniel, Infantry.
Willet John Baird, Infantry.
Paul John Black, Infantry.
Clifton Coleman Carter, Coast Artillery Corps.
Paul Leroy Carroll, Infantry.
Edward Lyman Munson, Jr., Infantry.
James Bell Burwell, Air Corps.
Frederick Prall Munson, Field Artillery, subject to examination required by law.
Thomas Howard James, Infantry.
Wilson Turner Douglas, Infantry.
John Robert Burns, Chemical Warfare Service.
Marvin John McKinney, Coast Artillery Corps.
Thomas Benjamin White, Coast Artillery Corps.
William Benjamin Hawthorne, Coast Artillery Corps.
Thomas Randall Horton, Infantry.
Roy Jacob Herte, Infantry.
James Oka Wade, Infantry.
Brookner West Brady, Infantry.
Harry McNeill Grizzard, Infantry.
Charles Herman Deerwester, Air Corps.
Charles Winslow O'Connor, Air Corps.
Bernard Alexander Bridget, Air Corps.
Charles Arthur Bassett, Air Corps.
Grant Albert Williams, Cavalry.
Norman Mahlon Winn, Cavalry.
Narcisse Lionel Cote, Air Corps.
George Hall Sparhawk, Air Corps.
John Felix Guillett, Air Corps.
Dixon McCarty Allison, Air Corps.
Joel G. O'Neal, Air Corps.
Alva Lee Harvey, Air Corps.
Robert Lee Miller, Coast Artillery Corps.
John Osman Taylor, Field Artillery.
Frank Neuman Leakey, Field Artillery.
George Olaf Norman Lodoen, Infantry.
Lindsey Roscoe Wingfield, Field Artillery.
Philip James Henderson, Infantry.
Edgar Richard Curtis Ward, Coast Artillery Corps.
Oliver Wolcott van den Berg, Field Artillery.
Ralph Eugene Rumbold, Infantry.
Noble Theodore Haakensen, Coast Artillery Corps.
Paul Arthur Ridge, Cavalry.
James William Andrew, Air Corps.
Charles Arthur Ross, Air Corps.
George J. Eppright, Air Corps.
Frank Dunne Klein, Air Corps.
William Vance Davis, Coast Artillery Corps.
William Crawford D. Bridges, Corps of Engineers.
Harry Joseph Wheaton, Infantry.
George John Zimmerman, Corps of Engineers.
John Albert Dabney, Infantry.
John Emmett Walker, Infantry.
Rothwell Hutton Brown, Infantry.
Irvin Schindler, Field Artillery.
Charles Owen Wiselogel, Field Artillery.
Albert Jerome Thackston, Jr., Infantry.
Joseph Roy Dougherty, Infantry.
Arthur Hodgkins Bender, Coast Artillery Corps.
Clarence Daniel Wheeler, Air Corps.
Walter Sylvester Lee, Air Corps.
Manning Eugene Tillery, Air Corps.
Cleo Zachariah Shugart, Infantry.
William Preston Grace, Jr., Infantry.
Claude Augustus Billingsley, Field Artillery.
Gerald Geoffrey Johnston, Air Corps.
Elmer Joseph Rogers, Jr., Air Corps.
John Francis Fiske, Field Artillery.
Malcolm Faulhaber, Field Artillery.
Ross Drum Lustenberger, Corps of Engineers.
John Caswell Crosthwaite, Air Corps.
Jonathan Dean Hawkins, Infantry.
Clarence Shortridge Irvine, Air Corps.
Mason Harley Lucas, Field Artillery.
Ralph Emerson Holmes, Air Corps.
Darr Hayes Alkire, Air Corps.
Francis Albert Rudolph, Infantry.
Thurston H. Baxter, Air Corps.
Albert Gallatin Franklin, Jr., Coast Artillery Corps.
Chester Erwin Margrave, Field Artillery.
John Albert Tarro, Air Corps.
John Titcomb Sprague, Air Corps.
Frederick August Bacher, Jr., Air Corps.
Walter Byron Larew, Signal Corps.
Edward James Doyle, Cavalry.
William Orsen Van Giesen, Corps of Engineers.
Ward Jackson Davies, Air Corps.
Frank Coffin Holbrook, Field Artillery.
Yantis Halbert Taylor, Air Corps.
Newell Edward Watts, Infantry.
George Leroy Murray, Air Corps.
Claire Stroh, Air Corps.
Charles William Stratton, Field Artillery.
Charles Albert Sheldon, Cavalry.
Francis Edgar Cheatle, Air Corps.
Stewart Yeo, Field Artillery.
Robert Jones Moulton, Coast Artillery Corps.
James Trimble Brown, Infantry.
Charles Weller McCarthy, Infantry.
Benjamin Branche Talley, Corps of Engineers.
John Gibson Van Houten, Infantry.
Kenneth Holmes Kinsler, Infantry.
Edgar Albert Gans, Infantry.
Howard Ravenscroft Johnson, Infantry.
Albert Samuel Baron, Coast Artillery Corps.
George Edwin Steinmeyer, Jr., Infantry.
Arthur Joseph Lehman, Air Corps.
Oscar Frederick Carlson, Air Corps.
George Edley Henry, Air Corps.
Richard Dodge Reeve, Air Corps.
Henry Louis Luongo, Infantry.
Herbert Butler Powell, Infantry.
Signa Allen Gilkey, Air Corps.
Edward Francis Merchant, Infantry.
Layton Allen Zimmer, Coast Artillery Corps.
Jay B. Lovless, Infantry.
Clinton William Davies, Air Corps.
James Byron Colson, Infantry.
William Hans Brunke, Infantry.
Thomas Beverley Harper, Infantry.

Paul August Jaccard, Coast Artillery Corps.
James David O'Brien, Infantry.
Reuben Kyle, Jr., Air Corps.
Paul Burnham Nelson, Coast Artillery Corps.
Harvey Flynn Dyer, Air Corps.
Robert Bartlett McCleave, Infantry.
John Edwin Mortimer, Coast Artillery Corps.

TO BE FIRST LIEUTENANTS

Kenneth E. Fields, Corps of Engineers.
George Wood Beeler, Corps of Engineers.
John Joseph Danis, Corps of Engineers.
Duncan Hallock, Corps of Engineers.
Alfred Dodd Starbird, Corps of Engineers.
John Douglas Matheson, Corps of Engineers.
Richard Davis Meyer, Corps of Engineers.
Alden Kingsland Sibley, Corps of Engineers, subject to examination required by law.
Paul R. Gowen, Air Corps.
Marshall Bonner, Air Corps.
Lawrence Joseph Lincoln, Corps of Engineers.
Clayton Samuel Gates, Corps of Engineers.
James Vance Hagan, Corps of Engineers.
Robert Campbell Tripp, Corps of Engineers.
Edward George Herb, Corps of Engineers.
William Jonas Ely, Corps of Engineers.
John Thomas Honeycutt, Field Artillery.
William Allen Harris, Field Artillery.
Charles Russell Broshous, Corps of Engineers.
Percival Ernest Gabel, Air Corps.
John Gardner Shinkle, Field Artillery.
Bernard Card, Corps of Engineers.
Hoy D. Davis, Jr., Corps of Engineers.
Alvin Charles Welling, Corps of Engineers.
William Harris Ball, Coast Artillery Corps.
Douglas Charles Davis, Corps of Engineers.
Ellsworth Barricklow Downing, Corps of Engineers.
Robert Amrine Turner, Coast Artillery Corps.
David Warren Gray, Infantry.
Frank Sherman Henry, Cavalry.
William Orin Blandford, Infantry.
Walter Adonis Downing, Jr., Field Artillery.
Guy Cecil Lothrop, Field Artillery.
Robert Crain Leslie, Coast Artillery Corps.
John Edward Watters, Signal Corps.
Francis Joseph McMorrow, Coast Artillery Corps.
Charles Golding Dunn, Coast Artillery Corps.
Thomas Allen Glass, Coast Artillery Corps.
Thomas Samuel Moorman, Jr., Air Corps.
Harry Julian, Coast Artillery Corps.
Dabney Ray Corum, Coast Artillery Corps.
Lauren Whitford Merriam, Infantry.
Herbert George Sparrow, Field Artillery.
Howard Elwyn Webster, Corps of Engineers.
Robert Wolcott Meals, Field Artillery.
Walter August Jensen, Infantry.
Edward Bodeau, Coast Artillery Corps.
William Livingston Travis, Air Corps.
Thomas Burns Hall, Air Corps.
Chalmer Kirk McClelland, Jr., Field Artillery.
Ferdinand Marion Humphries, Coast Artillery Corps.
David Nicholas Crickette, Air Corps.
John Denton Armitage, Field Artillery.
Theodore John Conway, Infantry.
Clayton Earl Mullins, Corps of Engineers.
Paul Elton LaDue, Corps of Engineers.
Edward Joseph Hale, Air Corps.
William Joseph Daniel, Field Artillery.
Chester Arthur Dahlen, Infantry.
John Joseph Lane, Coast Artillery Corps.
Travis Monroe Hetherington, Air Corps.
Tayloe Stephen Pollock, Field Artillery.
Edgar Ozzo Taylor, Coast Artillery Corps.
Ira Whitehead Cory, Coast Artillery Corps.
William York Frentzel, Field Artillery.
Thomas Kocher MacNair, Coast Artillery Corps.
James Hilliard Polk, Cavalry.
John Glenn Armstrong, Air Corps.
Samuel Edward Otto, Field Artillery.
Harry Winfield Schenck, Coast Artillery Corps.
Lamar Cecil Ratcliffe, Coast Artillery Corps.
Gerald Chapman, Field Artillery.
Robert John Lawlor, Coast Artillery Corps.
Arthur Alfred McCrary, Coast Artillery Corps.
Daniel Parker, Jr., Field Artillery.
Edgar Haskell Kibler, Jr., Coast Artillery Corps.
Harold Cooper Donnelly, Coast Artillery Corps.
Morris Oswald Edwards, Infantry.
William Oscar Senter, Air Corps.
Frank Joseph Zeller, Coast Artillery Corps.
Richard Louis Matteson, Coast Artillery Corps.
Sidney Francis Giffin, Coast Artillery Corps.
Robert Beall Franklin, Field Artillery.
William Gordon Bartlett, Cavalry.
Paul Nelson Gillon, Coast Artillery Corps.
Paul Rudolf Walters, Field Artillery.
Vernon Cleveland Smith, Air Corps.
Edward Thorndike Ashworth, Coast Artillery Corps.
William Bruce Logan, Coast Artillery Corps.
Lafar Lipscomb, Jr., Coast Artillery Corps.
Harry Stephen Bishop, Air Corps.
Harry Sheldon Tubbs, Coast Artillery Corps.
Herman Henry Kaesser, Jr., Infantry.
Francis Hill, Field Artillery.
Herbert Charles Plapp, Field Artillery.
Lassiter Albert Mason, Field Artillery.
Joseph Henry O'Malley, Cavalry.
Frederic Henry Fairchild, Coast Artillery Corps.
Emory Edwin Hackman, Coast Artillery Corps.
George Hobart Chapman, Jr., Infantry.
Patrick William Guiney, Jr., Coast Artillery Corps.
John Frederick Thorlin, Coast Artillery Corps.
Frank Harris Shepardson, Coast Artillery Corps.
William George Fritz, Coast Artillery Corps.
Jack Wellington Turner, Cavalry.
Robert Worman Hain, Coast Artillery Corps.
Charles Goyer Patterson, Coast Artillery Corps.
Clyde Lucken Jones, Infantry.
Victor Edward Maston, Infantry.
Ethan Allen Chapman, Coast Artillery Corps.
Oren Eugene Hurlbut, Infantry.
Harrison King, Field Artillery.
George Warren White, Infantry.
Richard Park, Jr., Field Artillery.
Beverly DeWitt Jones, Field Artillery.
William Hadley Richardson, Jr., Field Artillery.
Frank Patterson Hunter, Jr., Air Corps.
George Harold Crawford, Coast Artillery Corps.
Harold Roth Maddux, Air Corps.
John Roosevelt Brindley, Field Artillery.
Dwight Divine, 2d, Air Corps.
Samuel McFarland McReynolds, Jr., Coast Artillery Corps.
Marcus Tague, Field Artillery.
Joseph Leonard Cowhey, Field Artillery.
Edward Deane Marshall, Air Corps.
George Leon Van Way, Infantry.
Newell Charles James, Field Artillery.
Charles Henry Chase, Infantry.
David Virgil Adamson, Cavalry.
John William Ferris, Field Artillery.
Robert Penn Thompson, Field Artillery.
Russell Roland Klanderman, Infantry.
James Leo Dalton, 2d, Cavalry.
Neil Merton Wallace, Field Artillery.
William Paul Whelihan, Field Artillery.
Marshall Woodruff Frame, Cavalry.
Robin George Speiser, Field Artillery.
William James Given, Jr., Field Artillery.
Harry Nelson Burkhalter, Jr., Air Corps.
Avery John Cooper, Jr., Coast Artillery Corps.

Lawrence Browning Kelley, Air Corps.
Stephen Ogden Fuqua, Jr., Infantry.
Hardin Leonard Olson, Infantry.
Benedict Ray, Infantry.
Cam Longley, Jr., Field Artillery.
Carlyle Walton Phillips, Air Corps.
Robert Benton Neely, Field Artillery.
Phillip Henshaw Pope, Field Artillery.
William John Ledward, Coast Artillery Corps.
Joseph Warren Stilwell, Jr., Infantry.
Peter Paul Bernd, Infantry.
Arthur Robert Cyr, Infantry.
Arthur Wilson Tyson, Infantry.
Joseph Menzie Pittman, Infantry.
George Allen Carver, Field Artillery.
Gordon Pendleton Larson, Infantry.
Thomas Joseph O'Connor, Infantry.
George Rushmore Gretser, Infantry.
Robert Totten, Field Artillery.
Douglas Moore Cairns, Air Corps.
Sherburne Whipple, Jr., Cavalry.
Edgar Collins Doleman, Infantry.
Cyril Joseph Letzelter, Infantry.
William Orlando Darby, Field Artillery.
Daniel Light Hine, Field Artillery.
Jack Wallace Rudolph, Infantry.
John Abell Cleveland, Jr., Infantry.
George Thomas Powers, 3d, Field Artillery.
Joshua Robert Messersmith, Field Artillery.
Roy Tripp Evans, Jr., Infantry.
Edwin Martin Cahill, Cavalry.
William Francis Ryan, Field Artillery.
Raymond Emerson Kendall, Infantry.
James Henry Skinner, Field Artillery.
Anthony Frank Kleitz, Jr., Cavalry.
Paul Thomas Carroll, Infantry.
Richard John Meyer, Air Corps.
Randolph Whiting Fletter, Field Artillery.
Charles Harlow Miles, Jr., Infantry.
Humbert Joseph Versace, Field Artillery.
Milton Fredrick Summerfelt, Air Corps.
Franklin Guest Smith, Field Artillery.
William Henry Baumer, Jr., Infantry.
Gabriel Poillon Disosway, Air Corps.
James Pugh Pearson, Jr., Field Artillery.
Earl Jacob Macherey, Infantry.
Ralph Alspaugh, Infantry.
Emile Jeantet Greco, Field Artillery.
Gerald Lorenzo Roberson, Field Artillery.
Joseph Edward Bastion, Jr., Cavalry.
Jewell Burch Shields, Air Corps.
Thomas Herbert Beck, Infantry.
Maurice Evans Kaiser, Infantry.
Benjamin Thomas Harris, Infantry.
Gardner Wellington Porter, Infantry.
Harry William Sweeting, Jr., Infantry.
Franklin Stone Henley, Air Corps.
Cyrus Abda Dolph, 3d, Infantry.
John Martin Breit, Infantry.
Harold Lindsay Richey, Cavalry.
Charles Fauntleroy Harrison, Cavalry.
Thomas Bowes Evans, Infantry.
Walter Andrew Valerious Fleckenstein, Infantry.
Franklin Gibney Rothwell, Infantry.
Leo Harold Heintz, Infantry.
William Howard Thompson, Cavalry.
William Fant Damon, Jr., Cavalry.
William Gray Sills, Infantry.
Robert Evans Arnette, Jr., Cavalry.
Francis Clay Bridgewater, Cavalry.
Ernest Mikell Clarke, Infantry.
Victor Haller King, Coast Artillery Corps.
Daniel W. Smith, Infantry.
Thomas de Nyse Flynn, Coast Artillery Corps.
Harold Keith Johnson, Infantry.
James Orr Boswell, Infantry.
David Parker Gibbs, Signal Corps.
William Howard Garrett Fuller, Infantry.
Gordon Milo Eyler, Infantry.
Cordes Fredrich Tiemann, Air Corps.
Maddrey Allen Solomon, Infantry.
Lyle William Bernard, Infantry.
Shelby Francis Williams, Infantry.
Jean Evans Engler, Infantry.
Corwin Paul Vansant, Jr., Infantry.
Walter Abner Huntsberry, Infantry.
Andrew Donald Stephenson, Infantry.
Douglas Graver Gilbert, Infantry.
Frank Laurence Elder, Infantry.
Donald Cameron Cubbison, Jr., Cavalry.
Amaury Manuel Gandia, Infantry.
Samuel Abner Mundell, Air Corps.
Robert Harrold Bayne, Cavalry.
Bruce von Gerichten Scott, Air Corps.
Felix Louis Vidal, Air Corps.
Gwinn Ulm Porter, Infantry.
Frederick Robert Zierath, Infantry.
Robert Hulburt Douglas, Infantry.
Carl Darnell, Jr., Field Artillery.
Joseph Brice Crawford, Infantry.
Frederick William Coleman, 3d, Infantry.
Raymond Wiltse Sellers, Infantry.
Matthew William Kane, Cavalry.
Alton Alexander Denton, Infantry.
Jules Verne Richardson, Cavalry.
Frederick William Gibb, Infantry.
Norman Kemp Markle, Jr., Cavalry.
Jesse Martin Hawkins, Jr., Cavalry.
Ralph Talbot, 3d, Infantry.
Charles Ellsworth Leydecker, Cavalry.
Austin Andrew Miller, Infantry.
Henry Walter Herlong, Infantry.
Morris King Henderson, Infantry.
Earl Francis Signer, Air Corps.
Richard Thomas King, Jr., Air Corps.
John Daniel O'Reilly, Infantry.
Roland Arthur Elliott, Jr., Infantry.
Lloyd Ralston Fredendall, Jr., Infantry.
Edson Schull, Infantry.
Joel Lyen Mathews, Infantry.
Royal Reynolds, Jr., Infantry.
George Hollie Bishop, Jr., Infantry.
Stephen B. Mack, Air Corps.
Lawrence Kermit White, Infantry.
Graydon Casper Essman, Infantry.
Russell Franklin Akers, Jr., Infantry.
Claude Leslie Bowen, Jr., Infantry.
Duff Walker Sudduth, Infantry.
David Wagstaff, Jr., Cavalry.
Clyde Jarecki Hibler, Infantry.
James Rhoden Pritchard, Field Artillery.
James Dennis Underhill, Air Corps.
Robert Emmett Gallagher, Coast Artillery Corps.
Samuel Edward Gee, Infantry.
Alston Grimes, Infantry.
Nelson Parkyn Jackson, Air Corps.
Frederick Otto Hartel, Infantry.
Ivan Walter Parr, Jr., Infantry.
William Roberts Calhoun, Field Artillery.
Roy Dunscomb Gregory, Infantry.
Karl Truesdell, Jr., Air Corps.
Glenn Howbert Garrison, Infantry.
Edson Duncan Raff, Infantry.
Chester Braddock Degavre, Infantry.
Erdmann Jellison Lowell, Infantry.
William Agin Bailey, Infantry.
Seymour Eldred Madison, Infantry.
Robin Bruce Epler, Air Corps.
John Newman Scoville, Infantry.
William Field Due, Infantry.

Peter Demosthenes Clainos, Infantry.
John Frederick Schmelzer, Infantry.
Sydney Dwight Grubbs, Jr., Air Corps.
David Thomas Jellett, Infantry.
Millard Loren Haskin, Air Corps.
Joseph Anthony Remus, Infantry.
Ben Harrell, Infantry.
Richard Churchfield Blatt, Infantry.
Richard Allen Risden, Infantry.
Joseph Ermine Williams, Infantry.
Miller Payne Warren, Jr., Infantry.
Stanley Nelson Lonning, Infantry.
Robert Moore Blanchard, Jr., Infantry.
William Wilson Quinn, Infantry.
Charner Weaver Powell, Coast Artillery Corps.
Charles Pearce Bellican, Infantry.
Edward Spalding Ehlen, Infantry.
Thomas Tallant Kilday, Infantry.
Richard Mattern Montgomery, Air Corps.
Charles Hoffman Pottenger, Air Corps.
John Roberts Kimmell, Jr., Infantry.
William Vernard Thompson, Infantry.
Gerald Carrington Simpson, Infantry.
Robert Wilkinson Rayburn, Cavalry.
John Baird Shinberger, Cavalry.
Adrian Leonard Hoebeke, Infantry.

PROMOTION IN THE PHILIPPINE SCOUTS

TO BE FIRST LIEUTENANT

Emmanuel Salvador Cepeda, Philippine Scouts.

APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES

GENERAL OFFICER

Samuel Tilden Lawton to be brigadier general, National Guard of the United States.

POSTMASTERS

CALIFORNIA

James W. Barr, Big Creek.
Lynn A. Hogue, Brea.
Melvin L. Horine, Denair.
Albert J. Frutchey, Los Nietos.
Charlie M. Seargeant, Manhattan Beach.
Talbot Bielefeldt, Placentia.
George H. German, Port Chicago.
Noah A. Stump, Rosemead.
Carl A. Romer, San Juan Capistrano.
Irene C. Witmer, Solana Beach.
Marvin O. Drake, Terra Bella.
Sam H. Long, Tustin.

LOUISIANA

Raleigh Leslie Wyble, Melville.

MASSACHUSETTS

Richard Mullen, Athol.
Mary G. Hanifin, Belchertown.
Hazel M. Cairns, Bernardston.
Fred C. Small, Buzzards Bay.
Patrick H. Haley, Chelmsford.
Leon H. Thorner, Clifton.
James J. Murtaugh, Hopkinton.
William M. Higgins, Jr., Orleans.
Ethyl M. Duffey, Scituate.
Maryetta Browne, State Farm.
Bertha M. West, Wianno.

NEVADA

Isaac L. Stone, McGill.

NEW YORK

Mattie C. Dellone, Bolivar.
John F. McGovern, Caledonia.
Jesse B. Kilburn, Cattaraugus.
Michael O'Donnell, Cohoes.
Raymond A. Switzer, Ebenezer.
Arthur H. Walsh, Garrison.
David J. McHenry, Granville.
Frederick W. Schadt, Jeffersonville.
Ray G. Blyth, Macedon.
Frank B. Rickard, Middleburg.
Gertrude F. Tracey, Middleport.
John Francis Dawson, Mineville.
James P. Doyle, Nunda.
Thomas A. Kenney, Ossining.
Lewis N. S. Rockwell, Otisville.
Herbert N. Griffin, Oxford.
Edward H. O'Connor, Sherburne.
Walter F. Herrling, Skaneateles.

NORTH CAROLINA

John G. Kennedy, Beulaville.
Helen H. Leggett, Scotland Neck.
Samuel R. Fowle, Jr., Washington.

OHIO

Michael A. Delsantro, Willoughby.

OKLAHOMA

Roy C. Bennett, Vian.

OREGON

Glen A. Henderson, Houlton.
Inez C. Givan, Merrill.

VERMONT

Helen F. McKenna, Norwich.
Harold J. Sheehan, Richmond.
George M. Goodrich, South Royalton.

WYOMING

Arthur W. Crawford, Guernsey.

WITHDRAWAL

Executive nomination withdrawn from the Senate May 8 (legislative day of Apr. 24), 1936

POSTMASTER

ARKANSAS

Edgar L. Adams to be postmaster at Stephens, in the State of Arkansas.

HOUSE OF REPRESENTATIVES

FRIDAY, MAY 8, 1936

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Lord and our Father, O satisfy us with Thy mercy, that we may rejoice and be glad all our days. Let Thy work appear unto Thy servants and Thy glory unto their children. We unite in a national tribute to mother. Hear us in these moments of praise and grateful retrospection. We rejoice that hers was the first face that brightened at our joys and wept at our tears. It was the first face on which divine love wrote its immortal message; it gave all and asked nothing. We thank Thee for the paths of childhood, where she first placed our wandering feet. We pray that her heavenly, sacrificial spirit may hover over our land. Then strife will cease, brotherly love will take the place of hatred, and men will follow the Golden Rule. We bless Thee, Almighty God, for her wonderful memory. May it abide with us as the inspiration of virtue, sacrifice, and religion, and unto Thee be praises forever. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on May 7, 1936, the President approved and signed bills of the House of the following titles:

H. R. 5491. An act for the relief of Bethlehem Fabricators, Inc.;

H. R. 9380. An act for the relief of Edgar M. Barber, special disbursing agent, Paris, France, and Leo Martinuzzi, former customs clerk; and

H. R. 10193. An act to amend the act to fix the hours of duty of postal employees.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 11098. An act to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa.; and

H. R. 11994. An act to provide for the establishment of a term of the District Court of the United States for the Western District of Oklahoma at Shawnee, Okla.

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8287. An act to establish an assessed valuation real-property tax in the Virgin Islands of the United States.

The message also announced that the Senate had passed joint resolutions of the following titles, in which the concurrence of the House is requested:

S. J. Res. 226. Joint resolution authorizing the President to invite foreign countries to participate in the San Francisco Bay Exposition of 1939 at San Francisco, Calif.;

S. J. Res. 229. Joint resolution providing for the contribution by the United States to the expense of the celebration by the State of Arkansas of its admission to the Federal Union; and

S. J. Res. 260. Joint resolution to provide an additional appropriation for folding speeches and pamphlets for the Senate for the fiscal year 1936.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1075. An act for the relief of Louis H. Cordis;

S. 3645. An act for the relief of Dampskib Aktieselshap Roskva;

S. 3685. An act for the relief of George Rabcinski; and

S. 4395. An act for the relief of the State of New Jersey.

The message also announced that the Senate had ordered that the Secretary be directed to request the House to return to the Senate the bill (S. 4353) to provide for the establishment of a term of the District Court of the United States for the Western District of Oklahoma at Shawnee, Okla.

THE FRAZIER-LEMKE BILL

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. O'CONNOR. Mr. Speaker, on Monday next, May 11, 1936, the so-called Frazier-Lemke bill comes before the House.

The parliamentary procedure is as follows:

Under clause 4 of rule XXVII, the so-called "discharge rule", immediately after the approval of the Journal, and before any other business can be transacted, the Speaker must recognize any Member who signed the petition to discharge to call up the motion to discharge.

The resolution, H. Res. 123, is then read by title only. The title is, "To make H. R. 2066, a bill to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system through the use of the Farm Credit Administration, the Federal Reserve banking system, and creating a Board of Agriculture to supervise the same, a special order of business."

After 20 minutes' debate, one-half in favor of the motion to discharge and one-half in opposition thereto, the House proceeds to vote on the motion to discharge the Rules Committee.

If the motion prevails, the House immediately votes on the adoption of the resolution, H. Res. 123.

If the resolution or "rule" is adopted, the bill H. R. 2066, under the provisions of the rule is taken up on the next day, Tuesday, May 12, 1936, for consideration under the general rules of the House, except that general debate, confined to the bill, is limited to 6 hours, and except that the time is controlled, one-half by the Member requesting the rule for the consideration of said H. R. 2066, which probably means the introducer of H. Res. 123, the gentleman from North Dakota [Mr. LEMKE], and the 3 hours in opposition is controlled by some Member of the House opposed to the bill, to be designated by the Speaker. If the first two votes, to discharge the Rules Committee and the adoption of the rule prevail, the consideration of the bill under general debate and the amendments will undoubtedly consume 2 or 3 days. Final vote on the bill, in all likelihood would come late Wednesday or on Thursday.

The Frazier-Lemke bill, H. R. 2066, was introduced in the House by the Republican Member from North Dakota [Mr. LEMKE] on January 3, 1935, and about the same time introduced in the Senate by the Republican Senator from that State [Mr. FRAZIER].

The rule, H. Res. 123, was introduced in the House by Mr. LEMKE on February 21, 1935, before the Agriculture Committee of the House had acted on the bill, and the rule is extraordinary in that it was not directed toward the Agriculture Committee, but provided for the consideration of the bill notwithstanding any further action on the said bill by the Committee on Agriculture, "or any rule of the House."

The rule is further most extraordinary in that it directs whom the Speaker shall recognize to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill, namely, Mr. LEMKE, the introducer, a minority Member, who is not a member of the Agriculture Committee, nor the Member who filed the motion to discharge at the Speaker's desk. Mr. LEMKE was the fortieth signer on the said petition.

Furthermore, the rule is most extraordinary in that time under general debate is directed to be controlled in support of the bill by Mr. LEMKE, a Member of the minority, contrary to the standing practice in the House, for many years, that time in general debate is controlled by the chairman and the ranking minority member of the reporting committee. In this novel practice the control of the proceedings of the House during the consideration of this bill is in the hands of a minority Member and the majority of the House, of about 3 to 1 to the minority, is out of control.

The bill, H. R. 2066, was reported out of the Agriculture Committee of the House on May 3, 1935. Nothing whatsoever has been done in reference to calling up the companion bill in the Senate and there is no indication that any effort has been made or will be made in that direction.

The bill could have been called up in the House in the regular course of its proceedings on Calendar Wednesday, May 15, 1935, 12 days after it was reported out of the Committee on Agriculture. That committee had the call on that day and had all of the day, if it had desired to use it. The Committee on Agriculture, however, waived its right to the day and no proponents of the Frazier-Lemke bill, including Mr. LEMKE, objected to that waiver.

It has always been impossible to find out how many, or what particular members, of the Committee of Agriculture voted to report the bill. No record vote was taken. Sometime thereafter the committee did vote, without any record vote, to request the Rules Committee to grant a rule for the consideration of the bill and thereupon appointed a subcommittee of two members to wait upon the Rules Committee to request a hearing on the application for a rule. It is most extraordinary that this subcommittee consisted of two Republicans, and to date no Democratic member of that committee has ever requested a hearing before the Rules Committee.

The invariable practice has been that the chairman of a standing committee or some majority member designated by him, makes the request to Rules Committee for a hearing.

When the request was made to the chairman of the Rules Committee by the two minority members, they were informed that in view of the peculiar circumstances and the reputed rumors that the Agriculture Committee had passed the "buck" to the Rules Committee, as was stated in the meeting when the bill was reported out, the chairman of the Rules Committee, after consultation with the leaders of the House, took the position that the request for a hearing should be made by a majority of the members of the Committee on Agriculture, and that if such majority joined in such a request, a hearing would be granted. That normal situation has been a standing offer to the Agriculture Committee as is known by the proponents of the bill but has never yet been complied with.

On March 5, 1935, within 12 days after the introduction of the rule, H. Res. 123, a petition was filed at the Speaker's desk to discharge the Rules Committee from further consideration of the rule. This was 2 months before the Agriculture Committee acted on the bill. Rules Committee has never considered a rule for the consideration of any bill which has not been reported out of a committee.

On April 30, 1936, the petition was completed with 218 signatures, including three Members now dead, and one Member who has never voted during this session of Congress. Under a decision by former Speaker Rainey, the signatures of deceased Members are permitted to remain on the petition.

The Frazier-Lemke bill is a proposal that the Government take over the mortgages on the farms of the country. It is estimated that they amount to about eight and one-half billion dollars. The bill provides that these mortgages be taken over at their face value, and at an interest rate of 1½ percent. Furthermore, the bill applies to any farmer who may have lost his property through foreclosure in the last 14 years. These mortgages are principally held by the insurance companies of the country. The effect of the bill would be that the Government would bail out the insurance companies of the country of billions of dollars of their loans.

The bill is strictly a "farm" bill with no provision to take care of urban or city mortgages, which amount to $21,000,000,000, as compared to the farm mortgages of eight and one-half billion dollars. It is true that through the Home Owners' Loan Corporation about two and one-half billion dollars has been loaned to city dwellers, but on a valuation not to exceed 80 percent and practically does not exceed 60 percent, and further at an interest rate of 5 percent.

There is absolutely no possibility of providing in this bill for any relief for the city mortgagors. It is beyond question that any amendment attempted to take care of city mortgages would be held not germane and ruled out on a point of order, because the Frazier-Lemke bill pertains solely to farm mortgages.

The chief objection to the Frazier-Lemke bill is, however, that it is an inflationary measure rather than a "farm relief" bill. The inflation feature, of providing for the printing of $3,000,000,000 of currency, just as a start, to finance the taking over of the farm mortgages, is the chief feature of the bill and because such an inflationary measure is the prime purpose of the bill, it should have been referred to the Committee on Banking and Currency rather than the Committee on Agriculture.

The Members of the House from the metropolitan areas have always supported every genuine farm-relief measure, and if this inflationary feature was not in the bill, in spite of the discrimination against the cities, many of the Members from the cities, including myself, would feel inclined to support the bill.

Organized labor is definitely opposed to the bill as publicly stated by Mr. William Green, president of the American Federation of Labor, because of its inflationary provisions, which would inevitably increase the cost of living and consequently decrease the purchasing power of the wage earner.

The farmers of this country, who with all their dependents number less than 25 percent of the population, have received especial and preferential treatment at the hands of the Government. Only on last Monday, May 4, 1936, there was passed in the House, on the Consent Calendar, H. R. 10101, introduced by the gentleman from Iowa [Mr. GILLETT] and reported by the Committee on Agriculture, "A bill to amend the Federal Farm Loan Act and the Farm Credit Act of 1935", extending for 2 years the interest on loans on farm mortgages at a rate of 3½ percent. Again this relief can be contrasted with the Government rate on city mortgages of 5 percent. This bill, H. R. 10101, in itself should be sufficient to take care of the situation as to farm mortgages.

Furthermore, there is pending on the Union Calendar, No. 223, H. R. 7593, introduced by Mr. JONES of Texas, chairman of the Committee on Agriculture, a well-considered bill which should accomplish anything further needed to be done for the farmer beyond the Gillette bill.

H. R. 7593 is "a bill to facilitate the extension of agricultural credit at lower interest rates by providing for the issue of certain bank notes, and for other purposes." Again, unfortunately, however, this bill cannot be offered as an amendment to the Frazier-Lemke bill, because it is not germane and would be ruled out on a point of order, and it is well known that the proponents of the Frazier-Lemke bill will oppose any amendment offered to their measure.

The Frazier-Lemke bill is the first definite step in inflation yet taken by this Government, and is supported by a number of Members solely because it is an inflationary measure and not because it is a "farm bill." Its accomplishment would be ruinous to over 75 percent of the population of this country and especially to the wage earners in the cities.

It is for the above reason that the consideration of the bill has been opposed, and the sane, conservative, patriotic way to oppose it is to vote against it from the very start, by opposing the first vote taken on Monday, May 11, 1936, to discharge the Rules Committee.

INTERNATIONAL PETROLEUM EXPOSITION, TULSA, OKLA.

Mr. DISNEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 497, to permit articles imported from foreign countries for the purpose of exhibition at the International Petroleum Exposition, Tulsa, Okla., to be admitted without payment of tariff, and for other purposes.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent for the consideration of House Joint Resolution 497, of which the Clerk will read the title.

The Clerk read the title.

The SPEAKER. Is there objection?

Mr. SNELL. Reserving the right to object, I suppose this is the usual resolution that we have been passing when a certain part of the country desired an exposition.

Mr. DISNEY. That is correct.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the resolution, as follows:

House Joint Resolution 497

Resolved, etc., That all articles which shall be imported from foreign countries for exhibition at the International Petroleum Exposition to be held at Tulsa, Okla., from May 16 to May 23, 1936, or for use in constructing, installing, or maintaining foreign buildings or exhibits at the said exposition upon which articles there shall be a tariff or customs duty shall be admitted without payment of such tariff, customs duty, fees, or charges under such regulations as the Secretary of the Treasury shall prescribe; but it shall be lawful at any time during or within 3 months after the close of the said exposition to sell within the area of the exposition any articles provided for herein, subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe: *Provided*, That all such articles, when withdrawn for consumption or use in the United States, shall be subject to the duties, if any, imposed upon such articles by the revenue laws in force at the date of their withdrawal; and on such articles, which shall have suffered diminution or deterioration from incidental handling or exposure, the duties, if payable, shall be assessed according to the appraised value at the time of withdrawal from entry hereunder for consumption or entry under the general tariff law: *Provided further*, That imported articles provided for herein shall not be

subject to any marking requirements of the general tariff laws, except when such articles are withdrawn for consumption or use in the United States, in which case they shall not be released from customs custody until properly marked, but no additional duty shall be assessed because such articles were not sufficiently marked when imported into the United States: *Provided further*, That at any time during or within 3 months after the close of the exposition any article entered hereunder may be abandoned to the Government or destroyed under customs supervision, whereupon any duties on such article shall be remitted: *Provided further*, That articles, which have been admitted without payment of duty for exhibition under any tariff law and which have remained in continuous customs custody or under a customs exhibition bond, and imported articles in bonded warehouses under the general tariff law may be accorded the privilege of transfer to and entry for exhibition at the said exposition under such regulations as the Secretary of the Treasury shall prescribe: *And provided further*, That the International Petroleum Exposition shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under the provisions of this act, and that the actual and necessary customs charges for labor, services, and other expenses in connection with the entry, examination, appraisement, release, or custody, together with the necessary charges for salaries of customs officers and employees in connection with the supervision, custody of, and accounting for, articles imported under the provisions of this act, shall be reimbursed by the International Petroleum Exposition to the Government of the United States under regulations to be prescribed by the Secretary of the Treasury, and that receipts from such reimbursements shall be deposited as refunds to the appropriation from which paid, in the manner provided for in section 524, Tariff Act of 1930.

Mr. TREADWAY. This is simply to permit the importation of certain articles without the payment of duty provided they come in bond.

Mr. DISNEY. Yes; and if they are sold they pay the regular duty.

The SPEAKER. Is there objection?

There was no objection.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE DEFICIENCY BILL OF 1936

Mr. WOODRUM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 12624) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. MCCORMACK in the chair.

The Clerk read the title of the bill.

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Chairman, it is not my purpose this morning to enter into any special discussion of the particular provisions of the pending bill. What I want to do if I can is to make a few remarks in the nature of suggestions for my colleagues to think about in the future conduct of the business of this country and for their use in the future action of the Congress.

I have always believed that the Government, like an individual, should live within its income. I think that is as fundamental and sound a principle of economics as any that we may discuss. I think also that the simple things I am going to say are as fundamental as simple, and that, as I understand it, the deficiency appropriation bill is a bill to provide for the payment of indebtedness incurred by Government bureaus in excess of what Congress has heretofore authorized.

It is my information from the membership of the Appropriations Committee that this bill carries a rather small amount of what is, in fact, a deficiency obligation. Stated in another way it is this: We, the Congress, say you can spend so much, and the various departments go ahead without regard to what we have said and spend several millions more, and then come back and say to us we have spent more than you directed and have a deficiency in our departments and you must allow us that, and that continues from year to year, and that is how we get deficiencies. That is what causes deficits. The Government spends more than the taxes that are collected. It is true in this bill, however, that the major portion of more than $2,000,000,000 is for relief. I am convinced—and I think the membership of this House is convinced—that there ought to be a stopping place somewhere in the matter of appropriations and expenditures. There are just two ends, you might say, to the business of the Federal Government—one is the intake end and the other is the discharge end. One is the end that represents receipts and the other is the end that represents disbursements; and when the time comes that receipts are far less than disbursements, we have what we call an unbalanced Budget, or a deficit. The same thing can happen to my bank account and to your bank account, provided the bankers are liberal enough to allow us to overdraw; and just as sure as we overdraw our bank accounts, we impair our credit; and when the Federal Government continuously follows a system of overdrafts or deficits or unbalanced budgets, whatever you choose to call them, it continues to that extent to impair its credit.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. MAY. Yes.

Mr. COLDEN. The gentleman is emphasizing the necessity of keeping within the revenues of the Government and mentions the individual. When an individual has sickness in his family, or an emergency, he is compelled by the circumstances to go out and borrow money, regardless of his income. Is not that the situation of the United States Government? We have been sick economically and it has been necessary for us to make these expenditures.

Mr. MAY. The Government or the country has been, indeed, very sick, but the Government has practically recovered from its sickness and is now out on the high plane of good health, in the sunshine, and able to walk, and the time has come when the medical bills must cease, and the time has come when the Government ought to begin to provide against such contingencies as getting sick as it has in the past. One of the best ways in the world to do that is to practice economy when we ought to practice it, so that when the sick spell does come we will have a balance sufficient in the Treasury to take care of the sickness. In other words, practice economy and lay up something for a rainy day. The prudent man will not wait till he is sick but will commence to save while he is able to work.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. MAY. Yes.

Mr. PIERCE. I agree with that 100 percent. Is not the question of the unemployed, which is making this bill necessary in all its largeness, the real cause, and is not that a permanent feature in this country?

Mr. MAY. Unemployment is a problem, but I am not willing to believe the statements of one of the chief witnesses as a proponent of this bill on two propositions; I think he is simply uninformed and I do not ascribe to him any ulterior motive. I do not believe unemployment in this country is as bad as we are told it is, and I do not believe there are 20,000,000 American people who ought to have relief, because there are not that many that have to have relief, and I think relief ought to be restricted to those who meritoriously need relief, and everybody knows there are thousands on relief rolls that are not entitled to be on them.

Mr. PIERCE. Should we not cut our cloth to suit our needs? And I agree with the gentleman fully that we should pay as we go, and if I return here in the next Congress I shall vote on that line, regardless of party lines. Nevertheless, should not we at once prepare to take care of the unemployed who cannot get work?

Mr. MAY. I agree with the gentleman that we must make it possible for the unemployed to get work, and I shall vote

accordingly; but there is only one way to stop Government expenditures that are neither wise nor necessary, and that is to stop making unnecessary appropriations for unnecessary activities of the Government. The Government of the United States is engaged in things today that the Members of this Congress do not know it is engaged in. Frequently we hear criticism of some of our Members on the floor of this House who talk a great deal—and I am not one of them, I thank the Lord. They are charged with putting the Government to the expense of $50 a page in printing the CONGRESSIONAL RECORD. Yet in 1935, by an act of July 26, Public, 220—and I am using this as an illustration of what we are doing unconsciously—we created a Federal Register, providing for the publication daily of the proclamations and executive orders of all the executive departments and the rules and regulations of the various bureaus of the Government. The purpose of that was to let the people of the country know what kind of laws they had to obey; in other words, not the acts of Congress but the downtown laws of the city of Washington. That is what it is, and here we have a Register published up to date, beginning on March 14 of this year, 6 days less than 2 months old, which is costing the taxpayers of the country $30 a page to print, and I have in my hand volume 1, no. 40. The page has reached 406 up to date, which, at $30 a page, amounts to $12,360 in 2 months.

Mr. WOODRUM. Mr. Chairman, will the gentleman yield?

Mr. MAY. Yes.

Mr. WOODRUM. I call the gentleman's attention to the fact that in one breath he complains about the fact that the Government is doing things that the people do not know anything about and in the next breath he complains about the only official organ that does tell the Congress and the country what the rules and the regulations and edicts of the Government are.

Mr. MAY. The point I make is that we ought not to have as many bureaus as we have and we ought not to have as many rules and regulations as we have, and we will continue to have them just so long as we appropriate ten and a half billion dollars at each session of Congress. My good friend, Mr. WOODRUM, comes from the great State of Virginia. He is a Democrat and a real statesman, and I am proud of the honor of being his colleague in this great body. No doubt he is familiar with the teachings of the Father of Democracy, the immortal Jefferson, a citizen of his own State, author of the Declaration of Independence, Governor of Virginia, writer of the Virginia Statutes of Religious Liberty, Ambassador to France, twice President of the United States, founder of the University of Virginia, statesman, and philosopher; and may I remind my colleague that it was he that said, "The least governed was the best governed", and he also said, "If the day ever comes that we must look to Washington for direction as to when to sow and when to reap, we shall surely want for bread." That is the doctrine I am contending for.

Mr. WOODRUM. I agree with that; but my friend is a good lawyer and an able and helpful Member of this House. I want to ask him this question——

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield the gentleman from Kentucky 2 additional minutes.

Mr. MAY. I thank the gentleman.

Mr. WOODRUM. The gentleman will remember the occasion for the establishment of the Federal Register, which was the decision of the Supreme Court in the "hot oil" case, where it developed that people had been brought into court and tried for offenses which were not in violation of the law because some department had changed its rules and regulations and nobody knew anything about it until after the conviction. The Supreme Court criticized this system. Does not the gentleman think that where there are departments like the Bureau of Internal Revenue, the tax department, and other departments of the Government that do have authority under the law to promulgate important rules and regulations, there ought to be some way that those rules and regulations could be collected, annotated, and disseminated? Perhaps this is too elaborate. Perhaps this should be cut down to a weekly publication or some other system, but should there not be some method of giving to the Congress and to the people and to the citizens definite and authentic information as to the activities of departments in that respect?

Mr. MAY. I am in favor of giving the people all the information they desire, and if we follow the teachings of Jefferson, the people will not need all this instruction, neither will we have to go to jail. Congress ought to make the laws and not the bureaus, and the courts, and not the bureaus, ought to enforce them. I called the Bureau of Archives this morning and talked to the director of this publication. He told me that although the subscription is $10 a year, the subscription list to date has not reached 500, and that the only people who received it free were heads of bureaus and Members of the Congress of the United States.

The point I am trying to make is this, that just as surely as you give men money to spend, they will spend it, and until we reach a point where we can begin to cut out some of these agencies—and I think Congress is in humor to cut them out—and I think they should be cut out, I think every emergency organization that has been set up should be abolished just as soon as it can be done. I find authority for that in the last Democratic platform. I believe in being a Democrat. I am in thorough sympathy with the President of the United States in his determined effort to rescue this country from the terrible depression, and everybody here knows that under his wise and patriotic leadership we have emerged from the depths of depression and are back again to sound and lasting prosperity; but I say when the war is over and peace has been declared, we ought to stop mobilizing armies and undertake true economy. [Applause.] There must be a stopping place. There will be a stopping place, and unless Congress again assumes its legitimate functions under the Constitution that stopping place will be either bankruptcy or inflation in an uncontrollable form, and one is the equivalent of the other. The mere fact that we have during the Seventy-fourth Congress appropriated and authorized the expenditure of more than $20,000,000,000 is a general invitation to the bureaucrats to expect and demand more. There is only one place to stop it, and that is right here on the floor of this House. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 20 minutes to the gentleman from Iowa [Mr. THURSTON].

Mr. THURSTON. Mr. Chairman, the subcommittee in charge of this bill held hearings covering a period of about 6 weeks, during which time approximately 2,000 pages of hearings were accumulated. So it is obvious that one Member could not discuss the many phases of this measure in detail.

At the outset, I desire to comment just briefly on the composition of the bill. As you know, there are two main sections, one which deals with the deficiencies of the regular departments of the Government. The items carried in this section total approximately $938,000,000.

Then, the more important and controversial division in regard to relief, which carriers $1,425,000,000, making an aggregate sum of $2,364,000,000. It seems to me it would have been much better if two separate bills could have been brought in so that relief could have been discussed separately and free from departmental askings of the other portions of the bill.

Mr. Chairman, I desire to offer in this connection a table on page 6 of the hearings of the Deficiency Subcommittee on Appropriations which shows the type of project included in the $1,425,000,000 portion of the bill.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The table referred to is as follows:

Type of project	Amount	Percent
Highways, roads, and streets	$413,250,000	29
Public buildings	156,750,000	11
Parks and other recreational facilities	156,750,000	11
Public utilities, including sewer systems, water supply and purification, airports, and other transportation facilities	171,000,000	12
Flood control and other conservation	128,250,000	9
White-collar projects	85,500,000	6
Women's projects	85,500,000	6
Miscellaneous work projects	71,250,000	5
National Youth Administration	71,250,000	5
Rural rehabilitation and relief to farmers	85,500,000	6
Total	1,425,000,000	100

Mr. THURSTON. Mr. Chairman, there are just two general phases that I desire to touch upon. One is the question as to whether or not there is political interference in the distribution of relief and a proposal to correct this evil, and the other is the contribution that has been made, or should be made, by respective States.

In regard to the contribution that has been made by the Federal Government, supplemented by either State or subdivisions of State governments, I desire to offer in this connection table no. 4 of the hearings, which gives in detail the amount of funds granted by the Federal Government and each State, plus the amount contributed by each State government; also table no. 8, "Allocation relief funds by States", and table no. 23, "Relief grants."

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The table referred to is as follows:

TABLE E-4.—*Amount of obligations incurred for emergency relief,*[1] *by sources of funds by States, January 1933 through December 1935*

State	Total amount	Federal funds		State funds		Local funds	
		Amount	Percent	Amount	Percent	Amount	Percent
Alabama	$47,319,991	$44,764,187	94.7	$312,212	0.6	$2,243,592	4.7
Arizona	18,991,968	16,170,500	85.2	2,437,919	12.8	383,549	2.0
Arkansas	41,527,083	40,057,358	96.5	305,135	.7	1,164,590	2.8
California	236,095,257	158,043,636	67.2	38,206,236	16.3	38,845,385	16.5
Colorado	46,564,441	39,410,024	84.5	2,117,412	4.5	5,137,005	11.0
Connecticut	53,526,634	23,514,387	43.9	5,300,393	9.9	24,711,854	46.2
Delaware	5,194,724	2,103,756	40.5	2,107,943	40.6	983,025	18.9
District of Columbia	20,012,870	14,665,529	73.3	----------	----------	5,347,341	26.7
Florida	42,376,988	40,361,152	95.3	15,492	(2)	2,000,344	4.7
Georgia	48,205,248	45,645,693	94.7	5	(2)	2,559,550	5.3
Idaho	15,883,654	13,359,320	84.1	806,612	5.1	1,717,722	10.8
Illinois	308,672,761	232,791,591	75.4	62,119,848	20.1	13,761,322	4.5
Indiana	80,310,882	51,864,560	64.6	164,636	.2	28,281,686	35.2
Iowa	41,764,128	24,140,511	57.8	4,169,753	10.0	13,453,864	32.2
Kansas	54,745,989	39,949,490	73.0	470,877	.9	14,325,622	26.1
Kentucky	45,139,766	39,180,712	86.8	2,273,998	5.0	3,685,056	8.2
Louisiana	53,106,478	51,475,311	96.9	1,697	(2)	1,629,470	3.1
Maine	23,300,439	11,788,629	50.6	2,087,142	9.0	9,424,668	40.4
Maryland	45,915,982	33,349,284	72.6	10,127,287	22.1	2,439,411	5.3
Massachusetts	218,642,854	114,510,390	52.3	560,381	.3	103,572,083	47.4
Michigan	172,956,375	127,200,760	73.5	26,453,278	15.3	19,302,337	11.2
Minnesota	88,656,403	67,777,773	76.4	5,462,092	6.2	15,416,538	17.4
Mississippi	32,259,711	31,028,139	96.2	208,334	.6	1,023,238	3.2
Missouri	82,112,369	63,446,081	77.3	9,001,277	10.9	9,665,011	11.8
Montana	25,586,536	22,691,295	88.7	451,220	1.8	2,444,021	9.5
Nebraska	28,091,783	21,583,108	76.8	2,748	(2)	6,505,927	23.2
Nevada	5,724,742	5,074,574	88.6	130,489	2.3	519,679	9.1
New Hampshire	12,299,612	5,493,617	44.7	3,664,360	29.8	3,141,635	25.5
New Jersey	138,413,434	94,725,916	68.4	32,832,756	23.7	10,854,762	7.9
New Mexico	15,269,713	14,738,853	96.5	351,293	2.3	179,567	1.2
New York	726,682,824	385,599,738	53.0	125,445,318	17.3	215,637,768	29.7
North Carolina	39,654,693	38,401,514	96.8	----------	----------	1,253,179	3.2
North Dakota	28,802,104	24,856,992	86.3	41,938	.2	3,903,174	13.5
Ohio	219,470,509	170,537,836	77.7	33,017,460	15.0	15,915,213	7.3
Oklahoma	51,874,144	45,052,578	86.8	364,784	.7	6,456,782	12.5
Oregon	27,719,065	22,019,711	79.4	2,582,754	9.3	3,116,600	11.3
Pennsylvania	446,374,260	316,686,347	70.9	104,695,574	23.5	24,992,339	5.6
Rhode Island	20,197,308	7,947,266	39.4	5,299,281	26.2	6,950,761	34.4
South Carolina	36,614,918	35,867,760	98.0	1,324	(2)	745,834	2.0
South Dakota	35,957,209	32,301,066	89.8	----------	----------	3,656,143	10.2
Tennessee	36,897,618	34,449,852	93.4	893,324	2.4	1,554,442	4.2
Texas	97,152,411	76,693,808	78.9	19,412,655	20.0	1,045,948	1.1
Utah	25,041,740	19,754,620	78.9	3,370,051	13.4	1,917,069	7.7
Vermont	6,013,946	3,406,100	56.6	39,845	.7	2,568,001	42.7
Virginia	26,358,205	23,779,228	90.2	34,452	.1	2,544,525	9.7
Washington	48,890,429	39,965,183	81.7	5,919,721	12.1	3,005,525	6.2
West Virginia	57,334,951	50,758,080	88.5	5,016,987	8.8	1,559,884	2.7
Wisconsin	109,903,757	79,672,626	72.5	4,234,317	3.9	25,996,814	23.6
Wyoming	7,724,461	7,044,855	91.2	267,039	3.5	412,567	5.3
Total, United States	4,096,433,367	2,905,701,296	70.9	522,779,649	12.8	667,952,422	16.3

[1] Includes obligations incurred for relief extended under the general relief program, under all special programs, and for administration; beginning April 1934 these figures also include purchases of materials, supplies, and equipment, rentals of equipment (such as team and truck hire) earnings of nonrelief persons employed and other expenses incident to the Emergency Work Relief Program.

[2] Less than one-tenth of 1 percent.

TABLE A–8.—*Allocation of funds provided under Emergency Relief Appropriation Act of 1935, by agencies and by States, through Mar. 31, 1936*

(Warrants approved)

State or Territory	Grand total	Works Progress Administration	Emergency Conservation Work	All other operating agencies, exclusive of Works Progress Administration and Emergency Conservation Work
Total	$4,508,412,285	$1,363,926,901	$527,479,450	$2,617,005,934
Alabama	64,446,977	17,421,545	9,000,000	38,025,432
Arizona	37,921,823	5,198,424	12,345,500	20,377,899
Arkansas	59,820,101	14,366,301	11,100,000	34,353,800
California	269,228,356	77,061,694	25,943,499	166,223,163
Colorado	58,961,687	17,863,127	8,092,000	33,006,560
Connecticut	38,996,427	14,026,505	4,600,000	20,369,922
Delaware	7,043,767	1,645,972	2,100,000	3,297,795
District of Columbia	24,488,834	6,594,933	1,469,388	16,424,513
Florida	60,156,797	14,789,117	6,013,100	39,354,580
Georgia	68,423,966	19,116,876	12,553,233	36,753,857
Idaho	33,711,106	4,862,907	12,399,500	16,448,699
Illinois	241,365,688	85,387,356	18,725,000	137,253,332
Indiana	86,566,102	40,040,009	10,000,000	36,526,093
Iowa	46,958,400	12,968,713	7,108,530	26,881,157
Kansas	56,029,798	16,327,388	5,677,500	34,024,910
Kentucky	62,851,211	18,949,291	12,700,000	31,201,920
Louisiana	53,820,041	17,052,315	9,500,000	27,267,726
Maine	26,947,502	4,743,244	4,100,000	18,104,258
Maryland	53,447,970	11,179,104	7,600,000	34,668,866
Massachusetts	149,407,527	50,670,372	12,000,000	86,737,155
Michigan	135,751,398	45,070,145	17,105,000	73,576,253
Minnesota	95,099,363	29,677,101	16,467,655	48,954,607
Mississippi	48,107,380	11,227,113	10,002,500	26,877,767
Missouri	98,882,133	32,557,031	10,500,000	55,825,102
Montana	55,152,689	7,365,238	7,376,000	40,411,451
Nebraska	49,019,832	10,206,349	5,578,500	33,234,983
Nevada	12,103,165	1,393,762	3,970,000	6,739,403
New Hampshire	13,978,178	3,589,440	4,700,000	5,688,738
New Jersey	120,792,564	45,386,890	9,000,000	66,405,674
New Mexico	39,822,407	5,556,104	10,789,500	23,476,803
New York	548,965,954	259,734,795	25,040,000	264,191,159
North Carolina	$57,946,689	$12,174,890	$12,575,000	$33,196,799
North Dakota	31,639,395	5,282,211	3,657,500	22,699,684
Ohio	221,539,879	91,018,680	13,000,000	117,521,199
Oklahoma	77,516,000	26,285,339	11,059,945	40,170,716
Oregon	41,951,111	8,970,369	11,406,800	21,573,942
Pennsylvania	317,721,910	123,431,402	33,700,000	160,590,508
Rhode Island	16,768,548	6,658,024	1,800,000	8,310,524
South Carolina	46,413,085	9,240,333	9,300,000	27,872,752
South Dakota	32,591,453	6,019,019	6,063,350	20,509,084
Tennessee	68,939,257	15,102,526	14,000,000	39,836,731
Texas	166,310,825	34,997,881	18,160,000	113,152,944
Utah	28,910,252	6,961,844	6,203,500	15,744,908
Vermont	15,879,899	2,146,025	8,800,000	4,933,874
Virginia	57,370,734	11,695,941	16,500,000	29,174,793
Washington	85,206,559	17,193,235	12,394,000	55,619,324
West Virginia	63,957,213	21,476,388	10,200,000	32,280,825
Wisconsin	98,307,120	30,697,576	16,395,500	51,214,044
Wyoming	26,750,498	2,798,526	4,887,000	19,064,972
Alaska	3,621,137		700,000	2,921,137
Hawaii	9,062,614		1,500,000	7,562,614
Panama Canal Zone	700,000			700,000
Puerto Rico	48,738,159		1,200,000	47,538,159
Virgin Islands	1,189,252		230,000	959,252
Not allocated to specific States	233,778,758	25,630,116		208,148,642
Administrative expense in District of Columbia	37,332,795	4,117,415	190,450	33,024,930

Source: U. S. Treasury Department, Report Showing the Financial Status of Funds Provided in the Emergency Relief Appropriation Act of 1935 as of Mar. 31, 1936, and Treasury Forms SF–1.

TABLE 23.—*Federal Emergency Relief Administration grants May 23, 1933, through Dec. 31, 1935*

State or Territory	Grants for general relief purposes [1]	Special grants for—					Total, all grants [1] [2]
		Transient relief	Rural rehabilitation	Education	Federal Surplus Relief Corporation commodities	Miscellaneous	
Alabama	$34,132,282	$1,691,320	$5,854,850	$1,411,103	$2,975,300	$4,381,925	$50,446,780
Arizona	11,683,523	3,279,381	265,000	207,475	1,029,480	1,256,050	17,720,909
Arkansas	29,461,516	1,723,108	7,105,000	861,636	1,796,000	5,093,709	46,040,969
California	144,179,245	9,015,260	1,228,000	2,910,565	2,808,000	3,652,793	163,793,863
Colorado	33,587,507	1,979,331	1,159,314	518,362	2,245,000	980,414	40,469,928
Connecticut	22,663,645	1,068,797	65,435	582,975	1,121,000	150,388	25,652,240
Delaware	2,042,729	76,395		12,885	150,000	122,768	2,404,777
District of Columbia	14,327,189	1,682,047		233,404	528,000	221,976	16,992,616
Florida	33,994,697	2,167,181	3,190,000	706,866	2,445,000	6,298,226	48,801,970
Georgia	39,199,927	1,673,867	5,221,875	1,330,554	1,964,000	2,965,305	52,345,528
Idaho	12,001,451	729,667	259,000	204,234	812,000	1,425,812	15,432,164
Illinois	195,636,724	3,728,500	1,280,000	2,862,744	6,068,000	1,660,503	211,236,471
Indiana	45,581,795	1,443,154	480,000	1,250,018	2,198,000	1,343,310	52,296,277
Iowa	20,166,732	1,300,282	1,066,040	777,229	1,493,000	1,149,553	25,952,836
Kansas	32,648,996	1,952,458	1,443,395	644,671	3,465,000	3,172,347	43,326,867
Kentucky	30,198,157	1,086,856	719,000	1,134,167	2,061,000	1,186,776	36,385,956
Louisiana	37,883,004	2,981,016	4,579,463	1,056,615	1,487,000	2,027,114	50,014,212
Maine	10,845,275	584,925	696,850	323,323	428,000	794,669	13,673,042
Maryland	30,875,891	1,996,095	8,225	652,404	1,028,000	1,106,454	35,667,069
Massachusetts	115,732,692	964,711	93,930	1,114,430	4,099,000	204,715	122,209,478
Michigan	105,788,754	1,049,691	975,500	1,945,727	5,181,000	1,296,327	116,236,999
Minnesota	64,382,486	1,992,835	1,151,720	1,086,435	5,035,000	1,297,667	74,946,143
Mississippi	23,679,994	692,616	4,368,223	1,198,514	1,482,000	3,354,545	34,775,892
Missouri	55,921,436	2,878,454	1,615,650	1,432,040	4,167,000	4,982,720	70,997,300
Montana	20,156,471	940,000	336,200	244,765	2,231,000	1,749,598	25,658,034
Nebraska	21,431,547	891,988	1,333,142	543,915	2,877,000	2,163,896	29,241,488
Nevada	3,466,992	1,001,790	147,000	48,088	395,000	422,534	5,481,404
New Hampshire	5,348,445	577,651	187,500	188,765	255,000	114,743	6,672,104
New Jersey	85,444,420	1,261,182	548,471	1,369,747	2,867,000	1,744,103	93,234,923
New Mexico	12,912,735	1,662,461	1,746,000	218,088	2,567,000	731,944	19,838,228
New York	372,951,640	6,042,201	325,569	1,901,612	10,214,000	8,195,752	399,630,774
North Carolina	29,435,432	692,777	3,392,000	1,490,321	1,374,000	3,513,654	39,898,184
North Dakota	24,012,747	502,459	984,000	235,081	8,121,000	704,887	34,560,174
Ohio	156,542,312	4,020,500	2,081,500	2,841,414	5,338,000	2,215,021	173,038,747
Oklahoma	36,160,284	967,945	1,700,575	1,015,174	2,964,000	3,332,274	46,140,252
Oregon	18,097,026	1,221,444	263,600	396,083	931,000	317,353	21,226,506
Pennsylvania	281,284,074	4,059,986	583,000	3,994,414	5,480,000	2,621,261	298,022,735
Rhode Island	6,200,788	411,779		260,045	517,000	35,736	7,425,348
South Carolina	26,132,413	876,204	3,645,350	919,108	2,043,000	3,449,313	37,065,388
South Dakota	32,315,135	448,900	1,101,000	229,711	8,672,000	817,452	43,584,198
Tennessee	27,504,732	2,784,910	1,608,963	1,257,396	1,846,000	2,790,878	37,792,879
Texas	60,984,581	3,361,727	10,456,396	2,740,877	9,658,000	11,258,182	98,459,763
Utah	17,225,387	582,625	443,006	298,350	779,000	1,379,482	20,707,850
Vermont	3,136,462	15,000	367,000	155,816	209,000	52,094	3,935,372
Virginia	18,244,526	2,827,345	1,785,000	1,269,455	841,000	1,334,195	26,301,521
Washington	33,260,524	1,667,878	903,500	696,325	1,223,000	957,051	38,708,278

[1] Adjusted to reflect the redeposit by North Dakota of $2,137,085 unexpended balance at the dissociation of Federal administrative control, and redeposits by Georgia of $350,000 and by Louisiana of $50,000, all of which were made during December 1935.

[2] Does not include $88,960,000 of Federal Emergency Relief Administration funds transferred to Civil Works Administration.

TABLE 23.—*Federal Emergency Relief Administration grants, May 23, 1933, through Dec. 31, 1935*—Continued

State or Territory	Grants for general relief purposes	Special grants for—					Total, all grants
		Transient relief	Rural rehabilitation	Education	Federal Surplus Relief Corporation commodities	Miscellaneous	
West Virginia	$40,090,688	$611,036	$1,406,988	$699,728	$1,727,000	$1,335,721	$45,871,161
Wisconsin	69,464,402	1,561,365	516,000	1,288,554	3,522,000	684,398	77,036,719
Wyoming	5,327,850	691,777	760,000	90,511	2,054,000	689,234	9,613,372
Total	2,553,747,260	87,420,877	79,438,230	48,851,719	134,770,780	102,736,822	3,006,965,688
Alaska	1,078,060		460,000	3,285	15,000	800,000	2,356,345
Hawaii	5,897,561		35,000	5,000			5,937,561
Puerto Rico	26,419,661		809,928	116,750	1,635,000	1,000	28,982,339
Virgin Islands	889,669			9,500	292,500	25,200	1,216,869
Grand total	2,588,032,211	87,420,877	80,743,158	48,986,254	136,713,280	103,563,022	3,045,458,802

Mr. THURSTON. Mr. Chairman, briefly I want to direct the attention of the membership to these figures. There is a very wide discrepancy in the amount that has been contributed, from the different States, in order to meet this great emergency. My own State of Iowa the first year practically matched the Federal funds by contributing 50 percent of the amount used for general relief purposes. Last year probably 41 percent, but this table shows that there are a number of States which have only contributed 2, 3, 4, or 5 percent, and possibly there are one or two States that did not contribute 1 percent. So the Federal Government was either required or obliged to make up the deficit. I contend that this was not a fair allocation. Surely, there is no State in this Union that was not in a financial position to have contributed some substantial portion of the relief needed for the support of its citizens requiring relief or assistance. It seems to me we should have a provision requiring each State to make some specific contribution to relief funds and if that amount should be fixed at 20, or possibly 25 percent, then the State would be more interested in the administration of relief funds.

We or the States or their subdivisions would have a personal interest in the allocation or the distribution of the funds and it would be more equitable to the entire country if such a rule were adopted. I interrogated Mr. Hopkins in regard to this subject when he was before our committee 2 years ago and he said he would insist that there should be a matching of funds, a 50–50 contribution. When he came in the next year, however, and the disparity in these figures was called to his attention, he said he was overruled—and he could only be overruled by the President—that he was unable to follow the rule or the agreement he had made. Being further interrogated he said it was largely a question of the ability of the governors of these different States to get all they could. So we here have concrete evidence of the bargaining power of some of the Governors in these States, and certain Governors did get very excellent bargains for their States as compared with amounts received by other States. If all States should be required to furnish, say one-fifth or one-quarter of the funds, and have direct immediate contact in the distribution of these funds with local persons in charge of the distribution who would be better acquainted with the needs of the community, doubtless, a more equitable and even a less expensive administration could be established. In the main, in my section of the country all of the administrators are imported from other sections of the country. I hear this complaint made generally. We are in favor of home rule, and it seems to me it would be preferable and, in fact, imperative, to require it in this respect.

As to whether political influences have had anything to do with the relief situation, I have before me a page from a local Washington newspaper under date of April 26, 1936, giving rather concise and interesting tables upon this subject. I take it is is wholly nonpartisan, unbiased, and was obtained through a broad Nation-wide contact or poll with different classes of people throughout the United States. These figures were collected by the American Institute of Public Opinion. Concisely, it says:

A fair majority of the Democrats believe there is political influence in relief administration and a huge majority of the Republicans are convinced of it.

The question asked was:

In your opinion, does politics play a part in the handling of relief in your community?

The poll disclosed that 65 percent of those interrogated say "yes", 18 percent replied "no", and 17 percent have no opinion upon the subject. So, of those voting, almost 4 to 1 say there has been and there is political interference in the administration of relief.

As divided according to the political affiliation on this page, the Democrats are listed next and 55 percent say "yes", 25 percent say "no", and 20 percent express no opinion. So, more than 2 to 1 of the Democratic faith say there is political interference. Of the Republicans, 80 percent say "yes", 8 percent say "no", 12 percent express no opinion. So 10 to 1 of the Republicans feel that this harmful influence is at play.

As to the Socialists, and they surely cannot be regarded as partisan in this sense, 77 percent say "yes", 9 percent say "no", or 8 to 1 say political influence has been used.

It is interesting to note the percentage in some of the great States. Sixty-seven percent of the people in the State of Pennsylvania believe there is political influence; in Illinois, 60 percent; in Massachusetts, 72 percent; and in the States where opposition is expressed, only one-quarter, one-fifth, or probably one-sixth express opinion in opposition.

Mr. SHANNON. Mr. Chairman, will the gentleman yield?

Mr. THURSTON. I yield.

Mr. SHANNON. From what paper is the gentleman quoting?

Mr. THURSTON. This is from a table taken from the Washington Post, but the figures were compiled by the American Institute of Public Opinion, a nonpartisan organization.

This poll furnishes nonpartisan evidence that political influence is at play in all sections of the country. So if we could turn this relief from Federal administration of a highly political character to State agencies free from political control, undoubtedly we would meet the desire of a great majority of our people; we would have administration free from politics and under the control of those who are most capable of exercising this function. The decisive result of this poll should be carefully considered by the Congress.

Mr. WOODRUM. Mr. Chairman, would the gentleman care to yield right there?

Mr. THURSTON. Yes; I yield to the gentleman from Virginia.

Mr. WOODRUM. Mr. Chairman, I am very much interested in the gentleman's very fair discussion of this interesting phase of relief, but I would like to suggest to the gentleman, and to know his reaction to the suggestion, as to why he thinks if relief were administered by State agencies there would not be the same so-called political influence? And may I draw his attention to this: I do not know what his experience has been, but my experience

has been that there has been politics in this business. It has, however, usually been confined to localities and to local people in charge of relief. There have been localities, and there are localities today, where the influences are Republican, and the Republican influences are handling relief.

Mr. BUCHANAN. That is, just a few.

Mr. WOODRUM. Oh, no; and they are handling it—I do not say with the approval of the leaders of the Republican Party, but this is just as natural as it is for people to be natural, human beings. Now, this is happening in my own district, I may say to the distinguished gentleman from Iowa.

Mr. THURSTON. Should we not relieve those gentlemen from the temptation?

Mr. WOODRUM. You cannot relieve them as long as they are human beings. They are gentlemen in strategic positions in this relief program in the State of Virginia—in Democratic counties, Republicans handling relief. Wherever they can they are doing it beneficially to their own party. The point is I want to suggest——

Mr. THURSTON. I hope the gentleman will be brief, for my time is being shortened.

Mr. WOODRUM. I will give the gentleman some of my time if he does not object to this interruption.

Mr. Chairman, the point I make is that, after all, is not our particular interest at this time in whether or not the Relief Administration in Washington or the national administration is making any effort at all to divert this relief proposition to its own political advantage? I venture the assertion that no party or power could administer relief such as this without politics creeping into it at certain points, very often against even its own wishes.

Mr. THURSTON. In reply to the gentleman, may I say that in the State of Iowa practically all of our boards having to do with charity and public assistance of every character are nonpartisan, and both the major political parties are represented in the constituency of the board or the commission. We therefore rarely have any complaint that partisan influence has in any degree affected the action of those bodies.

Mr. MAY. Will the gentleman yield?

Mr. THURSTON. I yield to the gentleman from Kentucky.

Mr. MAY. The gentleman read certain statistics from a survey which has been made. I would like to know if the State of Kentucky is reported in those statistics, and, if so, what is the percentage of approval or disapproval.

Mr. THURSTON. Mr. Chairman, to expedite this and other inquiries that may be made, I ask unanimous consent to include in my extension of remarks the complete table, which will show the percent in all the States.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The table referred to follows:

AMERICA SPEAKS

In your opinion does politics play a part in the handling of relief in your locality? Yes, 65 percent; no, 18 percent; no opinion, 17 percent. Should relief be returned to State and local governments? Yes, 55 percent; no, 45 percent.

RESULTS OF NATIONAL POLL ANALYZED

Question 1: In your opinion does politics play a part in the handling of relief in your locality? Yes, ———; no, ———; no opinion, ———.

The national vote

[Yes, 65 percent; no, 18 percent; no opinion, 17 percent]

THE VOTE BY STATES

State	Yes (percent)	No (percent)	No opinion (percent)
Arkansas	83	14	3
New Jersey	78	12	10
West Virginia	77	13	10
Louisiana	76	9	15
Rhode Island	76	14	10
Connecticut	75	14	11
Mississippi	75	14	11
Washington	73	12	15
Massachusetts	72	14	14
Oklahoma	71	19	10
New Mexico	71	18	11
Kansas	70	20	10
Minnesota	69	17	14
Arizona	69	19	12
Maine	68	17	15
New York	68	16	16
South Dakota	68	20	12
Texas	68	17	15
Wyoming	67	27	6
Idaho	67	21	12
Florida	67	15	18
Alabama	67	13	20
Ohio	67	15	18
Pennsylvania	67	18	15
California	65	13	22
Tennessee	65	22	13
Virginia	65	17	18
Nebraska	65	20	15
Nevada	63	24	13
South Carolina	63	23	14
Missouri	63	23	14
Indiana	63	21	16
Michigan	63	10	27
New Hampshire	63	9	28
North Dakota	62	30	8
Iowa	62	22	16
Delaware	61	23	16
Wisconsin	61	21	18
Illinois	60	18	22
Georgia	60	21	19
Colorado	59	28	13
Maryland	58	18	24
Utah	56	27	17
Oregon	56	23	21
North Carolina	55	18	27
Montana	52	17	31
Vermont	51	38	11
Kentucky	43	27	30
PARTIES			
Democrats	55	25	20
Republicans	80	8	12
Socialists	77	9	14
GROUPS			
Reliefers	49	25	26
Farmers	70	19	11
Women	58	17	25
Young Peoples	60	14	26

The national vote—Continued

THE VOTE BY STATES—continued

Question 2: Should the responsibility of caring for all persons on relief be returned now to State and local governments? Yes ———; no ———.

The national vote

[Yes, 55 percent; no, 45 percent]

THE VOTE BY STATES

State	Yes (percent)	No (percent)
Delaware	75	25
Massachusetts	67	33
Rhode Island	65	35
Connecticut	63	37
New Jersey	63	37
Michigan	63	37
Iowa	63	37
Missouri	62	38
New York	61	39
Maryland	61	39
Illinois	61	39
Virginia	59	41
Indiana	58	42
New Hampshire	57	43
Nebraska	56	44
South Carolina	56	44
Mississippi	56	44
Ohio	55	45
Kentucky	55	45
Texas	55	45
Maine	54	46
Kansas	54	46
Arizona	53	47
New Mexico	53	47
West Virginia	52	48
Minnesota	51	49

The national vote—Continued

THE VOTE BY STATES—continued

State	Yes (percent)	No (percent)
North Dakota	51	49
Oklahoma	51	49
Wisconsin	50	50
Nevada	50	50
Washington	50	50
Pennsylvania	52	48
Tennessee	49	51
Florida	48	52
Montana	48	52
Idaho	48	52
Wyoming	48	52
Louisiana	47	53
California	47	53
North Carolina	46	54
Colorado	46	54
Oregon	46	54
South Dakota	45	55
Utah	45	55
Arkansas	43	57
Georgia	41	59
Vermont	40	60
Alabama	38	62
PARTIES		
Democrats	44	56
Republicans	72	28
Socialists	38	62
GROUPS		
Reliefers	41	59
Farmers	60	40
Women	56	44
Young people	47	53

Mr. MAY. The table shows the entire country?

Mr. THURSTON. Yes; each of the 48 States.

Mr. Chairman, we must recognize that this relief problem is not a current one. It must be apparent to all Members that it will be a problem of long duration. If this premise is correct—and I believe it is—we must prepare to handle this matter not only in a logical and economical manner but in a humane manner as well. We are all equally interested in the welfare of women and children who are unfortunate and who do not have a sufficient income, as well as the men who may be aged or impaired; but it must be apparent to all of us that after 3 years of Federal relief administration and the expenditure of approximately $16,000,000,000, we still have practically as many people on relief and unemployed as we had 3 years ago. Under these circumstances we have not solved this problem, and if we have not obtained real, satisfactory results under the present procedure, surely we are broad enough and we should be tolerant enough to explore the field and ascertain if we cannot make some changes or agree to some amendments so that the future administration of this program may be sound and fair to all concerned.

Mr. RICH. Will the gentleman yield?

Mr. THURSTON. I yield to the gentleman from Pennsylvania.

Mr. RICH. For the last year Members of Congress have criticized the way the relief proposition has been handled. This bill proposes to handle the relief matter exactly the same as it was handled last year. Why are the Members of Congress permitting this bill to go through in the same form as last year after all of this criticism?

Mr. THURSTON. The final vote, of course, will answer the gentleman's question.

Mr. MAIN. Will the gentleman yield?

Mr. THURSTON. I yield to the gentleman from Michigan.

Mr. MAIN. Is it not significant and rather disheartening to have Mr. Hopkins, after these years of experience and the large amount of money at his disposal, admit that he has no answer or solution for the unemployment problem?

Mr. THURSTON. Yes. However, I think the problem and the solution of relief and unemployment is one for the Congress and not for an administrative or executive officer of the Government.

Mr. Chairman, to summarize my contention, the membership will have an opportunity to vote upon making these important changes, which would require a reasonable contribution upon the part of the States, and the power of directly supervising relief will be delegated to nonpartisan local officials. Not having made any appreciable gain, or having corrected to any great degree the relief or unemployment problems, surely we should be open-minded in our approach to any other proposed changes or suggestions that might assist in solving these problems. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield to the gentleman from California [Mr. BUCK] such time as he may desire.

Mr. BUCK. Mr. Chairman, I realize that the most important matter contained in this bill is the question of the appropriations for relief, but there are other matters contained therein of great interest, and it is one of these to which I desire to call the attention of the Committee this morning.

Mr. Chairman, the first deficiency appropriation bill includes an item for the establishment of an Air Corps depot in the vicinity of Sacramento, Calif. This is a most vital air-defense appropriation, urged by the War Department as part of its general air-defense program and one immediately necessary. I am happy to have had a hand in the work which has led to the adoption of this program. Approval of this item will bring to a successful conclusion the campaign which I have waged since my first election to Congress in 1932 for the establishment of Sacramento as a major Army air base.

During 1918, the final year of the World War, the War Department established an aviation field about 14 miles west of the city of Sacramento, the site of which was donated by local citizens and which was christened Mather Field. This was used as a training school until 1919. Later it was used as a base for an aerial forest control. In 1922 it was placed on an inactive status, but in 1930 it was again opened as a training school and kept in service until November 1, 1932, when the units then stationed there were removed to permanent Air Corps fields. The close proximity of this station to Sacramento made its citizens air-minded long before the rest of the country awakened to its present state of air consciousness.

It has been the earnest desire of those of us who are fully informed of the facts, and who know the strategic advantages to the Nation and to the Army in the location of an air base somewhere near Sacramento, to see action taken to locate there permanently a major branch of the Army's air activities. This I have been urging continuously since the very first months of my first term in Congress. Facts, fortunately, have been with me. As General Embick said, in testifying before the Appropriations Committee in the hearings on the pending bill:

> From a strategic standpoint Sacramento is a good location. It is a central location, and we think it is withdrawn enough from the coast so it is reasonably secure. It is an economical location because it is at the main railway junction in that area.

The climate is mild; the average percentage of sunshine is high; the prevailing winds and average wind velocity are excellent, and even during the so-called rainy season there is a great preponderance of bright weather. These natural advantages I have presented from time to time to the War Department, to the Committee on Military Affairs, and to the subcommittee of the Appropriations Committee handling the War Department bills, in efforts to secure their cooperation in providing funds such as are carried in this bill. As their investigation has proceeded, these gentlemen have come to the conclusion that Sacramento is the ideal location for an Army air repair depot that would serve all peacetime needs of the west coast. I am indeed happy to find that the Appropriations Committee, as a whole, has seen fit to include in this bill the recommendation of the War Department for an expenditure of $7,000,000 to establish this permanent air depot.

It will be established on land to be newly acquired, on which options have been secured through the cooperation of

local authorities. The new site will comprise 1,117.21 acres of land lying to the northeast of Sacramento on the main line of the Central Pacific Railroad. On this will be built necessary barracks, noncommissioned officers' and officers' quarters, administration building, post exchange, hospital, gymnasium and auditorium, heating plant, as well as other necessary accessories. The depot supply building will provide a structure of approximately 961 feet in length by 430 feet in breadth, containing approximately 12,600,000 cubic feet of space, together with the necessary utilities and appurtenances, such as water and sewer mains, electricity and power, paving, and so forth. This one building will cost $1,167,086.

Other parts of the work proposed include engineering shops, to cost $1,406,198; a repair dock, consisting of a building 602 feet in length by 152 feet in breadth, containing approximately 6,000,000 cubic feet; operations building and hangar; paint, oil and dope storage buildings. Radio towers, night lighting system, runways, and necessary equipment are similarly provided. The entire break-down of the proposed Pacific air depot may be found on pages 621–623 of the hearings before the Appropriations Committee, where it was inserted by General Guiney, of the Quartermaster General's Office.

It is anticipated that it will take approximately a year and one-half to complete construction of the air depot. When completed, as General Westover said in his testimony, the Sacramento depot will serve all peacetime repair and overhaul purposes of the west coast, including the overseas units at Hawaii. It will also serve to meet an essential and initial wartime need.

By an Executive order on September 26, 1935, President Roosevelt approved the recommendation of the Secretaries of War and Navy that Rockwell Field, San Diego, should be evacuated by the Army, and Moffet Field by the Navy. Moffet Field is, however, entirely unsuitable, according to the Army officials, for an air depot, and subsequent developments have made it inadvisable to give further consideration of the utilization of Benton Field at Alameda for this purpose. This order and the subsequent developments have, of course, hastened the necessity of developing a new field for the protection of the west coast. Confidential investigations and surveys by the War Department have been in progress for the last 5 months and have resulted in definitely fixing on the Sacramento site which has been recommended unhesitatingly to the Appropriations Committee.

The question will now arise in the minds of many as to why Mather Field, which the Government already owns, is not to be utilized as the site of this new air repair and supply depot. This I think I should explain a little, so there may be no thought in your minds that we are needlessly expending money when the Government already owns land in the vicinity of Sacramento.

In the first place, the acreage of Mather Field is not sufficient for the proposed plant. Additional land would have to be acquired in any event. Secondly, the new site is to be located on a land-grant railroad, which will give the Government an immense saving in transportation costs to and from the new field. But the primary reason is that Mather Field has been selected as the proper location for a bombardment group for the defense of central and northern California. This means that eventually Sacramento will be the heart of Army Air Corps activities, both offensive and defensive.

The selection of Mather Field as the location for this bombardment group is one of the reasons why, from the standpoint of economy, an air depot in the same vicinity is not only advantageous but probably necessary. Permit me to quote General Westover again, in his testimony before the committee, when he stated that the Department "would consider it both an unwise as well as an inefficient way of doing it to put a depot on the same field with a bombardment or other heavy aerial unit. The two would not have sufficient room for their respective operations with the increase of the size of bombing aircraft." There would be conflict between training and field operations of the tactical units and the flight testing of aircraft overhauled by the depot. Hence there would result a loss of time and efficiency by both the units and depot if they were located together.

This, I think, fully explains the reason why Mather Field is not to be utilized in the establishment of the new air repair and supply base. It will, however, be utilized later by combat units of the air force to be organized in accordance with the Drum Board development.

As one who has fought earnestly and sincerely for the development of the Air Force by both the Army and Navy, and, in fact, for the development of every branch of the national defense, I am delighted to see this first step taken in carrying out the air-defense program authorized by Congress at its last session. Naturally I am grateful that the first unit is to be established in my own district. To that extent I hope I may be permitted to congratulate the citizens of Sacramento and vicinity and to thank the public-spirited citizens, newspapers, and civic bodies who have continuously aided my efforts here to bring about recognition by the War Department and Congress of Sacramento's availability as a strategic location for this base.

May I add, in closing, that I hope to see this unit added to in the next regular War Department appropriation bill by the establishment of other units which are necessary wherever they may be located. Nothing is more important under modern conditions to the protection of our Nation and preservation of our liberties than the proper location of adequately equipped air bases. The ground work there performed, the repair and overhaul, the testing and retesting of our planes, are the essentials of successful operations in the air. Bases such as this one about to be established are essential to any intelligent defense policy. [Applause.]

Mr. WOODRUM. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CURLEY].

Mr. CURLEY. Mr. Chairman, I would have to disregard all the statistics of all the agencies of this country on the unemployment problem to agree with my distinguished friend from Kentucky [Mr. MAY]. When I point out to the gentleman from Kentucky that 20 percent of the 7,000,000 people of the city of New York are handcuffed to misery and suffering and are unemployed, perhaps the gentleman might change his opinion.

Mr. Chairman, I had no intention of engaging in debate on this proposition at all, but at the suggestion of the chairman of the committee, I thought it might be well at this point to state my views on this humane legislation. I have listened intently to the discussions both for and against this deficiency bill. I was quite amused at the statements made by the gentleman from Pennsylvania [Mr. RICH] and the gentleman from Massachusetts [Mr. GIFFORD], as well as my distinguished colleague from New York [Mr. TABER]. The gentleman from Massachusetts pointed out the fact that in New York City relief money is being spent for boondoggling, eurythmic dancing, cartography, and other useless projects, and for all sorts of nonsensical things which had nothing to do with the relief of the unemployed.

Since the open debate on the deficiency bill before the House for consideration began, several Members on the minority side engaged, unwittingly perhaps, in some rather unwarranted and unbridled criticism of certain features in administration of relief in certain localities, among which was the city of New York. Ridicule and selected satire seemed to be the weapons employed.

With 12 millions unemployed and 40,000,000 members of their families handcuffed to poverty and misery, it is a dangerous proposition to inject glaring inaccuracies in the discussion of this vitally human legislation.

During the discussion yesterday on this question of relief money, reference was made to the conduct of the administration of relief in the city of New York at a time when there were approximately 1,400,000 persons receiving relief.

It is because of this reference that I deemed it proper to enter into this debate in order that certain misstatements may be corrected.

I have heard the word "boondoggling" and "eurythmic" dancing mentioned frequently at different times in this House in various debates and particularly in the one now in force. The reference was plainly made with the object of bringing down ridicule on the administration of relief and especially in New York State. To clarify the situation, as one in a position to know, permit me to state that on September 14, 1934, a special investigating committee of the legislative branch of the government of the city of New York instituted an investigation of the affairs of the department of public welfare and other bureaus and departments of the city of New York concerned with the administration of relief.

A series of public hearings was held. In fact, 18 public hearings were held from March 22, 1935, to May 9, 1935, and 110 witnesses testified.

During the course of the public hearings, William Hodson, Commissioner of the Department of Welfare and Chairman of the Emergency Relief Bureau, resigned as a result of the disclosures brought out at the said hearings.

This complete report is predicated upon sworn testimony and exhibits and are set forth in a complete, accurate analysis in a complete printed report at its conclusion on July 8, 1935.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield the gentleman from New York 2 additional minutes.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. CURLEY. I asked the gentleman from Pennsylvania yesterday to yield to me and the gentleman refused.

Mr. RICH. I wanted to ask whether the gentleman had read Mr. Johnson's report?

Mr. CURLEY. The set-up of the Relief Administration in the city of New York was authorized pursuant to a number of statutes, rules, and regulations.

The gentleman from New York [Mr. TABER] stated yesterday in his criticism of relief administration that he would make an effort to have the said Administration revert back to municipalities. For the information of the gentleman from New York, the administration of relief in his State of New York was and is authorized under chapter 798 of the laws passed at the extraordinary session of the New York Legislature in 1931. This law is known as the Wickes Act and became effective as of September 23, 1931.

And who is Mr. Wickes? He is a member of the same party as the gentleman from New York, the Republican Party. There was no authority in the city of New York to provide direct relief to needy in their homes. Pursuant to this law an emergency work bureau to administer work relief was set up on November 6, 1931, and early in December of 1931 the home-relief bureau was organized. The Federal Government played no part in this program until May 1933.

At this point there were 1,400,000 members of families on the relief rolls of New York City. At the present time there are 201,000 heads of families, approximately, on relief. In the spring of 1934 a new set-up came into existence to control and direct relief work. That was the E. R. B.—emergency-relief bureau—all the members of which were appointed by the mayor. The New York City commissioner of public welfare, an ex-officio member of the bureau, was designated to act as chairman of that bureau and in such capacity was director of the entire relief program of the city of New York. He resigned his appointment as chairman, but he continued on as a member of the E. R. B.

For the information of the gentleman from New York [Mr. TABER] the Wickes Act was and is the source of authority for the E. R. B. and describes the rules for the administration of relief in the city of New York. It also sets up a State body known as the T. E. R. A.—temporary emergency relief bureau.

The life of the T. E. R. A. has been extended from year to year at successive sessions of the legislature. By chapter 25 of the Laws of 1935 the emergency period was extended to February 16, 1936.

To stress the point raised by my distinguished colleague, the gentleman from New York, that he intended that relief should revert back to the municipalities the aforesaid Wickes Act describes the present depression and bases the enactment on the declaration of emergency. It is stated that the granting of relief is primarily an obligation of municipalities, but it is necessary to supplement such municipal relief by the assistance provided for in the act. However, all payments made by the State are made expressly subject to the rule of the T. E. R. A. A violation of these rules was made a misdemeanor.

The responsibility is placed upon the city for a proper administration of the relief because the law declares that relief is primarily a function of the municipality.

Under the authority of the Wickes Act, grants are made to municipalities, which was 75 percent of the total expenditures, 50 percent of this by the Federal Government, the other 25 percent by the city.

By the State law, the Governor is authorized, as agent of the State, to receive Federal grants. It might be well to note that in addition to the 25 percent paid by the city 16 percent of every dollar of Federal taxes collected comes from New York City and approximately 65 percent of every dollar of State taxes comes from the same sources.

At the first public hearing Commissioner Hodson, at that time chairman of the E. R. B., was interrogated under oath. He said in answer to the question:

So that by reason of improper investigation, or at least insufficient investigation, the taxpayers of the city of New York are losing approximately $24,000,000 a year through plain, ordinary grafting and chiseling on the part of people who are on these rolls—this is so, isn't it?

Replied:

I should say substantially so.

This was verified to a still greater degree through a subordinate, Mr. Arthur P. McNulty, administrative assistant to the director of the home-relief administration. He estimated that 15 percent of the people receiving relief were not entitled to it under the law. He concluded, therefore, that approximately $3,000,000 were taken a month by chiselers.

In the face of these facts it seems to be that the shoe is on the other foot. The Democratic administration is not to be blamed for the appalling conditions as shown by the sworn statements of Republican administration of relief in the city of New York.

Much has been said about "boondoggling." Under title "Service Projects", on page 161 of the report, we find the inventor of the word "boondoggling" testifying. He is Mr. Robert Marshall, of Springfield, Mass. He is the gentleman who gave this investigation, and the world, "boondoggling", a subject taught in his branch of the recreational schools. There are 150 relief workers engaged in boondoggling in his school in various craft activities. [Applause.]

SOCIAL JUSTICE

President Roosevelt's program of social justice for all instead of any special or privileged group in this Nation can only be realized by the application of plain, homely, common sense and rational reasoning. Any other course would be the essence of invincible ignorance in a crisis such as we are passing through. It was my proud privilege to have been elected on a platform pledged to the New Deal last November. After serving in the House of Representatives for the past 5 months, I am firmly convinced that no other nation at its very best was ever as good as the United States of America at its worst. With 153 years of tremendous growth to its credit, the Nation in 1929 was sliding down a financial hole with no sign of a bottom in sight. So that by March 4, 1933, all that was left of the gears of the Hoover Republican machine were stripped completely and threw our American economic structure out of balance. The first step under the New Deal was to replace the wornout gears with new ones in this human mechanism, which now are meshing properly and grinding slowly but surely toward recovery of normal economic balance.

For the past 5 months all I heard from the Republican minority is the stereotyped squawk, "Where are you going to get the money?" and "When are you going to balance the Budget?" Well, my answer to that is where economy is established at the expense or sacrifice of essential expenditure to eliminate misery, suffering, and starvation among 33⅓ percent of our population, then I say it is parsimony and not economy. When our Republican critics pretend to worry about the billions of dollars spent, and to be spent, to relieve human suffering, why did not they think of that back in the days of Harding, Coolidge, and Hoover? Did they leave a balanced Budget to the New Deal in 1933? They did not. Did they provide or set up any concrete plan to give relief to the 15,000,000 unemployed in the Hoover administration? No; they did not. Did they try to promote better trading relations with friendly foreign nations, so that a market could be maintained for our surplus commodities? No; they did not; but they did the best they could to close those foreign markets by the enactment of the Hawley-Smoot Tariff Act.

The New Deal is refreshing in that it spelled the departure from the past reactionary and orthodox mechanics of our American system of economics, in keeping pace with the times, and in quest of real social justice for all our citizens. The sneers of an enemy are sometimes worth more than the flattery of a friend. All the golden promises of future prosperity offered by the board of strategy of the Republican Party could never sweeten the bitterness of the cup of fear the millions of poverty-stricken citizens were compelled to drain under the Hoover debacle of 1929. Like the ostrich that buries his head in the sand, they deceive themselves with belief the public has forgotten the 12 years of Republican misrule. To hear their constant warnings to the majority side about "extravagant spending" one would think this child of depression was ours. When, as a matter of record, they petted and pampered it for over 12 years when it was healthy, and then when it became afflicted with nervous break-down they abandoned it on the doorstep of President Roosevelt. Now, a fact is just like a birthmark; you may try to cover it up, but you cannot rub it out.

A LEGACY OF CHAOS

As a matter of public record, the previous Republican administration bequeathed the Democratic administration under President Roosevelt in 1933 an unbalanced Budget amounting to $3,068,000,000. Then, in answer to the constant partisan clamor about "broken platform pledges" by the Democratic administration, let me state that from the day in June 1932 when the Democratic platform was adopted in Chicago up to March 4, 1933, the whole economic structure was in a badly shattered condition under the then existing Republican regime. So that when Franklin D. Roosevelt took his oath of office as President of the United States on that date he faced the greatest economic collapse in our history as a problem to solve. What a solemn and grave situation left him to face by these present-day critics. Banking institutions closing in every city and town in every State in the Union. Business paralyzed all over the country. Bankruptcies galore were common headlines in the daily papers. Fifty million people facing starvation, poverty, and stark misery. Railroads throughout the Nation crippled financially.

That was the picture of our great Nation when Hoover, the great engineer, handed the reins over to our real, peerless leader, Franklin D. Roosevelt, in 1933. In such an emergency what did he do? He appealed to Divine Providence to guide him to solve the human problems. He rose far above any party platform pledges. Ten months had passed since they were approved and when the crisis arrived. Extraordinary and heroic measures and action were necessary, imperative, and mandatory in the premises. All previous policy to save the Nation from complete collapse had failed under the Hoover Republican regime. And, just like the master surgeon resorting to the last extreme, President Roosevelt performed a major operation on a very sick body politic to save her life by issuing his famous proclamation declaring a bank holiday, closing all financial institutions throughout the country, thereby saving what was left of deposits. Yet in the face of that masterpiece in leadership these partisan critics inject the fiction about "broken party platform pledges" not only in the spoken but in the written word. In the words of Don Louis Gougoud:

O Hand! How much white vellum thou hast written; thou wilt make famous the vellum, but thou, thyself wilt remain the bare top of a fagot of bones.

The Roosevelt theory of a real democratic form of government of, by, and for the people, applied in a common-sense, practical manner, actually means the distribution of the wealth of the Nation in work and wages for the mass through healthy cooperation and coordination of industry and its related business with labor. It is the only practical solution of the appalling social crime of unemployment. As a matter of fact, it is a fundamental principle of our American system of government and the very essence of any remedy to give relief in this crisis. The mechanics of our economic structure must be revamped to give a proper balance to all the human elements that enter into the life of our great Nation. The substitution of common sense for all the unbridled criticism wandering around in a vacuum would help materially to steer our national ship of state out of troubled into calm waters. It seems, however, that not only must our great President submit himself as a target of unjust criticism, but a mud-slinging spree as well, in a pitiful exhibition to pillory him because of his pledge to keep the faith with the "forgotten man."

No, partisan critic, it was your own great engineer, Herbert Hoover, and his Republican administration from 1928 to 1933 that broke the faith with the American people to "abolish poverty forever and his philanthropic gifts of two chickens in every pot and two cars to every garage."

COMMON SENSE VERSUS RIDICULE

Mr. Chairman, on March 4, 1933, the dawn of a new day in a new era appeared in our American history. The forces of light and reason assumed control of the Government of these United States of America, under the peerless leadership of Hon. Franklin Delano Roosevelt. Simplicity, directness, and sanity were the ingredients of the serum employed in his preparation to vaccinate the then existing impoverished blood of the American people against panic.

Andre Maurois said:

Panic is the result of blind imitation of others. It comes when the critical sense fails, and it is vanquished when logic, displacing imitation, returns to govern the human conduct or action of men.

The radiating, refreshing, and stimulating vitality of President Roosevelt's magnetic leadership immediately aroused the dormant energy of the dazed, weakened, human forces throughout the country and mobilized our vast natural sources of wealth into a galvanic battery of vibrant human activities which electrified the Nation from end to end. His prompt and progressive action in seizing direct control and command of our senile and tottering financial institutions immediately was a masterpiece in leadership as well as statesmanship that has no equal in history.

It was an outstanding constructive public achievement in the form of public service that stands without a parallel in Government administration. It was a fearless display of courage which spelled the doom of the black Pharaohs leading the forces of misery and distress in this country. Yet they heap ridicule and satire on him today.

Warburton said:

Reason is the test of ridicule, not ridicule the test of the truth.

The Democratic administration of our National Government under President Roosevelt's humane policies has turned America's face definitely toward recovery. The shadows of misery and distress are behind us forever. We have met our enemies of reason and common sense in fair combat, with logic as our ammunition—and they are ours. The budding cycle of returning prosperity has arrived under President Roosevelt's practical, homely, common-sense administration.

Permit me to state, Mr. Chairman, that the reactionary critics of our New Deal in government, who thrived on special privilege in the past Republican administration, who

bartered and traded the economic birthrights of the 48 States in the Union, the right to regulate and control unfair monopoly, are now spreading poisonous propaganda against the New Deal in a most vicious, invidious campaign to regain control of our Government. They do not understand that our Government under the New Deal is the servant and not the master of the people; that the New Deal recognizes the fundamental principle that sovereignty still resides with the people, not with special-privileged groups.

WILL OF THE PEOPLE

When that principle is flagrantly violated by any powerful element in the economic life of the Nation, through striking crushing blows at other vital sections of that human structure, then the instrument of the will of the people, the Government, is vested with the police power to intervene temporarily to regulate and control a vicious and dangerous condition which threatens and affects the "peace and happiness", the "general welfare", and "the blessings of liberty" guaranteed the people under the Constitution.

Under such circumstances, temporary governmental regulation and control, as well as protection, of the flow of the blood stream of our national economic life is absolutely essential to our well-being, not primarily in the interest of the State but fundamentally in the interest of the people who comprise the State.

As that great champion of human liberty, Abraham Lincoln, once said, "When an occasion is piled high with difficulties, we must rise to the occasion."

Well, that is exactly what our great President, Franklin Delano Roosevelt, did in this crisis when he initiated his humane, common-sense program to bring our smitten Nation back where she belongs on her feet again. He has led the way to sunshine and happiness out of the chaos he found the Nation in. Why should we not encourage instead of ridiculing him to still greater effort for the less fortunate among us? Let us give him all the support a thankful and grateful Nation has always given to her tried and true public officials. For President Roosevelt has proven our claim he is a peerless leader. The record is the proof.

Mr. BACON. Mr. Chairman, I yield 8 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Chairman, I expect to vote for this bill, although I hope to see it amended to provide for the allocation of the relief appropriation to the States according to their need, the same to be administered by the States and local communities on a nonpartisan basis, thereby taking the Federal Government out of the business of administration of relief funds.

The principal items in the bill, outside of the regular deficiency appropriations, are the appropriations for social security and relief. I supported the social security legislation, knowing that it would require an appropriation to put it into effect, and I am in favor of making the necessary appropriation for that purpose. Without it the social-security law is of no force or effect and might just as well not have been passed.

I shall vote also for the provision in the bill appropriating $1,425,000,000 for relief. That it is the obligation of the Federal Government to provide funds to care for those who are unemployed and in need so long as they remain in that condition and the States and local communities are unable to provide for them is a question not open for debate as far as I am concerned. The fact that inefficiency, waste, boondoggling, and politics are prevalent in the administration of relief funds is well known, but criticism of the administration of the funds will not feed the hungry, and they must be provided for. The States and local communities should contribute as much as they can toward the support of their unemployed, and everyone hopes that they will be able to carry the full burden without any help from the Federal Government within the not far distant future, but until that time comes the Federal Government must help.

No matter what the percentage of local contribution may be, I believe that it has been demonstrated to the satisfaction of the great majority of the American people that the States and local communities can administer the funds, whatever is contributed by the Federal Government as well as the amount raised locally, more efficiently and economically and provide for the needs of the people within their respective jurisdictions more adequately and satisfactorily than the Federal Government can do. They should be given that authority, and I shall vote for an amendment to the bill to that effect.

As indicating the sentiment of the country on some of the questions raised by this bill, I have had in mind calling attention to the poll of the American Institute of Public Opinion, which was published in the newspapers a week ago last Sunday, April 26, to which the gentleman from Iowa [Mr. THURSTON] has already referred.

It seems to be the prevailing sentiment of the country, as indicated by this poll, that these relief funds should be turned over to the States and the local communities, and there are some facts brought out or emphasized by that poll to which I should like to call special attention. I assume the poll is a nonpartisan and disinterested one and was made without any reference to partisanship.

The questions submitted to the public were:

First. In your opinion, does politics play a part in the handling of relief in your locality?

Second. Should the responsibility of caring for all persons on relief be returned now to the States and local governments?

The results of the poll show—I quote from the report as printed in the newspapers—that—

> Approximately 6 out of every 10 Americans on the average think that politics influences the handling of Federal relief funds in their localities. Nearly one-half the people receiving relief admit it. A fair-sized majority of Democrats believe it. A huge majority of Republicans are convinced of it.

Of the total number of replies received to the first question, 65 percent answered "yes", 18 percent answered "no", and 17 percent expressed no opinion. Divided as to parties, 55 percent of the Democrats said that they believed politics played a part in the handling of relief in their localities, 80 percent of the Republicans so expressed themselves, and 77 percent of the Socialists. Even of those on relief, 49 percent, or nearly one-half, stated that in their opinion there is politics in the handling of Federal donations, 25 percent did not think so, and 26 percent expressed no opinion.

In Michigan, 63 percent of those voting said "yes", 10 percent said "no", and 27 percent expressed no opinion.

As to the second question, "Should the responsibility for caring for all persons on relief be returned now to State and local governments?" 55 percent of those voting said "yes", 45 percent "no." Classified as to party affiliations: Republicans, 72 percent voted "yes", 28 percent "no." Democrats, 44 percent "yes", 56 percent "no."

In Michigan, 63 percent of all the votes, both Republican and Democratic, gave it as their opinion that the responsibility of caring for all persons on relief should be returned now to State and local governments, and 37 percent expressed the opposite opinion.

That the relief program and other administration policies during the last 3 years have gotten nowhere, as far as relieving the unemployment situation is concerned, seems to be conceded. As stated in the report of this poll of the American Institute of Public Opinion:

> Nearly everybody knows that approximately 20,000,000 persons were on relief in March 1933; that the Federal Government has spent or loaned $16,000,000,000 for relief and recovery since then; and that in March 1936 there were still 20,000,000 on relief.

That is not a partisan statement but a plain statement of fact.

The report continues:

> The course of action which the voters favor, after watching 3 years of Federal aid to the needy, is to turn the responsibility for relief over to the States and localities.

The vote in Michigan was 63 percent in favor as against 37 percent opposed.

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MCFARLANE].

Mr. McFARLANE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include certain data.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. McFARLANE. Mr. Chairman, I desire to compliment this committee on bringing in this bill $23,859,268.38 under the Bureau of Budget estimates. Since this deficiency appropriation bill carries appropriations for many of the departments of government as well as funds for relief purposes, I believe it appropriate to refer to the work of these different departments of government and the legislative program worked out under the leadership of our great President, Hon. Franklin D. Roosevelt, and let the record show the results accomplished under this administration. I will also point out as I go along just what this great record of service has meant to the people of Texas and, particularly, of my district.

AGRICULTURE

This is the first national administration we have had in many years that has really tried to do something for agriculture. Recognizing that buying power must be restored before we can remedy unemployment, the agricultural-adjustment program was speedily worked out which has increased the gross incomes of the farmers from $5,337,000,000 in 1932 to $8,110,000,000 in 1935, and their net income from $1,473,000,000 in 1932 to $3,550,000,000 in 1935.

It will be interesting to compare the records of the last 3 years of the Old Deal with the first 3 years of the New Deal as we go along. Time of comparison dates is March 1, 1930, to March 1, 1933, of the Old Deal and March 1, 1933, to March 1, 1936, under the New Deal.

Cotton declined 61 percent to 5.9 cents per pound under the Hoover administration and advanced 92 percent to 11.35 cents per pound under the Roosevelt administration. Wheat declined 59 percent to 48 cents per bushel under Hoover and advanced 111 percent to $1.015 per bushel under Roosevelt. Corn declined 73 percent to 24 cents per bushel under Hoover and advanced 152 percent to 68.87 cents per bushel under Roosevelt.

PAYMENTS MADE UNDER A. A. A.

The rental and benefit payments and profits on cotton options made in connection with the commodity program from the beginning of those programs under this administration through February 29, 1936, for the Thirteenth Congressional District and the State of Texas are as follows:

Rental and benefit payments and profits on cotton options made in connection with the commodity program from the beginning of those programs through Feb. 29, 1936, for the Thirteenth Congressional District of Texas, by counties

County	Cotton	Profits on cotton options	Wheat	Corn-hog	Rice	Peanuts	Total
Archer	78,661.10	15,413.06	25,804.04	5,955.66			125,833.86
Baylor	323,439.03	90,914.13	48,804.03	9,636.78			472,793.97
Clay	516,834.31	67,735.99	58,119.41	38,613.43			681,303.14
Cooke	329,824.89	82,277.39	154,996.37	65,686.80		1,384.98	634,170.43
Denton	692,030.65	166,697.01	131,913.24	74,877.09		9,352.12	1,074,870.11
Foard	289,817.66	60,916.89	107,109.34	7,258.51			465,102.40
Hardeman	642,457.76	124,940.45	73,997.57	16,938.28			858,334.06
Jack	97,089.45	26,627.41	8,485.28	25,222.55		1,185.80	158,610.49
Knox	685,586.13	113,979.49	9,204.07	18,375.87			827,145.56
Montague	270,799.64	32,863.77		35,670.21		6,210.42	345,544.04
Throckmorton	127,637.00	32,364.71	15,450.75	7,773.46			183,225.92
Wichita	420,388.73	35,356.28	38,167.64	23,083.20			516,995.85
Wilbarger	956,104.27	158,255.55	9,274.67	3,447.06			1,127,081.55
Wise	158,343.11	37,263.62	28,121.57	64,533.49		22,422.88	310,684.67
Young	296,367.73	84,019.64	26,163.23	21,814.05			428,364.65
District total	5,885,381.46	1,129,625.39	735,611.21	418,886.44		40,556.20	8,210,060.70
State total	110,183,659.30	20,212,705.92	14,394,637.61	6,333,144.79	1,845,153.11	355,838.37	153,325,139.10

RENTAL AND BENEFIT PAYMENTS

The rental and benefit payments, profits on cotton options and price-adjustment payments made in Texas, and farm value of the Texas cotton crops, 1932–35, as shown by Department of Agriculture records, is as follows:

Rental and benefit payments

1933 program	$43,441,910
Profits on cotton options	20,300,461
1934 program	34,705,914
1935 program [1]	32,193,262
1935 price-adjustment payments [2]	15,130,000
Total payments	145,771,537

[1] Through Feb. 29, 1936. [2] Estimated.

	1932	1933	1934	1935
Farm value of lint and seed	$158,343,000	$245,466,000	$188,286,000	$209,236,000
Rental and benefit payments and profits on options		63,742,371	34,705,914	47,323,252
Farm value plus payments	158,343,000	309,208,371	222,991,914	256,559,252

Percent increase in 1935 farm value plus payments over 1932 farm value, 62.9.

WICHITA GARDENS AND WICHITA VALLEY COLONY PROJECTS

I was the first to suggest to the citizens of Wichita Falls the subsistence homestead project, which up to that time was unknown to any of them. After considerable work we were able to finally secure this project, which provides homes for 62 families and sufficient ground, outhouses, and so forth, to supplement low incomes to assist these families in earning their livelihood. The total estimated Government cost of the Wichita Gardens is approximately $200,000.

I have been glad to assist in securing the approval of the Wichita Valley Farms, which involves an acquisition of approximately 5,300 acres of farm land in Wichita County. Options have been taken on 3,430 acres of land at a cost of $123,381. This project is designed for the resettlement of 93 farm families on farm units averaging about 52 acres each. The total estimated Government cost of the Wichita Valley Farms is approximately $862,400.

The following loans, grants, and farm-debt adjustments have been made by the Resettlement Administration for my district:

TEXAS (THIRTEENTH DISTRICT)

Total loans by Resettlement Administration, as of May 1, 1936

County	Number of farmers to whom loans have been made	Amount of approved loans	Unpaid balance
Archer	15	$4,273.99	$1,685.42
Baylor	27	9,077.94	3,496.84
Clay	133	41,348.48	11,090.20
Cooke	370	89,933.23	25,248.18
Denton	299	89,882.53	24,550.13
Foard	55	11,233.17	3,806.95
Hardeman	130	25,245.25	8,409.42
Jack	61	30,304.30	12,940.96
Knox	15	5,235.45	1,566.00
Montague	214	61,573.88	23,422.24
Throckmorton	3	511.20	212.70
Wichita	55	21,303.73	6,067.07
Wilbarger	67	32,405.97	10,942.81
Wise	169	65,668.03	28,923.06
Young	32	13,223.41	8,410.93
Total (thirteenth district)	1,645	501,220.56	170,772.91

Total grants, as of May 1, 1936

County	Number of farmers to whom grants have been made	Amount of grants made
Archer	24	$1,100.00
Baylor	24	902.00
Clay	122	5,650.00
Cooke	156	8,028.50
Denton	159	8,644.40

Total grants, as of May 1, 1936—Continued

County	Number of farmers to whom grants have been made	Amount of grants made
Foard	43	$2,069.00
Hardeman	86	4,211.00
Jack	52	3,201.00
Knox	8	296.00
Montague	229	8,650.00
Throckmorton	6	260.00
Wichita	68	3,055.00
Wilbarger	58	2,393.00
Wise	166	7,263.00
Young	71	2,666.00
Total (thirteenth district)	1,272	58,408.90

Total farm debt adjustment cases, as of May 1, 1936

County	Total number of cases	Cases adjusted	Original indebtedness	Debt reduction	Taxes paid	Number of acres affected
Archer	4	3	$10,602	$50	$157	1,015
Baylor	14	9	24,956	2,327	31	1,766
Clay	59	54	147,220	15,824	866	13,078
Cooke	22	13	4,727	290	50	808
Denton	46	16	53,096	11,377	2,776	2,722
Foard	2	1	2,000	900	----	132
Hardeman	8	----	----	----	----	----
Jack	6	4	479	----	149	240
Knox	9	6	31,785	155	252	1,805
Montague	32	14	17,958	597	491	1,539
Throckmorton	2	2	9,544	500	138	960
Wichita	16	11	3,105	825	----	1,270
Wilbarger	3	----	----	----	----	----
Wise	27	15	74,374	3,325	1,573	2,259
Young	18	6	14,499	3,793	305	603
Total	268	154	394,345	39,963	6,788	28,197

LOANS MADE BY FARM CREDIT ADMINISTRATION

For the first time in the history of the Nation, under legislation worked out by this administration, a complete system of farm credit has been set up separate and apart from the old commercial bank-credit system.

The Farm Credit Administration, through its different agencies, has loaned $187,208,160 in the State of Texas from May 1, 1933, to March 31, 1936. The Federal land bank and the land-bank commissioner has made a total of 3,358 loans in my district and a total of $8,134,700.

From January 1, 1933, through September 30, 1935, there were 4,770 emergency crop and feed loans made in my district, amounting to $376,710, and 3,469 drought loans totaling $305,027.

FARM-MORTGAGE FORECLOSURES

This administration, through legislation enacted, has refinanced about 750,000 farm mortgages, totaling $3,230,308,000, at a savings in interest rates over previous rates charged of more than $50,000,000 as compared to previous interest rates charged for the same service.

The following table shows the number of foreclosures and similar transactions per thousand farms during the last several years:

Foreclosures on farm real estate—number per 1,000

1926–30 (average)	16.7
1931	18.7
1932	28.4
1933	38.8
1934	28.0
1935	21.0

While we see from the above table that we have made great progress under this administration in reducing the number of foreclosures on farms and savings made the farmer in lower interest rates, however, as compared to the interest rates paid by industry there is still great room for improvement in lowering the interest rate for the farmer, small businessman, and consumer. Our big problem is redistribution of buying power and continued high rates on the fixed charges, interest, taxes, and so forth, will continue to retard recovery.

SOIL CONSERVATION SERVICE

During this administration there has been located in the State of Texas 77 camps under the Soil Conservation Service program. There has been expended in Texas under this program to May 1, this year, $41,071,000; there has been allotted to dependent relatives of enrollees in these camps in Texas, the sum of $9,722,000; there has been 62,671 Texas boys enrolled in these camps together with 7,017 officers and necessary employees for operating said camps in Texas. Under this soil-conservation program to January 1, 1936, there has been erected in Texas 7,000 bridges and 2,000 old bridges repaired and maintained; they have built 1,200 miles of telephone lines; over 3,000 truck trails have been constructed and 27,000 erosion-check dams; about 5,000 terrace outlet structures have been built, about 4,600,000 forest trees set out. Timber standing on about 86,000 acres of forest land has been thinned; rodent control over 101,000 acres of land and timber set out over 168,000 acres.

There were six of these soil-conservation camps located in my district, as follows: Gainesville, Denton, Boyd, Jacksboro, Graham, and Bowie.

Thus we find from reviewing the above figures that under this administration there has been expended in the thirteenth district by the Government, on account of these C. C. C. camps, approximately $3,200,958.

VETERANS' LEGISLATION

After a 7-year battle this Congress finally passed a bill to pay the World War veteran the balance due him on his adjusted-service certificate. This legislation passed the House on January 24 by a vote of 325 to 61, and passed the Senate on January 27 by a vote of 76 to 19. Thus nearly 18 years after the close of the war, the veteran is finally paid the balance granted him for service rendered his country.

In keeping with my campaign pledges, I gladly supported and voted for the final passage of this measure. I have always favored paying this debt through the issuance of non-interest-bearing currency. However, since it seems we could not secure enough votes in the Senate to pass such a measure this session, there was nothing left to do but to give the money changers their "pound of flesh" and pay same through a bond issue which will cost the taxpayers an additional $2,000,000,000 in interest, because of their forcing the issuance of interest-bearing bonds.

The payment of the soldier the balance due on his adjusted-service certificate will distribute about $83,000,000 in Texas and about $4,323,733.13 in the Thirteenth Congressional District, as follows:

Archer County, $143,110.16; Baylor, $109,623.21; Clay, $214,946.01; Cooke, $356,681.81; Denton, $485,043.52; Foard, $93,323.07; Hardeman, $214,753.90; Jack, $133,681.79; Knox, $167,996.91; Montague, $283,131.71; Throckmorton, $77,628.84; Wilbarger, $363,228.47; Wise, $283,412.49; Wichita, $1,099,719.65; Young, $297,451.51.

Two years ago I was bitterly opposed, as you know, by the special interests in my candidacy for reelection to a second term because I had dared to actively support not only what was fair and just for the soldier but because I had voted for what was right for the plain people. During my entire legislative career of 4 years in the Texas House of Representatives, 4 years in the State senate, and 4 years as your Representative in Congress, I have always actively fought and voted for what would best protect the rights of the greater number.

During this administration there has been enacted into law or restored by Executive order practically all of the rights taken from the soldier due to the enactment of the so-called economy bill, which took from the soldier and others many of their rights.

INDUSTRY

Between 1921, the low point of the post-war depression, and 1929, when industrial activity was at its peak for the post-war years, the number of people engaged in all industries increased from 40,008,000 to 46,800,000; estimated national income increased from $58,271,000,000 to $78,632,000,000, and the value of manufacturing production increased from

$43,653,283,000 to $69,960,910,000. The national income decreased from $78,576,000,000 in 1929 to $44,431,000,000 in 1933, and the value of manufacturing production decreased from $69,960,910,000 in 1929 to $31,358,840,000 in 1933.

The export and import trade of the United States followed the same general course, as shown in the table which follows:

Exports and imports

Year	Domestic exports	Domestic imports
1921	4,378,938,000	2,509,148,000
1925	4,818,722,000	4,226,589,000
1929	5,157,083,000	4,399,361,000
1933	1,647,220,000	1,449,559,000

Total exports declined 56 percent under the Hoover administration and advanced 33 percent under the Roosevelt administration.

Under the Hoover administration business in general dropped 64.2 percent of normal, while under the Roosevelt administration general business went up to 94.1 percent of the 1923–25 average. Listed stocks on the average declined 75 percent under the Hoover administration and advanced 134 percent under the Roosevelt administration. Listed bonds on the average declined 22 percent under the Hoover administration and advanced 22 percent under the Roosevelt administration.

Wholesale prices declined 34 percent under the Hoover administration and advanced 33 percent under the Roosevelt administration. Automobile registrations declined 66 percent under the Hoover administration and advanced 326 percent under the Roosevelt administration; steel production declined 70 percent under the Hoover administration and advanced 257 percent under the Roosevelt administration. Industrial production declined 44 percent under the Hoover administration and advanced 51 percent under the Roosevelt administration.

LABOR

Under the Hoover administration, weekly pay rolls declined 53 percent to $188,355,000, while the weekly pay rolls advanced 61 percent, to $302,373,000, under the Roosevelt administration; on April 1, 1930, the records show 3,188,000 unemployed; on April 1, 1933, 13,178,000 unemployed, an increase in unemployment of 313 percent, while under the Roosevelt administration unemployment declined 36 percent, from 13,178,000 to 9,177,000 on December 1, 1935, and Mr. Green, of the American Federation of Labor, recently issued a statement showing further declines have placed unemployment now at less than 9,000,000.

Under the Hoover administration, families of millions of unemployed wage earners were facing starvation, receiving some aid from uncertain local charity and inadequate State relief, while the Hoover administration was loaning billions of dollars to the banks and railroads but did nothing for the destitute. Under the Roosevelt administration, destitute wage earners and their families are taken care of with Federal relief, the unemployed have been given work by the P. W. A., W. P. A., and other work-relief programs set up by this administration.

OUR CRITICS

Early this year the special-privileged crowd, headed up by the miscalled American Liberty League, the Crusaders, the United States Chamber of Commerce, the National Manufacturers' Association and their puppets, held one of their famous banquets in the Mayflower Hotel in Washington at which, according to the press, there were seated around the banquet tables men representing billions of dollars of wealth. It was the most openly brazen gathering of wealth ever assembled in Washington, to hear former Governor Al Smith, who has turned spokesman for this plutocratic crowd, caustically criticizing the Roosevelt administration. This same crowd was in Washington in March 1933, begging for immediate action to save their business and the country from revolution, which they knew in truth and in fact was "just around the corner." Now, we find them, as soon as this administration has enacted legislation that has brought the country well on the road to recovery, and they are among the chief beneficiaries of this recovery program—we find them back in town, bitterly condemning the administration that made possible the saving of their business and the country from wrack and ruin.

BUSINESS IMPROVEMENT

Let us again look at the record and take a cross-section of representative business concerns of the Nation. Listed here are 32 of the leading corporations of the country and the status of their business in 1932 and 1935 compared:

	Profit (+) and deficit (−)	
	1932	1935
Building materials:		
U. S. Gypsum Co	+$1,599,416	+$4,038,806
Johns-Manville	−2,829,062	+2,151,570
Certain-Teed Products	−1,600,077	+259,978
Glass:		
Pittsburgh Plate Glass	−60,737	+11,398,739
Owens-Illinois Co	+2,067,886	+7,883,496
Mail-order houses:		
Montgomery Ward	−5,686,784	+9,161,054
Sears, Roebuck	−2,543,651	+15,020,551
Chemicals:		
E. I. du Pont de Nemours Co	+26,234,779	+62,085,410
American Cyanamid Co	+349,725	+7,738,825
Monsanto Chemical Co	+1,012,698	+4,009,872
Communications: Western Union	−842,596	+5,258,078
Heavy machinery:		
Fairbanks Morse	−2,547,231	+1,465,799
Briggs Manufacturing Co	−1,798,470	+9,258,046
Worthington Pump Co	−1,668,287	−95,387
Mesta Machine Co	+327,871	+3,114,527
Farm Implements:		
International Harvester	−7,582,879	+19,618,238
J. I. Case Co	−2,611,082	+1,804,835
Deere & Co	−5,167,104	+6,105,452
Textiles:		
American Woolen Co	−7,269,822	+2,740,598
Ludlow Manufacturing Associates	−400,632	1,509,045
Amusements: Radio-Keith-Orpheum	−10,695,503	+665,297
Steel:		
U. S. Steel Corporation	−71,175,705	+1,084,917
Crucible Steel Co	−3,613,616	+1,267,176
National Steel Co	+1,662,920	+11,136,000
Jones & Laughlin Corporation	−7,910,149	−398,716
Other metals:		
Anaconda Copper Co	−7,571,946	+11,181,348
American Smelting & Refining Co	−4,506,175	+13,768,153
Motors:		
Chrysler Corporation	−11,254,232	+34,975,000
General Motors Corporation	+165,000	+167,000,000
Oils:		
Phillips Petroleum Co	+775,766	+13,421,703
Sun Oil Co	+4,198,046	+7,100,239
Electrical supplies: Westinghouse Electric	−8,615,398	+11,983,380

SOCIAL SECURITY

Under the Hoover administration nothing whatever was done for the aged, the dependent children, maternal and child welfare, the blind, vocational rehabilitation, or unemployment compensation.

Under the Roosevelt administration a Committee on Economic Security, composed of the leading economists of the Nation, was appointed by the President to carefully study this great problem. This board reported back to the President and he recommended to Congress the Social Security Act, which was speedily enacted and became a law on August 14, 1935.

Under this social-security program the Federal Government for the first time has recognized the justness of dealing with these different questions from a national standpoint. This seven-point program of legislation enacted, while not claimed to be perfect and will no doubt need amendment from time to time, still it is a beginning, and it grants more real relief than any other legislation ever enacted by any nation in the world. Under the Social Security Act the Federal Government has appropriated sufficient funds to match State funds up to $15 per month for the aged and for the blind and grants aid for dependent children on the basis of $1 of Federal money for each $2 expended by the State, but the Federal cost is not to exceed an amount equal to $6 per month for the first child in the family and $4 per month for each additional child. Proper provisions are made for maternal and child welfare, for the extension of public-health service as well as social rehabilitation. This act also

provides a Federal old-age-benefit system for employed persons to provide them with a definite income upon retirement. This system of old-age benefits will be financed chiefly by taxes upon both employer and employee; these taxes will be levied in equal amounts upon both employer and employee and will be collected by the Bureau of Internal Revenue. The tax upon employers and employees affects both alike, regardless of the number employed, and becomes effective January 1, 1937, and is equal to 1 percent of the pay roll in 1937, and the tax gradually increases to the amount equal to 3 percent of the pay roll in 1949. This tax is computed in respect of all wages paid not in excess of $3,000.

The tax against employees is an income tax upon wages, payable by them, and the rates, scope, and effective dates of such tax are substantially the same as in the case of the pay-roll taxes against employers described in the preceding paragraph.

PENSION SCHEMES

The House Congressional Committee appointed to investigate the different pension schemes and the mode and manner these promoters work to filch nickels and dimes from the unsuspecting aged of the Nation, have day after day in the testimony given before their committee disclosed to what extent these schemes have been organized purely for selfish motives of those engaged, to enrich themselves at the expense of any who may contribute. This investigation has clearly shown that most of the leaders of these pension schemes have largely been controlled by either temporarily reformed persons with criminal records or by persons who have followed this form of racketeering and have preyed upon the unsuspecting over a long period of time.

Since Dr. Townsend has endorsed the Downey plan to provide pensions through the issuance of a $10,000,000,000 bond issue and has abandoned his so-called Townsend plan, and has joined Gerald Smith in a share-the-wealth movement with a slogan "anything to defeat Roosevelt", this so-called Townsend-Downey-Smith political pension coalition is beginning to be better understood and the real purposes of the organization and consolidations back of these schemes is becoming better understood.

THE SPECIAL PRIVILEGE CROWD

The special privilege crowd throughout the years have managed to drag a red herring across the trail to try to divert the people's attention from the real fundamental issues of government onto some kind of fantastic scheme, and through such tactics continue their program of special privilege unmolested.

This administration has refused to be thus sidetracked. So far, of the many primary elections held in the different States throughout the Nation, not one single Townsend candidate, as such, for Congress has been nominated. Somehow it seems that 92 percent of the workers of the Nation seem to object to giving at least one-third of their earnings to the 8 percent for them and their families to live in luxury while those who work and earn this money live on beans.

I have always favored adequate old-age pensions, and have so voted. I voted for a pension of $40 per month—see CONGRESSIONAL RECORD, page 6068, first session of the Seventy-fourth Congress. I agree with the leading economists Nation-wide that the so-called Townsend plan is not economically sound, and the leaders of this movement know or could easily know that their bill, H. R. 7154, now pending in Congress, to which they refer, would not provide more than $40 per month through the 2-percent pyramided transaction sales tax, and the economists all agree that this consumption tax would increase the price of the necessities of life not less than 50 percent.

THE TOWNSEND TAX PLAN

The Townsend plan is not a pension plan at all. This administration has already carefully worked out a pension plan that is the law today. The Townsend plan is a tax plan whereby every person in this country to start with will pay a 2-percent pyramided transaction sales tax on every transaction made. This tax must be paid on all purchases and transactions made, including all necessities of life, and covers every separate transaction from the producer through the merchant, jobber, wholesaler to the manufacturer, and back through the same endless chain to the consumer.

This is what it would cost the 92 percent of the people of the Nation to pay the 8 percent—10,000,000 aged eligibles—a $200 pension per month at a cost of $24,000,000,000 per year. The 1930 census shows we have a population of 122,775,046. Therefore to pay a $200-per-month pension, we find, by dividing $24,000,000,000 by 122,775,046, that it will require each and every man, woman, and child in the United States to pay an average of $195.40 per year in new taxes. This is how this new sales-tax scheme would affect Texas and my district It would require the citizens of Texas to pay, in new additional taxes, $1,138,149,811, based on the 1930 census, and would require the different counties in my district to pay the following new additional taxes:

Archer County $1,892,253.60, Baylor County $1,444,477.20, Clay County $2,722,093, Cooke County $4,716,174.40, Denton County $6,413,418.80, Foard County $1,234,951, Hardeman County $2,728,370.20, Jack County $1,767,588.40, Knox County $2,121,307.20, Montague County $3,743,868.60, Throckmorton County $1,026,436.20, Wichita County $14,540,886.40; Wilbarger County $4,802,736.60, Wise County $3,737,381.20, and Young County $3,933,011.20, making a total of new taxes for the Thirteenth Congressional District amounting to the sum of $56,829,954 annually.

I have always favored raising revenue based on ability to pay rather than through sales taxes, which are always shifted onto and must be paid principally by the poor. The State of Texas is now operating with a tremendous deficit, and daily I am receiving letters from my constituents trying to secure relief under the home and farm loan authorities to save their homes and farms from foreclosure. Texas now has more than $150,000,000 in delinquent taxes; I am unwilling to vote to saddle this additional annual tax burden upon the overburdened taxpayers of my district.

FISCAL AFFAIRS

The interest-bearing public indebtedness on March 31, 1933, was $20,991,640,520, and on November 30, 1935, it had increased to $28,482,013,190, an increase of $7,490,372,670. While our bonded indebtedness has increased $7,490,372,670, the records in the Reconstruction Finance Corporation, Federal Farm Mortgage Corporation, and Home Owners' Loan Corporation showed a total of $4,529,574,043 of guaranteed liabilities, leaving a net increased bonded indebtedness under this administration because of increased expenditures due to the depression amounting to the sum of $2,960,798,627.

LOANS UNDER RECONSTRUCTION FINANCE CORPORATION

There has been loaned to the counties of the Thirteenth Congressional District under legislation enacted by this administration the following sums:

Archer County, $10,000; Baylor County, $50,000; Clay County, $58,285.78; Cooke County, $400,000; Denton County, $130,000; Foard County, $18,000; Hardeman County, $18,062.38; Jack County, $50,000; Knox County, $52,500; Montague County, $16,000; Throckmorton County, $27,500; Wichita County, $1,041,643.32; Wilbarger County, $84,505; and Young County, $75,000, making a total of $2,032,096.48 for the Thirteenth Congressional District.

Commercial failures increased enormously from 1929 to 1932, and they involved a total of $502,831,000. In 1934, however, the liability in commercial failures totaled $264,248,000.

FEDERAL DEPOSIT INSURANCE CORPORATION

During the past three Republican administrations 11,144 banks failed in the United States. Six thousand and fifty-four banks failed during the Hoover administration alone, losing to their depositors $3,650,015,000.

The collapse of the bank structure of the Nation wrecked thousands of businessmen and caused thousands to be in want through no fault of their own. The first official act of this administration was to close all remaining banks until they could open on a safe and sound basis under legislation speedily enacted by this administration. The different amendments to our banking laws have placed the banks on a safe and sound basis and the enactment of the bank guar-

anty law has assured adequate protection of the depositors' money for the future.

There were but 57 bank failures in 1934 as compared to 179 from March 16 to December 31, 1933, and 449 bank failures from January 1 to March 1, 1933. There have been but five banks closed in Texas since the Federal Deposit Insurance Corporation was created July 1, 1933, and under this administration but one bank has closed in the Thirteenth District.

FEDERAL HOUSING ADMINISTRATION

Under the Hoover administration, homes were foreclosed throughout the Nation. Nothing was done to save the equities of millions in their homes which were sold under the auctioneer's hammer. Millions of homes were going to wrack and ruin because the owners were unable to finance needed repairs. Under this administration, legislation promptly enacted set up machinery that saved 995,531 homes through the Home Owners' Loan Corporation, which loaned $3,005,000,000 to home owners, more than 90 percent of whom have taken care of their payments on time. The Federal Housing Administration was set up to take care of needed repairs and improvements on homes. Many millions of dollars have thus been loaned to make needed improvements. The Home Owners' Loan Corporation has made the following loans in the Thirteenth Congressional District of Texas: Archer, $9,635; Baylor, $54,640; Clay, $41,898; Cooke, $169,208; Denton, $302,368; Foard, $40,538; Hardeman, $155,073; Jack, $2,122; Knox, $27,559; Montague, $48,684; Wichita, $1,556,223; Wilbarger, $193,192; Wise, $29,595; Young, $58,438; making a total of $2,689,173 loaned in my district.

The Federal Housing Administration, according to the latest information available, has transacted to May 1, 1936, $781,197,015, $365,609,493 of which has been for modernization and repair and $260,772,061 home mortgages accepted for insurance. It has transacted the following business in the Thirteenth Congressional District of Texas.

Volume of Federal Housing Administration business in selected counties, State of Texas

County	Modernization notes insured through Apr. 30, 1936		Mortgages accepted[1] for insurance through Mar. 31, 1936	
	Number	Amount	Number	Amount
Archer	39	$10,470.89		
Baylor	39	8,828.45	1	$2,500
Clay	18	4,982.24		
Cooke	57	20,098.37		
Denton	190	61,195.28	2	4,000
Foard	14	4,351.75	1	2,000
Hardeman	23	8,676.24		
Jack	50	19,601.37	1	2,000
Knox	9	3,882.92	1	3,250
Montague	61	24,313.62		
Throckmorton	38	7,429.18		
Wichita	730	226,727.04	36	105,455
Wilbarger	124	34,725.75	10	16,944
Wise	11	6,883.00	1	2,400
Young	101	31,151.23	2	8,500
Total	1,504	473,317.33	55	147,049
State total	33,829	11,108,322.16	2,353	8,591,815

[1] Based on reports received in Washington as of Mar. 31, 1936.

ELECTRIC POWER PROGRAM

Under the Hoover administration, power production declined 9 percent from 7.87 billion kilowatt-hours to 7.14 billion kilowatt-hours, while under this administration, power production increased 19 percent from 7.14 billion kilowatt-hours to 8.50 billion kilowatt-hours, yet the Power Trust crowd and their lobby have done everything possible through their campaign of propaganda over the radio and through the press, magazines, and so forth, to mislead the people into believing that the legislation enacted under this administration has destroyed the private utility business. As a matter of fact the enforced regulations under the Wheeler-Rayburn Act, the Securities Exchange Act and other legislation has caused the 19 percent advance in the sale of power production during this administration. Practically all stocks of the Power Trust are hitting new highs daily and yet we find the Power Trust continues their program of bitterly opposing this administration in every way possible.

Bulletin No. 175, recently published by Judson King, director of the National Popular Government League, contains this statement, signed by 110 Members of the present Senate and House of Representatives:

THE UTILITY ISSUE IN 1936

Four years ago many Members of Congress in both House and Senate, without regard to party affiliations, warned the American people that the utility and banking interests were quietly working to control the nomination and election of candidates for the Presidency and the Congress.

Since a like effort is now being made, we repeat that warning and call special attention to two methods, among others, intensified in use since that time, to thwart public control of the utility "empires."

1. These corporations, and especially the holding companies, have redoubled their "back home" lobby and political activities, not only to dominate local governments, but also as a means of increasing their influence in national affairs. They seek to manipulate the nominating and election machinery without regard to party and usually employ concealed methods.

Second. They are brazenly utilizing the very machinery of the courts—legal procedures set up to insure exact justice among men—as instruments in their private warfare to postpone and frustrate either effective regulation or public ownership, undertaken in response to public demand, for low rates.

We refer not to legitimate suits testing valid legal questions, but to the endless number of abortive injunctions instigated for the sole purpose of delaying execution of the public will, after that will has been formally expressed through the processes of constitutional government, and often after contests have been decided against them in the highest courts.

These suits, seldom brought with hope of success, are paid for by consumers and charged to operating expenses. They drain public treasuries, exhaust public patience, and paralyze the machinery of Government. We submit that the multitude of suits of this character now pending against cities and towns, public-utility commissions, rural power districts, States, and Federal Government constitute a national scandal.

The power war is by no means ended. The efforts of private corporations to minimize its importance and deflect public attention must not prevail. It must be carried forward in this election, and all elections, until the American people are masters in their own house, and until they shall be freed from exorbitant and unjust charges, and until electricity shall be supplied to every urban and farm home in America, at rates the people can afford to pay.

We have a fair example of the Power Trust injunction suit tactics in the suits filed to stop the construction of a municipal light plant at Electra, Tex., which was approved by the vote of the people by more than 7 to 1, and injunction suits filed by the different power trust companies operating in Texas enjoining the construction of the Colorado and Brazos River power and flood control projects. There is already ample evidence available showing how the power trust has been able to secure control of the sale of power from the Colorado and Brazos River projects if and when constructed.

It will be remembered that at the request of the Wichita Falls City Council, and many citizens of Wichita Falls, last fall at my own expense I came to Washington and secured the approval of a loan and grant for the city of Wichita Falls for $1,750,000 for the purpose of constructing a municipal light plant. The citizens throughout the Thirteenth District have been furnished with ample proof showing how the Power Trust crowd was able to thwart the will of the people and thus keep the citizens of Wichita Falls from enjoying lower light rates.

There is no reason under the sun why any community should be forced to pay from 2 to 10 times as much as it costs to produce electricity. So long as the people sit idly by and allow the utility crowd to control and dominate their city councils and other public officials, then just so long will the citizens be forced to continue to pay these unreasonable high utility rates.

No administration has tried harder to enact just legislation so as to place within the grasp of the local communities the power to force down utility rates than has this administration. The battle this administration has waged to bring about this result has been carried on through the Federal Power Commission, through the enactment of legislation setting up the Tennessee Valley Authority, the Rural Electrification Administration, the Electric Home and Farm

Authority, the Public Works Administration, and appropriations to carry on the big power projects scattered throughout the Nation. This is the first administration that has ever dared to do battle with the Power Trust to force lower power rates. All those of this administration who have supported the administration's utility program should have the earnest support of those who believe in honest fair dealings between man and man.

As shown by the records of the Public Works Administration, the power program of this Administration has been practically blocked through the many different injunction suits filed and other dilatory tactics used by the Power Trust to block this program set up by this administration for the purpose of furnishing ample yardsticks throughout the Nation to demonstrate what constitutes a fair price for the services rendered.

PUBLIC BUILDINGS UNDER P. W. A.

The Power Trust has graciously permitted this administration to loan money to construct public-school buildings, dormitories, auditoriums, sewerage and water systems, and school gymnasiums without filing injunction suits or forcing same to be blocked through pressure on the governing authorities. The Power Trust crowd have used their influence to have any and all such buildings constructed, especially if there was any possibility of that city filing an application for a municipal light plant that might interfere with their private monopolistic services which permit them to continue their excessive charges for electricity. The public-works program has thus been tremendously successful Nation-wide as it applies to the above-described buildings, and there has been or will be constructed under this program in the Thirteenth Congressional District in Texas buildings totaling $10,721,750, as follows: Archer County, $64,545; Baylor County, $148,654; Clay County, $83,635; Cooke County, $492,250; Denton County, $2,979,540; Foard County, $46,272; Hardeman County, $41,654; Jack County, $137,095; Knox County, $293,218; Montague County, $361,900; Throckmorton County, $47,272; Wilbarger County, $294,222; Wichita County, $5,153,695; Wise County, $291,680; and Young County, 286,118.

There has been or will be constructed in the State of Texas under this program buildings amounting to the sum of $255,630,740.

COMMUNICATIONS

The Post Office Department for the fiscal year ending January 30, 1935, reported an increase in postal receipts of $44,062,136.17 over the previous year, giving the Department for the fiscal year ending June 30, 1935, a net surplus of $4,964,149.31.

AIR MAIL—FOREIGN AND DOMESTIC

The domestic air-mail system has been completely overhauled during this administration; rates reduced from 13 cents to 6 cents per ounce; a new air-mail net work of routes has been established, increasing the air-mail mileage from 25,248 to 29,106 miles. The average rate of pay per mile under the present contract is 30.4 cents, as compared to 42.65 cents per mile prior to the annulling of all contracts in 1934, and 54 cents per mile for 1933.

Real adjustments have been made in the foreign air-mail system saving over $1,000,000 per year in the cost of this service.

POST-OFFICE BUILDINGS

This administration has constructed 797 public buildings badly needed throughout the Nation and out of this program there has been constructed in the thirteenth district the following post-office buildings: Vernon, $50,000; Graham, $61,900; Nocona, $64,000; and Bowie, $53,500.

There has been an appropriation made for the immediate construction of post-office building at Quanah to cost $80,000.

Funds have been allocated and one additional post-office building will be constructed in the thirteenth district as soon as the proper appropriation is made and site determined.

RELIEF ADMINISTRATION

All relief prior to this administration was cared for by State, local, and private agencies. Because of the chaotic condition existing at the beginning of this administration, the demand came in unison from throughout the Nation that relief be administered by the Federal Government. Because of the great emergency existing, first the Civil Works Administration program was begun to put more men to work. Last year this method was changed and the Works Progress Administration established.

The total emergency relief expenditures covering State, county, and local needs from July 1, 1933, to December 1, 1935, were $3,607,197,492, while expenditures for the Civil Works Administration were $938,000,000. In January 1935, there were 4,614,965 families on relief. This number was decreased in November 1935, to 2,846,910 families.

The Works Progress Administration, set up May 6, 1935, and designed to give three and one-half million people work, had, on November 30, 1935, put 2,484,000 people to work.

ALIENS ILLEGALLY HERE SHOULD BE STRICKEN FROM RELIEF ROLLS

It was pointed out yesterday in debate the lack of provision in this legislation prohibiting aliens illegally in this country from sharing in this relief money.

I do not know how you feel about it, but personally I feel that aliens in this country illegally shoud not be allowed to share in this money that comes from the American taxpayers.

I feel, as pointed out yesterday, that something like 400,000 aliens on the relief roll being taken care of by the American taxpayers under this program should be allowed to wait until the Americans in this country are taken care of.

Mr. CURLEY. Will the gentleman yield?

Mr. McFARLANE. For a question.

Mr. CURLEY. Does the gentleman know that there is a bill, introduced on January 29 in my name and referred to the Committee on Appropriations, for that very purpose?

Mr. McFARLANE. I know that the Veterans of Foreign Wars has tried to get the committee to do that, but up to this time they have refused to do it. I trust when that amendment is offered by the gentleman from New York it will be agreed to. I would like to offer the amendment myself. I think many men on the floor of this House feel keenly the need of such an amendment. I think we should unanimously vote for it.

Mr. CURLEY. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. Yes.

Mr. CURLEY. Does the gentleman know that in a recent investigation in the city of New York, 30,000 aliens were found to be on relief rolls in that city?

Mr. McFARLANE. I thank the gentleman for his contribution.

Mr. DONDERO. But I understand that all points of order are waived against the bill. How can such an amendment be made germane at this time?

FUNDS FOR P. W. A. PROJECTS

Mr. McFARLANE. We will cross the creek when we reach it. There was a point made last night in the caucus on the proposition of earmarking some of this money for P. W. A., and while it would not be exactly ethical to tell what took place in the caucus, yet gentlemen have read in the morning papers something of what took place.

A point of order was raised to an amendment which I offered earmarking $250,000,000 of this money for worthy P. W. A. projects that both Mr. Hopkins and Mr. Ickes admit would come under this program if we could get the money to put it through, and yet when I offered the amendment, the identical amendment submitted by Mr. BEITER, the only change being that I struck out $700,000,000 and made it $250,000,000, the Chair sustained the point of order that my amendment was not germane. If that is true, then the caucus was not germane, and we who signed the petition to call the caucus are completely out of order.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. Yes; for a question.

Mr. KNUTSON. I take it that it was a typical old-fashioned Democratic caucus.

Mr. McFARLANE. Yes; just like the typical old-fashioned Republican caucus.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield for a question.

Mr. RICH. Much has been said during the past year about spending this money for relief under Mr. Hopkins and that we were not going to do it again this year, yet here comes a bill just like the old one. Why did not the Democratic caucus change it after you talked so much about doing so?

Mr. McFARLANE. The gentleman's question answers itself. I called the attention of the Committee on Appropriations, for instance, to 33 different projects pending in my district, as above pointed out, and my district is not different largely from others. They are worth-while projects that have been approved that are now waiting funds from this legislation for their construction.

The people of my district are greatly interested in seeing that these projects are constructed. I know there is no finer piece of work being done in anybody's district anywhere than has been done under P. W. A. in my district. It is true that we have been slow in getting these projects started. It is true it has taken State legislation practically throughout the Nation. It has been slow all the way up and down the line in getting started under P. W. A., but all of these difficulties have been ironed out, these projects have been approved, they have been raised to their present status where now we are advised they are ready to immediately proceed with the construction of these projects if they are allowed to have funds under this legislation.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. Yes.

Mr. MAY. I believe it is the view of the gentleman from Texas, as it is my view, that if Mr. Ickes were allocated a few of the millions of this appropriation it would go into construction work that would stimulate the major industries of the country and give employment generally over the country to the people in industry as well as on the Government rolls.

Mr. McFARLANE. I think we understand the matter rather thoroughly, and that P. W. A. projects do not necessarily conflict with W. P. A. projects, where the citizens of a community want to put in about half the money that is necessary to build these worth-while projects, that are badly needed by them. It seems to me that we ought to allow them to do that, and in that way we will employ almost as many men under the P. W. A. program as you are employing under the W. P. A. program, with less money, when that is taken into consideration.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. Yes.

Mr. DONDERO. I am sure there are many Members on the floor who are in sympathy with the gentleman in respect to what he says about aliens. I think we all recognize it is a very difficult problem to handle, and what are we going to do with it? If 4 percent of this money goes to aliens, that would mean nearly $280,000,000, or enough money to build the St. Lawrence seaway, which we are spending in that behalf.

Mr. McFARLANE. In answer to the gentleman I would say that the administrative cost of securing this information and stopping payment of these funds to aliens would be very little, because a few questions on the application blank they sign would get the necessary information to eliminate the aliens from the rolls. That is a matter of administration that could be easily worked out.

WORKS PROGRESS ADMINISTRATION

The Works Progress Administration has completed many worth-while projects throughout the Nation. There has been expended under this program in the Thirteenth Congressional District, a total of $10,109,272.42 distributed as follows:

Archer County, $295,594.65; Baylor County, $218,652.62; Clay County, $379,941.42; Cooke County, $338,289.06; Denton County, $503,515.49; Foard County, $186,603.28; Hardeman, $462,623.36; Jack County, $250,852.60; Knox County, $179,338.87; Montague County, $553,945.99; Throckmorton County, $3,536,880.69; Wichita County, $1,206,400.05; Wilbarger County, $647,872.67; Wise County, $533,376.10, and Young County, $815,385.58.

SPECIAL PROGRAMS

In addition to the program of direct-work relief the Government has sponsored other special programs for relief from destitution as follows:

Transient program.

This division was set up to care for the destitute transient population and has cared for more than 300,000 destitutes in nonurban camps.

Self-helping cooperatives.

These organizations were the outgrowth of barter associations established by the unemployed themselves as a form of production for use. Through this program 100,000 persons were cared for.

NATIONAL YOUTH ADMINISTRATION

Under this program 933,189 pupils were cared for at a cost of $48,866,067. Under this program there has been expended in the Thirteenth Congressional District in Texas a total of $108,603 as follows:

Archer County, $503; Baylor County, $694; Clay County, $914; Cooke County, $4,483; Denton County, $54,752; Foard County, $2,102; Hardeman County, $2,766; Jack County, $564; Knox County, $981; Montague County, $2,050; Throckmorton County, $968; Wichita County, $23,772; Wilbarger County, $6,828; Wise County, $3,947; and Young County, $3,339.

In conclusion let me point out that this bill carries an appropriation of $2,364,229,712.53 principally to be expended for work relief. I have briefly called to your attention some of the many benefits brought about as a result of the legislative program worked out under this administration. I have gladly cooperated with the President and have voted for the program in its entirety as above set out.

COMMITTEE WORK

I have been active in my different committee assignments and have offered constructive suggestions whenever possible. For example as a member of the Naval Aircraft Investigating Committee, under permission of the President I inspected all the income-tax returns of the corporations selling the Navy equipment, and upon disclosures I made, I offered legislation to abolish the right of corporations to file consolidated income-tax returns (CONGRESSIONAL RECORD, pp. 6280–84, 73d Cong., 2d sess.). Senators NORRIS and BORAH used these facts I had thus disclosed in debating this matter in the Senate (see pp. 6409, 6466, 6559, CONGRESSIONAL RECORD, 73d Cong., 2d sess.) and the right to file consolidated returns was eliminated, thus saving the taxpayers about $300,000,000 a year as the records show:

Corporate returns

1934	$321,456,000
1935	465,370,000
1936 (estimated)	615,000,000

In addition to this, I have been active working and trying to not only stop some of the many leaks in our income-tax laws, but have tried to limit the profits of the war-materials manufacturers and to enact legislation that will keep them from annually "raiding the Treasury." I wish I had the time to cover these different subjects. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas [Mr. McFARLANE] has expired.

Mr. TABER. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, I had not intended to discuss this legislation, but it seems to me it is so fraught with danger to the future of this Nation that I would be lacking in my duty to my constituents if I did not address the House at least briefly on the subject.

This bill is another fatal delegation of the public purse to the Executive. Since these delegations began, and including this measure, the Congress will have handed over to the Executive $11,732,000,000. There is no parallel to this performance since the birth of parliamentary government. The present-day records of Italy or Germany show no such delegation of power. I make the definite statement now—and it is made without fear of successful, honest contradiction—that at least $6,000,000,000 of that money has been wasted and every cent of it has been colored with Democratic politics. All of it is now a charge upon the people of the United States and must be subsequently paid in taxes. Never have there been such indecent raids on the Treasury.

For example, take the State of Mississippi. Our good friend from that State [Mr. DOXEY] presented a very full and complete statement of what Mississippi had received since the beginning of this administration. According to his figures, Mississippi has received some $260,784,000. Mississippi has paid in Federal taxes during that period approximately $7,500,000. Much of that money was used for extraordinary, boondoggling activities and is completely wasted both to the Nation and, indeed, to that State. Yet Mississippi, according to Mr. DOXEY, is not satisfied, for, like Oliver Twist, "it is asking for more."

Mr. CURLEY. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. No. I am sorry; I cannot yield.

One phase of that Mississippi expenditure was discussed in an article in Labor several weeks ago. Under the urge of various chambers of commerce in the State of Mississippi, certain vocational schools were constructed by the Government. They were constructed as vocational schools, but they were in truth textile factories, and were built as such. Upon those so-called vocational schools, which represent a disbursement of approximately $100,000, it was the definite intention to use the money and credit of the Northern States, or the States that are at least solvent with respect to the Treasury, to create industries and then steal, bodily, from the industrial States their going industries. That is not all. They made a contract, if you please, with a penal or reform institution in the State of Oklahoma, and they are going to import as help the "ladies" from this penal institution, under probation, into the State of Mississippi to compete with the free labor of the industrial States.

This administration is a continuing threat to going industry. Here is an example:

Agents from the T. V. A. area have gone into my State and have told industry there if they did not move down to the T. V. A. area they would begin to manufacture at Muscle Shoals the particular product made by them. It is such delegations of power as are proposed here today that makes such conditions possible. How long can this sort of thing continue and the present industrial States, which are paying the shot, retain their self-respect as members of this Union of States?

In this discussion attention has been called to the fact that some States have paid only 1 or 2 percent of their own relief. What a shameful situation that is! What a terrible reflection upon those areas which have not enough civic character and vitality to—at least in part—take care of their own. Where is their vaunted manhood gone? Their role is parasitic. They are without shame. They are intent only upon raiding the Federal Treasury to which they contribute nothing. They are heading the Federal Treasury into bankruptcy, the country into inflation, while they themselves are losing the manhood and character which was once the birthright of every American community.

How has this situation come about? Why have heretofore splendid Americans whose communities were formerly self-sustaining come to be almost a complete charge upon the Federal Treasury? I can tell you where, in my judgment, the fault lies. The President, while ostensibly delegating this authority to Mr. Hopkins, is himself the man behind the gun. The only one he listens to in this connection is "Field Marshal" Farley. This genial gentleman, trained in the Tammany school of politics, has no illusions about the political value of jobs or the use of money in politics. Farley tells Hopkins where the money shall go. He tells Hopkins when the money shall go to a particular area. General Farley is an astute politician. One of his principles is that political parties, like armies, travel on their bellies. It is the intention of Farley to let loose this $2,000,000,000 at election time in an endeavor to buy the election. Farley is true to his instincts when he does this, but it is a shameless thing, especially when done in the name of suffering humanity. I do not believe that this Republic can survive such procedure. If this plan of debauchery is successful, it will leave a stain on the heart and consciences of the American people which would unfit them for future participation in free institutions. My belief is that this procedure paves the way to fascism, where there is no personal liberty and where there will be no legislative branch of government. Such will be the fate of America if this procedure is successful. If Farley can buy the election with money taken under fraudulent pretenses from the Treasury, this Republic is at the end of its rope.

No man in this House is concerned about the welfare of unemployed more than I am. But to use their unhappy condition to reelect the present occupant of the White House is, to my mind, the depth of governmental depravity.

I listened carefully to the words of the distinguished and able gentleman from Virginia, the acting chairman of this committee. I have the greatest respect for him as a Member of the House. I do not agree with him, however, that this money is not to be used for political purposes. The fact is, and I repeat it, that it is the intention of the President and "Field Marshal" Farley to turn over this present appropriation and the billion dollars that are yet in the Treasury for political purposes, extracting only a modicum for relief. It is to be turned over to "Field Marshal" Farley to be used in the doubtful States to carry the election this fall.

In conclusion, I wish to emphasize with all the earnestness that I possess that these billions are not the President's and title to these funds does not go to the Democratic Party. It is not a fund to be used to continue his party in power. These moneys are a sacred trust. This vast sum and the national credit on which it is based was created by the past and present generation of toilers out of their blood and sweat. Theoretically at least it is dedicated to the cause of humanity. The situation calls for the best brains, the largest experience, and the highest idealism possible. The preservation of this Republic is more important than the election of either a Republican or Democratic President, but if politics are to dictate the disposal of this fund and chaos ensues, the blood is properly on the head of this Congress, which in an hour fraught with evil destiny ignores and basely surrenders to the Executive its manifest constitutional power.

Despite this threat against the life of the Republic I have faith in the American people provided they can be aroused to the dangers that confront the Nation. I hope and pray that every real American—North, South, East, and West—will participate actively in the November campaign and drive these raw deal money changers out of the temple of the Republic. [Applause.]

The CHAIRMAN. The time of the gentleman from New York [Mr. CULKIN] has expired.

Mr. WOODRUM. Mr. Chairman, I yield 20 minutes to the chairman of the committee [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, I wish it had been such that I could have gone into this bill fully and discussed it from beginning to end. I have had to save myself on this bill a little bit. As you have probably heard, I was confined to the hospital for 6 weeks, under orders of the doctor. When I was discharged I had to commence hearings on this bill almost immediately. I conducted them as rapidly and completely as possible. As a result we have approximately 2,000 pages of hearings for you to read in order to get a clear understanding of it.

I am under instructions from the doctors to work not over a certain number of hours a day. I am trying to comply with those instructions, but it is impossible.

My colleague, the gentleman from Virginia [Mr. WOODRUM], has been kind enough to volunteer to sit throughout the hearings of the subcommittee, to assist in conducting the examination, and to assist in conducting this bill through the House. I appreciate it. He has done it in an able manner and I desire to compliment him on it.

I shall now discuss for a few minutes some of the important items in the bill. He has already told you we reduced the bill over $23,000,000.

You have heard a little discussion of the P. W. A. and W. P. A. I am going to show you now why we have brought all this money to be expended by the Works Progress Administration; and let me state to start with that I have nothing in the world against P. W. A. I think a great deal of the Administrator—the Secretary of the Interior. During the first part of his administration I did not understand him. After holding hearings last year and hearing him I felt the Secretary of the Interior was in every respect an honest man [applause]; and that is what we want in the Government service.

Mr. Chairman, our purpose is to put the destitute unemployed to work, to give them employment, to give them something by which they may earn a living for themselves and those dependent on them. It is our purpose to put only those to work who are in actual need, to feed the hungry, and to clothe the naked. This bill, therefore, is centered largely around the purpose of relieving distress.

My friend, the gentleman from New York [Mr. TABER], and he is my friend, and he is a good economist, he makes a good member of the Appropriations Committee, was out interviewing reporters this morning, saying we had appropriated $11,000,000,000 in round figures for relief. He did not tell that a large part of our relief outlay is loaned money. Yes; we have appropriated a lot for relief and recovery. I am proud of it, because it fed the hungry and clothed the naked, saved farms, homes, railroads, banks, and so forth. I am proud of it because it places our great President as the greatest humanitarian in the world today. [Applause.]

Let us get down to the subject of the bill, however. I want to give some data as of March 28, 1936. All told, on that date, 3,763,334 were employed as the result of our big appropriation last year. Works Progress employed 2,884,161; Civilian Conservation Corps, 433,770; Public Works Administration, 77,464; all other Federal agencies, 367,939.

As for allotments of money by that date from that big appropriation, Works Progress had been allotted $1,300,000,000; the Civilian Conservation Corps had been allotted $526,500,000; Public Works Administration, $447,500,000; all other Federal agencies, $896,000,000. Thus, Works Progress, having been allotted 41 percent of all allotments made up to that time, had employed 76 percent of all who were employed. Civilian Conservation Corps, having been allotted 17 percent of all the allotments, had employed only 12 percent of all those employed. Public Works Administration had been allotted 14 percent of all allotments and employed only 2 percent of those who were employed. All other Federal agencies, having been allotted 28 percent of all allotments, employed only 10 percent of those who were employed. Just think of it! Works Progress allotted 41 percent and employed 76 percent of all those employed.

I listened with interest to my colleague the gentleman from Texas [Mr. MCFARLANE] talking about the Public Works Administration and giving them money. Let me read you some figures: At the beginning of the fiscal year 1936—that is this year—P. W. A. had unexpended balances of about $450,000,000. When we passed the big appropriation of $4,880,000,000, Public Works received an additional allotment of $450,000,000, making a total of $900,000,000. It is estimated that when the end of this fiscal year comes only $150,000,000 will have been paid out, leaving for actual expenditure by P. W. A. in the next fiscal year $750,000,000. In addition to that this bill and other bills passed by this Congress carried $400,000,000 for heavy industry construction. These two sums, $400,000,000 and $750,000,000, gives to the heavy industry construction of the United States $1,150,000,000 for expenditure next year; yet we hear complaints about not being fair to heavy industry.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. MAY. Can the chairman tell us how much money remains available to the Secretary of the Interior as Administrator of the Public Works Administration?

Mr. BUCHANAN. It is now estimated that $750,000,000 will remain unexpended on July 1 next.

Mr. MAY. That is from previous appropriations?

Mr. BUCHANAN. From the previous appropriation.

Mr. MAY. Does he get anything at all under the pending bill?

Mr. BUCHANAN. No.

Mr. MAY. I think $750,000,000 is a pretty good allowance.

Mr. BUCHANAN. Not only that, he is authorized by law to sell the securities he takes from the cities and this constitutes a revolving fund with which he can operate.

Mr. MAY. Mr. Chairman, if the gentleman will yield further, I note that the bill, on page 21, appropriates for the Works Progress Administration $1,425,000,000; that it allocates these funds, in a way, to different things and at the end contains the proviso that 15 percent of these allocations may be transferred from time to time to other classes. Under this provision would the Works Progress Administrator be allowed or authorized to transfer funds from his work to the Ickes outfit?

Mr. BUCHANAN. He would not be.

Mr. MAY. He would be confined to transferring from one of his own activities to another of his own activities?

Mr. BUCHANAN. We went into that question very carefully, drew the bill very carefully, and had a consultation with the Comptroller General's office. This I did myself; and I can assure this House, I want the Members to understand it, because they must not be mislead, that every bit of this money must be spent under the guidance and direction of the Works Progress Administrator.

He may adopt a project from the P. W. A. as his own project and put men to work on it. He may adopt a project of Tugwell's and put men to work on it, but not a cent of money may be transferred to either one.

Mr. BANKHEAD. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Alabama.

Mr. BANKHEAD. The sum of $750,000,000 for the Public Works Administration is still available to its credit. Is it the contention that all of that money has been pledged or allocated?

Mr. BUCHANAN. All of it has been allocated because the President has taken all the unobligated money and the balances of other appropriations in order to give W. P. A. enough to continue giving work to the unemployed the balance of the present fiscal year.

Mr. BANKHEAD. So that the P. W. A. has no fund still available for other projects?

Mr. BUCHANAN. No. The only other funds involved may be in the sale of some securities.

Mr. BANKHEAD. But under the proposal that has been made it is expected that funds of the Reconstruction Finance Corporation may be available for public-works projects?

Mr. BUCHANAN. Certainly, if the Congress and the President adopt that as a policy. In my judgment, and it is a deliberate judgment, and a judgment formed from a full investigation of the facts, that in view of the recovery that has taken place in the country the time must soon come when we must stop lending so much money and spending so much money. [Applause.] That is where I am going to stand from this Congress on, and that is where I have stood during the present Congress.

Mr. KVALE. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Minnesota.

Mr. KVALE. I want to commend the Chairman of the Appropriations Committee for giving of his energy that he

should spare, but I want to ask just one question in all seriousness.

I have in mind certain projects throughout the Middle West that have been held up, delayed, retarded, withheld because an administrative ruling was made that they had to be completed within the present fiscal year before they could be approved.

Has the Committee on Appropriations in its further grant of funds given any consideration to such administrative limitations upon funds or projects? I should like to have a little statement in the RECORD from the chairman of the Committee on Appropriations upon that particular point because it is of great interest to myself and to the pecple I represent.

Mr. BUCHANAN. The committee gave no consideration to administrative provisions, restrictions, or rules governing the expenditure of this money. We felt that was an executive function and could be better dealt with and that the rules and regulations could be better prescribed by those who had charge of the spending of the money and knew more of the details of the projects than we did.

Mr. KVALE. Just one further question: Does the gentleman think that the administrative branch of the Government should be given full authority to withhold approval of projects simply because they cannot be completed within the particular fiscal year the plan contemplates?

Mr. BUCHANAN. I think so, and I will tell the gentleman why. I do not personally endorse the administration's expending emergency funds for projects that may take 10 years to finish or 5 years to finish, and which might involve the expenditure of hundreds of millions of dollars.

Mr. KVALE. The projects I had in mind would be completed at the most in 2 years but could not have been completed within the present fiscal year.

Mr. BUCHANAN. Oh, I do not think it should cover any project that may take 18 or 20 months to finish.

Mr. MAY. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Kentucky.

Mr. MAY. I am interested in one other matter, and the chairman of the Appropriations Committee has been very liberal in giving information. The gentleman will remember that at the beginning of this session a question arose in connection with another appropriation bill with regard to certain projects that had been authorized without the consent of the Congress. These projects were suspended by the Appropriations Committee, and will remain in suspension unless authorized in the future by the Congress. Is there anything in this legislation that prohibits or prevents the selection of new projects not authorized or contemplated by the Congress, either by the President or the Works Progress Administrator or the Public Works Administration?

Mr. BUCHANAN. There is nothing except as appears on the face of the bill where the projects have been enumerated.

Mr. MAVERICK. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Texas.

Mr. MAVERICK. No provision was made in the original bill last year covering confirmation by the Senate of the State administrators. In the bill brought in this year I notice there is provision for confirmation by the Senate. Of course, that was in the bill last year when it came back from conference, but I am talking about the original bill. If we delegate to the Senate the confirmation of these officials, is it not turning over a power to them and making more or less a doormat of us?

Mr. BUCHANAN. Yes; but that was in the bill last year and we carried it forward in this bill. There was a serious controversy over that matter, and we did not want to have this held up in conference this year.

Mr. MAVERICK. We are delegating a power to the Senate which we are not required to do legally?

Mr. BUCHANAN. The gentleman is correct.

Mr. MAVERICK. I think it is a bad policy. We unnecessarily let the Senate have superior powers.

Mr. CROWE. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Indiana.

Mr. CROWE. What assurance have we of getting money from the R. F. C. for P. W. A. projects? They are pretty hard to get money out of. What assurance will there be?

Mr. BUCHANAN. I agree with the gentleman they are very hard to get money out of, and I further contend that they ought to be hard to get money out of. The country is recovering and will continue to recover. As it recovers, we must stop these tremendous expenditures. That is what I meant awhile ago when I said I was opposed to certain things.

Mr. CROWE. But some of these projects are good projects. What assurance have we that there will be help coming from the R. F. C.?

Mr. BUCHANAN. There is no assurance the R. F. C. will approve the projects. They are pretty hard to get approval from, I will say to the gentleman.

Mr. Chairman, there is another question I want to discuss before concluding. I direct attention to page 99 of the bill to the section known as no. 7, which contains the following language:

> Notwithstanding any other provision of law, none of the establishments or agencies named in subsection (b) of this section, shall after June 30, 1937, incur any obligations for administrative expenses, except pursuant to an annual appropriation specifically therefor by Congress.

[Applause.]

The section goes on to name 13 so-called independent agencies, 13 agencies that have been granted a revolving fund, 13 agencies about whose operation and handling of public funds this Congress knows nothing. No regular committee of the House is called upon to investigate them. Of course, we could order a special investigation, but, God knows, I am sick of special investigations. This provision brings them within the jurisdiction of the Congress and makes them come to Congress with regular estimates and ask for the money necessary to administer their respective corporations or organizations.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. MAY. Are they likewise required to come under the supervision and audit of the Comptroller General?

Mr. BUCHANAN. Some of them are.

Mr. MAY. Does not the gentleman think they should be?

Mr. BUCHANAN. When they come to the Congress to get their money they will be.

Mr. MAY. Why not restrict them by some such method now?

Mr. BUCHANAN. The gentleman need not be uneasy about that. When they come here for their appropriations, if they are not under the Comptroller General, the Committee will put them under him, because we believe in that system. We believe in every account being audited and we insist upon them being honest. I do not charge that any of them are dishonest, but I believe some of them are getting too much salary; I believe some of them have too many employees, and I do contend that they should be restricted to a reasonable and efficient force. Therefore, I am going to ask the Congress to adopt this section.

This is close to my heart because I believe it is essential to good administration and this is the first step with respect to their administrative expenses, including personnel and administration. The second step is to make all the money they receive payable into the Treasury and then if you want to create a special fund, you can do so, but require them to come to Congress for all appropriations, not only for operating expenses, but for their loans, if they are making loans, or doing anything else. Let the representatives of the people know what they are doing, because if we continue in this way we will have a government not by Congress, but a government by corporations, and God forbid we should ever have that. [Applause.]

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all Members who have spoken or may hereafter speak on the bill may have permission to revise and extend their own remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. BREWSTER].

Mr. BREWSTER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include therein quotations from various records.

The CHAIRMAN. Is there objection to the request of the gentleman from Maine?

There was no objection.

THE STATE OF MAINE

Mr. BREWSTER. Mr. Chairman, I rise primarily for the purpose of defending the State of Maine, much as I should like to indulge in a discussion of the philosophy of relief, and to present to the committee the very persuasive reasons why I believe we should adopt as a policy in extending relief the principle enunciated in the Democratic national platform of 4 years ago, the wisdom of which I have, through the sad experiences of the past 3 years, come fully to perceive. That platform declared for extension of aid by the Federal Government to the States and through them to be administered.

The State of Maine has been rather a football of politics as the only State with an early election, and a great deal of attention, therefore has been directed to its affairs. It has also served as what was conceived to be a horrible example of State administration, as a result of the indictment of the administrator selected in the State of Maine and of 15 of his more responsible associates. One has already been convicted and the rest are still under indictment, and an administrator has been appointed by Mr. Hopkins, who is now carrying on in rather glittering contrast to the previous administration. It has been urged that this establishes that Federal is far better than State administration of these affairs. Considerable attention was directed to this situation in the State of Maine in the questioning of Mr. Harry Hopkins before the subcommittee considering this resolution.

As one with executive experience in Maine, and a proper pride in its traditions, I should wish it to be clear that the administration which preceded the present one in Maine of the F. E. R. A. and the E. R. A., was not a State administration.

NO MAN'S LAND

In the first place, it is a matter of controversy even in the courts, as the Governor of Maine has testified before the court where these men were indicted that they were not State officials. Mr. Hopkins, meanwhile, has testified before a committee of the House that they were not Federal officials and were not appointed by him. The result is that they are left in a no man's land, apparently, responsible and accountable to no one. Hon. William R. Pattangall, until recently chief justice of our State, has suggested that the only mistake they made was in not taking all the funds that were intrusted to their care instead of permitting some of these funds to reach needy citizens of Maine.

Mr. MORAN. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. For a question; yes.

Mr. MORAN. I just want to ask a question to make it clear, so there will be no confusion in the minds of your constituents and mine and all the people of Maine. The charges the gentleman is now making are against the defunct Maine Emergency Relief Administration, and not against the Works Progress Administration?

Mr. BREWSTER. That is correct.

Mr. MORAN. And has the gentleman any criticism of the management, honesty, or integrity of the present Works Progress administrator, Albert Abrahamson, of Maine?

Mr. BREWSTER. I have not. It is being most admirably carried on. The former E. R. A. administration in Maine, however, was not selected by the executive authority of the State, as in the State of Maine the Governor and the executive council possess the full executive power. There are only two other States with similar machinery of administration.

It has been stated by students of government that we have eight governors in Maine, instead of one. The Executive Council of Maine is entirely Republican and the Governor is a Democrat.

Whatever may be thought about the controversy between Mr. Hopkins and Governor Brann as to the responsibility for the selection of the E. R. A. administrator, there is not a suggestion anywhere that the Executive Council of Maine, which was entirely Republican, was ever consulted or considered in any way. If the money had been turned over to the State of Maine for administration, as proposed by the minority, the Executive Council of the State of Maine would necessarily have been consulted in the selection of the E. R. A. administrator. In that event it is my firm conviction, from 4 years of executive experience in Maine, that no such wholesale indictment of an administration would have been required.

I am a good enough Jeffersonian Democrat to want to return the responsibilities of our Government, in accordance with our Democratic traditions, more nearly to the people. The more quickly that is done the more quickly we shall solve the problems with which we are faced. [Applause.]

The following excerpts from the record of the hearings before the subcommittee of the Committee on Appropriations will indicate the basis for this discussion:

INVESTIGATION OF CHARGES OF IRREGULARITIES IN EXPENDITURE OF RELIEF MONEY IN THE STATE OF MAINE

Mr. BACON. I want to refer now to a particular State: I understand that you made an investigation in a State as to the way these funds were spent. I refer to the State of Maine. In July the Governor of Maine announced in the papers that he had been allocated $1,000,000. That was correct, because it appears that on July 17, 1934, he got $638,400, and on September 4, 1934, he got $429,779, or a total of over $1,000,000. Now, who appointed the administrators of that F. E. R. A. money that was given to the Governor of Maine?

Mr. HOPKINS. I am not quite sure whether there was a board in Maine appointed by the Governor.

The CHAIRMAN. I think it was a board.

Mr. HOPKINS. Yes, sir; but I am not quite sure.

Mr. BACON. You did not appoint either the board or the administrator?

Mr. HOPKINS. No, sir; there was no Federal relief appointee in the State of Maine.

Mr. BACON. Then, whether it was a board or an administrator, the appointment was made by the Governor.

Mr. HOPKINS. Yes, sir.

Mr. TAYLOR. They were local people of that State?

Mr. HOPKINS. Yes, sir.

Mr. BACON. What I am getting at is the check-up you made as to this money that is allotted to the States. In the case of the State of Maine, the man who administered that money, John McDonough, was indicted, and his assistant, Martin, was indicted and is now serving time. You made an investigation of that whole situation?

Mr. HOPKINS. Yes, sir.

Mr. BACON. And you had a report.

Mr. HOPKINS. Charges were made of irregularities, and, according to our regular practice, when irregularities are charged, we made an investigation of the charges. Then, in the event there are irregularities established in the expenditure of the funds, we turn that information over to the local prosecuting officer. There was no Federal man involved in it.

In view of the fact that Federal funds had been granted to all States, we made an investigation wherever there were irregularities charged in the expenditure of relief money. We took the position that even though the funds legally became State funds once they were granted to the Governor, we still had a responsibility in seeing that the expenditures were made properly. We have always felt that we should investigate all charges.

Mr. BACON. That is what I wanted to bring out—that you do carefully investigate charges of irregularities in the handling of these funds.

Mr. HOPKINS. Yes, sir.

Mr. BACON. That is the only object of the questions I have asked with regard to the State of Maine, because I was informed that you made a very thorough investigation of those charges. I think it would be useful to us if you could furnish a copy of the report of that investigation as an example of how you check up on F. E. R. A. funds in the States where irregularities have been shown to exist.

Mr. HOPKINS. That is a confidential document that was turned over to the district attorney in the county where the irregularities took place. The indictments that resulted, or some of them, are still subject to trial.

Mr. BACON. In that case I do not want to press the inquiry. When Mr. McDonough was removed you sent an acting administrator up there to take charge of the situation—Paul Edwards?

Mr. HOPKINS. No——

Mr. BACON. How did he get there?

Mr. HOPKINS. He was given by the Governor a letter of appointment as acting administrator. Edwards was our field man who audited the accounts. He was made acting administrator by the Governor, not by me, because I would have no power to appoint an acting administrator.

Under W. P. A. these appointments are Federal appointments. Mr. Abramson was appointed W. P. A. administrator in Maine.

Mr. BACON. The reason I asked that question is that a number of citizens of Maine wrote to Members of Congress from Maine regarding the status of the Maine Coast Fisheries, Inc., who apparently were receiving a large amount of Federal funds.

Mr. HOPKINS. That was part of our investigation in this case.

Mr. BACON. Mr. Edwards wrote to Congressman Brewster, of Maine, and said:

"The Maine Coast Fisheries, Inc., is an independent cooperative and is not subject to the jurisdiction of this administration. In the past it has received unsecured loans from the Fishermen's Relief Corporation, a charitable organization formerly maintained by means of earmarked grants from the Federal Emergency Relief Administration. I am unable to state at this time just how much is owing the Fishermen's Relief Corporation from the Maine Coast Fisheries, as neither of these corporations is subject to supervision of the Federal or Maine Emergency Relief Administrations.

"For details regarding the financial status of the Maine Coast Fisheries I would have to refer you to the Governor or Rufus H. Stone, executive director of the Maine Coast Fisheries."

Mr. HOPKINS. I think Mr. Edwards is partly in error since previous to Edwards appointment, the former administrator, Mr. McDonough, and his assistant, Mr. Salter, had been directors of these corporations and could control their policies since they could always refuse to grant further funds to them. However, there has been no direct legal control over the corporations by the relief administration, although we have had access to their accounts and books.

Mr. BACON. And you have access to the books of the Maine relief administration, and in your investigation you investigated this, among other situations?

Mr. HOPKINS. That was investigated thoroughly, and is part of this same case.

Mr. BACON. I brought this question up just to bring out the extent of the investigation of the handling by the States of some of this F. E. R. A. money.

Now, in connection with W. P. A., you have a closer control over it, and it is all handled from your office; that is, from the 1st of December it is a Federal proposition entirely?

Mr. HOPKINS. The W. P. A. has been a Federal enterprise from the beginning, and each W. P. A. administrator is a Federal appointee.

Mr. BACON. So that from now on you will have complete control of these funds and the auditing of them, and you do not rely on any State official?

Mr. HOPKINS. The Treasury handles our accounts, and the Procurement Division of the Treasury procures all our supplies.

Mr. BACON. I brought this Maine question up in order to get in my mind clearly the difference between F. E. R. A., and how it worked, and the new set-up of the W. P. A.

Mr. WOODRUM. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. MORAN].

Mr. MORAN. Mr. Chairman and members of the Committee, my colleague from Maine [Mr. BREWSTER] has just called to the attention of the House the charges of graft and incompetence which have been made publicly against the Maine Emergency Relief Administration—known as the Maine E. R. A.—and which have resulted in several indictments, with one conviction so far, and the other cases still to be acted upon. In reply, let me say that I do not intend to stultify myself, on the floor of the United States House of Representatives or anywhere else, by condoning wrong-doing by public officials. But, I do intend to draw a few distinctions in order that the matter may be clarified.

First, let me point out that the criticism of my colleague [Mr. BREWSTER] was directed to the Maine E. R. A.; he frankly so stated when he courteously yielded to me a few minutes ago in answer to my specific inquiry on that exact point. The Maine E. R. A. no longer exists; his criticism therefore is directed against an organization that is dead and gone. This in no wise answers his criticisms against that organization, but this is a fact which should be understood. The real point is that his criticism lies against an organization that formerly existed in the State of Maine, and the persons indicted were not appointed by Mr. Harry Hopkins.

Second, I call attention to the fact that the criticism of my colleague [Mr. BREWSTER] was not directed against the present Federal organization for administering relief in Maine, namely, the Works Progress Administration. The record will show that when my colleague kindly yielded to me a few minutes ago, I propounded that precise inquiry, and he frankly replied that he had no criticism whatever to offer against the present Works Progress Administration organization in Maine, and no criticism concerning the ability, integrity, honesty, efficiency, and management of that organization by the present Maine State administrator, Albert Abrahamson.

Third, the industry of my colleague [Mr. BREWSTER] in ascertaining the facts concerning the now defunct Maine E. R. A. has doubtless caused him to ascertain another interesting fact—the part played by Works Progress Administrator Harry Hopkins. I am confident that he is aware of the uncontrovertible fact that when the alleged wrongdoings were called to the attention of Administrator Hopkins, that he took the position that although the Maine E. R. A. was a State and not a Federal Government organization, that Federal funds granted to that State organization were involved, and therefore required his attention. Mr. Hopkins acted without fear or favor, energetically and promptly, and the evidence now before the Maine courts was obtained and presented to the Maine county attorneys having jurisdiction, by agents of Mr. Hopkins, at his direction. In addition, he forced the immediate removal of officials subsequently indicted. Here is a specific case where Mr. Hopkins practiced what he preaches; he is determined to have honest and efficient administration of relief; he will move heaven and earth to attain that ideal, and his action in the Maine situation so demonstrates. His record in the Maine situation is clear and not criticized by anybody. It will be noted that my colleague [Mr. BREWSTER] did not in any way criticize Mr. Harry Hopkins. Personally, I have no patience whatever with the current criticism of Harry Hopkins. He is an able, honest, and conscientious individual and public official; he assumed responsibility for a program that no human being could possibly administer without some mistakes and much criticism, and has done a marvelous piece of work. Our citizens on relief have every reason to be thankful that relief is administered by a man of such great ability and human sympathy and understanding as Harry Hopkins. Harry Hopkins is the kind of a man sorely needed in the public service of America.

Fourth. It is a source of real personal pleasure to me to have my colleague [Mr. BREWSTER] freely grant that he has no criticism to offer concerning the Maine Works Progress administrator, Albert Abrahamson. Mr. Abrahamson has performed a difficult task amazingly well. As one specific instance of Mr. Abrahamson's efficiency, he was given money enough to put 9,000 persons to work, and he put 12,000 to work with that same amount of money. No charge of incompetence, no assertion of graft, no breath of scandal, has touched his organization. Maine Republican newspapers specifically except the Maine W. P. A. when they make charges of boondoggling or inefficiencies against the New Deal. I do not know anything about the W. P. A. in other States, but I am informed concerning the W. P. A. in Maine. On the basis of that information I make the flat statement that no one in this House of Representatives, no one in the United States Senate, no informed person of responsibility in Maine has made, or can make, a single charge of incompetence, graft, or boondoggling against the Maine Works Progress Administration under the splendid administration of Albert Abrahamson.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. MORAN. I am glad to yield to my distinguished friend from New York.

Mr. CULKIN. One of the Works Progress projects for Maine involves the disbursement of $7,000,000 for the elimination of mosquitoes. Are there mosquitoes in Maine?

Mr. MORAN. I will tell the gentleman there is no project of $7,000,000 for mosquito elimination in Maine.

Mr. CULKIN. Is the gentleman sure of that?

Mr. MORAN. I am positive of that.

Mr. CULKIN. I understand there is.

Mr. MORAN. Let me state to the gentleman this fact, which may have caused his misunderstanding. Due to the efficiency of our State W. P. A. administrator, he has pre-

pared and sent to Washington projects presented by local officials totaling over $125,000,000. Only $2,600,000 was originally allocated to Maine, a sum later raised to $3,600,000. The State administrator selected out of the total list of projects the comparatively few which he could undertake with the money allocated to Maine. Obviously, therefore, with only $3,600,000 to spend on all projects all over Maine, he has not selected and will not select any single $7,000,000 project.

Mr. KVALE. Is it not true that the mosquito season ends concurrently with the end of the fiscal year in Maine?

Mr. MORAN. I am bragging, and justifiably so, about the Maine Works Progress Administration, but I do not want to brag about mosquitoes in Maine.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. WOODRUM. Mr. Chairman, I yield the gentleman 3 minutes more.

Mr. MORAN. I have studied carefully the Maine Works Progress Administration and its projects; I spent my summer doing it. Of course, I do not know about every project that has been presented in Maine, but I do know about projects in operation all over the State, and I do not know of a single boondoggling project. I have repeatedly invited critics to name a single project of that character in Maine, and the invitation has not yet been accepted, which emphasizes the fact that we have an honest and efficient Works Progress Administration in Maine.

The objective of the Maine W. P. A. has been to render relief, but not all the relief needed. After all, this relief responsibility rests first on the local community, second on the State, and last on the Federal Government. This is the answer to the charge, based on misunderstanding, that the W. P. A. is not providing jobs for everybody who needs a job. Certainly it is not, and it should not; it is not the responsibility of the Federal Government to carry the whole load. To be specific, the Maine E. R. A. reported that there were 22,000 persons on relief in Maine. The Federal Government has undertaken to provide jobs for about 20,000 of that 22,000; certainly a fair and generous share of the burden for the Federal Government to assume. It is up to the local communities and the State, and private business, to do their share in shouldering this burden. With the immense sums now spent by the Federal Government to carry its share of the relief burden, which sums are severely criticized, certainly no one could expect the Federal Government to do more than it is now doing at consequent increased cost.

Our Republican friends offer the dole as an alternative. Three years ago they opposed the dole. They criticize the W. P. A. because it does not provide jobs for everybody who needs a job, but inconsistently criticize the cost of the present program, the cost of which would be immeasurably increased if jobs were provided for everybody by the Federal Government. Instead of increasing the Federal relief program we must retrench, but not at the expense of human suffering. The Federal Government must continue financial assistance as long as the local communities and States cannot handle the problem; we cannot allow people to starve. I know that Maine communities greatly need the W. P. A. aid they are receiving. I do not know what they could do without it. They could not meet their relief problem today without the aid of the W. P. A., and they know it. Maine communities should and do appreciate the Federal aid extended by the W. P. A. and know that aid is rendered honestly and efficiently.

Mr. BACON. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I want to pay a very sincere tribute to the splendid work which the chairman of my committee, Mr. BUCHANAN, has done this year under great physical difficulties. In the early part of the session, as we all know, he was seriously sick. Therefore he has been under a tremendous strain in the past 6 weeks, holding hearings on this important bill. In spite of the strain he has always been courteous and fair, and I am very glad, indeed, to serve under such a fine man as the gentleman from Texas [Mr. BUCHANAN].

ALIENS ILLEGALLY IN THE UNITED STATES

I want to discuss today some amendments that I will offer to the bill when it is read under the 5-minute rule. The gentleman from Texas, Mr. BLANTON, and the gentleman from Texas, Mr. MCFARLANE, made reference in their talks yesterday and today to the effect that I would offer an amendment that would prevent aliens illegally here, who are subject to deportation, from being benefited by Federal funds to the detriment of American citizens, and aliens who are here legally. The amendment is germane. I will read it for the information of the Committee:

On page 99, after the section ending on line 3, insert a new section as follows:

"SEC. 7. No part of any appropriation contained in this act shall be paid on account of any wage or salary to any alien within the continental limits of the United States, who is not in possession of valid evidence of legal admission to the United States."

That amendment has the approval of many patriotic societies and veterans' organizations.

At this point, Mr. Chairman, I ask unanimous consent to include in my remarks a letter from the Veterans of Foreign Wars.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The letter referred to is as follows:

VETERANS OF FOREIGN WARS,
Washington, D. C., May 7, 1936.

MY DEAR CONGRESSMAN: Federal funds should in no event be used to give Federal employment to aliens who are illegally in this country.

If Federal funds are insufficient—as they have been—to furnish employment to all unemployed residents, then such Federal employment as is available should preferably be furnished, (1) to American citizens and to those aliens who are now legally on their way to citizenship; and only after that (2) to those legally entered aliens who have failed to take out their first citizenship papers.

This limitation and preference as to Federal employment could be assured by an amendment to the deficiency appropriations bill now being considered in the House today, as follows:

"No part of any appropriation contained in this act shall knowingly be paid on account of any wage or salary—

"(1) To any alien, within the continental limits of the United States, who is not in possession of valid evidence of legal admission into the United States.

"(2) To any person, within the continental limits of the United States, who is not a citizen of the United States, or who, prior to the approval of this act by the President, does not possess a valid declaration of intention to become a citizen, except when no qualified person, as above defined, is available for any of the employment made possible under the provisions of this act.

"*Provided, however*, That this paragraph shall not become operative until 60 days after the approval of this act by the President."

Such a limitation and classification would soon become self-policing, self-enforcing. Local cititzens would see to that. Therefore, to interpose the possible objection that such an amendment would necessitate any extra administration expense is not valid. Such a limitation would cause a saving to the Federal Government directly and indirectly, and would automatically help in the enforcement of other Federal laws. Please refer to page 1217 of hearings on deficiency appropriations.

We have bipartisan assurance that such an amendment will be offered from the floor of the House. Can anyone question its desirability and fairness? We earnestly hope that you will vote for such a limitation clause on this and on all other Federal appropriation bills.

Respectfully yours,

MILLARD W. RICE,
Legislative Representative.

Mr. BACON. My suggested amendment has the same general purpose as that suggested by Mr. Rice. I am heartily in favor of this proposal of the Veterans of Foreign Wars. I am afraid, however, that it will be subject to a point of order. I have, therefore, reworded it and changed the language, but not the purpose, so that it will not be subject to a point of order.

Mr. Chairman, I want to point out that this amendment does not affect in anyway an American citizen. It does not affect in anyway an alien who is here legally. It only affects and applies to aliens who are here illegally and therefore ineligible to citizenship.

I also want to call your attention to the fact that an alien who has smuggled himself into the United States, under our immigration laws, has committed a felony. I do not believe we want to displace American citizens who cannot obtain work relief, with aliens in this country who are here illegally and who, under the terms of a Federal act, have committed a felony by smuggling themselves into this country.

Mr. Hopkins has testified that if he is granted this $1,425,000,000, only a little over 2,000,000 people will be able to receive work relief and relief under that appropriation. There are many more than 2,000,000 out of work who are in need of employment and who are destitute. This sum is not sufficient to take care of all the needy destitute. That being the case, it seems to me that American citizens and aliens who are here legally should have the first opportunity as against those who are here illegally. One word as to the alien who is here legally and who honestly is taking steps to win citizenship and to become a part of our country—he is in no way hurt by this amendment.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. BACON. I wish to finish my statement first.

The alien of legal status in this country can easily produce the necessary evidence in four different ways: First, showing his declaration of intention to become a citizen. The minute he takes out his first papers he must show legal entry. The mere possession of his declaration of intention is proof positive that he is here legally; second, he can produce an identification card which has been issued to all aliens since July 1, 1928, and which was given him when he applied for a visa in his native country; third, he can produce a letter from the Department of Labor, through the port of entry where he arrived, and he can obtain this letter without it costing him a cent; fourth, he can produce a certificate of registry, if he has been registered under the act of March 2, 1929. Every alien here legally has at least three of these documents with him, and he can obtain any one of them without any expense whatsoever.

The amendment has been worded so that it is negative limitation. I am assured that it cannot possibly be subject to a point of order.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield for a brief question?

Mr. BACON. For a brief question; yes.

Mr. MARCANTONIO. Will not the amendment which the gentleman intends to offer be tantamount to an alien registration act, as far as it applies to aliens on relief?

Mr. BACON. I do not think so.

Mr. MARCANTONIO. They will have to give all of these records.

Mr. BACON. An alien here legally carries at least two or three of these documents with him. All he has to do is to show them, and that is the end of it.

Mrs. O'DAY. Mr. Chairman, will the gentleman yield?

Mr. BACON. Gladly.

Mrs. O'DAY. Mr. Chairman, does the gentleman realize that prior to 1906, aliens came in sometimes at the rate of 5,000 a day, so I am told? At that time they did not have to have passports so long as they had the necessary amount of head tax, or whatever it was called, and did not have trachoma. Fulfilling these two conditions, they came in legally and were registered; but their names were very difficult for the clerks to write and they put down names that sounded something like the true names. Those immigrants who have gone back to find records of their legal entry have not been able to find them.

Mr. BACON. Of course, those aliens who came in prior to 1921 have been taken care of by the so-called Registry Act of March 2, 1929. All they have to do if they came in prior to that date is to prove they are people of good moral character. They do not have to prove legal entry. They can pay their head tax and register, and then are eligible for American citizenship. That was the purpose of that act. Now, if these aliens cannot prove they are people of good moral character, I do not think they ought to replace American citizens on the relief rolls.

POLITICS AND RELIEF

Another amendment I propose to offer will attempt to minimize and curtail the opportunities of using these relief funds for political purposes. When Mr. Hopkins was asked for information concerning politics in the administration of the Works Progress Administration he assumed the general attitude that he was not responsible for such circumstances if they existed. He told us that he could not be responsible for what some dumb politician may have done back in the different States. He seemed to feel that he had done his part when he had written to the local administrators informing them that campaign contributions were not to be solicited from employees on work-relief projects. He did not seem to realize that, inasmuch as all officials of the W. P. A. are Federal employees and not State or local employees, he was directly responsible for their actions.

The gentleman from Michigan [Mr. MAPES] referred to the poll taken a little over a week ago, and he told us it shows that 76 percent of the American people believe there is politics in relief, that the relief money is being used for political purposes. The former Governor of Pennsylvania, Mr. Pinchot, wrote to the President, and I want to quote from his letter.

> Washington has put in charge of work relief in Pennsylvania an utterly incompetent, political henchman of the notorious spoilsman Guffey. Today men are chosen for work relief on the basis of political advantage. W. P. A. in Pennsylvania, under Guffey's man, Jones, has been degraded into a Democratic pie counter.

Mr. Pinchot summed up this situation by saying:

> Such prostitution of relief to politics is a stench in the nostrils of all decent people.

I do not think anybody will deny this last statement of Governor Pinchot.

I have in front of me a letter distributed from the Democratic campaign headquarters in Erie, Pa.:

> DEAR FRIEND: We understand that you are at present employed under W. P. A. This employment we believe was only made possible through the Democratic Party. We are, therefore, asking you to assist us with a financial contribution. Please call on Ken Thompson, treasurer of the finance committee, Commerce Building, not later than Wednesday of this week. Your cooperation in the matter will be greatly appreciated.
>
> Very truly yours,
>
> DEMOCRATIC FINANCE COMMITTEE.

I have another letter here from Indiana, Pa. This was written to a woman who was working on relief and was addressed to her at the Community Center Building, Indiana, Pa.—another one from Pennsylvania:

> DEAR MADAM: I am very much surprised that you have not responded to our previous letter requesting your contribution in the amount of $28.08, to Indiana County democratic campaign committee, as I was sure that you appreciated your position to such an extent that you would make this contribution willingly and promptly. I must, however, now advise you that unless your contribution in the above amount is received promptly, it will be necessary to place your name on the list of those who will not be given consideration for any other appointment after the termination of the emergency relief work, which, as you know, will terminate in the near future.
>
> Please make your check payable to A. Lucile Baun, treasurer, and mail the same to her at 402 Indiana Theater Building, Indiana, Pa.
>
> Yours very truly,
>
> HARRY W. FEE,
> *Chairman, Indiana County Democratic Committee.*

Outstanding in the exposé are conditions in West Virginia. Out of the mouth of a man elected as a New Dealer comes the following:

> The W. P. A. in West Virginia smells to high heaven, and it is my desire to work to clean up the rottenness that causes the political odor.

Senator HOLT, of West Virginia, who made this statement, adds:

> There is only one way to identify the W. P. A. in West Virginia, and that is to say that it is a horrible mess.
>
> With thousands begging for an opportunity to work, the big boys at the top sit back and take away money that should go to those at the bottom.
>
> I charge the W. P. A. in West Virginia with being full of politics, with being extravagant and wasteful, and with a thorough censorship and spy system to prevent any complaints.

And again, Senator HOLT, citing how far the political set-up has gone, said that an administrative assistant to W. P. A. State Administrator McCullough, of West Virginia, sent out the following letter:

I hand you herewith a list of doctors in Ohio County. Kindly separate the Democrats from the Republicans and list them in order of priority, so we may notify our safety foremen and compensation men as to who is eligible to participate in case of injury.

Here is a letter purportedly signed by Charles McDonald, Democratic leader of the fourteenth ward of Philadelphia. It speaks for itself—and in volumes:

PHILADELPHIA, PA., *March 14, 1936.*

DEAR COMMITTEEMAN: Contact all houses in your division and get the names of all men on relief, also all those holding W. P. A. jobs. Urge them to register Democrat on March 25 or else lose position.

Sincerely yours,

CHARLES MCDONALD.

From Missouri comes another sordid tale. The Kansas City Star, reporting registration in Buchanan County, Mo., said:

The Democrats had an efficient, hard-working organization on the job, headed by Fred J. McGinnis, county supervisor of the W. P. A. It was estimated that 3,000 names and changes of address were put on the books today. W. P. A. workers were using more than a hundred motorcars to take registrants to the courthouse, and there were long lines waiting to register all day.

But Mr. Hopkins says there is no politics in W. P. A.

And in Kentucky allotments of Federal relief money were made 10 days before the election of November 5, 1935, in the amount of more than $42,000,000 of W. P. A. and P. W. A. funds, and at the same time unsigned letters were mailed from Washington to voters on relief rolls declaring that—

President Roosevelt, a friend of the poor, provided relief so that those in need would not suffer.

And further—

Won't you help President Roosevelt and yourself by voting for Chandler on the Democratic ticket?

Chandler was the New Deal candidate for Governor.

To remedy this abuse of the proper use of relief funds, which is widely admitted and believed to be true, and which is substantially supported by the above evidence that I have read, I am going to propose two amendments to this bill which read as follows:

Amendment proposed by Mr. BACON: Page 21, line 12, after the word "Administration", strike out the comma and insert in lieu thereof the following: "cooperatively under States and local nonpartisan boards to be appointed by the Governor of, or as may be determined by, each State and Territory, and the personnel thereof to be composed of citizens of the United States residing in the respective areas of administration."

This amendment would provide for the Works Progress Administration to administer cooperatively with State and local boards the moneys appropriated for relief and work relief in this bill.

My second proposal provides:

Amendment proposed by Mr. BACON, page 23, after the paragraph ending on line 9, insert a new paragraph, as follows:

"It shall be unlawful for any administrative officer or employee of the Works Progress Administration to influence or attempt to influence, through fear or intimidation, the vote of any person who is an applicant for, or who receives relief or work relief under the provisions of this act, in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to, Congress are to be voted for. Any such officer or employee who violates or consents to the violation of the provisions of this paragraph shall be fined not more than $5,000 or imprisoned not more than 1 year, or both."

Those who sincerely believe that politics should be eliminated from relief and that politicians should not use money to relieve distress for political purposes should vote for these two amendments. Let us have a show-down. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield to the gentleman from Tennessee [Mr. PEARSON] such time as he may require.

Mr. PEARSON. Mr. Chairman, I desire to direct the attention of the Committee to pages 18, 19, and 20 of the bill now under consideration, said portion of the bill dealing with appropriations for the Tennessee Valley Authority, and to ask your consideration of an amendment which will be proposed to this section by either the gentleman from Kentucky [Mr. GREGORY] or myself.

You will note that the appropriation carried in this bill is for the purpose of carrying out the provisions of the original act of 1933 creating the Tennessee Valley Authority, as amended by the act approved during the last session of this Congress, including the continued construction of Norris, Wheeler, Pickwick, Guntersville, and McReynolds Dams; the beginning of construction of Hiwassee, and the continuation of preliminary investigations as to the appropriate location and type of a dam on the lower Tennessee River.

When the Authority was first created, the directors individually and collectively visited the western section of Tennessee through which the lower Tennessee runs and by every act and inference led the people to believe that a dam was to be built on a site at or near what is known as Aurora. Since that time from month to month and year to year the assurances that this dam would be constructed have been continued, and it was not until recent months that it became apparent that the directors were postponing or delaying the construction of this particular dam for some purpose unknown to the people of that section.

It has been conceded from the outset and is still conceded by the Authority and its engineers that a dam on the lower Tennessee is absolutely necessary for a unified system of transportation on the river. In spite of this fact, each year Congress is asked to appropriate funds to begin the construction of other dams and all persuasion to get action on the lower Tennessee seems futile.

What is the reason for the delay, and should Congress acquiesce in it? The reason for the delay is the evident purpose of the directors of the Authority to eventually ask to have the Ohio River placed under its jurisdiction and to construct a dam across both rivers at or near Paducah, Ky., at a cost of approximately $200,000,000. In order to eventually accomplish this objective, the directors apparently are purposely constructing all other alleged necessary dams on the river, putting Aurora Dam at the foot of the list so that at the psychological time this tremendous dam may be constructed and the Aurora project abandoned. This means, if Congress acquiesces in this delay, it will in the not far distant future be asked to make an appropriation for the beginning of this huge and expensive plant, constituting the first step in a far-reaching program on the Ohio River. Should Congress refuse to acquiesce it will mean that the Authority must complete its program on the Tennessee River before branching out into new and expensive fields. In my judgment, its activities should be confined to the Tennessee River until all work thereon has been completed and before permitting the Authority to launch a new "dream program" on some other river.

This conclusion on my part is not prompted by selfish motives. If the Ohio River should be developed and investigation reveals the fact that it is to the interest of the people affected by that river to have it developed, I shall certainly not interpose any objection to such a program, but I am convinced that no such program should be undertaken until the work on the Tennessee has been completed, and Congress should not permit such a thing to be done at this time.

I appeared before the committee in charge of this bill and explained this situation fully, requesting that a specific authorization for the beginning of the work at Aurora or Gilbertsville be carried in this bill, but received no assurance that my suggestion would be acted upon favorably.

About 2 weeks ago the Senators from Kentucky and Tennessee and the gentleman from Kentucky [Mr. GREGORY] and myself had a conference with the President about this matter, explaining to him the necessity of beginning construction on a dam on the lower Tennessee at some point deemed sound from an engineering standpoint. I am sure I violate no confidence when I say that the President received our suggestion and request favorably and stated that

he had no objection to the bill specifically authorizing the beginning of work on the lower Tennessee Dam, and if necessary, would approve an increase in the allocation of $650,000, which the Committee on Appropriations proposes to use in preliminary surveys.

The amendment which we propose to offer will authorize the beginning of construction work on this dam, and is offered in good faith and will not necessitate an increase in the amount of appropriation now provided in the bill. It will only authorize early action on a project which the directors of the Authority themselves admit must eventually be constructed.

In view of the fact that such action on the part of Congress will forestall and possibly prevent the fantastic and expensive proposal to build a dam costing $200,000,000 across the Ohio and Tennessee Rivers, we feel that the adoption of this amendment will mean the saving of large sums of money to the taxpayers of this country and will be the means of bringing to a final conclusion construction work on the part of the Authority on the one river which it was created to develop. If the amendment is adopted, it will mean that the Authority by legislative enactment must keep its promises and assurances to the people of west Tennessee, and if they will not do that without legislative enactment, I say that it behooves Congress to force compliance by virtue of its affirmative action in this appropriation bill. [Applause.]

Mr. BOYLAN. Mr. Chairman, first I want to congratulate the House on the splendid committee it elected to take charge of appropriation matters. Of course, it has been said that self-praise is malodorous, but I am speaking of the committee membership outside of the present speaker.

Under the able leadership of the gentleman from Texas [Mr. BUCHANAN], who addressed you this morning, the committee on deficiencies, consisting of the gentleman from Colorado [Mr. TAYLOR], the gentleman from Alabama [Mr. OLIVER], the gentleman from Louisiana [Mr. SANDLIN], the gentleman from Virginia [Mr. WOODRUM], the gentleman from Texas [Mr. BUCHANAN], the gentleman from New York [Mr. TABER], the gentleman from New York [Mr. BACON], the gentleman from Iowa [Mr. THURSTON], and myself, held extensive hearings on the various items included in the deficiency bill. May I say this was no small task? Ordinarily when a subcommittee handles matters entrusted to them, they are confined to a particular field or department, such as the War Department, the State Department, the Labor Department, Department of Justice, the Navy Department, or any of the other departments that may be assigned to a committee. That is all they are interested in. But the deficiency committee has to clear up and unite all the loose ends, all the deficiencies in appropriations for the current year or for previous years, and also in many instances make initial appropriations for new activities.

The bill before us for consideration today includes the legislative expenses of the House of Representatives, the expenses of the Government Printing Office, and the Joint Committee on Internal Revenue Taxation, the expenses of the Architect of the Capitol, and 10 different departments of Government. In addition to that, in this bill we have to take care of 17 independent agencies, and it also includes payment of judgments and authorized claims, as well as expenditures covering relief, and also the expenses of the Social Security Act. This, it will be agreed, is no small job, and I may say that for practically 2½ months the committee met each day and gave their careful, open consideration to every item submitted to it without the slightest basis for animus or partisanship. Every item was considered on its merit.

Mr. Chairman, we have heard a lot of criticism about work-relief matters. The distinguished gentleman from New York who just preceded me, also a member of the committee, cited instances in some of the other States where slight irregularities had occurred. Mr. Hopkins was frank enough to say to the committee that he did not consider, nor did he claim, that his administration was perfect. We all know that any work of human endeavor is not perfect. We know that men in all works of life have occasionally fallen by the wayside. We have even heard of distinguished lawyers being indicted, as well as other high professional men getting into trouble. Indeed, we would reach a millennium if that time had come when no more mistakes were made in any important function of life.

Mr. GIFFORD. Will the gentleman yield?

Mr. BOYLAN. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. Recognizing that frailties may be expected in these particular cases, what about the universal slogan, "Don't bite the hand that feeds you." What about that? Is that political?

Mr. BOYLAN. That may be the gentleman's slogan. That is not the authorized slogan containing the stamp and seal of the relief department.

Mr. GIFFORD. No. It is not an indictable offense.

Mr. BOYLAN. Of course, the gentleman may have used that slogan on the wild and stormy shores of Cape Cod, perhaps, during the winter season.

Mr. GIFFORD. May I ask the gentleman if he proposes to use this W. P. A. money and treat it as a party measure and he himself make use of that slogan, "Don't bite the hand that feeds you"?

Mr. BOYLAN. I may say to the gentleman that I do not propose to use the slogan. I may further inform him that my influence with the W. P. A. has been of little or no moment. Why, I have not even been able to get a job for a mechanic in New York unless the man was on the relief rolls. I had many cases of skilled mechanics who did not want the odium of relief on them and who sought work; after complaining to Harry Hopkins and Colonel Westbrook, his assistant, I was not able to put one of them to work. I do not know how the gentleman fared on Cape Cod.

Mr. GIFFORD. Will the gentleman speak to the ethics of the subject?

Mr. MAVERICK. Will the gentleman yield?

Mr. BOYLAN. I yield to the gentleman from Texas.

Mr. MAVERICK. If the gentleman had a Massachusetts Republican move into his district, would he not try to get him a job in the W. P. A.?

Mr. BOYLAN. The first thing I would do would get him a job; then I know he would be grateful to me.

Mr. GIFFORD. I should like to have the gentleman explain the ethics of that slogan.

Mr. BOYLAN. The gentleman manufactured the slogan and he ought to know the philosophy of the ethics behind it. The gentleman springs it upon me unsuspectingly. I have not had time to digest it to see what the relative importance of one word to another is.

[Here the gavel fell.]

Mr. WOODRUM. I yield to the gentleman 5 additional minutes.

Mr. FOCHT. Will the gentleman yield?

Mr. BOYLAN. I yield to the gentleman from Pennsylvania.

Mr. FOCHT. I should like to have the gentleman from New York define the character of ethics embodied in this sort of a situation which exists in my own county. If you want a job, you have to renounce your Republicanism and register as a Democrat. That has been proven in countless cases. What kind of a slogan does the gentleman call that?

Mr. BOYLAN. I will answer the gentleman by saying that he exerted every possible effort to bring a Federal penitentiary into his own neighborhood, and he succeeded in having it located and erected in the city of Lewisburg. Did he do that for any purpose? He did not do it to put Democrats to work.

Mr. FOCHT. No; many of the inmates of that penitentiary come from New York City, and some of them are Democrats, too.

Mr. BOYLAN. But they are not paid salaries. They are suffering there in durance vile, but your boys are getting paid to take care of and to watch them. Your townsmen

are being paid for food and supplies and the gentleman's town has grown in population at least 1,500 since the Federal penitentiary was located there.

Mr. FOCHT. It has fallen off very much, and no one in the town is employed at the penitentiary. The employees are mostly Democrats from out West and down South. I may say that I did not want the penitentiary there in the first place. The gentleman from New York was on the committee investigating prisons, he being very anxious to have additional ones erected suggested this site.

Mr. BOYLAN. No, indeed. The gentleman is in error and misquotes me. I am very fond of the gentleman, and I know he would not willingly misquote me.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. RICH. I believe if the gentleman made a visit to the Lewisburg Penitentiary and saw this institution he would realize that the people of the country would almost clamor to get into that place because of the beauty and grandeur of the institution.

Mr. BOYLAN. It is very funny that people should clamor to get into it, while all those who are in it are clamoring to get out. [Laughter.]

All this has to do merely with the ethics of the slogan referred to. What I want to discuss principally is the Social Security Act.

As you know, under the provisions of this measure, the Federal Government provides financial assistance to the States to help dependent children, to extend old-age assistance to men and women who reach the age of 65, to establish a Nation-wide system of financial and other assistance to the blind, to initiate services for the health of mothers and children, especially in rural areas, to establish and maintain adequate public-health services, to promote medical and surgical corrective service and care for crippled children, to promote local child-welfare services, especially in rural areas, and to expand vocational rehabilitation of the physically disabled.

I think there is nothing that we have accomplished in the Congress that we can be as proud of as the passage by the Congress of the Social Security Act last August.

In this appropriation we are providing practically the first big moneys to put this social-security service in operation. The only stigma on our country is the fact we have been a little late and a little slow in adopting this splendid, humanitarian service, but, as I have said, if you have accomplished nothing else in your congressional career, you can, at least, be proud and happy over having voted and appropriated funds for this splendid humanitarian service. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. SEGER].

Mr. SEGER. Mr. Chairman, I have no doubt that this bill is going to pass, but I hope before final enactment it will contain a provision for local administration of relief and local distribution of relief funds. I want to make some observation of what is going on in my own State.

I have observed that since the States and local agencies took over relief in recent days, scores, yes, hundreds of names have been stricken off relief rolls as plain frauds. I have in mind one New Jersey city where several hundred names were erased within 3 days after local police made a house-to-house canvass, and it has also been reported to me that in many instances people have failed to call for checks awaiting them, and the obvious inference is that they fear the facts concerning their true financial status are known by local authorities. It has been discovered that many of these relief folks had substantial bank accounts, and their only explanation of their fraud was "We thought we would get in on the money while it lasted and the taking was good." In these cities the overseers of the poor or the poormasters have been doing practically nothing. Yet they are the men who know better than anyone else the needs of the people in their respective cities and towns. Many are under tenure of office; they cannot be removed. They have been drawing from $500 to $5,000 yearly, and about all they could do was sit idly by and wonder when it was all going to stop. I know one poormaster who for more than 2 years was given the job of stamping relief tickets. His valuable information about the real needs of applicants was never asked for, never used in any way. Wanton waste has resulted because of lack of this information. [Applause.]

Mr. TABER. Mr. Chairman, I yield 7 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman, I ask unanimous consent to extend my remarks, and to include therein certain statements from a prominent Missouri citizen.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHORT. Mr. Chairman, I have in my hand a letter which should interest every Member of this House. It is dated Marshall, Mo., March 26, 1936, and is as follows:

Representative DEWEY SHORT,
House Office Building, Washington, D. C.

DEAR REPRESENTATIVE: I am enclosing a copy of a letter I recently wrote Matt Murray, State W. P. A. director. As President Roosevelt has asked Congress to turn over to Mr. Hopkins $3,000,000,000 to spend as he pleases, I am presuming you would be interested in my personal experiences as a contractor with W. P. A. This letter to Murray is long-winded, but I was anxious to be specific and not deal in generalities. In this letter I attempted to show:

1. The red tape and delays I have encountered in order to secure labor—the fallacy of not utilizing the efficient N. R. S. organization more fully.

2. The labor scale is all out of line with prevailing wages in this area, with the result that men on W. P. A. work do not wish to work on private contract work, farms, or P. W. A. and State highway work.

3. Ninety-five percent of W. P. A. employees are picked for political reasons rather than fitness for the job, and that three of the supervisors on one project, in Saline County, are running for political office.

4. Wives of well-to-do men are placed in charge of sewing circles, whereas there are plenty of efficient destitute women available for the work while wives of politicians are employed.

5. Inefficiency of work done and the poor class of work performed.

6. By permitting men to mess around on W. P. A. jobs has spoiled even the good workers and made loafers out of them.

7. With a million dollars of construction work going on in Saline County and contractors short of labor, yet four W. P. A. jobs are going full blast in this county.

8. W. P. A. certainly does not increase the morale of the men.

9. W. P. A. is poor politics, for it only provides for three and one-half million men and disregards another 7,000,000 men who are crying for work, but who are not on relief, and they are sore as hell.

I have quarries in Mercer, Daviess, Randolph, Johnson, St. Charles, Saline, Howard, and Cooper Counties and a material yard in Cole County, on the Missouri River, for my floating equipment, and am heavily interested in the largest quarry in Jackson County, and I have just recently made a trip around these counties, and the consensus of opinion of the residents to whom I talked about W. P. A. was one of utter disgust.

As a lifelong Democrat, how in the name of the Lord can I be expected to support an administration or a Congress that can produce no better plan for men on relief or the unemployed than one to blindly turn over to Hopkins and his crowd of theoretical star-gazers $3,000,000,000 of the people's money to continue what is obviously a mess. What about the one-hundred-odd million Americans who are not on relief but are working every day and will have to pay the bill?

I hope this hasn't bored you, and I am sorry I seem to be so long-winded.

Yours very truly,

R. NEWTON MCDOWELL, INC.,
R. NEWTON MCDOWELL, *President*.

P. S.—Cannot Congress, on its own initiative, evolve a plan better than the present set-up?

(Copies to all Members of Congress from Missouri.)

Mr. Chairman, the opinions expressed in this communication were not uttered by a Republican but were spoken by a lifelong Democrat who comes from the heart and hotbed of Missouri Democracy—Marshall in Saline County. He employs over 1,000 men and has an annual pay roll running into the millions of dollars; he is an outstanding citizen and a heavy taxpayer. Here we have a man honest enough, if you please, and patriotic enough to speak his mind freely. Like General Hagood, he is fearless.

My limited time will not allow me to cite one instance after another, not only in my district, but all over my State, as in other States of the Union, of the gross incompetency, the rank inefficiency, and, in many instances, the downright dishonesty in the administration of so-called relief, but which, in reality, is nothing more than an ignoble attempt to bribe the American electorate with the taxpayers' money. What perfidy! Such nefarious practice!

The Seventy-third Congress turned over to the President of the United States $3,300,000,000. The first session of this Congress last year again, supinely and cowardly, surrendered the purse strings for which we ourselves are responsible to the Executive and gave him the enormous, stupendous, and appalling sum of $4,880,000,000 which he and his cohorts might spend at any time on any kind of project which they themselves in their infallible and omnipotent wisdom might deem necessary.

Oh, it is interesting to sit over here and hear Members on the other side get up, as they have done for the last few weeks, telling us the depression is ended, that the emergency is over, and that prosperity has returned to the American people, but now they come in asking for $1,500,000,000 more, notwithstanding that almost $2,000,000,000 already given to the Executive remain unexpended.

We all know how it is going to be used. Why, down in my home town they not only threatened to take the people off of relief if they did not vote the Democratic ticket, but on the morning of the last election they hauled in voters at the expense of the taxpayers, and even violated the election laws by taking these people into the polling booths, seeing they voted the Democratic ticket, then handing them relief slips, and we had to have bloody fist fights before we put an end to this damnable and inexcusable practice. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. SHORT. I thank my good friend from New York for his boundless generosity. [Laughter and applause.]

I was out in St. Louis a few days ago when the American Workers Union, an organization of the unemployed, had a 47-hour vigil in the city hall. Here is a clipping from the St. Louis Post-Dispatch. They made this statement:

> We protest against the police going about investigating families who have reported need for immediate food, intimidating families who are members of our organization and those who have reported their need to us. We protest emphatically against the police questioning these families in regard to their political affiliations.

I charge, and I charge deliberately, that those who sit in the seats of the mighty today are deliberately prolonging this depression while holding the club of hunger over the heads of destitute, helpless people, while certain plotters and usurpers are attempting to superimpose upon the American people, in their bewildered and confused state of mind, a system of government that spells destruction to democracy and will rob the people of this country of their cherished freedom. [Applause.]

The letter to Mr. M. S. Murray, referred to by Mr. SHORT, is as follows:

MARCH 16, 1936.

Mr. M. S. MURRAY,
State Administrator, W. P. A.,
Jefferson City, Mo.

MY DEAR MATT: Mr. Raymond Moley, a close friend of President Roosevelt, recently stated in an editorial in his magazine, Today, in substance, "That the chief liability the Democratic Party would have to carry in the coming campaign would be the waste and extravagant spending in the present relief set-up, etc."

I have nearly a million dollars of W. P. A. contracts in Saline and Howard Counties and have been operating our crushed-stone plant all winter in Cooper County and, as a result of my work, I have had a close-up of the W. P. A. workings in those counties and have become quite disgusted with the whole scheme of the W. P. A., with its waste and inefficiency, that I am going to give you a few reasons, based on my own personal contacts and observations, just why Mr. Moley is justified in his statement regarding the W. P. A.

The papers daily carry columns about the unemployed. However, since November 10 I have been short of labor, and today I am short about 100 men. In order to secure men I must forward a requisition to your labor office in Jefferson City, although the National Reemployment Service have a very efficient office in Saline County which has been functioning for several years. This seems like an unnecessary procedure. Your labor office then notifies the N. R. S. office in the county in which I am working to furnish me with relief labor. You have two representatives in Saline County working out of the Sedalia office, and these men are supposed to inform the N. R. S. representative what men he may take off of a given W. P. A. job, and this is what has actually happened.

Men have been assigned to our work who live 25 miles from our job, with no means of transportation, and also a certain number have been physically unfit for hard work and have been rejected by a local physician employed by us to examine all of our employees. Some men have been too old and a number have been 17 or 18 years old—too light for our work. So we wind up with probably a third of a crew. Then it is necessary to file another requisition for labor through your Jefferson City office and go all over the same route. I discovered that the foreman on these W. P. A. jobs would release the poorest labor they had, which, of course, is human nature, but it causes us to fire a good many of them and then take the abuse that we are hard on the men, etc., which is decidedly not true, as we are getting only about 75 percent efficiency from the W. P. A. men transferred to our work after cutting out the weak ones.

The labor scale is all out of line. Under our contract we are to pay 30 cents per hour for common labor working a maximum of 130 hours per month, so if a man suffers no lost time on account of bad weather or for any other reason he may only earn in a month $39 on our job, while the W. P. A. pays him $35 per month for 3 or 4 days' work per week, irrespective of weather, shut-downs, etc. But, quite important, if he works for a contractor, he has to do a fair day's work or get fired; and on W. P. A. work—well, as one darky expressed it to me when I asked him what he was doing, he replied, "I am leaning on a pick out at a W. P. A. quarry near Marshall."

Farm labor in Saline County (one of the richest farm sections in the State) pays $1 to $1.50 per day (with no food or shelter furnished), and private construction will pay from $2 to $2.50 per day top. So no man will quit a W. P. A. job in that section for the jobs I have mentioned unless forced to do so.

I had a number of colored workers from Slater assigned to one of my jobs, and these men had been working on the W. P. A. job at Arrow Rock Park. One day, when I was at my job north of Gilliam, I was told by our superintendent that six of our best darkies had quit on their own volition, and I later found they had been put back to work on the W. P. A. job at Arrow Rock Park, and, God knows, they were not needed there, as the W. P. A. had 125 men messing around the park when 10 good workers could have accomplished the same results. If men may walk off my jobs or loaf to such an extent we will be compelled to discharge them and these men know they will be put back on W. P. A. work, it then becomes a farce for us to attempt to secure men through the W. P. A. But this is important—one of the foremen on this job is a member of the city council at Slater and is reported to control the colored vote of that city. Two other foremen are running for some city office, and the superintendent of the project is running for a county office. Now, all of these men are good fellows and I have nothing personally against them, but how on earth can politicians supervising these jobs, attempting to curry favor with the men in order to secure votes, be very hard-boiled about either making them work or forcing them to go on other projects against their wishes. It is just not in the cards, and the whole set-up, as I see it, is wrong, and from my knowledge of your personnel about 95 percent of your employees have been picked for political considerations rather than fitness for the job.

I know of one woman in Saline County, whose husband is one of the highest salaried men in the community, who was placed at the head of a sewing class for the sole reason that her husband controls some votes. There surely must be plenty of destitute women perfectly capable of handling a sewing class. Yet you are running a relief organization.

The Marshall special road district have a crew of men working at a W. P. A. quarry, and the plant consists of one small jaw crusher operated by a tractor. It has no secondary crusher or any screening facilities. The stone produced ranges from 3 inches in size down, with a very limited amount of fines, and would not meet the specifications of any road builder. In fact, the size stone they are producing will in time do more harm to the motorist than the mud road. The same is true of the plant operated by the county court in Saline County, and equally it is true of the quarries operated by the Franklin and Glasgow special road districts in Howard County, all operated with W. P. A. labor. The latter two quarries were placing on the road in zero weather the stone they produced. You know too much about building roads for me to explain what will happen to these roads; and for efficiency, by way of comparison, I am producing in my portable stone plants (specification material) four times the tonnage produced in the W. P. A. quarries and employing one-fourth the amount of labor. A further comparison of W. P. A. labor and private labor may be seen at my quarry at Blackwater, in Cooper County. At one end of my quarry my own men are working and at the other end of the quarry I am permitting the W. P. A. to place 30 men breaking rock. I receive a consideration of 50 cents per ton and furnish all the tools, equipment, etc., for permitting these men to work in the quarry. The W. P. A. workers remind me of a slow-motion picture show.

After men loaf along on a W. P. A. job for months and then are assigned to a private-contract job they get an awful jolt when they

are expected to do a day's work, and cry "slave driver" at the contractor. Last week five truck owners quit one of my jobs on which they were being paid the regulation wage as set up by the highway department, to wit, 5 cents per yard-mile haul plus 30 cents per hour to the driver. I asked one of these owners why he was quitting, and his reply was that he had an opportunity to go on a W. P. A. job at $1.10 per hour and loaf along and burn about 2 gallons of gas per day. And so it goes. I could write pages and pages of similar circumstances, but you probably know all about it, and I am not blaming you in the slightest. Your own reputation is too well established, and I know you are not the father of the idea, but it is this sort of things that heaps criticism on the W. P. A.

As a contractor I may be prejudiced against this sort of work, but irrespective of any bias on my part, here are a few facts:

There is right now about $1,000,000 of contract work going on in Saline County that is actually today short of labor, yet there are four W. P. A. jobs to my knowledge in operation in the county. In addition, there is a 7-mile stretch of State highway road (called Van Meter Park Road) that was let last November, but a work order has not been issued to start this project for the reason, given by the Bureau of Public Roads, that sufficient relief labor is not available. As I see it, there should not be any men in Saline County working on a W. P. A. job with a million dollars of construction work in progress, and I presume this same condition exists in many other counties. What a waste of the people's money! Further, looking at it from a cold-blooded political viewpoint, it is poor politics for this reason: I understand there are 3,200 men registered in Saline County out of a job, looking for work, and there are 600 men on relief. The men not on relief are not permitted to work on any Public Works Administration job or on a State highway job until all the relief labor is exhausted. I have had literally hundreds of these unemployed men this past winter appear at my jobs crying for work, but we were compelled to tell them they would have to get on relief to be sure of a job. These men are as sore as hell, and certainly any new plan should give equal opportunity to the man who has moved heaven and earth to remain off of relief.

The prattle put out that this work-relief plan increases the morale of men in lieu of placing them on a dole is all wrong, in my opinion. I fail to see where it increases their respect for their Government when they observe the waste and inefficiency that is permitted. Further, on any work I have, on which I am not restricted as to labor, I do not want any "ex" W. P. A. workers, as in most cases it has ruined the good workers and made loafers out of them.

Four winters ago I worked about a thousand men straight through the winter, working four 5-hour shifts, on work similar to what I am doing now in Saline County, and I always had men waiting in line for work and I was not at any time short of men, and, further, these men turned out just about 25 percent more work than I am securing from my present crews, but that was before the days of the W. P. A. Now I am constantly short of labor, and what I have is nothing to write home about.

How much better it would be to give a billion dollars to the Public Works Administration for worth-while projects handled by contractors in a businesslike manner and men who could not be taken care of in this work could be maintained on a dole under State supervision; and further I would immediately disband the whole W. P. A. program. However, to talk about disbanding the W. P. A. I feel is like barking at the moon, as apparently even in the face of many of his close advisers, who feel about the W. P. A. as I do, the President will continue it. It seems Mr. Hopkins, in the President's eyes, is infallible when it comes to working out a plan to employ men, even though I am told Mr. Hopkins never met a pay roll in his life. I do not question for a minute Mr. Hopkin's sincerity or honesty of purpose, but he seems to forget that in addition to the 3,500,000 men on relief that there are at least another 7,000,000 men not on relief crying for work. What about them?

As I have said, my experience with the latter class is that they are as sore as hell. Further, to listen to Mr. Hopkins you would be led to believe the only class that required attention are those on relief, as he apparently has no consideration for the hundred million Americans that are still working every day and have to foot the bill for his extravagance and, in my opinion, wasteful method of relief.

I have been a Democrat all my life and in my small way a contributor to campaign funds, but it will be powerfully hard for me to reconcile myself to vote to continue an administration that has no better way of solving the unemployment and relief problem than a continuation of the W. P. A.

I am afraid, Matt, that in years to come when you are being complimented about all the worth-while things you have done in an efficient manner in your lifetime and someone mentions the year you headed the Missouri W. P. A., you will be the first one to say "Just skip that year—I did not organize that fool idea; I just attempted to help my friends out of a bad mess."

With best wishes, I am

Cordially,

R. NEWTON MCDOWELL, INC.,
———— ————, *President.*

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. CHURCH].

THE LAST STRUGGLE OF THE "HYPOCRATS" FOR THE RELIEF VOTE ON THE EVE OF ELECTION—POLITICAL TRICKERY CORRUPTS THIS NECESSARY EMERGENCY RELIEF MEASURE

Mr. CHURCH. Mr. Chairman, the bill under consideration is officially labeled, "The first deficiency appropriation bill for 1936." This bill and copies of the hearings just became available at noon yesterday. As stated by the gentleman from Virginia, acting chairman of the committee in charge of the bill, we are expected to read, within 24 hours, more than 2,000 pages of testimony which includes the 100 pages of this bill. It is characteristic of this administration to give us the bill almost on the day that debate upon it opens. The opposition is never allowed to prepare appropriate amendments. Even a cursory glance, however, shows this bill to be the last struggle of the "hypocrats" for the relief vote on the eve of election.

No one will deny that this bill contains many provisions which have the approval of virtually the entire membership of this body, Republicans and Democrats alike. It clearly carries appropriations for many worth-while pursuits of the Federal Government. At each session of Congress we pass one, two, or perhaps three deficiency appropriation bills, and ordinarily a deficiency measure would be passed without much controversy.

POLITICAL TRICKERY

It is quite apparent that the administration recognizes that this pending bill contains provisions which all of us more or less enthusiastically endorse. However, the President and his advisors have seen to it that one of the most questionable appropriations we would be called upon to make is incorporated into and made a part of an otherwise acceptable measure. I think the attention of the country should be called to this political trickery.

As you read through this bill you finally come to these words:

To continue to provide relief and work relief on useful projects in the United States and its Territories and possessions by the Works Progress Administration, $1,425,000,000, to remain available until June 30, 1937.

Is it not a fair question for me to ask why this appropriation to the Works Progress Administration of approximately $1,500,000,000 was made a part of the first deficiency appropriation bill? Is it not a fair question for me to ask why this particular appropriation was not brought in here as a separate bill to be considered on its own merits?

One does not have to search long for the answer. It is because of the criticism which has been directed at the Works Progress Administration for waste and politics. It is because you do not wish to bring the W. P. A. squarely under the spotlight of public discussion. It is as if you thought that the President's request for one billion five hundred million could not stand by itself, but that, instead, you had to support it by including the appropriation in a group of other items.

It is political trickery, but you may be sure that the public understands this procedure. The country also understands the many other deceptive methods which have been employed by this administration in its utter disregard for the principles of our Government and its efforts to perpetuate its own existence.

ANOTHER BLANK-CHECK APPROPRIATION

Once again you are asking the Congress of the United States to make a blank-check appropriation, and once again I must raise my voice in opposition to this procedure. Approximately 1 year ago, when the four billion eight hundred and eighty million appropriation bill was before this body, I took occasion to call attention to the fact that we were not discharging our duty to the people we represent in appropriating such a vast sum of money without at least stipulating how it should be spent. The plea was without avail.

POLITICAL INTERESTS FURTHERED AT EXPENSE OF HUMAN SUFFERING

You made that blank-check appropriation, and you and I know that the money was literally wasted. You and I know that it has been used, at the expense of human suffering and want, to further political interests. It has been used to influence votes and to provide high-salaried administrative

positions for the building up of a Nation-wide political machine.

There are virtually no limitations as to how this money can be spent. From the language of this bill it appears that an attempt is made to have us believe that we are earmarking the funds. Ten general classes of projects are listed, and the only stipulation is the maximum amount which can be spent for each general class.

For example, it will be noted that there is that class of projects entitled "white-collar projects, $90,000,000." Then there is "women's projects, $90,000,000." Next comes "miscellaneous works projects, $75,000,000." Who knows what type of projects such terminology covers? Moreover, I call attention to the fact that the bill does not provide that the stipulated amounts be spent for each class. That would be too binding for this administration. On the contrary, the bill merely states that the amount for each class shall not exceed the amount stipulated. In other words, nothing can be spent for a particular class of projects, or perhaps $100.

I think every one of us realize, although, no doubt, the members of the majority will not admit it, that the language employed is simply a camouflage to meet the criticism that this is a blank-check appropriation. It is, indeed, unique, but certainly not clever enough to deceive the people of my district, who will be paying these bills with increased taxation.

THE PEOPLE WILL DEMAND AN ACCOUNTING

They will ask me what part of this one billion five hundred million will be allotted to the Resettlement Administration under Dr. Rexford Guy Tugwell. I will have to tell them frankly that their question cannot be answered. I shall have to tell them that the New Deal does not believe that the taxpayers should inquire as to how their money is spent. According to the New Dealers, that is not the true function of the taxpayer. His sole responsibility is to pay the bills, dream dreams, and not worry about the accumulation of debts.

TUGWELL'S UTOPIAN "DREAM VILLAGES" PATTERNED AFTER RUSSIA

When the question was asked of the Works Progress Administrator, Harry Hopkins, by the subcommittee of the Committee on Appropriations as to whether any of the funds would be used by the Resettlement Administration, he appeared to avoid a definite answer. He did say that $90,000,000 would be under Resettlement. From the language of this bill there is every reason to believe that a much larger sum will be allocated to Dr. Tugwell to continue his utopian efforts after the pattern of Russia.

He is engaged in constructing "satellite towns", "dream villages", and brainstorm Russian homes. Some of these homes have been proposed for Lake County, which is in my district. As in the case of these projects for Lake County, upon examination of them you will find that there have been nothing but administrative delays after delays in carrying them out, all at the expense of the Government, and with hardship to the needy families who are supposed to be helped by the program.

TUGWELLIAN PHILOSOPHY DEMANDS GOVERNMENT CONTROL AND REGIMENTATION

I just recently completed reading the book written by Dr. Rexford G. Tugwell entitled "The Industrial Discipline and the Governmental Arts." No doubt many of you have read it; and, if so, I am sure you will agree with me that the whole philosophy advanced is that the Federal Government should assume control. He represents the American spokesman and actual practitioner of the communistic theory of government. We need not fear the May Day paraders and orators, but we have every cause to fear such men as Dr. Tugwell, one of the "brain trusters", who are in a position where they can put our people under communistic control and regimentation. I suggest that you read his books. While you are doing this, try to recall the measures enacted by the New Deal during the past 3 years. You will be startled at the number of them expressive of the Tugwellian philosophy of government.

There is no better illustration of the Tugwellian theory of regimentation and control than is found in the homestead projects themselves. The homesteaders contract away their souls to the Resettlement Administration. I suggest that you get copies of the contracts used by Tugwell for the homesteaders and these community projects.

THE HOMESTEAD CONTRACTS ARE AN INSULT TO FREE AMERICANS

I have in my office what is known as the temporary licensing agreement. It is listed as form RA–MA 12, revised January 15, 1936, and approved by the Administrator. Get one and read it. You will find that the licensee contracts that he "shall not" and "shall not", but, rather, he will "comply", "observe", "adopt", and "adhere."

I would, for example, call your special attention to the fact that under item 4 of this license the licensee contracts that he will "adopt and adhere to any cropping program and tillage practice stipulated by the licensor."

There is one particular item in these contracts which will be of special interest to you as Members of Congress. It represents an insult to us as representatives of the people duly elected to serve them. It is item 6 in the temporary licensing agreement of form RA–MA 12 I just mentioned, and it is item 8 in the form used for the community projects. I shall read this provision to you:

6. Noneligibility to benefits: No Member of or Delegate to Congress or Resident Commissioner shall be permitted to any share or part of this license or to any benefit that may arise thereupon.

There is not a Member sitting here today who would want any share in any of the benefits, but the fact that Dr. Tugwell will include such a provision in these contracts is an insult to the honesty and integrity of the Congress. I personally resent such a provision, and I know that you do also.

What do you imagine is the impression conveyed by Dr. Tugwell concerning Members of Congress through this provision of these contracts to the 500,000 or more people he calls "worthy and promising Resettlement clients"? He indirectly tells them in these contracts that their Representatives not only have nothing to do with the administration but, moreover, are not to be trusted. He thereby subtly plants the seeds of communism in the minds of the people whom we represent.

Thus even this bill is typically expressive of the Tugwellian communistic philosophy of government. The measure as it now reads leaves to a Congressman and his colleagues only the simple function of turning over to Dr. Tugwell and his colleagues this vast sum of money without restrictions.

THE RESETTLEMENT ADMINISTRATION UTTERLY ABANDONS TRUE PRINCIPLES OF OUR AMERICAN GOVERNMENT

Nothing I can say more clearly indicates the attitude of Dr. Tugwell toward the Congress of the United States, toward the Representatives of the people duly elected by them, than this insulting provision in these homestead contracts. And we have no assurance from the language of this bill before us that we are not appropriating money which will be ultimately given to him to continue his communistic endeavors, with utter abandon for the principles of government which every true American holds sacred.

SEVENTEEN THOUSAND AND FIFTY-FIVE RESETTLEMENT EMPLOYEES

When the Director of the Budget, Daniel W. Bell, was before the House Ways and Means Committee, he was called upon to submit information relative to the Resettlement Administration. The hearings show that the average number of people during this year on the pay roll of that Administration is 12,478. On April 1 of this year the Tugwell Resettlement had 17,055 employees.

The record of the hearings before the Ways and Means Committee on the Revenue Act of 1936 shows that from May 4, 1935, to March 23 of this year the sum of $278,347,171.29 has been allocated to Dr. Tugwell's administration. The hearings also show (p. 705) that of this amount $31,950,000 or more than 10 percent, has been for administrative expenses.

THE POLITICIANS' HAVEN

These employees are not selected according to the rules and regulations of the Civil Service Commission. They have not been chosen because of their executive efficiency and ability. You and I know that the Resettlement Administration, perhaps more than any other, has been the politicians'

haven. Party loyalty is the measure by which the employees are selected. It has been a place where Postmaster General James A. Farley, the campaign general of the New Deal, could place adherents to the New Deal on the public pay roll and thereby build up a vast political machine.

Mr. Chairman, I do not believe that there is one of us here who is not well aware of the need for relief for our people. I do not believe that there is one of us who is opposed to making appropriations which will afford the suffering people the necessary assistance. People who are without employment through no fault of their own should be given assistance until they have been able to find a permanent position.

MOST OF THIS APPROPRIATION WILL NEVER REACH THE NEEDY

But, Mr. Chairman, a great percentage of this money does not go to help the needy. The unemployed man receiving this assistance receives on the average $50 per month; in some localities less and in others a little more. To employ one man for a year under the W. P. A. costs on the average of $972, of which $600 is for the year's wages of the self-respecting man. Three hundred and seventy-two dollars go for materials and supervision.

PITTSBURGH DEMOCRATIC OFFICIAL CITES WASTE

Let me read to you the statement made by the director of public works of the city of Pittsburgh, Leslie M. Johnston, before the Ways and Means Committee in connection with the tax bill recently passed by this House. He is a Democrat and cannot be said therefore to be talking simply for political purposes. He said:

I am here to tell you that 50 percent of that is sheer waste, and I know what I am talking about, because I have the handling of it * * *.

Later he explained that the "politicians of Pennsylvania" got the money supposed to be used to relieve human suffering in that city. He said:

As it is done now, you have a W. P. A. set-up in Pittsburgh consisting of hundreds of men at high salaries. You have another W. P. A. set-up in Harrisburg of hundreds of men with high salaries. You have Mr. Hopkins' set-up in Washington with thousands of men at high salaries. We say that is absolutely and totally unnecessary * * *. I am telling you quite firmly that 50 percent of that money is absolute sheer waste, and I can prove that statement. That is not a wild statement.

Those are the words of one of the Democratic officials of the great city of Pittsburgh. Those are the words of a man who is familiar with construction projects. He is the city's director of public works.

GENERAL HAGOOD ASSAILS W. P. A. "STAGE" MONEY

Everyone who has been associated with the relief program, as conducted by this administration, who has the courage to state fully and frankly his opinion of it has emphatically stated that the money is wasted. I just remind you that Maj. Gen. Johnson Hagood dared to appear before the Committee on Appropriations and say what he thought of the use of funds by the W. P. A. He called it "stage money, because you can pass it around but you cannot get anything out of it in the end." I quote from his testimony:

As to relief funds and other funds, I am not familiar with the various pockets in which Uncle Sam keeps his money. I understand that there is Budget money, which is very hard to get; there is P. W. A. money, which is not so hard to get; and then there is a vast quantity of W. P. A. money, which is very easy to get for trifling projects but almost impossible to get for anything worth while.

Neither Director of Public Works Leslie M. Johnston, of the city of Pittsburgh, nor Maj. Gen. Johnson Hagood, who had been in the service of the United States Army for over 20 years, had any reason to make the statements they did except that they wished this Congress to know the truth. As a matter of fact, because he told the truth, Major General Hagood was relieved of his command. It was only because this administration could not stand the adverse public reaction to his dismissal without just cause that he was sent to serve as commander of the Sixth Corps Area. It vindicated him personally.

Major General Hagood is a man of convictions. He has since resigned and returned to private life. He has done what so many others have done who became a part of this administration but found that it was following a program which would ultimately lead us to chaos.

This appropriation may read "to provide relief", but the unemployed know and the taxpayers know that if we were to be accurate we would change that language to read, "to provide funds for political patronage and for the purpose of influencing elections."

SOUTHERN STATES CONTRIBUTE PRACTICALLY NOTHING TO RELIEF

If you examine the figures for the distribution of funds according to States, it will be clearly seen that some of the States have provided a large percentage of the money for relief purposes but other States have contributed practically nothing. The figures show that my home State of Illinois has given 24.8 percent of the funds used in that State from January to September 1935. Fifteen States, on the other hand, have contributed 10 percent or less. They are West Virginia, Virginia, South Dakota, Nevada, Wyoming, Tennessee, Alabama, Georgia, Florida, Arkansas, North Carolina, New Mexico, Louisiana, Mississippi, and South Carolina. We in Illinois are not only helping to take care of our own needy but as a large tax-paying State we are contributing to the care of the needy in the Democratic States of the South and West.

It is not that we do not feel that we are all a part of one great country, and it is not that we are not willing to contribute for the help of other parts of the country. But we wish to be treated fairly. We demand that other States likewise be compelled to make some effort for the proper care of their needy, and I am supporting an amendment which will be later offered to that end.

THE RELIEF ADMINISTRATION IS ROTTED BY POLITICAL THIEVERY

Politics play a part in the distribution of funds to the States. Politics play a part in the selection of projects. Politics play a part in the selection of the administrative personnel and there are innumerable instances during this administration where political capital has been made of human misery and suffering. Time and again the newspapers of Illinois have pointed out where attempts have been made to influence the votes of those who have the misfortune to have to depend on relief work for their bread and butter. When any administration, whether it is Republican or Democratic, makes political capital of human misery and suffering, I say to you that it is contemptible.

THE "HYPOCRATS" CAPITALIZE ON HUMAN SUFFERING

I say to you that this bill with no congressional restrictions, unless amended, further entrenches the existing dictatorship. It enables the present administration, from the date of its passage until the election in November, to dangle before the voters on relief and sponsors of projects an inviting bait secured from the already overburdened taxpayer, Capitalizing on human hardship is the program of those in power who, because of such practices, will be known in history as the "hypocrats." They surely cannot be Democrats as we have known them.

RELIEF SHOULD BE ADMINISTERED BY LOCAL NONPARTISAN BOARDS

Mr. Chairman, I believe in adequate appropriations to take care of our needy, but I demand that this use of relief for political purposes stop. I demand that we stop this wasteful expenditure of money for useless projects and for providing high-salaried jobs. This can be accomplished if the Federal Government would turn the administration of relief funds over to nonpartisan boards selected by the Governors of the individual States, whose duty it would be to see that the money is spent for worth-while projects and that it is used solely to help the needy rather than to help any one political party carry an election. There is absolutely no necessity for these high administrative costs simply to provide political jobs at the expense of the unemployed and at the expense of an already overtaxed public.

It is our obligation as Representatives to see that a program is devised whereby the unemployed may be taken care of until they are absorbed by private enterprise. The most economical and most effective way of handling this problem

is to permit each individual State, in cooperation with the local communities, to devise its own particular program. Each section of the country has its own needs and its own problems to be met. They are better equipped to determine what should be the nature of a program for meeting their peculiar circumstances and conditions than any administration here in Washington. Let them develop such a program of work relief, designed to afford employment and at the same time to carry out projects of a permanent and lasting value.

DISMISS THE THOUSANDS OF BUREAUCRATS

What valid objection can be made to the proposal that the administration of these funds be made by a nonpartisan board in each State, appointed by its Governor, with the Federal Government simply lending its cooperation by way of financial assistance. I would discharge the thousands and thousands of Federal employees here in Washington and scattered throughout the United States. I would dismiss thousands of these bureaucrats. They serve no useful purpose. They are merely a duplication of already existing administrative agencies in various States and communities which have had experience with many different kinds of projects.

At the last session of Congress you refused to assume this responsibility. You simply appropriated four billion eight hundred and eighty million, with an abandon disturbing to every citizen, and vested in the President and his appointees full authority to spend it as they saw fit. Today they are asking us to give them another one billion five hundred million.

REAL PERMANENT RELIEF WILL COME ONLY THROUGH REVIVAL OF BUSINESS

In considering this problem of unemployment, let us not lose sight of the fact that while we have spent these billions in a so-called "prime the pump" effort, there are still approximately 11,000,000 people unemployed in the United States. This is about the same number of unemployed as when the New Deal came into power. At its best a public-works or work-relief program can only be a temporary expedient. Our real problem is to pursue a constructive course of action to revive business so that these unemployed may find places in private enterprise. No self-respecting American wishes to spend his life on work-relief projects. Our people want permanent jobs. They want the opportunity to make their contribution to the development of this great country, to be able to provide more than mere subsistence for their families.

INCREASING FEDERAL DEFICIT

This administration has been in power for over 3 years. It has had full control of both Houses of Congress, and every imaginable power has been given the President of the United States, making him a virtual dictator. Yet the unemployment and relief problem still remains. As a result of it all, we have nothing more than a public debt of approximately thirty-two billion, and if we add to this Federal guaranties and other obligations it amounts to a debt of almost thirty-nine billion, which will take generations to pay.

How are we paying off this public debt? We are not even attempting to, but on the contrary, for the present fiscal year to date we have been running behind in the amount of two billion six hundred and eighty-five million.

As I stated in one of my speeches at the last session of Congress in opposition to the Guffey coal bill, which the President asked us to pass regardless of its constitutionality, the choice which the people now have to make is between the New Deal and their birthright of a free democratic government. It is a choice between a birthright and a mess of pottage, a choice between "life, liberty, and pursuit of happiness" and political dictation from Washington. It is a choice between returning to the principles of government which have evolved throughout the years and which have proved sufficiently flexible to meet any emergency, or a continuation of New Deal experimentation with confusion, debts, taxes, inflation, and pernicious denial of personal liberties which we cherish.

Mr. Chairman, it will take more than the six billion three hundred and eighty million appropriated during the last 2 years solely for so-called relief purposes to compel our people to give up their birthright for a continuation of the New Deal program. I am firmly convinced that our country is awakened to the fact that the fundamental premise upon which this Government was established is that the "Government is the agent of the people" and not, according to the apparent New Deal philosophy, that the people are the agents of the Government. Our people have been taught, and rightly so, that their Government is to serve them. They are not to be made servants of it.

NEED FOR CONFIDENCE

How is it possible for business to revive and for those on relief to find positions in private enterprise when confidence is lacking? As I stated before on the floor of this House, so long as this New Deal experimentation exists there cannot be a revival in business. Simply stated, the program, with its undefined objectives as indicated by this bill, unless amended, and wasteful expenditures, has tended to destroy rather than foster confidence, which is the basis of our economic activity.

Futurity and confidence are distinctive factors of business. One does not borrow unless he is confident he can repay. One does not buy unless he is confident he can pay for his purchases, nor does one sell unless he has confidence in the buyer's capacity to pay. One does not invest unless he is confident of a return on his investment.

When the element of confidence is missing, trade reaches low levels. We lack confidence to buy, to sell, to borrow, to loan, or to invest. Under the New Deal we cannot be certain as to the future and, more specifically, we cannot be certain as to future values.

Our people want to work and not subsist year in and year out on the relief rolls. By no magic is it possible to have employees without employers, and let us not lose sight of the fact that when we make blank-check appropriations like this, when we allow this waste to continue, and when people are forced to become mere political puppets because of their misfortune, we destroy every bit of confidence in the future. No one knows what to expect. Business remains still. Unemployment continues and the relief problem remains with us. The problem will remain as long as these "hypocrats" continue in power. [Applause.]

Mr. WOODRUM. Mr. Chairman, I yield 4 minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Chairman, referring to some remarks made by the eloquent gentleman from Missouri [Mr. SHORT] about the arguments being put up on this side of the House for the administration, I want to observe that the enormous vote that is being rolled up for President Roosevelt in big Republican States, exceeding the sum of the votes for all other slates and candidates, would indicate that the arguments being made on this side of the House are, if not wasted, at least not necessary.

It reminds me of a noted murder case that I participated in, in which a battery of us lawyers, after arguing to the jury for 4 days for an acquittal, found out that the jurors had held a meeting in advance of the arguments and had unanimously come to the conclusion that the defendants were not guilty. [Laughter.]

But I did not rise for this purpose. Yesterday two gentlemen, one on either side of the aisle, sharply criticized and condemned the Works Progress Administration for squandering money in a way which they said actually demoralized the recipients, and they offered as proof the horrible example, work going on on First Street, east of the Capitol Plaza, and in front of the Supreme Court Building and the Library of Congress, where they said there was a large number of men loafing on the job and sleeping on their shovels. The gentlemen urged us not to take their word but to go and see for ourselves.

I had occasion to pass that way this morning, and I not only looked but inquired, and I found that by far the greater

part of this work that was going on is the laying of a new streetcar track by the Rapid Transit Co., the street railway company of this city. There were a large number of men on this work. I know both by experience and observation that when men work for a private corporation they do not soldier on the job.

Now, the other work is two small sewer connections that the District of Columbia is putting in, on which the W. P. A. is paying two-thirds and the District one-third of the cost. Only about 20 men were engaged on these jobs, and they were working. This is usually the result when you take up and investigate these complaints, you find that generally the most of it is without foundation. But in this case I am going to follow the example of the critics and advise that you gentlemen go over and see for yourselves what is going on in front of the Capitol Grounds and see whether you can corroborate what I say and find out where the truth lies. You may get an object lesson in the difference between looking and seeing.

I shall insert at this point the colloquy between the two gentlemen who so sweepingly condemn W. P. A. and all its works and who cite in support of their indictment what they they think they saw. It is taken from the RECORD of May 7, page 6849.

While I am on this subject I may say that I have found in the RECORD a statement by the gentleman who furnished the bulk of the above misinformation that a public golf course, accomplished as a W. P. A. project in my home city, is located on the city dumping ground. Since I live adjacent to this golf course, my word may be taken for the fact that it is located on the level prairie commanding beautiful mountain ranges, including famous Pikes Peak, all of which region I have the honor to represent. I find this a most opportune time to correct the statement of the gentleman.

Mr. Chairman, I believe that the Works Progress Administration is doing an enormous task creditably, and that a whole lot of this so-called boondoggling is the only possible way in which you can reach all elements of our population.

Artisans and artists must live, as well as common laborers, and they should be employed in a way that will preserve touch with their skill and their artistry. I was struck recently by an article devoted to showing that great numbers of skilled workmen had lost their touch and fitness through long unemployment at their particular callings, and arguing that such men could not be rehabilitated by pick and shovel work and might become permanently disqualified for their former work even if opportunity offered. It is the same with musicians, painters, writers, actors, and many of the so-called white-collar professions and vocations. A rounded works program calls for a proportionate recognition of all classes of workers, and W. P. A. is undertaking to do this. [Applause.]

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. TABER. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Chairman, I think the position of the Republicans is quite clear, that we stand for relief. We do not propose to permit people to starve nor even to be hungry in this country, but we do take the attitude that the administration of relief should be divorced from partisan political control. I understand perfectly that under the doctrine of "to the victor belongs the spoils", the party in power has a perfect right to spend these funds, but when you insist that the money must be expended by a man who is in no sense a responsible constitutional official, a man who has never been voted for by the people, or even by the Senate in confirmation, then you subject yourselves to the very strong suspicion of a desire mainly for political control. We feel that this money should be paid in direct grants to the States, and that the States should be permitted to administer the funds, and I dare to say if you will make your allocations on that basis, we will take care of twice as many people in this country in saving them from want and destitution. People on the Democratic side are wont to prate about Jefferson and take his name so frequently in vain, extolling the virtues of his philosophy of decentralized government, yet, in practice, you indulge in policies which would make even the despised Hamilton repudiate you. We want relief, but we want the money to go to people who need it, not to those who administer it. Why do you insist on a great Federal set-up to administer this relief unless it is to make political capital from the sufferings of the people? The simple, plain, economical American way to handle relief would be for the Federal Government to make its contributions direct to the States, and then let the States, in their own sovereign power, administer the funds along with their own relief appropriations. We would have in that way a more economical administration, and more people would be taken care of, and you would not then be subjected to the very logical criticism that your main interest is political control and political power. If your interest is not partisanship and for the political advantage you can get in elections by the direct handling of relief funds through your extra-legal political bureaus, why do you insist, against all of your highly expressed principles, in setting up this great Federal bureaucracy?

Just why is there need to have this gigantic network of Federal bureaucrats to distribute relief to the needy? In every State there are already adequate State-wide and local agencies to administer relief. Why is it necessary to overlap and duplicate these local agencies by a Federal domination unless there is an ulterior purpose? Certainly the present system of being overrun by hordes of petty Federal bureaucrats has not resulted in a more economical use of relief funds. Certainly these Federal agencies are no more competent to direct relief activities than the local officials; in fact, it is obvious that they cannot know local needs nearly so well as the local officials.

Certainly there is no ordinary explanation of this new Democratic Party policy of Federal superstate governments. No; the explanation has nothing to do with relief of ameliorating sufferings of the people. The old Democratic solution would have been the plain, simple, direct method of making money grants to the several States as the Federal Government's contribution to this problem. What we are witnessing is a crude, brutal attempt to capitalize the tragedy of a depression to set up an iron-handed political machine aimed at perpetuation in office by a combination of public bribery through the use of Federal funds and the ruthless strangling of any and all opposition by the way the funds are distributed which amounts to nothing less than official blackmail.

I call upon the party of State rights to put their principles into practice and return local control to the States and local units.

There is no better place to start than upon the administration of relief funds.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. TABER. Mr. Chairman, I yield the remainder of my time to the gentleman from New York [Mr. MARCANTONIO].

The CHAIRMAN. The gentleman from New York is recognized for 4 minutes.

Mr. MARCANTONIO. Mr. Chairman, it is impossible for me to present my views on relief in 4 minutes. However, I take this opportunity to point out certain salient features, and they are these: First of all, we still have over 12,000,000 unemployed. Despite the so-called recovery in finance, despite the so-called recovery in production, we still have over 12,000,000 unemployed. Last year when we appropriated $4,800,000,000 we were dealing with 12,000,000 unemployed. We found that amount inadequate. This year, for the same problem, to deal with the same condition, we are appropriating only $1,425,000,000. This, to my mind, constitutes a serious retreat on the part of the administration before the reactionaries who are expressing the view that relief appropriations should be cut down. The only courageous policy to be followed at this time is to increase this

appropriation, so as to provide adequate funds in order to maintain the unemployed in a state of health and decency.

Instead we find that the beat, beat, beat of retreat on the part of the administration is being reechoed in the empty stomachs of the unemployed. Seven hundred thousand men are being removed from W. P. A. and more will have been discharged by June 30 of this year. What is going to happen to those 700,000 men? Are you going to have them depend on private industry? Are you going to throw these 700,000 unemployed on the mercies of the so-called private industry? Are you going to throw them on the mercies of substandard wages or are you going to be courageous enough to stand up in front of the reactionaries and adopt a realistic and sane policy of adequate appropriation for the unemployed? I know that it may be expedient to compromise in the face of the onslaughts of the chambers of commerce and other representatives of entrenched wealth—I know that it may be politically wise to do so, but at the same time you are doing so at the expense of the unemployed. Not only do you discharge 700,000 men, but you refuse to take on those who have become in need after November 1935, and in December 1935 you discontinued funds for direct relief, so that today there are no Federal funds available or being used for Federal direct relief, and the result is that millions of men, women, and children in the richest country in the world are today living on starvation budgets, actually slowly starving to death. On the one hand you propose a most inadequate appropriation of $1,425,000,000, on the other hand we hear the demand that we cut down these appropriations. Mr. Chairman, I say that we must face the people realistically. We must increase the appropriation so as to care for all of the unemployed. Let me say that you cannot afford to crucify the unemployed on the cross of political expediency.

You cannot afford to compromise with the chambers of commerce and the Liberty League. You started in the right direction. Finish the job. Do not retreat. The unemployed of this Nation are looking to you for adequate appropriations to give the unemployed of this Nation a decent living during their period of unemployment. Reactionaries attack the unemployed because they ask for relief. Why should they not ask for relief? Why are they not entitled to relief? Is it the fault of the unemployed that they are unemployed? The unemployed of America want work; they do not want relief. If they do not get any work, it is not their fault. Therefore, it is our primary responsibility to provide for them. Why punish them, since their unemployment is due to no fault of theirs? It is the fault of an economic system which permits want in a land of plenty. Such an economic system must be overhauled and eventually will be overhauled by the American people themselves, through their Representatives in Congress.

In conclusion, I make this appeal to both sides of the aisle. Remember, you must face the unemployed in November. Remember, they are appealing to you today. They will appeal to you tomorrow and they will continue their appeal. Increase these appropriations and do not decrease them. Appropriate sufficiently for the unemployed of these United States. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield such time as he may desire to the gentleman from Tennessee [Mr. MITCHELL].

Mr. MITCHELL of Tennessee. Mr. Chairman, at this point I desire to extend my own remarks on the Tennessee Valley Authority.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MITCHELL of Tennessee. Mr. Chairman, the people of my State and of my congressional district are very greatly and vitally interested in the appropriation carried in this bill for the Tennessee Valley Authority for the coming fiscal year of 1937. The sum of $41,117,816 is available in this bill for flood control and navigation at Wilson Dam and Reservoir, Norris Dam and Reservoir, Wheeler Dam, Pickwick Landing Dam, Hiwassee, Guntersville, and McReynolds Dams. All these projects are worthy and will be most helpful in flood control and navigation. Funds are made available also for surveys and investigations for other main river dams and tributaries to the amount of $32,000,000.

For the electricity program over $5,000,000 is appropriated. For fertilizer and agricultural development, $4,484,000. All these items are meritorious. I regret to see that the Budget estimate of $43,000,000 for the T. V. A. has been reduced to $39,900,000.

The development of the Tennessee River has been of inestimable value to the people of our State. Cheaper electricity is now made possible to all the people. The "yardstick" is working. New electric lines are being constructed in many counties in my congressional district in middle Tennessee to take advantage of the T. V. A. rate. Farm homes are for the first time being furnished with electric current in many sections of my district. This wonderful convenience and benefaction has created new interest in farm values and farm life and given an impetus to the movement of "back to the farm." This is important in the development of the resources of our people and of our common country. The young people will no longer move to the towns and cities to have the convenience of the white light. They will find this now available on the farm in many sections of middle Tennessee where it was not before possible to have it. This convenience has come as a result of the New Deal.

I recently introduced a bill in the House to so amend the T. V. A. Act as to include the Cumberland River and its tributaries within the provisions of said T. V. A. Act, and thus make possible the development of the Cumberland and Caney Fork Rivers. This amendment should and, I hope, will be soon favorably recommended for passage by the Military Affairs Committee of the House. It has been passed by the Senate. The bill was introduced by Senator LOGAN, of Kentucky. I have assurance that the proposed amendment will be given a full and careful hearing at the next session of Congress, when and after the present development at Muscle Shoals and Norris have been more nearly completed, and when figures can then be had upon the earning power of the present projects.

I wish it were possible to have my amendment adopted at this session of Congress, so that the present appropriation bill might provide sufficient funds for the development of the Cumberland River Valley, and so that work might begin on the Cumberland and Caney Fork Rivers, and thus make possible a development in middle Tennessee similar to the ones now going on in east Tennessee. But I realize that it takes time for projects of this great magnitude to be developed. Rome was not built in a day. Neither will the present generation witness a full development of the potential power sites in our country, but no finer opportunities are afforded for the erection of power dams than those afforded in the Cumberland River Valley and the valleys of the Caney Fork. These two great rivers traverse some of the finest farming lands in the United States. All that the people now need in these sections to bring about an unprecedented era of prosperity and improvement is to be afforded cheaper electricity and the opportunities which follow its development. I do not doubt but that the forward steps being taken by this Congress will be adopted and followed by the next. The people will not be denied the right to the use of the rivers, which are the common property of all the people. They will utilize them. It only requires time for sentiment to crystallize and the people to become aroused to the fact that they have in the past been too long profiteered upon by the utilities and power companies.

These companies have sinned away their day of grace. They have enjoyed protection all too long through paid lobbyists who have represented them in the legislative halls. They must now see the handwriting on the wall. If not, it is because they are blind to their own surroundings. Unless they adjust and lower their rates and charges for electric current they will be faced by an aroused public, and their days are, and should be, numbered. Some have already realized the necessity for cheaper rates and have lowered them. There is ample room for still greater reductions. It

was only after the T. V. A. was a reality and on the scene in my State that any reduction in electric charges was made. The rural communities were ignored altogether so far as electric service was concerned until the building of the T. V. A. lines. More power to this great Government agency! It is a benefaction to all the people. It has made truly a new empire in the section where its activities have been greatest.

No one dares dispute the record of achievement. The public has suffered long and has been most tolerant. All agree that the Tennessee Valley Authority has added untold millions in material wealth to the sections where they are operating. The values added to the convenience, health, and happiness of our people cannot be estimated in dollars and cents. The reduced rates on electricity alone to the people of Tennessee will equal the amount expended on the T. V. A. development. Cheaper fertilizers will also be made available to our farmers. The improvement in the soil and the added blessings coming cannot be appraised.

Let us continue in this new field of endeavor. Let us develop all sections of our common country. Let us no longer neglect the South, but give it an equal opportunity with the rest of America. We have suffered in the past materially because of discriminations in tariff schedules and lack of sufficient appropriations to develop our natural resources. Let us use the talents given us by a kindly Providence and make and build a greater Tennessee and a greater America.

I hope my colleagues in the House will cooperate and help to pass at the next session of Congress the bill for the development of the Cumberland River Valley Authority. The passage of this measure will afford as great, if not greater, possibilities for the people than the development in which we are all so greatly interested now going on at Norris in east Tennessee. Middle Tennessee is more thickly populated and has a more productive soil than does east Tennessee, taken as a whole. Let us continue in this good work. Let no backward steps be taken, no retreat sounded, but ever a victorious march to build a better and more fit place in which to live, not only for the present but for all future generations.

Mr. WOODRUM. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. SHANLEY].

Mr. SHANLEY. Mr. Chairman, for 25 years the British Empire has been attempting to solve the unemployment problem, and yet it has not yet obtained the answer. Our struggle with this all-pervading perplexity has just begun. Before we take the next step let us ponder carefully and dispassionately the previous efforts. We need more than strong adjectives and invectives to solve this twentieth century gordian knot. For the information of the House I ask unanimous consent to extend and revise my remarks and include therein some thoughts on the problem as handled by the British.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WOODRUM. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman, I think those in charge of this business of relief in Washington have done a good job and many of those who are criticizing are just a little sore because they are not doing the job themselves.

It makes a great deal of difference in the minds of some people who or what party is doing a job as to whether it is good or bad. Harry Hopkins and those who have labored with him have had a stupendous task. Regardless of all criticism that has been leveled at him and his organization, I think he has done a splendid job in the administration of the duties committed to him. His administration with the money that Congress has appropriated has brought food, raiment, and shelter to numberless people who would have gone hungry and been destitute of practically every necessity of life. Not only in the feeding and clothing of the hungry has the Works Progress Administration served the country but in the one item of building thousands of miles of farm-to-market roads it has in a great part justified its existence. This program has lifted thousands of farmers out of the mud and put them on all-weather roads so that they can market their produce at all seasons of the year and, added to that, make farm life easier and more pleasant.

Out of funds already appropriated, more than a half billion dollars has been set aside for roads. I, therefore, take great pleasure in supporting this bill to carry on these and other objectives that are being attained under this administration. Not only in these things but in others that I will mention has the administration of President Roosevelt reached out and touched and helped the plain citizen and the heretofore forgotten man.

The agricultural program of this administration has, in my opinion, done more for agriculture than all other administrations heretofore piled into one. When I speak of the agricultural program I cannot but mention my friend and colleague, MARVIN JONES, chairman of the Committee on Agriculture, who from his position was the proper man to sponsor agricultural legislation, and to say that it has been a pleasure as well as a privilege to me to follow him and support him in all of his measures to bring about a betterment of agricultural conditions throughout the length and breadth of the land. We have but to look at the plight of agriculture on March 1, 1933, and the prices received then and the prices received now by the farmer to see at a glance what this program has meant to the farmers. Take a few examples; cotton, for instance, on March 1, 1933, was selling at an average of 5.90 cents per pound and on January 1, 1936, at 11.35 cents per pound, an advance of 92 percent; wheat, on March 1, 1933, 48 cents per bushel, on January 1, 1936, 101½ cents per bushel, an advance of 111 percent; corn was on March 1, 1933, 24.12 cents per bushel, on January 1, 1936, 60.87 cents per bushel, an advance of 152 percent. Dairy products, cattle, and hogs have had a similar increase. The average for sweetpotatoes in 1932 was 40 cents per bushel and in 1935 65 cents per bushel; hogs in 1932 selling for 3.40 cents per pound and in 1935, 7.30 cents per pound; beef cattle in 1932, 3.30 cents per pound and in 1935, 5 cents per pound; sheep in 1932, 2.35 cents per pound and in 1935, 4 cents per pound; chickens in 1932, 9 cents per pound, and in 1935, 13 cents per pound; butter from the farm in 1932, 19 cents per pound, and in 1935, 27 cents per pound.

Take the country as a whole, the yearly average prices of all groups of farm products increased 66 percent from 1932 to 1935. Take the State of Texas alone, and see what the figures are. Cash receipts from the sale of principal farm products in Texas in 1932 were $280,713,000, and in 1935 these same crops sold for $442,310,000, including $68,527,000 in rental and benefit payments. This is an increase of approximately 58 percent. It took some of our city friends a long time to become convinced that the problem of the farmer was their problem also. When the bottom fell out of farm prices in 1930, 1931, and 1932, factories began to close, unemployment increased in every city and town in the United States, for the simple reason that the farmers had no buying power. It has been my contention for years, and is now, that if you give the 35,000,000 people on the farms of America a buying power every portion of the country will be reasonably prosperous and labor will be employed, factories will be opened, business will be sound, and banks will be safe. The great hope, therefore, for the country is for agriculture, through those engaged in agriculture, to make the cost of production and have a surplus with which to buy the things that they need. To retain these vast benefits, not only for agriculture but for every enterprise and every business in the land, the fight must be kept up and the administration headed by President Roosevelt and backed by a Congress that will support him should be continued in office to see that the gains that we have made are not lost, but that further gains are made until we have a country in which to live in which there is fair play and justice meted out to all sections and to all classes. When the impartial history of these times is written and the writers become sane and not partisan, President Roosevelt will stand forth as the outstanding, forward-looking, wise statesman of the age.

Mr. WOODRUM. Mr. Chairman, I hope that all have now made our speeches against the bill and that we will get busy and help pass the bill. I want to ask my brethren on the other side of the aisle and my colleagues on this side of the aisle to be as indulgent with the committee as possible in order that we may be about our business and perhaps be this afternoon able to go over until Monday.

I ask that the Clerk read the bill.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

All time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes, namely:

Mr. McLEAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McLEAN: On page 2, line 1, after the word "years", strike out the remainder of the paragraph.

Mr. McLEAN. Mr. Chairman, it is my policy to look with favor on all bills for carrying on the activities of the Government reported by the Committee on Appropriations. The committee is composed of men who have been so long in service as Members of the House that they have become experts in governmental affairs and are so familiar with the needs of the Government that the probable appropriations can be anticipated far in advance, and their judgment can be relied upon to such an extent that under ordinary circumstances with a limited amount of study it is possible to support their recommendations.

The pending bill is an exception to this rule. It carries appropriations amounting to $2,363,601,165.11. This amount is distributed over a number of propositions, any one of which is worthy of separate legislation and independent consideration, but all being included in the one measure makes it impossible to discriminate, and a Member must vote for all or none. In such a situation one must decide whether the items he approves are sufficient to justify disregard of items of which he disapproves. The item of $1,425,000,000 proposed for the Works Progress Administration and $246,000,000 for emergency conservation work are of so much importance and involve principles of such magnitude that they ought not to be tied into this bill, and should be separately considered on their own merits. Likewise, the items, amounting to $187,800,000 and $270,831,960, or a total of $458,631,860, for financing the social-security program involve principles entirely different from the above, and are of so much importance that they, too, should have separate consideration and a separate vote on their merits. Those items which are essentially for deficiencies necessary to be appropriated to meet requirements of the Government departments are all that should be included in this bill.

If one approves of the so-called relief items and disapproves of the construction and alteration of public buildings in the District of Columbia or the appropriation for the T. V. A., he must forego his objections in favor of the public-works appropriation. As the situation now stands, all other items in the bill will have to be subordinated to the importance of the appropriation for the public-works programs. Like the debris of a tornado, they will be carried along in the vortex of the big wind, which will blow $1,450,000,000 into departmental control without limitation or restriction.

What I have said is also true of the appropriation for the Tennessee Valley Authority. This is not a deficiency appropriation. It is the appropriation for their activities for the year 1937. The principle upon which this appropriation is based is far different from that of the social-security legislation or the appropriations for public works. To involve all of these matters may easily lead to confusion and hasty consideration, which is bound to result in waste and unnecessary expenditures.

In order to vote for this measure one should be satisfied with the wisdom and sufficiency of all of its items. The report of the committee in explanation of the items covers 52 closely printed pages. The hearings constitute two volumes—part 1 covering 1,408 pages, and part 2, pertaining entirely to emergency relief works of the P. W. A., covering 495 pages. The bill itself covers 99 pages, and an intelligent understanding requires reference to many other documents, and we are expected to attend faithfully the sessions of the House. None of the data was made available to Members until 12 o'clock yesterday, and we are asked to vote intelligently on the measure before the close of today, giving slightly more than 48 hours to study and understand what we are doing.

There is also another consideration that makes it difficult, and it is not going too far to say impossible, to vote intelligently on this measure. This ordinary appropriation bill disregards the fact that many of the appropriations are not to carry out projects authorized by Congress, and which have had the consideration of legislative committees, but the bill itself authorizes the project for which the appropriation is made. This practice is unfair to other committees of the House. When the Committee on Appropriations, in addition to the duties for which it was constituted, takes it upon itself to frame legislation which establishes policies, creates agencies, and confers powers, the legislative committees of the House are deprived of the functions which they were created to perform.

The committee by its report admits the irregularity of this procedure. As a preface to explaining 25 legislative items it states as follows:

The legislative provisions not heretofore enacted in connection with any other appropriation bill are recommended.

To make the matter more difficult the hearings before the Committee on Appropriations are held behind closed doors, and Members of the House were unwelcome guests. There is no reason why the situation concerning this bill should exist. Many of the items have been ready for presentation to the House for several days while we have been waiting for this bill to be presented, and much time has expired during which such items could have had mature deliberation. Instead, they were held in committee to be tacked onto this important measure and carried through by the momentum of the importance of the larger items.

There are many items in this bill of which I approve. There are others of which I very strongly disapprove. There is ample time to divide the several matters and they should be divided to give to each the consideration it deserves.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

The question is on the amendment offered by the gentleman from New Jersey.

The amendment was rejected.

The Clerk read as follows:

For services in compiling, arranging for the printer, reading proof, indexing testimony, stenography and typewriting, supervision of the work, and expenses incurred in the contested-election cases of the Seventy-fourth Congress, as authorized by the act entitled "An act relating to contested elections", approved March 2, 1887 (U. S. C., title 2, secs. 201–226), $750.

Mr. CONNERY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when we reach page 22 of this bill I will offer the following amendment:

On page 22 strike out lines 9 to 17, inclusive, and insert in lieu thereof the following:

"The rates of pay for persons engaged upon any project under the foregoing appropriation shall be not less than the prevailing rates of pay for work of a similar nature as determined by the Works Progress Administration, and in the employment of such persons upon such projects, preference shall be given to unemployed citizens of the United States listed by the United States Employment Service, or any agency designated by it, and residing in the community within which such project is carried on."

I simply wanted to call this to the attention of the House at this time so that the Members will know what that amendment is when we reach page 22.

I ask unanimous consent to withdraw the pro-forma amendment.

The pro-forma amendment was withdrawn.

The Clerk read as follows:

EMPLOYEES' COMPENSATION COMMISSION

Employees' Compensation Fund, Emergency Relief: For administrative expenses and the payment of compensation in connection with the administration of the benefits authorized by section 2 of the act entitled "Emergency Relief Appropriation Act of 1935", approved April 8, 1935 (49 Stat. 115–119), $6,000,000 of the special fund set up on the books of the Treasury pursuant to the provisions of the said act shall be available for expenditure during the fiscal year 1937.

Mr. ROBSION of Kentucky. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBSION of Kentucky: Page 5, line 8, strike out the word "emergency" and the word "work."

Mr. WOODRUM. Mr. Chairman, a point of order. We have passed that paragraph long ago. The Clerk is reading now on page 7 of the bill.

Mr. ROBSION of Kentucky. It is in the same paragraph.

Mr. WOODRUM. The gentleman said page 5.

Mr. ROBSION of Kentucky. Page 6. We are now on page 7 of the bill.

The CHAIRMAN. Does the gentleman from Virginia press the point of order?

Mr. WOODRUM. I am compelled to do it, Mr. Chairman, if we ever intend to get through with this bill.

Mr. ROBSION of Kentucky. Mr. Chairman, it is in that same paragraph.

The CHAIRMAN (Mr. MCCORMACK). The Chair is ready to rule. The paragraph to which the gentleman has offered the amendment has been read and passed. For that reason the Chair sustains the point of order.

Mr. FISH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FISH: Page 6, line 18, after the word "fund", strike out the words "Emergency Relief."

Mr. FISH. Mr. Chairman, I am not, of course, in the confidence of the Democratic Members of the House. I do not know whether they propose to try to earmark the appropriations or some of them and place them under the Public Works Administration. If they propose to do so, or if any single member on the Democratic side proposes to offer an amendment, there is at least one vote on the Republican side that can be counted on. With me it is merely a matter of principle. I am opposed to granting large sums of money to the President, whether he be a Republican or a Democrat, or to any individual. I believe it is a betrayal of our representative and constitutional form of government. I believe the control of the purse strings to be the main reason for the existence of Congress, and that when the Members of Congress, in defiance of the Constitution and practically of their oath of office, surrender the control of the purse strings, they are betraying their own legislative powers. Already there are rumors in the country that the House of Representatives should be abolished.

Mr. WOODRUM. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. WOODRUM. Mr. Chairman, I make the point of order that the gentleman from New York is not addressing himself to his pro-forma amendment. We have been liberal in debate and have not confined it to the bill, as the original agreement limiting debate contemplated; and I do not think gentlemen on either side of the aisle should undertake to make partisan political speeches at this time, and if I can stop it I am going to.

The CHAIRMAN. The Chair is prepared to rule.

The section under consideration relates to the Employees' Compensation Commission.

The gentleman from New York will proceed in order.

Mr. FISH. Mr. Chairman, I have said about all I wanted to say on the subject, and my views in reference to it are fairly well known. I doubt if I could change the minds of many Members of Congress anyway.

I want to vote for the bill; I want to vote for emergency relief; I want to vote for the Social Security Act and the compensation provided in this paragraph; but it is very difficult for me to vote for it when it involves a departure from a definite fundamental principle of government.

So far as emergency relief is concerned, I have just come back from the State of West Virginia, where I spoke last night and the night before. That State, due to relief money, may very likely go Democratic. [Applause.] Politics is the whole purpose of this bill. The bill makes a political football of relief and plays politics with human misery.

A distinguished Democratic Senator not making this statement in the Senate but in the State of West Virginia rocked that State by saying that this emergency relief, W. P. A. Administration, was nothing but a political machine, that the money was corruptly spent and thrown away. It was not a Republican speaking, it was a Democratic Senator elected by the Democratic voters of the State of West Virginia who made this bitter attack on the waste and misuse of public funds for relief purposes in his own State.

There is an additional reason I am opposed to this program. I believe also that you are creating a gigantic political machine at the expense of the taxpayers' money under guise of relief. This ought to be sufficient reason for most of us to vote against it. Mr. Chairman, I hope some Democratic Member will offer an amendment to earmark the funds for the Public Works Administration. He will have considerable support on our side. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

The Clerk read as follows:

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

For an additional amount for scientific research, special investigations, and technical reports in the field of aeronautics, including the same objects specified under this head in the Independent Offices Appropriation Act, 1936, $1,367,000, to continue available until June 30, 1937, of which amount there may be expended not to exceed $1,100,000 for the construction and equipment of an additional wind tunnel, and not to exceed $267,000 for increasing the length of the present seaplane model testing tank and providing necessary additional equipment therefor.

Mr. HUDDLESTON. Mr. Chairman, a particular responsibility, in connection with the relief of the unemployed, rests upon the Federal Government where governmental action has directly contributed to aggravating the problem. In such an instance Congress is not permitted to shield itself behind generalities and commonly accepted principles. Where unemployment comes about as the result of a law passed by Congress, the highest duty is laid upon the Government to afford relief to the suffering workers. Especially is this the case where the law involves interference with the normal activities of a business enterprise.

I refer, as a particular instance, to the Guffey coal bill. It has had effect in my district to reduce the activities of the mines and to increase the sufferings of the unemployed. Men who had jobs before the Guffey coal bill was passed now find themselves out of work as the direct result of its operations. I could name several mines in my district which have been forced to shut down because of this law. It has worked out very much as I believed it was designed to work, to wit, it has had a harmful effect on the high-cost mines.

Many of my friends were surprised by the violent and abusive criticism heaped upon me by a group of so-called labor leaders in radio speeches on last Thursday night over station WBRC, Birmingham. My friends knew that I was an old friend of the men who labor, that I had long been a believer in the organization of labor and had supported organized labor in many of its efforts, so that they could not understand why I should be now abused and vilified by this group. Some of them perhaps were tempted to say, "I knew it would come about; I told HUDDLESTON long ago that labor had no gratitude and that no matter how faithful he might be, labor would turn against him." I defend labor against this charge. Those who spoke over the radio were not from the rank and file of labor, they were merely labor politicians who manage to live off other men's labor without

doing any labor themselves. Their voice is not the voice of the rank and file of the men who do the honest toil.

There are, of course, all kinds of labor leaders; some good, some bad, just as in other groups we find among them some honest men and some who are crooks; some are loyal to the cause, others always look out for number one; some are devoted servants of the rank and file, others sell them out every chance they get. These parasites of labor are called "labor skates", and it its not fair to condemn all labor because an occasional unworthy man may be found among them.

My service to organized labor has been on the basis of principle. I am sympathetic with all men who toil. I believe in organized labor as the bulwark of all working men whether organized or unorganized. In serving labor, I have been no abject slave. I have done what I thought was right. It has so happened that in the vast majority of cases I have been able to go conscientiously along with labor's program. In a few instances I have had convictions which did not permit me to do so.

In the list of my votes which these labor speakers criticized were votes on the social-security bill, the holding-company bill, and the Guffey coal bill. Of these the interest of labor was opposed to the passage of the holding-company bill as it meant fewer jobs and a reduction in employment. Probably, except for my efforts, the streetcar employees of my home city would now find themselves working for a court receiver if they had any work at all. The security bill was not a labor bill. In some respects it was antilabor. It lays a tax up to 3 percent upon the wages of employees. You will yet hear a lot of complaint about this measure before we are done with it.

On the Guffey bill I plead guilty. It was a so-called labor measure. I voted against it. In doing so I incurred the enmity of John Lewis, president of the United Mine Workers, and his order for my destruction was sent down to his handy man, Mr. Mitch, president of the Alabama United Mine Workers district, who was the leading speaker against me over radio. I knew that I would have trouble with Lewis because of my vote on the Guffey bill, but I could not allow my political interests to interfere with my duty to my own coal miners and to the other people in my district who are concerned with the mining industry. I could not betray my district to save my own skin. The Guffey bill, as I shall explain later, was aimed directly in this district and was intended to destroy its mining industry.

Lewis is an able man, but ruthless and tyrannical. He is now making war on craft unionism and threatens to disrupt the American Federation of Labor. If Lewis has his way all craft unions will be put out of business.

Lewis proclaims to the world that the trouble with the mining industry is that we have too many miners and too many mines and that the welfare of the industry requires that all high-cost mines be shut down and the industry concentrated into the rich coal fields of Kentucky, West Virginia, Pennsylvania, and the other States of the central territory. This means that the industry in the lean coal fields, such as Alabama, Arkansas, Oklahoma, and elsewhere, will be destroyed. If Lewis has his way, the production of Alabama coal will be reduced to merely supplying the local demand. This is what he is driving for.

It is possible that Lewis is right and that if the coal business is concentrated in the rich fields, they could be better organized, wages placed on a higher basis, and everybody concerned with it benefited. This might be best for the industry as a whole, but it would be ruinous to our Alabama coal industry. It would mean starvation to thousands of families there who live off the coal business. It would strike a fatal blow to Birmingham, my home city. I would be a traitor, indeed, if, knowing this as I did, I had supported the Guffey bill.

This bill was drawn by Lewis' attorney. He had it introduced and secured its approval by the administration. Then he sent his henchmen out to get pledges of support from their Congressmen. Mr. Mitch came to my office and insisted that I support the bill. I did not discuss it with him, as I knew it was useless to do so. I made him no promises. He threatened that there would be a strike if the bill was not passed, but this did not affect my view. I knew what this bill was and what it was intended to do. Of course, he was disappointed. He went out of my office and has been uttering dire threats and criticism against me ever since. When I voted against the bill I knew that my doom was sealed so far as Mitch and Lewis were concerned. His Thursday night speech was merely carrying out the orders given Mitch by Lewis.

When the mine workers reorganized in Alabama in 1933 Mitch was sent down here by Lewis to take charge. He had been for years a hanger-on and handy man for Lewis. He had been living off the humble mine workers, but it had been a long time since he had done a stroke of honest labor. He was about as much of a miner as I am.

Lewis sent Mitch down here to take charge. We had our old faithful miners' officials here, such as Joe Clemo and Will Harrison, but Lewis sent down his own hired man to represent him. Lewis is in charge of this U. M. W. district. Mitch merely does what Lewis tells him to do. If he should fail for a single day to obey his orders, Mitch would go hiking back to Indiana, where he came from. In only a technical sense is Mitch a citizen of Alabama. Up until a few weeks ago he was not a voter in this State. He was just a carpetbagger from Indiana giving orders to our coal diggers.

Many do not know it, but the fact is that our mine workers' district is governed by a dictator. The miners are allowed no voice in governing themselves. They are ordered to strike without any vote. Then they are ordered to go back whenever Mitch and his boss Lewis want them to go back to work. They have nothing to say on either wages or conditions. Mitch is the Hitler of the Alabama mining district, and no criticism of him or question of his authority is tolerated. The oldest and most loyal member of the mine workers in Alabama was kicked out of the union because he dared to criticize the autocratic way in which they are ruled.

Mr. Mitch was unused to power in Indiana. When he got down to Alabama he suddenly found himself a big man and it went to his head. What is the matter with him is that he is a dictator through the power of the predominating numbers of his mine workers. And there hangs the tale of Alabama labor politics which I am relating.

Labor politicians are also of all sorts and kinds. Some of them are trying to get political positions, others are seeking preferment in the labor movement. Of course, some are honest and unselfish men. Among those in Alabama who are looking for political and labor jobs, it is generally recognized and well known that they are out of luck unless they are able to stand in with Mr. Mitch. Mitch has become the labor dictator of Alabama through the power of the mine workers. They are so numerous that they have a controlling influence in labor bodies. By making a few shrewd trades Mitch has a majority at such meetings. Any labor leader who does not kow-tow to Mitch is cut off from preferment in the organizations and from any chance to promote his own interests. This is known to every well-informed labor man in the Birmingham district.

By the means I have described Mitch was able to control the recent convention of the Alabama State Federation of Labor. He attended the convention backed with his followers. It was either knuckle under to Mitch and go along with him or no labor politician could hope for anything. Mitch had himself elected as State president. He had others elected to other offices, and all of them have got to do what Mitch says or get out. It is small wonder that Mitch has their help in carrying out Lewis' orders to destroy me. This is the explanation of the criticism that they make against me.

If the Supreme Court does not strike down the Guffey bill, our poor old coal miners in due time will find out what has been done to them. They have been betrayed by one who had sworn to protect their interests. This mining district is being run not in the interest of the men who work here but in the interest of John Lewis and in the interest of the rich

central fields. The time will come when this will be fully disclosed. I am willing to wait for that time in order to receive the approval which our coal miners ought now to feel for me. I am speaking now as a matter of duty, not for any political benefit. I do not want to stir up any strife in the miners' unions, but it is my duty to tell these men, hundreds of whom are my personal friends, that their interests are being betrayed by those sworn to protect them who have turned traitor to them. I am not one of these. I have been faithful.

I will not allow Mr. Mitch and his buccaneers to seize the good ship of labor in Alabama without telling the crew that he is driving them onto the rocks. Under Mitch leadership the State federation is bound for ruin. If he has his way, the labor movement in Alabama will receive the hardest blow that it has ever sustained.

I was not the aggressor in this scrap. Mitch started in on me first. He deserves to be exposed. The laboring people of Alabama, and particularly those connected with the mining industry, should send this Indiana carpetbagger back to his own home. We have got sense enough to run our own business. We call on Mr. Lewis: "Take your dictator back; our miners want the right to run their own affairs and to control their own business."

Mr. McFARLANE. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, I do not want to detain the House unnecessarily, but under this particular section of the bill, National Advisory Committee for Aeronautics, I do want to call the attention of the Members to the importance of the work of this organization. The information they have should be made available to all Members of the House at all times. This bureau collects world-wide information on the status of all aviation matters. I believe you will agree with me that it is very important that we annually provide definite information in the way of charts such as I placed in the RECORD 2 years ago, showing definitely the exact status of all war planes and engines in the world, and their comparative strength. This bureau because of its set-up can definitely furnish this information and should furnish it to some agency such as the Congressional Library where this information may be carefully checked and be available to all Members of Congress. I have introduced legislation of this kind, and at this point, Mr. Chairman, I ask unanimous consent to extend my remarks and make this bill a part of my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

H. R. 12629

A bill to provide the Congress with information on the state of development of the aerial war craft of the United States in comparison with that of other nations

Be it enacted, etc., That the National Advisory Committee for Aeronautics shall be required to prepare annually and deposit in the Library of Congress, the first week in January, 100 copies of a confidential report for the use of the Military and Naval Affairs Committees, furnishing essential data with ready-reference charts and tables comparing the specifications, performance, and other military qualifications of the war craft of the United States with those of the other leading air powers of the world. The sources, both public and confidential, of such information shall be cited so fully and specifically that the Library of Congress can readily check or verify all the data of said report.

In preparing this annual report the advisory committee may use its own secret files, and shall have the cooperation of the United States Air Service and the use of their secret files. The Library of Congress shall keep its copies of the report confidential in locked cases, except insofar as made public by Congress, and shall promptly check the statements of the report against information available in its own collections, and shall file copies of such check in ready form for use with the report itself.

Mr. STACK. Mr. Chairman, I ask unanimous consent to return to page 3, line 16, to offer an amendment.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to return to page 3, line 16, for the purpose of offering an amendment. Is there objection?

Mr. WOODRUM. Mr. Chairman, reserving the right to object, and I certainly do not want to be discourteous to any of my colleagues, but it is going to be absolutely impossible to go forward with this program if we turn back. I am awfully sorry, but I shall have to object.

Mr. STACK. This message came to me from the gentleman from Pennsylvania [Mr. GRAY], who asked me to offer this amendment, but the message came too late. In fairness to him and to the people interested, I think the gentleman ought to make an exception.

Mr. WOODRUM. I should like to make an exception, but there are many Members who want to turn back. One of our colleagues on the other side wanted to turn back just a while ago, and I was forced to object.

Mr. STACK. I am not asking for an additional appropriation.

Mr. WOODRUM. I appreciate that, and I think all the Members ought to be treated alike. I objected to the request of the gentleman from Kentucky, and I am forced to object to the request of the gentleman from Pennsylvania [Mr. STACK].

Mr. STACK. Mr. Chairman, I ask unanimous consent to insert in the RECORD at this point the amendment I was about to offer.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The amendment referred to follows:

Page 3, line 16, after the comma, insert the following names: V. G. Andrews, Michael Kostick, and Walter C. Stewart, messengers on night and day duty during the second session of the Seventy-Fourth Congress, $500 each; in all the sum of $3,500, to be paid from the appropriation for printing and binding for Congress for the fiscal year 1936.

Mr. WHITE. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I have made some study of this bill, and I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE. Mr. Chairman and members of the Committee, the appropriation bill we have under consideration, among other things, appropriates the money necessary for unemployment relief for the next fiscal year in the sum of $1,425,000,000.

Every taxpayer in the United States is interested in how this money is to be expended.

To provide a means to take care of unemployed labor in the country, the present administration has created two organizations—the Public Works Administration, extending to every State and, I may say, every community in the Nation; the other, the Works Progress Administration, which is a reorganization of the Federal Emergency Relief Administration. The Public Works Administration was the Government agency created to finance permanent public-works projects on a sound and economical basis, constituting an organization of efficient and trained technical personnel. Branches in every State have been set up, commonly referred to as the P. W. A. The record of the P. W. A. in providing the means for economical construction of permanent and valuable public-works projects throughout the Nation is too well known for me to go into details here. Under the plan of this Administration any projects undertaken will be financed to insure completion.

It appears that the Works Progress Administration was created to take up the slack in unemployment, and was designed and intended primarily to create jobs for the unemployed, and to relieve an emergency in unemployment throughout the country.

In studying the provisions of this bill we find that no funds are appropriated for the Public Works Administration, although we know that projects totaling over $700,000,000 have been examined and approved by the Public Works Administration on which work can be started as soon as the necessary funds are appropriated. It is also well known that in connection with hundreds of these projects communities

throughout the country have approved bond issues with the expectation of doing their share only to find now that the Public Works Administration is unable to proceed because of lack of funds. While no money is provided to finance this great constructive program of essential projects, all funds appropriated in this bill for unemployment relief are to be handed over to the W. P. A., a temporary emergency organization.

The money is to be spent on many projects which are of little permanent value, a considerable number of which will not be completed. Mr. Chairman, I believe we have met the emergency situation in unemployment, and the time has come when any funds spent to relieve unemployment should finance the construction of permanent projects on a sound and economic basis. For this reason I am in favor of dividing the proposed appropriation of $1,425,000,000 in this bill and setting aside $700,000,000 for the Public Works Administration to finance the projects that have been and will be approved under the plans and direction of this organization, leaving the remainder of the appropriation for the W. P. A. to carry out the plan for which it was created; that is, to take up slack unemployment and relieve any emergency.

Mr. Chairman, I propose to vote for such an amendment.

The pro-forma amendments were withdrawn.

The Clerk read as follows:

Printing and binding: For an additional amount for printing and binding, Smithsonian Institution, including the same objects specified under this head in the Independent Offices Appropriation Act, 1936, fiscal year 1936, $12,000, to remain available until June 30, 1937.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I recently made a public statement in which I stated I heartily approved of proper relief for the needy and advocated its management and distribution through State agencies rather than through regimentation and bureaucracy here in Washington. I stand on that principle now. I think the bill before us, continuing the bungling, bureaucratic, boondoggling methods in the present distribution of aid, is entirely wrong. It is wrong from the standpoint of waste, extravagance, and graft and from the standpoint of results. If anyone can claim that the Hopkins' method of relief expenditure and waste of large sums of money is anything but a dismal failure, I should like to hear it. Why continue it?

Mr. Chairman, according to the Treasury's own figures, Congress has already appropriated nearly eighteen billions for recovery and relief, yet we still have 11,000,000 unemployed and 20,000,000 on relief. The necessity for relief continues unabated, which proves conclusively that the administration has failed to solve the problem, or even make any improvement.

We have nothing to show for the billions that have been squandered except the size of the national debt, which will have been piled up to the unprecedented total of thirty-four billions by next July. This colossal debt will have to be paid by present and future generations, including the present beneficiaries of the relief program. After the additional billion and a half dollars provided by this bill have been spent we will still have the unemployment and relief problem with us.

The worst feature of the present relief set-up is that nearly half the funds are used up in overhead and waste and never get to those in need. The only thing it has done is to set up a fine political machine; and I am opposed to using either public funds for this purpose or telling those in need that they must apply to the political machinery of the present administration in order to get relief. That is entirely wrong in principle, as well as being a waste and extravagance, so far as the money of the people is concerned.

Mr. Chairman, I cannot see why as great a committee as we know the Appropriations Committee is should bring in a bill here involving $2,364,000,000 without giving the House an opportunity to see it inside of 24 hours before it is brought up on the floor, and then brag in the report, as they do, that it is $23,859,000 less than the Budget estimate. It seems to me that $23,000,000 in savings is really worth while; but, on the other hand, when you figure it is only 1 percent of the tremendous aggregate involved in this bill, it is a very minor matter to call to the attention of the Members of the House and the country.

I am absolutely opposed to the conditions under which the Democratic Party today is offering this bill to the country. As I have said, I am in favor of relief for the needy, and always have been, but I wish it were possible to vote on this matter on the basis of Federal and State cooperation, with the distribution of funds through State agencies. Let us do away with this bureaucratic form of government, this waste and extravagance, and set up common-sense business principles in connection with the use of the taxpayers' money.

The only real solution of the unemployment problem will come through increased private employment, but the policies of the present administration have all tended to harrass business and prevent or discourage expansion and reemployment. At the same time, the reckless spending that is going on and the loose fiscal policy that is being pursued each generate fear and create uncertainty as to the future. Some day the Treasury's ability to borrow money with which to carry on the administration's reckless and wasteful expenditures will cease. There will not be any chance of obtaining further loans, and when that time comes chaos will follow.

If the administration would put recovery ahead of reform, and would adopt definite and sound monetary and fiscal policies, business would undoubtedly take great strides forward, and the necessity for relief would largely disappear. In the meantime, however, if the administration of relief expenditures were transferred to the States, with the Federal Government contributing thereto, there is no doubt but that a great saving in the cost could be effected and that those in need would be better and more adequately cared for.

[Here the gavel fell.]

The pro-forma amendment was withdrawn.

The Clerk read as follows:

TENNESSEE VALLEY AUTHORITY

For the purpose of carrying out the provisions of the act entitled "The Tennessee Valley Authority Act of 1933", approved May 18, 1933 (U. S. C., title 16, ch. 12a), as amended by the act approved August 31, 1935 (49 Stat. 1075–1081), including the continued construction of Norris Dam, Wheeler Dam, Pickwick Landing Dam, Guntersville Dam, and Chickamauga Dam (hereafter to be known as McReynolds Dam), and the beginning of construction on a dam on the Hiwassee River, a tributary of the Tennessee River, at or near Fowler Bend, and the continuation of preliminary investigations as to the appropriate location and type of a dam on the lower Tennessee River, and the acquisition of necessary land, the clearing of such land, relocation of highways, and the construction or purchase of transmission lines and other facilities, and all other necessary works authorized by such acts, and for printing and binding, law books, books of reference, newspapers, periodicals, purchase, maintenance, and operation of passenger-carrying vehicles, rents in the District of Columbia and elsewhere, and all necessary salaries and expenses connected with the organization, operation, and investigations of the Tennessee Valley Authority, fiscal year 1937, $39,900,000: *Provided*, That this appropriation and any unexpended balance on June 30, 1936, in the "Tennessee Valley Authority Fund, 1936", and the receipts of the Tennessee Valley Authority from all sources during the fiscal year 1937 (except as limited by sec. 26 of the Tennessee Valley Authority Act of 1933, as amended), shall be covered into and accounted for as one fund to be known as the "Tennessee Valley Authority Fund, 1937", to remain available until June 30, 1937, and to be available for the payment of obligations chargeable against the "Tennessee Valley Authority Fund, 1936."

Mr. TABER. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 19, line 4, after the word "Dam", the parenthesis, and the comma, strike out the words "and the beginning of construction on a dam on the Hiwassee River, a tributary of the Tennessee River, at or near Fowler Bend"; and line 18, page 19, strike out the sign and figures "$39,900,000" and insert in lieu thereof "$35,562,772."

Mr. TABER. Mr. Chairman, this is an opportunity to save $4,337,000 and not appropriate any money for the beginning of the Hiwassee Dam. The Tennessee Valley Authority was authorized by an appropriation which was carried last year to begin construction of this dam. They did not begin construction of the dam, but decided among themselves that they would like to begin the construction of a dam known as the

Fontana Dam, by which they could go to the Aluminum Co. of America and pay $3,000,000 for a piece of property that I understand changed hands a little while ago for $250,000.

Mr. Chairman, they came to the committee and asked the committee to change the language so that, instead of building the Hiwassee Dam, they could build the Fontana Dam and go into that matter, but the committee did not give them this privilege. The committee did insert the language I am trying to strike out here, which permitted them to go ahead with the Hiwassee Dam.

The major items of flood control there are the so-called Norris Dam up the Clinch River, the Chickamauga Dam, which is above Chattanooga, and the Guntersville Dam below. It does not seem to me that this dam on the Hiwassee River, a branch stream, which will cost nearly $20,000,000, should be proceeded with. It is not necessary from a power standpoint or a flood-control standpoint, and it is absolutely ridiculous to go into the proposition. Why not erect the dams that are already started and not build any more until we know more about how this is going to work out and see just what kind of thing it is that is in front of us.

I hope the Committee will adopt this amendment.

Mr. BUCHANAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I listened with interest to my friend the gentleman from New York [Mr. TABER] stating that the Tennessee Valley Authority proposed to pay the owners of the Fontana site $3,000,000 for this site. That is not correct. The proposition was to allow them $3,000,000 worth of electric energy. They were to pay for the site with the electrical energy to the extent of $3,000,000 at the established rate.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. TABER. Is it the gentleman's idea that the $3,000,000 of electrical energy is not worth anything?

Mr. BUCHANAN. It is my idea it is not the same as $3,000,000 in cash; but this is aside from the question here.

This Congress at the last session made an appropriation of $1,000,000 to commence the construction of Hiwassee Dam. The Hiwassee Dam was investigated both by the Appropriations Committee of the House and the Appropriations Committee of the Senate, and these two committees came to the conclusion that it is essential to the flood-prevention work in this area. It will ultimately produce power, but there is no intention of putting in extensive power machinery at that dam at the time of construction. It is essential for flood prevention and it is essential for navigation. Therefore, the committee thinks this provision should be left in the bill.

Mr. RICH. Mr. Chairman, I move to strike out the last two words.

I wish to call the attention of the Committee to the fact that this is another increase for T. V. A. You have been asked to increase the appropriations for dams for the T. V. A. for the last 2 years. Where are you going to get the money? [Laughter and applause.] You will find that the dams that you are now authorizing will only rise up to damn you in the future, and it is time you stopped damming this country. Let me show you that you are doing it. I read on page 19, lines 1 to 4:

> Including the continued construction of Norris Dam, Wheeler Dam, Pickwick Landing Dam, Guntersville Dam, and Chickamauga Dam.

Do you not think it is time to get the Government out of all kinds of business that interferes with its citizens? Stop Russianism, communism, and socialism.

Mr. MANSFIELD. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, I do not often take the time of the House, but there is one thing in this provision of the bill that, in my judgment, is so well deserved that I could not spare this opportunity of calling attention to it.

In lines 3 and 4, on page 19, the name of the Chickamauga Dam is to be changed to McReynolds Dam.

Perhaps no Member of Congress is more familiar with the record of Judge MCREYNOLDS with regard to the Tennessee River than I am. Ever since he has been a Member of the Congress he has constantly appeared before the Committee on Rivers and Harbors from time to time in behalf of some provision with regard to the Tennessee River. He has shown more familiarity with it than any other man of my knowledge who is a Member of this body, and perhaps no one except the engineers of the War Department is more familiar with every phase of the Tennessee River, from its head to its mouth, than Judge SAM D. MCREYNOLDS, of Tennessee. I am heartily in favor of this honor which, it seems, is about to be conferred upon him. [Applause.]

Mr. MCSWAIN. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. MCSWAIN. As chairman of the legislative committee, the gentleman recognizes the great importance of preserving the rights of legislative committees, does he not?

Mr. MANSFIELD. Certainly.

Mr. MCSWAIN. And the gentleman recognizes that this is legislation. I have an amendment that will deal with the situation at the proper time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 51, noes 102.

So the amendment was rejected.

Mr. FORD of Mississippi. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

> Page 19, in line 2, after the words "Pickwick Landing Dam", insert the following: "hereafter to be known as 'Rankin Dam.'"

Mr. TABER. Mr. Chairman, I reserve a point of order on that. I wonder if the chairman of the Military Affairs Committee is going to protect the committee.

Mr. MCSWAIN. Mr. Chairman, I make the point of order that it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Mississippi wish to be heard on the point of order?

Mr. FORD of Mississippi. Mr. Chairman, I realize that it is legislation on an appropriation bill, and I submit it to the Chair for a ruling.

The CHAIRMAN. It is very clear that it is legislation on an appropriation bill, and the Chair sustains the point of order.

Mr. FORD of Mississippi. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

> Page 19, line 2, after the words "Pickwick Landing Dam", insert the following: "(known as 'Rankin Dam')."

Mr. MCSWAIN. Mr. Chairman, I make a point of order on the amendment that it is legislation on an appropriation bill. It is evidently an attempt to change the name and call it "Rankin Dam." It is in the teeth of legislation that has been attempted time and time again. There are bills before the Committee on Military Affairs to change the name of this dam to "Rankin Dam."

Mr. KNUTSON. I should like to ask the gentleman if it is not customary to wait until the man is dead before they name a dam for him?

Mr. MCSWAIN. Yes; it is.

The CHAIRMAN. Does the gentleman from Mississippi wish to be heard on the point of order?

Mr. CANNON of Missouri. Mr. Chairman, if the Chair will permit.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri.

Mr. CANNON of Missouri. Mr. Chairman, this amendment is not legislation. It is language merely descriptive, and such amendments have been repeatedly held not to be legislation.

I recall two decisions on this point. They were made by one of the greatest parliamentarians who has served in the House, James R. Mann, of Illinois.

The first was made in 1905 when an amendment was offered, I think, to the Naval bill.

The language provided that ships or armament should be of "native manufacture." The proposition was defended, as I recollect, by Mr. Olmsted, of Pennsylvania. At any rate the Chairman of the Committee of the Whole, Mr. James R. Mann, of Illinois, held that those words were merely descriptive and that it was not legislation.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield with pleasure to the distinguished leader on the other side of the House.

Mr. SNELL. If the words are merely descriptive, why will they have the effect of changing the name of the dam?

Mr. CANNON of Missouri. They do not change the name of the dam. It is not proposed to change the name of the dam.

Mr. SNELL. But is not that the intention? I call it legislation. Is not that the intention of the amendment?

Mr. CANNON of Missouri. The gentleman from New York, being one of the ablest parliamentarians in the House, knows that the Chairman of the Committee of the Whole may not speculate as to the intention of an amendment. He must predicate his decision on the amendment before him in the language in which it is written. He cannot go back of what is on the face of it to surmise what is the purpose of a Member in offering an amendment. This amendment merely further describes the Pickwick Landing Dam; it does not propose a change in the name; it merely adds the descriptive language "known as the Rankin Dam."

Mr. SNELL. What is the purpose of offering that amendment at this time and at this place if it is not to change the name of the dam?

Mr. CANNON of Missouri. As I have said, the purpose of the proponent is not a question before the Chairman of the Committee. However, a careful reading of the amendment indicates that it is offered for the purpose of clarifying the provision in the bill and more definitely describing the dam, to which the appropriation applies, and therefore is not subject to a point of order. Words merely descriptive are not legislation.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. Certainly.

Mr. PETTENGILL. If a bill were introduced and referred to the Committee on Military Affairs to change the description of the existing dam to some other description, would that be properly referred to a legislative committee?

Mr. CANNON of Missouri. Of course, no such bill is before us. The suggestion cannot have the slightest application to the point at issue.

Mr. Chairman, the same question came up again in 1908. It is reported, as I recall, in section 8524 of the old supplement to the precedents, and by a coincidence, Mr. Mann was again Chairman of the Committee of the Whole. In passing on the question, Mr. Mann again held that words merely descriptive were not legislation. That is the rule of the House. Words merely descriptive cannot be construed as legislation. The question then arises, Is this amendment merely descriptive? I am certain anyone who reads it will find it impossible to place any other construction on it.

The additional language makes more definite, more accurate, more specific the particular dam to be provided for. It merely further describes it. The dam is located adjacent to Mr. RANKIN's district. Mr. RANKIN has had more to do with it than any other Member of Congress. He has been more closely identified with it and has rendered greater service in the enactment of this class of legislation than any other Member of the House, and it is only natural that we should know of it and speak of it as the Rankin Dam, and to make certain there will be no question about it in the consideration of this piece of legislation we further describe it here as the Rankin Dam.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I am glad to yield to my friend from Texas, the chairman of the Committee on Rivers and Harbors.

Mr. MANSFIELD. I say to the gentleman from Missouri that Pickwick Landing is really not the name of the dam anyway. That is descriptive also. The dam was first authorized in the river and harbor appropriation bill of 1930, to be located at Pickwick Landing, but the dam has never been constructed. It is now under construction, but it has no name in fact.

Mr. CANNON of Missouri. Mr. Chairman, I am glad to have the gentleman from Texas bear out my contention. That is all the more reason why this amendment should be held in order and this language added to the bill. The chairman of the Committee on Rivers and Harbors testifies to the need of it. He says that the Pickwick Landing Dam is not the name of it. It is doubly necessary therefore to designate it by a name about which there can be no doubt, a name everyone will recognize and understand—the Rankin Dam.

Mr. McSWAIN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. First let me answer the question of the gentleman from Texas.

Mr. McSWAIN. But the gentleman from Texas is in error.

Mr. CANNON of Missouri. I shall yield to the gentleman in time. I am very fond of the gentleman from South Carolina. He and I are both of Irish extraction. But I am certain he would not want me to be discourteous to the chairman of the Committee on Rivers and Harbors by failing to answer his inquiry. He says that is not the name of it. Then we must be specific, we must be certain there can be no misunderstanding as to exactly what dam we are legislating on; and so to be certain that there may be no misapprehension, we add the descriptive words "Rankin Dam."

I cite the chairman to section 3864 in Hinds' Precedents and section 1445 in the supplement. In both those sections he will observe it is held that words merely descriptive do not constitute legislation.

Mr. McSWAIN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. Most assuredly.

Mr. McSWAIN. To correct the distinguished gentleman from Texas [Mr. MANSFIELD], for whom I have the greatest reverence and respect, I refer the gentleman and the Chair to the act of May 18, 1933, setting up the Tennessee Valley Authority, where in section 4, subsection (d), it is specifically stated that such dams and reservoirs in the Tennessee Valley and its tributaries as in conjunction with the Wilson Dam, the Norris Dam, the Pickwick Landing Dam, and so forth, so that it was named by the Congress and approved by the President on May 18, 1933, 3 years after the act referred to by the gentleman from Texas.

Mr. CANNON of Missouri. That is a question between the gentleman from Texas [Mr. MANSFIELD] and the gentleman from South Carolina [Mr. McSWAIN]. [Laughter.]

Mr. McSWAIN. Oh, no; it is not.

Mr. CANNON of Missouri. The gentleman from Texas states the dam has no name and the gentleman from South Carolina insists that it has. In any event, that is not the question before the House. But in view of the uncertainty between the two gentlemen, who should know more about it than anybody else, let us avoid any possible controversy as to its identity and insert language that everyone will understand and approve. Mr. Chairman, the amendment does not propose to change the name. It merely adds descriptive language more definitely describing it. I submit to you, Mr. Chairman, that words merely descriptive are not legislation, and under the law of the House the amendment is in order.

Mr. SNELL rose.

The CHAIRMAN. The Chair is prepared to rule, but the Chair will be glad to hear the gentleman from New York.

Mr. SNELL. I have no desire to take the time of the House if the Chair is prepared to rule.

The CHAIRMAN. The Chair will be glad to hear the gentleman from New York.

Mr. SNELL. The only question I wanted to raise is this: I have no contention with the gentleman from Missouri [Mr. CANNON] relative to descriptive words; but everyone

knows—and the gentleman admitted in the argument which he had with the gentleman from Texas—that this is for the purpose of naming it the Rankin Dam. As far as I am concerned, I would just as soon have that name as any other, but those are not descriptive words as presented in this amendment, and everybody in the House knows it.

The CHAIRMAN (Mr. McCORMACK). The Chair is prepared to rule. The Chair entirely agrees with the gentleman from Missouri [Mr. CANNON], with reference to the use of descriptive words. Therefore, the question in the mind of the present occupant of the chair is whether the amendment is descriptive or whether it constitutes legislation. Without regard to whether or not it brings about a change in the name of the dam from "Pickwick Landing Dam" to "Rankin Dam", it is the opinion of the Chair, with profound respect for the opinion of the gentleman from Missouri, one of the outstanding parliamentarians of all time, that the amendment does not constitute descriptive language; that it constitutes legislation. It is an addition to the language used in this bill. The Chair would rule the same whether or not the legislation referred to by the gentleman from South Carolina [Mr. McSWAIN] contained the words "Pickwick Landing Dam" or not, because that name is included in the bill now before the House.

Profoundly respecting the views of the gentleman from Missouri, and with considerable hesitation in disagreeing with him, it is the opinion of the Chair that the point of order is well taken, and the Chair therefore sustains the point of order.

Mr. McSWAIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McSWAIN: Page 19, line 3, after the word "dam", strike out the parenthesis and the words "hereafter to be known as McReynolds Dam", and the parenthesis following said words.

Mr. WHITE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITE. Is this offered as a point of order or as an amendment?

The CHAIRMAN. It is offered as an amendment by the gentleman from South Carolina.

Mr. WHITE. The gentleman from South Carolina does not raise a point of order, then?

Mr. McSWAIN. I could not raise a point of order. All points of order were waived.

The CHAIRMAN. The gentleman from South Carolina has offered an amendment which has been reported by the Clerk, and the gentleman is now recognized for 5 minutes.

Mr. McSWAIN. Mr. Chairman, I offer this amendment from a strict sense of duty, as chairman of the legislative committee having charge of this matter. From what you have heard here you have already seen just where we will get if we start naming dams for Members of this Congress while they are still living. You see plainly where we will get. I will explain just why it is that, although there are several bills pending before the committee that has jurisdiction, as has been held by the Chairman [Mr. McCORMACK], this cannot be done. There is one bill, offered by the gentleman from Idaho [Mr. WHITE], to name the Pickwick Landing Dam the John E. Rankin Dam. There is one by the gentleman from Tennessee [Mr. CHANDLER] to name it the Senator McKellar Dam. There is another one by the gentleman from Mississippi [Mr. McGEHEE] to name it the Percy Quin Dam; and there is another one pending, offered by the gentleman from Alabama [Mr. STARNES] to name the Guntersville Dam the Franklin D. Roosevelt Dam.

The committee has not considered any of those bills. We have had to explain to the gentlemen who have been urging the consideration of those bills the situation we got into the last time. What was it? The last time, when the T. V. A. amendments were before this House, on motion by the gentleman from Pennsylvania [Mr. FADDIS], this House unanimously adopted an amendment to name Pickwick Landing Dam the "Percy Quin Dam." Percy Quin was formerly chairman of this Committee on Military Affairs and literally gave his life on the 4th of February 1932, fighting the Power Trust and fighting the Fertilizer Trust to keep them from getting possession of this great natural resource down there. When the bill went to the Senate and went to conference, what were we met with? We were told by the Senate conferees that, even though it was named for a dead man, a former chairman of the committee which had jurisdiction of the matter, a man who gave his life as an evidence of his devotion to the cause of agriculture and adequate fertilizer from that great resource, yet if we started this kind of thing and let it go through, it would produce heartburnings among others that they had not been thus honored. It would cause trouble, and they said, "We, the Senate conferees, beg you, the House conferees, not to insist upon this amendment, although the House has unanimously agreed to it."

Now, we agree to that, but we first had an agreement with the Senate conferees. The men who will probably be in charge of any legislation of this sort in the future agreed to this effect, that they would notify the directors of the T. V. A. that no more dams should be named by them for anybody, dead or alive, and that hereafter the committees of the Houses having jurisdiction of these matters would recommend to the Houses to name dams only for dead people. That is why we have not considered your bills, you the authors of these several bills referred to; we have stuck to that agreement.

[Here the gavel fell.]

Mr. MAVERICK. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. SNELL. Would it be possible during the expansion of this T. V. A. to build enough dams so that every deserving Democrat could have his name on a dam? [Laughter.]

Mr. McSWAIN. I had hoped that the distinguished chairman of the Committee on Appropriations, who was active in regard to the legislation before this House on T. V. A. a year ago, every one of whose amendments I supported, and to whom I reported as to the progress of the conference—I had hoped that he would see the wisdom of respecting the legislative committee here and would not oppose this amendment. I am asking him now if he will not agree, because do we not all see where it is going to lead? If you let this stay in, then JOHN RANKIN and all his friends will be sore because they have been cut out.

Mr. WOODRUM. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes after the gentleman from South Carolina concludes his statement.

The CHAIRMAN. Does the gentleman from South Carolina yield for the purpose of submitting this unanimous-consent request?

Mr. WOODRUM. It is merely to expedite the consideration of the bill.

Mr. McSWAIN. Mr. Chairman, I yield for that purpose.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this amendment close in 5 minutes after the gentleman from South Carolina has concluded his statement. Is there objection?

Mr. CANNON of Missouri. Mr. Chairman, I object.

Mr. MAVERICK. Mr. Chairman, will the gentleman yield for a question?

Mr. McSWAIN. I yield.

Mr. MAVERICK. Was a noted battle fought there?

Mr. McSWAIN. Yes; the Battle of Chickamauga was fought upon the high ground just above there, and it is a historical name that will stay in history for all time. Tens of thousands of men took part in that desperate battle. It is a name that should stand and be kept in memory forever.

Now, I love my friend from Tennessee, and I have honored him; I have paid tribute on this floor to the part he has taken. The RECORD will show that I have spoken for him; but if we start this, Mr. Chairman, I will tell you where we

are going to end: When it gets to the Senate there will be a scramble to strike out the House name and put in the name of some Senator. We had better be careful. We had better name it the Andrew Jackson Dam or the Andrew Johnson Dam, or the James K. Polk Dam—after men from Tennessee who became Presidents of the United States.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. WHITE. Is it not a fact that the Norris Dam was named after a living Senator—Senator NORRIS?

Mr. McSWAIN. Yes; and Senator NORRIS agreed it should stop right there. He expressed regret it had been done. He was one of the Senate conferees.

Mr. WHITE. I would agree to that, too, had I been in his place.

Mr. McSWAIN. He did not start it. He regretted it, and I believe he was as sincere in that as in anything else he ever said.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this amendment may close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. WHITE. Mr. Chairman, I object.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this amendment may close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. RICH. Mr. Chairman, this is a controversial amendment. I object.

Mr. WOODRUM. Mr. Chairman, I move that all debate on this amendment close in 10 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from Virginia.

The motion was agreed to.

Mr. BUCHANAN. Mr. Chairman, I rise in opposition to the amendment. First, gentlemen, let us cool down. We are spending about half an hour over the mere name of a dam in a bill that carries $2,365,000,000. It looks to me like foolishness, and we should stop. That is why we want this debate closed.

First, I want to vindicate the gentleman from Tennessee [Mr. McREYNOLDS] from initiating the naming of this dam for himself. It was not initiated by him; he had nothing to do with initiating it. In fact, the bill follows what now is the name of the dam down there in his district. They had a great gathering down there when it was known this dam was to be constructed, a barbecue, or whatever you want to call it. They were his constituents; his people; Tennesseans. A motion was made and unanimously carried that the dam be named "McReynolds Dam."

The committee adopted the name which had been suggested by the people who live where the dam is being constructed.

Mr. MAY. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Kentucky.

Mr. MAY. Can the gentleman inform the Members of the House that there was nobody in that vast crowd that sponsored the naming of this dam who was friendly to the gentleman?

Mr. BUCHANAN. Of course, his friends sponsored the name down there. Now, one word as to what the gentleman from South Carolina [Mr. McSWAIN] and his colleague in the Senate decided to do. They do not want to name anything for a living man. Do we have to die and go to that great unknown in order to receive a little honor and recognition at the hands of our Government? I am one of those who believe in giving flowers to the living as well as to the dead.

Mr. Chairman, Mr. McREYNOLDS has made a splendid Congressman. He has devoted his life work to getting this dam started. I think it would be very befitting to name it after him.

Mr. SNELL. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from New York.

Mr. SNELL. Regardless of the merits of the individual service that any of these gentlemen may render in the House, does the gentleman think it is good policy to name these public projects that happen to be in a certain Congressman's district after that Congressman?

Mr. BUCHANAN. If it is in the Congressman's district and he has devoted his life and energies to it, and made sacrifices for it, I have no objection to that procedure, and I think it would be a just and honest tribute to pay to the Congresman. God knows, we get few tributes otherwise.

Mr. Chairman, that is all I have to say. My friend from South Carolina [Mr. McSWAIN] says this is legislation on an appropriation bill, but remember this does not come within the ruling of the Chair. The Pickwick Dam was named in the law that created the Tennessee Valley Authority. The Chickamauga Dam is not. We have followed Mr. McREYNOLDS' own constituents in the naming of this dam.

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I do not care to take up the full time allotted me under the rules of the House. It is well known by the Members that I have rarely taken the floor upon controversial questions because, as a matter of fact, presiding over the House as I do, I have always felt that insofar as possible I should maintain a nonpartisan attitude. But this dam is located in my own State. I know something of the work that the distinguished Congressman from the Third District of Tennessee has done with reference to the establishment of this dam. I therefore feel that I should be excused if I take this opportunity to express my own personal opinion and my own personal hope with reference to the pending amendment.

Mr. Chairman, I know what Judge McREYNOLDS has done with reference to the establishment of this dam. I know, and I choose my words when I make this statement, that if it had not been for Judge McREYNOLDS there would be no dam there at the present time. It might have come in the future. It was due to his earnest insistance and his knowledge of the necessities of the situation that the dam was located there and is now in process of construction. I think this is a merited tribute to pay to the gentleman, and I think it is a deserving honor to call it McReynolds Dam in recognition of his work. [Applause.]

The people down in his district who are familiar with his work, who are familiar with what he has done, desire this dam to be named the McReynolds Dam in recognition of his faithful service as their Congressman. I think the same might properly be said of the entire State of Tennessee.

Mr. Chairman, I hope the amendment will be defeated. I cannot agree with those who say that because Judge McREYNOLDS is living this dam should not be named for him. Congress can take care of those things in the future. Congress can distinguish in the future with reference to the naming of dams or any other Government activities in the Nation. I think this is a case where his colleagues who respect and admire him have the opportunity not only to do him honor, but to do him justice by the rejection of this amendment. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. McSWAIN].

The question was taken; and on a division (demanded by Mr. McLEAN) there were—ayes 40, noes 110.

So the amendment was rejected.

Mr. PEARSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PEARSON: On page 19, line 8, after the word "river", insert the words "and the beginning of construction of a dam on the lower Tennessee River."

Mr. TABER. Mr. Chairman, a point of order.

Mr. PEARSON. Will the gentleman withhold his point of order?

Mr. TABER. Mr. Chairman, I reserve a point of order against the amendment.

Mr. PEARSON. Mr. Chairman, this amendment, if adopted, will provide for the beginning of construction during the next fiscal year of a necessary dam on the Tennessee River.

The amendment, if adopted, will not increase the amount of appropriation carried in the bill, nor will it increase the expenditures ultimately expected to be made by the Tennessee Valley Authority if Congress continues to approve the plan as outlined by that Authority. It simply carries a specific authorization for the beginning of construction of a dam on the lower Tennessee River during the year 1937 instead of 1939. It happens to be a dam which the directors of the Tennessee Valley Authority have already definitely approved and one which they say will be necessary in order to complete a unified system of transportation on the river.

Under the committee report and under the provisions carried in this bill, there has been allocated for exploring and for preliminary investigations for a dam on the lower Tennessee River the sum of $650,000. You will find this in the committee report when, as a matter of fact, the directors of the Authority, in their report rendered to this Congress on April 1, definitely state that the dam is to be located at a point near Gilbertsville, Ky. So any investigating or any exploring to the extent of over one-half million dollars is absolutely unnecessary, uncalled for, and would be a useless expenditure of that sum of money.

I am offering this amendment in good faith, and I am not offering it for the purpose of obtaining a dam in my district. As a matter of fact, this dam, according to present plans, is to be located in the district of the gentleman from Kentucky [Mr. GREGORY], but not far removed from my district.

Mr. Chairman, the Directors of the Tennessee Valley Authority are preparing and planning to build a dam across the Tennessee and the Ohio Rivers at Paducah, at an expenditure of $200,000,000, if the Congress should approve it; and in the event a dam is constructed on the lower Tennessee at or near Gilbertsville, or at Aurora, as originally planned, it will cost $60,000,000 to construct it, and for this Congress to authorize its immediate construction will mean a saving to the taxpayers of this country in the amount of $140,000,000 unless the plans of the Directors of the Authority go awry.

I am not objecting to the Ohio River being developed when and if it becomes necessary, but I say it is the duty of the Congress to require the Tennessee Valley Authority to complete the program for which it was created—and that is, the full development of the Tennessee River—and not permit it to branch out in exploiting other rivers until this program has been completed.

[Here the gavel fell.]

Mr. COOPER of Tennessee. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. WOODRUM. Mr. Chairman, I would like to see if we can get a unanimous-consent agreement to close debate on this amendment in 10 minutes.

The CHAIRMAN. The gentleman understands there is a reservation of a point of order pending?

Mr. McLEAN. Mr. Chairman, will the gentleman from Virginia yield?

Mr. WOODRUM. Certainly.

Mr. McLEAN. Mr. Chairman, I have an amendment which I would be pleased to withhold, but I would like to have 3 or 4 minutes to make some observations, and if I could have this time in opposition to the pending amendment I shall withhold my own amendment.

Mr. WOODRUM. Then, Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes following the remarks of the gentleman from Tennessee, who has just been granted an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. PEARSON. Mr. Chairman, I shall not take the additional 5 minutes, but I want to make this further observation.

One week ago yesterday the two Senators from Kentucky and the two Senators from my own State and the Representative from Kentucky [Mr. GREGORY] and myself had a conference with the President of the United States with reference to the amendment to which I am now addressing myself, and the President expressed his approval of the amendment which I am offering, stating that he had no desire or disposition to agree to anything which would upset the balanced plan of procedure as outlined by the directors of the Authority, but that this dam on the lower Tennessee had to be completed before the projects outlined by the Authority would ever be worth anything and that he personally acquiesced in the beginning of immediate construction of a dam on the lower Tennessee and would have no objection to increasing the allocation of $650,000, as shown in the committee's report, to $1,000,000 for the purpose of using the appropriation in actual construction work on this dam.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. PEARSON. I yield.

Mr. MANSFIELD. Is it not a fact that the construction of this dam is necessary to link the Tennessee with the Ohio for navigation?

Mr. PEARSON. The money heretofore spent on the Tennessee River will never be of any value to the people from Pickwick Landing Dam to Paducah, Ky., until this dam is completed. It is about 264 miles from Paducah to Pickwick Landing Dam, and the construction of a dam at Gilbertsville, Ky., or Aurora, will guarantee a 9-foot uniform channel in the river from the dam site to Pickwick Landing Dam, and without it no transportation facilities will ever be available on that section of the river, and without this the people that far removed from Pickwick Landing Dam no doubt will be deprived of the privileges of cheap power.

Mr. Chairman, I am not asking for a dam simply because I think it would be advantageous to me to have it in this section but I am trying to get it in order to unify the program which this Congress has authorized the Tennessee Valley Authority to carry out and to forestall the Authority in its evident desire and ambition to embrace the Ohio, the Tennessee, and perhaps other rivers, and undertaking to put over an impracticable, extremely expensive, and indefensible program. I had hoped the committee would accept my amendment, and in any event I trust it will be approved by the committee.

[Here the gavel fell.]

The CHAIRMAN. Does the gentleman from New York insist upon his point of order?

Mr. TABER. I do, Mr. Chairman.

The CHAIRMAN. The gentleman will state his point of order.

Mr. TABER. That it is legislation on an appropriation bill and is an item not authorized by law.

Mr. McLEAN. Mr. Chairman, may I ask the gentleman from New York to withhold his point of order?

The CHAIRMAN. The Chair would like to have some information from the gentleman from Tennessee. Will the gentleman from Tennessee point out to the Chair any existing law which authorizes the construction contemplated by the amendment of the gentleman from Tennessee?

Mr. PEARSON. The act which created the Tennessee Valley Authority provided for the construction of necessary dams on the river to carry out the projects stated therein—that is, for national defense and navigation.

Mr. TABER. Mr. Chairman, in order to make my point of order clear, let me say that this is beyond the scope of the Tennessee Valley Authority. The word "necessary" requires the fact to be established in ruling upon the language.

It was stated by the Tennessee Valley Authority in the hearings that this Gilbertville proposition involved a dam and a canal—a large dam in the Ohio which would cover

operation of both the Cumberland and the Ohio as well as the Tennessee. This Tennessee Valley Authority relates only to the dams entirely within their authority covering the Tennessee only. This goes beyond the scope of the Tennessee Valley Authority.

Mr. HILL of Alabama rose.

The CHAIRMAN. Does the gentleman from Alabama wish to be heard on the point of order?

Mr. HILL of Alabama. I do. Mr. Chairman, the amendment is clearly in order. I call the Chair's attention to section 2, subsection (j), of Public Law 412, Seventy-fourth Congress, which is the amendatory act of the Tennessee Valley Authority.

In setting out the power of the Tennessee Valley Authority to build dams, it says:

Shall have power to construct such dams and reservoirs in the Tennessee River and its tributaries as in conjunction with the Wilson Dam, the Norris Dam, the Wheeler Dam, the Pickwick Landing Dam, now under construction, will produce a 9-foot channel in said river and maintain the water supply from Knoxville to its mouth and best serve to promote navigation in the Tennessee River and its tributaries and control the distribution of its waters in the Tennessee and Mississippi Rivers drainage basin.

I think under the language there can be no question but that the amendment offered by the gentleman from Tennessee is in order. The language authorizes construction of any and all dams that may be needed for flood control and navigation of the Tennessee River. All dams from Knoxville to the mouth of the river are authorized. The amendment of the gentleman from Tennessee is undoubtedly in order.

The CHAIRMAN. The Chair is prepared to rule. The amendment of the gentleman from Tennessee [Mr. PEARSON] inserts, after the word "river", line 8, page 19, the words "and the beginning of construction on a dam on the lower Tennessee River." The question as it appears to the Chair is whether or not there is any existing law which authorizes the construction of such a dam. The gentleman from Alabama [Mr. HILL] has referred to Public, No. 412, of the first session of the Seventy-fourth Congress, which the Chair reads—and, by the way, it is an amendment to the original Tennessee Valley Act:

SEC. 2. That subdivision (j) of said section 4 of said act be, and the same is hereby, amended to read as follows:

"(j) Shall have power to construct such dams and reservoirs in the Tennessee River and its tributaries, as in conjunction with Wilson Dam, and Norris, Wheeler, and Pickwick Landing Dams, now under construction, will provide a 9-foot channel in the said river and maintain a water supply for the same from Knoxville to its mouth, and will best serve to promote navigation on the Tennessee River and its tributaries and control destructive flood waters in the Tennessee and Mississippi River drainage basins; and shall have power to acquire or construct power-houses, power structures, transmission lines, navigation projects, and incidental works in the Tennessee River and its tributaries, and to unite the various power installations into one or more systems by transmission lines. The directors of the Authority are hereby directed to report to Congress their recommendations not later than April 1, 1936, for the unified development of the Tennessee River system."

In the opinion of the Chair, the language just read constitutes an authorization for the appropriation, and the Chair overrules the point of order and holds the amendment to be in order.

Mr. McLEAN. Mr. Chairman, I rise in opposition to the amendment. The purpose of my observation at this time is to draw attention to the fact that, in my judgment at least, the Tennessee Valley Authority is not worthy of the confidence of Congress. There is a provision of law which requires that its accounts shall be examined by the Comptroller General of the United States. That is not being done.

Mr. COOPER of Tennessee. Mr. Chairman, with all due deference, I am bound to say that the gentleman is not discussing the amendment under consideration. I do not think it is fair to take up the time definitely allotted for the consideration of this amendment by making a general speech on the subject of the T. V. A.

The CHAIRMAN. The gentleman from New Jersey will proceed in order.

Mr. McLEAN. No further appropriations should be made for any dams until the Tennessee Valley Authority submits its accounts to the Comptroller General and they are examined by him, so that the report required may be made to Congress. It was the intention of Congress that the accounts of the Tennessee Valley Authority should be controlled through examination of the Comptroller General of the United States, but they have contrived to deny the Comptroller General of any supervision, and there is now no way of ascertaining how the funds allocated to this organization are used, except from such information as they themselves care to disseminate, and the reports which the law provides should be made for the information of Congress have not been made this year and will not be made in the future unless Congress takes appropriate action. The Tennessee Valley Authority in the first year and a half of its existence had spent over $110,000,000 and had obligated the Government far in excess of that amount. In a recent report they forecast expenditures of more than $379,000,000, and this estimate is made with reservations, which plainly indicate a far greater cost. The law creating the Tennessee Valley Authority intended that it should be in part a self-sustaining undertaking. To date there is no record of any receipts having come to the Government as a result of the operation, and the directors have so enlarged their activities that they are now overlapping and duplicating the work of many Government departments.

By admission of the Authority, completed work and work now under way call for expenditures of $339,000,000. This does not include all revenue received from the sale of electric power generated and sold at Muscle Shoals since June 1933 and used by the Authority; nor does it include the cost of 34 conservation camps and an army of P. W. A. workers put at the disposal of the Authority in that area; nor does it include large sums from other sources allocated and used for various activities only indirectly connected with dam building, flood control, and national defense. Until its nature, sequence, and ultimate cost are determined, no further appropriation should be made for this undertaking. The unexpended balance of the appropriations should be used to arrive at a logical and sensible plan.

At the last session of Congress the charge was made that the Tennessee Valley Authority was proceeding with its extravagant spending without a logical, prearranged program, and contrary to the orderly procedure arranged by Congress. Its directors were unable to advise Congress of their intentions or what the ultimate cost was going to be, and Congress directed that a report covering these matters be made prior to April 1, 1936. This report was submitted 1 day before it was due, and supports the contention that the mandate of the original act as to future development has been ignored; that at best the plans of the Authority are vague and indefinite. I quote from this report:

In the period of less than 9 months allowed by the act for the preparation of this report, in addition to planning and superintending the construction of dams for which appropriations have been made by Congress, a very large amount of work has been done at numerous other sites in the preparation of this report. A large staff has been engaged in field surveys, in making borings, and in the preparation of comparative plans and estimates at the various sites. The estimates here given are preliminary and are made without full information as to such factors as foundation conditions, the amount of highway and railway relocation necessary, the cost of land, and the amount of reservoir clearing required.

That quotation ought to prove that the Tennessee Valley Authority had no program as charged, that it has no program now, and that no one can tell what the ultimate cost to the Government is going to be because the Authority itself does not know.

Mr. BUCHANAN arose.

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. BUCHANAN. To oppose the amendment. How much time remains on the amendment, Mr. Chairman?

The CHAIRMAN. There are 8 minutes remaining.

Mr. BUCHANAN. Mr. Chairman, I desire that my colleague from Kentucky [Mr. GREGORY] I shall have some

time, and if it is agreeable, I shall be very glad to divide the remaining time with him and ask the Chair to notify me at the end of 4 minutes.

The CHAIRMAN. Without objection, the Chair will conform to the unanimous-consent request of the gentleman from Texas.

There was no objection.

Mr. BUCHANAN. Mr. Chairman, I think the commencement of the construction of this dam comes too early. I do not think a proper investigation has been made. This subject was under consideration in the last Congress and money was given them for further research and $650,000 more is carried in this bill for investigations and surveys relating to it. The dam will cost, according to the estimate, $60,000,000. What is the picture? It is close to the Cumberland River and the Ohio River. The T. V. A. board envisions that ultimately also a dam will be put across the Ohio at the mouth of the Cumberland and then a canal will be dug 2½ miles to connect the Tennessee and Cumberland Rivers. That cost would be $150,000,000. Mr. Chairman, it is too large a project, involving too much money, without further investigation. I am not condemning the project. We may authorize it next year or the year after, but I do not think we ought to enter into any project involving the expenditure of $60,000,000 and this further possible $150,000,000 until we know what the ultimate cost will be.

The Tennessee Valley Authority with this proposition is extending its jurisdiction outside of the Tennessee Valley into another State, over another river, the Ohio River, and it is plain that they will get assistance from the Army Engineers. I think we should have enough of an investigation to know what we are doing or to what extent we are involving the National Government. That is my position.

One other thing. The purpose and practically the only purpose of the dam on the lower Tennessee River is to get a 9-foot channel from the mouth to Knoxville. With the completion of the dams now under way, we will have a 7-foot channel, but the Aurora Dam or the Gilbertsville Dam is necessary for a 9-foot channel. Let us complete some of these other dams first. They say they are going to get large revenue from the sale of electric energy. Let us develop this T. V. A. project reasonably and not try to rush every part of it at one time. [Applause.]

Mr. GREGORY. Mr. Chairman, I regret very much that my time will not permit me to go into this situation as I should like to do.

The chairman of the committee has reported that this dam somewhere in the lower Tennessee Valley is necessary in order to carry out the original project. That is admitted by all people. I want to know why in the name of common sense the most essential dam in the whole project shall be left out while they are going up on nonnavigable streams, up in the mountains of eastern Tennessee, Alabama, North Carolina, and various other places. I think probably they are necessary for the conservation and the holding back of floodwaters down there, but I take the opposite view from the chairman of the committee. The first thing we should do is build the most important dam and see what it will do. Then when an opportunity is presented and we find necessity for it, we can build these other dams on the tributaries up in the mountains.

I am like the gentleman from Tennessee. I am not bothered about what the name of this dam shall be at all. If you will put it down there, we will be satisfied with the dam and we will not expect the Tennessee Valley Authority to teach us about thoroughbred cattle or anything like that. We are not trying to dam the Ohio River or the Cumberland River or any other river; but I do think it is a sensible proposition, if they are going to build a dam on the lower Tennessee River, to take into consideration the future. If dams are to be built upon the Ohio or the Cumberland or any other rivers in that vicinity, they certainly ought to be built so as to be of some value to such future development as may be necessary. But there is no opposition here now to do anything on the Ohio or the Cumberland or any other river. The proposition is plainly to start the building of a dam on the lower Tennessee River, which all agree is essential. It has been so regarded by the Tennessee Valley Authority. It has been so regarded by the Army engineers in the report of 1930 on the rivers and harbors act.

There is no reason in the world why we should not have this two or three hundred thousand additional money given to us in order that the construction of this dam may be started this year. We feel that the folks in western Kentucky and western Tennessee are entitled to some of the distribution of this fund. It is an absolute necessity for the unified control of the Tennessee River to make it navigable. As it is now, building these dams as they are now building them, you have a series of nice little lakes up in the mountains of eastern Tennessee, but by the building of this dam here you will create a great navigable stream, and the others can be built as opportunity is presented.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. GREGORY] has expired.

The question is on agreeing to the amendment offered by the gentleman from Tennessee [Mr. PEARSON].

The question was taken; and on a division (demanded by Mr. PEARSON) there were ayes 32 and noes 69.

So the amendment was rejected.

Mr. SHORT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHORT: On page 20, line 4, after the figures "1936", insert: *"Provided,* That each Democratic Member of the House shall have named after him some public work costing not less than $10,000,000."

[Laughter.]

Mr. WOODRUM. Mr. Chairman, while I think there is much merit in the amendment, yet I am forced to make a point of order against the amendment. [Laughter.]

Mr. SHORT. Will the gentleman withhold his point of order for half a minute?

Mr. WOODRUM. I must insist on an immediate ruling on the point of order, Mr. Chairman.

The CHAIRMAN. The Chair sustains the point of order.

Mr. SHORT. Mr. Chairman, I ask unanimous consent to proceed for 30 seconds.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. DUNN of Mississippi. Mr. Chairman, I object.

The Clerk read as follows:

WORKS PROGRESS ADMINISTRATION

To continue to provide relief, and work relief on useful projects, in the United States and its territories and possessions, by the Works Progress Administration, $1,425,000,000, to remain available until June 30, 1937 (except as herein otherwise authorized): *Provided,* That this appropriation shall be available for the following classes of public projects, Federal and non-Federal, and the amounts to be used for each class shall not, except as hereinafter provided, exceed the respective amounts stated, namely: (a) Highways, roads, and streets, $413,250,000; (b) public buildings, $156,750,000; (c) parks and other recreational facilities, including buildings therein, $156,750,000; (d) public utilities, including sewer systems, water supply and purification, airports, and other transportation facilities, $171,000,000; (e) flood control and other conservation, $128,250,000; (f) white-collar projects, $85,500,000; (g) women's projects, $85,500,000; (h) miscellaneous work projects, $71,250,000; (i) National Youth Administration, $71,250,000; and (j) rural rehabilitation and relief to farmers, $85,500,000: *Provided further,* That the amount specified for any of the foregoing classes may be increased by not to exceed 15 percent thereof by transfer of an amount or amounts from any other class or classes in order to effectuate the purposes of the foregoing appropriation.

Mr. WOODRUM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Committee amendment offered by Mr. WOODRUM: On page 22, line 8, after the word "appropriation", insert a colon and the following: *"Provided further,* That the lists of employable persons for work in the continental United States under the Works Progress Administration shall not knowingly contain the name of any alien illegally within the limits of the continental United States. It shall be the duty of the Works Progress Administrator or the United States Employment Service or both to make every reasonable effort, consistent with prompt employment of the destitute unemployed who are not of the class hereinbefore mentioned, to ascertain whether such lists contain the names of any such aliens and where disclosed they shall not be employed, and if employed and their status as such alien is disclosed, they shall thereupon be discharged."

Mr. MARCANTONIO. Mr. Chairman, I make the point of order that this is clearly legislation on an appropriation bill. Further, it creates additional duties for the Executive.

The CHAIRMAN. Does the gentleman from Virginia desire to be heard?

Mr. WOODRUM. I submit the matter to the Chair.

The CHAIRMAN. Does the gentleman from New York desire to be heard?

Mr. MARCANTONIO. I submit the matter, Mr. Chairman.

Mr. GREEN. Mr. Chairman, I desire to be heard on the point of order.

The CHAIRMAN. The Chair will hear the gentleman from Florida.

Mr. GREEN. The amendment is clearly in order, because the Congress certainly has the power to direct in what manner an appropriation shall be paid. This amendment restricts its payment to American citizens unemployed. The purpose of the bill is for the relief of the unemployed. Surely it is germane and is in order.

The CHAIRMAN. The Chair is prepared to rule.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that before the Chair rules the amendment may again be read in a slow and distinct manner, so that every Member of the House can understand it.

The CHAIRMAN. Without objection, the Clerk will again read the amendment.

There was no objection.

The Clerk read the amendment.

Mr. MARCANTONIO. Mr. Chairman——

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. MARCANTONIO. Mr. Chairman, I wish to be heard briefly. I call attention especially to the language, "It shall be the duty of the Works Progress Administration." This language merely sets up additional duties to be performed by the Executive, and clearly is legislation.

The CHAIRMAN. The Chair is prepared to rule.

The gentleman from New York [Mr. MARCANTONIO] makes a point of order against the amendment offered by the gentleman from Virginia. When the bill was called up in the House, unanimous consent was sought and obtained that all points of order against the bill and the legislation contained in the bill be waived. The pending amendment, however, includes the following language:

It shall be the duty of the Works Progress Administration or the United States Employment Service—

The Chair quotes so much of the paragraph under consideration as appears to the Chair to relate to the pending amendment—

to continue to provide relief, and work relief on useful projects, in the United States and its Territories and possessions, by the Works Progress Administration.

The pending amendment also refers to the United States Employment Service.

For the reason that the amendment includes another governmental agency, the Chair does not think the amendment germane, and therefore sustains the point of order.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 21, line 10, strike out the paragraph and insert in lieu thereof the following:

"That for the purpose of providing direct relief in the United States, its Territories, and possessions, and the District of Columbia, there is hereby appropriated the sum of $1,425,000,000; and there is hereby reappropriated for the same purpose all unobligated and unexpended balances with the exception of allotments to the Civilian Conservation Corps of the amounts appropriated by the acts approved June 16, 1933, February 15, 1934, June 14, 1934, and April 8, 1935, and to remain available until June 30, 1937, to be allocated and disbursed by the President to the States, Territories, and possessions, and the District of Columbia for relief according to their respective needs: *Provided*, That no part of this appropriation shall be allocated or paid to any State, Territory or possession, or the District of Columbia, or subdivision thereof, which shall not contribute an amount equal to at least 25 percent of the total proposed expenditures, both local and Federal, and shall not administer such activities by and through a nonpartisan board."

Mr. WOODRUM. Mr. Chairman, I reserve a point of order against the amendment. There has been a good deal of confusion around my table and I was not able to hear it read. Does the gentleman have a copy of the amendment?

Mr. TABER. Yes; I sent it to the gentleman from Virginia.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. TABER. Mr. Chairman, this bill as it stands is not a relief bill; it is a bill to continue the waste of the people's money through the W. P. A. and not meet the problems of relief, but to continue political jobs. It does not meet the problem of relief. If the funds that were appropriated for relief can be allocated and disbursed to the States by the President in accordance with their needs, the States, if they make a reasonable contribution toward those disbursements, will have incentive enough to see that these disbursements are made in an intelligent and economical manner and we shall begin to solve our relief problem.

Frankly, I do not believe we need to use as much money as is provided here for this purpose, but I feel that the majority of this House thinks so, and I want to put it on a basis that might start the country in the right direction. I am therefore to that extent surrendering my own ideas as to amount. I hope this amendment will be adopted and that we will start along in the right direction. I believe in relief, but I do not and cannot vote for ridiculous expenditures for ridiculous projects and for a waste of the money for political operations. I hope this amendment will be adopted. This amendment, if adopted, will make this a real relief bill.

The CHAIRMAN. Does the gentleman from Virginia insist upon his point of order?

Mr. WOODRUM. I do not care to insist on it, Mr. Chairman.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Chairman, the amendment offered by the gentleman from New York brings up the direct question of whether this Congress in its closing days is going to abandon all of the efforts at a recovery program insofar as it relates to work relief?

Are we going to withdraw all of that and undertake to set up some new system not described and not planned, but just anything that might be directly regarded as a repudiation of what has been done?

Mr. Chairman, for several days we have heard gentlemen on that side of the aisle get up and condemn the relief program, yet almost in the next breath they intimate they expect to vote for the bill.

Mr. TABER. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. TABER. I did not make that statement. I said I would not vote for it.

Mr. WOODRUM. The gentleman said he would not, but many of his colleagues who found fault with it have said they would vote for it.

What does this mean? It means what a gentleman very wisely said the other day, and he was not a Member of the Congress. He said that no matter who does a job of this kind, there will be great mistakes made and great frailties in it. May I say that a gentleman is an optimist, indeed, who thinks if you take the administration of this fund away from the Federal Government and send it back to the 48 States that you will get the so-called politics out of it. You cannot do that. It can never be done. An editorial comment in one of the newspapers in the last day or two very wisely said that while there may be some merit in having State administration of relief, yet the sending back to the States for administration money that they had no responsibility for raising subjects the matter to greater abuses than exist under the present system.

No one claims the administration of this matter is perfect or approximates perfection, but it is a good, honest job, and nobody on the floor of the House has been able to point out where it has not been honestly administered. [Applause.]

Mr. Chairman, there is no use taking the time of the House or of the country in a further discussion of this matter. We have made our positions clear. The various Members have taken their positions, and they are going to have abundant opportunity to take a position on the record when the time comes for a final vote on this bill. I therefore hope that the amendment will be defeated.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were ayes 33, noes 103.

So the amendment was rejected.

Mr. WOODRUM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Committee amendment offered by Mr. WOODRUM: On page 22, line 8, after the word "appropriation", insert a colon and the following proviso:

"*Provided further*, That the lists of employable persons for work in the continental United States, under the Works Progress Administration shall not knowingly contain the name of any alien illegally within the limits of the continental United States. It shall be the duty of the Works Progress Administrator to make every reasonable effort consistent with prompt employment of the destitute unemployed who are not of the class hereinbefore mentioned to ascertain whether such lists contain the names of any such aliens and where disclosed they shall not be employed, and if employed and their status as such alien is disclosed, they shall thereupon be discharged."

Mr. MARCANTONIO. Mr. Chairman, I desire to make a point of order, but before giving the reason for the point of order I wish to propound a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARCANTONIO. Yesterday, when all points of order were waived, the points of order so waived were only to the bill; am I correct?

The CHAIRMAN. That is the understanding of the Chair, and the Chair will proceed upon such understanding.

Mr. MARCANTONIO. Mr. Chairman, I make the point of order this is legislation upon an appropriation bill. Further, the words "it shall be the duty", and so forth, create additional duties for the Executive to perform, which in and of itself is legislation. It sets forth what the Executive shall do. Consequently, since we are creating new legislation by creating additional duties for the Executive, this is clearly legislation on an appropriation bill.

Mr. Chairman, for the reasons just stated I submit my point of order should be sustained.

The CHAIRMAN. Does the gentleman from Virginia desire to be heard?

Mr. WOODRUM. Yes. Of course, the provision in the bill providing for the Works Progress Administration is legislation. Points of order against that were waived.

This language merely relates directly to the duties of the Works Progress Administration and defines them. The Chair will observe the words "Federal Employment Service" which the Chair found objectionable in the other amendment have been stricken out.

Mr. MARCANTONIO. Mr. Chairman, if I may reply, while the Chair sustained my point of order for a different reason the other time, that does not necessarily mean the Chair passed on all of the reasons that I advanced in my point of order to the gentleman's previous amendment. In this amendment there is clearly set forth legislation. We are setting up additional duties for the Works Progress Administration and this being an appropriation bill we cannot set up those duties because in doing so we are legislating.

Mr. BLANTON. Mr. Chairman, will the Chair hear me a moment?

The CHAIRMAN. The Chair is ready to rule, but the Chair will hear the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, if the gentleman from Virginia would omit the word "knowingly" and if he would omit the latter part of the amendment, the rest of it would be clearly impervious to a point of order and would accomplish exactly what he seeks to do. If the ruling of the Chair should be adverse, making it necessary, I hope the gentleman will omit those parts that may be held objectionable so that we may pass the proper part of the amendment.

Mr. WOODRUM. I may say to the gentleman from Texas that the gentleman from Virginia thinks the amendment is in proper shape now.

Mr. BLANTON. It may be, and I hope it is, and that the Chair will overrule the point of order.

The CHAIRMAN (Mr. MCCORMACK). The Chair is ready to rule.

The gentleman from New York [Mr. MARCANTONIO], makes the point of order that the proposed amendment is legislation on an appropriation bill. It is very clear and apparent to the Chair that under ordinary circumstances the statement of the gentleman would be convincing and binding. There is no quesion in the mind of the Chair but what it is legislation on an appropriation bill. However, this appropriation bill is somewhat different from other appropriation bills which are reported, in that all points of order against legislation reported out by the Committee on Appropriations have been waived. Certain legislation being in the bill and being properly before the committee with points of order against the same waived, it is proper to offer any amendment which is germane to the legislative features of the bill.

The bill provides "to continue to provide relief and work relief on useful projects, in the United States and its Territories and possessions by the Works Progress Administration."

It seems to the Chair that the Works Progress Administration could prescribe such a rule under the powers conferred upon it by the language of the bill. If this is so, it follows that the Committee of the Whole can prescribe what shall follow in the administration of the law with respect to the subject matter of the pending amendment.

The pending amendment is different from the one first proposed in that the pending amendment does not include another Government activity, but confines its operation entirely to the Works Progress Administration.

It appears to the Chair that the amendment in its present form is germane and the Chair therefore overrules the point of order.

Mr. MICHENER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MICHENER. Do I understand the Chair to hold that because all points of order are waived against all provisions in the bill that the bill, by reason of that fact, is not subject to the rules of the House as applied to ordinary appropriation bills?

Mr. WOODRUM. Mr. Chairman, I submit that is not a parliamentary inquiry.

Mr. MICHENER. Then I do not know what you could ask the Chair that would be a parliamentary inquiry.

The CHAIRMAN. The Chair realizes the parliamentary situation, but the gentleman's inquiry is such a natural and pertinent one to make that the Chair would be very pleased to answer it in order that there may not be any misunderstanding.

The Chair, of course, rules on each particular amendment as presented. The Chair is simply ruling on this amendment as it appears to the Chair. The Chair does not undertake to state just what the limits are as to amendments that may be offered and the Chair, naturally, would not make any statement that would preclude the Chair from considering each amendment on its merits.

Mr. WOODRUM. Mr. Chairman, in offering the pending amendment I want to give credit where I think credit is honestly and fairly due. The distinguished gentleman from New York [Mr. BACON], a member of the committee, has been very much interested in this matter, and I think I do not violate any confidences of the committee when I say that in the committee the gentleman offered an amendment having for its fundamental purposes practically what is arrived at by the pending amendment.

I do not know whether it is the intention of the gentleman from New York to present his amendment in any other form or to discuss it, but if he does not I may say this about the amendment he probably would have offered if I had not offered this one.

There were two objections to the gentleman's amendment. First, that it was a limitation on all the appropriations in the bill. It did not apply to Work Progress Administration only, but applied to the entire bill, a very drastic provision that in the minds of many of the administrative officers would have set up at once an inquiry of every person employed under any appropriation in this entire bill, directly by the Government or by Government contractors, as to whether or not they were lawful American citizens.

Mr. BACON. Not lawful American citizens, because I did include aliens legally here.

Mr. WOODRUM. Yes; I accept the gentleman's correction. The amendment which has been offered goes as far, I believe, as you can go without setting up terrific administrative duties.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield for a question?

Mr. WOODRUM. I yield.

Mr. MARCANTONIO. Does the gentleman's amendment apply to all aliens?

Mr. WOODRUM. All aliens who are here now illegally.

Mr. MARCANTONIO. But that does not exclude from the provisions of his amendment those aliens who, while illegally in this country, are not subject to deportation?

Mr. WOODRUM. No.

Mr. MARCANTONIO. So such aliens are also deprived of the benefits under the bill?

Mr. WOODRUM. All aliens here illegally now are restricted merely from receiving work relief; that is, if there is one job to be given out and there are two men to get it, and one is an alien who is in the United States illegally and the other is an American citizen, the answer, I think, should be obvious.

Mr. MARCANTONIO. How does the gentleman propose to determine what aliens are here legally and what aliens are here illegally? There may be a registration of all aliens; is that correct?

Mr. WOODRUM. Not at all. This puts the duty on the administrative officers to exercise the best care they can consistent to determine who they are, consistent with prompt employment of the destitute unemployed.

Mr. MARCANTONIO. Under that language the executive officer may prevent any alien from receiving relief.

Mr. BLANTON. Suppose he did, it would be good, sound legislation. [Applause.]

Mr. WOODRUM. We feel that the amendment is a wholesome amendment to this bill and its operation, and I hope the amendment will be adopted.

Mr. STUBBS. Mr. Chairman, I offer the following substitute for the committee amendment.

The Clerk read as follows:

Page 22, line 8, insert after the word "appropriation" the following: "*Provided*, That no person shall be eligible for any benefit permitted under this appropriation who is not a citizen of the United States at the time of the approval of this act, or who does not possess a valid declaration of intention to become a citizen of the United States at the time of the approval of this act."

Mr. STUBBS. Mr. Chairman, I want to point out that the committee amendment does not go far enough. It does not reach to the bottom of this vital question. The committee amendment only forbids those who are illegally residents in this country from participating under the terms of this appropriation. This committee amendment is superfluous and unnecessary, because the law already provides that illegally entered aliens should be deported, whether they are public charges or not, and I suggest the enforcement of the law. If the alien is deportable, he should be deported until the law is changed.

I want to call attention to the fact that in the border States there is free ingress and egress between this country and Canada, Mexico, and the Latin American countries.

During the harvest season of crops in those border States these people come into this country and labor in competition with American citizens. After the crops are harvested they remain here and get on the relief rolls and remain on the relief rolls. They are perennial burdens on the relief rolls.

I am reliably informed that in one part of my district 40 percent of those on relief are aliens. They are not illegally here; they came here legally, but they have become a public burden.

Until we settle this question we are not going to settle the relief problem. We should cease providing for these aliens until we take care of our own people.

I know of no civilized country which would provide relief for aliens in the way that we are doing by giving them equal rights when they do not deserve it. The least an alien could do, if he is sincere, is apply for his first papers—which is all my substitute amendment requires.

Mr. DONDERO. Will the gentleman yield?

Mr. STUBBS. I yield.

Mr. DONDERO. How do these people come into the country, legally or illegally?

Mr. STUBBS. They come into this country legally.

Mr. DONDERO. But they remain here illegally after the work is done.

Mr. STUBBS. Not necessarily. For instance, under the present law, Mexicans and Canadians, in fact all people of the Western Hemisphere, can enter on a nonquota basis. This means that, provided they comply with the other provisions of the law, they are not subject to any limit in numbers. People of other hemispheres can only come here at the rate of so many each year, but the people of the Western Hemisphere can come in any number. They can stay for all of their lives if they so choose without taking one step toward becoming a citizen. Mexicans, for instance, come here in droves during the seasonal harvests, and after the work is done they simply go on relief. Because they have always been relief clients, they were not barred by rulings which decreed that applicants for relief would be eligible for relief provided they were on the relief rolls prior to May 1, 1935—or whatever the date was set around that time as the deadline. The W. P. A. had to set a deadline because there were too many applicants for the amount of money at hand, but the ruling barred many of our own citizens who spent their insurance money, sold their homes or other property, and hung on to their respectability as long as they could, and when they were forced to apply for relief, they found they had applied too late. It is a sad situation and needs correction.

Many worthy citizens of this country cannot participate under the terms of this proposed appropriation or under the current appropriation, because aliens are consuming a great part of our relief funds. It seems to me that the time has come when Congress should take notice of the alien question. I have one bill now pending before the Committee on Labor, dealing with the alien employment proposition, and that committee is kind enough to give me a hearing on the bill in a few days, but now is the time for us to stop feeding these aliens out of the moneys of the taxpayers of this country.

Almost every major nation of the world, except the United States, has laws or departmental regulations which give citizens preference over noncitizens in the matter of private and public works and in relief. Other nations, when they find a noncitizen on their dole or relief rolls, promptly ship the noncitizen back to his own country. They estimate, and correctly so, that it is cheaper to send a noncitizen back home than to support him for an indefinite period of time.

No one knows, apparently, how many aliens are on relief. Administrator Hopkins has conducted almost every type of census under the sun, but he consistently has declined to cooperate with me in the matter of determining how many aliens are on relief. Of course, it would be a big job to check the number of aliens on relief, but what of it—he is hard pressed to find jobs for white-collar people, and I believe

such an alien relief census would be helpful to those of us who make the laws. I have brought this subject to the attention of the W. P. A. on numerous occasions, and found little cooperation. I also have asked the Secretary of Commerce and the Secretary of Labor to cooperate in a move to determine how many aliens are holding jobs in private industry, but for some reason they view the suggestion with little interest. I am wondering if they realize that public opinion is being aroused to the point where wholesale deportations of aliens is being suggested in some quarters.

Recently, while testifying before a committee, the eminent and capable Daniel W. MacCormack, Commissioner of the Bureau of Immigration and Naturalization, pointed out that he has noted an increase of 66 percent in the number of aliens who have applied for their first papers and an increase of 33 percent in the number of those who have applied for their second or final papers. He ascribed this general rush to acquire citizenship to several reasons, most of them mercenary. He said that aliens are barred from city and State relief, and they want to participate—although the Federal Government does not bar them except in rare instances. He also pointed out that they are barred from some forms of public employment and that some private employers do not employ aliens who cannot show proof that they have applied for their first papers. Aliens also are barred from social-security benefits. Another reason for their flocking to become citizens lies in the fact that Congress recently reduced the naturalization fee from $10 to $5; and, he added for good measure, that aliens are becoming fearful of public opinion which might result in wholesale deportations. Commissioner MacCormack, in my opinion, properly classified these delinquent would-be citizens. The reason they want to become citizens is a mercenary one. Many of them, he said, lived here for many years and took no steps to become citizens until it appeared that their pocketbooks would be affected.

I certainly do not desire to deprive anyone of the opportunity to earn a livelihood nor to receive relief; but, when there are not enough jobs to go around or not enough relief money for all, I can see no reason why we should not give preference to those who are citizens or who have taken the first steps to become citizens.

I therefore ask that you accept my substitute amendment to protect the taxpayers and citizens of the United States from carrying the almost unbearable burden of relief—a burden heavily weighted with uninvited and unnecessary aliens.

The CHAIRMAN. The time of the gentleman from California has expired.

Several Members rose.

The CHAIRMAN. The Chair will recognize for the next 10 minutes, unless the time is otherwise limited, two Members to speak in opposition to the amendment.

Mr. MARCANTONIO. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MARCANTONIO] for 5 minutes.

Mr. MARCANTONIO. Mr. Chairman, I think we should consider this matter dispassionately and calmly. I believe we should not permit any feeling to enter into the matter. As a matter of fact our views on immigration may differ, but I submit that the proper place and time to consider restriction of immigration or dealing with aliens is in legislation coming from the Committee on Immigration, and such an important question should be settled only by orderly procedure. I am opposed to the amendment offered by the gentleman from Virginia because it would leave all aliens on relief, subject to persecution by relief administrators. If the substitute amendment offered by the gentleman from California [Mr. STUBBS] were adopted, hundreds of thousands, or maybe a few thousand—I do not know how many aliens—would be deprived of the benefits of the bill. What would then happen? You cannot deport them. You have no right to. They are not cattle. You cannot apply the same laws to private industry. You cannot legislate to compel private industry to exclude aliens, so that these relief workers who are not citizens, thrown off the relief rolls, must accept work at any kind of wage, no matter how low, so that these aliens who are trying to become Americans, who are trying to live up to the American standard of living, will be forced to acccept work at low wages in private industry. You are simply making more victims for exploiting employers. You are therefore creating more wage slaves.

Mr. FULLER. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. No. My time is limited. Further, why do you refuse to give aliens relief? These people are here legally; they are trying to become American citizens. Not only do you hurt him but how about his native-born children? They are American citizens. Starve the alien father and you starve his American children.

Mr. CURLEY. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. No; not now, my time is limited. When you declared war you appealed to aliens and citizens alike to go to war to fight for the United States, and thousands and thousands of aliens went, many from my district, and yet you are now trying to deprive them of relief. No restriction was placed against them when you needed men to fight and die, they went to war, and I know the widows of many of those who went. Those widows today are aliens, and you are going to deprive them of relief?

Mr. DUNN of Mississippi. How about Grover Cleveland Bergdoll?

Mr. MARCANTONIO. He did not live in my district, and as a matter of fact Mr. Bergdoll was a wealthy citizen of this country, living in the city of Philadelphia. The aliens gave proof of their love for this country with their toil and with their blood.

Mr. DUNN of Mississippi. Yes; night before last on the flag pole in front of the Supreme Court Building.

Mr. MARCANTONIO. How does the gentleman know that it was an alien who did that?

Mr. Chairman, I submit that these ambiguous, veiled charges are most unfair. I do not think they are American. I do not think we are acting in the spirit of Americans. All of our ancestors were aliens. Would you have wanted this kind of an amendment to apply to them? Would you have wanted restrictions placed on your forefathers when they came to this country? My friends, these aliens are here legally. They are seeking to live peacefully, they are patriotic at heart, they love America, they want to build America. Give them a chance to live, do not force them to starve or work at starvation wages. Force them into sweatshops, make them wage slaves, throw them at the mercy of exploiters, and you will not only starve them, but you will thereby tear down the wage structure of even the American workers.

Mr. CURLEY. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Yes.

Mr. CURLEY. Mr. Chairman, I represent a district adjoining the gentleman's district. I am speaking about the same sort of conditions that he has spoken about. I want to ask him whether or not this would affect aliens who had declared valid intention to become citizens.

Mr. MARCANTONIO. Yes; this last amendment.

Mr. CURLEY. Not at all.

Mr. MARCANTONIO. The substitute amendment says "any person who is an alien as of the date of the enactment of this law."

Mr. CURLEY. Then I shall introduce an amendment to take care of that situation.

Mr. MARCANTONIO. Why wait until then? It is now that we are dealing with this amendment. Why not defeat this amendment? Is the gentleman in favor of discriminating against aliens?

Mr. CURLEY. I will debate with the gentleman at that time about the conditions in his district and mine.

Mr. MARCANTONIO. I shall debate the gentleman on this issue any time; even in his own district, too.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BLANTON rose.

The CHAIRMAN. For what purpose does the gentleman from Texas rise?

Mr. BLANTON. I desire to speak in favor of the Stubbs' amendment.

The CHAIRMAN. The Chair cannot recognize the gentleman for that purpose at this time.

Is there any Member in opposition to either of these amendments who desires to be heard?

Mr. BOILEAU. Mr. Chairman, I am in opposition to the amendment.

Mr. DIRKSEN. I oppose the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from Wisconsin [Mr. BOILEAU] is recognized for 5 minutes in opposition to the pending amendment.

Mr. BOILEAU. Mr. Chairman, it seems to me we should discuss this matter and decide upon it dispassionately, fairly, and justly. I have no selfish interest in trying to protect the rights of any aliens who may be in this country. There are no members of my family, as far as I know, who are aliens, in this country. My district does not contain any unusually large number of aliens. I have not been approached by anyone who opposes this type of legislation, but the matter appeals to me purely and simply from the standpoint of human justice. We in this country have, either through force and effect of our laws or through laxity in the enforcement of our laws, permitted aliens to enter and remain in this country. Whether or not those aliens are here legally or illegally does not alter the situation; does not change the fact that they are human beings, just as human as any man or woman upon this floor.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. Not just now. If they are here illegally and subject to deportation under our laws they should be deported. If they are here in violation of our law they are subject to deportation; but are we going to deprive human beings who are here, whom we permit to stay here, and whom we do not force out of our country, of the only means they have of obtaining bread and meat? That is not human. That is not consistent with the basic principles of this country of ours. That does not seem to be the way our forefathers would have us, in this day, treat human beings who, for economic or other reasons, have chosen to come here. So long as we have permitted them to come here and permit them to remain here, we should not deprive them of the only opportunity they have to keep body and soul together.

Mr. WOOD. Will the gentleman yield?

Mr. BOILEAU. Not at this time.

There is no private or public agency other than W. P. A. that will give those people an opportunity to make a living. Who will take care of them? Shall they starve? Will we let them die for want of food? Is that the American way of handling the situation? If we do not want aliens in our country we should further restrict immigration and deport those who are here illegally, but if we do not exercise our right to keep aliens out of the country and to remove undesirable aliens, then we should not allow those human beings to starve.

Mr. WOOD. Will the gentleman yield now?

Mr. BOILEAU. I yield.

Mr. WOOD. Does the gentleman favor employing aliens who are here illegally in preference to citizens, when we know that there are yet millions of citizens who, as the gentleman says, are starving?

Mr. BOILEAU. I get the gentleman's point. I will say that we in this great deliberative body should not say that human beings who are in this country, either legally or illegally, should not have an opportunity to eat. If we need to appropriate more money, let us do so, but we should not take such an un-Christian and un-American attitude as is expressed by this amendment.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. BLANTON rose.

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. BLANTON. There is pending an amendment and a substitute to the amendment. I move to strike out the last word of the substitute amendment.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. BLANTON. Mr. Chairman, I am in favor of the Woodrum amendment, if that is the best we can pass, but as a better proposition I am in favor first of the Stubbs substitute, because I think it is a better amendment than that offered by the gentleman from Virginia. I think the Woodrum amendment is somewhat complicated and may not prove to be very effective.

The gentleman from New York [Mr. MARCANTONIO] is very much agitated and concerned about possible injustice in this bill to aliens. The question that most concerns me is justice to American citizens first. [Applause.]

The gentleman from New York said he was afraid that this amendment might cause a general registration of aliens. I only wish it would. I wish this Congress would wake up and pass a law—not years hence, but now—that would require every alien in the United States to register. [Applause.] Then we would put unlawful aliens out of here and give the jobs they are now holding to unemployed Americans.

The gentleman from New York [Mr. MARCANTONIO] said that we could not prove that it was aliens who came here on these Capitol Grounds in the nighttime, and, as an affront to our Government and to show contempt for all law and order, raised the Communist red flag of Soviet Russia over the United States Supreme Court Building the other night. The proposition proves itself. Where is there an American who be so despicable as would do that? Is there an American who would raise the red Communist flag over his Supreme Court? If there is, we ought to hang him. [Applause.]

Oh, they say some funny Harvard University students did it. If they had been caught in the act, they would have been shot by the guard. If any Harvard University students did do it, I call on Harvard, a great university, not to rest or sleep until it finds out what infamous scoundrels perpetrated such an atrocious act, and expel them permanently from that university. Nothing less than that will clear the good name of Harvard University. And the student body ought to apply a wet rope to such culprits for 2 hours. They do not deserve to affiliate with a decent school in the United States, and an imperative duty rests upon Harvard University to properly punish them, and to purge itself of such Communists.

A MEMBER. Is not the Harvard flag crimson red?

Mr. BLANTON. Yes; but it is of the honest and loyal kind, for the crimson red of Harvard does not carry any subversive sickle on its symbol; it is a proper, respectable crimson red.

I hope we will pass either the amendment or the substitute. [Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I know the Members are interested in this subject, but they have expressed themselves on it pretty thoroughly.

Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. TABER. I would suggest that the gentleman modify his request to include substitutes and extend the time to 10 minutes.

Mr. WOODRUM. Mr. Chairman, I modify my request.

Mr. Chairman, I ask unanimous consent that all debate on this amendment, substitute amendments, and all amendments thereto close in 10 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that debate on the pending amendment, substitute amendments, and all amendments thereto close in 10 minutes. Is there objection?

Mr. GREEN. Mr. Chairman, I object.

Mr. WOODRUM. Mr. Chairman, I move that all debate on the pending amendment, substitute amendments, and all amendments thereto close in 10 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair suggests in view of the fact that debate is limited to 10 minutes that Members have as much consideration as possible for others who desire to speak.

Mr. BUCHANAN. Mr. Chairman, I move to strike out the last two words, and I am opposed to the amendment.

Mr. FULLER. Mr. Chairman, most of those Members who have been recognized have spoken in opposition to the amendment. I think the Chair should recognize somebody who is in favor of them.

The CHAIRMAN. The Chair desires to recognize as many Members as possible and has tried to be as fair as possible in according recognition. Under the rules the Chair must alternate between those in favor of and those opposed to the amendment.

Mr. FULLER. I am for the amendment.

Mr. NICHOLS. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. Fifteen minutes have been utilized in favor of the amendment and 10 minutes in opposition to it.

Mr. WOODRUM. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOODRUM. I do not think the Chairman understood the gentleman from Texas to say he was seeking recognition in opposition to the substitute amendment.

The CHAIRMAN. The gentleman from Texas [Mr. BUCHANAN] is recognized for 5 minutes.

Mr. BUCHANAN. Mr. Chairman, if I can get through in less than 5 minutes, I will do so to give some other Member a chance.

Mr. Chairman, we do not want to go off half-cocked and bow to what we conceive to be a public or popular clamor. Let us sit here like men who give consideration to such legislation, figure out the results of the amendment and act in accordance with the dictates of reason. What is before us? The gentleman from Virginia [Mr. WOODRUM] offered an amendment to exclude all aliens who are illegally in the country from any benefits under this bill. This covers the situation and is as far as we ought to go.

In the first place less than 4 percent of the unemployed are aliens, whether they are here legally or illegally.

The amendment offered by the gentleman from California [Mr. STUBBS] provides as follows:

> No person shall be eligible for any benefit under this act who is not a citizen of the United States at the time this act is approved.

What is the effect of this? Every man now on the Works Progress rolls, or every man hereafter applying for work under this appropriation will have to be investigated as to citizenship, everyone. Think of it! The administrative expense will be terrific. The delay in getting people to work will be worse.

The second part of this amendment would exempt those who have declared their intention to become citizens.

Just think of the administrative cost. Between 2,000,000 and 2,500,000 people will have to be investigated as to citizenship.

Mr. FULLER. It does not say that.

Mr. BUCHANAN. It does.

Mr. FULLER. The amendment reads "those aliens who are not American citizens by naturalization or who have not filed a declaration of intention to become American citizens."

Mr. BUCHANAN. The amendment reads: "No person who is not a citizen at the time of the approval of this act."

Mr. FULLER. Or who has not filed his intention.

Mr. BUCHANAN. Wait a minute. Who is not a citizen of the United States; how are you going to find out about citizenship?

Mr. FULLER. Through his questionnaire, of course.

Mr. BUCHANAN. If you are going to take his questionnaire, why is it not provided in the amendment and stop some of this expense of administration? Did the gentleman ever try to trace down the citizenship of some old fellow who came to his office and wanted to know whether or not he was a citizen?

Mr. FULLER. I certainly would know how to go about it.

Mr. BUCHANAN. In the case of many aliens they have been here many years yet they have married and have children. Their wives may be citizens and their children are citizens but they themselves are not. Just think of it! Oh, gentlemen, be reasonable! Stand up like men, face the music and vote for what is right in the administration of this question.

Mr. DUNN of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Briefly.

Mr. DUNN of Mississippi. The gentleman has read the first part of the amendment. Will he not now be good enough to read the last part of the amendment?

Mr. BUCHANAN. Yes. If a man, of course, has already taken out his first papers, declared his intention to become a citizen, it does not apply to him.

Mr. DUNN of Mississippi. It is in the amendment.

Mr. BUCHANAN. I know it is.

Mr. McFARLANE. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Texas.

Mr. McFARLANE. Does the gentleman know of any country in the world outside of America that would put the burden on itself to feed other than its own citizens? The burden would be up to us to show that we were citizens of that country if we were going to be fed by it, and I think the same rule should be applied in the United States. I do not think we ought to feed aliens illegally in this country at all. I think we ought to cut them off the relief rolls.

Mr. BUCHANAN. Well, I do not cover so much territory.

Mr. McFARLANE. I do.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New York, a member of the committee, for 3 minutes.

Mr. BACON. Mr. Chairman, I am only going to take 3 minutes because I spoke on this proposal this morning in general debate. I am in favor of the amendment offered by the gentleman from Virginia because it is absolutely similar in purpose to the one I had intended to offer and which I did offer in committee.

There have been a lot of things said here that have nothing to do with the amendment offered by the gentleman from Virginia, which only applies to those aliens who are in this country illegally. Under our immigration laws those who came in illegally committed a felony when they came in, and that is all there is to the matter. This does not apply to the honest alien who is here legally with a valid document. Those we want to protect because they are potential American citizens, and that is the reason I am opposed to the substitute offered by the gentleman from California. I would not put a burden on those honest aliens who are here legally, and who are honestly trying to become American citizens.

Mr. Chairman, the substitute should be defeated, and the amendment offered by the gentleman from Virginia should be adopted. We do not want to replace American citizens on the relief rolls by illegal aliens who have under our own laws committed a felony when they entered the United States. They are subject to deportation and should be deported. [Applause.]

Mr. JOHNSON of Oklahoma. Mr. Chairman, the pending amendments, both of which propose to favor American citizens over aliens in expending funds for relief, are of vital significance. Both the committee amendment offered by Mr. WOODRUM and the substitute offered by my good friend the able and distinguished gentleman from California [Mr. STUBBS] deal with the same subject. Either, in my judgment, will mean, if adopted, that at least 300,000 aliens, who are in this country illegally and who have no desire to become American citizens, but who are now on the relief rolls, will be taken off and replaced with 300,000 loyal but jobless American citizens.

Mr. Chairman, it is somewhat surprising to hear a Member of this body actually defend an alien who is here illegally and who has made no effort to ever become an American citizen. The gentleman from New York City [Mr. MARCANTONIO] appears to be very much exercised lest the Stubbs amendment or the amendment offered by the committee, if adopted, might cause a registration of all aliens in the United States. I wish it went that far, but I am sure it does not.

It is estimated that more than 5,000,000 aliens are now in the United States illegally. More than 300,000 of these have W. P. A. jobs that belong to loyal American citizens. Millions of others have jobs in private industry. These aliens ought to become American citizens or be deported. [Applause.]

May I add that I voted for a similar amendment when offered in the Appropriations Committee. I urged its adoption then. I urge the adoption of the Stubbs amendment now. It has real teeth in it. But if the Stubbs amendment should be defeated, then certainly there should be no objection to the amendment offered by the committee, which is a great step in the right direction. [Applause.]

Mr. ROBSION of Kentucky. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. ROBSION of Kentucky. Mr. Chairman, ladies, and gentlemen, the bill before us, H. R. 12624, designated as a deficiency appropriation bill, carries $2,364,229,712.53. It covers money paid out and obligations incurred by various bureaus and departments without having been appropriated or authorized or directed by Congress, and to carry on various projects of the administration.

It is urged that this is necessary for the most part to take care of unemployment.

At the request of President Roosevelt, in June 1933 the Democrat "rubber stamp" Congress turned over to the President $3,300,000,000, with almost unlimited authority to take care of unemployment and bring about prosperity. It was then urged by the New Dealers that this sum would wipe out unemployment and restore prosperity. It was claimed at that time that there were 10,000,000 unemployed persons in this country and that those needing relief numbered approximately ten to fifteen million persons.

In January 1935 President Roosevelt claimed that unemployment and need of relief were still with us and urged Congress to give to him, with dictatorial powers, an additional $4,880,000,000 for unemployment and relief. We were assured by the Democratic leaders that this sum would certainly wipe out unemployment and restore prosperity and no further sum would be needed for these purposes.

To the amazement of the country, President Roosevelt recently sent a message to Congress in which he stated that there were approximately 5,300,000 families and unattached persons in need of some form of public relief. It is estimated that there are 4.3 persons to a relief family; therefore the President admitted that there are now over 20,000,000 persons needing relief.

Mr. Hopkins, the Relief Administrator, in his testimony this week before a congressional committee, claimed that there were more than 20,000,000 people in this country still needing relief.

William Green, president of the American Federation of Labor, a good Democrat, issued a statement a few days ago in which he declared that there are over 12,000,000 unemployed workers in this country.

These three appropriations alone amount to more than ten and a half billion dollars. This is more than two and a half times the entire cost to this Government of fighting and winning the Civil War. Of course, this does not cover all that has been appropriated. The bill before us covers nearly two and a half billion dollars, but it is merely a deficiency bill. Our friend and colleague from Kentucky [Mr. MAY] in his speech to us a few minutes ago declared that the Seventy-fourth Congress, which began on January 3, 1935, has already appropriated and authorized the expenditure of more than $20,000,000,000—five times as much as the cost of the 4 years of the great Civil War, and this sum has been appropriated and authorized in less than 17 months. Our colleague, Mr. MAY, calls to the attention of his Democratic colleagues and the country that this wild orgy of spending must cease or our Nation will be facing bankruptcy.

The Secretary of the Treasury, Mr. Morgenthau, testified before a Senate committee the other day and pointed out that our Government was facing a deficit for the present fiscal year of approximately $6,000,000,000, and more than likely there would be a deficit in the next 14 months of $9,000,000,000. In other words, with the increase of a billion dollars annually of taxes under the Roosevelt administration, the Secretary of the Treasury asserts that under present plans of the administration our Government will expend within the next 14 months approximately $9,000,000,000 more than its revenues. I think it can be said without fear of successful contradiction that the Roosevelt administration, when the 4 years are up, will show a deficit of at least $16,000,000,000 and a national debt somewhere between thirty-five and forty billions of dollars. Many outstanding Democrats of the Nation as well as Republicans are becoming very much alarmed over this situation.

The New Deal administration justifies these extraordinary expenditures, deficits, and debts by saying that they were and are necessary to wipe out unemployment and restore prosperity. The question arises: Have the policies of the New Dealers accomplished either one of these purposes?

REPUBLICANS FAVOR NECESSARY AND ADEQUATE RELIEF

No Member of this House is more deeply or sincerely in favor of providing adequate relief for all of our citizens who need relief and cannot help themselves than I am. Every Republican in this House favors adequate relief for the needy. The Republicans do not object to the amount necessarily expended for the relief of the needy. We do strenuously object, however, to the manner in which relief has been handled and the New Deal proposes to handle it. We insist that the people of this Nation are entitled to have a dollar's worth of benefits for every dollar of tax money expended. The relief money should go to those who need relief. More than 300,000 new officeholders have been put on the backs of the American taxpayers, while unemployment has increased among the workers. This relief money has been used, however, to provide jobs for Democratic politicians and ward heelers. This administration, with the use of the relief money, has certainly cut down unemployment among the Democratic politicians. In some places authentic, authoritative reports indicate that more than 90 percent of the relief money has been used for so-called overhead expenses and only 10 percent disbursed to the needy.

This policy of using this relief money to build political machines, promote partisan politics, favoritism, and to club needy people into supporting candidates and a party against their will is one of the things condemned by the Republicans, by thousands of leading Democrats, and by the American people.

There are many items contained in this bill that are for worthy purposes and worthy causes. I certainly approve of the purposes for which much of this appropriation is intended.

POLITICS AND FAVORITISM

The Republican Party is doing everything humanly possible to amend this bill so as to divorce relief work and other relief from the blighting influence of partisan politics and favoritism. Mr. Hopkins was recently called before a committee of Congress, and, according to his own testimony, his relief organization throughout the Nation is honeycombed with fraud, favoritism, corruption, and politics. More than a thousand cases of fraud and theft have been uncovered by Federal agents, and there have been hundreds of convictions, according to the testimony of Mr. Hopkins. Political favoritism has raised its ugly head throughout the country. Relief money has been used to put on rackets, he admits. In

my own State, according to the leading Democratic newspaper, relief agents in one county got away with $200,000. A large number of those charged with this fraud and graft have been indicted and convicted and given terms in the penitentiary. How many other counties in the United States have suffered likewise, nobody knows.

It is not necessary, however, for us to rely upon the testimony of Mr. Hopkins or Republican critics. Senator HOLT, Democrat of West Virginia, has in public addresses throughout West Virginia and in other places declared that the Relief Administration in West Virginia is reeking with fraud and politics. He cites many specific instances. He charges that the relief money is now being used in West Virginia to promote one Democratic faction against another Democratic faction. Similar statements have been made by the Democratic Governor of Colorado. Democratic Members of Congress have charged that in recent primaries the relief money was used against them and to support other Democratic candidates for Congress. In our election last year in Kentucky relief funds and other money appropriated for Federal projects were used to browbeat and intimidate the voters of Kentucky in aid of the Democratic candidates.

The Republican Party has just as much sympathy for the needy and is just as anxious that the hungry be fed and the needy be clothed and sheltered as any New Dealer. We do insist, however, that the money appropriated for relief go to those who need relief and not to a great army of New Deal politicians—that no partiality or favoritism be shown and that every needy American citizen be treated alike. We insist that if these policies were adhered to, the needy of this country could and would be cared for adequately and better than they have been, and that this would effect a saving to the taxpayers of from 25 to 50 percent.

PERMANENT AND NECESSARY PROJECTS

At the suggestion and invitation of the Government, last year the people in practically every county and various communities throughout the Nation submitted substantial projects for the purpose of putting in waterworks, sewer systems, building courthouses, municipal buildings, school buildings, streets, highways, and so forth. These were all needed, necessary, useful, and permanent public improvements. These projects were approved by the States and Federal Government, but so much of the $3,300,000,000 and of the $4,880,000,000 had been wasted on boondoggling and fantastic and useless schemes and projects that thousands of these real honest-to-goodness projects could not be built. Now, in preparing and submitting these permanent and necessary projects, the people of these various counties and communities consumed a great deal of valuable time and incurred a great deal of expense.

There is carried in this bill an item of $1,425,000,000 for so-called work relief. Mr. Ickes, Secretary of the Department of the Interior, desired a lot of this money to be earmarked for these permanent, substantial, useful, and necessary public projects, and I am informed that about 160 Democratic Members of the House and many of the Republicans favor approximately $700,000,000 of this money being earmarked for this purpose.

In my own congressional district, as in the congressional district of each and every Member, there are a great many of these permanent and useful projects, at Brodhead, Albany, Corbin, Pineville, Middlesboro, and other places, and there are such projects in practically every other county in Kentucky. I have been urged to favor the earmarking of this money, and I have pointed out to my constituents and to others throughout Kentucky that I strongly favored this program.

Let us not forget that we borrowed the money for this so-called work and direct relief and we are borrowing the money included in this bill for work relief. This debt, as well as the other billions of debts piled up by this administration, must be paid by our children and our children's children. May I appeal to the Democrats of this House that in the expenditure of this money it should be used for necessary and permanent improvements so that our children and our children's children, who will have to pay these debts for the most part in taxes worked out and sweated out by them, may see some of the benefits that they are enjoying by reason of the expenditure of this money, and in that way create respect for us rather than contempt. If we waste this money on boondoggling and other wild schemes which will result in no benefit to our children and our children's children, how can they entertain for us anything except contempt for burdening them with these enormous debts?

Now Mr. Hopkins desires all of this money, $1,425,000,000, turned over to him. He opposes its being earmarked. He is the fair-haired, spending, boondoggling boy of the administration. He never had any money or business of his own to spend and for that reason feels that he is peculiarly fitted to spend all these billions of the taxpayers' money. He is a real New Dealer. He favors "sock 'em with taxes" and turn all this money over to him without strings so that he may continue his policy of politics, favoritism, boondoggling, and partiality.

It is easy to see that if this $1,425,000,000 is turned over to Mr. Hopkins without strings he can spend it where, when, and on whatever projects that might meet his fancy. The President and others of the high command of the New Deal who are "hell-bent" on reelecting Roosevelt have taken the side of Hopkins, and they are using clubs on the Democrats who favor the earmarking of this money and spending it in a legitimate, helpful way to the people of this country. We Republicans intend to do all we can to amend this bill so as to take favoritism and politics out of it and have this money spent in a way that will help the people the most and at the same time give more work relief than under the plan proposed by the President and Hopkins. I am afraid, however, that this Democratic "rubber stamp" Congress will let Mr. Hopkins have his way.

Before the A. A. A. and kindred agencies were knocked out by the Supreme Court there was a great shower of checks sent to beneficiaries just before election time. Mr. Roosevelt and others of the high command of the New Deal know that if Mr. Hopkins is given a free hand with this money he will be able, with the other money that is still in his hands, to employ, under some scheme or other, millions of people in September and October and up to and including election day in November 1936. This is a bold and daring plan to finance the Democrats' campaign this year out of the United States Treasury. Many Democrats in the House and Senate and thousands of patriotic Democrat leaders throughout the Nation, who love their country more than they do this New Deal party, realize that this is wrong and will hurt rather than help the country. It will do exactly in the future what it has done in the past—retard recovery, increase unemployment, and increase the relief rolls. Moreover, it will go far to break down the moral fiber of the people of this Nation. It will discourage honest enterprise, promote corrupt politics, encourage waste and extravagance as well as profligacy. The American people one of these days will rise up in their might and smite those who would wreck this country to further their own selfish political ambitions.

As further evidence of the purposes of the New Deal crowd, the Republicans have attempted to get through an amendment to have these projects on which public funds are to be used to be passed upon by a nonpartisan board and the funds disbursed by these boards and to make it unlawful for anyone connected with the expenditure of this money to intimidate or attempt to bribe any voter with relief funds or to force them to vote one way or the other for candidates for Presidential electors, Senators, and Representatives; but the New Deal crowd in the House objected to this, would not permit any such protection to be thrown around the people's money, or to protect needy people who must have these jobs from being harassed and threatened and forced to vote against their honest convictions.

KENTUCKY, $369—NEVADA, $3,077

As further evidence of the favoritism practiced by Hopkins and other New Dealers to whom has been turned over these billions of dollars by a "rubber stamp" Congress, I

invite you and the country to study the favoritism and partiality shown in the distribution of relief work and relief money among the States.

For instances, for the years 1933, 1934, and 1935, the Federal Government gave the average family in Nevada $3,077, but the average family in Kentucky received in 1933, 1934, and 1935 from the Federal Government only $369. In other words, the average family in Nevada received nearly nine times as much as the average family in Kentucky.

The average family in Nevada received the highest amount of any State in the Union, and Kentucky received the lowest.

The average family in Wyoming received for that period $1,619. This is over four times as much as Kentucky. The average family in Montana received $1,141 for that same period. The average family in New York received $968—nearly three times as much as the average family in Kentucky.

Nevada is a rural State with no large cities. Kentucky has some large cities and a large number of industrial centers where there is a great deal of unemployment, in the coal mines, and so forth. Why should Kentucky families have received the least of any State in the Union?

It is made possible under this cruel and un-American system of placing these large sums of money with dictatorial powers into the hands of one man. The sky is the limit for him to play politics and show favoritism and partiality.

Only a few weeks ago I sent more than 7,000 questionnaires to the people of my congressional district seeking information and their opinion on various matters. These questionnaires were sent to all classes of citizens, many of them on relief. They were sent to at least 10 persons in each voting precinct. Among these was this question: "In your opinion, are the Government money and jobs being used for political purposes?"

I received more than 5,000 responses, and, with the exception of less than a dozen, they made positive answer, "Yes."

In looking over the daily statement of the Treasury of the United States on yesterday, May 7, 1936, I observed that the Government's receipts amounted to a little over $10,000,000. Expenditures amounted to a little more than twenty-five millions. In this same questionnaire I asked these people if they favored a policy of continued deficits and debts, and without exception they answered "No." I also asked them if they favored Congress taking away from the Supreme Court the right to pass upon the constitutionality of the acts of Congress, and I was very much gratified that all answered positively in the negative, with the exception of some 10 or 12.

The people in my district favor, as I do, adequate relief for the needy, but they condemn, as I do, the attempt of the administration to play politics on the misery and distress of the American people and the waste of the public money; and likewise they condemn favoritism, partiality, and partisanship in the distribution of work-relief jobs and relief funds.

I hope that this measure may be so amended that those needing relief will receive it without regard to race, politics, creed, or color, and so that all American citizens who are in need may be treated alike.

THE GREAT PROBLEM—UNEMPLOYMENT

Although appropriations have grown larger and larger, and the deficits and national debt have increased by leaps and bounds, yet President Roosevelt; Mr. Hopkins, Relief Administrator; Miss Perkins, Secretary of Labor; and many other leading New Deal Democrats tell us that relief and unemployment are not temporary matters but are and will be permanent.

The question arises: Can the Nation continue long to expend billions of dollars more each year than it takes in in revenues, and borrow more and more money and at the same time see unemployment and relief rolls grow instead of diminish?

The reason advanced for the great deficits and increase in the national debt by the expenditure of these large sums of money was to cut out unemployment and relief. Undoubtedly there must be something wrong with the policies pursued, or unemployment and relief rolls would not increase. We have seen the number on relief nearly doubled since June 1933 and the number of unemployed workers has increased from 10,000,000 to 12,625,000, although the administration some months ago removed from work relief and direct relief 1,500,000 unemployables in this country.

Who are the unemployables? Most of them are heads of families, and this means some four to five million people who have been taken off relief and cast back upon the States, counties, cities, and communities for help. They are the blind, the disabled, the aged, and infirm. In other words, they are people who cannot work. Was it not a cruel policy for the Federal Government to deny relief to the blind, the crippled, the disabled, and to the aged needy? Most of them have worn themselves out in helping to build up this country.

Many of us believe that there are some sane, sensible policies which, if adopted and carried through, would in a large measure solve the problem of unemployment and greatly reduce the tax burden of the people of this country.

FOREIGN IMMIGRATION—RECIPROCAL-TRADE AGREEMENTS

It is generally agreed, while no one knows and the administration refuses to take the necessary steps to find out, that there are at least 7,000,000 alien adults in this country, and that about half of these alien adults came into this country illegally. They slipped in or were smuggled into our country in violation of law. Every alien coming into this country illegally or smuggled into this country commits a felony. The number of aliens being smuggled into our country is increasing every day. In the last 10 years it is believed by those who have made a careful study of the question that at least 500,000 alien seamen have deserted their ships on arriving in American ports and are now scattered about over this country. At least 2,000,000 Mexicans have come into our country in the last few years under the guise of working on the sugar-beet farms and in sugar-beet institutions and to work in other capacities. A large majority has remained in this country and a large majority of them are now depending upon relief. Other millions have come in over the Mexican border, the Canadian border, and on the Atlantic and Pacific coasts.

Most of these aliens are heads of families. Millions of them, with their families, are now on some form of relief, either Federal or local.

I have no feeling against anyone because such person is an alien. Millions of these aliens have been here for many years and have enjoyed the blessings and opportunities of this country, but have never thought enough of your country and mine to become citizens.

But is it not your duty as well as mine as Members of Congress to take care of our own citizens, native born and naturalized?

PROVIDE FOR OUR OWN HOUSEHOLD

The Holy Bible declares that—

He that provideth not for his own household has denied the faith and is worse than an infidel.

Mr. Chairman, ladies, and gentlemen, in order to carry out that policy for the United States I offer the following amendment to the bill:

No part of this appropriation shall be paid out on account of any wages, salaries, or other relief benefits to anyone who is not a citizen of the United States.

When Mr. Hopkins testified a few days ago before a congressional committee he stated that everybody was treated alike—citizens, aliens, aliens illegally entered, criminal aliens, and all. Our colleague, Mr. MARCANTONIO, of New York, urges that we should treat all alike, give the same character of treatment to aliens, whether they were smuggled into this country or are criminal aliens, the same as American citizens. He intimates that a Member of this House that would not subscribe to that doctrine was wanting in human kindness and Christian charity. I am sure that many other Members of this House, as well as myself, have as much of the milk of human kindness and Christian charity in our hearts as our colleague, Mr. MARCANTONIO. Does not the Holy Bible, as the guide of human conduct, urge that we

must provide first for our own household? I conceive it my sworn duty to first look after the welfare of the household of the United States. No head of a family can justify his conduct in permitting strangers to slip into his house and take away the beds and food from his own family. Our first duty is to our own citizens.

Aliens are not under the same obligations to this country as our citizens. When the clouds of war gather we can call our citizens to the defense of our flag and our country, but we cannot compel and have never compelled aliens to defend it. During the World War it is said there were approximately 1,000,000 able-bodied young men within the draft age of the allied countries living in our country. They were not citizens of this country. We could not force them into our Army and Navy because they were aliens. The allied countries that we were helping in the war could not force them into their armies and navies because they were not over there. I was not a Member of Congress, but I have wondered why the American Congress permitted these aliens to remain in this country and at the same time voted to send our own boys by the millions to European battlefields and to the seven seas of the world at $1.10 per day to help save these allied countries. These same able-bodied young aliens, with other millions of aliens, remained in this country receiving on an average of approximately $10 per day for work as wages, and, of course, many of those who engaged in business and other pursuits made much larger sums. When our boys came back home they found the jobs they had left in hundreds of thousands of instances taken over by aliens, and a lot of them still have those jobs.

I have heretofore pointed out that William Green, president of the American Federation of Labor, reports there are over 12,000,000 unemployed workers in America, and President Roosevelt and Mr. Hopkins state there are over 20,000,000 people needing relief, and among these are 1,500,000 unemployables (made up of the halt, the blind, the lame, and the aged needy). The Federal Government is denying to this 1,500,000 unemployables any relief. Millions of these aliens have been supported by work relief and direct relief and, unless something is done, will be supported out of this work relief. We are not providing jobs or relief for all of our American citizens who need relief. The Federal Government is not providing any relief for these 1,500,000 unemployables, a very large majority of whom are American citizens.

Let us bear in mind that these foreign countries are not providing work relief or direct relief to American citizens, except it might be in rare cases. It matters not how skillful a mechanic may be or how proficient any other American citizen may be able to do certain work, the laws of France, Switzerland, Italy, and many other countries prohibit the employment of such American citizens if any citizen of that particular country can do the work and desires to work. In other words, the jobs must go to citizens of those countries first. Ours is the only country that has become the dumping ground and garbage can and Santa Claus of the world.

Before we have finished with the World War, it will cost this country over $100,000,000,000. We loaned these foreign countries billions of dollars. They owe us $12,000,000,000. All of these countries, with the exception of little Finland, refuse to pay any part of the principal or interest on these honest debts. These same countries are spending billions of dollars to increase their navies and armies, and thereby threatening the peace of the world and our own national security. Congress, last year and this year, has appropriated $2,000,000,000 for national defense—the largest appropriations in peacetime in the history of this country. The administration claims this is necessary because of the large sums being expended by foreign governments in increasing their armies and navies. With all of these circumstances and facts before us, is there any good reason why this Nation should provide billions of relief for aliens who have never thought enough of this country to become citizens? If they desire the benefits of American citizenship they should become citizens, so that when war comes they could be called upon to defend the country that has fed and protected them.

This country should deport not only the smuggled in aliens, the criminal aliens, but all other aliens who are depending upon the United States Government for support. It would be much cheaper to furnish transportation to deport these aliens than it would to provide them support. If this should be done, it would reduce the number of our unemployed in this country by millions and, at the same time, reduce the number on Government relief by several millions. The President, Hopkins, and Miss Perkins say under the present setup unemployment and relief is permanent. A great army of unemployed is a menace to any country. This is the real big American problem, and we must face it and solve it. Literally millions of the defenders of this country, and the sons and daughters of our defenders, are walking the streets and highways seeking employment that they cannot find. Many of them are in dire need but are too proud to accept relief from the country that they or their fathers protected and defended.

Can any Member of this House take the position that we must continue through the years to deny employment to our defenders and their sons and daughters and, at the same time, require the overburdened taxpayers of this country to support millions of aliens?

Our Democratic colleague from California has offered an amendment similar to mine, and I earnestly hope that his amendment, or my amendment, giving these relief-work jobs to American citizens will be adopted.

REYNOLDS-STARNES AND KERR-COOLIDGE BILLS

This administration, instead of trying to reduce the number of aliens in this country, has been driving with boot and spur to put through the obnoxious Kerr-Coolidge bill that will break down our immigration laws and increase the number of aliens in this country and at the same time thwart deportation of several thousand criminal aliens. I am pleased to see, however, the American Legion, the D. A. V., the D. A. R., the Junior Order of American Mechanics, and literally hundreds of other patriotic organizations in this country, both civil and military, fighting this administration Kerr-Coolidge bill. The American Federation of Labor and other labor organizations have also denounced its provisions, because they say it would tend to break down our immigration laws and increase foreign immigration.

The administration is backing the Kerr-Coolidge bill because it is so closely identified with the large alien groups in this country. They are afraid they might lose votes in the great alien centers in New York City, Chicago, Boston, and other big cities. These great veteran, military, and patriotic organizations are doing what they can to get through the Reynolds-Starnes bill. I strongly favor this measure. It provides that every alien in this country shall be registered and fingerprinted, and a lot of them deported, and cut down the quotas of immigrants at least 90 percent, and apply the quota restrictions to the countries of the Western Hemisphere as well as the other countries of the world.

We have pointed out there are millions of aliens in this country illegally. Among these are thousands of gangsters and criminals, like Hauptman, who murdered the Lindbergh child. He was smuggled into this country. They smuggle them in over the Mexican and Canadian borders and through our long coast lines on the Atlantic and Pacific. A few days ago the Governor of Colorado declared martial law on the Mexican border to keep his State from being filled up with Mexicans. Other States are threatening to do the same thing. The only way to find out the aliens that are in this country illegally is to require all aliens to register. This administration is spending millions of dollars on the boondoggling project of sending people around to find out if the houses on the various streets of our cities are properly numbered. That is a local matter for the officers and the people living in those cities. If the manner in which the houses are numbered suits the people in those cities, why should the taxpayers' money be spent on this useless thing? It would serve a good purpose if we would spend some money to find out where the aliens, the gangsters, and the smuggled aliens are and how many there are. It is high time that we set about to clean up our own country and put our own house in order.

It has been well said that if we do not Americanize the alien he will alienize America. If other countries will not employ American workmen and provide relief for millions of needy Americans, why should we provide work and relief for citizens of those countries? Let us send them back to their own countries and let those countries take care of their own citizens, and perhaps then they will not have the money to increase their armies and navies and threaten our own peace as well as the peace of the world.

RECIPROCAL-TRADE AGREEMENTS

Other Republicans and Democrats in this House, as well as myself, have heretofore pointed out the harm that has been done to this country by the so-called reciprocal-trade agreements that this administration has put through with a great many of the nations of the world. This administration has broken down our immigration laws. They have refused to protect American citizens from the influx of foreign immigration. They have tried to further break it down by the passage of the Kerr-Coolidge bill and have refused to pass that great patriotic American measure, the Reynolds-Starnes anti-immigration bill. We have pointed out how the administration could cut down the unemployment and relief rolls by millions if a good strong American policy was adopted.

These reciprocal-trade agreements have broken down our tariff walls and have turned over American markets to foreign farmers, industries, and workers. The increase in imports of corn from foreign countries in 1935 increased 2,500 percent over 1934, the importation of pork products increased 3,200 percent in 1935 over 1934, the importation of beef products increased 6,000 percent in 1935 over 1934. There was brought into this country in 1935, 276,324,000 pounds of hides, 256,525,000 pounds of tallow, 158,758,000 pounds of carpet wool, countless millions of pounds of butter, and millions of dozens of eggs, and everything else produced on the farm. Our export of cotton in 1935 was reduced more than half of what it was in 1932. We exported 95,000,000 more bushels of wheat in 1932 than we did in 1935. We exported 530,000,000 more pounds of animal products in 1932 than in 1935. We collected more than a billion dollars of processing taxes, and paid them out to people to destroy cattle, hogs, pigs, cotton, corn, wheat, and so forth, and took 40,000,000 acres of productive land out of production. This included 10,000,000 acres of cotton. This put 500,000 cotton farmers, mostly tenants, in the South on relief, and this cut-out took away the jobs of several million American farmers, farm tenants, and farm workers, and put millions on relief.

The truth is and the record shows that it would require 50,000,000 acres of productive American farm land to produce all of the farm products that have been shipped into this country under the New Deal and to replace the cut-down in our exports on account of the New Deal farm policies. If these policies should be cut out, it would reduce the unemployment and relief by many millions. Japan in 1934 shipped in a very small amount of textile goods. In 1935 it had jumped to 30,000,000 yards, and what has been said of textiles in Japan has been duplicated in various articles from the industries of the various countries of the world.

If we protect American labor from aliens and protect the American farmers and industries by cutting out the dumping of foreign goods and foreign products into this country, we will cut off other millions from the unemployed and relief rolls. I am unwilling to believe that this great, rich, wonderful country of ours must in the future have a great permanent army of millions of unemployed and a great permanent army of millions on relief rolls. It has been charged over and over on the floor of the House and Senate and elsewhere that it is believed this administration desires to keep this depression going and the people in need and distress until after the November election and under that pretext use these billions of dollars to coerce the needy American voters to continue in power for another 4 years this administration.

ENCOURAGE AGRICULTURE AND INDUSTRY

No nation has had prosperity with scarcity. Let us encourage our farmers to produce, at least enough to supply the demands of our own country and protect our farmers from this enormous importation of farm products.

The Republican Party has always stood for high wages for our workers, high prices for our farmers, and a fair return for those who have their money invested in industry. If the farmers produce a surplus and the world market has a tendency to depress the price, let our country take care of that difference and uphold the price of farm products. This could be done with not more than $200,000,000. As it is, we are spending billions on the farm problem, and the farmers of foreign countries are furnishing us our supplies and our farm workers out of work and on relief. Let us keep our farmers busy, and they will be able to buy the products of our factories, mines, shops, and mills. We should encourage American industries.

This administration appears to be obsessed with the idea we must destroy American industry. If our farmers were busy and industries were busy, we would find millions of jobs open for our people. Our people do not want relief, they want jobs, good wages, and an opportunity to earn an honest living for themselves and their families. Let us encourage thrift, self-reliance, and economy. With the attitude of the present administration the average person with a few dollars is afraid to invest it in any productive enterprise. Let the Government get out of private business. Let the Government spend its work-relief money on honest-to-goodness necessary, permanent public projects—highways, streets, courthouses, school buildings, and so forth, and pay honest-to-goodness wages for the service.

I favor another amendment to this bill, and that is, that the Government be required to pay the prevailing wages that are paid for similar services in the community in which the work or services are rendered. In some places in my district needy people are required to walk as far as 9 miles to some boondoggling job that paid but a little over $1 per day, and then walk 9 miles back home. Eighteen miles is a very good day's work itself.

If sane policies had been adopted by this administration, we would have been out of the depression long ago. We honestly believe that the American people, when they have an opportunity, will elect a President and a Congress that stands for policies in this great rich country of ours that will reduce instead of increase the unemployment and relief rolls, and reduce instead of increase the great army of office-holders and the scores of bureaucratic agencies, that will reduce instead of increase the tax burden of the people, and that will cut out deficits, balance the Budget, and stop the growth of the national debt.

Mr. FULLER. The amendment offered by the gentleman from Virginia [Mr. WOODRUM] will restrict only the criminal aliens and, in my opinion, will not apply to aliens generally who are on the relief rolls. The amendment offered by the gentleman from California [Mr. STUBBS] as a substitute provides that aliens who have not become American citizens and who have not filed their intention of becoming American citizens shall not be eligible for relief. In my opinion, the Stubbs amendment should be adopted. The gentleman from New York [Mr. MARCANTONIO], in opposing this amendment, says there are a great many aliens in this country who want to become American citizens. If that is true, why have not they qualified, or at least filed their intention to become citizens? Those who cannot qualify and have not attempted to qualify are certainly not entitled to any relief under this measure.

In my opinion, there is not a country in the world that would take the taxpayers' money and give it out as a dole for relief for Americans. I have heard this bill referred to by the gentleman from Virginia as an unemployment program. The truth of the matter is the main relief part of this bill carries a billion and a half dollars and is nothing more or less than a dole. It is relief for those who are in distress. It is high time that we should do something to protect Americans who are in distress. We realize that this appropriation is small in comparison to what those on the relief really need in order to make a decent living. We also realize that we have to anticipate that this program cannot be carried on indefinitely, and there must be a stopping point somewhere. Why

should we take American taxpayers' money, money out of the Federal Treasury, and use it for the purpose of feeding aliens who are in this country illegally? What we need is a rebirth and a realization that we should look after our home people first and more rigidly enforce our immigration laws. It is a well-known fact that the enforcement of immigration laws in this country in the past has been a joke.

I am convinced from arguments offered here on the floor of this House that there are many aliens in this country who are good citizens, some of whom have furnished soldiers for the World War, who cannot qualify on account of being unable to read or write. Meritorious cases should be carefully dealt with, but they are few in comparison with the wholesale unlawful entry of foreigners in this country.

It is claimed we have 10,000,000 unemployed in this country today. In my opinion, our labor condition in America is mostly caused from aliens performing tasks and labor which rightfully belongs to Americans. Even if these aliens are lawfully in this country, there is no reason why they should live at the expense of the Government, and, in my opinion, most of them could and would be taken care of by their relatives.

This is a question of policy, and the real question is, Shall we take our American people's money for relief dole for foreigners when we are not financially able to appropriate as much as we would desire to take care of the poor and distressed Americans in need?

Mr. NICHOLS. Mr. Chairman, it is difficult for me to understand how Members of Congress, whose constituency supported them and sent them here, made up of American citizens, can fail to support an amendment to a bill which provides simply that the benefits of the legislation shall go to American citizens. I am willing to go that far myself. Certainly no one can fail to support the committee amendment which simply says that those people who are not American citizens and who are here illegally cannot have any of this money that should go to American citizens. This money comes from American citizens and, therefore, I cannot for the life of me see why anyone could fail to support the Stubbs amendment in the first place, and if not that amendment the committee amendment. I heard only yesterday a statement made on the floor to the effect that probably the billion and a half dollars provided for in this bill will not be sufficient to take care of the unemployed of the United States. If it is not, every nickel of this money that is spent on an alien, to that extent you take relief and assistance away from destitute American citizens.

Mr. Chairman, I sincerely hope the House will adopt the Stubbs amendment, and if not that amendment, then the committee amendment.

Mr. DIRKSEN. Mr. Chairman, let me submit to you as a practical proposition that Harry Hopkins was probably right when he said to the Committee on Appropriations that he could do little in this matter of discriminating against aliens on the W. P. A. rolls.

We may look at it in this way. If an illegal entrant into this country is single and unencumbered with a family, he will find a job and he will find some bread and beans somewhere without resorting to W. P. A. If, however, such an alien has a family consisting of an American wife and American children, what are you going to do about him? If, within the tenor of this amendment, you strike his name from the relief rolls, you have left a wife and her children, who are American citizens, high and dry and hungry. On the other hand, if you say to me that the wife can apply for relief, then I will say to you that you will have the spectacle of having stricken an alien from the rolls whose wife goes on in his place to get the same kind of relief, so that he will be eating the bitter bread of charity along with his family when he would rather work for it. What an anomalous situation this is, and I do not believe you are going to deal with it by any categorical legislation.

I am entirely in sympathy with the idea of giving preference to American citizens but, in practice, Mr. Hopkins ran into all kinds of difficulties and I concluded that he was right, after I read the testimony last night. I think our futile efforts will come to naught.

There is a curious lot of confused thinking on this whole subject of aliens on relief and I trust that I can make several points clear.

As a general proposition, I heartily favor the idea of giving preference to citizens as against aliens. In general, I can agree that aliens are here by sufferance and that there is no obligation to provide relief or relief work for them at the expense of the taxpayers. It would therefore seem to be a simple thing to make them prove their citizenship and in the absence of proof, strike their names from the rolls of relief eligibles. What a pity that in practice it is not so simple.

The amendment pending before us is plausible enough and doubtless will be passed. Yet, if labor, if the veterans, if citizens generally could foresee all the implications of that amendment, they probably would be opposed to it in its present form.

First of all, it contains some political aspects. Do not forget that if you charge a relief supervisor with the responsibility of striking the names of aliens from the rolls, you also provide him with a weapon which in indiscriminate hands, could be an instrument of grave abuse. If the relief supervisor decided for political or personal reasons that he did not like the accent, the color of the hair, the slant of the nose, or the color of the skin of a relief applicant who was actually a citizen, he could cause so much trouble, so much inconvenience and so much delay by demanding undue proof of citizenship that the whole relief program purpose would be perverted or destroyed. The gains made by taking alleged aliens from the rolls would be offset by the trouble and distress caused to those who are not aliens but who might be politically persona non grata. In those areas peopled by folks of foreign extraction, the possibilities for abuse would be grave indeed.

Next comes an administrative difficulty. When you state in a legislative enactment that no part of the appropriation shall be used to provide relief for aliens, you place a personal responsibility upon supervisors, district directors, and others. If they make payment or provide relief work in violation of the statute, they become personally responsible. If they have any lingering doubts or suspicions about the citizenship of any relief worker, they would obviously hold up his pay, and the annoyance that can and will result will be tremendous.

Third, there are and have been so many loose statements bandied about this Chamber as to the number of aliens on relief that some of these indiscriminate remarks should be analyzed. Probably the most zealous crusader against aliens was Secretary Doak, who was Secretary of Labor under President Hoover. His zeal was so great that many people believed it to be a kind of persecution. It is not likely, therefore, that Secretary Doak would understate the case. Now, if you examine Senate Document No. 257, third session of the Seventy-first Congress, you will find a letter written by Secretary Doak to the Secretary of the United States Senate to the effect that in his opinion there were not to exceed 400,000 aliens here who were without proper certificates of arrival or registration cards and who could therefore be classified as illegal entrants. He estimated also that of that number, not to exceed 100,000 were deportable as being unlawfully here. If from that estimate there is deducted the number who have been deported since that time and the number who are self-sustaining, the problem of relief to aliens who are unlawfully here appears to be greatly magnified.

Fourth, the question of whether an alien is illegally in this country is always a matter of controversy. The immigration laws, for one thing, are rather confusing. Through the years they have been patched up with liberalizing or restricting amendments to the point where a vast amount of data and dates and laws and regulations must be examined before the matter can be determined. By the time that the status of many aliens alleged to be illegal entrants and on

relief is determined, the need for relief may be over. Meanwhile, they are subjected to the distress of hunger and suffering.

I subscribe to the general import of the amendment, but I fear that it was prepared without having in mind the many ramifications that are involved and trust that in conference at least, some provision can be made to prevent discrimination against dependent wives and children of aliens who are citizens of this country and as much entitled to relief sustenance as any other person.

Mr. GREEN. Mr. Chairman, I ask unanimous consent to extend my remarks and to include therein some extracts from a statement before the Committee on Appropriations.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GREEN. Mr. Chairman, I favor the Stubbs amendment. One of the most important problems facing the Congress today is the urgent necessity for the passage of legislation which will prevent the employment of aliens who entered America illegally. As long as we have American citizens who are unemployed and who are forced to ask the Federal Government and local agencies for relief, aliens who entered America illegally should not be employed, particularly by the Government. Neither should the Government uphold their illegal entry and illegal residence by granting such persons relief or loans.

I have introduced H. R. 12083, which prohibits such employment and the administering of such relief. It is estimated that we have now in America more than 16,000,000 persons of foreign birth, over 7,000,000 of whom are illegally in this country. This bill, H. R. 12083, would not only prevent the employment of these aliens but provides for their immediate deportation. If we have 10,000,000 people in America unemployed and almost 4,000,000 deportable aliens, it is obvious that if these aliens can be promptly deported, then the unemployment-relief problem in our country would become negligible.

I have also pending H. R. 7079, which would not only deport habitual aliens, habitual alien criminals, enemies of our Government, dope peddlers, alien smugglers, aliens carrying machine and sawed-off shotguns, as practically all racketeers and gangsters do, but it would further restrict immigration by reducing existing European quotas 75 percent and applying the quota system of restrictions to countries of this hemisphere, reserving 75 percent of those quotas for the very near relatives, such as aged parents and the like, of naturalized foreign-born and foreign-born residents lawfully in the United States able to support them.

Daily aliens are entering illegally. The Immigration Service reports a 50-percent increase in alien stowaways, deserting seamen, and the like over the previous year, and that alien smuggling is on the increase—boats, automobiles, and even a number of airplanes being apprehended smuggling aliens into our country. A current release of the Department of State on the immigration work of the Department calls attention to the startling facts that our consular offices report a waiting list of over a quarter million and that there are in 47 of the 68 European quota countries alone about 1,000,000 aliens desirous of coming to the United States.

The last census reveals a large number of foreign-born over 14,000,000; a large foreign-stock population, over 40,000,000; and aliens, over 6,000,000. What we need is an immigration holiday; and my bill's enactment would give it to us by reducing existing quotas 75 percent, reserving them practically for parents and other near relatives, and extending quota restrictions to countries of this hemisphere whose immigrants are not now numerically limited and which countries absolutely exclude our nationals from entry for permanent residence or to work. We have over 10,000,000 unemployed and do not need and ought not to have the hundreds of alien skilled and unskilled workers and job hunters that are entering our country. We have too many unemployed as it is, without importing another one. Not only have we too many unemployed, but we have too many applicants for relief, too many dependents, defectives, and delinquents without allowing another one to be imported. Each country should care for its own unemployed and dependents. Charity should begin at home. Immigration should be further restricted and entirely suspended.

DEPORTS ALIENS

If enacted, the bill will not only really restrict immigration, but it will deport the three or four million aliens illegally and unlawfully in the country, and by so doing go a long way toward solving our unemployment and relief problems, because the bill expressly provides that all aliens must get naturalized forthwith or get out, and aliens illegally here cannot produce the necessary certificate of legal entry absolutely necessary for naturalization.

STOP IMMIGRATION ENTIRELY

I would go further than H. R. 7079 provides by the enactment of H. R. 11741, which I have introduced. This bill provides for the suspension of immigration of aliens into the country. In other words, under its provisions immigration would be stopped altogether. Our country would be far better off to stop absolutely immigration of foreigners into our country until we can Americanize foreigners who are now here. I introduced this bill and earnestly advocate its passage, but it appears that many of my colleagues feel that its provisions are too drastic. Surely such colleagues could not object to the provisions of H. R. 7079.

FINGERPRINT ALIENS

I would call your attention also to H. R. 11740, which I have introduced, and which is a bill to provide for the registration of aliens and a certificate of identification. I quote from this bill, as follows:

That every alien in the United States shall, within 3 months after the enactment of this act, apply to the Bureau of Naturalization for an identification certificate. Every alien, after the enactment of this act, before being admitted into the United States for temporary stay or permanent residence, shall apply for an identification certificate at the port of entry, and such application shall be a condition of admission.

Application for identification certificate shall be in duplicate and sworn to or affirmed by applicant. It shall state place and date of birth, sex, nationality, married or single, dependents, occupation, height, weight, fingerprints, and such other descriptive facts as may be required by the Secretary of Labor. A photograph shall be attached to each copy of application, and an additional photograph shall be furnished by applicant for certificate. Every alien under 18 years of age shall be registered by parent or guardian.

A certificate of identification upon proper application shall be issued to each alien who is above 18 years of age. It shall contain a photograph of alien furnished by him, signature, fingerprints, age, height, weight, and other apparent distinguishing characteristics of alien, with address which shall be on card of suitable size for carrying in pocket or purse. Every immigrant shall have his address entered upon his certificate within 3 months after entry by an officer authorized by the Secretary of Labor.

SEC. 2. Every alien shall, on demand, exhibit his certificate of identification to a representative of the Department of Labor and to any court of the United States, of any State, or subdivision of any State, or to any constable, sheriff, police officer, or other peace officer, local, State, or National. Refusal or failure of alien to produce and exhibit said certificate of identification shall be prima-facie evidence of illegal entry and such alien shall be deported.

If the Congress will pass this bill, our immigration and unemployment problems will both be settled favorably and permanently. It will cause the registration of every alien in the country and the immediate deportation of everyone who has entered illegally or who, although entered legally, commits any crime after his or her entrance into the United States. All lawfully entered aliens in our country who desire to become American citizens undoubtedly should have no objection to this registration.

I call the attention of my colleagues to these bills which I have introduced and which are now before the Committee on Immigration and Naturalization, and urge your cooperation in my effort to obtain the passage of these bills before adjournment. The passage of either one of these bills will be a great step toward making and preserving America for Americans. My position on immigration matters is well known to my colleagues. Ever since I have been a Member of the House I have worked consistently for restriction of immigration and for the deportation of undesirable aliens. Since I have been a Member of the Congress, immigration

has been restricted by about 90 percent, but our laws, particularly deportation laws, are too lax and must be better enforced if we are to stamp out communism and other "isms" which are contrary to the principles upon which our Government is founded.

No legislation of greater importance to our country can claim our attention, and no other measure is quite as important as a relief measure. I urge your support and cooperation in the passage of this legislation.

Mr. Chairman, I have already addressed the House once today urging legislation for the restriction of immigration, for the deportation of aliens, and to prevent Federal W. P. A. and relief agencies from giving loans, grants, and employment to illegal aliens. I called your attention to H. R. 7079, which I have pending and which would deport aliens; also, H. R. 11741, which would suspend all immigration; and H. R. 11740, which I have now pending and which would register, thumbprint, and identify aliens and compel them to carry their identifications with them or be deported. H. R. 12083, which I have introduced and which is now pending, will absolutely prohibit Federal agencies from giving relief and employment to aliens.

The amendment to the W. P. A., which is now before the House, will prevent giving relief and W. P. A. employment to aliens. It is not as far as I would go on this subject, but seems to be the best obtainable as an amendment to this relief bill; therefore I urge all friends of restricted immigration to vote for the amendment.

We have possibly 16,000,000 persons of foreign birth in our country and several millions of them here illegally. Also, hundreds of thousands of them have been getting W. P. A. employment and Federal relief. If you will adopt this amendment to prevent such Federal assistance in the future, you will go a long way toward relieving the unemployment of Americans in this country, and it will be one of the best votes you ever made in the interest of true Americanism, and I urge your vote for the amendment. [Applause.]

FLORIDA CANAL

Mr. Chairman and my colleagues, I can only briefly discuss the Florida canal because time is too limited today. I have heretofore on a number of occasions discussed the project at length before the House and also the Appropriations Committee. I would particularly call your attention to the fact that 2 days ago the House voted by a vote of 210 to 84 to approve three projects which bear the same legislative history as the Florida Canal. I have reference to the projects in West Virginia, Mississippi, and New Mexico. These three projects, together with the Florida Canal and Passamaquoddy, were several weeks ago recommended by the Bureau of the Budget and certified to the House Committee on Appropriations for inclusion in the War Department appropriation bill. They carried a total item of $29,000,000. The House Appropriations Committee declined to include them in the War Department bill. The bill was sent to the Senate. The Senate did not include the Florida Canal and the Passamaquoddy projects but did include the other three projects.

None of the five projects were authorized directly by a special act of Congress, but were all begun by President Roosevelt under the general authority given him in the work-relief bill passed the last session of Congress, and which carried an appropriation of $4,800,000,000. Parliamentary and legal authority hold that the Florida Canal is in fact authorized. He began all five of these projects in good faith and according to authority given him by the Congress. Now, the House and Senate have both approved appropriation for these three projects above referred to, and it is the duty of the Congress likewise to appropriate for the Florida Canal project. It is undoubtedly of far greater general importance than either of the five projects. It is giving more employment directly and indirectly than either of the five. It is the only one of the five which will carry permanent benefits in the future to practically every State in the Union.

The Florida canal when completed will save in operating costs of ships $8,000,000 annually. It will save to shippers of America in transportation charges over $30,000,000 annually. It will handle one and one-half times the tonnage which now transits the Panama Canal. It will eliminate existing storm hazards incurred by ships passing around the Florida Peninsula. It will be a great asset to our national defense. It will save 700 or 800 miles shipping distance between New York and New Orleans.

The Chief of the Army Engineers, after a thorough survey, has concluded that no serious damage will be done to Florida's underground water supply or to Florida's fruit and vegetable growth. After thorough study the Chief of the Army Engineers and other eminent engineers and engineering boards have concluded that it is economically sound, is justifiable as a river and harbor project, and is in the public interest. We are spending billions of dollars for unemployment relief and for public improvements. Thousands of the projects upon which work has been done are of far less general importance and general benefit than the Florida Canal. In fact, this project is the banner project, and will ultimately stand out as a lasting monument of real achievement and public improvement of President Roosevelt's administration. I cannot see how any Member of the House can conscientiously object to applying funds for the completion of this project. Federal funds cannot be expended on any projects quite so meritorious as this one. It is the duty of our administration to complete the project, and I cannot believe that in duty you will fail.

I include herewith a portion of a statement which I made before the House Appropriations Committee on April 10, 1936:

Mr. GREEN. The Board of Engineers, which was appointed by the President and a special board to iron out any differences which might exist between the Public Works engineers' report and the Army Engineers' tentative report, made an exhaustive study of the project, and recommended that it was sound; that it could be built; and that it would return more than 6-percent interest on the investment in actual saving in the operation of ships. They recommended that it could be, and should be, constructed and that it was in the public interest. The way they scaled it was this: They figured that it would require $143,000,000 to construct it, and they figured that it would save to shipping, or in the actual operation of ships, approximately $8,000,000 a year, or a little more than that. But say a saving of $8,000,000 a year, and that would be a return of about 6 percent on the investment. The standard yardstick for the majority of river and harbor projects is about 4-percent return, so that the return on this investment would be 33⅓ percent greater than the usual standard set for river and harbor projects. So far as the percentage of saving is concerned, it is probably better than any project the Army Engineers have ever reported.

AUTHORITY AND ESTIMATES FOR THE CANAL

Mr. TABER. There are two questions I would like to hear you discuss: In the first place, is there a Budget estimate for this?

Mr. GREEN. Yes; there is a Budget estimate. The Bureau of the Budget has recently favorably recommended $12,000,000 appropriations by your committee to continue work this year.

Mr. TABER. In the second place, is it authorized by law, and, if not, why do you not go to the committee that would have authority to report such a bill?

Mr. GREEN. The Bureau of the Budget recommended to the Appropriations Committee of the House that funds be appropriated by this Congress in the amount of $12,000,000 for the continuation of this project; so I consider that as a Budget approval. As for authorization by Congress, it was one of those projects that the Engineers had agreed upon. They determined the feasibility of it and the desirability of it and the economic soundness of the project. By that I mean the Army Engineers, or the Chief of Army Engineers. The board had never made a full report on it, and pending that report Congress passed the emergency relief bill last year, and in that bill they gave the President authority and direction, or, as I see it, an order to use this money for the relief of unemployment in America, and to embark upon such projects as he deemed to be in the public interest. Regarding it as a mandate, and it was a mandate, this was one of the projects he embarked upon.

He began work on the canal last September and allocated to it from W. P. A. funds $5,000,000. Since that time another five or six hundred thousand dollars have likewise been allocated. He put it in charge of the Board of Army Engineers, and they have it now under actual construction, with about 6,500 men employed. This project has taken up the main portion of the unemployed in my State. They are getting more value in that respect than they could have received under any other plan, because they are paying P. W. A. wages. They are paying unskilled workmen, who are working on the project, I understand, $26 per month, and, in addition thereto, they give them bed and possibly food. I believe they get food.

Mr. TABER. That is more than the going wage in that locality?

Mr. GREEN. I believe in this locality in Florida is paid from $1 to $1.50 per day. That is for common labor.

Mr. TABER. They do not work every day for W. P. A.

Mr. GREEN. I think they pay for 5 days per week on the canal; so they are complying with the usual prevailing rate in that locality.

Mr. TABER. The usual rate is $1 for a 10-hour day.

Mr. GREEN. It is $1 to $1.50 for an 8-hour day. That is what we usually pay. They are making unusual strides on this work.

Now, as to whether or not Congress has approved it is a question for each one to decide for himself. I say that it has approved it, because it was approved in the general works bill that passed with the authorization of $4,800,000,000, and the President began it under this express authorization and direction.

The Chief of the Army Engineers has approved it; the Public Works engineers have approved it; the special board of review appointed by the President approved it. This board consisted of two Army engineers, two P. W. A. engineers, and one engineer from civilian life, and it has had every approval except the direct passage of a bill by Congress, the naming of the project.

BENEFITS TO BE DERIVED FROM THE CANAL

There is one thing, gentlemen, that I would like for you particularly to bear in mind.

This project is of general benefit. Thirty-nine States in the Union are directly interested in it. It will save to the shipping public in transportation costs $30,000,000 to $32,000,000 a year. Those figures have been given by the Department of Commerce under Secretary Roper. That does not mean the cost of operating the ships; that is eight million and something. It will save the Government in mail contracts alone $800,000 a year. It will save in distance time almost 3 days round trip in traveling from the east coast of the United States—Philadelphia, for example—to New Orleans. That saving is enormous. It has been estimated—not by me, but by commerce experts; the Department of Commerce and the Board of Army Engineers made this estimate—that one and one-half times the tonnage which now goes through the Panama Canal each year will pass through this canal. This tonnage will be procured from all the States of the Mississippi Valley, and the tonnage going the other way will be procured from all the East Coast States and foreign countries. Ports like Philadelphia and New York will experience a decided increase in their water-borne tonnage. Every State in the Union, practically, will share in the benefits in producing the material that goes into construction.

Men today, not only from Florida but from practically every State in the Union—I am referring to skilled labor—are now working on this canal. They the taking them from the civil-service rolls—all skilled laborers and office personnel—and they are drawn from all over the United States. The steel that goes into the dredges—and they now have a large number of dredges operating there—comes from the iron-producing sections of our country; cement likewise, and all of the material.

Now, then, I say the Congress is morally bound to carry on this project. My people a year ago—a little less than a year ago—when the project was ready to be initiated, bonded themselves for a million and a half dollars to purchase the right-of-way. That bond has been voted by a vote of 27 to 1. A large block of the bonds has been sold; the money has been exchanged and paid for the deeds to the land, the right-of-way, and that has been turned over to the Federal Government.

That was one of the stipulations made to the President—an oral stipulation; do not misunderstand; an oral stipulation—that I, for one, promised the President would be carried out if he would embark upon the construction of this canal; that Florida would furnish the right-of-way. Our people have done this now, and this Government, by this act of the Chief Executive beginning construction on the project, is morally bound to my people to complete it. We have done all that they have asked us to do.

ARGUMENTS IN OPPOSITION TO CANAL

Now, there has been in the State a little opposition to this canal. There has been some propaganda sent out to the effect that this canal, if constructed, will have a detrimental effect upon the water supply and upon the vegetation of that area south of the canal. The Board of Army Engineers, through the Chief of Engineers—and I will put that in the record—concludes that he has examined it and that no adverse effects will accrue therefrom. No board of engineers, no engineer, that has made a careful survey, says that it will have any serious adverse effect.

There are 30,000 lakes in the State of Florida. This canal route has two large rivers, one from either direction—one from the Atlantic and one from the Gulf—feeding this canal and beginning and ending it. The engineers have estimated and found that there is a sufficient volume of water which will flow into the canal from the midsection of it so that there will be a continuous current to the Atlantic and a continuous current to the Gulf of Mexico of fresh water, and that the salt water, in fact, will never get to the interior parts of the State in this canal. Therefore, if the salt water cannot get there, the underground fresh water could not be contaminated. But even granting that the salt water could get there, the engineers have found that where salt-water streams impregnate our State, all along by those salt-water streams, fresh-water springs are found. Orange groves and groves of other trees and general vegetables grow on the very bank of the salt-water stream, out from St. Augustine some 3 miles; in the Atlantic Ocean there is a huge spring that yields so much fresh water, away out in the ocean, that the shrimping boats, instead of going to St. Augustine to refill with water, go to this spring, throw out their buckets, fill up their tanks, and other receptacles, and go back to fishing, and do not go ashore for days. You can go anywhere, almost on the edge of the Florida salt water, the edge of the coast, bore down a few feet, and get a fresh-water—sometimes artesian water.

The engineers claim—and they know; and if they do not, common sense would lead us to know—that if this canal would contaminate the spring water and the underground streams in our State, the salt water adjacent to the shores of Florida—and it is enveloped all the way around by salt water; you cannot get more than 50 or 60 miles from salt water in Florida—if that should obtain, every foot of Florida land today would be spoiled by salt seepage from the ocean.

So that is a smoke screen put out by the opposition. The opposition to this canal is the usual opposition to practically all water improvements. It is the railroad opposition. They fear that they may haul less tonnage and that the transportation rate charge may be reduced. My contention is that the transportation charge will be reduced, but the tonnage hauled by the railroads will be so greatly increased that the railroads will produce more revenue every year after the canal is constructed than they are producing today—every railroad going into that territory. These common carriers will thus be enabled to employ more people and also pay greater dividends on their investments.

So the argument relative to contamination of water and our vegetation has been disproven, and is absolutely without foundation, according to the superior engineering figures and conclusions in the matter. If we cannot trust the Chief of Engineers of the Army, after he has carefully examined the project—and he has; he has appointed a special committee of his engineers to examine it and to determine these questions—I do not know whom we could trust. That is the highest authority we have, and they say that it will not contaminate the water and the vegetation will not be seriously affected.

I do not believe that 2 percent of the people of Florida oppose this canal. There was some opposition in Tampa to it, and I find in my records here a letter from Tampa, from the chamber of commerce or some organization there, indicating that if they could get the canal routed through Tampa they were for the Florida canal. They did not get the route through Tampa, and in that part of the State of Florida a few of them are opposing the canal—very few. There is always a certain rivalry and jealousy in every State relative to where a great improvement or a great project shall be located. So that minor rivalry has existed in our State.

There is also a slight opposition from a few shipowners; not those who operate their own ships but the shipowner who sublets his ship to another man and reaps his pay for that ship by the number of miles that the ship makes. He leases his ship out; that ship goes all the way around the Florida Peninsula and does that extra 3 days' time and mileage in going to New Orleans and back. Naturally he would get more mileage for his ship, having made this trip, and that man naturally would be against shortening of the distance of transportation from New York City, we will say, to New Orleans. That is only to be expected. However, the man that operates his ship himself naturally wants to see this saving in coal, this saving in operating expense, and this shortened mileage obtained.

UTILIZATION OF CANAL

So when this canal is opened I believe that 99 percent of the shipping interests that now ply the lower Atlantic and the Gulf of Mexico will utilize this canal. It has been estimated by careful surveys—surveys by the Department of Commerce and specially employed engineers—that 10,000 ships per year will go through the canal carrying the usual tonnage carried by boats in the Gulf of Mexico and the lower Atlantic. You can very well see that within 32 years the canal would liquidate its cost of construction, at a 4-percent bond, and pay for the cost of operation.

Another great reason why it should be completed is because of the storms that boats run into in going around the peninsula of Florida. We had last year some disasters down there from storms. The boats will cut through this canal and absolutely eliminate any serious danger from storms. The storm insurance to the boat owner will be lessened. His premium will be smaller; casualties will be practically eliminated, and citizens traveling from every State in the Union will be benefited and protected by it.

Another thing: Suppose you wanted to empty your fighting craft from the Atlantic to the Gulf of Mexico, or vice versa, in time of war. The next trouble we have that is serious is going to come from south of us. You have got here an outlet that will put every one of your fighting vessels from the Atlantic to the Gulf of Mexico, or vice versa, in only a few hours. You have there a defense that cannot be paralleled anywhere else in the United States. If this canal is completed—and it will be—your Navy will forever be secure. It could never be captured. Our Navy sometime may have to retreat into the Gulf of Mexico from the Pacific Ocean through the Panama Canal or from the Atlantic Ocean through the Florida canal. You have enough natural resources to feed your Navy and to feed your people in the Mississippi Valley and to maintain and rebuild your Navy there. As a national-defense feature alone it warants a $143,000,000 expenditure. It will not require that much. They have already spent about five and one-half million on it. It probably will be completed for $125,000,000.

Now, gentlemen, when we are spending these moneys as we have been—and I feel gravely the responsibility of it, the indebtedness that we are incurring as an absolute condition of necessity, brought on by conditions that this present administration inherited—as we are spending these moneys, undoubtedly they should be spent on projects which are of lasting improvement to the American people. And this one is a lasting improvement to the American people. Eighty percent of the money that has gone in the project and will go to complete this canal goes directly and indirectly into the hands of labor.

I do not see what better project could be developed. The Chief of Engineers of the Army has repeatedly told me that as a straight Army engineering project alone, as a river and harbor project alone, it justifies an expenditure of over $100,000,000. If we are going to develop our national waterways, why not put this main link in there that will link up the Gulf commerce with the Atlantic commerce, and thereby enhance the value of every dollar we have expended in the Mississippi Valley and on the Atlantic coast?

We have developed an intercoastal waterway from Boston to Jacksonville, Fla., and we have jumped right across and on the other side of Florida we have developed it on to the Rio Grande. Now, why not put in this further link there? I cannot believe that this committee will permit the matter to be tied up here, and the money that you have already put in thrown away.

Do you think Congress is going to appropriate money to fill up that 16-mile ditch that the Army engineers have dug there? The Army engineers have a canal there today approximately 16 miles long and 30 feet deep. You can land an airplane in it, and it is the best landing field you ever saw—the bottom of that canal. They have it in some places down almost to sea level. Now, then, are we going to be an unwise Congress and go there and fill up the hole that we have already dug, or are we going to do what the engineers say is prudent, what the Department of Commerce says is prudent, and what the shipping companies that are not selfish say is prudent, and go on and complete it? Are we going to help the east coast of the United States all the way down from Boston by completing a project that is really worth something, or are we going to abandon it, blow off the hounds, and quit the drive, and say that we will boondoggle around and throw the taxpayers' money away on projects of little or no permanent benefit? It is a grave responsibility that the Congress has in this matter. It is a project that the American people practically everywhere want. Every water organization in the United States has endorsed it and passed resolutions for it. Every engineering authority that has examined it has approved it. And yet there is some hedging around because Congress has not directly passed a bill for it. We must not hide behind technicalities to try to defeat this, the banner project of the New Deal.

In the former committee, the subcommittee on the Army bill, they did not turn down this project in actuality. It is true they declined to include it, but the report transmitting the bill to the Congress cited that the item could be taken care of in the deficiency bill. But the matter that I am trying to bring to the attention of the committee is this: If your deficiency bill contains your W. P. A. funds, there is ample room for this canal appropriation therein. A clause can be put in directing that this project be carried on in your recommendation to Congress; and I do not believe this committee would want to see five and one-half million dollars spent on a project like this, that is of national interest and national importance, not only to us but to the American people for all time, and then have it abandoned. It cannot be abandoned.

The reason Europe today has economy in transportation, gentlemen—and you have studied the figures, I know—is because she has developed her waterways. According to her area of land, she has developed her waterways a number of times, probably six or seven times, more than the American people have. But we have now got to come to waterway development. Our volume of commerce demands it. More commerce is hauled every year than was hauled the previous year. The building of this canal is not going to lessen your transportation by bus or your transportation by rail. It is going to increase it, because it will increase the general volume of commerce.

Take this example, for instance, if you will—and this is something that all you gentlemen are interested in. Your constituents ship apples; they ship cotton; they ship vegetables. In Florida we have to pay, we will say, 80 or 90 cents to ship a crate of vegetables to the East. That crate of vegetables has got to bring that 80 or 90 cents plus the commission cost and enough to put it in the crate. When it ceases to do that, the grower ceases to ship it. If that could be transported there for 30 or 40 cents, that other 50 cents would enable the grower to market half of the crop now that decays in the field.

Not long ago I passed through a tomato field in Florida, and I saw the alleys filled with edible tomatoes that should have been canned or should have been shipped. I inquired why. They said, "We pay a dollar express on them. We cannot get this for them." This Florida canal, when constructed, could put them in New York for probably 30 cents.

I went on to a little town 3 miles farther and ate tomatoes that were canned in Italy.

Now, gentlemen, it is our duty to develop our waterways. With the opening of this Florida canal, Florida tomatoes and Florida oranges that are now rotting in the fields and on the trees will be transported to the eastern market at a price at which they can afford to eat them. It is a matter of volume. They will transport three crates where they transport one crate now, and for those three crates they will get about $1.20 or $1.50 to transport it, and for one crate they get about 90 cents now. Over half of the States in the Union will share in these benefits accruing from this canal. It is obvious that it is in the public interest and for the public welfare to go on with a project like this.

Now, Mr. Chairman, I would love to talk more, but I will not bore you too much with it. I know you have been liberal, and I appreciate it, and if I may have permission to extend my remarks, I may put in one or two brief items of interest. The same arguments that obtain against this project obtained against the Panama Canal, and today the tolls on that Canal bring from twenty to twenty-eight million dollars into the Federal Treasury a year. We do not want a toll canal across Florida, but if by chance tolls should be charged, this canal will pay for itself, and pay 4-percent interest, in 32 years.

Our duty in this matter, as I see it, is obvious. It is clear to me. It will enhance the value of your Panama Canal and its usefulness; and I hope your committee will provide funds that will be used for work on this project for the next 12 months.

The CHAIRMAN. You may have permission to revise and extend your remarks.

Mr. GREEN. Thank you, Mr. Chairman; and I appreciate your letting me come before you. I hope that the committee will consider it that way and not permit technicalities or minor things to stand in the way of the completion of a project that will stand out as the principal achievement in the way of public construction benefit of the first half of this century. Each generation in the future will reap benefits most justifiable.

I thank you.

The CHAIRMAN. Without objection, the Clerk will report the committee amendment offered by the gentleman from Virginia and the substitute amendment offered by the gentleman from California.

The Clerk again reported the Woodrum amendment and the substitute amendment.

Mr. TARVER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TARVER. The amendment offered by the gentleman from Virginia [Mr. WOODRUM] has been referred to by the Chair as a committee amendment. I wish to inquire what it takes to constitute a committee amendment. This amendment has never been submitted to the committee, and, so far as I know, is the handiwork of the gentleman from Virginia.

The CHAIRMAN. The Chair does not consider that a parliamentary inquiry.

Mr. TARVER. Mr. Chairman, I respectfully insist, in all seriousness, that the inquiry is made in good faith and affects parliamentary procedure and should receive courteous consideration by the Chair.

The CHAIRMAN. While the Chair does not consider that a parliamentary inquiry, having reference to the actions of a committee——

Mr. TARVER. The question is simply whether the Chair is correct or not.

The CHAIRMAN. The gentleman will suspend until the Chair completes his statement.

Proceedings in committee are something about which the Chair has no knowledge. However, the Chair will ask the gentleman from Virginia whether the amendment is a committee amendment or an amendment offered by the gentleman from Virginia?

Mr. BUCHANAN. Mr. Chairman, the gentleman from Virginia [Mr. WOODRUM] offers the amendment, and it is offered with my approval. The gentleman from Virginia did not put anything on the amendment that stated it was a committee amendment. Because the amendment comes from a member of the committee, the Clerk simply read it as a committee amendment. It was not offered by us as a committee amendment, but it is approved by both of us.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from California to the amendment offered by the gentleman from Virginia.

The question was taken; and there were on a division (demanded by Mr. MCFARLANE and Mr. FULLER)—ayes 45, noes 93.

So the substitute amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Virginia [Mr. WOODRUM].

The question was taken; and there were on a division (demanded by Mr. BOILEAU)—ayes 136, noes 19.

So the amendment was agreed to.

Mr. BACON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. BACON: Page 21, line 12, after the word "Administration", strike out the comma and insert in lieu thereof the following: "cooperatively under State and local nonpartisan boards to be appointed by the Governor of, or, as

may be determined by each State and Territory, and the personnel thereof to be composed of citizens of the United States residing in the respective areas of administration."

Mr. WOODRUM. Mr. Chairman, I reserve a point of order.

Mr. BACON. Mr. Chairman, a little while ago the gentleman from New York [Mr. TABER] offered an amendment to this whole paragraph which would have returned the control of relief, aided by the expenditure of Federal money to the respective States. That amendment was defeated.

This amendment has for its purpose the elimination of politics in the administration of this fund. It does not in any way disturb the W. P. A. set-up, except this: Instead of a political administration in the several States, who have used relief funds for political purposes, it substitutes for this political administration a nonpartisan board to be set up by each of the States.

Mr. BUCHANAN. Will the gentleman yield?

Mr. BACON. I yield.

Mr. BUCHANAN. Does the gentleman think that at this time there can be a nonpolitical, nonpartisan board?

Mr. BACON. If it is a nonpartisan board, or a bipartisan board, at least the minority party members would have full knowledge of any attempt to play politics with the taxpayers' money and would be able to resist it.

This amendment sets up a nonpartisan board in the different localities. It is an attempt to cooperate with the present W. P. A. by nonpartisan boards in the States, counties, and several political subdivisions of the States. It continues, however, the present organization in Washington.

Mr. CURLEY. Will the gentleman yield?

Mr. BACON. No; I have but 5 minutes. It is an attempt to give the States, counties, and smaller political units a "say" about the expenditure of this money and not only Mr. Hopkins' bureaucratic administration. It is an honest attempt to eliminate politics from relief. [Applause.]

Mr. WOODRUM. Mr. Chairman, I rise in opposition to the amendment. I ask unanimous consent that all debate upon this amendment close in 2 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Chair understands the gentleman withdraws his reservation of a point of order?

Mr. WOODRUM. Yes. The amendment offered by the gentleman from New York [Mr. BACON] undertakes to set up what he calls nonpartisan boards in the States, to work in a cooperative effort with the W. P. A. Administrator. It will just be another hurdle, another impediment, another stumbling block in the way of quick administration of this relief fund. We can sit here for days and figure out ways in which we think we might improve on this program, but after all we must either go forward or junk the whole thing. For my part, I think Mr. Hopkins is doing a good job. I think he is doing as good a job as any man could do with the problem he has to handle. He does cooperate with State agencies and works in cooperation with those agencies as far as he can. I hope the amendment will be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. CHURCH. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CHURCH: Page 22, line 8, after the word "appropriation", insert the following: *"Provided, however,* That no part of the funds herein appropriated shall be used for the continuation of the activities of the Resettlement Administration."

Mr. CHURCH. Mr. Chairman, I feel so keenly against the Tugwellian philosophy of government, his state capitalistic theory of regimentation and control, that I am submitting this amendment in an effort to make absolutely certain that none of these funds will be at the disposition of Dr. Tugwell and the Resettlement Administration.

To indicate the attitude of Dr. Tugwell toward our democratic system of government and the Congress of the United States, which is the very nucleus of that system, I wish to call your attention to the form of lease used by the Tugwell Resettlement Administration, which makes the licensee or homesteader a mere instrument of the Government. He virtually contracts away his individual freedom. I have already spoken about this matter this afternoon, but I again call your attention to one section of that homestead lease or license which should be of special interest to us as representatives of the people. I read from one of the homesteaders' contracts, form RA–MA 12, revised January 15, 1936, and approved by Administrator Tugwell:

6. Noneligibility to benefits: No Member of or Delegate to Congress or Resident Commissioner shall be permitted to any share or part of this license or to any benefit that may arise thereupon.

No Member of Congress wants to share in these benefits. He speaks as though there really were some benefits, but I personally resent the implication which such a provision in a contract makes. Remember that this contract form is sent to at least the 500,000 people he refers to as likely homesteaders, indirectly expressing to them a bureaucrat's opinion of their representatives in Congress.

I have presented this amendment to give you an opportunity of expressing your convictions on this matter by your vote. I want to give you an opportunity to stop Tugwellism in the United States as a growing theory of government under the New Deal which can certainly be said to be communistic.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. CHURCH. I am sorry, I cannot yield. The gentleman has plenty of time and has control of it. Mr. Chairman, I ask Members of Congress to express by their vote in favor of this amendment their resentment of this insult. It is an unwarranted reflection on Members of Congress sent throughout the United States and its Territories, scattered broadcast, by Tugwell and his resettlement organization.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BUCHANAN. Mr. Chairman, not one cent of this money can be allotted to the Resettlement Administration. It has all to be spent by the Works Progress Administration, except as we otherwise specifically provide in the bill.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. CHURCH. I say that under the wording of this bill every nickel of the billion and a half dollars can be used by the President's turning it over to any department and then turning that department or bureau over to Tugwell; the so-called restrictions are not restrictions.

Mr. BUCHANAN. Mr. Chairman, if this bill passes in its present form the President will not have any authority or power to allot one cent of this money. The appropriation is made by Congress to the Works Progress Administration, to be expended by the Works Progress Administration, and not one iota of authority is carried to the President or anybody else to allot any of this money. Even Mr. Hopkins himself cannot allot it.

The CHAIRMAN. The time of the gentleman from Texas has expired. The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

Mr. HULL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HULL: On page 22, line 8, after the word "appropriation", insert: *"Provided further,* That there may be apportioned from the amount herein included for rural rehabilitation and relief to farmers an amount sufficient to provide work-relief projects which will enable farmers indebted to the Farm Credit Administration or the Resettlement Administration for feed and seed loans, to pay such loans from the proceeds of such employment."

Mr. WOODRUM. Mr. Chairman, I reserve a point of order against the amendment.

Mr. HULL. Mr. Chairman, I should like to explain the situation which brings forth this amendment.

During the terrific drought which affected the dairy region of the Northwest, thousands of dairymen had their crops destroyed. Not only in 1 year but for several years a large

portion of that section of the country had suffered from dry weather, and for a number of years the farmers were on a steady decline so far as financial and other resources were concerned. Then came the drought year of 1934. The Government purchased thousands of head of cattle from those dairymen to keep them from starving, depleting the herds, and then furnished feedstuffs to take care of other cattle. Last year was not a good crop year in many of the counties in that dairy region. In consequence, the amount of the seed loans has grown to a considerable amount. In one county in my district the amount is over $100,000.

There are many farmers who want to pay, and they cannot pay their feed and seed loans. The Resettlement Administration has endeavored to work out a plan whereby a portion of them can have work on work-relief projects, such as farm-to-market roads. There are loans, however, which were obtained from the Farm Credit Administration. The Farm Credit Administration has manifested no similar interest in the farmers. Its agents have pressed farmers on their seed loans and continue to harass them, even though the situation is plain that payment should not be expected at this time.

I, therefore, present this amendment with the hope that it may have favorable consideration, even though technically a point of order may lie against it. Unless something can be accomplished under this measure and the farmers afforded some relief, the hardships under which they are laboring will become greater instead of lessened. Certainly the farmers who have so long suffered because of conditions over which they had no control are entitled to a full measure of consideration.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I must insist upon my point of order.

The CHAIRMAN (Mr. McCORMACK). The Chair is prepared to rule.

The amendment offered by the gentleman from Wisconsin [Mr. HULL] proposes a new subject not included in this paragraph, relating to loans, and the Chair holds that the amendment is not germane, and therefore sustains the point of order.

Mr. BEITER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BEITER: Page 21, beginning with line 9, strike out all down to and including line 8, on page 22, and insert in lieu thereof the following:

"WORKS PROGRESS AND PUBLIC WORKS ADMINISTRATIONS

"To provide relief, and work relief on useful projects, in the United States and its Territories and possessions:

"By the Works Progress Administration, $1,075,000,000, to remain available until June 30, 1937 (except as herein otherwise authorized): *Provided*, That this appropriation shall be available for the following classes of public projects, Federal and non-Federal, and the amounts to be used for each class shall not, except as hereinafter provided, exceed the respective amounts stated, namely:

"(a) Highways, roads, and streets, $311,850,000;

"(b) Public buildings, $118,450,000;

"(c) Parks and other recreational facilities, including buildings therein, $118,400,000;

"(d) Public utilities, including sewer systems, water supply and purification, airports, and other transportation facilities, $129,250,000;

"(e) Flood control and other conservation, $96,900,000;

"(f) White-collar projects, $64,300,000;

"(g) Women's projects, $64,300,000;

"(h) Miscellaneous work projects, $53,600,000;

"(i) National Youth Administration, $53,600,000; and

"(j) Rural rehabilitation and relief to farmers, $64,300,000: *Provided further*, That the amount specified for any of the foregoing classes may be increased by not to exceed 15 percent thereof by transfer of an amount or amounts from any other class or classes in order to effectuate the purposes of the foregoing appropriation.

"By the Federal Emergency Administration of Public Works $349,950,000 to remain available until June 30, 1937 (except as herein otherwise provided): *Provided*, That this appropriation shall be available for the following classes of public projects, Federal and non-Federal, namely:

"(a) Highways, roads, and streets;

"(b) Public buildings;

"(c) Parks and other recreational facilities, including buildings therein;

"(d) Public utilities, including sewer systems, water supply, and purification, airports, and other transportation facilities; and

"(e) Flood control and other conservation."

Mr. WOODRUM. Mr. Chairman, I reserve a point of order against the amendment, to let the gentleman make a short statement.

Mr. BEITER. Mr. Chairman, you have heard of Custer's last stand—well, this may be BEITER's last stand! In offering this amendment I promise not to bore you any further with figures, statistics, or numerical facts of any kind concerning the merits of the public-works program. I do not know, of course, what the ultimate fate of my amendment will be, but I know that whatever the outcome I shall continue to believe in and uphold the public-works plan of permanent improvement. I am thoroughly convinced that the formula is not only practicable but for many reasons far more desirable than any other method. This is my conviction, and recent developments have only served to further my belief.

The newspapers would have us believe that the main issue in this campaign is a personal feud between the heads of the W. P. A. and P. W. A. agencies. This, of course, might make interesting reading, but personalities are in no way involved. I ask that you consider the amendment I have proposed, and vote for it if you believe in a well-planned program of useful permanent public improvement, and against it if you approve of a program of temporary relief.

I have no quarrel with W. P. A. and admire the way in which that agency has taken men and women from the relief rolls and created jobs to fit their capabilities. However, the qualifications of a great proportion of the people on the relief rolls do not fit them for work on construction projects.

Unemployed clerks and destitute seamstresses cannot be converted into stonemasons, steel workers, and cement finishers overnight. Whether we want to continue a program that was originally intended to be used for a short time only and as an emergency measure of abolishing unemployment must be decided here and now. Three years have passed since the first emergency-relief measure was proposed and enacted and the extent to which private industry can reemploy men and women who are without any means of earning a living is still problematical. We can help industry expand its pay rolls if P. W. A. is continued. You are well acquainted with the facts and with what has happened during the past 3 years. What might be expected from both the W. P. A. and P. W. A. is well known to all of you. Let us strike a balance between a rational program and one characterized by sentiment.

If you believe in the old-fashioned and still popular theory that a better life for the American people is available when factories are going full speed, and mills are operating at the highest capacity, then give industry a break! Vote to continue the public-works program.

In brief, this amendment sets aside $349,950,000 for public-works projects that have been submitted by municipalities in good faith, at the invitation of the Interior Department. Many of them have gone to considerable expense in the preparation of plans, have hired architects and engineers, and sent them here to Washington, only to be told that there were no further funds.

These projects include such things as schoolhouses, waterworks, and sewer systems, and the like of that. This amendment, if adopted, would permit 1,500 projects that compare favorably with W. P. A. projects, to be completed.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WOODRUM. Mr. Chairman, I make the point of order against the amendment that it is not germane to the paragraph.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. BEITER. I do not.

Mr. DOBBINS. Mr. Chairman, I desire to be heard on the point of order.

The CHAIRMAN. The Chair will be glad to hear the gentleman from Illinois.

Mr. DOBBINS. Mr. Chairman, the amendment presented by the gentleman from New York makes no change whatever in the class of work that is to be done. The same language that applies to the various items of this work which the bill provides shall be done under the direction of the Works Progress Administrator is employed in the terms of the amendment which provide for the manner of expenditure of a certain part of those funds which are by this amendment allocated to the Federal Emergency Administration of Public Works. The paragraph begins with the identical language employed in the Work Relief and Employment Relief Act of 1935, except the act of 1935 applied to both these Administrators, while the bill under consideration mentions only one. The amendment, therefore, provides for the transfer of the authority over part of this work, or a division of the authority over this work, leaving, roughly, about 75 percent of the fund to be administered by the Works Progress Administrator and transferring approximately 25 percent of it to the Federal Emergency Administrator of Public Works.

In making this transfer—this is an important point of which I ask the Chair to take notice—in making this transfer the amount of the entire appropriation is reduced by $50,000. It is, therefore, a retrenchment in expenditures; and even if it were legislation on an appropriation bill it would be proper because of the retrenchment if it be germane to the subject matter of the bill. The question under consideration is whether or not the amendment is germane. I have pointed out that the work to be done is the same work provided to be done by the bill itself by the Works Progress Administrator.

A transfer of authority from one department to another, not merely from one relief agency to another relief agency, but from one executive department to another executive department has been held to be germane. I refer the Chair to Hinds' Precedents, volume IV, paragraphs 3885 and 3887, cited on page 394 of Jefferson's Manual; and I am going to read the digest of those decisions:

To a bill making appropriations for the Indian Service, an amendment transferring the management of Indian affairs from the Department of the Interior to the War Department, but providing no reduction of expenditures, was held to be germane as an amendment, but subject to the point of order, as being a change of law, and no retrenchment appearing as the result of the proposed change.

The amendment here under consideration, however, proposes a retrenchment, and this makes it germane.

In the second decision I cite to the Chair the retrenchment was made, and I read the digest of the decision:

To the pension appropriation bill, a proposed amendment transferring the Pension Bureau from the Department of the Interior to the War Department; also providing that the offices of Commissioner and Deputy Commissioner of Pensions be abolished, and that the duties of those offices be performed by Army officers, to be designated for that purpose, without additional pay, was held to be in order, being germane and retrenching expenditures in the manner provided in the rule.

The pending amendment goes nothing like as far as the amendments discussed in those two decisions, because the pending amendment provides for no new duties to be performed, for no different class of work to be carried out, but simply in form establishes, and in fact continues, a division of responsibility in the administration of the fund, transferring a portion of it from one administrator to another, and providing a reduction of $50,000 in the amount required to be expended.

Upon this authority, Mr. Chairman, I submit this amendment is in order and not subject to either of the criticisms pointed out.

The CHAIRMAN. Does the gentleman from Virginia desire to be heard on the point of order?

Mr. WOODRUM. I do not think so, Mr. Chairman.

The CHAIRMAN. The Chair is ready to rule.

The bill before the Committee provides—

To continue to provide relief and work relief on useful projects in the United States and its Territories and possessions by the Works Progress Administration.

A certain sum of money is appropriated and allocated for the purposes therein stated. The amendment proposed by the gentleman from New York strikes out this section and substitutes not only provisions which refer to the Works Progress Administration but also inserts new language referring to the Federal Emergency Administrator of Public Works, which is a separate and distinct governmental agency from the Works Progress Administration.

The Chair has before him a decision in a case where it being proposed that the Secretary of War issue medals to personnel of the Army, an amendment was offered proposing that Secretaries of other departments issue similar medals to personnel of the Navy, the Coast Guard, as well as the Army. This was held to be not germane.

It does not necessarily follow that two subjects are germane because they are related to one another.

There is a long line of decisions supporting the fundamental proposition that it is not in order to propose to amend one individual proposition by another individual proposition, even though they may be of the same class.

It appears to the Chair that the proposed amendment seeks to amend one individual proposition by the addition of another individual proposition. They may be in the same class, but the pending paragraph relates to the Works Progress Administration, while the proposed amendment attempts to amend it by bringing within its provision an allocation of funds to be utilized and expended through the Public Works Administration.

It therefore seems to the Chair that the amendment is not germane for this reason, and the Chair therefore sustains the point of order.

Mr. McLEAN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McLEAN: On page 21, line 19, after the word "roads", strike out the word "and", and after the word "streets" insert "and elimination of railroad grade crossings."

Mr. McLEAN. Mr. Chairman, the purpose of this amendment is perfectly clear, and there should be no objection to it.

No one will deny the necessity for the elimination of railroad grade crossings, and the necessity becomes greater as time goes on and speed and use of automobiles increase. Much work is being done by the Public Works Administration in this regard. In many sections of New Jersey, by reason of our proximity to the cities of New York and Philadelphia, there are many grade crossings which must be eliminated. Much progress has been made along this line by the cooperation of State, counties, cities, and railroads. Many projects were under way when the depression developed and had to be abandoned, and now remain in an unfinished state. They offer excellent opportunity for relief employment, mostly manual labor being all that is required. I send to the desk and ask that it be read and printed as a part of my remarks a telegram from the Hon. Edward Nugent, city attorney of the city of Elizabeth, N. J., which explains the situation in my own city, and except for the number of crossings in the single projects is typical of many others throughout the State. No better use can be made of a portion of the money provided for public works under this bill. I strongly urge the adoption of the amendment.

By direction of Mayor Joseph A. Brophy, Elizabeth, N. J., your attention is respectfully called to the imperative requirements of our city and its peculiar situation respecting elimination of grade crossings accompanied with municipal request for your aid and official support in presenting Elizabeth's claim for priority in the Public Works allocation of Federal money for eliminating grade crossings in New Jersey. Utility commissioners March 11, 1915, initiated proceedings to hear and determine whether or not 22 highways at Elizabethport intersected by the main line of the Central Railroad of New Jersey were dangerous to public safety. Fourteen years were consumed taking testimony. Experts of national reputation assisted the commission. Exhibits, maps, and detailed drawings were filed, and on May 7, 1929, the board determined as facts that "each of the 22 public highways named in the proceedings crossed by the railroad should be altered, that all the crossings are dangerous to public safety", and work was ordered to begin January 31, 1931, to be continually carried on to completion within 3 years, or by January 1, 1934. Concrete abutments, retaining walls, and filling for railroad embankments was begun before 1931, but in 1932 financial conditions prevented the railroad from proceeding, and Governor Moore was obliged to use State

contribution for emergency relief. Result, work at standstill approximately 3 years. Present status work approved by Board of Utility Commissioners of New Jersey, and well advanced on list of recommended projects. Plans completed in conjunction with board engineers. Work eliminating main-line dangerous crossings in city of 114,000, where labor, skilled and unskilled, available and every detail complete for instituting project.

Mr. WOODRUM. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the purposes sought to be accomplished by the amendment just offered are already contemplated in the break-down which is carried in this bill. It is purely surplusage, and I do not think the bill should be loaded up with things already in it; therefore I ask that the amendment be defeated.

Mr. SHANNON. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Missouri.

Mr. SHANNON. Is it the purpose to carry on until the final vote on this bill this evening?

Mr. WOODRUM. It is the intention to complete the bill this evening, and I may say to the gentleman that we are making splendid progress.

Mr. McLEAN. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New Jersey.

Mr. McLEAN. Did I understand the gentleman to say that the provisions of this bill contemplate a portion of this money will be allocated for the elimination of grade crossings?

Mr. WOODRUM. It is not specifically earmarked, but it is set out in the break-down that a portion of it may be used for this purpose by the Works Progress Administrator.

Mr. McLEAN. And the gentleman has reason to believe it will be so used?

Mr. WOODRUM. It was specifically so stated in the hearings.

Mr. TABER. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. TABER. I understood Mr. Hopkins to say he did not intend to use this money for grade-crossing elimination. I may be mistaken, but that is my understanding.

Mr. WOODRUM. I think the gentleman is mistaken. He said it would not be used for "major" grade-crossing elimination.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. Does the gentleman consider the language "highways, roads, and streets" is broad enough to cover the construction of bridges?

Mr. WOODRUM. I think so.

Mr. WHITE. Is it the intention to take a final vote on this bill tonight?

Mr. WOODRUM. We want to take the bill up to the final vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. McLEAN].

The amendment was rejected.

Mr. TABER. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 22, line 8, after the word "appropriation", insert "*Provided*, That no part of the appropriations contained herein shall be used for the construction or operation of transient or hobo camps."

Mr. TABER. Mr. Chairman, this was one of the great abuses of the P. W. A. and the W. P. A. These camps were erected in communities and large numbers of transients gathered there, and then the camps were taken away and the communities left to provide for them. I think the Congress should provide against a recurrence of that abuse, and, therefore, I hope the amendment which I have just offered will be adopted.

Mr. WOODRUM. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I may say to the gentleman that the hearings show that none of those camps are now in operation, and the program has been entirely abandoned. This amendment, if adopted, would simply amount to surplus, and I ask that the Members defeat the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. MARTIN of Colorado. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MARTIN of Colorado: Page 22, after line 8, insert the following: "all rehabilitation loan payments to farmers in the drought area during the period May 1 to November 1, 1935, be, and the same are hereby, canceled and held for naught as obligations against the said farmers and their property: *Provided*, That this act shall not apply to standard rehabilitation cases designated by the Resettlement Administration as class 30 cases."

Mr. WOODRUM. Mr. Chairman, I reserve a point of order against the amendment.

Mr. MARTIN of Colorado. Mr. Chairman, I have offered this amendment, which is copied from my H. R. 12415, for the purpose of exhibiting the gross injustice and discrimination which has been worked against relief farmers in the drought area of parts of eight States. Prior to May 1, 1935, all needy farmers in the drought area who could not qualify for bona fide or standard rehabilitation loans were on direct relief and were direct-relief cases just the same as in the case of city dwellers. In April 1935 the relief administrator issued an order putting all these farmers under a mortgage-loan system. They were offered a loan, and they had to take the loan or else they were out. Under this order perhaps 8,000 farmers in my State, most of them in my district, were required to take loans whether they had any security or not, whereas a similar case in the city was continued on direct relief. Most of them had been burnt out until they had nothing. The result is that those farmers are mortgaged whether they have any security or not. They continue to owe this debt to the Government. The Resettlement Administration, recognizing the injustice of that situation, on November 1 last substituted for the loans a system of subsistance grants, meaning direct relief.

But the fact remains that all these farmers for the period of May 1 to November 1, 1935, were under loans and mortgages to the Government for what was really simply direct relief, and in all justice and fairness these loans ought to be canceled.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. MAY. Is not the gentleman afraid that this would be the beginning of a campaign to create a paramount issue in the Presidential election of 1940 to surrender all the Federal land bank and home owners' loans and all other similar loans that have been made?

Mr. MARTIN of Colorado. Not at all; and let me say to my friend that when the Resettlement Administration canceled the loan system and put these farmers under subsistence grants on November 1, 1935, he recognized the injustice of having placed them under a loan system in the first place. The account is now closed and all it could cost the Government would be the amount of the alleged loans made to these farmers during that period of time from May 1 to November 1, 1935.

And, may I ask in fairness and justice, why should a farmer—a tenant, we will say, on a drought-burned farm and having a family—be arbitrarily shifted from direct relief and put under a mortgage loan which in 9 cases out of 10 he could never repay, although it would hang over his head, while if the same man with his family lived in town he would be continued on direct relief and owe the Government nothing? Why, Mr. Chairman, even farm hands, even ex-farm hands, people living in small towns who had an agricultural background, even coal miners—were arbitrarily swept under this loan system and budgeted for a year's necessaries and made a loan accordingly on a monthly

installment plan. I feel fully justified in saying that it presents a clear case of gross injustice and discrimination. These alleged loans were and are nothing but relief grants and ought to be so treated, and the loans canceled and these poor farmers absolved from the knowledge that they are indebted to the Government, which may yet fall upon them to collect. I can see no precedent in such action for cancelation of farm and home loans.

Now, understand, I am not charging the Resettlement Administration with creating this situation. It was handed over to them ready made when Resettlement was set up last summer. I deeply appreciate the action of the Resettlement Administrator in changing these farmers from loans to direct relief the 1st of last November.

I spent nearly all of my alleged congressional vacation last summer working for this change, and I have felt that its accomplishment was the most worth-while thing I have done since my return to Congress. But justice will never be fully done until these alleged mortgage loans are charged off the books. I shall ask leave to insert as part of my remarks a letter written by me to the Resettlement Administrator proposing this cancelation. In response to the letter I have been given to understand that the Government will not press for repayment, but I have deemed it advisable to introduce the bill I referred to, which, stripped of the whereases, is embodied in my amendment. Some day, in one way or another, these alleged loans, 90 percent of which can never be paid, must be charged off the books, and it ought to be done by act of Congress, which is the only authority that can do it.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I insist upon the point of order.

Mr. MARTIN of Colorado. Mr. Chairman, I ask unanimous consent to extend my remarks and to include therein the letter written by me to the Resettlement Administrator, already referred to, covering this matter much more clearly and fully than I have been able to do under the 5-minute rule.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. Mr. Chairman, the following is the letter to the Resettlement Administrator:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., January 15, 1936.

Hon. REXFORD G. TUGWELL,
Resettlement Administrator, Washington, D. C.

MY DEAR MR. TUGWELL: At this time I feel it incumbent upon me as a Representative of the farm drought area, endeavoring to bring about an adjustment or equality of treatment between rural and urban populations on relief, to burden you with a review as briefly as possible of the rehabilitation activity in that region and what further I think ought to be done about it.

To begin with, rehabilitation loans were limited to that type of farmers who gave promise of being able to carry on if refinanced on the ground and who were able to give reasonable security for the loans. This class proved to be a minority, perhaps not 15 percent of the farmers in southeastern Colorado and portions of adjoining States. (Now still further reduced, and properly so, by transfer to subsistence grants.)

On April 17, 1936, Mr. R. E. Kiely, director of Rural Rehabilitation for Colorado, acting on instructions from F. E. R. A., Washington, issued Bulletin No. 654 to all county administrators. The first paragraph of instructions reads as follows:

"First. All farmers who are receiving feed will be transferred to rural rehabilitation rolls. This applies to those clients working on a farm, for a farmer, and to farmers, whether they be renters, lessees, farm owners, or hired help."

Under this order some 8,000 cases were arbitrarily swept under the rehabilitation loan plan. Rural Rehabilitation had to accept them without question and they had to accept the rural rehabilitation loan or go without relief.

Budgets for the ensuing year were made up for these cases, to be paid in monthly installments, and the farmers were required to execute mortgage notes to secure payment. I may say here that, perhaps, not 10 percent of these farmers had any substantial security. Perhaps half or more of them were merely tenants. In many cases they were merely farm hands. In some cases they were merely ex-farm hands. The classification included persons living in towns and villages who had an agricultural background or had worked on a farm. Colonies of coal miners who lived on small owned or rented tracts of land were classed as agricultural. In the great majority of cases it was obvious that there was no possibility of repayment.

The new status became effective as of May 1 and the first loan checks were paid in May. So far as I could learn, the May payment was satisfactory. The applicants received maximum monthly payments for May. But from May on, the following is a typical case: The farmer got $43.50 in May; $17 in June; $10 in July; and at the time I saw him, the first of October, he had received no further payments. I believe the record will show it to have been the rule that the great bulk of the monthly payments were materially reduced after the first one. In addition, there were several serious delays in payment, involving 1 to 2 months' time. Two of these delays occurred between May 1 and November. The delay in November and December 1935 payments grew out of the transfer of these cases from loans to subsistence grants.

I went through the district early in October and found universal dissatisfaction with the plan. The chief grounds of dissatisfaction were: Cutting of the monthly amount from month to month and delay in payment; distress among merchants who had begun giving these farmers credit on the basis of their supposed monthly allowance; distress among banks carrying the merchants; and, later, disqualification of the farmers for works-progress projects.

Another distressing feature involved a considerable percentage of farmers who, after receiving their May check, refused to sign the mortgage note, and thereby became disqualified not only for the rehabilitation loan but for all other forms of Government relief. There were 200 such cases in Baca County, Colo., which is the heart of the Dust Bowl in Colorado. These families lived in a state of semistarvation.

As the result of my investigation I sent a number of telegrams to you, to Mr. Hopkins, and to the President. I may say here that as to nearly every statement I made in those telegrams or elsewhere concerning the plan, I first checked up with rehabilitation agents, who almost invariably verified the information which had been given me by farmers, merchants, bankers, and others.

During my investigation, I came to the conclusion that the farmers swept under the loan plan by bulletin no. 654, were in fact purely relief cases and not loan cases in any true sense. The bulky file I have accumulated on this matter shows that this is the view of the Resettlement Administration from the Washington offices down to the county agents.

And this is not all. I have seen official correspondence showing clearly that the representative of F. E. R. A. who caused this change to be made was advised by both F. E. R. A. and R. R. A. directors that these were relief cases and not loan cases, and predicting some of the chief evils which have developed in the plan.

Now for the question. If the farmers transferred to loans under the bulletin no. 654 were relief and not rehabilitation cases, why should not the loans be canceled or charged up to relief where they properly belong?

This question arose in my mind before there had occurred to me possibilities of new difficulties which I now foresee. I very deeply appreciate the action of the Resettlement Administration in transferring these farmers from loans to subsistence grants. And also the action of the Works Progress Administration in qualifying a large percentage of them for work, which process is now under way. But I am apprehensive that the farmers who are given work will be confronted with the requirement of surrendering their pay checks in satisfaction of loans or advances made them between May 1 and November 1.

In my telegrams to the President, to yourself, and to Mr. Hopkins, I have stressed the fact that the farmer with a family on relief who owned no lands, had no crops or income or means of support, was in a condition entirely comparable with the city worker on relief. The farmer was forced under a mortgage loan for his subsistence. The city worker was granted relief gratis. When Works Progress came, the city worker on relief was qualified for employment at $48 to $62 per month and owed the Government nothing. But the farmer who has now been qualified for work will owe the Government for what was really direct relief. It is my firm conviction that equity and fair dealing would dictate the cancelation of these specific loans or their conversion into relief by some proper order.

I am not here mentioning seed or feed or stock or any other form of loans made to farmers prior to the Bulletin No. 654 but only to the loans made them under the budgets executed pursuant to said bulletin.

In conclusion, I would very much appreciate the opportunity of going over the question with you personally at your convenience. If this audience can be had, I would consider it helpful if you were to cause to be prepared a table or statement showing the number of cases under classes 40 and 41 as they are known of the rehabilitation loans and the approximate total amount advanced by the Government to these classes.

Very respectfully,

JOHN A. MARTIN,
Member of Congress.

The CHAIRMAN. The amendment offered by the gentleman from Colorado relates to a new subject matter and is not germane, and the Chair therefore sustains the point of order.

Mr. DITTER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DITTER. Mr. Chairman and Members of the Committee, a little more than a year ago the President requested of the Congress an appropriation of $4,800,000,000 to carry on a work-relief program. At that time representations were made that employment would be provided for 3,500,000 of our people and the impression prevailed that the program would stimulate private industry and result in a material diminution of the unemployment load. Broad discretionary powers were delegated to executive agencies to carry on the program. Unlimited funds enabled excursions into all fields of experiment. Professors vied with politicians in providing ways to spend money. The speculation spree of the late twenties was imitated by the spending spree of the past year as the urge was given to spend our way into prosperity. What a lovely dream it proved to be, but what a sad awakening.

Today another blanket appropriation is being pushed through the House. It comes as a result of the President's message in which he said in part, "There are at present approximately 5,300,000 families and unattached persons who are in need of some form of public assistance." This is a startling confession of failure. Based on a minimum estimate of three to a family it means that more than 15,000,000 persons must be maintained at the expense of the Government. It means that after 3 years of experiment, extravagance, and exploitation, the present administration comes to the American people and admits the futility of its efforts. It means that the experiments with everything from pigs to parlors are but the nebulous creations of theorists. It means that the extravagances of all the newly created Federal bureaus regulating and ordering the food, clothing, and shelter of the American people are shameful wastes and riotous profligacy. It means that the exploitation of those in distress for purely political purposes constitutes one of the most shocking episodes in American history. On the eve of a national election the New Dealers admit defeat. They blandly tell the American people that even though we have prostituted public office by casting aside civil-service requirements; even though we have created political sinecures for hundreds of thousands of our henchmen and vassals; even though we have penalized businessmen and punished wage earners by the imposition of an unbearable tax burden; even though we have made no appreciable reduction in the unemployment load after spending billions of dollars in fantastic schemes and on fanciful projects, nevertheless they request a further appropriation in order to carry on their program.

It is not hard to find the cause for the defeat which the New Dealers have suffered in their efforts to put potential American wage earners back to work. The reason can best be given by quotations from men who have been identified with, at one time or another, the New Deal program. No more ardent, loyal, and faithful disciple could be found than Gen. Hugh Johnson, who is quoted as having said, in referring to the Works Progress Administrations' program:

> Sixty percent of this invented work is a needlessly expensive and fatuous gesture. The only argument is that it preserves pride against humiliation of home relief. Yet to go on work relief the rules require that a man first go on home relief. To get there he must submit to the equivalent of a pauper's oath and a most humiliating inquisition. More than one-half of all this effort is prodigal pretense justified by nothing.

That statement constitutes a strong indictment. It goes to the heart of the issue. It indicates definitely that the concept and motive of the program is wrong. The American wage earner still desires to preserve his dignity and self-respect. He resents both the necessity for a pauper's oath and the inquisition attendant upon investigation. There can be little doubt that the quotation to which I have just referred is tenable, justifiable, and honest. But others have also brought their contribution. Robert L. Johnson, a former Relief Director of Pennsylvania, referring to the change in administration at the time of the introduction of the Works Progress Administration, is reported to have said: "I can't speak for the Nation, but I do know that one unwise move in Pennsylvania, against which I fought, resulted in $7,000,000 being wasted—wasted just as truly as if someone had taken 7,000,000 dollar bills and used them to light cigars."

Further observation of a similar character might be added which would indicate that New Dealers themselves are disappointed and chagrined over the ineffectiveness of the program. The chief cause for the defeat of the New Dealers program and the waste of billions of dollars can be laid at the door of political manipulators. The attention of the American public has been called to the glaring irregularities in many States. Work relief is honeycombed with politics. Honest men seeking an honest day's work for an honest dollar's pay should not be required to enlist in any political party. Efforts of large industrial employers to coerce, intimidate or compel their employees have been denounced on all sides. I submit that the same standard should apply and even more care should be exercised when the Federal Government using taxpayers' money employs those who are in distress on public-works projects. Unfortunately, however, such has not been the case. It has come to the attention to those in Congress that county administrators have declared that workers who were not in sympathy with the W. P. A. program and the political administration in power would be eliminated from the W. P. A. pay roll, and in order to bring about a compliance by the unfortunate workman, the demand has been made that supervisors and foremen should report those who might be critical without delay. Our attention has been directed to measures of penalty and punishment visited upon those who refused to become a part of the political party presently administering relief. Workmen on W. P. A. projects have been required to purchase tickets, secure subscriptions, and in other ways lend their aid to the highly specialized political machine which seeks to perpetuate itself at the expense of the American taxpayer. In almost a literal sense we have witnessed a program by which bread was to be bartered for ballots. The American people had been told that the exploiter in business was to be banished. I submit that the exploiter in human distress and misery is far more reprehensible than the exploiter who confines his efforts to other channels.

The money changers have been driven from the temple, but the ballot traders had an invitation extended to them and a warmth of welcome assured them as a part of the New Deal hospitality.

Our more abundant life seems to consist chiefly in abundance of evidence that ballots can be bought and that human distress can be put on the auction block to the highest political bidder. The administration in power should invite a searching inquiry into the whole Works Progress Administration in order that its true purposes might be carried out. Reference should be made to the costs of operation which result from the methods presently pursued in handling the problem at Washington rather than permitting its administration in each of the States. The same amount of money, if allocated to each of the States on a basis by which the States would contribute a share of the expense, would enable worth-while projects to be developed and carried on under local supervision and would provide for the employee a living wage rather than a pauper's pittance. Let each of the States be charged with the responsibility for its relief program. Let each of the States receive from the Federal Government a contribution in proportion to the contribution which the State makes in Federal taxes. Let each of the States insist upon an honest day's work for an honest day's wage. We owe no responsibility to those who do not want work but who are anxious to live at the expense of a paternalistic government. The old Colonial New England standard is still applicable, "He that will not work, should not eat." Our sympathy goes out to those who by reason of physical disabilities, old age, or other circumstances prevent the acceptance of employment. To these the Federal Government as well as the State governments owe a duty. For this group everything should be done which will provide security and livelihood.

My conviction is that America will respond to this challenge for the care of those unfortunate unemployables, but I am equally convinced that there should not be saddled

upon the shoulder of the energetic, ambitious workman of America the tax load to provide for their neighbors who are slothful, shiftless, and indolent. In view of the fact that public-works projects and human misery have been seized upon by dictatorially minded political craftsmen to secure absolute loyalty from the distressed and unemployed, it is but natural that protests from all sides have been raised against the Works Progress Administration. To support the present measure would be to condone, excuse, and even approve that which has been condemned by impartial, nonpartisan observers throughout the land.

These are the conditions which have brought about the admitted defeat of the New Deal program for unemployment. I believe that the majority of American workmen desire to dignify their work by engaging in worth-while projects. I believe that there is still present in America a spirit of industry and thrift. I believe that if the opportunity were offered to those who are anxious for employment, that they would respond by applying themselves energetically to the tasks assigned to them. I believe that there are still avenues of usefulness open to the American workman in which he may demonstrate his ability and his willingness to work. I believe that the Federal Government's funds could be used by proper allocation, divorced from political control, toward this end. I believe that industry could more readily absorb millions of unemployed if the vacillating, inconsistent, and uncertain policy of the present administration were to be replaced by one of definiteness which would encourage confidence. This faith gives me my only hope for the future.

Mr. STEFAN. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. STEFAN: Page 22, line 8, after the word "appropriation", insert a new paragraph to read as follows:

"No part of the appropriations herein authorized shall be expended in industrial-plant training programs, except such industrial-plant training be bona-fide vocational training, and not a device to utilize the services of vocational trainees for private profit."

Mr. WOODRUM. Mr. Chairman, I reserve a point of order against the amendment.

Mr. STEFAN. Mr. Chairman, I do not believe there is anything controversial about this particular amendment. It is simply an amendment offered for the purpose of safeguarding public funds from exploitation by private industry. This matter came to the attention of the House Committee on Education sometime ago when we learned from the representatives of labor and the representatives of the Bureau of Education that the reports that the Members had read in the newspapers that public funds had been exploited by private industry in plant training were true.

The question came before the Committee on Education, and we adopted in the Deen bill the very amendment I am offering to this particular bill in order to safeguard these public funds.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the distinguished gentleman from Massachusetts.

Mr. CONNERY. Is this an amendment to take care of the situation about which we had so many complaints in the Committee on Labor about private employers taking learners, under the plea it was vocational education, and putting them in plants that were making dresses and shirts under sweat-shop conditions and then selling them in the open market in competition with goods made under decent conditions?

Mr. STEFAN. I want to tell the gentleman from Massachusetts that these goods were sold in competition with merchandise produced in bona-fide factories where the American standard of living was being maintained.

We want to protect public funds from being exploited by private industry exploiting and enslaving the labor of America.

Mr. CONNERY. If the gentleman will yield further, we had many, many complaints of that sort, and I referred them to Mr. Hopkins, and without mentioning the States I may say that he went into certain States and investigated matters and cleaned up conditions there. However, I am in favor of the gentleman's amendment in order to see to it that this does not happen again.

Mr. STEFAN. The gentleman will agree that this would safeguard the matter and prevent such exploitation of labor.

Mr. CONNERY. Yes.

Mr. STEFAN. There is, in my opinion, today a unified effort, backed by tremendous capital, to turn down and destroy the high standard of American living. If that effort succeeds today it will require the same amount of effort, the same amount of sacrifice, and the same amount of time to bring it back as it is today.

The past history of organized labor to give to the American working man and the American working woman a high standard of living is a pathway strewn with a story of great tragedy and great sacrifice on the part of those Americans who wish to give an equal chance to all Americans to share alike the blessings of this land of the free and the home of the brave.

If nothing is done at this time, when millions of dollars of the taxpayers' money is being used in an effort to keep idle people employed, to safeguard the exploitation of that money, I predict that we will soon be confronted with an era of slavery among American men and women workers.

The movement to enslave the American man and woman once more is Nation-wide, and, in my opinion, it is backed by a powerful organized minority in our country.

Today American industry is exploiting slave labor, not only in the Far East but in other parts of the world, by forcing the products of this labor into the salesrooms of American places of business. Here this foreign-made merchandise, because it is cheaper in price, also attracts the attention of the multitude of unemployed, who, because they have little money with which to buy, are forced to buy merchandise made by slave labor. As a result, merchandise made by American workers, whose wages are necessarily higher, due to our determination to maintain our high standard of American living, is left on the shelves unpurchased, with the result of more and more unemployed American men and women.

It is no longer any secret that certain American industry is now, and has been for many years, profiting greatly by the exploitation of so-called slave labor in foreign lands, and that this industry is ever on the alert to exploit low-cost labor or slave labor in our own land.

To allow this to continue will bring but one result—enslavement of the American man and the American woman and the breaking down forever of the high standard of American living.

It is because I have given this matter much personal study; because I have visited the factories in other lands from which this foreign merchandise is made; because I have followed that very merchandise back to our own country and into our stores; and knowing the story first-hand, I have taken much personal interest in the protection of the American labor market for the American workers.

I call attention of Members of this House to H. R. 12120, a bill to provide for the further development of vocational education in the several States and Territories.

This is a good bill and provides that the Government shall appropriate a certain sum of money to aid the several States in teaching men and women how to earn their own living. It is endorsed by farm organizations. Our committee has held many hearings on this bill. These hearings developed that through the aid of vocational training some communities, by taking advantage of its benefits, have not applied for Government relief.

Our bill is changed somewhat since its first writing, due to these interesting and lengthy hearings. It was passed unanimously out of our committee after these changes had been made. A similar bill has passed the Senate, but I am advised that no hearings have been held by the Senate on that bill.

While I favor the principles in the Senate bill with some reservations, I shall oppose it vigorously if certain sections of our House bill are not retained; especially if one section is not retained. The section is one of which I claim authorship and which section I hope the House will help me in retaining.

The section, which is no. 6 in the House bill, reads as follows:

No part of the appropriations herein authorized shall be expended in industrial-plant training programs, except such industrial-plant training be bona-fide vocational training, and not a device to utilize the services of vocational trainees for private profit.

The purpose of this section is to protect American labor from enslavement by those industries which would exploit cheap labor with the taxpayers' money. Its ultimate purpose is to maintain the high standard of American living by protecting the American man and the American woman from exploitation by so-called sweatshops.

The taxpayers' money has already been exploited. Investigations have been made and certain recommendations have been made to stop this exploitation of taxpayers' money. In this new section in the vocational education bill we members of the House Committee on Education feel that we have a sure safeguard against any future or possible use of taxpayers' money by private enterprise which has as its purpose the enslavement of men and women by certain industries who have been driven from their old locations by the principles of high standards of living.

Investigations show that certain Southern States are the targets for scouts seeking cheap labor. People living in the Northern and Eastern States, where many factories have closed down, will be interested to know that the taxpayers' money has in some cases been used to induce the moving away from their localities into fresher fields by certain industries who have one objective in mind today—"capture cheap labor in order to secure greater profits."

Members of this House should know that a series of complaints were made within the last year to various departments of our Government regarding the labor standards of plant-training programs conducted under public-school offices and reimbursed from Federal funds. Certain investigators made visits and investigations in at least a dozen plants and trade schools under public supervision and control in various cities, and also to plant-training programs supervised and financed by certain firms. Members of this House should know that as a result of certain investigations, it has been found that the cotton-garment, rayon, and silk industries are migrating, and that certain powerful agencies are stimulating this migration. Chambers of commerce, which wish to improve local business conditions; power companies, which wish to secure clients for sale of power; agents of railroad companies, who wish to secure transportation orders; owners of unoccupied factory buildings, who wish to secure a return on their investment, are among the stimulating factors which are resulting in this migration. The industries which are seeking new locations are lending a willing ear to these agencies because they claim they are facing labor difficulties; because they find that the passage of the Cooper-Hawes bill does not give them the advantage of low-cost prison operation; because they wish to expand their production; and most of all because they want locations where they can secure an abundant supply of cheap labor.

Various communities are aiding in this migration of factories from their old location by offering tax exemptions for as much as 5 years. In some cases factories are secured by gifts, city bonds, and city funds. Some contributions are made toward pay rolls for limited periods of adjustment. An abundant supply of workers with high-school education have been trained for these factories at public expense. It is known that workers have been trained for the new industries in plant training programs conducted under public supervision and control, and that applications for reimbursements from State and Federal funds have been made for seven plant training programs in operation at the time of the survey.

I am sure that most Members of this House object to irregular practices such as those in production where workers are trained on production without pay up to as many as 12 weeks, and then transferred to the pay roll at learners' wages, and goods produced without payment of regular wages being sold on the open market to compete with merchandise made by workers on regular wages, based on the high standard of living.

That taxpayers' money has been used for private profit by these industries is known, and even the superintendent of the factories or the foremen were appointed as teachers and paid at public expense.

I know Members of this House will object when the good name of the public school is used to cloak certain schemes for commercial gain and to cover practices contrary to Government regulations.

I believe in the use of these vocational-education funds in teaching men and women skilled labor insofar as they are not being exploited in mass production for the private benefit of sweatshops, and it is for that reason that I hope Members of this House will work with me in the retention of this section 6 of the House bill for vocational education.

Mr. WOODRUM. Mr. Chairman, I withdraw the point of order.

This whole question was developed in the colloquy between the gentleman from Nebraska and the gentleman from Massachusetts. There were abuses of this kind, like there were other abuses in this program. They were called to the attention of the Works Progress Administrator. He investigated them, as the gentleman from Massachusetts has said, and they have been entirely cleaned up. We could stay here from now until the crack of doom and continue to write inhibitions into this bill.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. STEFAN. The gentleman would approve an amendment to safeguard and prevent such enslavement of American labor happening again?

Mr. WOODRUM. I will say to my friend that we could write any number of amendments here that nobody could object to, but the condition the gentleman refers to does not now exist, and to put such an amendment in the bill is simply shadow-boxing. There is no use of cluttering up this bill with perfectly useless provisions. I may say to my friend from Massachusetts that whatever the merits of the amendment may be Mr. Hopkins has cleaned the situation up and we should not now slur him by writing something into the bill.

Mr. CONNERY. You are really doing a favor to Mr. Hopkins by helping him out, because they are still at it; and if we put this in the bill, it will give Mr. Hopkins a chance to wipe it out.

Mr. STEFAN. I wish the gentleman would not construe my remarks in a partisan way to the detriment of Mr. Hopkins.

Mr. WOODRUM. I acquit the gentleman of any partisan motive.

Mr. BOILEAU. Let me say that I have heard within a month of conditions at present such as the gentleman from Nebraska has stated.

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. STEFAN) there were 37 ayes and 61 noes.

So the amendment was rejected.

Mr. SCOTT. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 22, line 8, after the word "appropriation", insert a new proviso, as follows: "*Provided further*, That the Administrator may certify out of the funds made available by this subsection grants to States applying therefor to aid needy persons who have no legal settlement in any one State or community, and to aid in assisting cooperation and self-help associations for the barter of goods and services."

Mr. TABER. Mr. Chairman, I make the point of order that that is legislation on an appropriation bill and not germane.

The CHAIRMAN. Does the gentleman from California desire to be heard?

Mr. SCOTT. I do not.

The CHAIRMAN. The amendment clearly is not germane, and the Chair sustains the point of order.

Mr. MAVERICK. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 22, line 4, after the word "farmers", strike out "$85,500,000" and insert in lieu thereof the following: "$160,500,000."

Mr. MAVERICK. Mr. Chairman, in offering this amendment I am fully conscious that the Republicans will vote against it 100 percent and the Democrats about 98 percent. [Laughter.]

I do it to make a record because the matter it concerns is extremely important.

THREE PHASES—DAM, PATRIOTIC HEAT, AND ISM—BUT NOTHING SETTLED

What have we done today? We have gone along in an easy way on three major phases. In the first phase we spent 40 minutes naming a dam. I think that was all right because it was named for a distinguished gentleman, but if this is not congressional boondoggling, I will eat my hat. [Laughter.] And we spent about 45 minutes in being horror-struck over the alien situation——

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. Yes.

Mr. HOFFMAN. The gentleman says his amendment is going to be voted against 100 percent on our side and 98 percent on his side. Then what is he doing now?

Mr. MAVERICK. Maybe I am boondoggling, but if I am, I ought to have the right to do so, because there has been so much of it here that I should have my portion of the time allotted to me for that purpose. But let me proceed on the second major phase of today's business. We were horror-struck over this alien situation, and we made speeches on "Americanism" and got full of patriotic heat. But neither in the naming of this dam nor in excluding aliens from the relief rolls have we settled any economic question whatever. Then the third was the usual thing, Tugwellism. It came up, and that was spoken of in a horror-struck way by a Republican colleague. And by denouncing "Tugwellism" no economic question was solved and nobody got jobs or bacon and beans.

Let me discuss this amendment, which is in the nature of agricultural relief, and leave Tugwell out for a minute, and I hope not to mention him again for a while. We are absolutely passing over the fundamental question of the agricultural population of the United States. We have a situation in reference to tenants and sharecroppers and agricultural workers, where people are being dispossessed all over the United States. We are doing nothing about it. The Rural Resettlement Administration is an organization which puts people back to work on the farm and leads them into landownerships, or at least into making a living.

SO CERTAIN AS THE RISING OF THE SUN

I have said here many times that I am in favor of this program for Mr. Hopkins, and I think it is absolutely necessary. But I do think that some day we are going to have to get down and talk about the real economic questions that we have before us. That is all I have to say. I do not suppose there is any necessity for anybody to speak against the amendment because I know it will be voted down. But I have made a record, and, so certain as the rising of the sun, some day we must meet the issue.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. Yes.

Mr. BUCHANAN. Eighty-five million dollars in the bill for the farmers; and if that should be increased by 15 percent that would amount to $95,000,000. Mr. Tugwell now has over $100,000,000 unexpended for that purpose.

Mr. MAVERICK. I know, but that is allotted.

Mr. BUCHANAN. There is $200,000,000, and yet you say nothing has been done for the farmers.

Mr. MAVERICK. I repeat, it has been allotted. Rural rehabilitation must now practically stop, one of the most necessary for America. We cannot pass this over forever.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

Mr. BIERMANN. Mr. Chairman, I move to strike out the last word. I do not want to take up the time of the Committee at this late hour, but there are a few facts and figures I want to have before the Committee before the vote takes place Monday. They have been ably set out in a letter written to me by an able and distinguished gentleman from Iowa, a State administrator, Mr. L. S. Hill, and I ask unanimous consent to extend my remarks at this place by the insertion of the letter.

The CHAIRMAN. Is there objection?

There was no objection.

The letter is as follows:

WORKS PROGRESS ADMINISTRATION,
ROYAL UNION LIFE BUILDING,
Des Moines, Iowa, May 1, 1936.

HON. FRED BIERMANN, M. C.,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: Enclosed are the latest break-downs by counties of W. P. A. employment in your district.

It is probably unnecessary for me to remind you that continuous employment of these people is of serious consequence, or to point out again that the Iowa W. P. A. has been the only Federal work agency which has successfully met this problem in our State.

It has been brought to my attention that a determined drive to earmark $700,000,000 of the proposed work-relief funds for next year for other Federal work agencies is in process.

You will recall at a conference a month or more ago we discussed the unemployment problem and considered what should be done to take care of it in Iowa during the next year.

Figures then showed that W. P. A. was employing approximately 36,000 people, while all other agencies were employing less than 1,700. There is no quarrel between the Iowa W. P. A. and other agencies. W. P. A. would gladly surrender the burden of providing employment, even to the point of closing up all W. P. A. activities.

The fact remains, however, that other agencies have not provided employment, and indications are certain they will not during the coming year. The enclosed tabulation, by counties in your district, reveals that despite reductions in the number of W. P. A. employees and despite several weeks of spring weather, other agencies are still far below the number of relief people at work that they were expected to take care of.

A list of 12 reasons why you should approve a $700,000,000 allocation of relief funds to P. W. A. for next year is before me. Let me, in the light of experience during the last 6 months, try and give the W. P. A. side of this vexatious problem. The P. W. A. statement of "brief reasons" and the W. P. A. side, as I see it, are as follows:

1. Projects definitely relieve unemployment by placing men to work in their proper trades.

There are an estimated 40,000 people in Iowa who, because of lack of opportunity during the last 15 years, when no apprentices were hired in Iowa, are without skilled training and whom P. W. A. contractors will not hire. These must be trained somehow, and in the meantime, constituting the bulk of our unemployment load must be placed on jobs at which they can earn security wages.

2. One and one-half to three men are put to work indirectly for every one employed directly on construction site.

This is a debatable point, and even though true, as reflected in improved business conditions, still has not, and most certainly will not, solve the apparent permanent unemployment problem we have in this State.

3. Direct and indirect employment will equal at least 1,140,000 men employed per year at current wages and salaries.

Granting this figure to be true, there will remain a monthly average of 30,000 workers in Iowa who would not be taken care of by private contract work.

4. The per capita cost to the Federal Government per man employed per year will not exceed $615, direct and indirect.

The per-capita cost of W. P. A. employees has been less than this amount during the last 6 months in Iowa, including all overhead.

5. Public Works projects materially stimulate industry by multiplying business value from two to three times the original transaction.

Worth-while public works built in your district, and which I again urge you to inspect when you return, have exactly the same effect.

6. Projects can soon be started and completed within a year.

Projects approved for P. W. A. a year ago are just starting in Iowa, and many have not yet been started. W. P. A. projects were started almost overnight.

7. Projects are economically sound, and of permanent nature.

Again I ask you to visit W. P. A. projects in your district and arrive at your own conclusion as to their soundness and permanency.

8. Projects constructed by contract yield $100,000,000 in taxes to various governments, most of which would be lost if work done by Government agency.

Taxes affect all wage earners and all sellers of building materials. What is true here in connection with P. W. A. applies equally to W. P. A., whatever the figure may be.

9. P. W. A. is smooth-running organization having public confidence and noted for its integrity.

There has never been any question as to the integrity of W. P. A. in Iowa, and, if there were rough spots in the process

of putting 36,000 people to work on worth-while jobs in a period of weeks, certainly W. P. A. is a smooth-running organization in Iowa now.

10. Over 6,130 approved projects are on file. Projects submitted in good faith by political subdivisions scattered throughout the United States only to find funds were not available.

More than $64,000,000 worth of projects in Iowa, asked for and sponsored by local subdivisions of government, have been approved by the President and the Comptroller General of the United States. (It might be noted here that, on the 45–55 grant basis under which P. W. A. operates, projects are possible only in those communities where local governments can raise the necessary 55 percent of costs. In at least 50 Iowa counties local governments cannot do this, and it is in these counties where unemployment loads are heaviest.)

11. When depression is over all of the public dollars expended will still be paying dividends in socially valuable, Nation-enriching works.

We believe the depression is over, and we also believe that, despite business recovery, a permanent unemployment load, particularly in the poorer counties, will be with us next year and for some years to come.

12. Sudden abandonment of P. W. A. now would kick the props out from under construction and affiliated industries, precipitating further unemployment.

Revision of regulations governing W. P. A. expenditures to permit the employment of some nonrelief, skilled workers would take care of whatever real element of fact lies in this statement.

In conclusion, may I reiterate that if we are to avoid confusion of past in meeting the Iowa unemployment problem, "earmarking" of funds appropriated for that purpose to agencies, which have proven that they cannot take care of it, must be avoided.

In another letter I shall discuss nonconstruction activities of W. P. A., pointing out those which have proven of value and those we think are unessential in taking care of unemployment.

Sincerely,

L. S. HILL, *State Administrator.*

The Clerk read as follows:

The President shall require to be paid such rates of pay for all persons engaged upon any project under the foregoing appropriation, as will, in the discretion of the President, accomplish the purposes of such appropriation and not adversely or otherwise tend to decrease the going rates of wages paid for work of a similar nature: *Provided*, That the President may fix different rates of wages for various types of work on any project, which rates need not be uniform throughout the United States.

Mr. CONNERY. Mr. Chairman, I offer the following amendment which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. CONNERY: Page 22, strike out lines 9 to 17, inclusive, and insert in lieu thereof the following:

"The rates of pay for persons engaged upon any project under the foregoing appropriation shall be not less than the prevailing rates of pay for work of a similar nature as determined by the Works Progress Administrator, and in the employment of such persons upon such projects, preference shall be given to unemployed citizens of the United States residing in the community within which such project is carried on."

Mr. BUCHANAN. Mr. Chairman, I reserve the point of order on that.

Mr. TABER. Mr. Chairman, I think the gentleman should make the point of order.

Mr. BUCHANAN. I make the point of order, Mr. Chairman, on the last part of the amendment. We have already settled the question of citizenship.

The CHAIRMAN. The Chair is prepared to rule. The gentleman from Texas raises the point of order on that portion of the amendment which is as follows:

And in the employment of such persons upon such project, preference shall be given to unemployed citizens of the United States.

That portion of the amendment the Chair rules is not germane. The Chair, therefore, sustains the point of order.

Mr. CONNERY. Mr. Chairman, I offer another amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. CONNERY: Page 22, strike out lines 9 to 17, inclusive, and insert in lieu thereof the following:

"The rates of pay for persons engaged upon projects under the foregoing appropriation shall be not less than the prevailing rates of pay for work of a similar nature, as determined by the Works Progress Administrator."

Mr. CONNERY. Mr. Chairman, this is what was known as the Connery-McCarran amendment on the original relief bill providing for $4,800,000,000 that was passed last year. It is the same amendment which I introduced on the floor of the House at that time, which was defeated by a small vote. Then Senator MCCARRAN put in the same amendment in the Senate, and the Senate was held up in session 3 months on that proposition alone. The McCarran amendment finally was defeated in the Senate by a small vote. You will remember the result of the nonpassage of that Connery-McCarran amendment. There was a general strike threatened in the United States. In New York City at a mass meeting in Madison Square Garden it was suggested that there might be a general strike in the United States because of the resentment of organized labor due to the results of the wages paid on W. P. A.

I am striving, both for the sake of my own party as well as the whole country, to prevent any such recurrence of that situation in New York, Chicago, Atlanta, San Francisco, Detroit, Dallas, New Orleans, or anywhere else in the United States. The prevailing rate of wage is being paid in many instances on W. P. A. projects. It came as a result of the situation primarily in New York City, when General Johnson, who was W. P. A. administrator in New York City, brought it to the attention of the President and Mr. Hopkins that unless something was done in regard to that situation, unless the prevailing rate of wage was paid, we would have trouble, if not bloodshed, in New York City and in the large cities of the United States.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Yes; I yield gladly to my friend from Texas.

Mr. BUCHANAN. As I understand it, the prevailing wage has been followed.

Mr. CONNERY. In many instances.

Mr. BUCHANAN. In many instances and in many places, but the length of time they gave employees at the prevailing wage only produced a total amount equal to a security wage.

Mr. CONNERY. Yes. In other words, in some cases they got 3 days' work at the prevailing rate of wage. I am perfectly willing to go along on those 3 days at the prevailing rate of wage, because that gives other men work at the prevailing rate of wage and keeps up the wage standard.

Mr. BUCHANAN. And 3 days' work at the prevailing rate is all they could earn in an entire week?

Mr. CONNERY. Yes. They would get, for instance, $20 for working 3 days a week instead of working 6 days a week for $20.

Mr. BUCHANAN. With the understanding that they will be paid the prevailing rate of wage, but that they will be employed only a sufficient number of days so that the total amount earned would be a security living, then we have no objection, with that understanding.

Mr. CONNERY. I am glad my friend accepts my amendment, and I congratulate the distinguished chairman of the Appropriations Committee [Mr. BUCHANAN] upon doing a fine service both to our party and the entire Nation in accepting this amendment which means so much to the workers of the country.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was agreed to.

The Clerk read as follows:

The Works Progress Administrator is authorized to prescribe such rules and regulations as may be necessary to carry out the purposes of the foregoing appropriation.

Mr. LANHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANHAM: Page 22, line 20, after the word "appropriation", strike out the period, insert a colon, and add the following: "*Provided, however*, That in the employment of persons on Works Progress Administration projects, applicants in actual need of such employment, whose names have not heretofore been placed on relief rolls, shall be given the same eligibility for employment as applicants whose names have heretofore appeared on such rolls."

Mr. LANHAM. Mr. Chairman, there are in this country many classes of worthy people actually in need who today are not eligible for employment under Works Progress Administration projects. A number of them are those who have been unwilling to go on relief as long as it was possible to hold out on their own resources, and they have shown

the stamina of the old pioneers. There are many others who have been working in mills and factories, often on part-time, eking out a precarious existence, who have plodded along without relief on the little they were able to earn, but the closing of shops, mills, and factories placed some of them in actual need.

The present rules and regulations with reference to the employment of people on Works Progress Administration projects prescribe that they shall have been on the relief rolls for a certain length of time before they may be given this work. That is actually a discrimination against the man who has had sufficient stamnia to fight it out to the best of his ability and earn his own way and make his own livelihood as long as he possibly could. Certainly these unfortunate men and women who now, at the end of their row, find themselves in need of employment should not be discriminated against in favor of those whose names were placed on relief rolls long ago. It is nothing but fair to the upstanding men and women of America who have gone on as long as possible under their own power that now, when they are in actual need, they be given the same eligibility with reference to employment as those who took advantage of relief in the first instance.

I hope the amendment will prevail. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, the question raised by the amendment, of course, is one that appeals to all of us. In the hearings you will find that Mr. Hopkins was asked specifically about this large group of citizens who, fighting a losing fight, tried to keep off the relief rolls and were not on the relief rolls, in the fall of 1935, when those rolls were frozen for the purposes of W. P. A. projects. Mr. Hopkins stated to our committee that his administration recognized the fact that there would have to be a restatement of the rules and entitlements to employment on W. P. A. projects.

I do not know exactly the form of the amendment, but the principle is good, and, speaking for myself, I have no objection to the amendment. If there is any administrative problem in it, that can be perfected in the other body.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. LANHAM. The amendment was hurriedly drawn, but it does state the principle that to me seems to be so fair that if it is not now in proper form it should be put in proper form in the other body.

Mr. WOODRUM. I have no objection to it.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is a matter for which I have been working and pleading very hard for a good many weeks because there have come to my attention so very many worthy cases that cannot get any kind of relief owing to the ruling of the W. P. A. Administrator. I believe the Members agree with me that the amendment should be adopted—the amendment of the gentleman from Texas [Mr. LANHAM]. [Applause.]

The CHAIRMAN. The question is on the amendment of the gentleman from Texas.

The amendment was agreed to.

Mr. CHRISTIANSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CHRISTIANSON: Page 32, strike out lines 18, 19, and 20.

Mr. CHRISTIANSON. Mr. Chairman, I offer this amendment, in the first place, because on principle I am opposed to delegation of power; and, specifically in this instance, because I am opposed to the delegation of any power to the present head of the Works Progress Administration. The last man in the world to whom I would give a blank check for $1,425,000,000 is Harry L. Hopkins. I have nothing against him personally; he is a charming gentleman. I do not impugn his motives; I am sure he is honorable. But Mr. Hopkins does not know the value of a dollar, and therefore is not the right person to whom to intrust the spending of billions of dollars. Although perhaps not personally actuated by political motives, he has shown a ready willingness to cooperate with those who are, and a reluctance to interfere when proof of the use of relief funds to influence elections has been brought to his attention.

It is our responsibility to place proper restrictions upon the expenditure of the money we are now appropriating instead of writing a blank check. The people can talk back to us; they cannot talk back to Mr. Hopkins. We cannot talk back to him; if you think we can, try it. We did not hire him; we cannot fire him. Therefore, unless we want him to continue to run hog-wild, we must ourselves write the regulations by which he shall be governed, and write them into the law so that no New Deal ukase can repeal or modify them.

The bad judgment that has been used in the past in spending the billions appropriated for relief has become notorious. The administration has wasted the people's hard-earned money conducting research into the history of the safety-pin. To children who needed bread it has given eurythmic dancing. It erected a $25,000 municipal dog kennel at Memphis, Tenn. It copied Chick Sales' designs and erected 600,000 outhouses at the expense of the Federal Treasury. It allocated $500,000 for training housemaids, overlooking the probability that by the time Mr. Hopkins gets through spending the money there will be nobody left in the country who can afford to hire one.

While decrying rugged individualism, the administration induced a whole shipload of farmers to leave established communities in the agricultural Middle West to found a precarious colony in far-off ice-bound Alaska, where they will compete with the Eskimos in coaxing a precarious living from an unwilling soil.

It projected a timber belt in a part of the country where for countless ages nature had tried to make trees grow and had failed—as futile a gesture as that of the scoffer who spat at Olympus to show his contempt for the gods.

It picked up King Canute's discarded broom and undertook to control the tides of Passamaquoddy. The project was to cost scores of millions, and there was no market for electricity within several hundred miles; the situation was so unique that it could hardly serve even as a yardstick. But such considerations did not daunt the playboys who have billions of other people's money with which to play, and whose obsession is that they were born to reconstruct the world.

It undertook to dig a canal across Florida from the Atlantic coast to the Gulf of Mexico, at a cost running well into nine figures, and was checked in the grandiose scheme by indignant farmers, who, more far-sighted than the New Deal planners, realized that introducing salt sea water into the soil of the Everglades would destroy one of the most productive citrus-fruit growing regions in the world.

It exhausted half of a billion dollars of the Government's credit—credit that will be sorely needed for other and more vital needs before the sun goes down on the Roosevelt regime—in buying up the world's silver at two or three times the world's price, not to use it as a circulating medium but to put it in huge vaults constructed for its reception in the fastnesses of Kentucky. There, put back in the ground, it will be just as useful and no more so than it was in the ground from which it originally came. Hoisting the price of silver has depressed price levels in the Orient and wrecked the economy of China—but what of that? The juvenile passion for experiment, the desire to pick the clock to pieces to see what it is made of, has been satisfied. Somebody, some day, will put the wheels back, but it is common experience that a clock reassembled never runs the same again.

Surely this record of blundering incompetence should convince us of the necessity of resuming our responsibility and our duty to specify how the money we appropriate shall be spent. We should stop the official arrogance that caused $238,000,000 of P. W. A. funds to be diverted to the Navy and put through the Reedsville project after Congress had turned it down.

Members of the majority who have spoken on this bill have been careful not to justify the mistakes of the administration. They have sought refuge in the plea that "to err is human", to which our answer is that it is not always true that "to forgive is divine." Very little has been said in

defense of boondoggling even though the President said that the word would be "enshrined in the hearts of the American people."

The strategy of the majority has been to try to make the people forget the tragedy of errors and the shameful record of shameless politicians who have profited from human misery by making the claim that there has been economic recovery.

Whether there has been recovery is beside the point. All depressions in the past have come to an end, and it has always been supposed that this one would. What the people are interested in knowing is why the present depression has lasted twice as long as former similar visitations; why we have still made less progress than England, Australia, Japan, and Scandinavia; whether such increase in the volume of business as we have had has not merely reflected Government spending and whether much of it will not disappear when the Government's ability to support business artificially is exhausted; and, finally, whether the improvement is not due to a better world situation and has been retarded rather than advanced by New Deal policies.

There is no occasion for joining in paeans of praise and singing "Happy Days Are Here Again" while 12,600,000 men are out of work and the Nation's relief roll is lengthening beyond 24,000,000 names. There is no cause for exulting in prosperity so long as one-fifth of American families have incomes of less than $1.36 a day and another fifth of less than $2.72.

There can be no recovery so long as Government deficits run from $3,500,000,000 to $6,000,000,000 a year, threatening not only crushing taxes but ultimate repudiation or inflation. Today the national debt is $31,500,000,000; with contingent liabilities and the soldiers' bonus debt added it is $39,000,000,000, and the end is not yet.

Thus far $11,732,000,000 has been appropriated for relief, beside additional billions appropriated to the lending agencies of the Government. Much of it has been spent for wasteful projects which returned but little to labor. Huge sums have been paid out to political spoilsmen who, although in most cases utterly without experience, have been put in charge of relief activities. Other huge sums have been translated into profits. It has been estimated that on the whole perhaps not over one dollar in three has reached the pockets of those whom we have tried to help.

I submit the question how long the Government can stand the drain upon its resources imposed by such wasteful and profligate methods. The Treasury is not a bottomless barrel.

We may be forced eventually to resort exclusively to direct relief. It has been said that it destroys morale to be on the dole. Perhaps it does. Perhaps boondoggling destroys morale, and something else too. However, the argument that we save men's pride by giving work relief has lost its point since the administration put into effect the regulation that one must go on relief, and in effect take a pauper's oath, before he can become eligible to a work-relief job. In that connection I want to condemn with as vigorous words as I can command the order preventing those whose sense of personal dignity had caused them to stay off the relief rolls up to November 1 last, from getting relief jobs thereafter. That was punishing rugged individualism with a vengeance!

I shall vote for this bill, but only because a better measure is not offered. If I had my way there would be a census of the unemployed. That census would be taken by requiring every relief applicant to register for work at a Government employment agency. The Federal relief appropriation would then be apportioned among the States in proportion to the number of unemployed in each State, upon the condition that the States and their municipal subdivisions match every $3 supplied by the Federal Government with one State dollar. I would turn the administration over to the States and municipalities, substituting State departments of public welfare, long established and functioning well, for the politically motivated and hastily improvised Federal agencies now in control. I would let the States adopt appropriate rules and regulations and take the responsibility, and make Harry Hopkins a bookkeeper.

I shall vote for this bill because so long as there is a single mouth in this country to be fed, a single body to be clothed, a single family to be housed, and a single home to be warmed, there lies upon the Federal Government a responsibility it must not and cannot shirk.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment of the gentleman from Minnesota.

The amendment was rejected.

Mr. LEWIS of Maryland. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have found in my experience here that I have always profited by "looking over the neighbor's fence" to ascertain his experience with any subject with which we are called upon to deal. This is especially true when the subject matter is new in our experience. Surely what the Congress is finding it necessary to do now with reference to millions of their helpless citizens is such an experience. The awful depression has been common to all intensely industrialized nations, including the great trilogy of States, Germany, Great Britain, and our own country. Under like general conditions, to what extent has each of these countries undertaken to shield its citizens against physical suffering and want?

Well, sir, I find that Germany expends a much larger amount, that the country over which the flag of Great Britain waves has been expending a much larger amount than we on this humane and Christian object. I find that during a 3-year period of comparison, in terms of our population, England expended $10,815,300,000; Germany expended $15,968,580,000, as compared with an expenditure of $6,605,356,775 in the United States, including city, county, State, and Federal contributions, for these great purposes of public relief. The figures represent money payments to the unemployed, work projects initiated to employ them, pensions to the indigent and dependent aged. The gross payments to Great Britain exceeded ours during the period by 64 percent, while those of Germany also exceeded ours by 141 percent. In terms of the burden accepted in each country during this period, the annual burden in the United States was $18.05 per capita of population; in England, $29.55; and in Germany, $43.63.

Mr. Chairman, I now present a table showing these payments in per-capita figures for each country and specifying the respective years involved.

Summary of public expenditures for social relief services in the United States, Great Britain, and Germany

(Dollars per capita)

	United States	Great Britain (converting at old par, 4.86)	Germany (converting at old par, 0.2385)
1935	$23.24	$29.26	
1934	20.81	28.94	$32.84
1933	10.09	30.44	36.63
1932		30.36	44.29
1931		27.64	49.97
Annual average, 1933 to 1935	18.05	29.55	
Annual average, 1931 to 1933			43.63

Mr. Chairman, it is a common saying that misery loves company, and all surely find company for our financial miseries, if a comparison of expenditures for social-relief purposes is a test of misery. In no years has our highest burden been so high as their lowest burdens in the years of the depression. Nevertheless, it will be argued that an expenditure of $6,605,356,775 during the 3 years 1933–35 is an egregious sum to ask, even for such a purpose. It is a large sum, I grant you. It should have been set aside in better times by adequate social-insurance systems. Corporate thrift did not fail to make such provision for its dependent investors.

I hold in my hand a statement showing the dividends paid in the United States during 4 years of the depression. Altogether, for the years 1930 to 1933, inclusive, $21,214,925,000 have been paid. Of this sum, $17,267,920,000 have been paid

by those companies out of their reserves built up from the profits of previous years. Compare this seventeen billions with the total sums paid in relief, including R. F. C. and Public Works, and the comparative numbers of people involved.

Sir, I do not think this fact should be taken as a matter of reproach to the employers of the country. It may have been high prudence on their part to have set aside some $17,000,000,000 in the years of their good fortune to protect their stockholders when the day of misfortune should come. But when the charge of extravagant and needless expenditure is made as to our relief expenditures, I want to challenge it and say that if it was natural for these financiers to set aside $17,000,000,000 of reserves to protect their stockholders it would be unnatural for us to overlook the millions of human beings in their employ who possessed no organized method of thrift which might control savings at their source. The practical circumstance, is this, that, with respect to the owners of our industrial system, boards of directors had control of the dividend funds at their source and were able to establish a system of enforced thrift for the stockholders. They did not put the question to a vote of the stockholders. They simply set the funds aside, from abundant profits, in the form of reserves.

Now, the workers were not in a position to control such funds at their source and say, "So much of this excess shall be set aside for our day of tribulation—for the day when they think our arms are not as swift as others to turn the great wheels of competitive industry."

Sir, I hope that very soon our industrial order, like the industrial orders which have preceded it, will act on its obligation to meet the primary needs of the human race dependent upon it. Previous systems have not denied such duties. Under the feudal system a place was found for the humblest villein. Even under slavery the owner failed not in his obligation to feed and clothe and doctor the slaves, no matter what might happen to crops or to markets. So long as it does not, and until it does, a less efficient and surely less satisfying Government assistance must be employed to meet these elemental needs. The world does not owe a man a living, I grant you, but it does owe him a chance to make a living; and it is the duty of our industrial order to so administer the employment asset that any man willing and competent to work may secure a just share of the employment available.

LIST OF APPENDIXES

I. Expenditures in Great Britain, 1930–35.
II Expenditures in Germany, 1929–34.
III. Expenditures in the United States, 1933–35
IV. Corporate income and dividends in the United States, 1922–33.

APPENDIX I

Expenditures[1] for social services in Great Britain (England, Scotland, Wales), 1930–35

	Year ending Mar. 31					
	1930	1931	1932	1933	1934	1935 (estimated)
A. Unemployment and insurance acts	£53,300,000	£101,600,000	£122,800,000	£117,700,000	£101,500,000	
1. Insurance benefits [2]						£52,900,000
2. Transitional payments [3]						46,200,000
B. Health insurance [4]	38,600,000	38,600,000	37,500,000	37,500,000	36,000,000	36,800,000
C. Pensions	62,200,000	72,100,000	78,400,000	81,300,000	83,200,000	
1. Widows and orphans and old-age contributory pensions [4]						43,200,000
2. Old-age pension acts [5]						42,400,000
D. Poor relief [6]	45,000,000	42,500,000	41,200,000	44,100,000	46,100,000	48,200,000
E Public health acts [7]	17,400,000	19,500,000	20,000,000	21,300,000	22,600,000	23,500,000
F. Working-class housing	35,600,000	40,400,000	42,300,000	44,300,000	44,800,000	44,000,000
Total	252,100,000	314,700,000	342,200,000	346,200,000	334,200,000	337,200,000
Total excluding housing (F)	216,500,000	274,300,000	299,900,000	301,900,000	289,400,000	293,200,000
Total excluding public health (E) and housing (F)	199,100,000	254,800,000	279,900,000	280,600,000	266,800,000	269,700,000
Dollars converted at $4.86, total	$1,225,200,000.00	$1,529,400,000.00	$1,663,100,000.00	$1,682,500,000.00	$1,624,200,000.00	$1,638,800,000.00
Per capita [8]	$27.35	$34.14	$37.12	$37.56	$36.25	$36.58
Total excluding housing	$1,052,200,000.00	$1,333,100,000.00	$1,457,500,000.00	$1,467,200,000.00	$1,406,500,000.00	$1,425,000,000.00
Per capita	$23.49	$29.76	$32.53	$32.75	$31.40	$31.81
Total excluding Public Health (E) and housing (F)	$967,600,000.00	$1,238,300,000.00	$1,360,300,000.00	$1,363,700,000.00	$1,296,600,000.00	$1,310,700,000.00
Per capita	$21.60	$27.64	$30.36	$30.44	$28.94	$29.26

[1] Expenditures which come under public control. Includes contributions of employers and beneficiaries for insurance and pensions.
[2] Supported by the (1) state, the (2) employers, and the (3) registered employees in roughly equal proportions.
[3] Paid entirely by the state.
[4] Supported by the (1) state, the (2) employers, and the (3) beneficairy contributors.
[5] Paid by state.
[6] Paid by central and local governments.
[7] Mostly by the central and local governments.
[8] Population of Great Britain (England, Scotland, Wales), census of 1931, was 44,800,000.

NOTE.—The central and local governments combined contributed roughly 65 percent of the total expenditures for year ending Mar. 31, 1934.

EXPLANATORY REMARKS ON APPENDIX I

It should be emphasized that these data do not include private expenditures for relief and other social services. They include only expenditures under public control. However, in the case of Great Britain and other foreign countries, such expenditures include contributions of employers and beneficiaries to various insurance plans.

Thus the figures given in Appendix I are larger than the amounts actually paid out by the exchequer and local governments.

While the question may be debated, it is a tenable position, I think, to hold that contributions of employers and beneficiaries are a form of taxation and are, for our purpose, not different from other public expenditures.

Surely this is the case when the security or insurance program is compulsory. In the case of voluntary plans, the point is more questionable. But it can be pointed out that if the voluntary plan operates in lieu of a compulsory plan, then again there is justification for inclusion of such payments on the same basis.

There are three totals and three corresponding per-capita figures; the first includes all items listed, the second excludes Housing (F), and the third excludes both Housing (F) and Public Health (E).

In expenditures under the public-health acts there are items such as maternity aid and lunacy treatment, which doubtless should not be included, because they are not included in the data for the United States. But there is also included medical aid to poor and welfare work, which should be included, since relief expenditures in the United States covered similar services. The total under public health can be broken down, but unfortunately not in a manner to include only the items we want. Strict accuracy is not possible in making such a broad comparison. But it would appear that the figure most comparable to the United States data is some place between the two lower per-capita figures; that is, between $32.75 and $30.44 for 1933.

As to the exchange rate, I am of the opinion that the old par presents the fairest picture for comparison. But it is a simple matter to convert on any basis wanted since all three totals are given in pounds.

A hostile critic can object with plausible reasons to any conceivable manner of conversion.

During the years of violent fluctuations, such as 1931, 1932, and 1933, I do not know how strict accuracy could be obtained in any average figure. But suppose, roughly, a figure of 3.75 for 1932, 5 for 1933, and 4.92 for 1934–35. Conversion at these different figures would present a changing picture of what the British are spending that is entirely false.

If conversion is made at the actual rate of recent months, the British expenditures are made to appear even higher.

In obtaining the per-capita expenditure the same population figure has been used for the different years, 122,000,000 for the United States, and 44,800,000 for Great Britain. If allowance were made for an increasing population, the per-capita figure would be slightly lower.

The sources for the data regarding foreign countries are: The Economist Budget Supplement, April 14, 1934, page 10; December 28, 1935, page 1308. Total Expenditures under Certain Acts of Parliament (official), November 1934–November 1935. International Survey of Social Services, 1933. Published by International Labor Office, 1936. World Economic Survey, 1933–34, 1934–35. Great Britain House of Commons Sessional Papers.

The most useful and reliable source is the official publication, Total Expenditures under Certain Acts of Parliament. In addition, the Economist Budget Supplement and the publication of the International Labor Office, International Survey of Social Services, 1933, were helpful.

Unemployment and Insurance Act (a) covers unemployment insurance acts 1920–33 and the large State assistance provided in the transitional payments scheme (National Economy Order No. 2) of 1931, revised 1934.

Health Insurance (B) is under the compulsory act of 1911, which was frequently amended, codified in 1924 and further amended in 1926, 1928, and 1932. The source of income is the contributions from employers and insured, State subsidy, and revenue from investments.

Pensions (C) include widows', orphans', and old-age contributory pensions (act of 1925). Income spent is from State subsidy and contributions of employers and insured. Also included are the noncontributory old-age and blind pensions subsidized entirely by the State (act of 1908, last amended 1929). Seamen and some public-utility employees have special plans.

In order to obtain data comparable to the British total excluding housing, expenditures under Public Works Administration (N. I. R. A. and act of 1935) were not included.

Item 5, Other Federal (act of 1935), covers funds allotted to other agencies for expenditures, such as Resettlement Administration, Commerce projects, Navy projects, etc.

The expenditures for the United States include not merely relief in the sense of direct grants but conservation work, education, and other valuable work. While men may differ as to the exact value of the conservation and educational work, it is indisputable that a vast return to the public welfare and public economy was secured.

The expenditures for Great Britain do not include similar returns.

Subject to these limitations, the comparison between per-capita expenditures are: $10.09 in the United States against $30.44 to $32.75 in Great Britain for 1933, $20.81 in the United States against $28.94 to $31.40 in Great Britain for 1934, $23.24 in the United States against $29.26 to $31.81 in Great Britain for 1935.

Due to the rapid change in expenditures for United States between 1933 and 1935, it is interesting to compare the average annual expenditure per capita for the 3-year period, 1933–35; for the United States it was $18.05 against $29.55 to $31.99 for Great Britain.

Of course, there are some other factors which are relevant to this comparison we have made. For example, we have not dealt with the comparative cost of living between the two countries, nor with changes in the cost of living during the period covered.

Also the per-capita wealth and per-capita income has not been considered, although it might be argued that a wealthier country can well afford to spend more for social services. But the comparison at best is a rough one, and I doubt the prudence of too much refinement of data which in their nature are approximations.

APPENDIX II

Expenditures for social services in Germany[1]

	1934	1933	1932	1931	1930	1929
	Reichsmarks	*Reichsmarks*	*Reichsmarks*	*Reichsmarks*	*Reichsmarks*	*Reichsmarks*
Invalidity and survivors' insurance	1,220,200,000	1,178,283,000	3,293,900,000	4,095,300,000	1,475,400,000	1,324,300,000
Salaried workers' insurance	301,242,000	275,586,000	263,600,000	263,100,000	224,800,000	186,200,000
Miners' pensions	203,300,000	197,518,000	200,000,000	225,900,000	240,400,000	231,900,000
Unemployment relief	1,977,700,000	2,665,500,000	3,213,100,000	3,215,700,000	2,694,700,000	[2] 2,500,000,000
Unemployment insurance	1,358,851,000	1,758,633,000	874,526,000	1,530,592,000	1,799,877,000	1,372,200,000
Sickness insurance	1,260,000,000	1,180,900,000	1,210,000,000	1,666,400,000	1,010,000,000	2,219,300,000
Public welfare and youth aid	[2] 2,700,000,000	2,760,200,000	2,992,400,000	2,534,500,000	2,204,600,000	1,867,000,000
Total (reichsmarks)	9,021,293,000	10,016,620,000	12,047,526,000	13,531,492,000	9,649,777,000	9,700,900,000
Total in dollars, converting at $0.2385	$2,151,578,381	$2,388,963,870	$2,873,334,951	$3,227,260,842	$2,301,471,815	$2,313,664,650
Per-capita cost of social service [3]	$32.84	$36.63	$44.29	$49.97	$35.80	$36.16
Total in dollars, converting at $0.40336	$3,638,828,744					
Per-capita cost of social service [3]	$55.54					

[1] Source: Statistisches Jahrbuch des Deutsches Reich", 1930–35. These expenditures come under public control. The following items include contributions from the Federal Government: Unemployment insurance; unemployment relief; invalidity, old-age, and survivors' insurance (for Federal employees on railways, for seamen and miners); general invalidity, old-age, and survivors' insurance. The other items are contributed by employers and beneficiaries only.

[2] Estimated.

[3] Population: 1930, 64,280,000; 1931, 64,580,000 (estimated); 1932, 64,880,000 (estimated); 1933, 65,218,461; 1934, 65,518,000 (estimated).

EXPLANATORY REMARKS ON APPENDIX II

These data do not include private expenditures for social services. It is assumed in this table that contributions of employers and beneficiaries are a form of taxation and are, for our purpose, not different from other public expenditures. This is certainly the case when the security or insurance program is compulsory.

In no case are expenditures of individual or corporate philanthropies included.

There are two estimates in the data for Germany. Unemployment relief in 1929 was put at Rm. 2,500,000,000 on the supposition that the 1929 needs and expenditures were slightly below the corresponding figure for 1930. Public welfare and youth aid for 1934 was put at only a trifle less than the 1933 expenditure.

The expenditure for public welfare and youth aid was contributed in part by local governments.

The population estimates for Germany are based on the assumption that there was an annual increase of about 300,000 from 1930 to 1934. Only in the case of Germany has a different population been used in obtaining the per capita expenditure for the different years.

Converting at par the per-capita expenditure for social services in 1933 were Germany, $36.63; United States, $10.09; in 1934 Germany spent $32.84 and the United States $20.81.

Because 1935 data are not available for Germany, and because the United States expenditures increased rapidly from 1933 to 1935, it is interesting to compare the average annual expenditures per capita for the high 3-year period; it is United States, $18.05 for 1933–35, and Germany, $48.63 for 1931–33.

If conversion is made at the recent figure of $0.40336, the German expenditures are increased more than 60 percent. This is shown for 1934, but is not used in the comparison.

APPENDIX III

Total expenditures for relief, 1933–35

	3-year total 1933–35			1933		
	Total	Federal	State and local	Total	Federal	State and local
Emergency Relief	$4,096,433,367	$2,905,701,296	$1,190,732,071	$792,856,422	$480,716,270	$312,140,152
Civil Works Administration	938,000,000	847,952,000	90,048,000	221,144,943	199,915,028	21,229,915
Civilian Conservation Corps	1,093,840,000	1,093,840,000		217,344,000	217,344,000	
Works Progress Administration	316,856,061	256,653,410	60,202,651			
Other Federal (act of 1935)	160,227,347	160,227,347				
Total costs	6,605,356,775	5,264,374,053	1,340,982,722	1,231,345,365	897,975,298	333,370,067
Total cost per capita	54.142			10.093		
Average cost per capita per annum	18.047					

	1934			1935		
	Total	Federal	State and local	Total	Federal	State and local
Emergency Relief	$1,476,568,379	$1,065,004,451	$411,563,928	$1,827,008,566	$1,359,980,575	$467,027,991
Civil Works Administration	716,855,057	648,036,972	68,818,085			
Civilian Conservation Corps	345,545,000	345,545,000		530,951,000	530,951,000	
Works Progress Administration				316,856,061	256,653,410	60,202,651
Other Federal (act of 1935)				160,227,347	160,227,347	
Total costs	2,538,968,436	2,058,586,423	480,382,013	2,835,042,974	2,307,812,332	527,230,642
Total cost per capita	20.811			23.238		

EXPLANATORY REMARKS ON APPENDIX III

Appendix III does not include the small amounts paid in old-age pensions by the State and county governments. Since similar expenditures were included for foreign countries (in their case the contributions were by the central government), these items should be included. However, their inclusion does not materially change the comparison as the following data show:

The expenditures of State and local governments in the United States for old-age pensions were $16,173,207 in 1931, and $31,192,492 in 1934. On a per-capita basis this amounts to $0.13 in

1931 and $0.26 in 1934. The corresponding figure for 1935 is definitely not yet available, but my guess is that it will be at least 20 percent above the 1934 figure.

The result is to increase the per-capita expenditure in the United States by $0.26 from $20.81 to $21.07 for 1934. The 1935 figure of $23.24 would be increased by a somewhat larger amount.

Railroad and private pension plans are not included because no expenditures under private control were included in the data for foreign countries. Only expenditures under public control were included for the purpose of the comparison.

There were no expenditures under the Social Security Act in 1935 except small allotments covered under W. P. A. funds.

Since British expenditures for housing were not included, the P. W. A. (N. I. R. A. and act of 1935) expenditures were not included.

The following is a brief identification of the agencies referred to in appendix III:

EMERGENCY RELIEF AND WORK PROGRAMS

I. Federal Emergency Relief Administration (F. E. R. A.): Two main types of relief have been provided by the Federal Emergency Relief Administration since its organization in May of 1933. These are direct relief and work relief. Under both the direct- and work-relief programs F. E. R. A. granted funds to the States to aid the States in caring for their destitute unemployed. The funds once granted became the property of the States, subject only to certain general Federal requirements necessary in order to insure the proper use of Federal money.

Direct relief under this program was given to the destitute jobless in the form of an outright gift of money or goods. No service or work was required of the relief recipient. The amount of money or goods given each relief client was determined by the degree of need of each relief case as discovered after detailed investigation by social-service workers. Thus a man with a large family of dependents would need and receive a larger amount of relief than that needed or received by a single person. Direct relief is thus comparable to the "dole" in England. The number of resident cases (families and single persons) receiving direct relief ranged from nearly 2,000,000 to a peak of over 3,400,000 a month, the latter number reached in March 1934.

Work relief under F. E. R. A. was granted in a manner similar to that of direct relief, but wages paid for work performed were substituted for outright gifts. Work relief thus possessed the advantages over direct relief of aiding in the maintenance of the worker's skill and morale and of providing the community with useful services. However, the amount any worker could earn on work relief was, like direct relief, limited by his budgetary need for bare living. Hourly wages were paid at the prevailing level, as determined by local committees in each community, but the number of hours of work each week varied with the need of each relief worker. The type of work performed by relief workers under this program varied widely in order to meet the varying needs of the widely different occupational experience of the relief workers. The projects were largely light construction ones although nonconstruction ones were provided for women and white-collar workers. In any case, the emphasis was on the relief of destitution among the unemployed rather than on the value of the completed projects. Material costs in relation to labor costs were kept at the lowest level practicable. The number of resident cases receiving work relief varied from 1,500,000 to more than 2,400,000 persons a month, the latter number being employed in January 1935.

II. Civil Works Administration (C. W. A.): The Civil Works Administration began operations in the middle of November 1933 and practically stopped operations in the first week of April 1934. The C. W. A. program provided work for more than 4.1 million persons at its peak in January 1934, but it differed from work relief under the F. E. R. A. in several important respects. C. W. A. was a Federal program and the workers on it were Federal employees, whereas both direct and work relief were essentially State programs helped with Federal funds. Wages on C. W. A. were paid at prevailing hourly wage rates and the number of hours of work per week was a flat amount applicable to all workers of a particular type regardless of variations in the amount of individual need for income. No investigation by social-service workers was required for C. W. A. employment. Of the 4,000,000 persons employed on C. W. A. at the peak about 2,000,000 were taken directly from F. E. R. A. relief rolls and 2,000,000 from the unemployed not receiving relief. Projects carried on under C. W. A. were of a wide variety of types designed to meet the occupational needs and abilities of the unemployed. The major emphasis was on giving jobs to the unemployed rather than on the value of the completed projects. The projects covered both construction and nonconstruction occupations, the construction projects being chiefly on the lighter type of projects which could be completed quickly and which did not require heavy expenditures for materials.

III. Emergency conservation work (C. C. C.): The emergency conservation work, which directs the Civilian Conservation Corps (C. C. C.), was created in March 1933 to provide employment in a healthful outdoor atmosphere for war veterans and for young men from relief families. Unemployed unmarried youths between the ages of 17 and 28 are enrolled in forest camps to do work of a conservation and reforestation nature. Enrollees are given room, board, clothing, and medical attention free in addition to a basic cash allowance of $30 a month, of which about $25 is sent home to aid in the support of their dependents. Employment on C. C. C. reached a peak of nearly 600,000 enrollees and other employees in August 1935.

IV. Public Works Administration (P. W. A.): The Public Works Administration was organized under the provisions of the National Industrial Recovery Act in June 1933, and continued under the Emergency Relief Appropriation Act of 1935. By making loans and/or grants to other Federal agencies and to non-Federal public bodies, P. W. A. provides for the construction of heavy engineering types of projects. Unlike F. E. R. A., C. W. A., and W. P. A., in which the emphasis is on providing a living to the needy unemployed, the emphasis in P. W. A. is on the value of the completed project and the "pump priming" of private industry. P. W. A. carries on types of projects such as the construction of dams, roads, low-cost housing, school buildings, and other public buildings of all sorts, on which the cost of materials in relation to the cost of labor is high.

P. W. A. (under the N. I. R. A.) differs from F. E. R. A. and W. P. A. in that it sets up no relief standards. No investigation of need is made, any unemployed worker is eligible for a job. Prevailing wages, rather than "security wages", are paid. Under the Emergency Relief Appropriation Act of 1935, however, P. W. A. is required, like the other agencies participating in the works program, to employ chiefly workers from the relief rolls. Employment on P. W. A. projects reached a peak of slightly more than 600,000 in July 1934.

V. Works Progress Administration (W. P. A.): The Works Progress Administration was organized under the Emergency Relief Appropriation Act of 1935 to provide the bulk of employment for the existing 3,500,000 employable relief persons. W. P. A. is replacing the work-relief program under the F. E. R. A.; the direct relief of unemployables formerly cared for by F. E. R. A. is being transferred back to the States. W. P. A. differs from the old F. E. R. A. work relief in that the amount of wage payments to workers are based on occupational and geographical differences rather than on the budgetary deficiency of each worker. Also, W. P. A., like C. W. A., extends the area of Federal control to provide for much closer supervision of Federal funds than existed under F. E. R. A. W. P. A. employees are Federal employees and all expenditures are made directly from the Federal Treasury. W. P. A. differs from P. W. A. in that W. P. A. pays a security wage, averaging about $50 a month, whereas P. W. A. pays prevailing wages. A more important difference, however, lies in the type of projects carried on. P. W. A. carries on heavy, expensive engineering construction projects which take a relatively long period to get into operation and to complete, and in which the cost of materials is high relative to the cost of labor. The emphasis in P. W. A. operations is on the value of the completed project in terms of capital additions to the country rather than on the provision of jobs to the maximum number of unemployed. W. P. A., on the other hand, carries on both nonconstruction and construction jobs to fit the occupational characteristics of the unemployed. The construction projects, which constitute the larger portion of W. P. A. projects, are of a lighter type that require less time to get under way and to complete and in which the cost of materials is relatively small compared to the cost of labor. W. P. A. emphasizes the need for providing the maximum number of socially useful jobs within the limits of the available funds rather than the value of the completed projects. W. P. A. carries on such construction projects as the construction of farm-to-market roads, of parks, playgrounds, swimming pools, airports, and repairs and improvements to all types of public buildings. At the peak of W. P. A. employment in February 1936 more than 3,000,000 workers were employed on W. P. A. projects.

APPENDIX IV

DEPARTMENT OF COMMERCE,
BUREAU OF FOREIGN AND DOMESTIC COMMERCE,
Washington, April 13, 1935.

To: R. B. Harris, Committee on Economic Security.
From: H. Gordon Hayes, Chief, Division of Economic Research.
Subject: Data for Congressman LEWIS re corporate income and dividends.

Profits, cash dividends, and surpluses of all corporations

[Statistics of Income, Bureau of Internal Revenue, Treasury Department]

	Compiled net profit less income tax	Cash dividends paid	Balance after cash dividends paid
1933 [1]	[2] $469,000,000	[2] $2,976,000,000	[2] $3,445,000,000
1932	[3] 4,115,377,000	3,885,601,000	[3] 8,000,977,000
1931	[3] 1,175,596,000	6,151,083,000	[3] 7,326,679,000
1930	3,947,005,000	8,202,241,000	[3] 4,255,236,000
1929	10,676,071,000	8,355,662,000	2,320,409,000
1928	9,552,604,000	7,073,723,000	2,478,881,000
1927	7,538,372,000	6,423,176,000	1,115,186,000
1926	8,280,642,000	5,945,293,000	2,335,349,000
1925	8,146,052,000	5,189,475,000	2,956,577,000
1924	5,913,602,000	4,338,823,000	1,574,779,000
1923	6,697,157,000	4,169,118,000	2,528,039,000
1922	5,183,000,000	3,437,000,000	1,746,000,000

[1] Estimates for columns 2 and 3 for 1933 derived by applying to the Treasury data herein for 1932 the estimated percentage changes of "net dividends paid" and of "corporate losses" from 1932 to 1933 as computed in the national income study by the Division of Economic Research, Bureau of Foreign and Domestic Commerce, and for column 1 by subtracting the derived figure for column 2 from column 3.
[2] Deficit.

The Clerk read as follows:

Any person who knowingly and with intent to defraud the United States makes any false statement in connection with any application for any project, employment, or relief aid under the foregoing appropriation, or diverts, or attempts to divert, or assists in diverting for the benefit of any person or persons not entitled thereto, any portion of the foregoing appropriation, or any services or real or personal property acquired thereunder, or who knowingly, by means of any fraud, force, threat, intimidation, or boycott, deprives any person of any of the benefits to which he may be entitled under the foregoing appropriation, or attempts so to do, or assists in so doing, shall be deemed guilty of a misdemeanor and fined not more than $2,000 or imprisoned not more than 1 year, or both.

Mr. BACON. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BACON: On page 23, line 7, after the word "doing", strike out the comma and insert the following: "; or any administrative officer of the Works Progress Administration who shall influence or attempt to influence, through fear or intimidation, the vote of any person who is an applicant for, or who receives, relief or work relief under the provisions of this act, in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to, Congress are to be voted for; or who violates or consents to the violation of the provisions of this paragraph, shall be deemed guilty of a misdemeanor and fined not more than $2,000 or imprisoned not more than 1 year, or both."

Mr. WOODRUM. Mr. Chairman, I make the point of order that the amendment offered by the gentleman from New York [Mr. BACON] is not germane.

The CHAIRMAN. Does the gentleman from New York desire to be heard?

Mr. BACON. Mr. Chairman, this covers individuals who may be guilty of intent to defraud or who knowingly by means of any fraud, force, threat, intimidation, or boycott deprives any person of any of the benefits to which he may be entitled, and so forth.

I merely add to the list of people mentioned in this section another clause, namely, that if any one of the administrators of this fund shall by intimidation or threat try to influence a man's vote he shall also come within the penalties provided for in this section.

Mr. WOODRUM. That is the provision which makes it not germane, because the penalty provided in here is against a person who undertakes to prevent the application of these funds. The gentleman brings in an entirely different matter and sets up an offense and provides a penalty for something entirely separate from this and not provided for in the bill.

The CHAIRMAN. The Chair is ready to rule.

The paragraph to which the amendment has been offered relates to fraud against the United States. The amendment offered by the gentleman from New York relates to an entirely different subject. For this reason the Chair rules the amendment offered by the gentleman from New York [Mr. BACON] is not germane and sustains the point of order.

Mr. BACON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks on the particular amendment I have just offered and which has been declared out of order by the Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BACON. Mr. Chairman, I ask unanimous consent that in the revision of my remarks which I made this morning I may include certain documents that I referred to in those remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

Municipal architect's office: For an additional amount for personal services, fiscal year 1936, $566.

Mr. MAVERICK. Mr. Chairman, I did not hear page 25 read, and I ask unanimous consent to return to that page for the purpose of offering an amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAVERICK. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment by Mr. MAVERICK: Page 25, line 6, strike out all of lines 6 to 18, inclusive.

Mr. MAVERICK. Mr. Chairman, I hope to win this particular fight, and I am serious about it. I want the Members to listen so they may know to what this amendment refers. At the present time the Senate confirms the holders of jobs paying $5,000 or more. The Constitution of the United States does not have any such requirement, but it does say that all other officers in certain cases shall be approved by the Senate, and so forth.

Mr. Chairman, I do not see any reason why when we make an appropriation, and we go ahead and make the appropriation for the people of the United States, that we should then let the Senate control how that money should be spent. That is not done in any other parliamentary body on the face of the earth.

What is the Congress? The Congress has been considered, and sometimes rightfully so, as a door mat, and particularly of the other body.

I am not speaking disrespectfully of the other body, but why should we give the Senate of the United States the right to pass on all of these matters? I understand there is bound to be a certain amount of partisanship here, but I want the Republicans to listen also. At the present time the Democratic Senators control relief; in any event, Congress in this respect has little power. If the Republican Party should ever get into power, then the Republican Senators would have that power.

Mr. Chairman, the point I am making is that from a nonpartisan viewpoint and from the viewpoint of the Republicans on that side and the Democrats on this side, we, as Representatives of the people and with parliamentary self-respect, should not give this power to the Senate. What is the result going to be if we do not give them this power? The result will be that if a Congressman goes down there and says something to Harry Hopkins or the President, he may get some attention, and I imagine Hopkins and the President will be glad of it. What happens now? You go down to see Mr. Hopkins and he says, "I cannot pay any attention to you because a Senator said so and so." The Senate controls the matter. We go ahead and give away our powers. We abrogate our powers and throw them into the lap of the Senate. Why?

Mr. Chairman, I ask for a favorable vote on the amendment I have just offered.

Mr. BUCHANAN. Mr. Chairman, I hope the committee will not adopt this amendment. This identical amendment caused the bill to be held in conference last year for a long, long time. The Senate will put the provision in the bill anyway and will not recede.

Mr. MAVERICK. Why should they have that right any more than we should have it? Let us stand up for our rights here.

Mr. BUCHANAN. I am not going to cause the defeat of this bill with the resulting effects upon the suffering people of the country over the question of whether or not the Senate shall confirm one or two or half a dozen appointees of the President.

We have taken great pains in drawing this provision. If you will read the language you will see the Senate will have the right of confirming only those administrators who will be appointed, in addition to the ones they now have, and they now have them all over the Nation.

Mr. MAVERICK. Why should we surrender in advance to the Senate? Why should we give up the fight and run away in advance?

Mr. BUCHANAN. We are putting something substantial in here that your conferees can stand on, and not only can stand on but will stand on.

Mr. MAVERICK. We ought to stand up for equal parliamentary rights.

Mr. BUCHANAN. I hope you will not adopt this amendment so that when the bill goes to conference we will have no trouble about getting an agreement and passing the bill, because there are many items in the bill seriously needed now.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. MAVERICK].

The question was taken; and on a division (demanded by Mr. MAVERICK) there were—ayes 23, noes 47.

So the amendment was rejected.

The Clerk read as follows:

Printing and binding: For an additional amount for printing and binding for the Department of Labor, including the same objects specified under this head in the Department of Labor Appropriation Act, 1936, $10,000.

Mr. LUNDEEN. Mr. Chairman, appropriations for the Department of Labor should be increased. This will aid the activities of this Department in government. Anything along this line, I believe, deserves the support of the House. Whatever aid is given labor in this bill can very well be further expanded. I have always supported this sort of activity. We need the machinery for employing more people. The unemployment problem is pressing. However, the employment provided should be spread, not piled up by overtime on a few, as proposed in one section.

LUNDEEN BUREAU OF UNEMPLOYMENT BILL

Back in 1918 and 1919 I engaged in some activities along this line. On January 2, 1919, I introduced a bill to create a bureau of unemployed in the Department of Labor. On November 21, 1918, 10 days after the armistice was signed, I introduced a resolution directing certain committees of the House to provide work for the unemployed. Our returning veterans were not provided for and my bill sought to aid our unemployed, including our unemployed veterans. We had hearings before the House Rules Committee in December of that year. Had this resolution been passed by Congress it would have given us surveys and intelligent national planning for the handling of unemployment.

LOUISIANA LEGISLATURE ENDORSES FRAZIER-LUNDEEN SOCIAL-SECURITY BILL

The Legislature of the State of Louisiana has recently memorialized Congress to pass the Frazier-Lundeen social-security bill.

Of the young people who have reached working age since the depression began, nearly four and a half million are looking for work, according to the American Federation of Labor. The American Federation of Labor estimates that even if business again reaches normal there will be a job shortage of more than 7,000,000. Giving work relief at relief wages does not solve the problem. Millions of American citizens will not indefinitely submit to enforced poverty. This country is able to produce enough to furnish all its citizens an American standard of living. The Frazier-Lundeen bill is the only adequate social-security measure before Congress today.

UNEMPLOYMENT STILL OVER 12,000,000

Here are the latest unemployment figures of the Alexander Hamilton Institute.

ALEXANDER HAMILTON INSTITUTE ON UNEMPLOYMENT

These Hamilton Institute estimates for 1935 and 1936 are more recent estimates than those for the years 1929 through 1934. Slight changes are made in unemployment estimates from time to time as additional information becomes available. For instance, the American Federation of Labor estimates published last year are higher for the year 1933 than the estimates published this year for the year 1933. The American Federation of Labor has revised its estimates on the basis of additional information secured from Government sources. This must be remembered in comparing these various unemployment tables:

Alexander Hamilton Institute, Astor Pl., New York City, unemployment calculation—Total unemployment

Date	January	February	March	April	May	June
1929	5,223,000	5,050,000	4,514,000	3,947,000	3,476,000	3,089,000
1930	5,450,000	5,689,000	5,803,000	5,552,000	5,719,000	6,197,000
1931	10,273,000	10,387,000	10,318,000	9,992,000	10,083,000	10,314,000
1932	13,760,000	13,879,000	14,053,000	14,314,000	14,734,000	15,137,000
1933	16,358,000	16,393,000	16,814,000	16,391,000	16,037,000	15,291,000
1934	14,154,000	13,621,000	13,044,000	12,668,000	12,398,000	12,469,000
1935	13,833,000	13,454,000	13,231,000	12,904,000	12,935,000	12,939,000
1936	13,087,000	13,087,000	12,723,000	12,263,000	----------	----------

Date	July	August	September	October	November	December
1929	2,942,000	2,624,000	2,539,000	2,485,000	3,319,000	4,034,000
1930	6,848,000	7,430,000	7,507,000	7,730,000	8,474,000	8,982,000
1931	10,902,000	11,286,000	11,323,000	11,657,000	12,254,000	12,519,000
1932	15,663,000	15,650,000	15,047,000	14,879,000	15,294,000	15,423,000
1933	14,727,000	13,707,000	12,913,000	12,810,000	13,235,000	13,352,000
1934	13,161,000	13,281,000	13,506,000	13,244,000	13,430,000	13,012,000
1935	13,166,000	13,019,000	12,677,000	12,265,000	12,414,000	12,032,000

American Federation of Labor estimates——Unemployment

	1929	1930	1931	1932
January	3,059,956	3,918,821	8,168,565	11,925,928
February	3,118,695	4,285,664	8,273,844	12,168,500
March	2,560,310	4,323,460	8,132,616	12,386,722
April	2,042,733	4,048,682	7,814,975	12,519,466
May	1,753,812	3,755,728	7,810,918	13,004,050
June	1,447,233	3,904,856	7,893,943	13,372,506
July	1,214,446	4,440,548	8,366,604	13,792,562
August	1,063,789	4,918,702	8,759,801	13,967,695
September	613,751	4,983,411	8,846,086	13,458,328
October	910,479	5,525,036	9,483,526	13,415,173
November	1,948,856	6,292,871	10,410,483	13,925,102
December	2,628,841	6,840,827	10,888,796	14,239,800
Average	1,864,000	4,770,000	8,738,000	13,182,000

	1933	1934	1935	1936
January	15,166,257	13,382,017	13,058,215	12,646,000
February	15,318,760	12,963,972	12,763,898	12,570,000
March	15,652,887	12,420,405	12,608,127	12,183,000
April	15,124,843	12,003,888	12,379,077	11,506,000
May	14,615,041	11,710,839	12,382,251	----------
June	13,842,917	11,714,342	12,388,872	----------
July	13,457,981	12,222,339	12,475,340	----------
August	12,661,641	12,361,763	12,218,500	----------
September	11,853,695	12,428,590	11,788,544	----------
October	11,842,483	12,212,690	11,448,986	----------
November	12,374,395	12,580,535	11,483,237	----------
December	12,759,623	12,358,989	11,396,875	----------
Average	13,723,000	12,364,000	12,199,000	----------

Unemployment estimates[1]
(Robert Nathan)

Month	1929	1930	1931	1932
January	2,631,000	4,065,000	8,049,000	11,462,000
February	2,913,000	4,424,000	8,334,000	11,834,000
March	2,860,000	4,644,000	8,280,000	12,180,000
April	2,217,000	4,386,000	8,075,000	12,420,000
May	1,817,000	4,299,000	8,024,000	12,837,000
June	1,520,000	4,161,000	8,026,000	13,119,000
July	1,042,000	4,196,000	7,971,000	13,425,000
August	649,000	4,782,000	8,434,000	13,608,000
September	907,000	5,040,000	8,743,000	13,118,000
October	492,000	5,481,000	9,138,000	12,834,000
November	1,853,000	6,507,000	9,925,000	13,204,000
December	2,831,000	6,956,000	10,614,000	13,587,000
Average	1,813,000	4,921,000	8,634,000	12,803,000

Month	1933	1934	1935	1936
January	14,492,000	12,599,000	12,561,000	11,687,000
February	14,597,000	12,072,000	12,358,000	11,379,000
March	15,071,000	11,577,000	12,183,000	11,140,000
April	14,714,000	11,161,000	11,807,000	----------
May	14,341,000	10,897,000	11,618,000	----------
June	13,528,000	10,743,000	11,446,000	----------
July	12,839,000	10,967,000	11,373,000	----------
August	12,111,000	11,382,000	11,103,000	----------
September	11,448,000	11,908,000	10,915,000	----------
October	11,176,000	11,597,000	10,606,000	----------
November	11,738,000	11,996,000	10,738,000	----------
December	12,046,000	12,085,000	10,640,000	----------
Average	13,176,000	11,582,000	11,446,000	----------

[1] Estimates made for the Committee on Economic Security.

Unemployment estimates—National Industrial Conference Board, 247 Park Avee., New York City

	1930	1931	1932	1933	1934	1935	1936
January	----------	6,667,000	9,996,000	12,755,000	10,538,000	10,142,000	9,801,000
February	----------	6,794,000	10,103,000	12,782,000	9,873,000	9,885,000	9,850,000
March	----------	6,799,000	10,293,000	13,300,000	9,394,000	9,752,000	9,649,000
April	[1] 3,188,000	6,661,000	10,754,000	12,993,000	9,318,000	9,621,000	----------
May	3,245,000	6,842,000	11,090,000	12,699,000	9,201,000	9,709,000	----------
June	3,678,000	7,165,000	11,596,000	12,034,000	9,252,000	9,749,000	----------
July	4,321,000	7,673,000	12,152,000	11,584,000	9,826,000	10,121,000	----------
August	4,590,000	7,939,000	12,207,000	10,731,000	9,990,000	9,852,000	----------
September	4,502,000	8,044,000	11,850,000	9,920,000	10,393,000	9,432,000	----------
October	4,777,000	8,473,000	11,691,000	9,924,000	10,057,000	9,188,000	----------
November	5,404,000	9,001,000	11,996,000	10,398,000	10,209,000	9,197,000	----------
December	5,674,000	9,182,000	12,113,000	10,334,000	9,740,000	8,979,000	----------
Average	[2] 4,375,000	7,603,000	11,320,000	11,621,000	9,816,000	----------	----------

[1] United States Census of Unemployment. Classes A and B. [2] 9-month average. Reference: Annalist.

Cleveland Trust Co., Cleveland, Ohio, unemployment estimates, 1930–35

	Construction		Other durable		Consumption goods		Providers of services		Total	
	Employed	Unemployed	Employed	Unemployed	Employed	Unemployed	Employed	Unemployed	Employed	Unemployed
1930										
January	2,556,000	954,000	5,660,000	996,000	14,562,000	249,000	21,412,000	640,000	44,190,000	2,839,000
February	2,502,000	1,012,000	5,648,000	1,015,000	14,547,000	279,000	21,087,000	987,000	43,784,000	3,293,000
March	2,580,000	937,000	5,635,000	1,034,000	14,459,000	381,000	21,001,000	1,095,000	43,675,000	34,447,000
April	2,844,000	677,000	5,629,000	1,047,000	14,400,000	455,000	21,109,000	1,009,000	43,982,000	3,188,000
May	2,980,000	544,000	5,573,000	1,110,000	14,326,000	544,000	21,023,000	1,117,000	43,902,000	3,315,000
June	3,058,000	470,000	5,430,000	1,259,000	14,267,000	618,000	20,828,000	1,334,000	43,583,000	3,681,000
July	3,152,000	379,000	5,187,000	1,509,000	14,178,000	721,000	20,655,000	1,529,000	43,172,000	4,138,000
August	3,098,000	437,000	5,050,000	1,652,000	14,223,000	691,000	20,353,000	1,853,000	42,724,000	4,633,000
September	2,963,000	575,000	4,975,000	1,734,000	14,400,000	529,000	20,547,000	1,680,000	42,885,000	4,518,000
October	2,865,000	677,000	4,888,000	1,828,000	14,282,000	661,000	20,504,000	1,745,000	42,539,000	4,911,000
November	2,560,000	985,000	4,726,000	1,996,000	14,090,000	868,000	20,331,000	1,940,000	41,707,000	5,789,000
December	2,258,000	1,291,000	4,596,000	2,133,000	13,957,000	1,016,000	21,001,000	1,292,000	41,812,000	5,732,000
1931										
January	1,849,000	1,703,000	4,396,000	2,339,000	13,853,000	1,135,000	19,381,000	2,934,000	39,479,000	8,111,000
February	1,913,000	1,643,000	4,402,000	2,340,000	13,868,000	1,134,000	19,100,000	3,237,000	39,283,000	8,354,000
March	1,991,000	1,568,000	4,409,000	2,340,000	13,883,000	1,134,000	19,100,000	3,259,000	39,383,000	8,301,000
April	2,052,000	1,511,000	4,421,000	2,334,000	13,883,000	1,149,000	19,316,000	3,065,000	39,672,000	8,059,000
May	2,333,000	1,233,000	4,365,000	2,397,000	13,824,000	1,222,000	19,273,000	3,130,000	39,795,000	7,982,000
June	2,441,000	1,129,000	4,253,000	2,515,000	13,735,000	1,326,000	19,208,000	3,216,000	39,637,000	8,186,000
July	2,445,000	1,128,000	4,104,000	2,671,000	13,720,000	1,356,000	18,929,000	3,517,000	39,198,000	8,672,000
August	2,363,000	1,214,000	4,010,000	2,772,000	13,809,000	1,282,000	18,646,000	3,822,000	38,828,000	9,090,000
September	2,286,000	1,294,000	3,967,000	2,821,000	13,927,000	1,178,000	18,819,000	3,671,000	38,999,000	8,964,000
October	2,184,000	1,399,000	3,811,000	2,984,000	13,779,000	1,341,000	18,840,000	3,672,000	38,614,000	9,396,000
November	1,971,000	1,616,000	3,718,000	3,083,000	13,573,000	1,561,000	18,581,000	3,952,000	37,843,000	10,212,000
December	1,700,000	1,890,000	3,674,000	3,134,000	13,500,000	1,649,000	19,229,000	3,326,000	38,103,000	9,999,000
1932										
January	1,530,000	2,064,000	3,531,000	3,284,000	13,381,000	1,783,000	17,911,000	4,667,000	36,353,000	11,798,000
February	1,453,000	2,144,000	3,549,000	3,272,000	13,410,000	1,768,000	17,069,000	5,530,000	35,481,000	12,714,000
March	1,412,000	2,189,000	3,475,000	3,353,000	13,366,000	1,827,000	17,522,000	5,099,000	35,775,000	12,468,000
April	1,493,000	2,111,000	3,363,000	3,471,000	13,203,000	2,005,000	17,501,000	5,142,000	35,560,000	12,729,000
May	1,632,000	1,976,000	3,263,000	3,578,000	13,011,000	2,211,000	17,350,000	5,315,000	35,256,000	13,080,000
June	1,666,000	1,945,000	3,145,000	3,703,000	12,864,000	2,373,000	17,155,000	5,532,000	34,830,000	13,553,000
July	1,703,000	1,912,000	3,008,000	3,846,000	12,731,000	2,521,000	16,745,000	5,964,000	34,187,000	14,243,000
August	1,747,000	1,871,000	2,920,000	3,941,000	12,967,000	2,300,000	16,464,000	6,266,000	34,098,000	14,378,000
September	1,808,000	1,814,000	2,945,000	3,922,000	13,292,000	1,989,000	16,658,000	6,094,000	34,703,000	13,819,000
October	1,751,000	1,874,000	2,964,000	3,910,000	13,395,000	1,901,000	16,766,000	6,008,000	34,876,000	13,693,000
November	1,629,000	2,000,000	2,977,000	3,904,000	13,277,000	2,034,000	16,615,000	6,181,000	34,498,000	14,119,000
December	1,388,000	2,244,000	2,927,000	3,960,000	13,189,000	2,136,000	16,766,000	6,052,000	34,270,000	14,392,000
1933										
January	1,317,000	2,319,000	2,805,000	4,089,000	13,115,000	2,225,000	16,118,000	6,722,000	33,355,000	15,355,000
February	1,277,000	2,362,000	2,833,000	4,067,000	13,159,000	2,196,000	15,902,000	6,960,000	33,171,000	15,585,000
March	1,253,000	2,390,000	2,727,000	4,190,000	12,997,000	2,373,000	15,708,000	7,176,000	32,685,000	16,119,000
April	1,341,000	2,305,000	2,759,000	4,155,000	13,071,000	2,314,000	16,053,000	6,854,000	33,224,000	15,628,000
May	1,449,000	2,201,000	2,908,000	4,013,000	13,174,000	2,226,000	16,032,000	6,897,000	33,503,000	15,337,000
June	1,581,000	2,073,000	3,120,000	3,808,000	13,410,000	2,006,000	16,291,000	6,661,000	34,402,000	14,548,000
July	1,537,000	2,120,000	3,363,000	3,572,000	13,661,000	1,770,000	16,248,000	6,727,000	34,809,000	14,189,000
August	1,561,000	2,100,000	3,643,000	3,299,000	13,912,000	1,534,000	16,680,000	6,318,000	35,796,000	13,251,000
September	1,635,000	2,029,000	3,830,000	3,118,000	14,149,000	1,312,000	17,242,000	5,779,000	36,856,000	12,238,000
October	1,734,000	1,934,000	3,836,000	3,119,000	14,119,000	1,358,000	17,479,000	5,565,000	37,168,000	11,976,000
November	1,761,000	1,911,000	3,736,000	3,226,000	13,912,000	1,580,000	17,393,000	5,674,000	36,802,000	12,391,000
December	1,673,000	2,002,000	3,693,000	3,276,000	13,735,000	1,773,000	17,587,000	5,503,000	36,688,000	12,554,000
1934										
January	1,632,000	2,047,000	3,630,000	3,346,000	13,706,000	1,817,000	17,069,000	6,043,000	36,037,000	13,253,000
February	1,646,000	2,037,000	3,830,000	3,153,000	13,942,000	1,596,000	17,177,000	5,958,000	36,595,000	12,744,000
March	1,632,000	2,054,000	4,029,000	2,961,000	14,075,000	1,479,000	17,458,000	5,700,000	37,194,000	12,194,000
April	1,676,000	2,014,000	4,197,000	2,800,000	14,045,000	1,524,000	17,695,000	5,486,000	37,613,000	11,824,000
May	1,981,000	1,713,000	4,284,000	2,720,000	14,001,000	1,563,000	17,890,000	5,314,000	38,156,000	11,330,000
June	2,245,000	1,452,000	4,253,000	2,758,000	13,898,000	1,702,000	17,911,000	5,315,000	38,307,000	11,227,000
July	2,106,000	1,595,000	4,066,000	2,951,000	13,839,000	1,776,000	17,852,000	5,597,000	37,663,000	11,919,000
August	1,960,000	1,745,000	4,010,000	3,014,000	14,001,000	1,630,000	17,544,000	5,728,000	37,515,000	12,117,000
September	1,940,000	1,768,000	3,911,000	3,120,000	13,750,000	1,896,000	17,803,000	5,492,000	37,404,000	12,276,000
October	1,896,000	1,816,000	3,836,000	3,202,000	14,075,000	1,586,000	17,911,000	5,407,000	37,718,000	12,011,000
November	1,859,000	1,856,000	3,811,000	3,234,000	13,957,000	1,720,000	17,760,000	5,581,000	37,387,000	12,391,000
December	1,642,000	2,077,000	3,904,000	3,148,000	13,971,000	1,721,000	18,041,000	5,323,000	37,558,000	12,269,000
1935										
January	1,395,000	2,328,000	3,992,000	3,067,000	13,912,000	1,795,000	17,393,000	5,993,000	36,692,000	13,183,000
February	1,341,000	2,385,000	4,160,000	2,906,000	14,001,000	1,723,000	17,436,000	5,973,000	36,938,000	12,987,000
March	1,392,000	2,338,000	4,253,000	2,820,000	14,001,000	1,737,000	17,479,000	5,953,000	37,125,000	12,848,000
April	1,608,000	2,126,000	4,309,000	2,771,000	13,957,000	1,796,000	17,739,000	5,716,000	37,613,000	12,409,000
May	1,832,000	1,905,000	4,290,000	2,796,000	13,853,000	1,916,000	17,695,000	5,783,000	37,670,000	12,400,000
June	1,998,000	1,743,000	4,203,000	2,890,000	13,809,000	1,975,000	17,739,000	5,762,000	37,749,000	12,370,000
July	1,988,000	1,757,000	4,197,000	2,903,000	13,779,000	2,020,000	17,566,000	5,958,000	37,530,000	12,638,000
August	2,028,000	1,720,000	4,253,000	2,854,000	13,942,000	1,873,000	17,566,000	5,981,000	37,789,000	12,428,000
September	1,964,000	1,788,000	4,309,000	2,805,000	14,104,000	1,726,000	17,890,000	5,679,000	38,267,000	11,998,000
October	1,967,000	1,788,000	4,508,000	2,613,000	14,104,000	1,741,000	18,063,000	5,529,000	38,642,000	11,671,000
November	1,889,000	1,870,000	4,564,000	2,564,000	13,927,000	1,934,000	18,084,000	5,531,000	38,464,000	11,899,000
December	----------	----------	----------	----------	----------	----------	----------	----------	----------	11,700,000

RELIEF ESTIMATES

The Federal Government's estimates of people on relief are not available for 1936. This is for the reason that since last year the relief problem has been thrown back on the States. The Federal Government has gradually withdrawn from the picture, and the burden of direct relief is now upon the States. Apparently the sharp drop in the Government's relief estimates from November to December 1935 resulted from the Federal Government's withdrawal from the direct relief picture and the disbanding of the Federal Emergency Relief Administration, succeeded by the Works Progress Administration.

Number of families, cases, and persons, and percent of population receiving emergency relief, continental United States, by months, January 1933 through December 1935

[Division of Research, Statistics, and Records, Federal Emergency Relief Administration, Mar. 26, 1936]

Months and years	Resident families, cases, and persons receiving relief under the general relief and special programs					Transients (mid-month census)
	Number of families	Number of single persons	Number of cases	Total number of persons	Percent of total population [1]	
1933						
January	[2] 3,850,000	[3]	[3]	[3]	[3]	[3]
February	[2] 4,140,000	[3]	[3]	[3]	[3]	[3]
March	[2] 4,560,000	[3]	[3]	[3]	[3]	[3]
April	4,422,675	[3]	[3]	[2] 19,700,000	16	[3]
May	4,247,450	[3]	[3]	[2] 18,900,000	15	[3]
June	3,754,290	[3]	[3]	[2] 16,800,000	14	[3]
July	3,455,414	[2] 453,000	[2] 3,908,414	[2] 15,385,000	13	[3]
August	3,352,201	[2] 408,000	[2] 3,760,201	[2] 15,085,000	12	[3]
September	3,005,850	[2] 399,000	[2] 3,404,850	[2] 13,403,000	11	[3]
October	3,010,510	[2] 435,000	[2] 3,445,510	[2] 13,610,000	11	[3]
November	3,366,102	463,427	3,829,529	15,081,673	12	[3]
December	2,631,080	446,889	3,077,969	11,671,559	10	[3]
1934						
January	2,481,287	473,166	2,954,453	11,083,868	9	[3]
February	2,593,318	559,184	3,152,502	11,636,036	10	126,873
March	3,053,816	642,766	3,696,582	13,763,650	11	145,119
April	3,791,210	654,880	4,446,090	16,843,507	14	164,244
May	3,863,455	631,256	4,434,711	17,181,475	14	174,138
June	3,753,467	576,797	4,330,264	16,828,861	14	187,282
July	3,837,553	557,229	4,394,782	17,202,949	14	195,051
August	4,033,535	586,302	4,619,837	18,115,751	15	206,173
September	4,068,283	673,120	4,741,403	18,298,084	15	221,734
October	4,072,166	739,211	4,811,377	18,311,524	15	235,903
November	4,210,064	789,458	4,999,522	18,930,469	15	266,790
December	4,456,438	821,041	5,277,479	20,045,708	16	288,955
1935						
January	4,614,965	873,062	5,488,027	20,676,773	17	297,058
February	4,584,012	887,434	5,471,446	20,605,192	17	300,460
March	4,588,423	904,590	5,493,013	20,578,056	17	299,509
April	4,468,378	902,721	5,371,099	20,043,894	16	293,676
May	4,304,354	883,010	5,187,364	19,276,425	16	273,824
June	4,023,882	795,141	4,819,023	17,954,450	15	263,668
July	3,677,338	711,987	4,389,325	16,143,656	13	253,340
August	3,549,428	692,186	4,241,614	15,533,002	13	245,266
September	3,259,145	666,218	3,925,363	14,212,550	12	218,722
October	3,075,505	649,695	3,725,200	13,393,164	11	158,575
November	2,850,117	623,611	3,473,728	12,371,694	10	113,223
December	2,079,369	529,715	2,609,084	8,896,030	7	64,543

[1] Based on 1930 census of population.
[2] Partially estimated.
[3] Not available.

NATIONAL UNION FOR SOCIAL JUSTICE PROGRAM

The entire 16-point program of the National Union for Social Justice is worthy of support. For years I have fought for these same principles. I wish to mention the 16 points, one by one, and call your attention to the fact that 4 points in Father Coughlin's program are recognized in the Frazier-Lundeen social-security bill.

1. I believe in the right of liberty of conscience and liberty of education, not permitting the State to dictate either my worship to my God or my chosen avocation in life.

This is a constitutional guarantee and must be upheld.

ADEQUATE UNEMPLOYMENT INSURANCE

2. I believe that every citizen willing to work and capable of working shall receive a just and living annual wage which will enable him to maintain and educate his family according to the standards of American decency.

In the entire program of the National Union for Social Justice there is no plank more important than this. It recognizes a fundamental principle embodied in the Frazier-Lundeen bill: That all capable and willing workers who are unemployed through no fault of their own shall receive a just and living income. Today millions of American citizens, capable and willing to work, are unemployed through no fault of their own. Each of these citizens must be guaranteed an American standard of living. Point no. 2 of the social-justice program guarantees these workers a fair living wage.

The Frazier-Lundeen social-security bill sets forth this same guaranty in practical legislation that has been approved by experts in the field. It has been endorsed by thousands of labor unions, church and fraternal societies, civic bodies, State and local governments. No man or woman who refuses to work can secure the benefits of the Frazier-Lundeen social-security bill. Provision is made for all who are capable of working and willing to work, unable to obtain employment.

PUBLIC OWNERSHIP

3. I believe in nationalizing those public necessities which by their very nature are too important to be held in the control of private individuals. By these I mean banking, credit, and currency, power, light, oil, and natural gas, and our God-given natural resources.

The Farmer-Labor Party has for years endorsed this demand, and I have fought for it in and out of Congress.

4. I believe in private ownership of all other property.

I am convinced that we must do all in our power to save the independent merchant and small business. They have helped to build this country. I am a member of the steering committee for the Patman-Robinson anti-chain-store bill.

5. I believe in upholding the right to private property, yet of controlling it for the public good.

The fairness of this plank is obvious.

CONGRESS SHOULD COIN AND REGULATE VALUE OF MONEY

6. I believe in the abolition of the privately owned Federal Reserve Banking System and in the establishing of a Government-owned central bank.

7. I believe in rescuing from the hands of private owners the right to coin and regulate the value of money, which right must be restored to Congress, where it belongs.

8. I believe that one of the chief duties of this Government-owned central bank is to maintain the cost of living on an even keel and the repayment of dollar debts with equal-value dollars.

These three points are essentially the Farmer-Labor program which we all advocate. Congress must take upon itself its constitutional duty to coin money and regulate the value thereof. Banking is a public not a private function. The poor have been made to care for the poor, while bonds and interest take care of the rich.

FRAZIER-LEMKE FARM-REFINANCING BILL

9. I believe in the cost of production plus a fair profit for the farmer.

This same plank forms a part of the Farmer-Labor platform. The farmer will never receive justice until he is given cost of production plus a fair profit.

In addition to cost of production for his products, the farmer must have a means of refinancing mortgages without paying tribute to large banking chains. The Frazier-Lemke farm refinancing bill is part of an intelligent farm recovery program. My name was fifth on the Frazier-Lemke petition to bring this bill before the House for a vote, and I worked to secure the signatures of other Members on that petition. I supported and voted for the Frazier-Lemke bill.

RIGHT OF LABOR TO ORGANIZE

10. I believe not only in the right of the laboring man to organize in unions, but also in the duty of the Government which that laboring man supports to facilitate and to protect these organizations against the vested interests of wealth and of intellect.

It is certainly the duty of government to protect labor's right to organize. I have supported every bill before Congress that strengthened the rights of labor.

OPPOSE TAX-EXEMPT SECURITIES

11. I believe in the recall of all nonproductive bonds and thereby in the alleviation of taxation.

12. I believe in the abolition of tax-exempt bonds.

Government securities, whether issued in the past or the future, should be taxed. The super-rich invest their excess

income in tax-exempt securities. They must not be permitted to dodge their just share of the tax burden. There is nothing new about this. I have advocated it for years. On June 29, 1935, I introduced a resolution (H. J. Res. 341) to permit taxation of tax-exempt securities.

LUNDEEN BILL TO TAX TAX-EXEMPT SECURITIES

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution, which shall be a valid part of the Constitution when ratified by the Legislatures of three-fourths of the several States:

"ARTICLE —

"SECTION 1. The Congress of the United States and the legislature of any State shall have the power, after the ratification of this article, to lay and collect taxes on gains, profits, and incomes, from whatever source derived, including gains, profits, and incomes derived from securities issued, whether before or after the ratification of this amendment, under the authority of the United States, the authority of any of the several States, and the authority of any subsidiary government of any State, including municipalities.

"SEC. 2. This article shall be inoperative unless it shall have been ratified by three-fourths of the several States within three years from the date of submission hereof to the States by Congress."

TAX THE SUPER-RICH FOR SOCIAL SECURITY

13. I believe in the broadening of the base of taxation founded upon the ownership of wealth and the capacity to pay.

14. I believe in the simplification of government and the further lifting of crushing taxation from the slender revenues of the laboring class.

As a member of the Minnesota State Legislature from 1910 to 1914, and as a Member of Congress, 1917 to 1919 and 1933 until the present time, I have fought for higher taxes on gifts, inheritances, and incomes over $5,000.

These points in the social-justice program are recognized in the Lundeen resolution to permit taxation of tax-exempt securities and in the Frazier-Lundeen social-security bill, which specifies that funds for social security shall be raised by taxation on gifts, inheritances, and incomes over $5,000. Social security will have plenty of funds when we tax these sources of wealth.

IF YOU CONSCRIPT MEN FOR WAR, CONSCRIPT WEALTH FOR WAR

15. I believe that in the event of a war for the defense of our Nation and its liberties, there shall be a conscription of wealth as well as a conscription of men.

On April 6, 1917, I voted against America's entry into the World War. I voted against conscription for foreign service, and I said on the floor of the House on April 6, 1917, "If you conscript men for war, conscript wealth for war." That statement may be found on page 363 of the CONGRESSIONAL RECORD for the Sixty-fifth Congress, first session. Many organizations, including the American Legion, now stand where I stood alone in 1917.

If this point is carried out, it will help us stay out of foreign conflicts—conflicts which we do not understand. Why should we become involved in the quarrels of the Old World?

HUMAN RIGHTS ABOVE PROPERTY RIGHTS

16. I believe in preferring the sanctity of human rights to the sanctity of property rights. I believe that the chief concern of government shall be for the poor, because, as it is witnessed, the rich have ample means of their own to care for themselves.

The sanctity of human rights above property rights is the foundation stone upon which the whole social-justice program rests. It is the basis of the Frazier-Lundeen social-security bill, which proposes to tax the superrich to take care of the poor, the unemployed, the sick, and the aged. It is the firm foundation of our Farmer-Labor Party program. Governments are instituted to protect the weak and restrain the strong.

LUNDEEN MOTION ON THE PATMAN ADJUSTED-SERVICE-CERTIFICATE BILL

Another measure advocated by the National Union for Social Justice is not included in the 16-point program. This is the Patman adjusted-service-certificate—bonus—bill. This bill has been for years a part of the Farmer-Labor platform.

In 1933 the Patman bill was buried in committee. On April 27, 1933, I placed a petition on the Speaker's desk to get it out of committee. For 10 months we worked until we secured the names of 145 Congressmen on that petition. It was on the Lundeen motion that the Patman adjusted-service-certificate bill was brought up for a vote on March 12, 1934, when it passed the House by an overwhelming majority. It helped to bring about the payment of more than $2,000,000,000 to the veterans of the World War. I have supported payment of the adjusted-service certificates throughout the past two terms of Congress, and I placed the first bonus bill before Congress in 1919—a bill drafted by the Private Soldiers and Sailors Legion.

PERMANENT UNEMPLOYMENT SOLUTION

We will appropriate more billions of dollars for public works to put the unemployed to work at useful projects. I will vote for more appropriations for this noble purpose. But we can never permanently solve our unemployment problem until we have enacted into law a thoroughgoing planned program. We must guarantee security to the worker, cost of production plus a fair profit for the farmer, justice for the veterans of all wars, freedom from crushing monopolies and financial tyranny for all our citizens.

On August 17, 1935, I placed in the CONGRESSIONAL RECORD the entire 16-point program of the National Union for Social Justice. This program is consistent with the platform and principles of the Farmer-Labor Party. Our program is based on the Christian principle that human rights are more sacred than property rights.

Surely the unemployment and relief situation demands vigorous action today, and surely we must act before we adjourn. I am opposed to adjournment of this Congress sine die until these vital principles have been enacted into law, to the end that America once again may know prosperity and happiness for all her people.

Mr. Chairman, I ask unanimous consent to extend my remarks to include therein extracts from certain unemployment records.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read as follows:

Contract air-mail service: For an additional amount for the inland transportation of mail by aircraft, etc., including the same objects specified under this head in the Post Office Department Appropriation Act, 1936, $1,300,000.

Mr. DOBBINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOBBINS: Page 64, line 25, strike out "$1,300,000" and insert "$1,800,000, any unexpended balance thereof, not exceeding $250,000, to be available during the fiscal year ending June 30, 1937."

Mr. DOBBINS. Mr. Chairman, this amendment, let me say, is very necessary if we are to maintain during the balance of the present fiscal year the Air Mail Service of this country at its present standard of efficiency.

The deficiency appropriation bill provides, for the Air Mail Service, $1,300,000. Every cent of this amount is required for the retroactive increases in air-mail pay, which have been allowed by the Interstate Commerce Commission, and I am informed today by the Second Assistant Postmaster General that unless additional appropriations are made for the maintenance of this service for the current fiscal year, it is going to be necessary to reduce schedules on some of the lines in order to keep within the existing appropriation limits. This ought not to be done.

While air-mail travel is very rapid through the air, it is not going to do you any good to have this speedy service if you have to wait 24 hours from the time your letter is posted until the plane flies to carry your letter.

Mr. LUNDEEN. Would the figure the gentleman has proposed here keep up the present standard of efficiency or increase it?

Mr. DOBBINS. The figure proposed here will keep the service up for the remainder of the current fiscal year at its present standard of efficiency.

Mr. LUNDEEN. I think that should be done, I will say to the gentleman, and I would be in favor of an increase.

Mr. DOBBINS. A greater increase might well have been requested.

The sum of $250,000, half of the additional appropriation proposed by my amendment, is required to keep the service up to its present standard of efficiency until July 1, and it is expected that $250,000 will remain unexpended at the end of the current fiscal year which will allow for certain very much needed extensions of existing air-mail routes.

Our Air Mail Act of 1935 provided for a considerable amount of expansion and extension in the Air Mail Service of the country. It has now had a year's trial, and there are certain extensions needed and needed badly. Yet the appropriation provided for the next fiscal year was limited to the same amount as this year and would not have allowed any extension whatever.

I want to say for the special benefit of the members of the Appropriations Committee that this $250,000 contemplated for next year, as proposed in this amendment, was approved by the Director of the Budget and was included in the Budget message, but was left out of the regular appropriation bill.

Our Air Mail Service has been conducted on a very efficient basis. We have decreased the cost of this service by many million dollars, notwithstanding that the revenues from the air mail for the present fiscal year are going to be a million dollars more than they were last year.

[Here the gavel fell.]

Mr. DOBBINS. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DOBBINS. The Air Mail Service is going to increase. It is increasing in popularity more rapidly than any other feature of the service ever has gained in the public favor. The 6 cents you spend on an air-mail stamp, if you are sending a letter more than 1,000 miles, or more than 500 miles, is ordinarily worth a dozen special-delivery stamps, and you get that expedited service for 6 cents.

The public is getting to realize that fact. This added $250,000 ought to be allowed.

I can say this—and I would rather not disclose my authority for the statement—that while $250,000 of this proposed increase was included in the Budget message the other $250,000 will not be objected to by the Budget. Without disclosing my source of information I predict that this sum or a greater increase will be included in the Budget next year. I hope the committee will adopt this amendment.

Mr. WOODRUM. Mr. Chairman, the committee is not unsympathetic with the purposes and efficiency of the air mail. The committee has allowed in this bill every penny that the Budget estimate called for. We have no knowledge of the need that the gentleman speaks about.

I will say that the Second Assistant Postmaster General, since we have been reading the bill in the House, did speak about the matter to me over the telephone. If we are to proceed in an orderly way, the Post Office Department must get a Budget estimate and have it sent to the Senate and included there. We cannot legislate by a Member getting up on the floor and saying that the Department needs another $500,000 and just put it in the bill.

Mr. LUNDEEN. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. LUNDEEN. Has the Department requested this additional sum?

Mr. WOODRUM. Over the telephone.

Mr. LUNDEEN. Then, the Post Office Department has asked for it?

Mr. WOODRUM. I could be at the telephone all day and talk with the heads of departments and get requests for additional appropriations.

Mr. DOBBINS. The Budget did estimate for $250,000.

Mr. WOODRUM. Yes; for 1937; and the Subcommittee on Post Office Appropriations cut it out during consideration of the regular 1937 supply bill, and the House sustained the action. Now, the gentleman wants us to put that amount back in the deficiency bill. I hope the amendment will not be adopted.

Mr. DISNEY. Mr. Chairman, I move to strike out the last word. The gentleman on the Appropriations Committee said that there is no reason advanced for the appropriation asked for in the amendment. I will give him some reasons. When the air-mail contracts were canceled, Tulsa had the largest airport in the world. We had five airlines through there, and this mix-up left us with one line from Dallas up to Oklahoma City, and then to St. Louis. For $50,866, which could be used here, with the line already partly lighted from Kansas City to Tulsa, we can have a line extended from Kansas City down to Tulsa. The line already exists from Sioux Falls to Kansas City, the line being partly lighted from Kansas City to Tulsa. You ask us to come in an orderly way. We have approached every authority we know how to, to get this in. This is an orderly procedure, to do it by amendment here on the floor of the House. The Budget did recommend $250,000, and the gentleman says that the House cut it out. Here is the place, here in the House, to get this back, and if you Democrats will let me address myself to you, I may say that if you want to help carry a doubtful district down there, help us out now. This is the first chance I have ever had to talk where money was involved.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. DISNEY. Mr. Chairman, I ask unanimous consent to proceed for 2 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DISNEY. This is the only way to do it, and there are other necessary extensions. I do not know the details of them, but I say to you that we have not had a fair chance any place, at any time, except here to have this appropriation, and we are entitled to it. I am confronted in my district with red-hot editorials, every other day, that the air service for my district has been debauched, and I am asking you to furnish relief to us by this amendment. Orderly procedure is for Representatives to ask the House in which they appear to pass the appropriation and give it to them. You know that the Interstate Commerce Commission has enlarged the rates, and there is bound to be some kind of a deficiency, and here is the place to give us that relief.

Mr. LUDLOW. Mr. Chairman, I rise in opposition to the amendment. I feel that it is my duty to support the distinguished gentleman from Virginia, in charge of the bill, who prefers that this amendment shall not be adopted. I happen to be the chairman of the Subcommittee on the Post Office and Treasury Departments' Appropriations which prepared the bill for the fiscal year 1937. That bill already already has passed the House carrying appropriations of $12,000,000 for domestic air mail. In the Senate that amount was raised, but in conference the Senate conferees agreed with the House conferees that our position is the correct position and the bill for the fiscal year 1937 as completed in conference carries $12,000,000. The conference report has been adopted by the Senate. It is still pending in the House.

Mr. DISNEY. Mr. Chairman, will the gentleman yield for a question?

Mr. LUDLOW. Very well.

Mr. DISNEY. As a matter of fact the $12,000,000 is $250,000 less than the Budget agreed upon. Is not that correct?

Mr. LUDLOW. The Budget submitted an estimate of $12,250,000, but our subcommittee considered it very thoroughly, and the gentleman from Illinois [Mr. DOBBINS] is in error, I think, when he makes the statement that $12,000,000 would result in a restriction or an impairment of the service, because it was testified in the hearings before this deficiency subcommittee on page 561 that $12,000,000 would maintain all existing service for the next fiscal year without any diminution of service.

Mr. DISNEY. I can furnish some information if the gentleman desires.

Mr. LUDLOW. But it was testified to by Mr. Jesse M. Donaldson, the Deputy Second Assistant Postmaster General.

Mr. DISNEY. In 48 hours from now the Post Office Department told me they would run into a deficit.

Mr. LUDLOW. Mr. Donaldson appeared as the accredited representative of the Post Office Department, and I have in my hand his testimony, in which he said that that would maintain all existing service.

Mr. DISNEY. After the rates had been raised by the Interstate Commerce Commission?

Mr. LUDLOW. No. This pertains to the exact situation at the present time.

Mr. DISNEY. Another question, and I will quit. How on earth are we to get the air service we are entitled to except to come here and ask for it by an amendment?

Mr. LUDLOW. Mr. Donaldson testified as follows:

Mr. DONALDSON. If the Interstate Commerce Commission should raise no rates during the next fiscal year, and we would grant no increased schedules on the existing routes, holding the service to what it is now, and the volume of mail did not increase so as to make it necessary for us to run emergency or special schedules, we could probably come within the $12,000,000. But in that $12,000,000 there is not a dollar for any increased schedules, for emergency schedules, or for any extensions of existing service, or for any new service of any kind, and it does not include the $300,000 involved in the case pending.

That is to say, that the existing service could be maintained by the amount allowed here.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. LUDLOW. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes in order to clear this up.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. LUDLOW. The action of our subcommittee was unanimous. The Members on both sides of the table, politically speaking, believed that $12,000,000 was sufficient to maintain this service. I wish to assert, and to emphasize, my great respect for Harllee Branch, the able Second Assistant Postmaster General, who has charge of air mail. There is no more conscientious or capable official in the Government service. He came before us and made a most impressive presentation of the needs of his Department. If we did not give him all the money his enthusiasm called for it was because we felt a duty in these times of depression to hew to the line of economy.

Under the law, the Interstate Commerce Commission must review these rates every year. The Interstate Commerce Commission, furthermore, on its own initiative may take up any route at any time for revision. The testimony all goes to show that these air-mail contractors are rapidly getting out of the red and into the black.

The mail is increasing; the passenger service is increasing; freight is increasing; their financial position is rapidly becoming very much improved. It was our thought that by maintaining the appropriation at $12,000,000 it would give an incentive, at least, to the Interstate Commerce Commission to look carefully into these rates, with the possibility of some revision downward on account of the improved financial condition of these different contractors. We believed and we still are inclined to believe that $12,000,000 is adequate, and that our position originally taken was correct. I have learned only today that the Second Assistant Postmaster General feels that the cut in domestic air mail may bring serious consequences. It was not in the minds of any of us to impair or penalize the service. As Mr. WOODRUM has suggested, the orderly procedure will be for him to present his facts and arguments to the Senate Committee on Appropriations, and I am sure that if he makes a good case the committee will give consideration to the adoption of an amendment to take care of the situation.

Mr. WOODRUM. Will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. WOODRUM. May I direct the gentleman's attention to the fact that the amendment calls for $500,000 for the balance of this fiscal year. This bill cannot possibly become law before the 1st of June and there would only be 1 month left, and it would be impossible to use it in that time.

Mr. LUDLOW. I thank the gentleman for that information. I was addressing myself especially to the fiscal year 1937, which our bill covered.

Mr. DISNEY. But, Mr. Chairman, that is not a true statement. It is not just for this fiscal year.

[Here the gavel fell.]

Mr. DISNEY. Mr. Chairman, I move to strike out the last three words.

Mr. TABER. Mr. Chairman, I move that all debate on this amendment, and all amendments thereto do now close.

The CHAIRMAN. The Chair has already recognized the gentleman from Oklahoma.

Mr. DISNEY. The statement made by the gentleman from Virginia [Mr. WOODRUM] does not correctly reflect the facts.

Mr. WOODRUM. Let the amendment be reported.

Mr. DISNEY. Yes; that is satisfactory.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. DOBBINS: Page 64, line 24, strike out "$1,300,000" and insert in lieu thereof the following "$1,800,000, any unexpended balance thereof, not exceeding $250,000, to be available during the fiscal year ending June 30, 1937."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

The Clerk read as follows:

SEC. 8. After June 30, 1936, advance payments under the provisions of section 601, title II, of the Legislative Appropriation Act for the fiscal year 1933, shall have no longer period of availability for obligation than the appropriation from which such advance payments are made.

Mr. WOODRUM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOODRUM: Page 100, line 2, strike out "section 601" and insert "title VI", and in the same line strike out the word "title' and insert the word "part."

The amendments were agreed to.

The Clerk concluded the reading of the bill.

Mr. WOODRUM. Mr. Chairman, I move that the Committee do now rise and report the bill back with sundry amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MCCORMACK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill H. R. 12624, the deficiency appropriation bill, directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

Mr. WOODRUM. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded upon any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The Clerk read as follows:

By Mr. TABER: I move to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith with the following amendment: On page 21, line 10, strike out the paragraph and insert in lieu thereof the following:

"That for the purpose of providing direct relief in the United States, its Territories, and possessions, and the District of Columbia, there is hereby appropriated the sum of $1,425,000,000; and there is hereby reappropriated for the same purpose all unobligated and unexpended balances, with the exception of allotments to the Civilian Conservation Corps, of the amounts appropriated by the acts approved June 16, 1933 (48 Stat. 274); February 15, 1934 (48 Stat. 351); June 14, 1934 (48 Stat. 1055); and April 8, 1935 (Public Res. No. 11, 74th Cong.), and to remain available until June 30, 1937, to be allocated and disbursed by the President to the States, Territories, and possessions, and the District of

Columbia, for relief according to their respective need: *Provided*, That no part of this appropriation shall be allocated or paid to a State, Territory, or possession, or the District of Columbia, or subdivision thereof which shall not contribute an amount equal to at least 25 percent of the total proposed expenditures, both local and Federal, and shall not administer such expenditures by and through a nonpartisan board."

Mr. WOODRUM. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

ADJOURNMENT OVER

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

Mr. BOILEAU. Mr. Speaker, reserving the right to object, and I shall not object, will the Speaker make the situation clear with reference to the legislative program for Monday?

As I understand it, it will be in order before we complete this bill to take up the question of the discharge of the Rules Committee from further consideration of the Frazier-Lemke bill. I would like to ask the Speaker if my understanding is correct, if consideration of the discharge petition would come up before the vote on this bill?

The SPEAKER. The Chair thinks it would unless there is a previous understanding. The matter of which shall take precedence can be fixed by consent.

Mr. BOILEAU. I appreciate that, Mr. Speaker. Many Members interested in the Frazier-Lemke bill are anxious to know just what the situation is going to be.

Mr. SNELL. It would seem to me, if the Speaker will permit, that the vote on the pending bill would be the unfinished business before the House on Monday.

The SPEAKER. The Chair will state to the gentleman from Wisconsin that, by consent, an agreement can be made whereby the vote on the motion to recommit the pending bill, or a roll call on its passage, can be had first, and then to take up the motion to discharge the committee.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. Certainly.

Mr. BANKHEAD. As I understand the parliamentary situation, there can be only one vote on Monday on the matter of the Frazier-Lemke bill, and that is on the motion to discharge the committee.

Mr. BOILEAU. I thought there would be two votes. I may be in error, but I thought the first vote would be on the motion to discharge the committee and then automatically on the adoption of the rule if the House decided to discharge the committee.

Mr. BANKHEAD. If the gentleman will yield further, the rule provides that on the succeeding day after the vote to discharge the committee, in the event that motion prevails, that the bill shall be taken up.

Mr. BOILEAU. I hate to disagree with the gentleman from Alabama, but I think he is in error. The resolution provides that the bill shall be brought up on the following day.

Mr. BANKHEAD. Yes.

Mr. BOILEAU. The first vote we will have, as I understand it, will be on the motion to discharge the committee; then, if the committee is discharged from further consideration of the bill, automatically we will have a vote on the adoption of the rule.

The SPEAKER. The Chair thinks the gentleman is correct.

Mr. BANKHEAD. Be the understanding of the gentleman from Wisconsin as it may, it would provide for only 20 minutes' debate.

Mr. BOILEAU. That is right, on two roll calls.

Mr. BANKHEAD. There might be two roll calls. So if we could get permission to have the vote on the pending bill first, we could devote the remainder of the day to those two motions and roll calls.

Mr. SNELL. Mr. Speaker, if the gentleman will yield, the rules provide very directly that we shall take up the rule immediately after the vote if the House adopts the discharge rule.

Mr. BANKHEAD. There is nothing possible except two roll calls on the bill now pending. I gave the gentleman some days ago the assurance that there would be no disposition on the part of Members on this side of the aisle to prevent your having full opportunity to consider the discharge rule and the motion to take up the Frazier-Lemke bill. This is just in the matter of expedition.

Mr. BOILEAU. With the assurance of the distinguished gentleman, I have no desire to object to his request, and with his further assurance that we will have cooperation of the gentlemen on that side, I withdraw my objection.

The SPEAKER. The whole matter may be arranged by unanimous consent if the House desires to do so.

Mr. BANKHEAD. I shall submit a unanimous-consent request when the pending one is acted upon.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. BOILEAU. Mr. Speaker, reserving the right to object, will the gentleman from Alabama state what his unanimous-consent request will be?

Mr. TABER. The pending request is to adjourn over until Monday.

Mr. BANKHEAD. I will propound the other request when the pending one is acted upon. I will submit another unanimous-consent request and the gentleman may object if he sees fit to do so.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

ORDER OF BUSINESS

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that when the House meets on Monday the order of business shall be the motion to recommit the pending bill and the passage of the bill, and that thereafter the rule to discharge the Committee on Rules from consideration of the Frazier-Lemke bill shall be the next order of business.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

VETO MESSAGE OF THE PRESIDENT OF THE UNITED STATES—BANKERS RESERVE LIFE CO. OF OMAHA, AND WISCONSIN NATIONAL LIFE INSURANCE CO. (H. DOC. NO. 491)

The Chair laid before the House the following message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 3155, "An act to confer jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of the Bankers Reserve Life Co. of Omaha, Nebr., and the Wisconsin National Life Insurance Co. of Oshkosh, Wis."

This bill confers jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of the Bankers Reserve Life Co. of Omaha, Nebr., and the Wisconsin National Life Insurance Co. of Oshkosh, Wis., for a refund of income taxes paid by said companies for the years 1923, 1924, and 1925, in excess of the amount due, and pursuant to the provisions of section 245 (a) (2), Revenue Acts of 1921 and 1924, which section was subsequently held unconstitutional by the Supreme Court of the United States in the case of *National Life Insurance Co.* v. *United States* (277 U. S. 508), notwithstanding the bars or defense of any alleged settlement heretofore made or of res judicata, lapse of time, laches, or any statute of limitations. Suit thereunder is authorized to be instituted at any time within 4 months from the approval of this act, and proceedings in any suit brought in the Court of Claims under the act, appeals therefrom, and payment of any judgment therein shall be had as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

The bill would confer jurisdiction upon the Court of Claims notwithstanding the bars or defense of any settlement heretofore made or of res judicata, lapse of time,

laches, or any statute of limitations. Thus, regardless of any final agreements executed by the claimants pursuant to the provisions of section 1106 (b) of the Revenue Act of 1926, jurisdiction is proposed to be conferred upon the Court of Claims to redetermine tax liability for the years covered by any such agreements, and to render judgments for refunds. There appears to be no valid reason why the claimants in this case should not be bound by the provisions of said section 1106 (b) of the Revenue Act of 1926, as are other taxpayers and the Government.

The bill goes still further and deprives the Government of the defense of res judicata, although other taxpayers and the Government are subject to such defense.

The Court of Claims is also authorized to disregard the defense of the statute of limitations. The bill would authorize such refund notwithstanding the fact that a claim for refund thereof was not filed within the statutory period prescribed for filing such claim.

Recently there have been submitted to me other bills which proposed to except certain taxpayers from the operation of the statutes of limitations pertaining to the revenue laws by extending the time for the refunding of certain taxes to such taxpayers. On those occasions I expressed my accord with the enacted policy of Congress that it is sound to include in all revenue acts statutes of limitations, by the operation of which, after a fixed period of time, it becomes impossible for the Government to collect additional taxes or for the taxpayer to obtain a refund of an overpayment of taxes. I pointed out in each instance that legislation such as the proposed bill selects a small class of taxpayers for special treatment by excepting them from that policy. Such legislation thus discriminates against the whole body of Federal taxpayers and establishes a precedent which would open the door to relief in all cases in which the statute operates to the prejudice of a particular taxpayer, while leaving the door closed to the Government in those cases in which the statute operates to the disadvantage of the Government.

In this regard the present measure, H. R. 3155, does not differ in principle from any of the above-mentioned bills which were under consideration by me on those prior occasions. I am not aware of any circumstances which would justify an exception to be made in this case to the long-established policy of Congress. I must reiterate my belief that the field of special legislation of this character should not now be opened to relieve special classes of taxpayers from the consequences of their failure to file refund claims within the period fixed by law.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 8, 1936.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. RAMSPECK. Mr. Speaker, I move that the bill and the message be referred to the Committee on Claims and ordered printed.

The motion was agreed to.

VETO MESSAGE OF THE PRESIDENT OF THE UNITED STATES—JOINT MEMORIAL DAY SERVICES AT ARLINGTON NATIONAL CEMETERY AND OTHER CEMETERIES (H. DOC. NO. 492)

The Chair laid before the House the following further message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 10388, a bill entitled "An act to aid the veteran organizations of the District of Columbia in their joint Memorial Day services at Arlington National Cemetery and other cemeteries on and preceding May 30."

This bill provides—

That the sum of $2,500 be, and the same is hereby, authorized to be appropriated for the current and succeeding years to aid the Veterans' Memorial Day Corporation in its Memorial Day services and the decoration of the graves of all soldiers, sailors, and marines with flags and flowers in the cemeteries in the District of Columbia and in the Arlington National Cemetery in Virginia.

SEC. 2. That said fund shall be paid to the treasurer, or his successor or successors in office, of the Veterans Memorial Day Corporation, organized under the laws of the District of Columbia on or about November 17, 1928, and shall be disbursed by him or them for said memorial services, flowers, and flags: *Provided*, That no part of said fund be expended for salaries or compensation for services rendered by any member or officer of said corporation.

I do not feel justified in giving my approval to this bill for the following reasons:

It specifically authorizes appropriations in aid of the "Veterans Memorial Day Corporation" and provides that "said fund shall be paid to the treasurer, or his successor or successors in office, of the Veterans Memorial Day Corporation, organized under the laws of the District of Columbia on or about November 17, 1928." I am informed that no corporation of this name exists in the District of Columbia, and even if this bill were approved and an appropriation made in furtherance thereof, the Treasury Department would be unable to pay over any moneys because of this fact.

The Federal Government furnishes and maintains burial grounds for its veterans, furnishes each grave with a properly inscribed headstone, and, on Memorial Day, places an American flag at the foot of each grave. While sentiment properly favors the placing of flowers on the graves of those who have defended their country, it seems clear that if the Federal Government were to undertake this in the District of Columbia it would obviously be extended in future years, and at large cost, to the graves of all American veterans in the eighty-odd other national cemeteries in the United States, in Mexico, in France, in Belgium, and in England.

I am confident that a more personal and living commemoration would be maintained if in the future, as in the past, the many organizations of veterans of our former wars, in cooperation with other citizens, continue their responsibility for placing flowers on the graves of our veterans.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 8, 1936.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. MAVERICK. Mr. Speaker, I move that the message and the bill be referred to the Committee on Military Affairs and ordered printed.

The motion was agreed to.

GREAT LAKES EXPOSITION—1936

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. J. Res. 547) providing for the importation of articles free from tariff or customs duty for the purpose of exhibition at Great Lakes Exposition to be held at Cleveland, Ohio, beginning in June 1936, and for other purposes.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the House joint resolution, as follows:

House Joint Resolution 547

Resolved, etc., That all articles which shall be imported from foreign countries for the purpose of exhibition at the international exposition to be held at Cleveland, Ohio, beginning in June 1936, by Great Lakes Exposition, or for use in constructing, installing, or maintaining foreign buildings, or exhibits at the said exhibition, upon which articles there shall be a tariff or customs duty shall be admitted without payment of such tariff, customs duty, fees, or charges under such regulations as the Secretary of the Treasury shall prescribe; but it shall be lawful at any time during or within 3 months after the close of the said exposition to sell within the area of the exposition any articles provided for herein, subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe: *Provided*, That all such articles, when withdrawn for consumption or use in the United States, shall be subject to the duties, if any, imposed upon such articles by the revenue laws in force at the date of their withdrawal; and on such articles which shall have suffered diminution or deterioration from incidental handling or exposure the duties, if payable, shall be assessed according to the appraised value at the time of withdrawal from entry hereunder for consumption or entry under the general tariff law: *Provided further*, That imported articles provided for herein shall not be subject to any marking requirements of the general laws, except when such articles are withdrawn for consumption or use in the United States, in which case they shall not be released from customs custody until properly marked, but

no additional duty shall be assessed because such articles were not sufficiently marked when imported into the United States: *Provided further*, That at any time during or within 3 months after the close of the exposition any article entered hereunder may be abandoned to the Government or destroyed under customs supervision, whereupon any duties on such article shall be remitted: *Provided further*, That articles which have been admitted without payment of duty for exhibition under any tariff law and which have remained in continuous customs custody or under a customs exhibition bond and imported articles in bonded warehouses under the general tariff law may be accorded the privilege of transfer to and entry for exhibition at the said exposition under such regulations as the Secretary of the Treasury shall prescribe: *And provided further*, That Great Lakes Exposition shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under the provisions of this act, and that the actual and necessary customs charges for labor, services, and other expenses in connection with the entry, examination, appraisement, release, or custody, together with the necessary charges for salaries of customs officers and employees in connection with the supervision, custody of, and accounting for articles imported under the provisions of this act, shall be reimbursed by Great Lakes Exposition to the Government of the United States under regulations to be prescribed by the Secretary of the Treasury, and that receipts from such reimbursements shall be deposited as refunds to the appropriation from which paid, in the manner provided for in section 524, Tariff Act of 1930.

With the following committee amendment:

On page 2, line 19, after the word "general", insert the word "tariff."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROTECTION IN REVERSE

Mr. CHRISTIANSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio speech which I delivered this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. CHRISTIANSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech which I delivered over the radio this afternoon:

This afternoon I shall discuss the tariff policy of the present administration and its effect on agriculture. I begin by quoting Mr. Roosevelt. In a speech at Baltimore in October 1932, when he was a candidate, he said: "It is absurd to talk of lowering duties on farm products. * * * I know of no effective excessively high tariff duties on farm products. I do not intend that such duties shall be lowered. To do so would be inconsistent with my entire farm program, and every farmer knows it and will not be deceived."

Certainly no one could make a more definite promise. It was unequivocal; it left no loopholes.

The farmers of the country took the candidate at his word and helped pile up the big vote by which he was elected President of the United States.

Looking back upon 3 years of Mr. Roosevelt's administration, what do we see? What is the record of performance? The tariff structure has been gutted, and there is hardly an agricultural schedule left that has not been seriously impaired.

From the standpoint of the farmer, the most destructive of all the reciprocal-tariff agreements was the one with Canada, which went into effect January 1. It reduced the duty on cream from 56.6 to 35 cents a gallon, and on Cheddar cheese from 7 to 5 cents a pound; on dairy cattle weighing more than 700 pounds, from 3 to 1½ cents a pound, and on beef cattle of the same weight, from 3 to 2 cents a pound. The tariff on calves weighing less than 175 pounds, on hay, and on apples, was lowered 40 percent. These are only a few of the reductions. Poultry, seed potatoes, and maple sugar; alfalfa, sweetclover, and timothy seed—the importation of all these was facilitated by the trade pact with Canada.

And let it not be overlooked that the concessions Canada received under this agreement are not limited to Canada alone. Every country that has a treaty with the United States calling for most-favored-nation treatment—which means every country in the world except Germany—can demand the same terms. Every time we make a trade agreement with one country, every time we pull out one brick, we bring down a whole section of the tariff wall.

It is significant that in the month of January—the first month the trade agreement with Canada was in force—the imports of Canadian cheese were 12 times as large as those of January 1935. The imports of poultry during the same period increased tenfold; of potatoes, elevenfold; of cattle, twelvefold. We imported 2½ times as much bacon and ham, 3 times as much milk powder, 6 times as much fresh beef, 17 times as much fresh pork, and 22 times as much wool, from Canada in January 1936, as we did in January 1935. The number of Canadian horses brought into this country increased from 15,315 to 98,500.

A few comparisons between all agricultural imports for the first quarter of this year and those for the first quarter of last year will prove interesting. Our total imports of canned meats doubled. Our imports of pickled pork increased three and one-half fold; of hams, shoulders, and bacon, eightfold; of fresh pork, fivefold; of poultry, fivefold; of milk, three and one-half fold; of condensed milk, fourfold; of dried and malted milk, sixteenfold, and of hogs, one hundredfold.

These things didn't just happen. They were the result of the policies of a President who promised not to lower agricultural tariffs, and kept his promise by opening our markets to all the world.

They were the result of writing tariff schedules in star-chamber sessions presided over by a free-trade doctrinaire, the present Secretary of State, in which the people most concerned have no opportunity to be heard and in which their interests are given scant consideration, instead of in the Congress of the United States, where issues are debated openly and publicly, by representatives of the people who must go back to the people at regular intervals for approval of their records.

The present administration has fastened upon the country a procedure that is undemocratic, unconstitutional, un-American, and unsound; and by that procedure it has deprived the American farmer of what is his due—a fair chance to supply the American market with American products grown on American land.

What the farmer should know is that his interests are being bartered away in order to secure concessions for industry. The manufacturers of automobiles, trucks, tractors, and farm machinery have fully exploited the home market and are looking for increased outlets abroad. They have motorized and mechanized America—now they must motorize and mechanize the world. The policies of the present administration are a concession to industrial greed. Those policies sanction and support the folly of sacrificing the buying power of farmers at home in order to provide buying power for farmers in Canada and Argentina—a purpose as stupid and short-sighted as that of the dog in Æsop's fable, who lost the bone he held in his mouth in trying to get the bone of another dog he saw reflected in the water.

The industrialist, if he were wise, would see that his interests would be best promoted in the long run by foregoing export outlets gained at the expense of the American farmer. If the industrialist can't see it, if he can't control his rapacity, the Government, which represents all the people, should see it; and should chart its course in such a way as to achieve a balance of agriculture and industry—a prosperous farm population capable of absorbing the production of busy factories, and thriving industry furnishing employment to millions of men and women, who in turn would be able to supply a profitable market for the products of the farm.

In order to achieve that balance, agriculture must be given the first call on the foreign market, the first chance to supply the wherewithal to balance the trade account with those foreign countries from which we buy what we do not ourselves produce.

The chief purpose of foreign trade is to accomplish an interchange of raw materials; the accomplishment of that purpose should be the first objective in our economic planning. Give the farmer opportunity to supply the home market and to pay for such noncompetitive agricultural raw materials as we must import, such as rubber, silk, sisal, tea, coffee, and cacao, and we shall be done with subsidies, acreage reduction, and the other dubious devices to which we have of late resorted—temporary expedients improvised to "relieve" 30,000,000 farm folk who would neither need nor ask relief if we only gave them justice.

The present administration promised the farmer protection. It has given him protection—in reverse. Its tariff policy has been designed to give away his home market to competitors who had already crowded him out of his foreign market.

To ask the American farmer to reduce his own acreage and then invite farmers abroad to increase theirs in order to make up the difference, and finally to open wide our own doors for the reception of the foreigners' increased production—that doesn't make sense. It may be a New Deal, but it is not a square deal.

I hope I shall not seem too partisan if I close by saying that what the American people most need, and should most desire just now, is a square deal—a square deal from a new deck!

FOLDING SPEECHES AND PAMPHLETS FOR THE SENATE

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. J. Res. 260) to provide an additional appropriation for folding speeches and pamphlets for the Senate for the fiscal year 1936.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

Senate Joint Resolution 260

Resolved, etc., That for folding speeches and pamphlets, for the Senate, at a rate not exceeding $1 per thousand, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $4,000 for the fiscal year 1936.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE SISSON BILL

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a radio address delivered by the gentleman from California [Mr. SCOTT].

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAVERICK. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address of Congressman BYRON N. SCOTT, of California, broadcast from Washington, D. C., over a Nation-wide hook-up of the National Broadcasting Co., Friday May 8, 1936:

Last year when the House and Senate approved the conference report in the District of Columbia appropriation bill, they approved at the same time a piece of legislation that has been the cause of considerable discussion ever since. Many of us did not know we were approving in this conference report a proviso that hereafter no part of the money appropriated for schools in the District could be used to pay the salaries of teachers teaching or advocating communism.

I hold no one but myself to blame for allowing this measure to go through unopposed or unpublicized. I, of course, did not know the proviso was in the bill. I should have known it. But that is water over the wheel. It is a law. Now I want to help undo the mistake I made last year and help to repeal this provision.

I do not believe the provision was or is necessary. The school teachers of the United States, the school teachers in the District are not Communists. They are not trying to indoctrinate communism. Dr. Ballou is an outstanding example of the high professionalism of American educators. The members of the District Board of Education are splendid specimens of American citizenship. It almost seems silly to me to find it necessary to make this defense for them against the slanderous, stupid charge that they are indoctrinating our schools with communism. If you knew these people, you would realize immediately that the charges are fatuous and my defense redunant. This applies likewise to the entire teaching personnel of the Nation.

I do not believe the legislation is having the effect professedly desired by its authors. They are seeking to prevent the spread of communism in the District and in the Nation. Movements of this kind thrive on publicity and persecution. The so-called "red rider" has given more aid and comfort to this movement than anything that has happened in recent years.

I think the legislation endangers the civil liberties of all people, including members of the teaching profession. Without impugning the motives of the authors of the legislation, I call their attention to the fact that they have, I trust, unconsciously, played into the hands of a subversive, un-American group determined upon the throttling of freedom of expression, freedom of thought, and freedom of speech. This subversive element is seeking to terrorize the teaching profession, so that the schools may in time be forced to indoctrinate the subversive propaganda of the Facist element that is growing in our country. As aiders and abetters of this subversive practice the proponents of this legislation are guilty of being accessories both before and after the act. Those who propose this regimentation of opinion, those who insist on this terrorization of teachers, those who thus plan to scuttle the schools, are likewise the most persistent enemies of the attempts of the present administration to bring social and economic justice to those who have so long been denied those rights. It is the strategy of special privilege to brook no criticism, and by a reign of terror to force all molders of public opinion to serve their cause. The "red rider" is a strong weapon in the hands of this subversive element in its present reign of terror. Those who, by intuition, logic, or tradition, champion the cause of civil liberties should easily recognize in this academic restriction a threat to our democracy.

I think the legislation is a gratuitous insult to the teaching profession of America. This woefully underpaid, overworked, much-maligned group of loyal, patriotic men and women that has suffered so much from the malicious attacks of yellow journalism and their silly sycophants is entitled to the respect and defense of every right-minded, decent American. I think we would do much better to pay our respects to the school teachers than to pay lip service to their enemies, or to pay into the hands of this subversive element seeking the sabotage of American liberty and democracy.

I think the legislation is ambiguous. It says no teacher may receive a salary if that teacher has taught or advocated communism. Now, no good teacher advocates anything in the classroom. They are not advocates and must not be forced to become so. This legislation would put them into the business of advocation. That would be very harmful to our system of education. Since the legislation would force teachers to become advocates of the status quo, the legislation should be repealed. The scientific method of investigation for progress must be maintained.

The legislation says that teachers must not teach communism. What is communism? Some well-known daily papers have called certain high officials of our own Government, Communists. Does this mean that the speeches and writings of these individuals could not be quoted in the classrooms? Would the teachers be forced to refuse to tell students what our Government is doing?

The chief advocate of this legislation has declared war on all those officials of the Government who, according to his definition, are tainted with communism or radicalism. He has referred to a book called the Red Network as an authoritative source book on communism and Communists. He uses this book to prove certain well-known professors in certain well-known colleges and universities are Communists. He would ban their writings from the libraries. He would refuse to teachers the right to quote these books in the classroom. If he accepts the Red Network as an authority on the subject on Communists, he must accept it in toto. If he accepts as authoritative the charge that the teachers mentioned are Communists, then he must charge that the others mentioned are also Communists. He must insist that their writings and speeches be barred from the libraries. If all people mentioned in his authoritative source, the Red Network, are dangerous radicals, then under the terms of this legislation these people may not be quoted, their remarks may not be discussed by District teachers.

Let me pick some names at random. These people and their works are on the blacklist: Jane Addams, of Hull House fame. No teacher of sociology would dare quote from her voluminous and authoritative writings. Oscar Ameringer, the American Guardian who would have to be banished from the libraries; Thomas R. Amlie, Congressman from Wisconsin; William E. Borah, Senator from Idaho (newspapers carrying his speeches would have to go); ex-Senator Brookhart, Senator Costigan, of Colorado, ex-Senator Dill, of Washington, Senator Frazier, of North Dakota, Senator La Follette, of Wisconsin; Senator Norris, of Nebraska.

The inclusion of these names in the Red Network would, if we followed the letter of the law, take the CONGRESSIONAL RECORD out of the libraries, as subversive propaganda:

Sherwood Anderson; Norman Angell; Newton D. Baker; Harry Elmer Barnes; Carleton Beals; Charles A. Beard (the Rise of American Civilization would have to go); Supreme Court Justice Brandeis and his dissenting opinions; Heywood Broun and his column in the daily news; Earl Browder, of course; S. Parkes Cadman; Stuart Chase, Father James R. Cox; Clarence Darrow; John Dewey; William E. Dodd, Ambassador to Germany; John Dos Passos; Theodore Dreiser; Sherwood Eddy; Albert Einstein; Edward A. Filene; Irving Fisher; Harry Emerson Fosdick; Glenn Frank; Felix Frankfurter, professor at Harvard Law School; Zona Gale; Mahatma Gandhi; Maxim Gorki's books; Mrs. J. Borden Harriman; Fannie Hurst; Robert M. Hutchins; Harold L. Ickes, Secretary of the Interior; Edward Keating; the entire La Follette family; the mayor of New York City; Sinclair Lewis; J. Ramsay MacDonald; H. L. Mencken; Edna St. Vincent Millay; Alla Nazimova; the Governor of Minnesota; Elmer Rice; Mrs. Franklin D. Roosevelt (would her column "My Day" be barred?); Margaret Sanger; George Bernard Shaw; James T. Shotwell; Lincoln Steffens (his autobiography would be consigned to a dark closet); Leopold Stokowski; Lorado Taft; Hendrik Willem Van Loon; Oswald Garrison Villard; James P. Warbasse, president of the Cooperative League of America; William Allen White—of all people; Rabbi Stephen S. Wise; Miss Mary E. Woolley.

There are many more just as well known whom I do not have time to mention. I have named these for one reason. The chief proponent of this "red rider" claimed there was communism in the schools of the District because a man mentioned in this book was a consultant on character education. He wanted this man and his books barred. Evidently he wants the works of all those mentioned in this book, which he calls authoritative, barred. What is this? Are we, in the twentieth century, to have an index?

In a system of free education in a democracy, who should determine methods and aims of education? Should we have this decision in the hands of those who have dedicated their lives to education for citizenship, and spent years in training for this profession, or should we turn it over to some penny politician from the prairie?

Am I not right in calling this thing absurd? Are we not making ourselves ridiculous in the eyes of thinking, intelligent people?

The Honorable FRED J. SISSON, of New York, has introduced a bill providing for the repeal of the "red rider." It has been heard and reported by the District Committee. It will come up for debate and action on its merits on the next District day. We must look to the Speaker of the House when we are asked, "Will there be another District day this session?"

Every lover of liberty, every defender of the decent, every enemy of subversive action should write in a demand for another District day. The sooner the better.

EXTENSION OF REMARKS

Mr. FORD of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address given over the National Broadcasting Co.'s network on Friday, May 1, by A. P. Gianini.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, who is the man who made the speech?

Mr. FORD of California. He is the head of the Bank of America.

Mr. MARTIN of Massachusetts. I object to that, Mr. Speaker.

GOVERNMENT IN THE TERRITORIES

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a radio address I made some time ago.

The SPEAKER. Is there objection to the request of the gentleman from Alaska?

There was no objection.

Mr. DIMOND. Mr. Speaker, under leave given to extend my remarks in the RECORD, I include the following address which I delivered over the radio on March 11, 1936.

Ladies and gentlemen, the subject so ably presented by Senator GIBSON in the address which he has just made is one of outstanding importance. As he told you the plan embraces the creation of a new governmental department under a Cabinet head having supervision over all matters concerning the Territories and island possessions. Greater representation for the Territories and insular possessions is demanded not only for the welfare of the people residing therein, but more especially for the welfare of the 125,000,000 of people who reside in the several States of the Union.

It must be obvious even to those who know little, if anything, of the political status or economic development of the several Territories and insular possessions that the settlement and development and exploitation of the resources of those regions bring marked economic benefits to the people of the United States. Let me give an example as to the Territory which I represent in Congress as Delegate, the Territory of Alaska.

Alaska was acquired from Russia in 1867. Little was done with respect to the settlement or an investigation of the resources of the Territory until 1897, though for some years before that time salmon canneries had been operated in Alaska on a small scale. However, since 1867, the value of the fisheries of Alaska has exceeded a billion dollars. The Territory has produced furs of the approximate value of $125,000,000; minerals, principally gold and copper, in excess of the value of $700,000,000, including about $453,000,000 in gold. During that period the total exports of the Territory have reached the approximate value of $1,900,000,000 and its total imports during the same period have exceeded $990,000,000.

It is apparent from the figures just mentioned that although Alaska contains at the present time only about 62,000 inhabitants, it has been a source of very considerable wealth, not so much to the people of Alaska as to the people of the United States. This last conclusion is proved by the excess of exports over imports. An examination of the imports into Alaska from the United States and the exports from Alaska to the United States during the last 15 years has shown that he average yearly excess of exports over imports has reached the sum of $33,000,000. If the United States as a whole produced an exportable surplus in proportion to its population, it would have had during the same period the enormous exportable surplus of more than $66,000,000,000 each year.

And yet, administratively, Alaska is split up among the various departments of the Government in such fashion as to make impossible the best type of administration. Recently I had occasion to inquire as to the jurisdiction of the several departments over the hundreds of islands fringing the coast of Alaska, and I find that in 1913 all of the islands of the Aleutian chain, including Unimak and Sanak Islands on the east and extending to and including Attu Island on the west, were reserved and set apart for the preservation and breeding of native birds, for the propagation of reindeer and fur-bearing animals, and for the encouragement and development of fisheries, and jurisdiction was given to the Department of Agriculture, except as to the fisheries. Later, in 1928, the jurisdiction over a part of the islands of this group was transferred to the Department of the Interior. And to this day it is impossible for the average citizen to see why authority over some islands should be under one department and over others under another. As we come down to the eastern part of Alaska we find the jurisdiction over these islands and all matters concerning them, except the fisheries, to be in the Forest Service, or, as to game, in the Bureau of Biological Survey, in the Department of Agriculture. Each department is quite eager, and, indeed, insistent, upon maintaining its own jurisdiction and in preventing any other department from acquiring any part of that jurisdiction.

Obviously a concentration of authority under a Cabinet head in the Government will bring nearer the solution of the problem. It is to be remembered in this connection that the Constitution extends and applies to the Territories with full force and effect, and the unification of authority under one head such as a Cabinet minister would not and could not in any manner deprive the people of Alaska, or the people of Hawaii, of their constitutional rights.

In the past we have had the experience of one Cabinet member favoring the development of the Territories and island possessions, and the adoption of a liberal policy with respect thereto, finding his efforts largely negatived by another Cabinet member exercising some jurisdiction over affairs in the same regions.

The situation at the present time is very much improved by the recent erection in the Department of the Interior of the Division of Territories and Island Possessions, under the able leadership of Dr. Ernest Gruening, with a small staff of capable assistants. The creation of this Division has to some extent enabled a correlation of administrative agencies and has led to a unity of administrative policy not before known. The difficulty lies in the lack of authority in this new Division.

If for practical purposes all administrative jurisdiction were placed in a Cabinet head of rank equal to that of other members of the President's Cabinet, we should inevitably have a more nearly complete concentration of administrative power and a much greater degree of harmony in administrative policy with respect to the Territories and island possessions.

The proposal of Senator GIBSON to create a Cabinet post for the Territories and island possessions is wise and statesmanlike, and the sooner it is adopted the better, not only for the people residing in the Territories and possessions but for the people of the United States as a whole.

Good administration everywhere requires—and, indeed, demands—the concentration of administrative power and authority in one head, for only thus can efficient action be taken and only thus can responsibility be fixed.

Accompanying this unity of Federal administrative authority should be a delegation of greater power of home rule, as to Alaska at least. The people of Alaska should be granted full control of their fisheries and of their fur and game. Such local control would lead to a better administration than exists at present and would also give the people of the Territory valuable experience in self-government and governmental administration.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MEAD, for 2 days, to attend a funeral.

To Mr. ELLENBOGEN, for 5 days, on account of death in family.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3823. An act for the relief of the parents of Albert Thesing, Jr.;

H. R. 11035. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes;

H. R. 11098. An act to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa.;

H. R. 11994. An act to provide for the establishment of a term of the District Court of the United States for the Western District of Oklahoma at Shawnee, Okla.; and

H. R. 12098. An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 381. An act for the relief of the Confederated Bands of Ute Indians located in Utah, Colorado, and New Mexico;

S. 1075. An act for the relief of Louis H. Cordis;

S. 3645. An act for the relief of Dampskib Aktieselshap Roskva;

S. 3685. An act for the relief of George Rabcinski;

S. 4395. An act for the relief of the State of New Jersey;

S. 4447. An act for the relief of J. L. Summers.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 4 minutes p. m.) the House adjourned to meet, in accordance with its previous order, on Monday, May 11, 1936, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MILLER: Committee on the Judiciary. H. R. 12219. A bill to dispense with unnecessary renewals of oaths of office by civilian employees of the executive departments and independent establishments; without amendment (Rept. No. 2597). Referred to the House Calendar.

Mr. BLAND: Committee on Merchant Marine and Fisheries. S. 3467. An act amending the Shipping Act, 1916, as amended; with amendment (Rept. No. 2598). Referred

to the Committee of the Whole House on the state of the Union.

Mr. DALY: Committee on Claims. H. R. 10846. A bill to confer jurisdiction on the Court of Claims to hear, determine, and enter judgment upon the claims of contractors for excess costs incurred while constructing navigation dams and locks on the Mississippi River and its tributaries; with amendment (Rept. No. 2599). Referred to the Committee of the Whole House on the state of the Union.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3818. An act authorizing the Secretary of the Treasury to consider, ascertain, adjust, and determine certain claims for damages resulting from the operation of vessels of the Coast Guard and Public Health Service; with amendment (Rept. No. 2600). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. S. 4023. An act to provide for the continuation of trading in unlisted securities upon national securities exchanges, for the registration of over-the-counter brokers and dealers, for the filing of current information and periodic reports by issuers, and for other purposes; with amendment (Rept. No. 2601). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. S. 3452. An act to amend an act entitled "An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes"; without amendment (Rept. No. 2603). Referred to the Committee of the Whole House on the state of the Union.

Mr. GEHRMANN: Committee on Indian Affairs. S. 4298. An act to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933; without amendment (Rept. No. 2604). Referred to the Committee of the Whole House on the state of the Union.

Mr. GEARHART: Committee on Interstate and Foreign Commerce. House Joint Resolution 444. Joint resolution to amend the joint resolution entitled "Joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally", approved August 27, 1935; with amendment (Rept. No. 2605). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. GEHRMANN: Committee on Indian Affairs. H. R. 12622. A bill for the relief of Dr. Harold W. Foght; without amendment (Rept. No. 2602). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RAYBURN: A bill (H. R. 12646) to amend section 318 of the Communications Act of 1934; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 12647) to amend sections 210 and 602 (b) of the Communications Act of 1934 with respect to the issuing of franks and rendering of free service, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DOXEY: A bill (H. R. 12648) to establish and promote the use of standard methods of grading cottonseed, to provide for the collection and dissemination of information on prices and grades of cottonseed and cottonseed products, and for other purposes; to the Committee on Agriculture.

By Mr. FERNANDEZ: A bill (H. R. 12649) to authorize Production Credit Associations to make loans to fur trappers; to the Committee on Agriculture.

By Mr. DOCKWEILER: A bill (H. R. 12650) to amend title II of the National Housing Act by adding a new section, to be known as section 208; to the Committee on Banking and Currency.

By Mr. HAINES: A bill (H. R. 12651) to classify clerks in certain post offices of the third class; to the Committee on the Civil Service.

By Mr. CARTER: A bill (H. R. 12652) to provide for the registration of aliens, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. LEA of California: A bill (H. R. 12653) for the creation of a Fuel Research Unit, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CONNERY: Resolution (H. Res. 505) providing for the consideration of H. R. 12285, a bill to rehabilitate and stabilize labor conditions in the textile industry of the United States; to prevent unemployment and to provide minimum wages, maximum hours, and other conditions of unemployment in said industry; to safeguard and promote the general welfare; and for other purposes; to the Committee on Rules.

By Mr. DOBBINS: Resolution (H. Res. 506) proposing to amend clause 14, rule X, and clause 14, rule XI; to the Committee on Rules.

By Mr. SHORT: Resolution (H. Res. 507) calling on the Postmaster General for facts concerning allegation that postal inspectors did not cooperate with agents of the Department of Justice in the capture of certain alleged mail robbers; to the Committee on the Post Office and Post Roads.

Also, resolution (H. Res. 508) calling on the Attorney General for facts concerning allegation that postal inspectors did not cooperate with agents of the Department of Justice in the capture of certain alleged mail robbers; to the Committee on the Post Office and Post Roads.

By Mr. LAMBETH: Joint resolution (H. J. Res. 583) authorizing the Veterans' Administration to prepare and publish a compilation of all Federal laws relating to veterans of wars of the United States; to the Committee on Printing.

By Mr. BURDICK: Joint resolution (H. J. Res. 584) to prohibit the sale of bonds and obligations of the kingdom of Italy within any territory of the United States; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KNIFFIN: A bill (H. R. 12654) for the relief of the Northwestern Ohio Mutual Rodded Fire Insurance Co.; to the Committee on Claims.

By Mr. MILLARD: A bill (H. R. 12655) for the relief of Marjorie L. Baxter; to the Committee on Claims.

By Mr. REED of Illinois: A bill (H. R. 12656) for the relief of Roy E. Vix; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10855. By Mr. ANDREW of Massachusetts: Petition of 286 custodial employees of the Post Office and Treasury Departments of Boston, Mass., urging the passage of House bill 7267, to reclassify salaries of certain employees in the Customs Service and Post Office and Treasury Departments; to the Committee on the Civil Service.

10856. By Mr. CULKIN: Petition of Townsend Club, No. 1, of Carthage, N. Y., signed by 80 members, favoring the Townsend old-age-pension plan; to the Committee on Ways and Means.

10857. By Mr. KRAMER: Resolution of Local No. 1594, National Federation of Post Office Clerks of Huntington Park, Calif., relative to opposing all forms of discrimination against active union men in the Postal Service, etc.; to the Committee on the Post Office and Post Roads.

10858. By Mr. MERRITT of New York: Resolution of American League Against War and Fascism, Jamaica Branch, comprising 56 citizens and residents of the Borough of Queens, city and State of New York, in meeting assembled, urging the defeat of the McCormack-Tydings disaffection bill (S. 2253) as being an un-American and unnecessary measure, which is a wanton assault on the freedom of the press and of speech and on our traditional rights of immunity against unreasonable search and seizure; to the Committee on Military Affairs.

10859. Also, resolution of the Board of Supervisors of the County of Westchester, N. Y., urging the President of the United States to set aside the sum of $80,000,000 from the $4,880,000,000 or other moneys to be appropriated by Congress for public works for the rehabilitation and construction of National Guard armories throughout the United States; to the Committee on Appropriations.

10860. Also, resolution adopted by the Queens County Council, Veterans of Foreign Wars, in meeting assembled on March 16, 1936, providing that the Congress of the United States pass immediately legislation requiring the registration of aliens in this country, and the fixing by Congress of a small fee for each registration to cover the cost of the work required, and further making it a Federal offense, punishable by immediate expulsion and the forfeiture of all properties, for the alien to fail to appear for registration; to the Committee on Immigration and Naturalization.

10861. By Mr. SUTPHIN: Petition of Amalgamated Clothing Workers of America, Local 192, of 53 New Street, New Brunswick, N. J., urging that the Works Progress Administration be expanded so as to put to work a greater number of unemployed; to the Committee on Appropriations.

10862. By the SPEAKER: Petition of the American Cotton Manufacturers' Association; to the Committee on Ways and Means.